

# Long Range Property Management Plan

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Prepared by the West Sacramento Redevelopment Successor Agency

Approved by the Oversight Board on October 23, 2013

# Long Range Property Management Plan

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*Contributing Staff:*

*Community Development Department, Housing and Community Investment Division*

*Public Works Department*



# Long Range Property Management Plan

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# Long Range Property Management Plan

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# Long Range Property Management Plan: Section 1

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## Executive Summary

Under AB1x 26 (Section 34177 of the Health and Safety Code), successor agencies are required to “dispose of assets and properties of the former redevelopment agency” and to do so “expeditiously and in a manner aimed at maximizing value.”

On June 27, 2012 the Governor approved AB 1484. With the passage of this legislation, the Oversight Board was temporarily relieved of its obligation to dispose of the former Agency’s assets pursuant to section 34177, but is still allowed to approve governmental use transfers.

The Oversight Board may resume disposition of non-public former Agency assets after the Department of Finance (DOF) has approved a long-range property management plan (“LRPMP” or “Plan”). On May 16, 2013, the Successor Agency received its finding of completion from the DOF, which triggered a six-month timeframe to submit the LRPMP for approval. In response, the Successor Agency has prepared a LRPMP that meets or exceeds all AB 1484 requirements.

The LRPMP includes an inventory of the 14 properties owned by the West Sacramento Redevelopment Successor Agency, along with recommendations for their disposition by the Oversight Board. The Plan’s recommendations are as follows:

| Key | APN         | Site Address         | Acres | Recommendation  |
|-----|-------------|----------------------|-------|---|
| 1   | 008-441-007 | 2400 West Capitol Av | 0.65  | Retain a portion for regulator station and sell remainder and distribute proceeds to the taxing entities  |
| 2   | 008-450-016 | 2600 West Capitol Av | 0.48  | Sell and distribute proceeds to the taxing entities   |
| 3   | 010-371-005 | 305 3rd St           | 0.15  | Government use easement for Washington monument and retain for future development associated with the Washington Firehouse through sale of the property   |
| 4   | 010-371-006 | 221-225 C St         | 0.29  |   |
| 5   | 010-523-037 | 485 Lighthouse Dr    | 0.37  | Sell and distribute proceeds to the taxing entities   |
| 6   | 067-330-002 | 811 West Capitol Av  | 0.10  | Retain for future development associated with the Grand Gateway Master Plan through sale of the property  |
| 7   | 067-330-017 | 706 Tower Ct         | 3.52  |   |
| 8   | 046-010-011 | 2350 South River Rd  | 82.7  | Retain for future development associated with the Southport Framework Plan through sale of the property <sup>1</sup>  |
| 9   | 067-180-001 | 2050 South River Rd  | 5.8   | Government use transfer for Lock facility (per OB Resolution 13-12) <sup>2</sup> and retain for future development associated with the Southport Framework Plan through sale of the property <sup>1</sup> |

# Long Range Property Management Plan: Section 1

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|    |             |                           |       |   |
|----|-------------|---------------------------|-------|---|
| 10 | 067-180-002 | 2250 South River Rd       | 23.91 | Retain for future development associated with the Southport Framework Plan through sale of the property <sup>1</sup>  |
| 11 | 067-180-003 | 2100 South River Rd       | 40.66 | Government use transfer for Lock facility (per OB Resolution 13-12) <sup>2</sup> and retain for future development associated with the Southport Framework Plan through sale of the property <sup>1</sup> |
| 12 | 067-180-004 | 2051 South River Rd       | 17.2  |   |
| 13 | 067-180-024 | 2821 Lake Washington Blvd | 4.18  | Retain for future development associated with the Southport Framework Plan through sale of the property <sup>1</sup>  |
| 14 | 067-180-054 | 2100 Jefferson Blvd       | 34.5  |   |

In addition to the LRPMP components required by AB 1484, the Plan also incorporates a recap of all public transfers and housing transfers that have been made to date, a history of the Redevelopment Agency and City advanced planning documents and a variety of other source material that were essential for establishing the disposition recommendations. The result is a Plan that is designed both to meet the statutory requirements for LRPMPs pursuant to AB 1484, and to serve as a practical blueprint for the Plan's implementation.

<sup>1</sup> The original recommendations were to sell the developable portion of the properties to Cordish Company per the Option Agreement, but DOF determined that the option and assignment agreements are not enforceable obligations. DOF has returned OB Resolution 13-7 for reconsideration. If the DOF decision is overturned, our intent is to proceed with the disposition per the agreements ratified under OB Resolution 13-7. A copy of OB Resolution 13-7 and DOF response letter is located in Section 7 of the Plan.

<sup>2</sup> On October 1, 2013, the Successor Agency was notified that DOF intends to review OB Resolution 13-12. If DOF overrules the Oversight Board findings related to this public use transfer and returns OB Resolution 13-12 for reconsideration, our intent would be for the City to retain the entire parcel (s) for future development associated with the Southport Framework Plan.



# Long Range Property Management Plan: Section 2

## How the Plan is Structured

The disposition strategy recommendations and the accompanying inventory are grouped by their geographical areas. Each geographical area is summarized in section 3 using the existing planning documents and their role in the current 5-year implementation plan. Map 1 shows the location of all the assets included in the inventory and their grouping. A complete list of the recommended actions indexed by parcel number and address are located in section 4. The inventory questionnaires are based on the requirements as described in AB 1484. Section 5 illustrates how the inventory sheets for each parcel (see section 6, grouped by geographic area) address specific sections of the Health and Safety Code. Section 7 contains relevant source material used in the preparation of the Section 6. The combination of sections 3-6 along with the various disposition actions described in section 8 and the appendices included in section 9 of the LRPMP not only meet the requirements of AB 1484 but also provides a blueprint for the implementation of the LRPMP.

Map 1: Geographical Areas in the Inventory



## Long Range Property Management Plan: Section 2

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# Long Range Property Management Plan: Section 3

## Summary of Land Use Planning Documents and their Role in the Current 5-year Implementation Plan

On March 6, 1986 the Yolo County Redevelopment Agency adopted a Redevelopment Plan for Redevelopment Project No. 1 within an area known at the time as East Yolo (see Appendix A). The following year, when the City of West Sacramento incorporated, the City inherited the Redevelopment Plan. Since then, the West Sacramento Redevelopment Agency (“Agency”) has adopted four amendments to Redevelopment Plan.

The Agency’s purpose was to eliminate and prevent the spread of blight and deterioration in the Project Area depicted in Figure 1. Characteristics of a blighted area included improperly utilized property, a weak economic base, stagnant economic growth, and environmental contamination or other environmental deficiencies, such as lack of proper infrastructure. The authors of the original Redevelopment Plan recognized that due to its long-term nature, the Redevelopment Plan could not prescribe a precise course or establish specific projects for the redevelopment, rehabilitation and revitalization of any area within the Project Area, but instead could provide a framework through which the Redevelopment Plan’s goals could be effectuated in the Project Area.

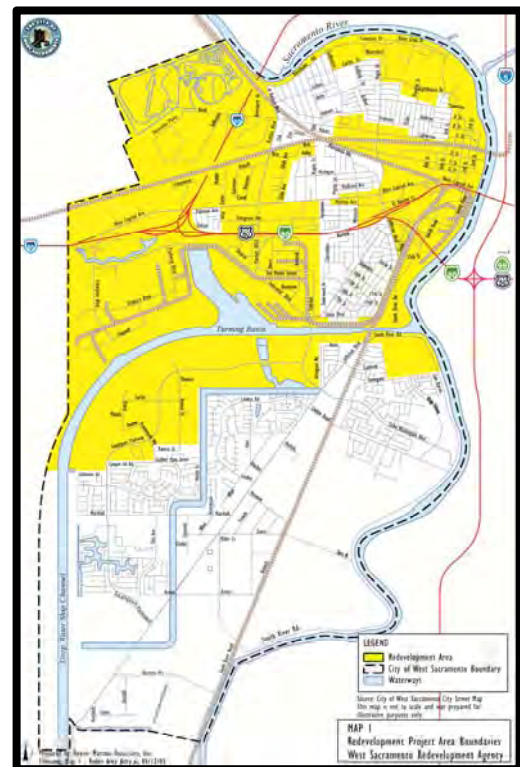
Pursuant to Article 16.5 of the Community Redevelopment Law, the Agency has adopted several five-year implementation plans that do prescribe a course of action and include specific projects within the Project Area. On April 6, 2011, the former Redevelopment Agency adopted its most current implementation plan (see Appendix B). The current implementation plan identifies several master and specific planning documents that guide future development within the Project Area. The boundaries of these various planning areas do not encompass the entire Project Area; however, the current implementation plan does describe the Agency’s goals, objectives, projects, programs, and blight elimination measures by these geographic areas when possible. The LRPMP is structured in a similar fashion.

### **Geographic Areas in the LRPMP**

*WEST CAPITOL AVENUE ACTION PLAN (APPENDIX C) AND CENTRAL BUSINESS DISTRICT DESIGN GUIDELINES AREA (APPENDIX D)*

When the City incorporated, West Capitol Avenue was a source of physical and economic problems in West Sacramento. In 1990, the Agency began to take actions to reverse the trend of decline and upgrade the entire corridor. Using the power of eminent domain, granted in the

Figure 1: Project Area





## Long Range Property Management Plan: Section 3

1986 Redevelopment Plan, in 1991 the Redevelopment Agency started acquiring several properties that were contributing to the blighting conditions along the corridor (see Figure 2).

Figure 2: Harbor Adult Bookstore

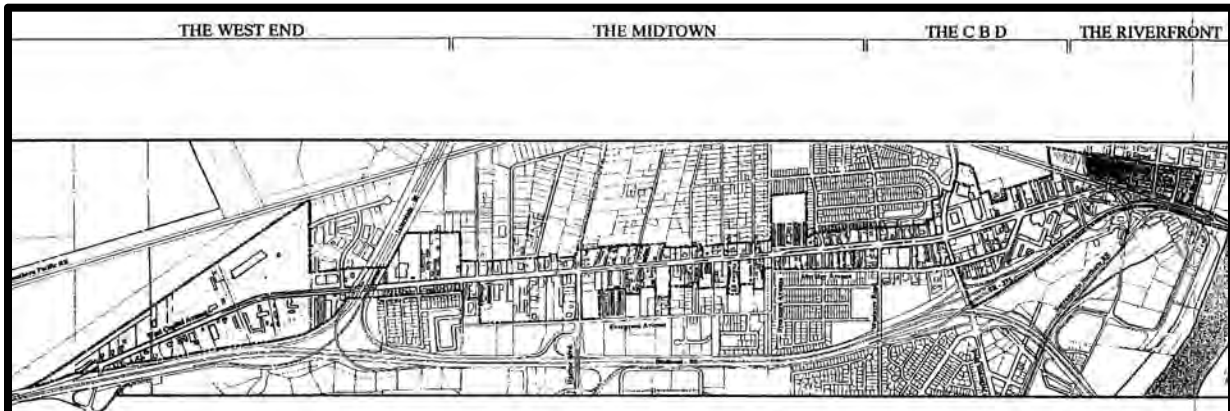


The West Capitol Avenue Action Plan (“Action Plan”) process, initiated at the same time, studied the problems of West Capitol Avenue and strived to create a plan for its revitalization. The primary goal of the Action Plan was to enhance the role of West Capitol Avenue as a principal commercial mixed use corridor in the City. The Action Plan was approved by Council in 1992.

In 2007, the Council approved the West Capitol Avenue Streetscape Master Plan and Design Guidelines and an accompanying implementation plan. The streetscape improvements were aimed at creating an appropriate setting to achieve the vision and attract the desired uses described in the Action Plan. Prior to dissolution of the Agency, Phase 1 of the streetscape improvements were constructed utilizing, in addition to grant funds, a \$4.5 million contribution from the Agency.

The most recent implementation plan mentions many of the same struggles that the existed along the West Capitol Avenue corridor 20 years ago. Many accomplishments have been made in the Midtown and CBD sections of West Capitol Avenue, but the Agency acknowledges that its difficulty in effectuating a complete change is due to a lack of market interest from private developers to develop the vacant parcels or redevelop the undesirable uses along the corridor (see Figure 3). In response, the Agency’s current implementation plan focuses solely on the industrial end of West Capitol Avenue and proposes a \$1 million expenditure to focus its planning efforts on land assembly and brownfield remediation in the West End.

Figure 3: West Capitol Avenue Action Plan Boundary and Sub Areas





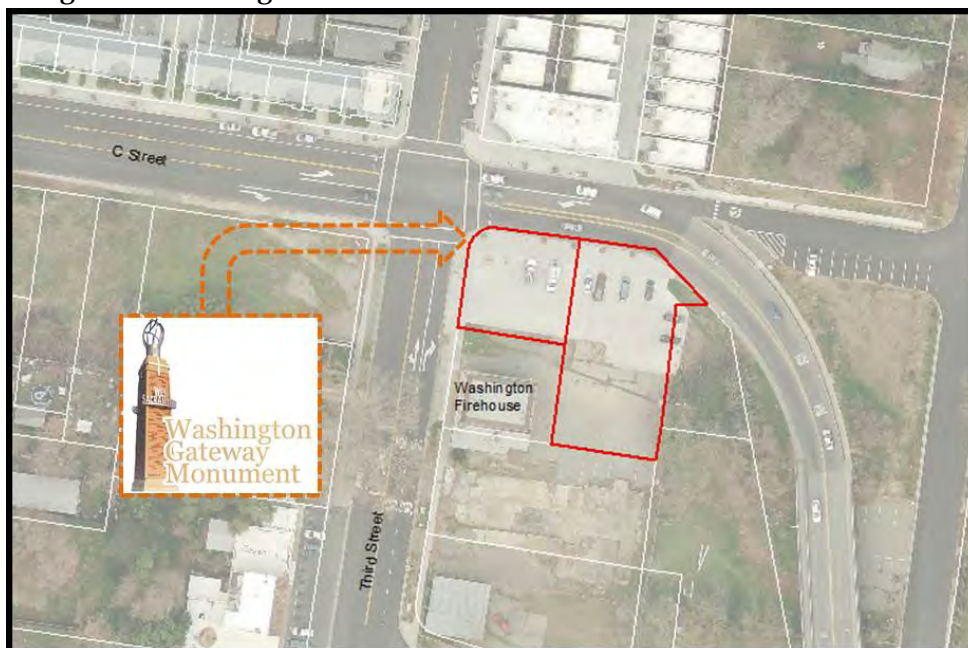
## Long Range Property Management Plan: Section 3

### *WASHINGTON SPECIFIC PLAN AREA (APPENDIX E)*

The goals and objectives of the Washington Specific Plan, adopted in 1996, are primarily focused on the redevelopment and revitalization of this historic neighborhood and encouraging the development of large- to medium- scale mixed-use projects on the vacant or underutilized parcels along the Sacramento River, north of Tower Bridge Gateway. In addressing the underutilized property, the goals and policies of the document also recognize that many of the existing homes and buildings in this area are among the oldest in the City. This unusual stock of historic structures is specifically acknowledged in the recreational and cultural resources section of the planning document's goals and policies chapter. The policy objective articulated in this chapter describes the means the City will undertake to preserve and enhance the historical heritage of the neighborhood.

The current implementation plan identifies that Washington Firehouse structure for adaptive reuse. The building, owned by the City of West Sacramento, was constructed in 1939. Following the initial public use by the City, the structure has been vacant since the mid-1990s. In 2009, the City constructed the Washington Gateway Monument on northeast corner of the two parcels adjacent to the building are owned by the Successor Agency (see Figure 4). The monument was designed to reflect the historic nature of the Washington Neighborhood and the entire West Sacramento community. This enhancement makes the last improvement on the site, as no expenditures for renovation or consolidation of the site were identified in the current implementation plan.

Figure 4: Washington Firehouse Parcels



# Long Range Property Management Plan: Section 3

## GRAND GATEWAY MASTER PLANNING AREA (APPENDIX F)

The Grand Gateway Master Planning Area consists of ten acres of publicly owned land covered by multiple planning documents (see Figure 5). The objective of the master planning effort was to develop a comprehensive planning document which harmonizes the existing zoning with various vision expressions for the area described in the Washington Specific Plan, the Bridge District Specific Plan and the West Capitol Avenue Action Plan and the Central Business District Design Guidelines. The master planning document was funded by a 2011 Local Government Commission grant award for the purposes of creating a transit oriented development strategy that capitalizes on the urban infill potential of the site and takes a fresh approach to addressing pedestrian and vehicular circulation within and around the site. The master planning document was adopted by the City Council on June 6, 2013.

Figure 5: Grand Gateway Project Area and Existing Planning Documents



During the two-year timeframe from award to adoption, the ownership of apportion of the site changed. Previously the Successor Agency owned the Delta Lane site; however, because it was identified and transferred as housing assets, the City is now the current owner. The City also owns the Experience site to the north and the surrounding excess right-of-way (see Figure 6). Currently, Successor Agency owns the Tower Court parcels, the central portion of the master planning area.



Figure 6: Grand Gateway Ownership



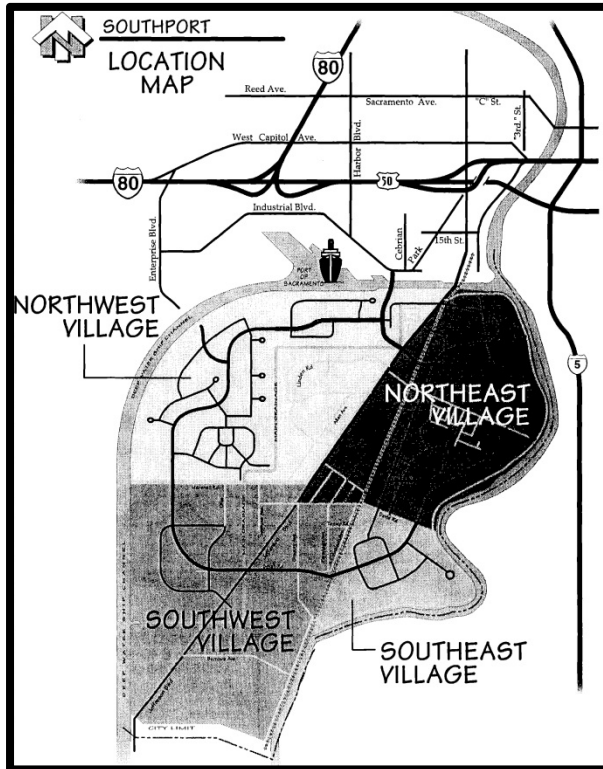
Although the Grand Gateway Master Plan did not exist during the preparation of the current implementation plan, the Agency was pursuing redevelopment objectives on the Tower Court site. The Tower Court parcel is referenced in Table 1 “Relationship of Projects and Programs to Blight Elimination” of the current implementation plan. In relation to Tower Court, the current implementation plan encourages the remediation hazardous contaminations on the site and a master planning effort on this and the surrounding City owned-property as part of the Agency’s efforts to strengthen the economic base of the project area and community by stimulating new residential and commercial development and employment and economic growth.

### *SOUTHPORT FRAMEWORK PLAN (APPENDIX G) / STONE LOCK AREA*

The Southport Framework Plan, adopted in 1995, identifies the planned land use designations for the area south of the Deep Water Ship Channel. It refines the City’s General Plan and established a foundation for a four village-oriented mixed development for the southern half of the City (see Figure 7). A majority of Southport is not within the project area as it was primarily agricultural at the time the Redevelopment Plan was adopted.

# Long Range Property Management Plan: Section 3

Figure 7: Southport Framework Villages

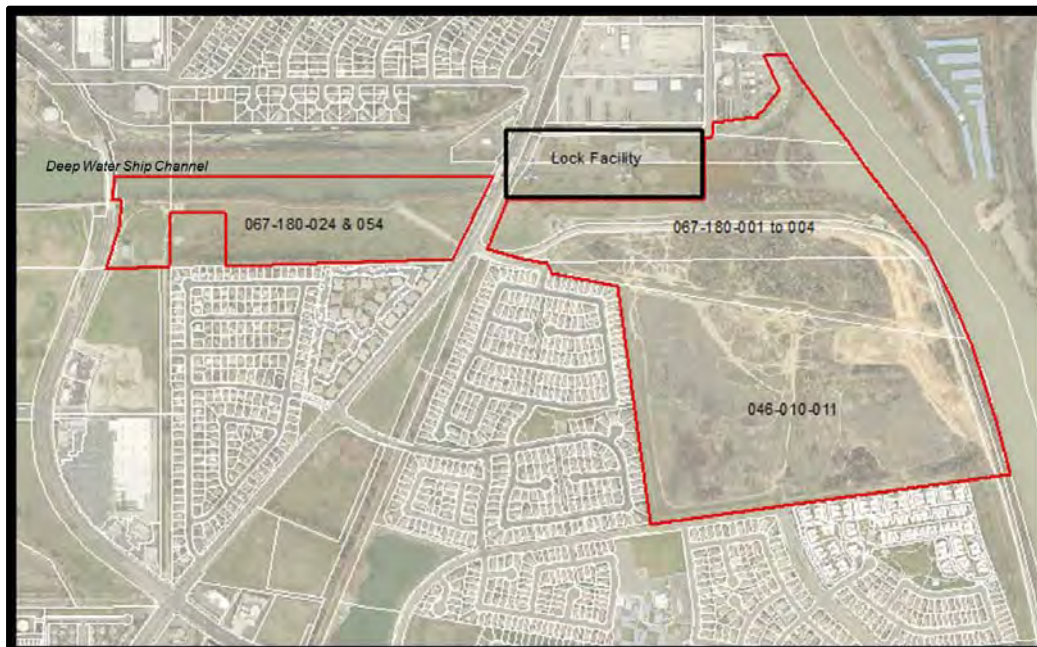


The current implementation plan does cover the project area portion of the Southport Framework Plan and while it discuss the industrial and business park development in the Northwest Village, it primary focus is on the adaptive reuse and redevelopment surrounding the William G. Stone Lock facility (“the Stone Lock Property”) in the Northeast Village (see Figure 8) currently owned by the Successor Agency and under option by the Cordish Company, Inc.

The Northwest Village is unique form the other villages in its proposed land use pattern. Along the water, the land is zoned for Riverfront Mixed-Use, which requires a residential density in excess of 25 dwelling units to the acres. This is the only place in Southport were this land use designation is used (see Figure 9). Additionally, the Northwest Village is the only place in

Southport were developable land is zoned as Open Space. Several neighborhood parks are zoned for along the riverfront and a large community park is planned on for in the Northwest Village.

Figure 8: Stone Lock Property





# Long Range Property Management Plan: Section 3

Figure 9: Northwest Village Land Uses

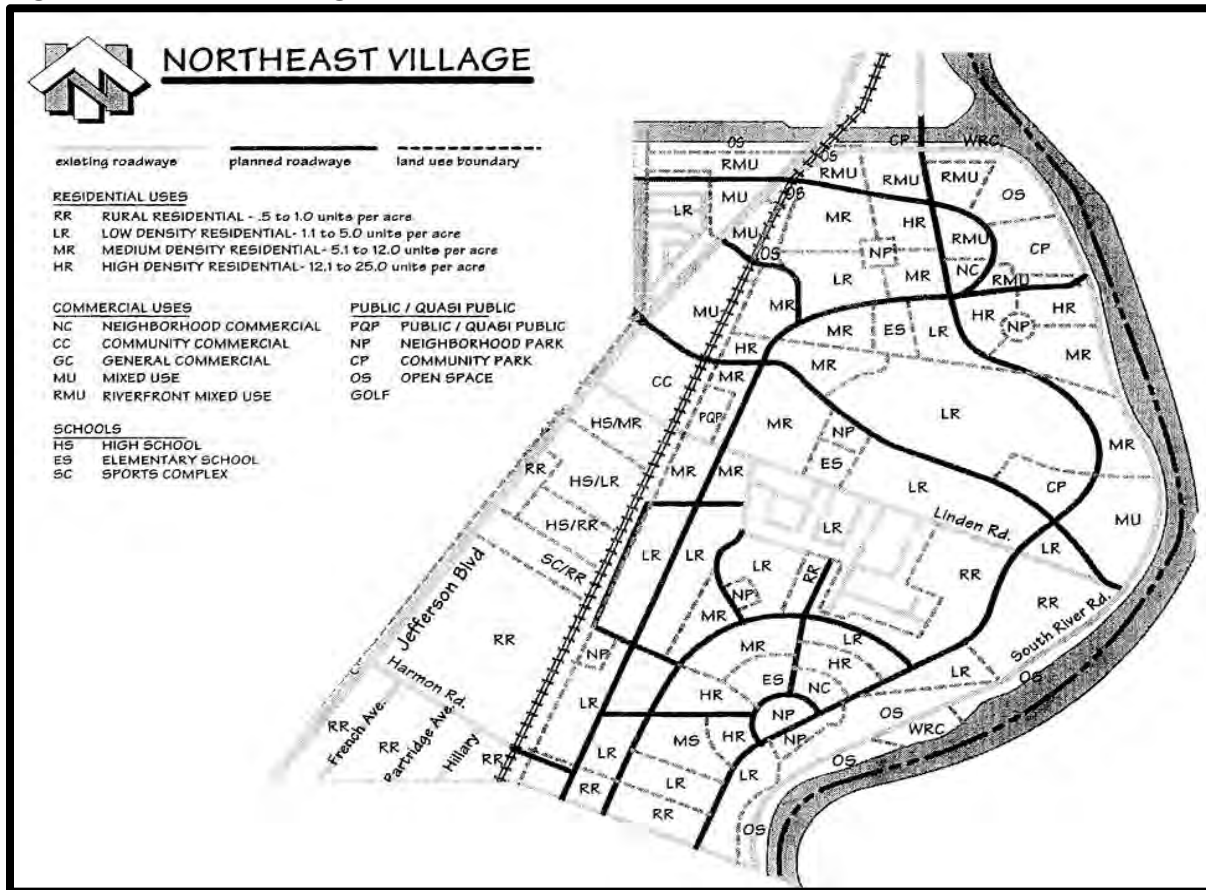


Figure 10: Central Park

In 2003, the City's Park's Department prepared a Parks Master Plan, provided in Appendix H) that includes an elaborate Central Park concept for the riverfront of the Northwest Village (see Figure 10.) A portion of the Central Park Concept is reflected in the zoning along the riverfront and has already been implemented. In 2005, the City Council elected to relocate a 3.8 acre neighborhood park from an industrial area in the



Northwest Village to a location along the Deep Water Ship Channel to support the economic vitality of the Port of West Sacramento and to provide the community with a better location for

## Long Range Property Management Plan: Section 3

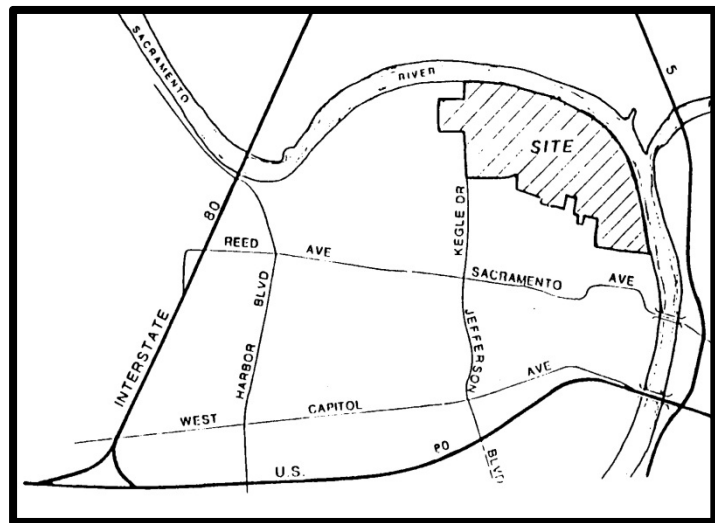
the park. In 2007, the City constructed a recreation and access improvement along the southern bank of the Deep Water Ship Channel.

The current implementation plan references these recreation and access and additional public improvements, the inline booster pump station and the setback levee project, on Stone Lock Property. It encourages the implementation of the Southport Framework and supports the repurposing of the Lock facility and surrounding areas for retail, residential and recreation uses as part of the Agency's efforts to anticipate and activate the redevelopment or development of underdeveloped areas which are stagnant or improperly utilized.

### *LIGHTHOUSE DRIVE/FIFTH STREET WIDENING PROJECT*

On March 8, 1989 the Agency entered into a Disposition and Development Agreement (DDA) with the Lighthouse Marina and Riverbed Development, a developer, for the purposes of implementing the Lighthouse Marina Project, currently known as the Rivers subdivision (see Figure 11). The DDA required that the City and the Agency fund the extension of Fifth St to the new development. A copy of the body of the DDA and Exhibit E of the DDA, the Public Improvements Plan, are available in Appendix I. In 1992, the Agency began acquiring property for the widening project.

Figure 11: Lighthouse Marina Site Map



The Fifth Street project was completed several years prior to the preparation of the current implementation plan and is therefore not mentioned.

## Long Range Property Management Plan: Section 4

### Recommendations by Assessor Parcel Number and Address

| Key | APN         | Site Address              | Acres | Recommendation  |
|-----|-------------|---------------------------|-------|---|
| 1   | 008-441-007 | 2400 West Capitol Av      | 0.65  | Retain a portion for regulator station and sell remainder and distribute proceeds to the taxing entities  |
| 2   | 008-450-016 | 2600 West Capitol Av      | 0.48  | Sell and distribute proceeds to the taxing entities   |
| 3   | 010-371-005 | 305 3rd St                | 0.15  | Government use easement for Washington monument and retain for future development associated with the Washington Firehouse through sale of the property   |
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| 5   | 010-523-037 | 485 Lighthouse Dr         | 0.37  | Sell and distribute proceeds to the taxing entities   |
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| 12  | 067-180-004 | 2051 South River Rd       | 17.2  |   |
| 13  | 067-180-024 | 2821 Lake Washington Blvd | 4.18  | Retain for future development associated with the Southport Framework Plan through sale of the property <sup>1</sup>  |
| 14  | 067-180-054 | 2100 Jefferson Blvd       | 34.5  |   |

## Long Range Property Management Plan: Section 4

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<sup>1</sup> The original recommendations were to sell the developable portion of the properties to Cordish Company per the Option Agreement, but DOF determined that the option and assignment agreements are not enforceable obligations. DOF has returned OB Resolution 13-7 for reconsideration. If the DOF decision is overturned, our intent is to proceed with the disposition per the agreements ratified under OB Resolution 13-7. A copy of OB Resolution 13-7 and DOF response letter is located in Section 7 of the Plan.

<sup>2</sup> On October 1, 2013, the Successor Agency was notified that DOF intends to review OB Resolution 13-12. If DOF overrules the Oversight Board findings related to this public use transfer and returns OB Resolution 13-12 for reconsideration, our intent would be for the City to retain the entire parcel (s) for future development associated with the Southport Framework Plan.



# Long Range Property Management Plan: Section 5

## AB 1484 Requirements and Inventory Template

Ch. 26

— 52 —

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 successor agency.

(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.

34191.5. (a) There is hereby established a Community Redevelopment Property Trust Fund, administered by the successor agency, 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 successor agency 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 successor agency 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** (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** (B) The purpose for which the property was acquired.
- C** (C) Parcel data, including address, lot size, and current zoning in the former agency redevelopment plan or specific, community, or general plan.
- D** (D) An estimate of the current value of the parcel including, if available, any appraisal information.
- E** (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** (F) The history of environmental contamination, including designation as a brownfield site, any related environmental studies, and history of any remediation efforts.

**C** APN: \_\_\_\_\_ **A** Date(s) of Acquisition: \_\_\_\_\_

**C** Address: \_\_\_\_\_ Lot size: \_\_\_\_\_ **C**

Current zoning: \_\_\_\_\_ General Plan Land Use: \_\_\_\_\_ **C**

Within the former RDA boundary? (yes/no) \_\_\_\_\_

Within other planning areas? List: \_\_\_\_\_

Amount paid for the property when acquired: \$ \_\_\_\_\_

Acquired via Eminent Domain? (yes/no) \_\_\_\_\_ Includes relocation costs? (yes/no) \_\_\_\_\_

**A** Value of the property when acquired: \$ \_\_\_\_\_  Broker Opinion of Value or  Appraisal **D**

**D** Estimated current value of the property: \_\_\_\_\_  Broker Opinion of Value or  Appraisal **D**

**B** Purpose of acquisition: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Are there any outstanding Redevelopment or Economic Development objectives to be met on the property? (yes/no) List all: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**E** Any existing contractual obligations on the property? (yes/no) List all (including any leases, rentals, etc. that produce revenue): \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**F** Is the property a known or suspected brownfield? (yes/no) If yes, than circle known or suspected. If known list all relevant sources of that information (including any existing clean-up obligations): \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Describe the property's potential for transit-oriented development: \_\_\_\_\_

\_\_\_\_\_

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# Long Range Property Management Plan: Section 5

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

(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** (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 successor agency, 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.

SEC. 36. The Legislature finds and declares as follows:

(a) Certain provisions of Assembly Bill 26 of the 2011–12 First Extraordinary Session of 2011 (Ch. 5, 2011–12 First Ex. Sess.) are internally inconsistent, or uncertain in their meaning, with regard to the calculation of the amount to be paid by a county auditor-controller from the Redevelopment Property Tax Trust Fund to meet passthrough payment obligations to local agencies and school entities.

(b) Consistent with the statement in Section 34183 of the Health and Safety Code, as added by the measure identified in subdivision (a), that the provisions of that section are to apply “[n]otwithstanding any other law,” it was the intent of the Legislature in enacting that measure that the amount of the passthrough payments that are addressed by that section be determined in the manner specified by paragraph (1) of subdivision (a) of Section 34183 of the Health and Safety Code, and that the amount so calculated not be reduced or adjusted pursuant to the operation of any other provision of that measure.

SEC. 37. If any provision of this act or the application thereof to any person or circumstance is held invalid, the invalidity shall not affect other provisions or applications of this act which can be given effect without the invalid provision or application and to this end, the provisions of this act are severable.

APN: \_\_\_\_\_ Date(s) of Acquisition: \_\_\_\_\_

Address: \_\_\_\_\_ Lot size: \_\_\_\_\_

Current zoning: \_\_\_\_\_ General Plan Land Use: \_\_\_\_\_

Within the former RDA boundary? (yes/no) \_\_\_\_\_

Within other planning areas? List: \_\_\_\_\_

Amount paid for the property when acquired: \$ \_\_\_\_\_

Acquired via Eminent Domain? (yes/no) \_\_\_\_\_ Includes relocation costs? (yes/no) \_\_\_\_\_

Value of the property when acquired: \$ \_\_\_\_\_  Broker Opinion of Value or  Appraisal

Estimated current value of the property: \_\_\_\_\_  Broker Opinion of Value or  Appraisal

Purpose of acquisition: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**A** Are there any outstanding Redevelopment or Economic Development objectives to be met on the property? (yes/no) List all: \_\_\_\_\_

\_\_\_\_\_

Any existing contractual obligations on the property? (yes/no) List all (including any leases, rentals, etc. that produce revenue): \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Is the property a known or suspected brownfield? (yes/no) If yes, then circle known or suspected. If known list all relevant sources of that information (including any existing clean-up obligations): \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Describe the property’s potential for transit-oriented development: \_\_\_\_\_

\_\_\_\_\_

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**G** (G) A description of the property’s potential for transit-oriented development and the advancement of the planning objectives of the successor agency.

**H** (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 successor agency, 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.

SEC. 36. The Legislature finds and declares as follows:

(a) Certain provisions of Assembly Bill 26 of the 2011–12 First Extraordinary Session of 2011 (Ch. 5, 2011–12 First Ex. Sess.) are internally inconsistent, or uncertain in their meaning, with regard to the calculation of the amount to be paid by a county auditor-controller from the Redevelopment Property Tax Trust Fund to meet passthrough payment obligations to local agencies and school entities.

(b) Consistent with the statement in Section 34183 of the Health and Safety Code, as added by the measure identified in subdivision (a), that the provisions of that section are to apply “[n]otwithstanding any other law,” it was the intent of the Legislature in enacting that measure that the amount of the passthrough payments that are addressed by that section be determined in the manner specified by paragraph (1) of subdivision (a) of Section 34183 of the Health and Safety Code, and that the amount so calculated not be reduced or adjusted pursuant to the operation of any other provision of that measure.

SEC. 37. If any provision of this act or the application thereof to any person or circumstance is held invalid, the invalidity shall not affect other provisions or applications of this act which can be given effect without the invalid provision or application and to this end, the provisions of this act are severable.

**G** Is the property described in any of the planning documents, implementation documents, etc. of the City of West Sacramento or the former Redevelopment Agency? (yes/no) If yes, list all:

**G** Describe the property’s potential to advance the planning objectives of successor agency:

**H** Provide a brief history of any previous development proposals on the property, including an previous rental or lease agreements:

Are there physical barriers to development of the site? (yes/no)

What obstacles would need to be overcome to have the site shovel-ready?

What are the costs of such improvements? Or how is the value of the of the property impacted by the need for these improvements?

# Long Range Property Management Plan: Section 5

Ch. 26

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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 successor agency.

(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.

34191.5. (a) There is hereby established a Community Redevelopment Property Trust Fund, administered by the successor agency, 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 successor agency 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 successor agency 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** (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.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Is the property described in any of the planning documents, implementation documents, etc. of the City of West Sacramento or the former Redevelopment Agency? (yes/no) If yes, list all:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Describe the property's potential to advance the planning objectives of successor agency:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Provide a brief history of any previous development proposals on the property, including an previous rental or lease agreements:

**D** Are there physical barriers to development of the site? (yes/no)

What obstacles would need to be overcome to have the site shovel-ready?

**D**

What are the costs of such improvements? Or how is the value of the of the property impacted by the need for these improvements?

**D**

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# Long Range Property Management Plan: Section 6

## Inventory

The parcel in the inventory is grouped by their geographical areas. Relevant source material used to prepare the inventory is available starting on page 22 of this section.

Map 1: Geographical Areas in the Inventory



Table 1: Properties in the Inventory

| Key | APN         | Site Address              | Location                            |
|-----|-------------|---------------------------|-------------------------------------|
| 1   | 008-441-007 | 2400 West Capitol Av      | West Capitol Avenue                 |
| 2   | 008-450-016 | 2600 West Capitol Av      |                                     |
| 3   | 010-371-005 | 305 3rd St                | Washington Specific Plan Area       |
| 4   | 010-371-006 | 221-225 C St              |                                     |
| 5   | 010-523-037 | 485 Lighthouse Dr         | Lighthouse/Fifth Street Widening    |
| 6   | 067-330-002 | 811 West Capitol Av       | Grand Gateway Master Planning Area  |
| 7   | 067-330-017 | 706 Tower Ct              |                                     |
| 8   | 046-010-011 | 2350 South River Rd       | Southport Framework Plan/Stone Lock |
| 9   | 067-180-001 | 2050 South River Rd       |                                     |
| 10  | 067-180-002 | 2250 South River Rd       |                                     |
| 11  | 067-180-003 | 2100 South River Rd       |                                     |
| 12  | 067-180-004 | 2051 South River Rd       |                                     |
| 13  | 067-180-024 | 2821 Lake Washington Blvd |                                     |
| 14  | 067-180-054 | 2100 Jefferson Blvd       |                                     |

### WEST CAPITOL AVENUE

#### 1. 2400 West Capitol Avenue

**APN:** 008-441-007

**Date(s) of Acquisition:** 5/19/1992

**Address:** 2400 West Capitol Avenue

**Lot size:** 0.648 acres

**Current zoning:** C-2

**General Plan Land Use:** CC

**Within the former RDA boundary?** Yes

**Within other planning areas? List:** West Capitol Avenue Action Plan, West Capitol Avenue Action Plan, West Capitol Avenue Design Guidelines

**Amount paid for the property when acquired:** \$ 200,000

**Acquired via Eminent Domain?** No, however it was acquired under the threat of condemnation.

## Long Range Property Management Plan: Section 6

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**Includes relocation costs?** No.

**Value of the property when acquired:** \$265,000     Broker Opinion of Value    or     Appraisal

**Estimated current value of the property:** \$300,000     Broker Opinion of Value    or     Appraisal

**Purpose of acquisition:** This site was acquired for the dual purpose of land banking for future development and the elimination of the blighting influence of an adult video store.

**Are there any outstanding Redevelopment or Economic Development objectives to be met on the property?** This property is not the subject of any specific outstanding redevelopment project.

**Any existing contractual obligations on the property?** No.

**Is the property a known or suspected brownfield?** No. A Phase 1 site assessment completed in 1991 identified only one potential hazardous materials encumbrance, the nearby USA Gasoline/DarPetro site. In 1994 a ground water monitoring well was installed on the subject site to evaluate the potential for migration of underground contaminants from the gas station site. Testing revealed no detectable hydrocarbons. The well was tested again in 1995 and again yielded no detectable hydrocarbons.

**Describe the property's potential for transit-oriented development:** The site is well-served by public transit, with a stop for west-bound YoloBus service located immediately in front of the subject site, and an east-bound stop is located across West Capitol Avenue. The site's zoning would allow for upper-floor residential uses with ground-floor retail or office.

**Is the property described in any of the planning documents, implementation documents, etc. of the City of West Sacramento or the former Redevelopment Agency?** The property is covered by the West Capitol Avenue planning documents.

**Describe the property's potential to advance the planning objectives of successor agency:** Though market conditions are not anticipated to support such a use in the near term, the property has potential use as a mixed-use transit-oriented development with residential over ground floor retail or office.

**Provide a brief history of any previous development proposals on the property, including an previous rental or lease agreements:** In 1994, the City received a proposal from Madan K. Sah to develop the site. There is no record of negotiations having occurred. In 1996 a draft disposition and development agreement (DDA) was prepared, with a different purchaser, Trenton Fong, in which the price for the site was \$85,000 (\$3.01/s.f.). That transaction was not consummated and the site remained in the Agency's possession without any further sales negotiations noted.

**Are there physical barriers to development of the site?** No

**What obstacles would need to be overcome to have the site shovel-ready?** N/A

## Long Range Property Management Plan: Section 6

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**What are the costs of such improvements? Or how is the value of the of the property impacted by the need for these improvements?** N/A

### **2. 2600 West Capitol Avenue**

**APN** 008-450-016  
1992

**Date of Acquisition:** February 20,

**Address:** 2600 West Capitol

**Lot size:** .48 AC

**Current zoning:** C-2

**General Plan Land Use:** CC

**Within the former RDA boundary?** Yes.

**Within other planning areas?** Yes. This site is within the boundaries of the West Capitol Avenue Action Plan.

**Amount paid for the property when acquired:** \$150,000

**Acquired via Eminent Domain?** Yes.

**Includes relocation costs?** Yes.

**Value of the property when acquired:** Unknown.

**Estimated current value of the property:** \$220,000  Broker Opinion of Value or  Appraisal

**Purpose of acquisition:** This site was acquired to eliminate the blighting influence of an adult book store and for future development.

**Are there any outstanding Redevelopment or Economic Development objectives to be met on the property?** This property is not the subject of any specific outstanding redevelopment project.

**Any existing contractual obligations on the property?** No.

**Is the property a known or suspected brownfield?** No.

**Describe the property's potential for transit-oriented development.** This site has good transit access, with bus stops located immediately in front of the site on West Capitol Avenue. However, the site's potential as a transit-oriented development is constrained somewhat by its small size. While market conditions are not expected to support such a use for some time, the site could be developed as residential over retail or office.

**Is the property described in any of the planning documents, implementation documents, etc. of the City of West Sacramento or the former Redevelopment Agency?** The property is covered by the West Capitol Avenue planning documents.

**Describe the property's potential to advance the planning objectives of successor agency.** This site has served part of its purpose already through the elimination of the former



## Long Range Property Management Plan: Section 6

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adult book store. Its benefit to the City can be completed through development of new uses on the site that comply with the City's planning goals.

**Provide a brief history of any previous development proposals on the property, including any previous rental or lease agreements.** Two proposals have been received for this site. The first, dated May 17, 2004, was from Ram N. Sah, who proposed a 4,500 s.f. commercial building. The second was from Trillium Development LLC, which proposed to purchase the site for the location of a Jiffy Lube store. Neither transaction was consummated.

**Are there physical barriers to development of the site?** No.

**What obstacles would need to be overcome to have the site shovel-ready?** N/A

**What are the costs of such improvements? Or how is the value of the property impacted by the need for these improvements?** N/A

### *WASHINGTON SPECIFIC PLAN AREA*

#### **3. 305 Third Street**

**APN:** 10-371-005

**Date of Acquisition:** December 2, 1987

**Address:** 305 Third Street

**Lot size:** .147 AC.

**Current zoning:** WF

**General Plan Land Use:** RMU

**Within the former RDA boundary?** Yes

**Within other planning areas? List:** Washington Specific Plan

**Amount paid for the property when acquired:** \$ 1.00. The site was acquired from Yolo County as part of the negotiation of its pass-through agreement (Agreement 87-120) with the newly formed West Sacramento Redevelopment Agency.

**Acquired via Eminent Domain?** No.

**Includes relocation costs?** No.

**Value of the property when acquired:** Unknown. Because the site was transferred from the County by quit claim, no appraisal or other estimate of value was made at the time of acquisition.

**Estimated current value of the property:** \$115,000 as unencumbered vacant land/ \$0 as is as income earned from existing lease would only cover carrying costs  Broker Opinion of Value or  Appraisal

**Purpose of acquisition:** The site was originally used to support a Yolo County Sheriff's substation that was located in the adjacent, City-owned Washington Firehouse building.

## Long Range Property Management Plan: Section 6

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**Are there any outstanding Redevelopment or Economic Development objectives to be met on the property?** Not specifically, although the adaptive reuse of the adjacent Washington Firehouse is described in the Washington Specific Plan.

**Any existing contractual obligations on the property?** Yes. In 2007 the Redevelopment Agency entered into a parking lease agreement with Third and C Street LLC, the owner of the development site located across “C” Street from the subject site. Pursuant to the parking lease, Third and C Street LLC (Developer) has a 40-year lease of the area of the subject site that fronts on “C” Street to provide parking for the Developer’s mixed-use development on the opposite side of “C” Street. This lease substantially impairs the utility of the subject site, but could possibly be renegotiated. Lease revenue is currently \$3,978.24 annually.

**Is the property a known or suspected brownfield?** Yes. An underground storage tank (UST) was removed from the site in 1987. No evidence was found that this UST had leaked. Analyses prepared in 2006 found high concentrations of lead in a composite soil sample, and indications that contamination from the Capitol Plating parcel immediately to the south are affecting APN 10-371-06.

**Describe the property’s potential for transit-oriented development:** While located within walking distance of Downtown Sacramento, this site is not ideally situated for transit-oriented development. The nearest YoloBus stops are located two blocks west at 5<sup>th</sup> and C Street and four blocks south at 3<sup>rd</sup> G Street. The Downtown/Riverfront Streetcar is planned to have a stop five blocks south of the subject site.

**Is the property described in any of the planning documents, implementation documents, etc. of the City of West Sacramento or the former Redevelopment Agency?** Yes. It is described in the Washington Specific Plan and the Redevelopment Agency’s latest 5- Year Implementation Plan identifies potential adaptive re-use of the “Washington Firehouse site,” of which the subject property is generally considered a part.

**Describe the property’s potential to advance the planning objectives of successor agency:** The subject property is most likely to advance the Successor Agency’s planning goals as part of a larger development that would include consolidation of other properties on the same block and a historically sensitive adaptive re-use of the Washington Firehouse.

**Provide a brief history of any previous development proposals on the property, including any previous rental or lease agreements:** In cooperation with the City of West Sacramento, the West Sacramento Redevelopment Agency has engaged in multiple efforts to solicit private partners to adaptively re-use the Washington Firehouse. Solicitations were issued in 1999, 2001 and 2004. On multiple occasions the City and Agency have entered into exclusive negotiations, but in each instance the private sector partner proved unable to finance the needed improvements to the site and building.

**Are there physical barriers to development of the site?** Yes. The adjacent City-owned Washington Firehouse is a historically meaningful structure. The need to retain the potential for the adaptive re-use of the Washington Firehouse constrains the development of the subject

## Long Range Property Management Plan: Section 6

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site, the best use for which may be parking to serve the Firehouse site and/or nearby properties. In addition, as noted above, an

**What obstacles would need to be overcome to have the site shovel-ready?** The primary obstacles to the development potential of this site are the existing parking lease; the need for environmental cleanup; and the need to identify an adaptive re-use of the adjacent Washington Firehouse.

**What are the costs of such improvements? Or how is the value of the property impacted by the need for these improvements?** N/A

### 4. 221-225 C Street

**APNs:** 10-371-006

**Date(s) of Acquisition:** December 2, 1987

**Address:** 305 Third Street

**Lot size:** .288 AC

**Current zoning:** WF

**General Plan Land Use:** RMU

**Within the former RDA boundary?** Yes.

**Within other planning areas? List:** Washington Specific Plan

**Amount paid for the property when acquired:** \$ 1.00. The site was acquired from Yolo County as part of the negotiation of its pass-through agreement (Agreement 87-120) with the newly formed West Sacramento Redevelopment Agency.

**Acquired via Eminent Domain?** No.

**Includes relocation costs?** No.

**Value of the property when acquired:** Unknown. Because the site was transferred from the County by quit claim, no appraisal or other estimate of value was made at the time of acquisition.

**Estimated current value of the property:** \$225,000 as unencumbered vacant land/ \$0 as is as income earned from existing lease would only cover carrying costs  Broker Opinion of Value or  Appraisal

**Purpose of acquisition:** The site was originally used to support a Yolo County Sheriff's substation that was located in the adjacent, City-owned Washington Firehouse building.

**Are there any outstanding Redevelopment or Economic Development objectives to be met on the property?** Not specifically, although the adaptive reuse of the adjacent Washington Firehouse is described in the Washington Specific Plan.

**Any existing contractual obligations on the property?** Yes. In 2007 the Redevelopment Agency entered into a parking lease agreement with Third and C Street LLC, the owner of the development site located across "C" Street from the subject site. Pursuant to the parking lease, Third and C Street LLC (Developer) has a 40-year lease of the area of the subject

## Long Range Property Management Plan: Section 6

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site that fronts on “C” Street to provide parking for the Developer’s mixed-use development on the opposite side of “C” Street . This lease substantially impairs the utility of the subject site, but could possibly be renegotiated. Lease revenue is currently \$3,978.24 annually.

**Is the property a known or suspected brownfield?** Yes. An underground storage tank (UST) was removed from the site in 1987. No evidence was found that this UST had leaked. Analyses prepared in 2006 found high concentrations of lead in a composite soil sample, and indications that contamination from the Capitol Plating parcel immediately to the south are affecting the site. Further study was recommended.

**Describe the property’s potential for transit-oriented development:** While located within walking distance of Downtown Sacramento, this site is not ideally situated for transit-oriented development. The nearest YoloBus stops are located two blocks west at 5<sup>th</sup> and C Street and four blocks south at 3<sup>rd</sup> G Street. The Downtown/Riverfront Streetcar is planned to have a stop five blocks south of the subject site.

**Is the property described in any of the planning documents, implementation documents, etc. of the City of West Sacramento or the former Redevelopment Agency?** Yes. It is described in the Washington Specific Plan and in the Redevelopment Agency’s latest 5-Year Implementation Plan identifies potential adaptive re-use of the “Washington Firehouse site,” of which the subject property is generally considered a part.

**Describe the property’s potential to advance the planning objectives of successor agency:** The subject property is most likely to advance the Successor Agency’s planning goals as part of a larger development that would include consolidation of other properties on the same block and a historically sensitive adaptive re-use of the Washington Firehouse.

**Provide a brief history of any previous development proposals on the property, including any previous rental or lease agreements:** In cooperation with the City of West Sacramento, the West Sacramento Redevelopment Agency has engaged in multiple efforts to solicit private partners to adaptively re-use the Washington Firehouse. Solicitations were issued in 1999, 2001 and 2004. On multiple occasions the City and Agency have entered into exclusive negotiations, but in each instance the private sector partner proved unable to finance the needed improvements to the site and building.

**Are there physical barriers to development of the site?** Yes. The adjacent City-owned Washington Firehouse is a historically meaningful structure. The need to retain the potential for the adaptive re-use of the Washington Firehouse constrains the development of the subject site, the best use for which may be parking to serve the Firehouse site and/or nearby properties. In addition, as noted above, an

**What obstacles would need to be overcome to have the site shovel-ready?** The primary obstacles to the development potential of this site are the existing parking lease; the need for environmental cleanup; and the need to identify an adaptive re-use of the adjacent Washington Firehouse.



## Long Range Property Management Plan: Section 6

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**What are the costs of such improvements? Or how is the value of the property impacted by the need for these improvements?** N/A

*LIGHTHOUSE/FIFTH STREET WIDENING PROJECT*

### **5. 485 Lighthouse Drive**

**APN** 10-523-037

**Date(s) of Acquisition:** October 27, 1992

**Address:** 485 Lighthouse Drive

**Lot size:** .37 AC

**Current zoning:** R-2  
residential)

**General Plan Land Use:** MR (Medium-density

**Within the former RDA boundary?** Yes

**Within other planning areas?** No.

**Amount paid for the property when acquired:**

**Acquired via Eminent Domain?** No. A resolution of necessity was approved by the Redevelopment Agency but the property owner sold this site to the Agency via negotiated purchase and sale agreement.

**Includes relocation costs?** No. The site was vacant at the time of acquisition.

**Value of the property when acquired:** \$100,000

**Estimated current value of the property:** \$60,000     Broker Opinion of Value    or     Appraisal

**Purpose of acquisition:** Right-of-way for the extension of 5<sup>th</sup> Street.

**Are there any outstanding Redevelopment or Economic Development objectives to be met on the property?** No. The subject property is a remnant from the widening of 5<sup>th</sup> Street.

**Any existing contractual obligations on the property?** No.

**Is the property a known or suspected brownfield?** No.

**Describe the property's potential for transit-oriented development.** While situated within a block of two bus stops, the property has limited potential for transit-oriented development due to its relatively small size and R-2 zoning, both of which constrain the achievable density on this site.

**Is the property described in any of the planning documents, implementation documents, etc. of the City of West Sacramento or the former Redevelopment Agency?** No.

## Long Range Property Management Plan: Section 6

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**Describe the property's potential to advance the planning objectives of successor agency.** By facilitating the widening of 5<sup>th</sup> Street, the original site served its purpose. The site does not have additional strategic value as a development site.

**Provide a brief history of any previous development proposals on the property, including any previous rental or lease agreements.** There are no development proposals for this site noted in the Redevelopment Agency's files.

**Are there physical barriers to development of the site?** No.

**What obstacles would need to be overcome to have the site shovel-ready?** N/A

**What are the costs of such improvements? Or how is the value of the property impacted by the need for these improvements?** N/A

### *GRAND GATEWAY MASTER PLANNING AREA*

#### **6. 811 West Capitol Avenue**

**APN** 067-330-002

**Date(s) of Acquisition:** June 24, 1998

**Address:** 811 West Capitol Avenue

**Lot size:** .10 AC

**Current zoning:** CBD

**General Plan Land Use:** CBD

**Within the former RDA boundary?** Yes.

**Within other planning areas?** Yes. The property is within the boundaries of the Grand Gateway Master Plan.

**Amount paid for the property when acquired:** \$1.00

**Acquired via Eminent Domain?** No.

**Includes relocation costs?** N/A

**Value of the property when acquired:**

**Estimated current value of the property:** less than \$10,000  Broker Opinion of Value or  Appraisal

**Purpose of acquisition:** This site was a drainage ditch quit-claimed by Yolo County to the Redevelopment Agency because the Agency was the adjacent owner.

**Are there any outstanding Redevelopment or Economic Development objectives to be met on the property?** Yes, it combined with adjacent site.

**Any existing contractual obligations on the property?** No.

## Long Range Property Management Plan: Section 6

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**Is the property a known or suspected brownfield?** No.

**Describe the property's potential for transit-oriented development.** None in its current configuration. See 706 Tower Court's description for a consolidated site.

**Is the property described in any of the planning documents, implementation documents, etc. of the City of West Sacramento or the former Redevelopment Agency?** This property is covered by the Grand Gateway Master Plan

**Describe the property's potential to advance the planning objectives of successor agency.** None in its current configuration. See 706 Tower Court's description for a consolidated site.

**Provide a brief history of any previous development proposals on the property, including any previous rental or lease agreements.** N/A

**Are there physical barriers to development of the site?** Yes. As a drainage ditch, the topography of the site makes it incompatible with development.

**What obstacles would need to be overcome to have the site shovel-ready?** The ditch would need to be filled and compacted, and alternative means of drainage constructed.

**What are the costs of such improvements? Or how is the value of the property impacted by the need for these improvements?** Unknown.

### **7. 706 Tower Court**

**APN 067-330-17**  
Attachment 14 for summary table)

**Date(s) of Acquisition:** Varies (see Section 7

**Address:** 706 Tower Court

**Lot size:** 3.52 AC

**Current zoning:** CBD

**General Plan Land Use:** CBD

**Within the former RDA boundary?** Yes.

**Within other planning areas?** Yes. The property is within the boundaries of the Grand Gateway Master Plan.

**Amount paid for the property when acquired:** Varies by the seller (see Section 7 Attachment 14 for summary table)

**Acquired via Eminent Domain?** Yes.

**Includes relocation costs?** See Section 7 Attachment 14 for summary table for relocation payments. Relocation payments were made to several businesses, including an adult book store, but those expenses are not included in the cost noted below.

**Value of the property when acquired:** Varies (See Section 7 Attachment 14 for summary table)

## Long Range Property Management Plan: Section 6

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**Estimated current value of the property:** \$900,000 adjusted to consider clean-up costs

Broker Opinion of Value or  Appraisal

**Purpose of acquisition:** The site was acquired with the dual purpose of land-assembly for future development, and the elimination of the blighting influence from an adult book store located on the property.

**Are there any outstanding Redevelopment or Economic Development objectives to be met on the property?** Yes. The site is situated at a key gateway to the City, and at a point of intersection between the boundaries of the Washington Specific Plan, the Bridge District Specific Plan, and the West Capitol Avenue corridor. The appropriate development of this site will support multiple City planning objectives and fulfill the original purpose of the acquisition of the site.

**Any existing contractual obligations on the property?** Yes. There are two leases associated with the cellular tower located in the easterly corner of the parcel. The lease with AT&T generates rent payments of \$802.35 per month. The lease with Sprint/Nextel generates \$1,172.98 per month. Finally, the site is the subject of an environmental oversight agreement with the California Department of Toxic Substances Control (DTSC).

**Is the property a known or suspected brownfield?** Yes. A 2007 study commissioned by the Redevelopment Agency recommends the removal of 750 cubic yards of lead-contaminated soil before the site is developed for residential purposes.

**Describe the property's potential for transit-oriented development.** This site is ideally situated for transit-oriented development. It is located within easy walking distance of multiple bus stops, the City's Transit Center on West Capitol Avenue, and future Downtown/Riverfront Streetcar stops. The subject site is of sufficient size and zoned appropriately to accommodate dense development and the associated parking.

**Is the property described in any of the planning documents, implementation documents, etc. of the City of West Sacramento or the former Redevelopment Agency?** Yes. This property is described in the Grand Gateway Master Plan.

**Describe the property's potential to advance the planning objectives of successor agency.** The subject site has the potential to be combined with a nearby City-owned parcel and a potential right-of-way abandonment area to form a substantial development site that would help connect the Washington and Bridge District specific plan areas to the Central Business District.

**Provide a brief history of any previous development proposals on the property, including any previous rental or lease agreements.** The Redevelopment Agency has entertained multiple development proposals for this site. Proposed uses have included townhomes, apartments, live-work units, and a small hotel-conference center.

**Are there physical barriers to development of the site?** Yes. The existing environmental contamination on the site must be remediated.



## Long Range Property Management Plan: Section 6

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**What obstacles would need to be overcome to have the site shovel-ready?**

Environmental contamination will need to be remediated, the existing cellular leases may require renegotiation; and the site should ideally be consolidated with adjoining City property to maximize its development potential.

**What are the costs of such improvements? Or how is the value of the property impacted by the need for these improvements?** The estimated cost of the necessary environmental cleanup is approximately \$266,000.

SOUTHPORT FRAMEWORK PLAN/STONE LOCK

### **8. 2350 South River Road**

**APN** 046-010-011

**Date of Acquisition:** July 9, 2007

**Address:** 2350 South River Road

**Lot size:** 82.70 AC

**Current zoning:** C-1, R-2, R-3, WF, POS  
NC, OS, RMU, RP

**General Plan Land Use:** HR, MR,

**Within the former RDA boundary?** Yes.

**Within other planning areas?** Yes. The property is within the Southport Framework Plan.

**Amount paid for the property when acquired:** \$0 (Quitclaim deed from U.S. Army Corps of Engineers).

**Acquired via Eminent Domain?** No.

**Includes relocation costs?** N/A

**Value of the property when acquired:** Unknown.

**Estimated current value of the property:** \$835,000  Broker Opinion of Value or  Appraisal (a portion)

**Purpose of acquisition:** This site was acquired for future development.

**Are there any outstanding Redevelopment or Economic Development objectives to be met on the property?** Yes. The site is under option to the Cordish Company for acquisition and development as a mixed-use district.

**Any existing contractual obligations on the property?** Yes. The site is currently under option to the Cordish Company. The option agreement calls for the payment of an annual option fee of \$75,000 to the Redevelopment Agency or its successor; however, no cash payments have been received to date.

**Is the property a known or suspected brownfield?** No.

## Long Range Property Management Plan: Section 6

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**Describe the property's potential for transit-oriented development.** This site has the potential to be an good location for transit-oriented development, as both site and nearby zoning supports relatively dense development. Plans are underway for the extension of Village Parkway through the site to connect to the new South River Road Bridge, at which point this site will become much more accessible and desirable as a location for transit-oriented development.

**Is the property described in any of the planning documents, implementation documents, etc. of the City of West Sacramento or the former Redevelopment Agency?** It is described in the Southport Framework Plan and the City's Parks Master Plan. The Redevelopment Agency's latest 5-Year Implementation Plan references recreation and access and additional public improvements, and the setback levee project. It encourages the implementation of the Southport Framework and supports the repurposing of the Lock facility and surrounding areas for retail, residential and recreation uses as part of the Agency's efforts to anticipate and activate the redevelopment or development of underdeveloped areas which are stagnant or improperly utilized.

**Describe the property's potential to advance the planning objectives of successor agency.** The site encompasses multiple zones and could be developed with a variety of transit-oriented mixed uses.

**Provide a brief history of any previous development proposals on the property, including any previous rental or lease agreements.** The property is under option to the Cordish Company for inclusion in a larger mixed-use development.

**Are there physical barriers to development of the site?** No.

**What obstacles would need to be overcome to have the site shovel-ready?** The presence of a Chevron gas line.

**What are the costs of such improvements? Or how is the value of the property impacted by the need for these improvements?** N/A

### **9. 2050 South River Road**

**APN** 067-180-001

**Date(s) of Acquisition:** June 18, 2004

**Address:** 2050 South River Road **Lot size:** 5.8 AC

**Current zoning:** WF (Waterfront) **General Plan Land Use:** RMU (Riverfront Mixed-Use)

**Within the former RDA boundary?** Yes.

**Within other planning areas?** Yes. The property is within the Southport Framework Plan and is noted in the Parks Master Plan.

**Amount paid for the property when acquired:** This property was bundled with seven other adjoining parcels for which the West Sacramento Redevelopment Agency agreed to pay the Port of Sacramento \$2 million.

## Long Range Property Management Plan: Section 6

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**Acquired via Eminent Domain?** No.

**Includes relocation costs?** N/A

**Value of the property when acquired:** Unknown.

**Estimated current value of the property:** \$60,000     Broker Opinion of Value    or     Appraisal (a portion)

**Purpose of acquisition:** This site was acquired for future development.

**Are there any outstanding Redevelopment or Economic Development objectives to be met on the property?** Yes. The site is under option to the Cordish Company for acquisition and development as a mixed-use district.

**Any existing contractual obligations on the property?** Yes. The site is currently under option to the Cordish Company. The option agreement calls for the payment of an annual option fee of \$75,000 to the Redevelopment Agency or its successor; however, no cash payments have been received to date. The site is also subject to an easement for an underground pipeline, which does not produce revenue to the Successor Agency.

**Is the property a known or suspected brownfield?** No.

**Describe the property's potential for transit-oriented development.** This site has the potential to be a good location for transit-oriented development, as nearby zoning supports relative dense development and the subject site is expected to be developed along with larger adjacent properties.

**Is the property described in any of the planning documents, implementation documents, etc. of the City of West Sacramento or the former Redevelopment Agency?** ? It is described in the Southport Framework Plan and the City's Parks Master Plan. The Redevelopment Agency's latest 5-Year Implementation Plan references recreation and access and additional public improvements, and the setback levee project. It encourages the implementation of the Southport Framework and supports the repurposing of the Lock facility and surrounding areas for retail, residential and recreation uses as part of the Agency's efforts to anticipate and activate the redevelopment or development of underdeveloped areas which are stagnant or improperly utilized.

**Describe the property's potential to advance the planning objectives of successor agency.** The site could be developed with transit-oriented mixed uses. It could also be a park site.

**Provide a brief history of any previous development proposals on the property, including any previous rental or lease agreements.** The property is under option to the Cordish Company for inclusion in a larger mixed-use development.

**Are there physical barriers to development of the site?** The site includes riparian habitat and abuts the City's former wastewater treatment plant (WWTP).

## Long Range Property Management Plan: Section 6

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**What obstacles would need to be overcome to have the site shovel-ready?** The site can probably only be developed after the remaining infrastructure from the WWTP has been removed.

**What are the costs of such improvements? Or how is the value of the property impacted by the need for these improvements?** Unknown.

### **10. 2250 South River Road**

**APN** 067-180-002

**Date(s) of Acquisition:** June 18, 2004

**Address:** 2100 South River Road

**Lot size:** 23.91 AC

**Current zoning:** POS,WF

**General Plan Land Use:** OS,RMU

**Within the former RDA boundary?** Yes.

**Within other planning areas?** Yes. The property is within the Southport Framework Plan.

**Amount paid for the property when acquired:** This property was bundled with seven other adjoining parcels for which the West Sacramento Redevelopment Agency agreed to pay the Port of Sacramento \$2 million.

**Acquired via Eminent Domain?** No.

**Includes relocation costs?** N/A

**Value of the property when acquired:** Unknown.

**Estimated current value of the property:** \$240,000  Broker Opinion of Value or  Appraisal (a portion)

**Purpose of acquisition:** This site was acquired for future development.

**Are there any outstanding Redevelopment or Economic Development objectives to be met on the property?** Yes. The site is under option to the Cordish Company for acquisition and development as a mixed-use district.

**Any existing contractual obligations on the property?** Yes. The site is currently under option to the Cordish Company.

**Is the property a known or suspected brownfield?** No.

**Describe the property's potential for transit-oriented development.** This site has the potential to be good locations for transit-oriented development, as nearby zoning supports relatively dense development. Plans are underway for the extension of Village Parkway through the site to connect to the new South River Road Bridge, at which point this site will become much more accessible and desirable as a location for transit-oriented development.



## Long Range Property Management Plan: Section 6

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**Is the property described in any of the planning documents, implementation documents, etc. of the City of West Sacramento or the former Redevelopment Agency?** ? It is described in the Southport Framework Plan and the City's Parks Master Plan. The Redevelopment Agency's latest 5-Year Implementation Plan references recreation and access and additional public improvements, and the setback levee project. It encourages the implementation of the Southport Framework and supports the repurposing of the Lock facility and surrounding areas for retail, residential and recreation uses as part of the Agency's efforts to anticipate and activate the redevelopment or development of underdeveloped areas which are stagnant or improperly utilized.

**Describe the property's potential to advance the planning objectives of successor agency.** The site could be developed with open space and transit-oriented mixed uses.

**Provide a brief history of any previous development proposals on the property, including any previous rental or lease agreements.** The property is under option to the Cordish Company for inclusion in a larger mixed-use development.

**Are there physical barriers to development of the site?** No.

**What obstacles would need to be overcome to have the site shovel-ready?** N/A

**What are the costs of such improvements? Or how is the value of the property impacted by the need for these improvements?** N/A

### **11. 2100 South River Road**

**APN** 067-180-003

**Date(s) of Acquisition:** June 18, 2004

**Address:** 2100 South River Road

**Lot size:** 40.66 AC

**Current zoning:** WF

**General Plan Land Use:** RMU

**Within the former RDA boundary?** Yes.

**Within other planning areas?** Yes. The property is within the Southport Framework Plan.

**Amount paid for the property when acquired:** This property was bundled with seven other adjoining parcels for which the West Sacramento Redevelopment Agency agreed to pay the Port of Sacramento \$2 million.

**Acquired via Eminent Domain?** No.

**Includes relocation costs?** N/A

**Value of the property when acquired:** Unknown.

**Estimated current value of the property:** \$410,000  Broker Opinion of Value or  Appraisal (a portion)

**Purpose of acquisition:** This site was acquired for future development.

## Long Range Property Management Plan: Section 6

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**Are there any outstanding Redevelopment or Economic Development objectives to be met on the property?** Yes. The site is under option to the Cordish Company for acquisition and development as a mixed-use district.

**Any existing contractual obligations on the property?** Yes. The site is currently under option to the Cordish Company. The option agreement calls for the payment of an annual option fee of \$75,000 to the Redevelopment Agency or its successor; however, no cash payments have been received to date.

**Is the property a known or suspected brownfield?** No.

**Describe the property's potential for transit-oriented development.** This site has the potential to be good locations for transit-oriented development, as nearby zoning supports relatively dense development. Plans are underway for the extension of Village Parkway through the site to connect to the new South River Road Bridge, at which point this site will become much more accessible and desirable as a location for transit-oriented development.

**Is the property described in any of the planning documents, implementation documents, etc. of the City of West Sacramento or the former Redevelopment Agency?** ? It is described in the Southport Framework Plan and the City's Parks Master Plan. The Redevelopment Agency's latest 5-Year Implementation Plan references recreation and access and additional public improvements, and the setback levee project. It encourages the implementation of the Southport Framework and supports the repurposing of the Lock facility and surrounding areas for retail, residential and recreation uses as part of the Agency's efforts to anticipate and activate the redevelopment or development of underdeveloped areas which are stagnant or improperly utilized.

**Describe the property's potential to advance the planning objectives of successor agency.** The site could be developed with transit-oriented mixed uses.

**Provide a brief history of any previous development proposals on the property, including any previous rental or lease agreements.** The property is under option to the Cordish Company for inclusion in a larger mixed-use development.

**Are there physical barriers to development of the site?** No.

**What obstacles would need to be overcome to have the site shovel-ready?** N/A

**What are the costs of such improvements? Or how is the value of the property impacted by the need for these improvements?** N/A

### **12.2051 South River Road**

**APN** 067-180-004

**Date(s) of Acquisition:** June 18, 2004

**Address:** 2051 South River Road

**Lot size:** 17.2 AC

**Current zoning:** WF

**General Plan Land Use:** RMU

## Long Range Property Management Plan: Section 6

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**Within the former RDA boundary?** Yes.

**Within other planning areas?** No.

**Amount paid for the property when acquired:** This property was bundled with seven other adjoining parcels for which the West Sacramento Redevelopment Agency agreed to pay the Port of Sacramento \$2 million.

**Acquired via Eminent Domain?** No.

**Includes relocation costs?** N/A

**Value of the property when acquired:** Unknown.

**Estimated current value of the property:** \$175,000     Broker Opinion of Value or  Appraisal  
(a portion)

**Purpose of acquisition:** This site was acquired for future development, though it also serves a flood control purpose, as portions of the property is necessary for maintenance of the “stop logs” that separate the Sacramento River from the Deep Water Ship Channel . The flood control effect of the lock facility is under study. To the extent (if any) that the lock gates themselves are found to be relevant to the City’s flood control program, this entire site may be needed for flood control purposes.

**Are there any outstanding Redevelopment or Economic Development objectives to be met on the property?** Yes. The site is under option to the Cordish Company for acquisition and development as a mixed-use district.

**Any existing contractual obligations on the property?** No.

**Is the property a known or suspected brownfield?** No.

**Describe the property’s potential for transit-oriented development.** Portions of this site have the potential to be good locations for transit-oriented development, as nearby zoning supports relative dense development and the subject site is expected to be developed along with larger adjacent properties.

**Is the property described in any of the planning documents, implementation documents, etc. of the City of West Sacramento or the former Redevelopment Agency?** ? It is described in the Southport Framework Plan and the City’s Parks Master Plan. The Redevelopment Agency’s latest 5-Year Implementation Plan references recreation and access and additional public improvements, and the setback levee project. It encourages the implementation of the Southport Framework and supports the repurposing of the Lock facility and surrounding areas for retail, residential and recreation uses as part of the Agency’s efforts to anticipate and activate the redevelopment or development of underdeveloped areas which are stagnant or improperly utilized.

## Long Range Property Management Plan: Section 6

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**Describe the property's potential to advance the planning objectives of successor agency.** The site could be developed with transit-oriented mixed uses. It could also be a park site.

**Provide a brief history of any previous development proposals on the property, including any previous rental or lease agreements.** N/A

**Are there physical barriers to development of the site?** Yes. The site includes multiple shuttered buildings remaining from the site's former operation as a lock between the Sacramento River and the Deep Water Ship Channel. Development of this site would require substantial demolition work.

**What obstacles would need to be overcome to have the site shovel-ready?** To render this site ready for development, existing structures would need to be cleared, and the ongoing use of portions of the site for the City's flood control efforts would need to be assured.

**What are the costs of such improvements? Or how is the value of the property impacted by the need for these improvements?** Unknown.

### **13.2821 Lake Washington Blvd.**

**APN** 067-180-024

**Date of Acquisition:** June 24, 2004

**Address:** 2821 Lake Washington Blvd.

**Lot size:** 4.18 AC

**Current zoning:** WF

**General Plan Land Use:** RMU

**Within the former RDA boundary?** Yes.

**Within other planning areas?** Yes. The property is within the Southport Framework Plan.

**Amount paid for the property when acquired:** This property was bundled with seven other adjoining parcels for which the West Sacramento Redevelopment Agency agreed to pay the Port of Sacramento \$2 million.

**Acquired via Eminent Domain?** No.

**Includes relocation costs?** N/A

**Value of the property when acquired:** Unknown.

**Estimated current value of the property:** \$ 40,000  Broker Opinion of Value or  Appraisal (a portion)

**Purpose of acquisition:** This site was acquired for open space and future development.

**Are there any outstanding Redevelopment or Economic Development objectives to be met on the property?** Yes. The site is under option to the Cordish Company for acquisition and development as a mixed-use district.



## Long Range Property Management Plan: Section 6

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**Any existing contractual obligations on the property?** Yes. The site is currently under option to the Cordish Company. The option agreement calls for the payment of an annual option fee of \$75,000 to the Redevelopment Agency or its successor; however, no cash payments have been received to date. The site is also encumbered by a sewer easement, an Agreement Regarding Park Relocation, a Consent and Partial Assignment of Option Agreement, and a Development Cooperation Agreement, none of which generate any revenue to the Successor Agency.

**Is the property a known or suspected brownfield?** No.

**Describe the property's potential for transit-oriented development.** This site has limited potential to be a good location for transit-oriented development. While both the site and nearby zoning supports relatively dense development, the property is not located close to existing or planned transit routes.

**Is the property described in any of the planning documents, implementation documents, etc. of the City of West Sacramento or the former Redevelopment Agency?** ? It is described in the Southport Framework Plan and the City's Parks Master Plan. The Redevelopment Agency's latest 5-Year Implementation Plan references recreation and access and additional public improvements, and the inline booster pump station. It encourages the implementation of the Southport Framework.

**Describe the property's potential to advance the planning objectives of successor agency.** The site encompasses multiple zones and could be developed with a variety of transit-oriented mixed uses.

**Provide a brief history of any previous development proposals on the property, including any previous rental or lease agreements.** The property is under option to the Cordish Company for inclusion in a larger mixed-use development.

**Are there physical barriers to development of the site?** No.

**What obstacles would need to be overcome to have the site shovel-ready?** N/A

**What are the costs of such improvements? Or how is the value of the property impacted by the need for these improvements?** N/A

### **14.2100 Jefferson Blvd.**

**APN** 067-180-054

**Date of Acquisition:** June 24, 2004

**Address:** 2100 Jefferson Blvd.

**Lot size:** 34.5 AC

**Current zoning:** POS, WF

**General Plan Land Use:** OS, RMU

**Within the former RDA boundary?** Yes.

**Within other planning areas?** Yes. The property is within the Southport Framework Plan.

## Long Range Property Management Plan: Section 6

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**Amount paid for the property when acquired:** This property was bundled with seven other adjoining parcels for which the West Sacramento Redevelopment Agency agreed to pay the Port of Sacramento \$2 million.

**Acquired via Eminent Domain?** No.

**Includes relocation costs?** N/A

**Value of the property when acquired:** Unknown.

**Estimated current value of the property:** \$350,000    Broker Opinion of Value   or    Appraisal (a portion)

**Purpose of acquisition:** This site was acquired for open space and future development.

**Are there any outstanding Redevelopment or Economic Development objectives to be met on the property?** Yes. The site is under option to the Cordish Company for acquisition and development as a mixed-use district.

**Any existing contractual obligations on the property?** Yes. The site is currently under option to the Cordish Company. The option agreement calls for the payment of an annual option fee of \$75,000 to the Redevelopment Agency or its successor; however, no cash payments have been received to date.

**Is the property a known or suspected brownfield?** No.

**Describe the property's potential for transit-oriented development.** This site has the potential to be a good location for transit-oriented development, as both site and nearby zoning supports relatively dense development. The site has access to Jefferson Blvd., the City's primary north/south roadway.

**Is the property described in any of the planning documents, implementation documents, etc. of the City of West Sacramento or the former Redevelopment Agency?** It is described in the Southport Framework Plan and the City's Parks Master Plan. The Redevelopment Agency's latest 5-Year Implementation Plan references recreation and access and additional public improvements. It encourages the implementation of the Southport Framework.

**Describe the property's potential to advance the planning objectives of successor agency.** The site encompasses multiple zones and could be developed with a variety of transit-oriented mixed uses.

**Provide a brief history of any previous development proposals on the property, including any previous rental or lease agreements.** The property is under option to the Cordish Company for inclusion in a larger mixed-use development.

**Are there physical barriers to development of the site?** No.

**What obstacles would need to be overcome to have the site shovel-ready?** N/A

## Long Range Property Management Plan: Section 6

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**What are the costs of such improvements? Or how is the value of the property impacted by the need for these improvements?** N/A

## Relevant Source Material

- 1. West Capitol Avenue**
  - a. 2400 West Capitol Ave**
    - i. Attachment 1- Appraisal**
    - ii. Attachment 2- Closing Statement**
    - iii. Attachment 3- Staff Report**
  - b. 2600 West Capitol Ave**
    - i. Attachment 4- Letter from Appraiser (1995)**
    - ii. Attachment 5- Final Escrow Statement**
    - iii. Attachment 6- Summary Appraisal Report (2002)**
    - iv. Attachment 7- Staff Report**
- 2. Washington Specific Plan**
  - a. 305 3<sup>rd</sup> St and 221-225 C St**
    - i. Attachment 8-Resolution Accepting Transfer from Yolo County and Quitclaim Deed**
    - ii. Attachment 9- Parking Lease and Assignment**
- 3. Lighthouse Drive/Fifth Street Widening Project**
  - a. 485 Lighthouse Dr**
    - i. Attachment 10-Appraisal (1990)**
    - ii. Attachment 11- Stipulation and Final Judgment**
    - iii. Attachment 12- Appraisal (1995)**
- 4. Grand Gateway Master Plan**
  - a. 811 West Capitol Ave**
    - i. Attachment 13- Quitclaim Deed**
  - b. 811 West Capitol Ave and 706 Tower Ct**
    - i. Attachment 14-Property Summary and Historical Assessor Parcel Map**
  - c. 706 Tower Ct**
    - i. Attachment 15-Case No. 69724 (Plaintiff's Statement of Value and Final Judgment)**
    - ii. Attachment 16- Settlement of Case No. 69722 (Final Escrow Statement)**
    - iii. Attachment 17- Resolution 98-82**
    - iv. Attachment 18- Appraisal**
    - v. Attachment 19- Cell Tower Leases**
- 5. Southport Framework Plan/Stone Lock**
  - a. All Properties (except Lock Facility)**
    - i. Attachment 20-Stone Lock Option Map**
    - ii. Attachment 21- Stone Lock Option and Assignment**
    - iii. Attachment 22- Appraisal**
    - iv. Attachment 23- Oversight Board Staff Report for OB Resolution 13-7 Ratifying Option and DOF's response**



**Missing Source Material as of 10/2/2013**

- 1. Attachment 24- Letter to Yolo County Superior Court Requesting Documents Regarding:**
  - a. 2600 West Capitol Ave- Case No. 67221**
  - b. 706 Tower Ct- Case No. 69723**

## I. INTRODUCTION

### **Purpose and Function of the Appraisal**

The purpose of this appraisal is to estimate the fair market value of the subject property. The function of this appraisal report is to assist the client in acquisition of the property.

### **Definition of Fair Market Value<sup>1</sup>**

The fair market value is the highest price that would be agreed to by a seller, being willing to sell but under no particular or urgent necessity for so doing, nor obliged to sell, and a buyer, being ready, willing, and able to buy but under no particular necessity for so doing, each dealing with the other with full knowledge of all the uses and purposes for which the property is reasonably adapted and available.

### **Property Rights Appraised**

Two value estimates are provided. The first is the **fee simple interest**, which assumes the property has been purchased by the current lessor and that consequently the existing lease is voided. The second value is the **leased fee interest** or owner's interest recognizing the existing lease and assuming the lease remains in force through its remaining term of 33 months.

### **Date of Valuation**

October 29, 1991.

### **Scope of the Appraisal**

The appraisal assignment involved an inspection of the subject property by the appraisers, interviews with government departments having jurisdiction over the property, and collection of data pertaining to the subject property and the relevant market.

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<sup>1</sup>CALIFORNIA CODE OF CIVIL PROCEDURE, Section 1263.320, Page 39.

Data was obtained from public records, publications, our appraisal office files, and knowledgeable persons. Sales data was confirmed with parties directly involved in the transactions.

A Preliminary Title Report prepared by Placer Title Company, dated September 9, 1991, was reviewed, as was other documentation provided by the client. The title report is included in the Addenda. The lease on the subject property together with its Assignment and Modification was also reviewed and is included in the Addenda.

Information considered relevant has been included in this report in summary form. It has been analyzed using only the Sales Comparison Approach to derive an estimate of value for the subject property. Because our estimated highest and best use of the property is to raze the existing improvements and develop to a new commercial use, the Income and Cost approaches are not used.

#### **Contingent and Limiting Conditions**

This appraisal report and the value estimate it contains are expressly subject to the following contingent and/or limiting conditions.

1. Title to the property is marketable.
2. No survey of the property has been made and proposed property lines as they appear on the ground are assumed to be correct.
3. Data, maps, and descriptive data furnished by the client or his representatives are accurate and correct.
4. No responsibility is assumed for matters of law or legal interpretation.
5. No conditions exist that would affect the use and value of the property, which are not discoverable through normal, diligent investigation.

6. The valuation is based on information from sources believed reliable, and that such information is correct and accurately reported.
7. The value estimate is made subject to the purpose, date, and definition of value.
8. The report is to be considered in its entirety and use of only a portion will invalidate the appraisal.
9. This appraisal was made on the premise that there are no encumbrances prohibiting utilization of the property under the appraiser's estimate of highest and best use.
10. Possession of this report or a copy does not carry with it the right of publication nor may it be used for any purpose by any other than the client without the previous written consent of Stover Company and then only with proper qualifications.
11. Disclosure of the contents of this appraisal report is governed by the By-Laws and Regulations of the Appraisal Institute. No part of this narrative report may be reproduced by any means nor disseminated to the public in any way without the prior written consent of Stover Company.
12. The liability of Stover Company and its employees and associates is limited to the client only and to the fee actually received by the appraisal firm. There is no accountability, obligation, or liability to any third party. If the appraisal report is disseminated to anyone other than the client, the client shall make such party or parties aware of all limiting conditions and assumptions affecting the appraisal assignment. Neither the appraisers nor the appraisal firm are in any way to be responsible for any costs incurred to discover or correct any physical, financial and/or legal deficiencies of any type present in the subject property. In the case of limited partnerships or syndication offerings or stock offerings in real estate, the client agrees that in the event of a lawsuit brought by a lender, a partner or part owner in any form of ownership, a tenant or any other party, the client will hold the appraisers and



the appraisal firm completely harmless in such action with respect to any and all awards or settlements of any type in such lawsuits.

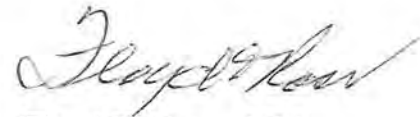
13. Any person or entity who obtains or reads this report, or a copy, other than the client specified in this report, expressly assumes all risk of damages to himself or third persons arising out of reliance on this report and waives the right to bring any action based on the appraisal, and neither the appraiser nor Stover Company shall have any liability to any such person or entity.
14. The appraiser shall not be required to give testimony or appear in court by reason of this appraisal with reference to the property described in this report unless prior arrangements have been made.
15. No responsibility is assumed for building permits, zone changes, engineering, or any other services or duty connected with legally utilizing the subject property.
16. Unless otherwise stated in this report, the existence of hazardous material, which may or may not be present on the property, was not observed by the appraiser. The appraiser has no knowledge of the existence of such materials on or in the property. The appraiser, however, is not qualified to detect such substances. The presence of such substances as asbestos, urea-formaldehyde foam insulation, or other potentially hazardous materials may affect the value of the property. The value estimate is predicated on the assumption that there is no such material on or in the property that would cause a loss in value. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in this field, if desired.
17. It is assumed that any proposed improvements are completed in a timely and good workmanlike manner according to the preliminary plans and specifications provided by the client.

## **Certification**

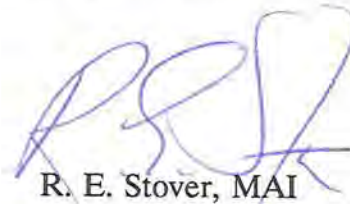
We certify that, to the best of our knowledge and belief:

1. The statements of fact contained in this report are true and correct.
2. The analyses, opinions, and conclusions contained in this report are our personal, unbiased and professional analyses, opinions and conclusions, and are limited only by the reported assumptions and limiting conditions of this report.
3. We have no present or prospective interest in the property that is the subject of this report, and we have no personal interest or bias with respect to the parties involved.
4. Our compensation is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.
5. Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and the Standards of Professional Practice of the Appraisal Institute, which fully incorporate the Uniform Standards of Professional Appraisal Practice (USPAP) of the Appraisal Foundation.
6. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
7. As of the date of this report, R. E. Stover has completed the requirements of the continuing education program of the Appraisal Institute.

8. Both of the undersigned have inspected the property that is the subject of this report.
9. No one provided significant professional assistance to the undersigned in the preparation of this report.



Floyd T. Ross, ARA



R. E. Stover, MAI

## II. IDENTIFICATION OF THE PROPERTY

### **General**

The subject of this appraisal is improved land located at 2400 West Capitol Avenue in the City of West Sacramento, Yolo County, California.

### **Legal Description**

The legal description of the property is included in the Preliminary Title Report, Addenda Item 1.

### **Assessor's Office**

The Yolo County Assessor identifies the property as Parcel Number 008-441-07.

### **Owner**

Title to the property is vested in JACOB J. STROHM, a married man, as his sole and separate property.

### III. PROPERTY ANALYSIS

#### General

The subject property is rectangular in shape, containing 0.648 net acres according to the Yolo County Assessor's map. The property is situated on the northwest corner of West Capitol Avenue and Pecan Street, West Sacramento, California.

#### Topography

The site is level.

#### Access

Access to the property is from West Capitol Avenue and Pecan Street.

#### Offsite Improvements

Offsite improvements include paved roads, curbs, and gutters on West Capitol Avenue and Pecan Street.

#### Utilities

All typical utilities are available to the site.

#### Zoning

The subject site is zoned C-2, Community Commercial. This zoning provides for local and regional oriented retail and service uses: offices, restaurants, service stations, multi-family residential units, public and quasi-public uses, and similar and compatible uses. Residential uses in this designation are subject to discretionary review and approval.

#### Easements and Encumbrances

The Preliminary Title Report provides for:

- ◆ Utilities easement in exceptions numbered 11 and 12.



- ◆ Highway or road purpose easements in exceptions numbered 10, 13, 14, 15, and 16.
- ◆ Exception Item 17 is a deed of trust recorded September 29, 1988 to secure an indebtedness of \$170,000.
- ◆ Exception No. 18 lists a lease affecting the subject premises. The lessor is Jacob J. Strohm; lessee is the City of West Sacramento. This lease, among other things, provides for an option to purchase/right of first refusal.

The encumbrances or easements listed in the Preliminary Title Report are not considered to adversely affect the value of the subject property.

### **Taxes and Assessments**

The Yolo County Assessor has assigned the following General and Special tax data for the 1991-1992 tax year.

|                  |                  |
|------------------|------------------|
| APN:             | 008-441-007      |
| Tax Code Area:   | 4-023            |
| Tax Rate:        | 1.243%           |
| Taxes:           | \$3,297.44       |
| Assessed Values: |                  |
| Land             | \$149,629        |
| Improvements     | <u>\$115,671</u> |
| Total:           | \$265,300        |

Item 2 of the Preliminary Title Report lists a sale to the State of California for general and special county and city taxes and subsequent delinquencies for the 1990-1991 tax year. The amount necessary to redeem through November 30, 1991 is \$3,752.52.

Items 4 through 9 of the Preliminary Title Report list various assessments districts whose charges are collected with county taxes or presently do not levy any assessments.

**Sale History of Property**

Local records reflect no deed transfers on this property within the past three years.

**Summary**

The physical characteristics of the site, including size, shape, utility availability, topography, visibility, access, and drainage are functionally adequate to support the community commercial zoning. There are no known environmental constraints limiting the utility or the marketability of the subject property. (See Contingent and Limiting Conditions).

#### **IV. HIGHEST AND BEST USE**

##### **If a Vacant Site**

Considering the property's size, visibility, and access, as well as the trend of development in the immediate neighborhood, it is concluded that the highest and best use of the subject property, if vacant, is as zoned, community commercial.

##### **As Improved**

The existing improvements are old. Many portions of these improvements have been attached and apparently are not up to code. It would not be economically feasible to bring the structure up to an acceptable standard for uses permitted under its current zoning. The highest and best use is to raze the structures and develop the land to an authorized commercial use under its community commercial zoning designation.

##### **Probability of Zoning Change**

It is unlikely that the City would permit rezoning of the site because of the recent approval of its General Plan and zoning.

## V. VALUATION ANALYSIS

### Valuation Method and Considerations

The appraisal process involves the investigation, organization, and analysis of relevant market data and other factors affecting the market value of the subject property. Factors discussed previously that influence value include the Property Analysis and the Highest and Best Use analysis.

Of the three traditional approaches to value, only the Sales Comparison Approach is applicable to this analysis. The Cost Approach is inappropriate because, appraised at its highest and best use, the existing improvements would be razed, and the Income Approach is not used because the property cannot be occupied as it presently exists without non-economic major structural modifications and therefore does not produce an income stream.

The Sales Comparison Approach to value involves the accumulation of sales data of comparable properties, the analysis of each sale, and the adjustment to each sale for conditions such as favorable seller financing, change in market conditions, and dissimilar physical or other characteristics. Unless otherwise noted, no significant adjustments for financing were required.

The unit of comparison used in this analysis is the **price per square foot of land**. Sales used in this analysis are listed and mapped on the following pages.

| COMPARABLE LAND SALES AND LISTINGS |   |                      |               |  |
|------------------------------------|---|----------------------|---------------|--|
| NO                                 | LOCATION/IDENTIFICATION   | DATE SOLD/<br>ZONING | SIZE/<br>S.F. | SALE PRICE/<br>PRICE PER<br>S.F.                       |
| 1                                  | 14-64-50<br>Grantor: River Point Associates<br>Grantee: B & D Leasing<br>Recorded: 12/11/89                                     | 12/89<br>PD-23       | 90,065        | \$6.40<br>Bonds <u>0.59</u><br>\$6.99                  |
| 2                                  | Various<br>Grantor: Rice Growers Association<br>Grantee: McCuen Properties<br>Recorded: 10/2/90                                 | 10/90<br>W.F         | 2,526,440     | \$11.08<br>Demolition <u>0.40</u><br>Site Prep \$11.48 |
| 3                                  | 67-120-37<br>Grantor: Jerome H. Hart Trustee<br>Grantee: Elder Creek Properties, Inc.<br>Recorded: 10/16/90                     | 10/90<br>C-2         | 148,321       | \$8.50   |
| 4                                  | 14-64-51<br>Grantor: River Point Associates<br>Grantee: California Correctional Peace Officers<br>Association<br>Recorded: 4/90 | 12/89<br>PD-23       | 91,911        | \$7.50<br>Bonds <u>0.59</u><br>\$8.09                  |
| 5                                  | Portion 67-12-02 Listing<br>Owner Listed - Vincent Amoruso  | Listing<br>C-2       | 25,000        | \$11.00  |
| 6                                  | 8-01-05 Listing<br>Bishop Hawk<br>Jim Egway, Agent  | Listing<br>C.H.      | 108,900       | \$4.50<br>(Cash)                                       |
| 7                                  | 67-19-01 Listing<br>TRI Realtors Listing<br>Barney Russell, Agent   | Listing<br>C-2       | 130,680       | \$5.51   |
| 8                                  | 67-120-13 (Portion of)<br>Grantor: Anna L. Jan<br>Grantee: C.A. Engstrom  | 4/89<br>C-3          | 66,066        | \$5.37   |

**Sale 1** is a 2.08-acre site on the north side of Reed Avenue between Interstate 80 and Harbor Boulevard. It is zoned for 100% office use and will be developed by California Veterinary Diagnostics, Inc. The sale price includes \$0.59 per square foot in bonds. All offsite improvements are in. The property is superior to the subject with respect to its location, but much inferior due to its more restrictive zoning. Overall this property is considered slightly inferior to the subject and indicates a value for the subject of more than \$7.00 per square foot.

**Sale 2** is a 58-acre parcel fronting on South River Road on the west bank of the Sacramento River, formerly the Rice Growers Association property. The property is



superior to the subject because of its river frontage and location. Due to the extensive differences in size, zoning, and configuration, this sale is included for general market informational purposes only.

**Sale 3** is located at the northeast corner of Harbor Boulevard and Evergreen Street in West Sacramento, and is zoned C-2. This property is superior in location because of its frontage on two major West Sacramento thoroughfares -- Harbor Boulevard and Evergreen Street. Since the sale date, a portion of this comparable, consisting of 34,891 square feet, has been resold for an Arco AM/PM service station site at a price of approximately \$16.50 per square foot. At the time of sale, this parcel consisted of 3.45 +/- acres. Since the sale, the property to the immediate north has been developed to a neighborhood retail commercial center; however, at the time of sale, this same property was improved land. This property is similar to the subject with respect to its corner configuration with much street frontage, and its zoning, but is slightly superior to the subject with respect to its exposure to freeway on- and off-ramp traffic. Overall, this property is considered slightly superior to the subject and suggests a value for the subject slightly less than \$8.50 per square foot.

**Sale 4** is a 2.11-acre site on the north side of Reed Avenue between Interstate 80 and Harbor Boulevard. The site has visibility and easy freeway access and is zoned for 100% office use. It will be developed by the California Correctional Police Officers' Association. All offsites are in place. The sale price includes \$0.59 per square foot in bonds. This property is superior to the subject with respect to its location, but inferior with respect to its notably more restrictive B-P zoning. Overall, this property is considered slightly inferior to the subject and suggests a value for the subject of slightly more than \$8.09 per square foot.

**Listing 5** is a 25,000 square foot C-2 zoned parcel located at 2701 West Capitol Avenue. The property has been offered for sale at \$11 per square foot of land for approximately one year. It is an inside lot with a very limited amount of street frontage in

relation to the parcel size. This property is notably inferior to the subject with respect to its configuration and limited frontage.

This and other listings in the report are included to provide general market information only. In accordance with eminent domain law, only closed sales can be used as comparables, thus these listings are not used to provide primary indications of value for the subject.

**Listing 6** is a 2.47-acre parcel zoned CH (Commercial Highway) on the north side of West Capitol Avenue approximately 250 feet east of the Interstate 80 off-ramp intersection. The current asking price is \$4.50 per square foot, cash. This is an inside site with limited frontage in relation to total property size. Due to its limited frontage and more restrictive zoning, this property is considered inferior to the subject.

**Listing 7** is a three-acre parcel of C-2 zoned property at the southwest corner of West Capitol Avenue and an extension of Johnson Road. The property is listed for \$720,000, or \$5.51 per square foot. The property has 246 feet of frontage on West Capitol Avenue and is 530 feet deep. This property is notably inferior to the subject due to its very limited amount of frontage in relation to the total property size.

**Sale 8** is a 1.5-acre site on the south side of West Capitol adjacent to and west of the Big R Shopping Center and approximately 600 feet west of Harbor Boulevard. This property is much inferior to the subject with respect to its lesser amount of street frontage as an inside lot and is slightly inferior with respect to its slightly more restrictive C-3 zoning.

Based on the market data considered and the comparable sales presented, with the most emphasis on Sales 3 and 8, the estimated value of the **fee simple interest** in the subject property is \$7.00 per square foot x 28,227 square feet = \$197,589, rounded to \$200,000, less estimated demolition cost of \$25,000 to remove the existing improvements, or

**ONE HUNDRED SEVENTY-FIVE THOUSAND DOLLARS**  
**(\$175,000)**

The subject property is leased, by assignment, to the City of West Sacramento. The lease, together with its assignments and modifications, gives the city the right to purchase the property for \$300,000. Because the property, in our opinion, is worth less than the option price, the option is considered to have no value or significance. The current lease rate for the property, however, is well above market and adds value to the property. Assuming the lease remains in force through its remaining term of 33 months, it will produce a net income stream to the property owner during that period. Additionally, the property owner would have full rights to and value of the property when the lease expires. The projected income stream, consisting of lease income and residual property value (increased for anticipated appreciation) has been discounted to a present value, as shown on the facing page, to obtain the indicated value of the leased fee interest.

Based on this analysis, the estimated value of the leased fee interest in the subject property is:

**TWO HUNDRED TWENTY THOUSAND DOLLARS**  
**(\$220,000)**

**A D D E N D A**

**ITEM 1**

**PLACER TITLE COMPANY  
PRELIMINARY TITLE REPORT NO. 70361  
DATED SEPTEMBER 9, 1991**



# Lacer Title Company

220 CLEVELAND STREET WOODLAND, CA 95695----- (916) 666-1213 / FAX--(916) 668-0896  
222 "D" STREET, SUITE 10, DAVIS, CA 95616----- (916) 753-5151 / FAX--(916) 753-7130  
----> 900 JEFFERSON BLVD., SUITE 150, WEST SACRAMENTO, CA 95691----- (916) 372-8963 / FAX--(916) 372-1739  
32 MAIN STREET, WINTERS, CA 95694----- (916) 795-3409 / FAX--(916) 795-3614

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PRELIMINARY REPORT NUMBER 70361

REFERENCE ORDER NO.-----:

PARTY TO CONTACT-----: LAURIE GARROZZO - ESCROW OFFICER

BUYER/BORROWER-----: WEST SACRAMENTO REDEVELOPMENT AGENCY

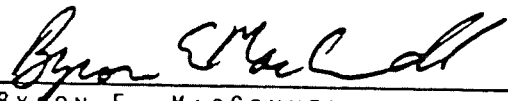
PROPERTY ADDRESS-----: 2400 WEST CAPITOL AVE., WEST SACRAMENTO CA

IN RESPONSE TO THE ABOVE REFERENCED APPLICATION FOR A POLICY OF TITLE INSURANCE, STEWART TITLE GUARANTY COMPANY, HEREBY REPORTS THAT IT IS PREPARED TO ISSUE, OR CAUSE TO BE ISSUED, AS OF THE DATE HEREOF, A POLICY OR POLICIES OF TITLE INSURANCE DESCRIBING THE LAND AND THE ESTATE OR INTEREST THEREIN HERINAFTER SET FORTH, INSURING AGAINST LOSS WHICH MAY BE SUSTAINED BY REASON OF ANY DEFECT, LIEN OR ENCUMBRANCE NOT SHOWN OR REFERRED TO AS AN EXCEPTION UNDER EXCEPTIONS OR NOT EXCLUDED FROM COVERAGE PURSUANT TO THE PRINTED SCHEDULES, CONDITIONS AND STIPULATIONS OF SAID POLICY FORMS.

THE PRINTED EXCEPTIONS AND EXCLUSIONS FROM THE COVERAGE OF SAID POLICY OR POLICIES ARE SET FORTH IN THE ATTACHED LIST. COPIES OF THE POLICY FORMS SHOULD BE READ. THEY ARE AVAILABLE FROM THE OFFICE WHICH ISSUED THIS REPORT.

THIS REPORT (AND ANY SUPPLEMENTS OR AMENDMENTS HERETO) IS ISSUED SOLELY FOR THE PURPOSE OF FACILITATING THE ISSUANCE OF A POLICY OF TITLE INSURANCE AND NO LIABILITY IS ASSUMED HEREBY. IF IT IS DESIRED THAT LIABILITY BE ASSUMED PRIOR TO THE ISSUANCE OF A POLICY OF TITLE INSURANCE, A BINDER OR COMMITMENT SHOULD BE REQUESTED.

DATED: SEPTEMBER 9, 1991 @ 7:30 A.M.

  
\_\_\_\_\_  
BYRON E. MACCONNELL  
TITLE OFFICER

D: (502)

1. The form of policy of title insurance contemplated by this report is:  
California Land Title Association Standard Coverage
2. The estate or interest in the land hereinafter described or referred to covered by this Report is:  
A FEE
3. The estate or interest referred at the date hereof is vested in:  
Jacob J. Strohm, a married man, as his sole and separate property

**DESCRIPTION:**

The land referred to herein is situate in the State of California and is described as follows:

County: Yolo

City: West Sacramento

Lots 19, 20 and 21, Little Poultry Farms, filed November 10, 1926, in Book 3 of Maps, at page 57, Yolo County Records.

Assessors Parcel No. 008-441-07

**EXCEPTIONS:**

At the date hereof exceptions to coverage, in addition to the printed Exceptions and Exclusions in the policy form designated on the face page of the Report would be as follows:

1. General and special City and County taxes for the fiscal year 1991-1992
  - First installment---: \$ 1,648.72 open
  - Second installment--: \$ 1,648.72 open
  - Land-----: \$ 149,629.00
  - Improvements-----: \$ 115,671.00
  - Parcel No.-----: 08-441-07
  - Code Area-----: 4-023
  - Bill No.-----: 27574
  
2. A sale to the State of California for general and special County and City Taxes and subsequent delinquencies for the
  - Fiscal year-----: 1990 - 1991
  - Parcel No.-----: 08-441-07
  - Tax Sale No.-----: none given
  - Amount to pay-----: \$3,657.35                \$3,704.94                \$3,752.52
  - Prior to-----: Sept 30, 1991      Oct 31, 1991      Nov 30, 1991
  
3. The lien of supplemental taxes, if any, assessed pursuant to the provisions of Chapter 3.5, Revenue and Taxation Code, Sections 75 et seq.
  
4. The herein described land lies within the boundaries of the Sacramento-San Joaquin Drainage District, and is subject to all taxes, assessments and obligations thereof. The district presently does not levy any assessments.
  
5. The herein described land lies within the boundaries of the district hereinafter referred to and is subject to all taxes, assessments and obligations thereof
  - District-----: Reclamation District # 900

Current assessments are collected with County taxes.
  
6. The herein described land lies within the boundaries of the district hereinafter referred to and is subject to all taxes, assessments and obligations thereof
  - District-----: North Delta Water Agency District

Current assessments are collected with County taxes.
  
7. The herein described land lies within the boundaries of the district hereinafter referred to and is subject to all taxes, assessments and obligations thereof
  - District-----: West Sacramento Light

Current assessments are collected with County taxes.

8. The herein described land lies within the boundaries of the district hereinafter referred to and is subject to all taxes, assessments and obligations thereof  
 District-----: West Sacramento Landscaping  
  
 Current assessments are collected with County taxes.
9. The herein described land lies within the boundaries of the district hereinafter referred to and is subject to all taxes, assessments and obligations thereof  
 District-----: City of West Sacramento Services
10. An Easement for highway purposes over that portion of said land  
 Within-----: South 40 feet in West Capitol Avenue and East 20 feet in Pecan Street  
 On Tract Map-----: Little Poultry Farms
11. An easement affecting the portion of said land and for the purposes stated herein, and incidental purposes, shown or dedicated by the map of  
 Tract-----: Little Poultry Farms  
 For-----: Public utility purposes  
 Affects-----: The rear 5 feet
12. An easement affecting the portion of said land and for the purposes stated herein, and incidental purposes  
 In favor of-----: Pacific Gas and Electric Company  
 For-----: Electrical and communication facilities  
 Recorded-----: March 16, 1927, in Book 113 of Deeds, page 497  
 Affects-----: The rear 5 feet
13. An easement affecting the portion of said land and for the purposes stated herein, and incidental purposes  
 In favor of-----: The State of California  
 For-----: Highway purposes  
 Recorded-----: October 21, 1930 in Book 21 of Official Records, page 214  
 Affects-----: A portion of Lot 19
14. Waiver of damages by reason of the construction or maintenance of a freeway, as contained in the Deed  
 To-----: The State of California  
 Recorded-----: October 21, 1930 in Book 21 of Official Records, page 214
15. An easement affecting the portion of said land and for the purposes stated herein, and incidental purposes  
 In favor of-----: The State of California  
 For-----: Highway purposes  
 Recorded-----: October 21, 1930 in Book 21 of Official Records, page 216  
 Affects-----: Portion of Lots 20 and 21



16. Waiver of damages by reason of the construction or maintenance of a freeway, as contained in the Deed  
 To-----: The State of California  
 Recorded-----: October 21, 1930 in Book 21 of Official Records, page 214
17. A Deed of Trust to secure an indebtedness of the amount stated herein  
 Dated-----: September 21, 1988  
 Amount-----: \$170,000.00  
 Trustor-----: Jacob J. Strohm, a married man, as his sole and separate property  
 Trustee-----: North American Title Company  
 Beneficiary-----: Sumitomo Bank of California, a California Banking Corporation  
 Address-----: 125 East El Camino Real, Mountain View, CA 94040  
 Recorded-----: September 29, 1988 in Book 1971 of Official Records, page 379  
 Instrument No.-----: 20571  
 Loan Number-----: NA
18. A lease, affecting the premises herein stated, for the term and upon the terms, covenants and conditions in an unrecorded lease referred to therein between the parties named herein  
 Type-----: Commercial  
 Dated-----: August 16, 1991  
 Lessor-----: Jacob J. Strohm  
 Lessee-----: City of West Sacramento, a Municipal Corporation  
 Recorded-----: August 21, 1991 in Book 2256 of Official Records at page 101

Said lease, among other things, provides for an option to purchase - right of first refusal.

SPECIAL INFORMATION

CHAIN OF TITLE REPORT

According to the public records, no transfers or agreements to transfer the land described herein appear of record during the period of 6 months prior to the date of this report, except as follows:

NONE

(Please note that our short term rate will not apply to this transaction.)

ADDRESS SUPPLEMENTAL

The above numbered report (including any supplements or amendments thereto), is hereby modified and/or supplemented to reflect the following additional items relating to the issuance of an American Land Title Association Loan Form Policy, as follows:

1. The ALTA Loan Policy will, when issued, contain CLTA Endorsement No. 100.
2. There is located on said land a commercial building at 2400 West Capitol Ave., West Sacramento CA .

Assessors Parcel No.: 008-441-07

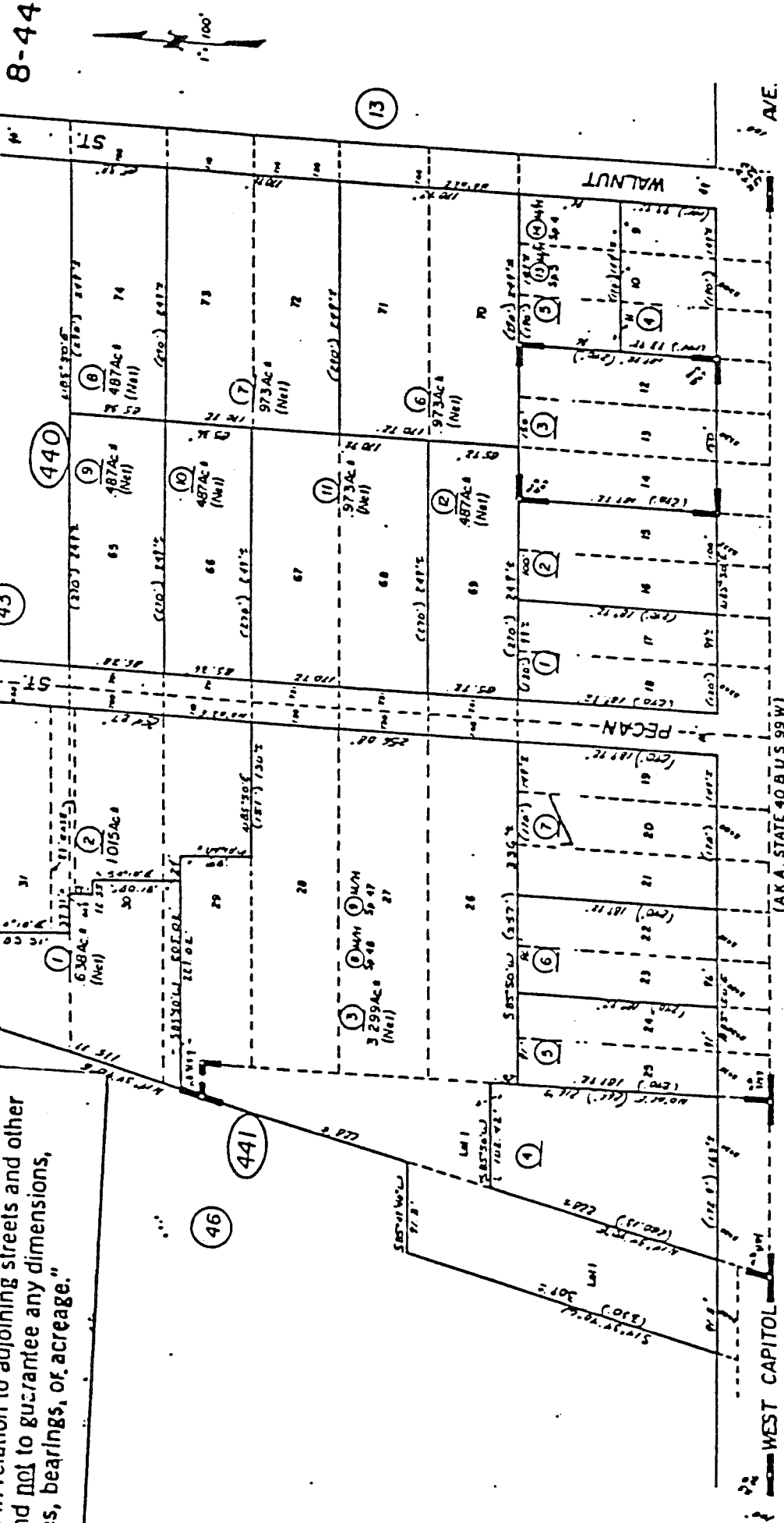


# Placer Title Company

Important: This plat is not a survey; it is only furnished as a convenience to locate and in relation to adjoining streets and other and not to guarantee any dimensions, areas, bearings, or acreage.

DR. SEC. 33, T.9N., R.4E., M.D.B. 8M.

CAUTION - These maps ARE NOT to be used for legal descriptions.



Bk 67  
Pg 21

- M.B. Bk. 3, Pg. 46 - Riverloom Acres.
- M.B. Bk. 3, Pg. 54 - West Sacramento Gardens.
- M.B. Bk. 3, Pg. 57 - Little Poultry Farms.
- M.B.S. Bk. 5, Pg. 67 - Resurvey of Lds 12-14, Little Poultry Farms.

VICINITY OF WEST SACRAMENTO  
ASSASSOR'S Mnn Pk

Carol Richardson, Assistant City Manager  
Re: Special Inspection - 2400 West Capitol Avenue  
9/19/91  
Page 3

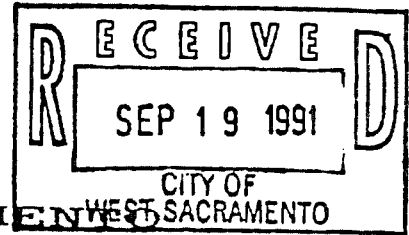
Plans should be prepared by a registered engineer or architect and submitted to the Building Division for review. A permit should be issued, inspections made, and a Certificate of Occupancy issued prior to any occupancy of the building.

cc: Steve Patek  
Bhu Patel  
Jim Thompson

**ITEM 2**

**CITY OF WEST SACRAMENTO MEMORANDUM  
DATED SEPTEMBER 19, 1991**





CITY OF WEST SACRAMENTO  
MEMORANDUM

TO: Carol Richardson, Assistant City Manager  
FROM: Chuck Coen, Building Official CC  
DATE: September 19, 1991  
SUBJECT: FIELD INSPECTION - 2400 WEST CAPITOL AVENUE

Dear Carol:

On September 16, 1991, Bhu Patel, Jim Thompson and I inspected the above referenced property. The results of that inspection and our recommendations follow:

Description

The structure is wood frame construction. Some of the floor is concrete and some is wood frame. The exterior walls are stucco with some stone veneer. The main portion of the building has job built trusses; parallel wood sheathing; purlins are 2"x4" at 24" o.c. spanning 11'-0"; the roofing is a built-up roof; wiring is a mixture of conduit with equipment grounds, and unknown conductors without equipment grounds; roof top heating and air conditioning. There are no windows in the main portion of the building, and the overall condition of the building is very poor. The building has been added to in stages with four to six poorly constructed additions. There are no apparent permits for these additions.

Review

The wood trusses have no means of lateral stability, however, their general condition is good. The roof purlins are grossly overspanned and several are on the verge of failure.

Due to the many additions with untreated wood in contact with the ground, parking lot draining under the building, and stucco in contact with the ground without the benefit of a weep screed, there is a strong possibility of excessive termite damage.

*SACR 2222169  
10-7-91*

Carol Richardson, Assistant City Manager  
Re: Special Inspection - 2400 West Capitol Avenue  
9/19/91  
Page 2

There is a possibility of asbestos being present in the roofing and floor tile and a lesser possibility of asbestos in the spray-on acoustical ceiling.

The newer wiring appears to be in good code compliance, however, the older wiring should be replaced in its entirety prior to public use. Most of the older wiring is contained in the two story section of the building which contains the second story apartment. If the building is to be used as an apartment, GFI's, smoke detectors, and egress windows would have to be replaced and a heating system would have to be added. Currently, there is an open sewer connection in the upstairs bath which is a health hazard. The electrical service panel should be secured immediately to preclude unauthorized access.

The exterior stucco stone is improperly installed and should be removed. The canopy roof structure is failing and must be removed.

There appears to be inadequate lateral bracing for the building as the only apparent bracing is horizontal 1x sheathing.

There is a commercial grease hood in the building which has many hazardous code violations and it should be removed.

The hot water heater is improperly installed.

The gas meter is inaccessible, which is not permitted.

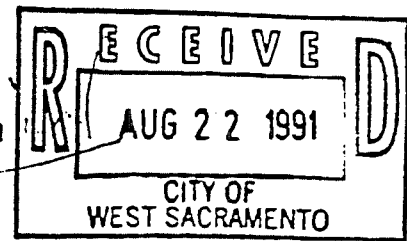
#### Recommendations

It does not appear to be economically feasible to bring the structure up to an acceptable standard for a City-owned building for public use.

If the structure is to be used, a thorough termite and asbestos inspection by qualified registered individuals should be made and their recommendations followed. Also, it is further recommended that the deficiencies noted in this report be corrected.

**ITEM 3**  
**LEASE AGREEMENT**

REC'D OCT -7 1991



Lease Agreement

This agreement made and entered into this 28th day of July 1989, by and between Jacob J. Strohm ("Lessor") and World Wide Video Inc. of Northern California ("Lessee") is based on the following terms and conditions:

1. Premises: Lessor hereby leases to Lessee and Lessee leases from Lessor for the term at the rental, and upon all the terms and conditions set forth herein, that certain real property situated in the City of West Sacramento, County of Yolo, State of California Commonly known as 2400 West Capital Avenue and legally described as:

Said real property including the land and all its improvements thereon is hereinafter referred to as "the Premises".

2. Term: The term of this lease shall be for five (5) years; however, Lessee at its exclusive option may terminate this lease agreement at the end of the second year by giving prior written notice to Lessor of its intent to do so at least ninety (90) days before expiration of the second year. Failure to give such notice shall be deemed acceptance of the continuation of this lease agreement through the fifth year. Lessee shall have the option to renew this lease for one (1) five (5) year term. Written notice of intention to renew must be furnished to Lessor ninety (90) days prior to expiration of the lease or any renewal hereunder. The rental shall be as stated in paragraph three (3), but all other terms and conditions shall remain as provided herein.

3. Rent: Rental payments shall be due monthly in advance

*Strohm RECEIVED  
10-7-91*

and shall be paid in the following amounts: \$2,000.00 per month for the first year of the lease; \$2,200.00 per month for the second year of the lease; \$2,300.00 per month for the third year of the lease; \$2400.00 per month for the fourth year of the lease; \$2500.00 for the fifth year of the lease. If lessee exercises its option to extend the lease for an additional five (5) years, the rental payments shall increase \$100.00 per month on each annual anniversary of the renewed lease.

4. Commencement: This lease shall commence August 1, 1989 and continue through July 31, 1994, unless sooner terminated as provided herein. Lessee shall pay first month's rent and the twelfth month's rent upon execution of the lease.

5. Use: The premises shall be used for sales of video and video related merchandise and items, newsprint and periodical merchandise in the every day retail business.

6. Lessee's Obligation: In the event of any damages caused by a negligent or intentional act of omission of Lessee, Lessee's agents, employees or invitees, Lessee shall repair the damage. Lessor acknowledges Lessee's intention to paint the exterior of the Premises, except the rock facing, the color yellow and agrees to permit same provided Lessee shall restore exterior of the Premises to its original condition upon termination of this lease as provided herein.

7. Property Insurance: Lessee shall obtain and keep in full force and effect during the term of this lease a policy of insurance covering loss of damage to the Premises, in an amount not to exceed the full replacement value thereof, excluding the value of Lessee's fixtures, equipment and/or tenant improvements as they may exist from time to time, providing protection against all perils included within the classification of fire, extended coverage, vandalism, malicious mischief, special extended perils ("all risk" as such term is used in the insurance industry). Lessor shall be named as an "additional insured" under such policy.

8. Liability Insurance: Lessee shall, at Lessee's expense obtain and keep in force during the term of this lease, a liability insurance policy covering bodily injury and property damage insurance insuring Lessor and Lessee against any liability arising out of the ownership, use, occupancy or maintenance of the Premises and all areas appurtenant thereto. Such insurance shall have a minimum \$500,000.00 single limit per person, per occurrence coverage. If Lessee shall fail to procure and maintain said insurance, Lessor may, but shall not be required to, procure and maintain same, but at the expense of Lessee.

9. Indemnity: Lessee shall indemnify and hold harmless Lessor from and against any and all claims arising from Lessee's use of the Premises, or from the conduct of Lessee's business or from any

activity, work or things done, permitted or suffered by Lessee in or about the Premises or elsewhere and shall further indemnify and hold harmless Lessor from and against any and all claims arising from any breach or default in the performance of any obligation of Lessee's part to be performed under the terms of this lease, or arising from any negligence of Lessee, or any of Lessee's agents, contractors, or employees, and from and against all costs, attorneys' fees, expenses and liabilities incurred in the defense of any such claim or any action or proceeding brought thereon.

10. Repairs: Lessee accepts the Premises "as is". Lessee shall, at Lessee's sole cost and expense, keep the Premises and every part thereof in good condition and repair including, without limitation, the maintenance and replacement and repair of any store front, doors, window casements, glazing, heating, system, plumbing, pipes, electrical wiring, and conducts. Lessee shall, upon expiration or sooner termination of the term of this lease, surrender the Premises to the Lessor in good condition, ordinary wear and tear excepted. Notwithstanding, Lessee's obligations with respect to such repairs, Lessor shall repair and maintain the structural portions of the Premises, including the exterior walls and roof, unless such maintenance and repairs are caused in part or in whole by the act, neglect, fault or omission of any duty by Lessee. Lessor shall not be liable for any failure to make such repairs or to perform any maintenance unless such failure shall persist for an unreasonable time but in no event later than thirty (30) days after written notice of the need of such repairs or maintenance is given to Lessor by Lessee.

11. Lessor's Consent Required: Lessee shall not voluntarily or by operation of law assign, transfer, mortgage, sublet, or otherwise transfer or encumber all or any part of Lessee's interest in this lease or in the Premises, without Lessor's prior written consent, which Lessor shall not unreasonably withhold. Lessor shall respond to Lessee's request for consent hereunder in a timely manner and any attempt at assignment, transfer, mortgage, encumbrance or subletting without such consent shall be void and shall constitute a breach of this lease.

12. Alterations and Additions: Notwithstanding Lessee's intention to paint the exterior as set forth in paragraph 6. above, Lessee shall also have the right to remodel and redecorate the interior of the Premises without Lessor's prior consent provided, however, that no structural alterations shall be undertaken without seeking and obtaining Lessor's prior written consent which shall not be unreasonable withheld.

14. Utilities: Lessee shall pay for all property taxes and assessment, water, gas, heat, light, power and sewer charges; telephone service and all other services and utilities supplied to the Premises.



15. Lessee's Default: The occurrence of any one or more of the following events shall constitute a material default and breach of this lease by Lessee:

(a) Failure to pay rent or any other monetary obligation which Lessee is obligated to pay under this lease when due.

(b) Abandonment or vacation of the Premises or any substantial portion thereof (failure to occupy or operate the Premises for ten (10) consecutive days shall be deemed an abandonment and vacation).

(c) Failure to perform any other provision of this lease if the failure to perform is not cured within thirty (30) days after notice has been given to Lessee. If the default cannot be reasonably cured within thirty (30) days, Lessee shall not be in default of this lease if Lessee commences to cure the default within the thirty (30) day period and diligently and in good faith continues to cure the default.

(d) The making by Lessee of any general assignment or general arrangement for the benefit of creditors or the filing by or against Lessee of a petition to have Lessee adjudged bankrupt or a petition or reorganization or arrangement under any law relating to bankruptcy, or the appointment of a trustee or receiver to take possession of substantially all of Lessee's assets located at the Premises or of Lessee's interest in this lease where possession is not restored to Lessee within thirty (30) days.

16. Default by Lessor: Lessor shall not be in default unless Lessor fails to perform obligations required of Lessor within a reasonable time, but in no event later than thirty (30) days after written notice by Lessee to Lessor and to the holder of any first mortgage or deed of trust covering the Premises whose name and address shall have therefore been furnished to Lessee in writing specifying wherein Lessor has failed to perform such obligation; provided, however, that if the nature of Lessor's obligation is such that more than thirty (30) days are required for performance, then Lessor shall not be in default if Lessor commences performance within such thirty (30) day period and thereafter diligently prosecuted the same to completion.

17. Holding Over: If Lessee, with Lessor's consent, remains in possession of the Premises or any part thereof after expiration of the term hereof, such occupancy shall be a tenancy from month-to-month upon all the provisions of this lease pertaining to the obligations of Lessee, but all options and rights of first refusal, if any, granted under the term of this lease shall be deemed terminated and be of no further effect during said month-to-month tenancy.

18. Severability: The invalidity of any provision of this lease as determined by a court of competent jurisdiction shall in no way affect the validity of any other provision hereof.

19. Notices: Any notice required or permitted to be given hereunder shall be in writing and may be given by personal delivery or by certified mail, and if given personally or by mail, shall be sufficiently given if addressed to Lessee or to Lessor at the address noted below the signature of the respective parties, as the case may be. Either party may, by notice to other, specify a different address for notice purposes except that upon Lessee's taking possession of the Premises, the Premises shall constitute Lessee's address for notice purpose. A copy of all notices required or permitted to be given to Lessor hereunder shall be concurrently transmitted to such party or parties at such addresses as Lessor may from time-to-time hereinafter designate by notice to Lessee.

20. Attorneys' Fees: If either party named herein brings an action to enforce the term hereof or declare rights hereunder, the prevailing party, shall in any action, on trial or appeal; shall be entitled to its reasonable attorneys' fees to be paid by the losing party as fixed by the court.

21. Signs: Lessee shall have the right to place the signs upon the exterior of the building necessary to conduct the business stated herein.

22. Licensing: Lessor acknowledges that if Lessee is not able to obtain a city business license(s) for the premises or, if such license(s) is ever revoked due to changes in zoning or business license ordinances or regulations, this Lease, at the option of the Lessee, shall become null and void.

23. Time: Time is of the essence of this Lease Agreement and the performance and observation of all of its terms and conditions.

24. Option to Purchase: Lessee, or Lessee's nominee, shall have the right to purchase the hereinbefore mentioned property for the sum of \$300,000.00. In addition to the purchase price, Lessee shall pay one half of the sales commission as described in paragraph 27. This purchase option shall be exercised during calendar year 1990.

25. Right of First Refusal: Lessee, or Lessee's nominee, shall, after the first year of the lease, have the right of first refusal to purchase the premises from Lessor for a price and upon the terms and conditions which any third party purchaser offers to purchase the premises from Lessor. Lessor shall give Lessee written notice of their intent to sell the premises stating the price and terms upon which said third party has agreed to purchase and Lessee, or Lessee's nominee shall then have the right of first refusal for ten (10) days from the receipt of such notice in which to notify Lessor, in writing, of its intent to purchase the premises from Lessor for the same price and upon the same terms and conditions as offered by said third party.

26. Lease Commission: Owner/Lessor, Jacob J. Strohm agrees to pay to Brokers: Ritchie & Ritchie (Agent: Murray Arnold), of 1851 Heritage Lane, Sacramento, California, 95815 and The Executive Order II R.E. and Investments, of 2298-B Foothill Blvd., LaVerne, California (Agent: Tia Penland) 91750; commission in the amount of six percent (6%) of the gross rental income as scheduled on the first five (5) years of the term of the lease, split equally between and paid separately to the brokers named herein according to the following schedule: \$4,000.00 when the lease is executed and a minimum of \$1,000.00 per month, commencing with the second month of the lease, until the obligation is less than \$1,000.00. The last months payment shall be the remaining amount due. Init: \_\_\_\_\_

It is understood and disclosed that the Lessee's agent in this transaction is a cohabitant of the Lessee.

27. Sales Commission: Owner/Lessor, Jacob J. Strohm agrees to pay to Brokers: Ritchie & Ritchie (Agent: Murray Arnold), of 1851 Heritage Lane, Sacramento, California, 95815 and The Executive Order II R.E. and Investments, of 2298-B Foothill Blvd., LaVerne, California (Agent: Tia Penland) 91750; commission in the amount of five percent (5%) of the gross sales price, split equally between and paid separately to the brokers named herein within five (5) days of the closing of the sale. If the option to purchase, as described in paragraph 24. of this lease, is exercised, the sales commission shall be reduced by the amount of the of the lease commission that applied to the term of the lease after the sale closing date. Init: \_\_\_\_\_

It is understood and disclosed that the Lessee's agent in this transaction is a cohabitant of the Lessee.

28. Additional Terms and Conditions:

(a) Lessor shall, at its own expense, remove and dispose of the truck cab located in the Premises.

(b) Lessor shall leave the safe in the Premises for the Lessee's use.

29. Acceptance: Lessor shall accept or reject this Lease Agreement within two (2) working days of its presentation to Lessor's Agent.

30. Recordation: Lessee May record the Lease Agreement or a Memorandum of this Lease Agreement at its expense.

LESSOR AND LESSEE HAVE CAREFULLY READ AND REVIEWED THIS LEASE AND EACH TERM AND PROVISION CONTAINED HEREIN, AND BY EXECUTION OF THIS LEASE, SHOW THEIR INFORMED AND VOLUNTARY CONSENT THERETO. THE PARTIES HEREBY AGREE THAT AT THE TIME THIS LEASE IS EXECUTED, THE TERMS OF THIS LEASE ARE COMMERCIALY REASONABLE AND EFFECTUATE THE INTENT AND PURPOSE OF LESSOR AND LESSEE WITH RESPECT TO THE PREMISES.

LESSOR

LESSEE

Jack O. Stetson

By [Signature]

By \_\_\_\_\_

Executed on 8/1/89

Address for notices and rent

PO Box 775  
Jackson Calif 95242

Phone 209-223-3443  
Home 209-274-3193

World Wide Video Inc. No. Cali.

By [Signature]

By \_\_\_\_\_

Executed on 7-28-89

Address

7505 Foothill Blvd.

Tujunga, Ca. 91042

(818) 352-8735

ASSIGNMENT AND MODIFICATION OF LEASE

The parties to this Agreement are WORLD WIDE VIDEO INC. of NORTHERN CALIFORNIA, a California Corporation ("WWV"), the CITY OF WEST SACRAMENTO, a Municipal Corporation ("the CITY") and JACOB J. STROHM ("Lessor"). The effective date of this Agreement and Modification is August 15, 1991.

WHEREAS, WWV and Lessor are parties to that certain Lease agreement dated July 28, 1989, with references to premises at 2400 West Capitol Avenue, West Sacramento, California (the "Lease") and;

WHEREAS, WWV and Lessor are desirous to assign the Lease to the CITY;

NOW THEREFORE, the parties hereto agree that the Lease is hereby assigned and modified as follows:

1. ASSIGNMENT: For value received, WWV hereby assigns to the CITY, all its right, title and interest in the Lease which Lease is marked Exhibit "A," attached hereto and incorporated herein by this reference subject to all terms and conditions thereof as modified below.

2. MODIFICATION: For value received, Lessor and the CITY hereby agree to the following Modifications. The Lessor and the CITY agree that paragraph 5 of the Lease is deleted in its entirety and replaced with the following:

"5. USE: The premises may be used for any governmental purpose, including subletting the premises as may suit the City of West Sacramento.

Additionally, the Lessor and the CITY hereby agree that paragraph 24 of the Lease is hereby modified by deleting in its entirety the last sentence of paragraph 24 and inserting in its place the following:

"THIS PURCHASE OPTION may be exercised at anytime prior to August 17, 1992.

Additionally, WWV warrants and guarantees that, as of the date of this Assignment and Modification of Lease, the rent is current, the premises are vacant, WWV has sole possession of the premises and any and all actions necessary to bring the rent current and to give the CITY exclusive possession shall be the sole and exclusive responsibility of WWV and WWV shall indemnify and hold harmless the CITY for any and all expenses, costs, claims and attorney's fees arising from any claims to possession or the

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CITY's efforts to obtain exclusive possession or to bring current the rent.

The parties recognize there exists a dispute between WWV and Lessor regarding attorney fees. The CITY agrees to pay these attorney fees in an amount to be agreed among the parties in an amount not to exceed \$7,000.00.

3. All other provisions of the Lease shall remain in full force and effect and this Modification is not intended to modify in any way any other provision other than as specified above.

Dated: 8-15-91

WORLD WIDE VIDEO OF  
NORTHERN CALIFORNIA, a  
CALIFORNIA CORPORATION

*Phyllis Grates*

PHYLLIS GRATES

BY: (Type or Print)

Title: PRESIDENT

CONSENT TO ASSIGNMENT & MODIFICATION

Lessor hereby consents to the assignment by WWV of its right, title and interest in the Lease and to this delegation to and assumption by the CITY of WWV's duties and obligations, including the obligation to restore the premises provided the restoration does not cost more than \$8,000.00, and performance under the Lease as modified herein and acknowledges in the hands of the CITY the Lease as modified herein remains in full force and effect.

Dated: 8/16/91

LESSOR:

*Jacob J. Strohm*  
JACOB J. STROHM

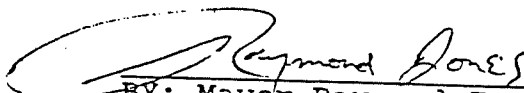


ACKNOWLEDGEMENT OF ACCEPTANCE OF ASSIGNMENT

The CITY, hereby accepts the assignment of the Lease as modified effective the date thereof, and hereby agrees to assume and perform all duties and obligations, including the obligation to restore the premises provided the restoration does not cost more than \$8,000.00, as modified to be performed by WWV and is entitled to the benefits under the Lease as modified herein to the same extent as if the CITY had been an original party thereto.

Dated: Aug 16, 1991

THE CITY OF WEST SACRAMENTO,  
CALIFORNIA, a MUNICIPAL  
CORPORATION.

  
BY: Mayor Raymond Jones

22129.1/7203.24  
Revised 8/13/91

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**ITEM 4**

**PROFESSIONAL QUALIFICATIONS  
OF  
FLOYD T. ROSS, ARA**

**Professional Experience**

Junior and Assistant Rights-of-Way Agent with Division of Highways, State of California, 1959 to 1960, District IV, Marysville, California.

Area staff appraiser with First Western Bank and United California Bank, 1960 to 1963. Completed appraisal assignments throughout Central and Northern California and portions of southern Oregon.

Agricultural loan officer/appraiser with Bank of California, Sacramento, 1963 to 1970.

Controller, Murchison Construction Company, 1970 to 1974.

Administrator - farming, business, and real estate, Anderson Farms Company, Davis, California, 1974 to 1989.

**Professional Membership**

ARA: Accredited Rural Appraiser for California - American Society of Farm Managers and Rural Appraisers, 1964 to present.

Member both California and American Society of Farm Managers and Rural Appraisers.

**Education**

Graduate of University of California at Davis with B.S. degree in Animal Science.

Graduate of University of California Extension Real Estate Certificate Program, 1964. Courses completed: Trends and Factors Influencing Real Estate

Real Estate Practice  
Legal Aspects of Real Estate  
Commercial and Investment Properties  
Tax Planning for Real Estate Transactions  
Real Estate Finance

Appraisal Institute. Courses completed:

Real Estate Appraisal I and II

Graduate of Marine Corps Basic Officer School, Quantico, Virginia.

Graduate of U.S. Naval Pre-Flight and Flight Training Schools, Pensacola, Florida, and Corpus Christi, Texas.

Graduate of Marine Corps Embarkation School, Kaneohe Bay, Hawaii

**PROFESSIONAL QUALIFICATIONS  
OF  
RICHARD E. STOVER, MAI**

**Professional Experience**

Independent Appraiser and Consultant since 1977. Have completed agricultural, commercial, industrial and residential real estate appraisal assignments throughout Northern California for private parties, attorneys, institutions, and public agencies. Experienced in arbitration, litigation and eminent domain appraisals.

Staff Real Estate Appraiser and Agricultural Field Officer with Security Pacific National Bank from 1968 to 1977. Reviewing and Supervising Appraiser from 1972. Assistant Vice President from 1974. Completed assignments throughout the Central Valley and the Sierra Mountain Area of California.

Field Foreman with Newhall Land Farming Company, a large farming enterprise in California, 1966 to 1968. Lived and worked on diversified farm in Sutter County, California until 1962.

Three years active duty as commissioned officer with U.S. Marine Corps, commencing 1963. Currently serving as member of the Marine Corps Reserve with the rank of Colonel.

Qualified as an expert witness in real estate valuation in Superior Court of California, Sacramento County, Yolo County and Placer County; and in Federal Bankruptcy Court, Sacramento.

**Professional Membership**

MAI: Member of Appraisal Institute, Certificate No. 6575

**Education**

Graduate of University of California at Davis with B.S. degree in Agricultural Business Management, January, 1963.

**Appraisal Institute:**

Course 1-A, Basic Principles, Methods and Techniques, 1973.

MAI, Candidate Report Writing Seminar, 1973.

Course 1-B, Capitalization Theory and Techniques, 1973.

Course VIII, Single Family Residential Appraising, 1973.

Course II, Urban Properties, 1974.

Course VI, Investment Analysis, 1974.

Course III, Rural Property Appraisal, 1975.

Graduate of Marine Corps Command and Staff College, Quantico, Virginia, Reserve Course, Phases I and II, 1981.



## PLACER TITLE COMPANY

900 JEFFERSON BOULEVARD, STE 150  
 WEST SACRAMENTO, CA 95691  
 (916) 372-8963

## BUYER'S CLOSING STATEMENT

WEST SACRAMENTO REDEVELOPMENT AGENCY  
 1102 JEFFERSON BOULEVARD #D  
 WEST SACRAMENTO, CA 95691

Date: 05/19/92  
 Escrow # 70361-LM  
 Escrow Officer: LAVONNE M. MEYER  
 Closing Date: 05/18/92

Property: 2400 WEST CAPITOL AVENUE, WEST SACRAMENTO, CA 95691

| Item  | Debits            | Credits           |
|---|-------------------|-------------------|
| Sales Price 2400 WEST CAPITOL AVENUE, WEST SACRAMENTO | 200,000.00        |                   |
| INITIAL DEPOSIT                                       |                   | 5,000.00          |
| BALANCE OF FUNDS DUE                                  |                   | 199,047.00        |
| R.E. Taxes 1991-92                                    | 3,297.44          |                   |
| CLTA Title Ins. Premium: 50% Of Total Premium         | 442.50            |                   |
| Escrow Fees: 50% Of Total Escrow Fees                 | 187.50            |                   |
| County Transfer Tax                                   | 110.00            |                   |
| Recording Fees  | 9.56              |                   |
| <u>TOTALS</u>   | <u>204,047.00</u> | <u>204,047.00</u> |

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## CITY OF WEST SACRAMENTO

## AGENDA REPORT

MEETING DATE: May 6, 1992

ITEM # 24

## SUBJECT:

APPROVAL OF LEASE TERMINATION AGREEMENT AND PURCHASE AGREEMENT  
OF PROPERTY ON WEST CAPITOL AVENUE (FORMERLY WORLD WIDE VIDEO)

## INITIATED OR REQUESTED BY:

## REPORT COORDINATED OR PREPARED BY:

 Council Staff Other


Carol B. Richardson  
Assistant City Manager

## ATTACHMENT

 Yes  No Information Direction ActionOBJECTIVE

The purpose of this report is to secure Redevelopment Agency approval of a lease termination agreement and purchase contract for the property at 2400 West Capitol Avenue.

RECOMMENDED ACTION

It is respectfully recommended that the City Council acting as the Redevelopment Agency approve:

- 1) Execution of the Lease Termination Agreement between Jacob J. Strohm (Seller) and the Redevelopment Agency of the City of West Sacramento;
- 2) Approve the Agreement of Purchase between Jacob J. Strohm and the Redevelopment Agency of the City of West Sacramento;
- 3) Approve the appropriation of \$275,000 from unappropriated redevelopment funds to Redevelopment Administration Activity 27-2701, Object Code 510 - Land.

BACKGROUND

In 1991, the City of West Sacramento entered into a settlement agreement with Bella Mia, Inc. As part of that agreement, the City agreed to assume the remainder of the lease of the property formerly occupied by Worldwide Video. The lease is due to expire in August of 1994. The lease payments are \$2300 per month, increasing by \$100 per month each year. The lease also contains an option to purchase the property for \$300,000.

ANALYSIS

The City explored the possibility of using the building for a City purpose. However, after a structural assessment of the site, this was not deemed to be economically feasible. The City then began the exploration of purchasing the property. Staff has been engaged in a series of discussions with the property owner who has agreed to terminate the lease and sell the property to the Redevelopment Agency.

The City is currently obligated to pay \$65,700 in lease payments. Additionally, the City is obligated for utilities and insurance.

Two agreements are before the Council. The first agreement calls for a termination of the lease at a cost of \$75,000. The second agreement calls for the purchase of the property by the Redevelopment Agency for a sum of \$200,000. The total cost of the deal is \$275,000. This is \$25,000 less than the option in the lease document.

Because of the structural deficiencies in the building, staff will recommend demolition of the structure if it is acquired by the Agency. Preliminary environmental work has been done on the site. The site is not contaminated; however, the building does contain some asbestos. Staff estimates it will cost \$40,000 - \$50,000 to demolish the structure.

### Alternatives

The Agency may decided not to pursue the recommendations as outlined. However, the Agency would still be bound by the lease document through July, 1994.

### Coordination and Review

This matter has been reviewed by the City Attorney and Deputy Director of Redevelopment.

### Fiscal Impact

The total cost to the Agency is \$275,000. The funds would come from unappropriated revenue in the Redevelopment Fund.

### CONCLUSION

It is respectfully recommended that the City Council approve the lease termination and purchase agreements.

### ATTACHMENT

1. Lease Termination Agreement
2. Agreement of Purchase and Sale

cc: Jacob Strohm  
John Cammack, Esq., Attorney for Jacob Strohm

/cd/a:02-0501.92



## LEASE TERMINATION AGREEMENT

This Lease Termination Agreement ("Agreement") is entered into this \_\_\_\_\_ day of \_\_\_\_\_, 1992 by and between the City of West Sacramento, a municipal corporation (the "City") and Jacob J. Strohm ("Strohm") with reference to the following:

### RECITALS

A. WHEREAS, Strohm executed that certain Lease Agreement with World Wide Video, Inc. of Northern California ("WWV") dated July 28, 1989, with reference to the premises located at 2400 West Capitol Avenue, West Sacramento, California (the "Property") a copy of which is attached hereto as Exhibit "A";

B. WHEREAS, Strohm and WWV assigned the lease referred to in Recital A to the City (as lessee) pursuant to that certain Assignment and Modification of Lease dated August 15, 1991, a copy of which is attached hereto as Exhibit "B," collectively the Lease Agreement and Assignment are referred to herein as the "Lease"; and

C. WHEREAS, the City desires to terminate the Lease prior to the expiration date thereof upon the terms and conditions stated herein.

### AGREEMENT

NOW, THEREFORE, the parties agree that the Lease is hereby terminated pursuant to the following terms and conditions:

1. Termination. Upon the execution of this Agreement by both parties and payment of the consideration provided for herein, Strohm and the City hereby rescind and terminate the Lease. The Lease is hereby rendered null and void and, except as provided herein, neither party shall have any further obligation to the other party thereunder.

2. Consideration. In consideration of the termination of the Lease prior to expiration of its term as provided in Paragraph 2 thereof, the City shall pay to Strohm the sum of \$75,000, payable upon execution of this Agreement by both parties.

3. Indemnification. Strohm and the City hereby mutually indemnify, defend and hold each other harmless from and against any and all liabilities, costs, damages, fees, expenses, or charges of any kind whatsoever in favor of anyone whomsoever which are in any way caused by or related to the City's occupancy and use of the Property during the term of the Lease and Strohm's ownership of the Property during the term of the Lease.

4. Entire Agreement. This Agreement constitutes the entire agreement between the parties pertaining to the subject matter hereof. No amendment, modification, waiver, or termination of this Agreement shall be binding unless executed in writing by both parties.

5. Severability. If any provision, clause or part of this Agreement, or the application thereof under certain circumstances, is held invalid, the remainder of this Agreement or the application of such provisions, clauses, or parts under other circumstances shall not be effected thereby.

6. Attorneys' Fees. In the event it becomes necessary to bring legal action at law or in equity, arbitration or other action or proceeding, to enforce or interpret any provision of this Agreement, the prevailing party shall be entitled, in addition to costs of suit, to an award of reasonable attorneys' fees.

7. Time. Time is of the essence of this Agreement.

8. Governing Law. This Agreement shall be construed in accordance with and governed by the laws of the State of California.

9. Construction. The City and Strohm acknowledge that each party and its counsel have reviewed and revised this Agreement and that the normal rule of construction is the affect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement or any document executed and delivered by either party in connection with this Agreement. The captions in this Agreement are for convenience of reference only and shall not be used to interpret this Agreement.

10. Counterparts. This Agreement may be executed in one or more counterparts with the same effect as if the parties executing several counterparts had executed one counterpart and all such executed counterparts shall together constitute one and the same Agreement.

11. Conflicts of Interest. No member, official or employee of City shall have any personal interest, direct or indirect, in this Agreement, nor shall any such member, official or employee participate in any decision relating to this Agreement which effects his/her personal interests or the interests of any corporation, partnership or association in which he/she is directly or indirectly interested.

12. Acceptance By City. Notwithstanding any other provision of this Agreement, this Agreement, when executed by Strohm and delivered to City, shall become null and void unless authorized and executed by City and delivered by City to Strohm

~~within thirty (30) days~~ after City's receipt of the Agreement  
by May 8<sup>th</sup>, 1992

executed by Strohm unless such date is extended in writing by Strohm. The effective date of this Agreement shall be the date the Agreement is executed by City.

13. Recitals and Exhibits. The recitals and exhibits are incorporated herein by this reference.

STROHM:

  
\_\_\_\_\_  
JACOB J. STROHM

CITY OF WEST SACRAMENTO:

By: \_\_\_\_\_

Its: \_\_\_\_\_

Attest: \_\_\_\_\_  
\_\_\_\_\_

EXHIBIT A  
Lease Agreement

This agreement made and entered into this 28th day of            1989, by and between Jacob J. Strohm ("Lessor") and World Wide Video Inc. of Northern California ("Lessee") is based on the following terms and conditions:

1. Premises: Lessor hereby leases to Lessee and Lessee leases from Lessor for the term at the rental, and upon all the terms and conditions set forth herein, that certain real property situated in the City of West Sacramento, County of Yolo, State of California Commonly known as 2400 West Capital Avenue and legally described as           

Said real property including the land and all its improvements thereon is hereinafter referred to as "the Premises".

2. Term: The term of this lease shall be for five years; however, Lessee at its exclusive option may terminate this lease agreement at the end of the second year by giving prior written notice to Lessor of its intent to do so at least ninety (90) days before expiration of the second year. Failure to give such notice shall be deemed acceptance of the continuation of this lease agreement through the fifth year. Lessee shall have the option to renew this lease for one (1) five (5) year term. Written notice of intention to renew must be furnished to Lessor ninety (90) days prior to expiration of the lease or any renewal hereunder. The rental shall be as stated in paragraph three (3), but all other terms and conditions shall remain as provided herein.

3. Rent: Rental payments shall be due monthly in advance

and shall be paid in the following amounts: \$2,000.00 per month for the first year of the lease; \$2,200.00 per month for the second year of the lease; \$2,300.00 per month for the third year of the lease; \$2,400.00 per month for the fourth year of the lease; \$2,500.00 for the fifth year of the lease. If lessee exercises its option to extend the lease for an additional five (5) years, the rental payments shall increase \$100.00 per month on each annual anniversary of the renewed lease.

4. Commencement: This lease shall commence August 1, 1989 and continue through July 31, 1994, unless sooner terminated as provided herein. Lessee shall pay first month's rent and the twelfth month's rent upon execution of the lease.

5. Use: The premises shall be used for sales of video and video related merchandise and items, newspaper and periodical merchandise in the every day retail business.

6. Lessee's Obligation: In the event of any damage caused by a negligent or intentional act of omission of Lessee, Lessee's agents, employees or invitees, Lessee shall repair the damage. Lessor acknowledges Lessee's intention to paint the exterior of the Premises, except the rock facing, the color yellow and agrees to permit same provided Lessee shall restore exterior of the Premises to its original condition upon termination of this lease as provided herein.

7. Property Insurance: Lessee shall obtain and keep in full force and effect during the term of this lease a policy of insurance covering loss of damage to the Premises, in an amount not to exceed the full replacement value thereof, excluding the value of Lessee's fixtures, equipment and/or tenant improvements as they may exist from time to time, providing protection against all perils included within the classification of fire, extended coverage, vandalism, malicious mischief, special extended perils ("all risk" as such term is used in the insurance industry). Lessor shall be named as an "additional insured" under such policy.

8. Liability Insurance: Lessee shall, at Lessee's expense, obtain and keep in force during the term of this lease, a liability insurance policy covering bodily injury and property damage insurance insuring Lessor and Lessee against any liability arising out of the ownership, use, occupancy or maintenance of the Premises and all areas appurtenant thereto. Such insurance shall have a minimum \$500,000.00 single limit per person, per occurrence coverage. If Lessee shall fail to procure and maintain said insurance, Lessor may, but shall not be required to, procure and maintain same, but at the expense of Lessee.

9. Indemnity: Lessee shall indemnify and hold harmless Lessor from and against any and all claims arising from Lessee's use of the Premises, or from the conduct of Lessee's business or from any

activity, work or things done, permitted or suffered by Lessee in or about the Premises or elsewhere and shall further indemnify and hold harmless Lessor from and against any and all claims arising from any breach or default in the performance of any obligation of Lessee's part to be performed under the terms of this lease, or arising from any negligence of Lessee, or any of Lessee's agents, contractors, or employees, and from and against all costs, attorneys' fees, expenses and liabilities incurred in the defense of any such claim or any action or proceeding brought thereon.

10. Repairs: Lessee accepts the Premises "as is". Lessee shall, at Lessee's sole cost and expense, keep the Premises in every part thereof in good condition and repair including, without limitation, the maintenance and replacement and repair of all store front, doors, window casements, glazing, heating, system, plumbing, pipes, electrical wiring, and conducts. Lessee shall, upon expiration or sooner termination of the term of this lease, surrender the Premises to the Lessor in good condition, ordinary wear and tear excepted. Notwithstanding, Lessee's obligations with respect to such repairs, Lessor shall repair and maintain the structural portions of the Premises, including the exterior walls and roof, unless such maintenance and repairs are caused in part or in whole by the act, neglect, fault or omission of any duty by Lessee. Lessor shall not be liable for any failure to make such repairs or to perform any maintenance unless such failure shall persist for an unreasonable time but in no event later than thirty (30) days after written notice of the need of such repairs or maintenance is given to Lessor by Lessee.

11. Lessor's Consent Required: Lessee shall not voluntarily or by operation of law assign, transfer, mortgage, sublet, or otherwise transfer or encumber all or any part of Lessee's interest in this lease or in the Premises, without Lessor's prior written consent, which Lessor shall not unreasonably withhold. Lessor shall respond to Lessee's request for consent hereunder in a timely manner and any attempt at assignment, transfer, mortgage, encumbrance or subletting without such consent shall be void and shall constitute a breach of this lease.

12. Alterations and Additions: Notwithstanding Lessee's intention to paint the exterior as set forth in paragraph 6 above, Lessee shall also have the right to remodel and redecorate the interior of the Premises without Lessor's prior consent provided, however, that no structural alterations shall be undertaken without seeking and obtaining Lessor's prior written consent which shall not be unreasonable withheld.

14. Utilities: Lessee shall pay for all property taxes and assessment, water, gas, heat, light, power and sewer charges and telephone service and all other services and utilities supplied to the Premises.

15. Lessee's Default: The occurrence of any one or more of the following events shall constitute a material default and breach of this lease by Lessee:

(a) Failure to pay rent or any other monetary obligation which Lessee is obligated to pay under this lease when due.

(b) Abandonment or vacation of the Premises or any substantial portion thereof (failure to occupy or operate the Premises for ten (10) consecutive days shall be deemed an abandonment and vacation).

(c) Failure to perform any other provision of this lease if the failure to perform is not cured within thirty (30) days after notice has been given to Lessee. If the default cannot be reasonably cured within thirty (30) days, Lessee shall not be in default of this lease if Lessee commences to cure the default within the thirty (30) day period and diligently and in good faith continues to cure the default.

(d) The making by Lessee of any general assignment or general arrangement for the benefit of creditors or the filing by or against Lessee of a petition to have Lessee adjudged bankrupt or a petition or reorganization or arrangement under any law relating to bankruptcy, or the appointment of a trustee or receiver to take possession of substantially all of Lessee's assets located at the Premises or of Lessee's interest in this lease where possession is not restored to Lessee within thirty (30) days.

16. Default by Lessor: Lessor shall not be in default unless Lessor fails to perform obligations required of Lessor within a reasonable time, but in no event later than thirty (30) days after written notice by Lessee to Lessor and to the holder of any first mortgage or deed of trust covering the Premises whose name and address shall have therefore been furnished to Lessee in writing specifying wherein Lessor has failed to perform such obligation; provided, however, that if the nature of Lessor's obligation is such that more than thirty (30) days are required for performance then Lessor shall not be in default if Lessor commences performance within such thirty (30) day period and thereafter diligently prosecuted the same to completion.

17. Holding Over: If Lessee, with Lessor's consent, remains in possession of the Premises or any part thereof after expiration of the term hereof, such occupancy shall be a tenancy from month-to-month upon all the provisions of this lease pertaining to the obligations of Lessee, but all options and rights of first refusal, if any, granted under the term of this lease shall be deemed terminated and be of no further effect during said month-to-month tenancy.

18. Severability: The invalidity of any provision of this lease as determined by a court of competent jurisdiction shall in no way affect the validity of any other provision hereof.



19. Notices: Any notices required or permitted to be given hereunder shall be in writing and may be given by personal delivery or by certified mail, and if given personally or by mail, shall be sufficiently given if addressed to Lessee or to Lessor at the address noted below the signature of the respective parties, as the case may be. Either party may, by notice to other, specify a different address for notice purposes except that upon Lessee's taking possession of the Premises, the Premises shall constitute Lessee's address for notice purposes. A copy of all notices required or permitted to be given to Lessor hereunder shall be concurrently transmitted to such party or parties at such addresses as Lessor may from time-to-time hereinafter designate by notice to Lessee.

20. Attorneys' Fees: If either party named herein brings an action to enforce the term hereof or declare rights hereunder, the prevailing party, shall in any action, on trial or appeal, shall be entitled to its reasonable attorneys' fees to be paid by the losing party as fixed by the court.

21. Signs: Lessee shall have the right to place the signs upon the exterior of the building necessary to conduct the business stated herein.

22. Licensing: Lessor acknowledges that if Lessee is not able to obtain a city business license(s) for the premises or, if such license(s) is ever revoked due to changes in zoning or business license ordinances or regulations, this Lease, at the option of the Lessee, shall become null and void.

23. Time: Time is of the essence of this Lease Agreement and the performance and observation of all of its terms and conditions.

24. Option to Purchase: Lessee, or Lessee's nominee, shall have the right to purchase the hereinafore mentioned property for the sum of \$300,000.00. In addition to the purchase price, Lessee shall pay one half of the sales commission as described in Paragraph 27. This purchase option shall be exercised during calendar year 1990.

25. Right of First Refusal: Lessee, or Lessee's nominee, shall, after the first year of the lease, have the right of first refusal to purchase the premises from Lessor for a price and upon the terms and conditions which any third party purchaser offers to purchase the premises from Lessor. Lessor shall give Lessee written notice of their intent to sell the premises stating the price and terms upon which said third party has agreed to purchase and Lessee, or Lessee's nominee shall then have the right of first refusal for ten (10) days from the receipt of such notice in which to notify Lessor, in writing, of its intent to purchase the premises from Lessor for the same price and upon the same terms and conditions as offered by said third party.

26. Lease Commission: Owner/Lessor, Jacob J. Strohm agrees to pay to Brokers: Ritchie & Ritchie (Agents: Murray Arnold), 1851 Heritage Lane, Sacramento, California, 95815 and The Executive Order II R.E. and Investments, of 2298-B Foothill Blvd., LaVerne, California (Agent: Tia Penland) 91750; commission in the amount of six percent (6%) of the gross rental income as scheduled on the first five (5) years of the term of the lease, split equally between and paid separately to the brokers named herein according to the following schedule: \$4,000.00 when the lease is executed and a minimum of \$1,000.00 per month, commencing with the second month of the lease; until the obligation is less than \$1,000.00. The first month's payment shall be the remaining amount due. Init: \_\_\_\_\_

It is understood and disclosed that the Lessee's agent in this transaction is a cohabitant of the Lessee.

27. Sales Commission: Owner/Lessor, Jacob J. Strohm agrees to pay to Brokers: Ritchie & Ritchie (Agents: Murray Arnold), 1851 Heritage Lane, Sacramento, California, 95815 and The Executive Order II R.E. and Investments, of 2298-B Foothill Blvd., LaVerne, California (Agent: Tia Penland) 91750; commission in the amount of five percent (5%) of the gross sales price, split equally between and paid separately to the brokers named herein within five (5) years of the closing of the sale. If the option to purchase, as described in paragraph 24. of this lease, is exercised, the sales commission shall be reduced by the amount of the of the Lease commission that applied to the term of the lease after the sale closing date. Init: \_\_\_\_\_

It is understood and disclosed that the Lessee's agent in this transaction is a cohabitant of the Lessee.

28. Additional Terms and Conditions:

(a) Lessor shall, at its own expense, remove and dispose of the truck cab located in the Premises.

(b) Lessor shall leave the safe in the Premises for the Lessee's use.

29. Acceptance: Lessor shall accept or reject this Lease Agreement within two (2) working days of its presentation to Lessor's Agent.

30. Recordation: Lessee May record the Lease Agreement or a Memorandum of this Lease Agreement at its expense.

LESSOR AND LESSEE HAVE CAREFULLY READ AND REVIEWED THIS LEASE AND EACH TERM AND PROVISION CONTAINED HEREIN, AND BY EXECUTION OF THIS LEASE, SHOW THEIR INFORMED AND VOLUNTARY CONSENT THERETO. THE PARTIES HEREBY AGREE THAT AT THE TIME THIS LEASE IS EXECUTED, THE TERMS OF THIS LEASE ARE COMMERCIALY REASONABLE AND EFFECTUATE THE INTENT AND PURPOSE OF LESSOR AND LESSEE WITH RESPECT TO THE PREMISES.

LESSOR

LESSEE

Jacoby Strohm  
By \_\_\_\_\_

World Wide Video Co. No. Calif.

By Debbie Grates  
By \_\_\_\_\_

By \_\_\_\_\_  
Executed on \_\_\_\_\_

Executed on 7-2-89

Address for notices and rent

Address

P.O. Box 725  
Jackson Calif 95642

7505 Foothill Rd.

Tujunga, Ca. 9142

(818) 352-8735

Phone 209 223 3443  
Home 209 742 293

EXHIBIT B  
ASSIGNMENT AND MODIFICATION OF LEASE

The parties to this Agreement are WORLD WIDE VIDEO INC. of NORTHERN CALIFORNIA, a California Corporation ("WWV"), the CITY OF WEST SACRAMENTO, a Municipal Corporation ("the CITY") and JACOB J. STROHM ("Lessor"). The effective date of this Agreement and Modification is August 15, 1991.

WHEREAS, WWV and Lessor are parties to that certain Lease agreement dated July 28, 1989, with references to premises at 2400 West Capitol Avenue, West Sacramento, California (the "Lease") and;

WHEREAS, WWV and Lessor are desirous to assign the Lease to the CITY;

NOW THEREFORE, the parties hereto agree that the Lease is hereby assigned and modified as follows:

1. ASSIGNMENT: For value received, WWV hereby assigns to the CITY, all its right, title and interest in the Lease which Lease is marked Exhibit "A," attached hereto and incorporated herein by this reference subject to all terms and conditions thereof as modified below.

2. MODIFICATION: For value received, Lessor and the CITY hereby agree to the following Modifications. The Lessor and the CITY agree that paragraph 5 of the Lease is deleted in its entirety and replaced with the following:

"5. USE: The premises may be used for any governmental purpose, including subletting the premises as may suit the City of West Sacramento.

Additionally, the Lessor and the CITY hereby agree that paragraph 24 of the Lease is hereby modified by deleting in its entirety the last sentence of paragraph 24 and inserting in its place the following:

"THIS PURCHASE OPTION may be exercised at anytime prior to August 17, 1992.

Additionally, WWV warrants and guarantees that, as of the date of this Assignment and Modification of Lease, the rent is current, the premises are vacant, WWV has sole possession of the premises and any and all actions necessary to bring the rent current and to give the CITY exclusive possession shall be the sole and exclusive responsibility of WWV and WWV shall indemnify and hold harmless the CITY for any and all expenses, costs, claims and attorney's fees arising from any claims to possession or the

CITY's efforts to obtain exclusive possession or to bring current the rent.

The parties recognize there exists a dispute between WWV and Lessor regarding attorney fees. The CITY agrees to pay these attorney fees in an amount to be agreed among the parties in an amount not to exceed \$7,000.00.

3. All other provisions of the Lease shall remain in full force and effect and this Modification is not intended to modify in any way any other provision other than as specified above.

Dated: \_\_\_\_\_

WORLD WIDE VIDEO OF  
NORTHERN CALIFORNIA, a  
CALIFORNIA CORPORATION

\_\_\_\_\_  
BY: (Type or Print)

Title: \_\_\_\_\_

CONSENT TO ASSIGNMENT & MODIFICATION

Lessor hereby consents to the assignment by WWV of its right, title and interest in the Lease and to this delegation to and assumption by the CITY of WWV's duties and obligations, including the obligation to restore the premises provided the restoration does not cost more than \$8,000.00, and performance under the Lease as modified herein and acknowledges in the hands of the CITY the Lease as modified herein remains in full force and effect.

Dated: \_\_\_\_\_

LESSOR:

\_\_\_\_\_  
JACOB J. STROHM

ACKNOWLEDGEMENT OF ACCEPTANCE OF ASSIGNMENT

The CITY, hereby accepts the assignment of the Lease as modified effective the date thereof, and hereby agrees to assume and perform all duties and obligations, including the obligation to restore the premises provided the restoration does not cost more than \$8,000.00, as modified to be performed by WWV and is entitled to the benefits under the Lease as modified herein to the same extent as if the CITY had been an original party thereto.

Dated: \_\_\_\_\_

THE CITY OF WEST SACRAMENTO,  
CALIFORNIA, a MUNICIPAL  
CORPORATION.

\_\_\_\_\_  
BY: Mayor Raymond Jones

AGREEMENT OF PURCHASE AND SALE  
IN LIEU OF CONDEMNATION AND JOINT ESCROW INSTRUCTIONS

THIS AGREEMENT is made as of this \_\_\_\_\_ day of \_\_\_\_\_, 1992, by and between Jacob J. Strohm ("Seller"), and the Redevelopment Agency of the City of West Sacramento, a public agency organized and existing pursuant to the California Community Redevelopment Law (Health and Safety Code section 33000 et seq.) ("Agency") with reference to the following.

RECITALS

A. Seller is the owner of certain real property and improvements located in the City of West Sacramento, County of Yolo, State of California, commonly known as 2400 West Capitol Avenue (APN 008-441-07), and more particularly described in Exhibit "A" attached hereto and made a part hereof ("the Property");

B. Agency is a public agency exercising governmental functions and powers organized and existing under the California Community Redevelopment Law (Health and Safety Code section 33000 et seq.) which has been vested with the responsibility for carrying out the Redevelopment Plan (the "Redevelopment Plan") for Redevelopment Project No. 1 adopted by Ordinance No. 87-21 of the City Council of the City of West Sacramento on May 20, 1987 (the "Project");

C. The Redevelopment Plan affects and controls the development and use of all real property located within that area within the City of West Sacramento, County of Yolo, more particularly described and set forth in the Redevelopment Plan (the "Project Area");

D. Agency currently leases the Property from Seller pursuant to that certain Lease Agreement dated August 1, 1989 as assigned and amended on August 15, 1991, which Lease Agreement shall be terminated by a written agreement of the parties prior to conveyance of the Property to Agency pursuant to this Agreement;

E. Seller desires to sell, and Agency, in lieu of condemnation, desires to purchase the Property for redevelopment purposes on the terms and conditions stated herein;

F. Agency has provided (by mail and publication) all required notices pursuant to Health and Safety Code section 33397(b).

## AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants and conditions herein contained the parties agree as follows:

1. Definition of Property. Seller shall convey, transfer, assign and deliver to Agency the Property described on Exhibit "A." The term "Property" includes (i) the real property; (ii) all water rights and water contracts owned or used by Seller; (iii) all structures and fixtures; and (vi) any and all oil, gas, and mineral rights owned by Seller.

2. Purchase and Sale; Price. Seller agrees to sell to Agency, and Agency agrees to buy from Seller all of the Property described in Paragraph 1 hereof. The total purchase price for the Property is TWO HUNDRED THOUSAND DOLLARS (\$200,000.00) (the "Purchase Price"). The Purchase Price shall be paid as follows:

a. Upon execution of this Agreement by Agency, Agency shall deposit with Escrow Holder (as hereinafter defined) a bank cashier's, or certified check, or wire transfer in the amount of Five Thousand Dollars (\$5,000.00) as a deposit (the "Deposit") to be applied against the Purchase Price at Close of Escrow (as hereinafter defined).

b. At least one (1) business day prior to the Close of Escrow, Agency shall deposit with the Escrow Holder, a bank cashier's or certified check, or wire transfer in the amount of One Hundred Ninety-Five Thousand Dollars (\$195,000.00) (as adjusted pursuant to Paragraph 16(b)) which, together with the Deposit, represents the total Purchase Price to be paid to Seller for the Property.

3. Escrow. Promptly upon execution of this Agreement by Agency and Seller, Agency and Seller shall deposit executed counterparts of this Agreement with Placer Title Company, 900 Jefferson Boulevard, Suite 150, West Sacramento, California (the "Escrow Holder") and order a preliminary title report on the Property. Agency shall deliver the Deposit to Escrow Holder and, Escrow Holder shall place the Deposit into an interest-bearing account designated by Agency, with interest earned to be credited to Agency. This Agreement shall, to the extent possible, act as Escrow Instructions. The parties agree to execute all further Escrow Instructions required by Escrow Holder, which further instructions shall be consistent with this Agreement. "Close of Escrow" is defined to be the recordation of the Grant Deed from Seller to Agency for the Property, which shall occur, subject to the provisions of Paragraphs 12, 14 and 18 hereof, on or before May 11, 1992, or such other date as the parties mutually agree in writing.

4. Costs and Fees. Agency and Seller shall each pay one-half of the full cost of (i) Escrow Holder's fees; (ii) the cost



of preparing, executing, and acknowledging and deeds or other instruments required to convey title to Agency; (iii) the cost of recording the Grant Deed required to convey title to the Property to Agency; (iv) the Preliminary Title Report (as hereinafter defined); (v) the title insurance policy described in Paragraph 12 of this Agreement; (vi) any taxes imposed on the conveyance of title to the Property to Agency under the Documentary Transfer Tax Act; and any other costs, charges or fees associated with the transactions contemplated by this Agreement.

5. Title. Upon Close of Escrow, the Property shall be subject only to: (i) those matters approved by Agency and set forth on Placer Title Company Preliminary Title Report No. 70361 Amend No. 1, dated as of March 30, 1992 (the "Preliminary Title Report"); (ii) the lien of real property general and special taxes, including reassessments, if any, which are not delinquent (including any special district levies); and (iii) the lien of supplemental taxes, if any, assessed pursuant to the provisions of Chapter 3.5 (commencing with Section 75) of the Revenue and Taxation Code of the State of California. Upon Close of Escrow, the Property shall be free of all other liens or encumbrances. Without limiting the generality of the foregoing, Agency hereby disapproves of the deed of trust referenced as exception No. 18 on the Preliminary Title Report.

6. Possession. Possession of the Property shall be delivered to Agency upon Close of Escrow.

7. Prorations. Subject to the terms of the Lease Agreement between the parties, all real and personal property taxes, and all local district assessments, shall be prorated as of the date of Close of Escrow.

8. Broker's Fees. No brokers or finder's fees or commissions of any kind shall be payable on account of the transactions contemplated hereby. Seller and Agency agree to indemnify and hold harmless one another against any loss, liability, damage, cost (including reasonable attorney's fees, claim, or expense, incurred by reason of any brokerage commission or finder's fee alleged to be payable because of any act, omission, or statement of the other party.

9. Representations and Warranties of Seller. Seller hereby represents and warrants to Agency that:

a. Seller is the owner of the Property and has full power and authority to execute and enter into this Agreement and to consummate the transactions contemplated hereunder. This Agreement constitutes the valid and binding Agreement of Seller and is enforceable in accordance with its terms.

b. To the best of Seller's knowledge, Seller's ownership, use, and operation of the Property has been, and is in

compliance with all applicable state (including the Subdivision Map Act), federal, and local statutes, ordinances, orders, requirements, laws, or regulations (including, without limitation, building, zoning, and environmental laws) affecting the Property.

c. To the best of Seller's knowledge, the Property is not subject to any liabilities, liens, or encumbrances other than those disclosed on the Preliminary Title Report, and there is no pending or threatened litigation or administrative proceedings affecting the Property or this Agreement. Except for the liabilities, liens, and encumbrances disclosed on the Preliminary Title Report which are approved and being assumed by Agency as provided herein, Agency is not assuming any liabilities, liens, encumbrances or other obligations of any kind (whether contractual or otherwise) related to the ownership and use of the Property by Seller prior to the Close of Escrow.

d. To the best of Seller's knowledge, neither Seller nor, to the best of Seller's knowledge, any third party has used, generated, manufactured, stored or disposed of, in, on, under, or about the Property or transported to or from the Property, any flammable explosives, radioactive materials, hazardous wastes, petroleum derived products, toxic substances, or related materials.

e. Seller has disclosed to Agency any and all facts known to Seller material to the Property or the transactions contemplated by this Agreement.

10. Representations and Warranties of Agency. Agency hereby represents and warrants to Seller that:

a. Agency has the full power and authority to execute and enter into this Agreement and to consummate the transactions contemplated hereunder; and

b. This Agreement constitutes a valid and binding Agreement of Agency enforceable in accordance with its terms.

11. Survival of Representations and Warranties; Hold Harmless. All of the representations and warranties of Agency and Seller made in conjunction with or pursuant to this Agreement shall survive the Close of Escrow and the delivery of the Grant Deed. Seller agrees to indemnify, defend, and hold Agency harmless from any claim, demand, liability, loss, or cost (including reasonable attorneys fees) which Agency may sustain arising out of any breach of or inaccuracy in Seller's representations and warranties. Agency agrees to indemnify, defend and hold Seller harmless from any claim, demand, liability, loss, or cost (including reasonable attorneys fees) which Seller may sustain arising out of any breach of or inaccuracy in Agency's representations and warranties.

12. Agency's Conditions of Closing. The Close of Escrow and Agency's obligation to purchase the Property pursuant to this Agreement are conditioned on:

a. The conveyance to Agency of good and marketable title to the Property, as evidenced by a CLTA Owner's Title Insurance Policy in the amount of the Purchase Price, issued by Escrow Holder, subject only to such liens, encumbrances, or conditions as described in Paragraph 5 of this Agreement.

b. Agency's inspection and written approval of the condition of the Property. After receipt of all environmental site assessments and all other investigation results, Agency shall have the right, in its sole and absolute discretion, to approve or disapprove the condition of the Property in writing.

c. Seller having delivered into escrow all funds and documents as required by this Agreement and having complied with all other covenants and conditions to be performed or complied with by Seller.

d. The representations and warranties of Seller contained in this Agreement being true on and as of the Close of Escrow as if the same were made on and as of such date.

e. Written approval of this Agreement and the transactions contemplated hereunder by the Board of Directors of Agency and the City Council of the City of West Sacramento in accordance with Paragraph 18.

*Handwritten:* All conditions of Paragraph 12 shall be deemed performed or waived on May 5<sup>th</sup> 1992 at 5 p.m. if not disapproved in writing delivered to Seller before 5-18-92.

13. Failure of Agency's Conditions. Agency shall notify Seller and Escrow Holder at least one (1) day prior to the Close of Escrow of the satisfaction or failure of any of the conditions set forth in this Agreement. Should any of the conditions to Agency's obligations to close the escrow and complete purchase of the Property as specified in this Agreement fail to occur prior to the date established herein for the Close of Escrow, Agency shall have the power, exercisable by giving written notice to the Escrow Holder and to Seller, to waive the condition or to cancel the escrow, terminate this Agreement, and to recover all amounts paid to Seller or to the Escrow Holder on account of the Purchase Price for the Property. The Escrow Holder is hereby irrevocably instructed by Seller and Agency, on any such failure of conditions and receipt of such cancellation and termination notice from Agency, to immediately refund to Agency all monies and instruments deposited by Agency in escrow pursuant to this Agreement. Agency's cancellation of the escrow pursuant to this paragraph shall not constitute a waiver of any other rights or remedies available to Agency for breach of this Agreement by Seller.

14. Seller's Conditions of Closing. The Close of Escrow and Seller's obligation to complete the sale of the Property to Agency is conditioned on:

a. The representations and warranties of Agency contained in this Agreement being true on and as of the Close of Escrow as if the same were made on and as of such dates.

b. Agency having delivered into escrow all funds as required by this Agreement and having complied with all other covenants and conditions to be performed or complied with by Agency.

c. Seller having obtained all necessary consents and releases to enable Seller to convey title to the Property to Agency free and clear of any liens evidenced by those exceptions to the Preliminary Title Report disapproved by Agency pursuant to Paragraph 5 hereto.

15. Failure of Seller's Conditions. Should any of the conditions to Seller's obligation to close the escrow and complete the sale of the Property as specified in this Agreement fail to occur prior to the date established herein for the Close of Escrow, Seller shall have the power, exercisable by giving written notice to the Escrow Holder and to Agency, to cancel the escrow and to terminate this Agreement. Seller's cancellation of the escrow pursuant to this paragraph shall not constitute a waiver of any other rights or remedies available to Seller for breach of this Agreement by Agency.

16. Items to Be Delivered At Close of Escrow.

a. Seller shall execute in escrow and deliver to Escrow Holder for delivery to Agency at Close of Escrow a Grant Deed for the Property, in Escrow Holder's standard form ("Grant Deed").

b. Agency shall execute and deliver to Escrow Holder, for delivery or disbursement at the Close of Escrow a bank cashier's, certified check or wire transfer in an amount equal to the Purchase Price as described in Paragraph 2 of this Agreement; minus the Deposit; minus the amount of interest on the Deposit accrued to the Close of Escrow and credited to Agency as provided in Paragraph 3 hereof; plus or minus any proration adjustments, if any, made pursuant to Paragraph 7 hereof; and plus the amount of Agency's share of other costs and expenses to be borne by Agency as set forth herein.

c. Escrow Holder shall:

(1) Record the Grant Deed;

(2) Cause the final policy of title insurance to be issued; and

(3) Deliver the escrow proceeds to Seller minus Seller's share of the costs and expenses to be borne by Seller, as provided herein.

17. Conflicts of Interest. No member, official or employee of Agency shall have any personal interest, direct or indirect, in this Agreement, nor shall any such member, official or employee participate in any decision relating to this Agreement which affects his/her personal interest or the interests of any corporation, partnership or association in which he/she is directly or indirectly interested.

18. Acceptance By Agency. Notwithstanding any other provision of this Agreement, this Agreement, when executed by Seller and delivered to Agency, shall become null and void unless authorized and executed by Agency and delivered by Agency to the Escrow Holder and Seller, on or before May 8, 1992, unless such date is extended in writing by Seller. The effective date of this Agreement shall be the date the Agreement is executed by Agency.

19. Acquisition Under Threat of Condemnation. This acquisition is being made under threat of condemnation by Agency, which is a public agency having the power of eminent domain pursuant to the California Eminent Domain Law and the California Community Redevelopment Law. Seller recognizes and agrees that the Purchase Price is to be paid in lieu of any and all compensation, damages and costs, including relocation costs, to which Seller may be entitled if Agency were to proceed to acquire the Property by eminent domain.

20. Attorneys' Fees. Should any litigation be commenced between the parties hereto concerning the Property, this Agreement, or the rights and duties of either in relation thereto, the prevailing party in such litigation shall be entitled, in addition to such other relief as may be granted, to a reasonable sum as attorneys' fees.

21. Entire Agreement. This Agreement constitutes the sole and only agreement between Agency and Seller concerning the Property and their rights and duties in connection with the Property. Any prior or other agreements or representations between Agency and Seller in any way relating to the Property are null and void unless expressly set forth in this Agreement.

22. Governing Law. This Agreement shall be construed in accordance with and governed by the laws of the State of California.

23. Notice. All notices and demands of any kind which either party may be required or desires to serve upon the other

party shall be in writing and shall be served upon such other party by personal service or by mailing a copy thereof, certified or registered mail, postage prepaid, addressed as follows:

Seller: Jacob Strohm  
P.O. Box 725  
Jackson, CA 95642

Agency: Redevelopment Agency of the  
City of West Sacramento  
1102 Jefferson Boulevard, Suite D  
West Sacramento, CA 95691

With a Copy To:

The City of West Sacramento  
2101 Stone Boulevard  
West Sacramento, CA 95691  
Attn: Carol Richardson

Service shall be deemed complete on the date of actual delivery as shown on the addressee's return receipt. The addresses to which notices and demands shall be delivered or sent may be changed from time to time by notice to the other party.

24. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which when taken together shall constitute one and the same agreement.

25. Severability. If any provision of this Agreement is determined by a proper court to be invalid, illegal or unenforceable, such invalidity, illegality or unenforceability shall not affect the other provisions of this Agreement and this Agreement shall remain in full force and effect without such invalid, illegal or unenforceable provision.

26. Time. Time is of the essence of this Agreement

27. Heirs, Successors and Assigns. The terms, covenants and conditions herein contained shall be binding upon and shall inure to the benefit of the heirs, successors and assigns of the parties hereto.

28. Recitals/Exhibits. The recitals and exhibits to this Agreement are hereby made a part of this Agreement by this reference.

29. Construction. The parties hereto hereby acknowledge and agree that (i) each party hereto is of equal bargaining strength, (ii) each such party has actively participated in the drafting, preparation and negotiation of this Agreement, (iii) each such party has consulted with such party's own,

independent counsel, and such other professional advisors as such party has deemed appropriate, relative to any and all matters contemplated under this Agreement, (iv) each such party and such party's counsel and advisors have reviewed this Agreement, (v) each such party has agreed to enter into this Agreement following such review and the rendering of such advice, and (vi) any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not apply in the interpretation of this Agreement, or any portion hereof, or any amendments hereto.

AGENCY:

THE REDEVELOPMENT AGENCY OF THE  
CITY OF WEST SACRAMENTO:

By: \_\_\_\_\_

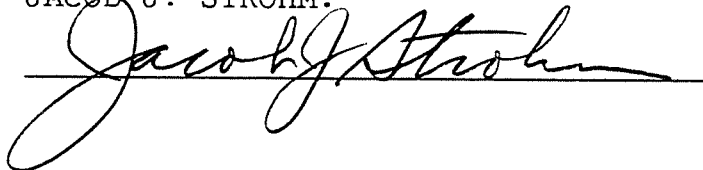
Its: \_\_\_\_\_

By: \_\_\_\_\_

Its: \_\_\_\_\_

SELLER:

JACOB J. STROHM:

 \_\_\_\_\_

49104.1

EXHIBIT "A"

LEGAL DESCRIPTION

Assessors Parcel No. 008-441-07

Lots 19, 20 and 21, Little Poultry Farms, filed November 10, 1926, in Book 3 of Maps, at Page 57, Yolo County Records.

49104.1



*[blank page]*

9851 Horn Road, Suite 150  
Sacramento, California 95827-1949

Telephone  
(916) 368 1083

F. Dean Bailey, MAI  
Member, Appraisal Institute

Fax  
(916) 368 1080

**F. DEAN BAILEY**

Real Estate Appraiser

August 28, 1995

Ms. Kathleen O'Leary  
Redevelopment Program Manager  
City of West Sacramento Redevelopment Agency  
102 Jefferson Boulevard, Suite D  
West Sacramento, CA 95691

*FB*  
*5.4.6*

**Re: West Capitol and Glide Avenues  
(2600 West Capitol Avenue)**

Dear Ms. O'Leary:

I have made an investigation and analysis relative to estimating the market value of the 0.480-acre (20,909-square-foot) unimproved property located on the northwest corner of West Capitol and Glide Avenues, West Sacramento, California.

It is my opinion that the market value as of the effective date of August 18, 1995, subject to the *Limiting Conditions* attached, is:

**ONE HUNDRED FORTY-FIVE THOUSAND DOLLARS  
(\$145,000)**

This is a "Restricted Appraisal Report" prepared in conformance with Standards Rule 2-2 (c) of the *Uniform Standards of Professional Appraisal Practice* (USPAP), as promulgated by the Appraisal Standards Board of The Appraisal Foundation.

This report is prepared for the client's internal use only and cannot be understood properly without additional information contained in the appraiser's work file. The following statements are required by USPAP:

Identification: Assessor Parcel No. 08-450-16 (County of Yolo).  
Interest appraised: Fee simple, as if unencumbered (see under *Limiting Conditions*).

Purpose of appraisal: Limited as internal guidance to the client only.

Scope: In excess of forty sales investigated, analyzed, and compared.

Highest and best use: Commercial.

Approaches to value: The cost and income approaches not deemed applicable due to appraisal being restricted to land only (see under *Special Limiting Conditions*).

Definition of value:\*

The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in the definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

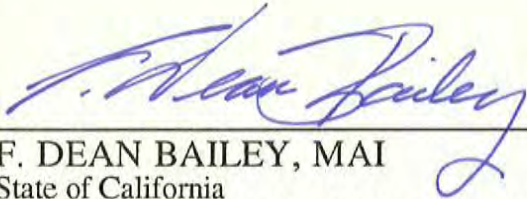
1. buyer and seller are typically motivated;
2. both parties are well informed or well advised, and acting in what they consider their best interests;
3. a reasonable time is allowed for exposure in the open market;
4. payment is made in terms of cash in United States dollars or in terms of financial arrangements comparable thereto; and
5. the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

---

\* *Uniform Standards of Professional Appraisal Practice*, Appraisal Standards Board, The Appraisal Foundation, 1995 Edition, page 8.

Thank you for the opportunity of preparing this appraisal.

Respectfully submitted,



---

F. DEAN BAILEY, MAI  
State of California  
Certified General Real Estate Appraiser No. AG001510

## **SPECIAL LIMITING CONDITIONS**

- This is a Restricted Appraisal Report as defined in the Uniform Standards of Professional Appraisal Practice.
- There are concrete foundations asphalt paving remaining from the former store use. It is assumed the property will be sold "as is" and that the concrete removal will be the responsibility of the buyer.

## **GENERAL LIMITING CONDITIONS**

- The legal description, dimensions, and areas used herein are assumed to be correct.
- Title to the property is assumed to be free and clear of any liens or encumbrances, and to be merchantable title, unless otherwise specified herein.
- No responsibility is assumed for matters that are legal in nature.
- Information furnished the appraiser by others has been reviewed and analyzed and is believed to be reasonably accurate, but cannot be guaranteed.
- Unless otherwise specified herein, it is assumed that there are no adverse subsurface conditions, particularly those relating to soil-bearing capacity.
- Unless otherwise stated in this report: The existence of hazardous material, which may or may not be present on the property, was not observed by the appraiser. The appraiser has no knowledge of the existence of such materials on or in the property. The appraiser, however, is not qualified to detect such substances. The presence of substances such as asbestos, radon, urea-formaldehyde foam insulation, or other potentially hazardous materials may affect the value of the property. The value estimate is predicated on the assumption that there is no such material on or in the property that would cause a loss in value. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them.
- Unless otherwise stated in this report: No "Phase I" environmental assessment investigation has been made as to (a) the possible existence of a hazardous waste area that might be located in close enough proximity to the property appraised so as to have an effect on highest and best use or market value, nor as to (b) the historical use or ownership of the subject property beyond the three years required by Standards Rule 1-5 (a)(ii) of the Uniform Standards of Professional Appraisal Practice (USPAP), 1994 Edition.
- The property appraised may or may not be subject to the Americans with Disabilities Act of 1990 (ADA). Title III of said Act provides for penalties for discrimination in failing "...to remove architectural barriers...in existing facilities [unless] an entity can demonstrate that the removal...is not readily achievable..." [Section 302(b)(2)(A)(iv, v)]. Unless otherwise noted in this appraisal, it is assumed that the property appraised is not substantially impacted by this law.
- This appraisal is specifically limited to the condition that all information on sales, listings, offers, options, leases, and other pertinent data has been revealed to the appraiser. In the event there are unrevealed or unknown facts that would change the opinion of value expressed herein, the appraiser reserves the right to make such change.

F. Dean Bailey, MAI  
Real Estate Appraiser

## GENERAL LIMITING CONDITIONS

- Unless otherwise noted, this report is preliminary to the extent that no physical or functional analysis of the building, equipment, or other improvements, if any, has been made by a structural or other engineer, and the conclusions as to condition are based solely on the observations of the appraiser as a result of a routine inspection, with no search made to uncover hidden defects, if any.
- This appraisal report has been prepared for the exclusive benefit of the City of West Sacramento. It may not be used or relied upon by any other party. Any party who uses or relies upon any information in this report, without the preparer's written consent, does so at his/her own risk.

F. Dean Bailey, MAI  
Real Estate Appraiser



**PHOTOGRAPHS — West Capitol Avenue and Glide Avenue**



Looking northwest across West Capitol Avenue.

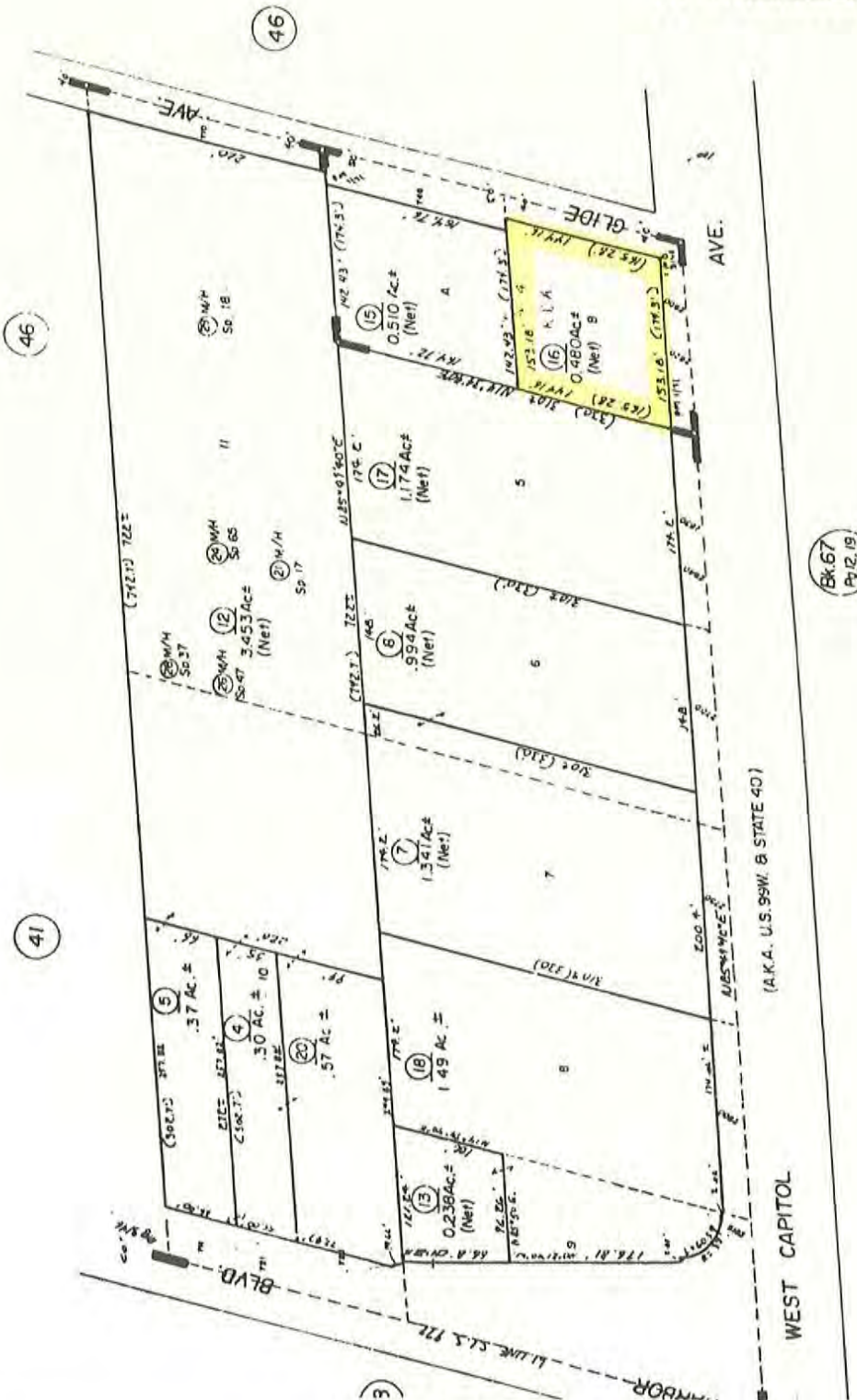
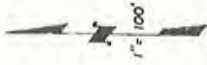


Another view from the same location.

POR. SEC. 32 & POR. SEC. 33, T.9N., R.4E., M.D.B.&M.

CAUTION- These maps ARE NOT to be used for legal descriptions.

8-45



(Bk. 67 Pg. 12, 19)

M.B. Bk. 3, Pg. 46 - Lots 4-II, Riverloom Acres.  
P.M. Bk. 1, Pg. 71 - Lot 4, Riverloom Acres.

( formerly por. 8-09 )  
NOTE - Assessor's Block Numbers Shown in Ellipses  
Assessor's Parcel Numbers Shown in Circles.

CITY OF WEST SACRAMENTO  
Assessor's Map Bk. 8, Pg. 45.  
County of Yolo, Calif.

95/96

F. Dean Bailey, MAI  
Real Estate Appraiser



## CERTIFICATION

I certify that, to the best of my knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest or bias with respect to the parties involved.
- My compensation is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.
- My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP) of The Appraisal Foundation, and in conformity with the requirements of the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute.
- I aver that I am competent to complete this report in accordance with the competency provisions in the USPAP.
- I have made a personal inspection of the property that is the subject of this report.
- This appraisal is designated as a *Certified Real Estate Appraisal* as defined in Chapter 491, Statutes of 1990, Part 3, commencing with Section 11300, Division 4, Business and Professions Code, of the State of California.
- No one provided significant professional assistance to the person signing this report.
- I certify that the use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- As of the date of this report, I, F. Dean Bailey, have completed the requirements of the continuing education program of the Appraisal Institute.
- I am currently designated by the State of California as *Certified General Real Estate Appraiser* No. AG001510. Said license is valid through March 11, 1996.

  
F. DEAN BAILEY, MAI

F. Dean Bailey, MAI  
Real Estate Appraiser

# QUALIFICATIONS OF F. DEAN BAILEY, MAI

## EXPERIENCE

- Independent real estate appraiser, Sacramento, California, 4-87 to present.
- State of California, Department of General Services, Supervising Land Agent, Assistant Chief, 5-78 to 4-87.
- Department of General Services and State Board of Equalization, Real Property Appraiser and Land Agent, 5-54 to 5-78.

**Types of Properties Appraised:** Single and multi-family residential, commercial, office buildings, industrial, recreational properties (including golf courses), shopping centers, hotels, motels, automobile agencies, special purpose properties and other.

**Geographical Area:** Northern California, with emphasis on the Sacramento Metropolitan Area.

**Court Testimony:** Qualified as an expert valuation witness in the California Superior Court for the Counties of Alameda, Nevada, Placer, Sacramento, and Santa Clara.

## EDUCATION

University of California, Berkeley — BA, Economics, 1954  
Certificate in Real Estate, University Extension, University of California, 1962

## MEMBERSHIPS AND LICENSES

MAI Member, the Appraisal Institute, Certificate No. 3250, awarded November 1962

*Certified General Real Estate Appraiser* No. AG001510, State of California

International Right of Way Association, Senior Member, Certificate No. 1271, awarded December 1969

Member, Davis Chamber of Commerce

Member, Yolo County Board of Assessment Appeals

Member, Building Owners and Managers Association of Sacramento

Member, Rotary Club of Davis

## **QUALIFICATIONS OF F. DEAN BAILEY, MAI (continued)**

### **PROFESSIONAL ACTIVITIES**

Governing Councilor, American Institute of Real Estate Appraisers, 1979-1981

President, Northern California Chapter of the Appraisal Institute, 1975

Founding President, Sierra-Nevada Chapter of the Appraisal Institute, 1981

Chairman, National Division of Courses, and Vice Chairman, National Education Committee, American Institute of Real Estate Appraisers, 1975

Editorial Board — *The Appraisal Journal*, 1971-1976

Board of Directors, Northern California Real Estate Research Council, 1975-1978

Meritorious Service Award — awarded annually to the outstanding MAI in the Southwest Region of the United States by the American Institute of Real Estate Appraisers, 1981.

Professional Recognition Award — AIREA for years 1976, 1977, and 1978, based on prior service to the Institute for a three-year period.

Participation as guest speaker at regional and local seminars and programs sponsored by the American Institute of Real Estate Appraisers, other professional organizations, and government agencies in the real estate appraisal and condemnation fields.

Currently certified under the Appraisal Institute's Voluntary Continuing Education Program.

Member: Appraisal Institute's *Regional Ethics and Counseling Panel* 1989-1994.

### **TEACHING EXPERIENCE — INSTRUCTOR**

- University of California Extension, 1965-1971  
Intermediate Real Estate Appraisal X433  
Advanced Real Estate Appraisal X490
- Lifetime Teaching Credential — area of real estate, California Community Colleges
- American Institute of Real Estate Appraisers, 1967-1984. Instructor for 23 courses at various colleges and universities around the United States. Courses taught include: Course I - *Basic Principles, Methods and Techniques* (four times); Course 1A - *Real Estate Appraisal and Technique* (nine times); Course 1B - *Capitalization Theory and Techniques* (three times); Course II - *Urban Property Case Study* (three times); and Course IX - *Appraisal Administration and Review* (twice).

## QUALIFICATIONS OF F. DEAN BAILEY, MAI (continued)

### REPRESENTATIVE LIST OF CLIENTS

A&A Imprest Properties  
AETNA Casualty and Surety Company  
Adams Grain Company  
Adrian Adair, D.O.  
Jack Anthony Enterprises  
Azusa Pacific University  
Bancap Investment Group  
Bank of America  
Bank of California  
Bank One  
Brigit S. Barnes, Inc., a law corporation  
Bridge Management, Inc.  
Burger & Flaherty, Attorneys  
California Valley Bank  
Canadian Imperial Bank of California  
Centennial Group, Inc.  
Center Developers  
City and County of San Francisco  
City of Davis  
City of Sacramento  
City of Vacaville  
City of West Sacramento  
Clearlake National Bank  
Commercial Center Bank  
Concilium, Inc.  
Continental Pacific Bank  
County of Sacramento  
County of Yolo  
Couper & Donaldson, a Law Corporation  
Dahlawi California Corporation  
Dairy Queen Stores, Inc.  
Elk Grove Unified School District  
Elman Investors, Inc.  
Federal Deposit Insurance Corp. (F.D.I.C.)  
Fireman's Fund Insurance Company  
The First Church of Christ, Scientist  
First Commercial Bank  
First Nationwide Bank  
Folomar, Inc.  
Freidberg Law Corporation  
GAB Business Services, Inc.  
General Electric Medical Systems  
Gold River Savings Bank  
Golden Gate Investments  
The Henley Group  
Internal Revenue Service  
JB Company  
Jones & Stokes, Engineers  
Kelling, Northcross & Nobriga, Inc. Bond  
Management

Law Offices of Kinder & Wuerfel  
Daniel R. King, Attorney  
The Koll Company  
Kronick, Moskovitz, Tiedemann & Giranrd  
Langlois, MacDonald and Webster, A Law  
Corporation  
Legal Services of Northern California  
Roy E. Levin, Attorney  
Los Rios Community College District  
McDonough, Holland & Allen, Attorneys at Law  
McDonald's Corporation  
Mellon Bank  
Mitsubishi Bank  
Morgan Capital Investment Properties  
Nelson-Rodgers Company  
Pacer Homes  
Pebble Beach Financial Services, Inc.  
Plaza Bank of Commerce  
Port of Sacramento  
Procter & Gamble  
Rancho Murieta Properties, Inc.  
Resolution Trust Corporation  
Rio Linda Union School District  
Rodegerdts, Means, Janes, Nakken & Hugo, Attorneys  
Sacramento Housing and Redevelopment Agency  
Shea & Smith, Attorneys  
State of California, Department of General Services  
Stumbos & Mason, Attorneys  
Sunrise Car Wash, Inc.  
Teichert Land Company  
The Watkins Company  
Valuation Research Corporation  
Borden E. Webb, Attorney  
United States Bankruptcy Court  
United States Department of Defense  
United States Fidelity and Guaranty Insurance  
United States General Services Administration (GSA)  
Vanderberg Keil Partnership  
Washington Unified School District  
Weintraub, Genshlea & Sproul, a Law Corporation  
Daniel S. Weiss, Attorney  
Wells Fargo Bank  
Wells, Wingate, Small & Graham, a Law Corporation  
Westamerica Bankcorporation  
West Sacramento Redevelopment Agency  
Western Management  
Winncrest Homes  
Wheaton College  
Wilke, Fluery, Hoffelt, Bould and Birney  
Woodland Joint Unified School District

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FIRST AMERICAN TITLE COMPANY OF YOLO  
1450 HARBOR BOULEVARD, SUITE E  
WEST SACRAMENTO, CALIFORNIA 95691

FINAL ESCROW STATEMENT OF:  
CITY OF WEST SACRAMENTO

ESCROW NUMBER: 71420

OTHER PARTY:  
JACOB LEVENSON AND DENA LEVENSON  
FAMILY TRUST AND LOUIS I. ROSEMAN

DATE: FEBRUARY 20, 1992

PROPERTY: 2600 WEST CAPITOL AVENUE  
WEST SACRAMENTO, CA

FINAL CLOSING DATE:  
FEBRUARY 20, 1992

| DESCRIPTION   | DEBIT             | CREDIT            |
|---|-------------------|-------------------|
| SALES PRICE   | 150,000.00        |                   |
| DEPOSIT   |                   | 262,885.85        |
| LITIGATION SETTLEMENT   | 110,277.92        |                   |
| PAY 2ND INSTALLMENT OF<br>TAXES (1991-92)   | 1,559.00          |                   |
| PRORATE 1991-92 TAXES<br>2ND INSTALLMENT BASED ON<br>\$1,559.00 FROM 1/1/92 TO<br>2/20/92 |                   | 442.17            |
| DOCUMENT PREPARATION  | 185.00            |                   |
| ESCROW FEE  | 271.00            |                   |
| ALTA OWNER'S TITLE POLICY   | 785.00            |                   |
| CHAIN OF TITLE  | 250.00            |                   |
| RECORDING FEES  | N/A               |                   |
| DOCUMENTARY TRANSFER TAX  | N/A               |                   |
| <b>TOTALS</b>   | <b>263,382.02</b> | <b>263,382.02</b> |

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**COMPLETE SUMMARY  
APPRAISAL REPORT**

**OF**

**0.480 +/- NET ACRES OF  
RETAIL/COMMERCIAL LAND  
2600-20 WEST CAPITOL AVENUE  
WEST SACRAMENTO  
YOLO COUNTY, CALIFORNIA 95691**

*5.4.6.1- Appraisal*

**FOR**

**MS. KATHLEEN O'LEARY  
REDEVELOPMENT PROGRAM MANAGER  
CITY OF WEST SACRAMENTO  
REDEVELOPMENT AGENCY  
1350 HALYARD DRIVE  
WEST SACRAMENTO, CA 95691**

**BY**

**GIANNELLI, JARRETTE & WATERS, LLC  
2520 DOUGLAS BOULEVARD, SUITE 160  
ROSEVILLE, CALIFORNIA**

**AS OF**

**July 30, 2002**

**GJW Project Number 02145**



**GIANNELLI, JARRETTE & WATERS, LLC**  
**REAL ESTATE VALUATION AND CONSULTATION**  
**2520 DOUGLAS BOULEVARD, SUITE 160**  
**ROSEVILLE, CA 95661**  
**(916) 782-9555**

August 21, 2002

Ms. Kathleen O'Leary  
Redevelopment Program Manager  
Redevelopment Agency  
City of West Sacramento  
1350 Halyard Drive  
West Sacramento, CA 95691

Re: **0.480 +/- Net Acres**  
**of Retail/Commercial Land**  
West Sacramento  
Yolo County, California 95691  
APN: 08-450-16

Dear Ms. O'Leary:

We are pleased to forward our **Complete Appraisal conveyed in a Summary Report** on the referenced property, in accordance with your engagement letter of July 17, 2002. The report sets forth the data and analysis of that data that form the basis of our conclusion of value.

The subject of this appraisal is 0.480 +/- net acres of C-2 (Community Commercial) zoned land that allows retail/commercial uses. The property consists of a single assessor's parcel. Off-site improvements are completed along the north line of West Capitol Avenue. These include curbs, gutters and sidewalks with utilities stubbed to the site. Off-site improvements are required along the west line of Glide Avenue.

The property is located at the northwest corner of Glide Avenue and West Capitol Avenue within the city of West Sacramento. The property is readily accessible from I-80 and Harbor Boulevard via West Capitol Avenue.

Based on our inspection of the property, our research and analysis contained in this report and in our files, **it is our opinion that the "as is" market value of the fee simple interest in the subject property as of July 30, 2002, subject to the General Assumptions and Limiting Condition and Extraordinary Assumptions/Hypothetical Conditions is:**

**\$63,000**

**This appraisal assumes the following Extraordinary Assumptions/Hypothetical Conditions.**

- 1. That here are no unusual restrictions that would adversely impact the retail/commercial development of the property.**

The **exposure time** necessary to achieve a market value sale of the property is estimated to be up to twelve months.

This is a **Complete Appraisal in a Summary Report** format that is intended to comply with the reporting requirements set forth under Standards Rule 2-2(b) of the Uniform Standards of Professional Appraisal Practice. As such, it presents only summary discussions of the data, reasoning, and analyses that we used in the appraisal process to develop the appraiser's opinion of value. Supporting documentation concerning the data, reasoning, and analyses is retained in the appraiser's file. The depth of discussion contained in this report is specific to the needs of the client and for the intended use, which is for an internal analysis and to assist in the possible acquisition of the property. The appraiser is not responsible for unauthorized use of this report.

Every effort has been made to conform to the Standards of Professional Practice of the Appraisal Institute, which fully incorporate the Uniform Standards of Professional Practice (USPAP) of the Appraisal Foundation; and FIRREA appraisal regulations, most notably 12 CFR, part 34, section 34.44 Appraisal Standards of the Office of the Comptroller of the Currency, as modified 6/7/94. We certify that our compensation is not contingent upon the reporting of predetermined values or direction in values that favors the cause of the client, the amount of the value conclusions, the attainment of stipulated results, or the occurrence of a subsequent event.

We have prepared this report as an independent contractor and not as an employee/partner, principal or an agent of Redevelopment Agency of the city of West Sacramento, the client. The appraisers have acted in an independent capacity and the appraisal assignment was not based on a requested minimum valuation, a specific valuation, or the approval of a loan. This report will be used by the West Sacramento Redevelopment Agency for an internal analysis of the property to assist in establishing a purchase price of the property and may not be used by anyone other than the client without the written consent of Giannelli, Jarrette and Waters, LLC and then only with proper qualifications. See General Assumption and Limiting Condition No. 11.

The following report sets forth the descriptive and factual data, the assumptions and conditions affecting the appraisal, and the findings and analyses that lead to and support our opinions of value. We are pleased to have this opportunity to provide you with our appraisal services.

**Ms. Kathleen O'Leary**  
**August 15, 2002**  
**Page 3**

Please let us know if we can be of any further assistance.

Sincerely,

**GIANNELLI, JARRETTE & WATERS, LLC**



**Mark D. McGuire**  
California Certified General  
Real Estate Appraiser  
Certificate No. AG 002088



**Bert Giannelli, MAI**  
California Certified General  
Real Estate Appraiser  
Certificate No. AG027211

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## I. SUMMARY

### EXECUTIVE SUMMARY

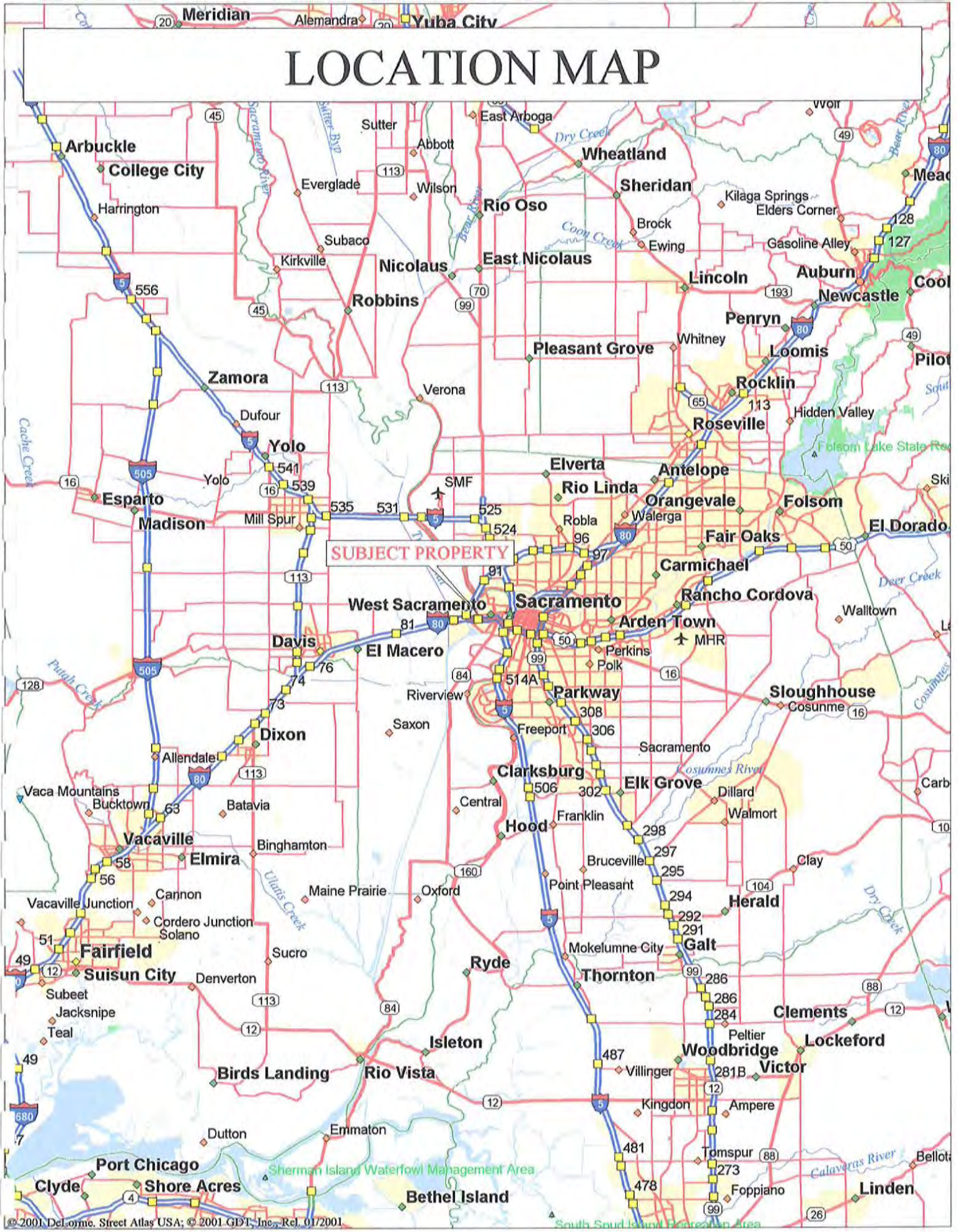
|                                      |   |
|--------------------------------------|---|
| <b>Appraisal Assignment:</b>         | This appraisal assignment includes a <b>Complete Appraisal conveyed in a Summary Report</b> of the "as is" market value of the property.  |
| <b>Project Name:</b>                 | <b>Commercial Land</b> - 0.480 +/- net acres  |
| <b>GJW Project Number:</b>           | 02145   |
| <b>Location:</b>                     | North West Corner of Glide and West Capitol Avenues, West Sacramento, Yolo County, California. See the Location Map on the next page.   |
| <b>Address:</b>                      | 2600-20 West Capitol Avenue   |
| <b>Assessor's Parcel Number:</b>     | 08-450-16   |
| <b>Map Grid (Thomas Bros.):</b>      | 296: G3   |
| <b>Census Tract:</b>                 | 102.03  |
| <b>Property Right Appraised:</b>     | Fee Simple  |
| <b>Subject Property Description:</b> | The subject of this appraisal is 0.480+/- net acres of C-2 (Community Commercial) zoned land that allows retail/commercial uses. The property consists of a single assessor's parcel. Off-site improvements are completed along the north line of West Capitol Avenue. These include curbs, gutters and sidewalks with utilities stubbed to the site. Off-site improvements are required along the west line of Glide Avenue. |
| <b>Flood Information:</b>            | The subject property is located in Zone X, areas determined to be outside a 100-year and a 500-year flood plain. The Map Panel is 060728005B dated January 19, 1995.  |

*COMMERCIAL LAND , 2600-20 WEST CAPITOL AVE., WEST SACRAMENTO*

**LOCATION MAP**



# LOCATION MAP



SUBJECT PROPERTY



*COMMERCIAL LAND , 2600-20 WEST CAPITOL AVE., WEST SACRAMENTO*

**Seismic Information:** The subject property is not located in a Fault Rupture Hazard Zone as defined in Special Publication 42 issued by the California Department of Conservation, Division of Mines and Geology.

**Toxic Hazards Information:** None apparent. Please refer to Item 17 in the General Assumptions and Limiting Conditions.

**Highest and Best Use:** The highest and best use of the appraised property is for retail/commercial uses within the C-2 (Community Commercial) zoning designation.

**Date of Value:** July 30, 2002

**Opinion of "As Is" Value:** \$63,000/\$3.01 per square foot

**This appraisal assumes the following Extraordinary Assumptions/Hypothetical Conditions.**

- 1. That there are no unusual restrictions that would adversely impact the retail/commercial development of the property.**

**Exposure Time:** The exposure time necessary to achieve a market value sale of the property is estimated to be up to twelve months.

PHOTOGRAPHS OF SUBJECT PROPERTY (PHOTOGRAPHS TAKEN JULY 30, 2002)



A View of the Appraised site situated at the NWC of Glide and W. Capitol Avenues



Looking easterly along W. Capitol Ave. towards Glide Avenue



Looking Westerly Along W. Capitol Ave. Towards Harbor Blvd.



Appraised Property Situated at the NWC of Glide & W. Capitol Aves.

## II. INTRODUCTION

### THE APPRAISAL PROCESS

The appraisal process begins with the identification of the real estate, the identification of the property rights to be valued, the effective date of the opinion of value, and the purpose and use of the appraisal. The valuation process requires several steps. It starts with market research and data analysis of relevant markets, and an investigation of trends, particularly at the regional and neighborhood levels. The process continues with the collection and analysis of data on the market for competitive types of property and on the subject property, which are then used to conclude the highest and best use of the property.

The highest and best use conclusion is then discussed in the valuation section of the report. In this assignment, the sales comparison approach is used. The replacement cost approach and income capitalization approach were not used since there are no improvements on the property.

### PURPOSE AND INTENDED USE OF THE APPRAISAL

The purpose of the appraisal is to develop an opinion of the "as is" market value of the appraised property.

The intended use of the report by the client, the West Sacramento Redevelopment Agency, is for an internal analysis and to assist in the possible disposition of the property.

### PROPERTY RIGHTS APPRAISED

The property rights appraised consist of the **fee simple estate**.

### DATE OF THE APPRAISAL AND DATE OF THE REPORT

The date of value is July 30, 2002, the date the property was inspected. The date of the report is the date of the letter of transmittal, August 15, 2002.

### DEFINITIONS USED IN THE REPORT

**Fee Simple Estate**<sup>1</sup> is an absolute ownership unencumbered by any other interest or estate, subject

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<sup>1</sup> *The Dictionary of Real Estate Appraisal (Third Edition)*, Appraisal Institute, p. 204.

only to the limitations imposed by the governmental powers of taxation, eminent domain, police power and, escheat.

**“As Is” Market Value** is an opinion of the market value of a property in the condition observed upon inspection and as it physically and legally exists without hypothetical conditions, assumptions, or qualification as of the date of inspection. This definition is compatible with that found on page 385 of the *Dictionary of Real Estate Appraisal*, Third Edition.

**Market value**<sup>2</sup> is defined as the most probable price that a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. Buyer and seller are typically motivated;
2. Both parties are well informed or well advised, and acting in what they consider their own best interests;
3. A reasonable time is allowed for exposure in the open market;
4. Payment is made in terms of cash in U.S. Dollars or in terms of financial arrangements comparable thereto; and
5. The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

**Marketing Period.** A normal marketing period is the amount of time necessary to expose a property to the open market in order to achieve a sale. Implicit in this definition are the following conditions:

- ◆ The property will be actively exposed and aggressively marketed to potential purchasers through marketing channels commonly used by sellers of similar properties.
- ◆ The property will be offered at a price reflecting the most probable markup over market value used by sellers of similar properties.
- ◆ A sale will be consummated under the terms and conditions of the definition of market value stated in this report.

Marketing period is a prospective concept. A projection of the marketing period should not lead to the inference that the property being appraised will sell during the marketing period for the market

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<sup>2</sup>This definition is from regulations published by federal regulatory agencies pursuant to Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act (FIRREA) of 1989 between July 5, 1990 and August 24, 1990, by the Federal Reserve System (FRS), National Credit Union Administration (NCUA), Federal Deposit Insurance Corporation (FDIC), the Office of Thrift Supervision (OTS), and the Office of Comptroller of the Currency (OCC). This definition is also referenced in regulations jointly published by the OCC, OTS, FRS, and the FDIC on June 7, 1994, and in the *Interagency Appraisal and Evaluation Guidelines*, dated October 27, 1994.

**COMMERCIAL LAND , 2600-20 WEST CAPITOL AVE., WEST SACRAMENTO**

value estimated in the report, which is date specific, but rather at the market value at the time a sale actually does occur. We consider bid solicitation and auction techniques to be appropriate and normal selling methods in this market.

**Exposure Time**<sup>3</sup> is defined as the estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; a retrospective estimate based upon an analysis of past assuming a competitive and open market.

Exposure time ends on the date of value and marketing time (defined previously) begins on the date of value. They may or may not be similar depending on whether market activity in the immediate future continues in the same manner as in the immediate past.

**TERMS OF THE OPINION OF VALUE**

The opinion of value is stated in terms of cash.

**COMPETENCY**

The appraisers have completed numerous formal appraisal education courses and have appraised numerous retail/commercial land properties in the Sacramento region, including the West Sacramento area. The appraisers have the knowledge and experience to complete this assignment competently.

**EXTENT OF THE APPRAISAL (SCOPE OF WORK)**

The valuation process involved an investigation and analysis of the greater Sacramento metropolitan area and the West Sacramento areas for demographic and economic trends, amenities, services, facilities, and other factors that could influence values. The highest and best use of the property has been considered in light of these trends and factors.

In preparing this appraisal:

1. Mark McGuire and Bert Giannelli inspected the appraised property. Mr. McGuire discussed the assignment with Ms. Kathleen O'Leary of the West Sacramento Redevelopment Agency on July 29, 2002.
2. Gathered information on recent retail/commercial land sales of similar land in the West Sacramento area.
3. Confirmed and analyzed the data and applied the sales comparison approach to value.

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<sup>3</sup>USPAP 2001 Edition, *The Appraisal Foundation*, SMT-6, 83.



To develop the opinions of values, we performed a complete appraisal process, as defined by the Uniform Standards of Professional Appraisal Practice. This means that no departure from Standard 1 was invoked.

**GENERAL ASSUMPTIONS AND LIMITING CONDITIONS**

This appraisal report and the opinions of values it contains are expressly subject to the following contingent and/or limiting conditions.

1. **This is a Summary Appraisal Report that is intended to comply with the reporting requirements set forth under Standard Rule 2-2 (b) of the Uniform Standards of Professional Appraisal Practice for a Summary Appraisal Report. As such, it might not include full discussions of the data, reasoning, and analyses that were used in the appraisal process to develop the appraiser's opinion of value. Supporting documentation concerning the data, reasoning, and analyses is retained in the appraiser's file. The depth of discussion contained in this report is specific to the needs of the client and for the intended use, which is to facilitate the financing of the property. The appraiser is not responsible for unauthorized use of this report.**
2. Title to the property is marketable.
3. No survey of the property has been made and proposed property lines as they appear on the ground are assumed to be correct.
4. Data, maps, and descriptive data furnished by the client or his/her representatives are accurate and correct.
5. No responsibility is assumed for matters of law or legal interpretation.
6. No conditions exist that would affect the use and value of the property, which are not discoverable through normal, diligent investigation.
7. The valuation is based on information from sources believed reliable, and that such information is correct and accurately reported.
8. The opinion of value is made subject to the purpose, date, and definition of value.
9. The report is to be considered in its entirety and use of only a portion will invalidate the appraisal.
10. This appraisal was made on the premise that there are no encumbrances prohibiting utilization of the property under the appraiser's estimate of highest and best use.

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11. Possession of this report or a copy does not carry with it the right of publication nor may it be used for any purpose by anyone other than the client without the previous written consent of Giannelli, Jarrette & Waters, LLC and then only with proper qualifications.
12. Disclosure of the contents of this appraisal report is governed by the By-Laws and Regulations of the Appraisal Institute. No part of this narrative report may be reproduced by any means nor disseminated to the public in any way without the prior written consent of Giannelli, Jarrette & Waters, LLC.
13. The liability of Giannelli Jarrette & Waters, LLC and its employees and associates is limited to the client only and to the fee actually received by the appraisal firm. There is no accountability, obligation, or liability to any third party. If the appraisal report is disseminated to anyone other than the client, the client shall make such party or parties aware of all limiting conditions and assumptions affecting the appraisal assignment. Neither the appraisers nor the appraisal firm are in any way to be responsible for any costs incurred to discover or correct any physical, financial and/or legal deficiencies of any type present in the subject property. In the case of limited partnerships or syndication offerings or stock offerings in real estate, the client agrees that in the event of a lawsuit brought by a lender, a partner or part owner in any form of ownership, a tenant or any other party, the client will hold the appraisers and the appraisal firm completely harmless in such action with respect to any and all awards or settlements of any type in such lawsuits.
14. Any person or entity who obtains or reads this report, or a copy, other than the client specified in this report, expressly assumes all risk of damages to himself or third persons arising out of reliance on this report and waives the right to bring any action based on the appraisal, and neither the appraisers nor Giannelli Jarrette & Waters, LLC shall have any liability to any such person or entity.
15. The appraisers shall not be required to give testimony or appear in court by reason of this appraisal with reference to the property described in this report unless prior arrangements have been made.
16. No responsibility is assumed for building permits, zone changes, engineering or any other services or duty connected with legally utilizing the subject property.
17. Unless otherwise stated in this report, the existence of hazardous material, which may or may not be present on the property, was not observed by the appraiser. The appraisers have no knowledge of the existence of such materials on or in the property. The appraisers, however, are not qualified to detect such substances. The presence of such substances as asbestos, urea-formaldehyde foam insulation, or other potentially hazardous materials may affect the value of the property. The value estimates are predicated on the assumption that there is no such material on or in the property that would cause a loss in value. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in this field, if desired.



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18. It is assumed that the property is competently managed and marketed.

**EXTRAORDINARY ASSUMPTIONS/HYPOTHETICAL CONDITIONS.**

**1. That there are no unusual restrictions that would adversely impact the retail/commercial development of the property.**

### III. AREA AND MARKET ANALYSES

#### SACRAMENTO REGIONAL SUMMARY

The city of West Sacramento and Yolo County are part of the Sacramento Metropolitan Area (SMA), one of the fastest growing areas in California. The 2000 population for this area was approximately 1.8 million. Yolo County's population at this time was 168,660, a 19.54% increase from 1990. And, neighboring Sacramento County had a 2000 population of 1,223,499, a 17.51% increase from 1990. The Sacramento region continues to experience favorable economic conditions compared to most California major metropolitan areas. And, this area is expected to continue to weather the impact of the recent recession better than its Bay Area counterparts in San Francisco and Silicon Valley. Job growth remains strong and the housing market is one of the strongest in California.

See Item I in the Addenda for a complete Sacramento Regional Analysis.

#### COMMUNITY AND NEIGHBORHOOD ANALYSES

**Introduction.** The community is the city of West Sacramento. The neighborhood is located in the northwestern portion of West Sacramento. A brief analysis of both of these areas follows.

**Community (West Sacramento) Analysis.** The subject property is located in the city of West Sacramento, in the eastern portion of Yolo County, directly across the Sacramento River and west of downtown Sacramento, the state capitol of California. The city of West Sacramento was incorporated January 1, 1987, has a land area of 23.3 square miles, and is approximately 85 miles east of San Francisco.

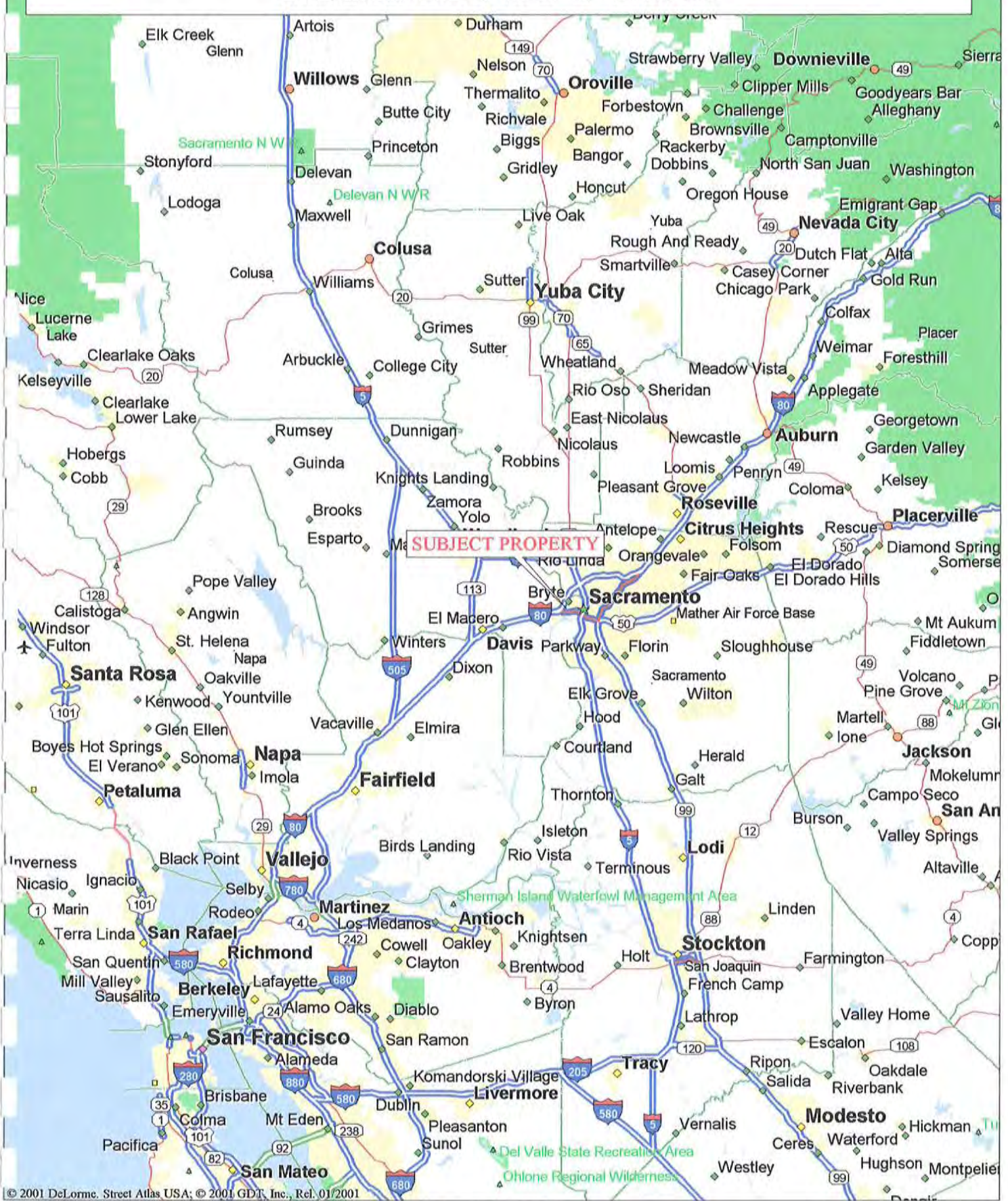
Interstate 80 runs through the northwestern part of the city; I-Business 80 bisects the city, running east-west through the center of town; and Interstate 5 runs north south through the western edge of the city of Sacramento just across the Sacramento River to the east (see the Community Map - West Sacramento on the next page). The city limits of West Sacramento include the following four separate communities which existed in the East Yolo area prior to incorporation in 1987: Broderick, Bryte, West Sacramento, and Southport.

Bounded by the Sacramento River and the deep Water Ship Channel, West Sacramento is essentially a peninsula. Located on the natural floodplain of the Sacramento River, the area is reclaimed land protected by levees and is characterized by a pattern of open ditches and canals. The Deep Water Ship Channel and the barge canal bisect the city in an east-west direction, separating the Southport area from the northern area (communities known as Broderick, Bryte, and West Sacramento).

In 2000, West Sacramento had a population of 31,615, a 15.4% increase over its 1987 population of 27,400. The city of West Sacramento provides full urban services including sewer, water, police, fire protection, and street maintenance.



# COMMUNITY MAP





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Historically, West Sacramento has been one of the largest industrial submarkets in the Sacramento region for many years with over 15,000,000 square feet of space. West Sacramento had a steadily increasing office market with approximately 830,000 square feet of space at the end of 2001. The City has a very small retail market (approximately 300,000 square feet). With the recent initial development of the 7,120-acre Southport Framework Plan, the residential market has emerged as one of the major developing residential communities in the Sacramento region. Major homebuilders are actively building and selling homes in this area.

In recent years, West Sacramento has emerged as one of the major development areas in the Sacramento region. All major segments of the real estate market are active here, **except for retail.**

Due to its central location and proximity to major transportation facilities - the Union Pacific Railroad, the Port of Sacramento, Sacramento International Airport, via I-5 to the north, and the freeway network with its hub in adjacent downtown Sacramento - West Sacramento has developed into a major distribution center serving the Sacramento Valley area of North California. Most of these uses are located in the Port Sacramento Industrial Park and the Port of Sacramento.

The Port of Sacramento has a deepwater ship channel and turning basin which allow larger oceangoing ships to trade directly with the Sacramento Valley area. The port has been designated a Foreign Trade Zone, which allows it to receive and store foreign goods without having to pay usual tariffs.

**Neighborhood Analysis.** The appraised property is situated at the northwest corner of Glide and West Capitol Avenues, within the City of West Sacramento, Yolo County, California. West Capitol Avenue is a major thoroughfare throughout the neighborhood connecting the west and east boundaries of the community. West Capitol Avenue consists of a collection of newer and older retail/commercial uses ranging from restaurants, auto related uses, modular home enterprises, retail/strip buildings and industrial properties. West Capitol connects the neighborhood within a relatively short distance to Interstate 80 to the west and Interstate 80 to the south via Harbor Boulevard. To the north of the appraised property, there are primarily older single-family dwellings in fair to average condition. The neighborhood boundaries reach to the Sacramento River to the north and east and Interstate 80 on the south and west. The neighborhood enjoys a favorable location in relation to the Port of Sacramento, Interstate 5 and 80/central city freeway and employment centers of downtown Sacramento. Topographically, the neighborhood is essentially level.

The West Sacramento Redevelopment Agency owns a number of properties within the neighborhood including the appraised property. It is their goal to redevelop the area with more homogeneous, pleasing and varied developments. The neighborhood appears to be moving from one of decline to a gradual trend towards revitalization. There are several abandoned commercial lots along West Capitol Avenue which the City of West Sacramento is hoping to encourage desirous developments.

All city utilities are available to the area, including gas, public water and sewer, telephone, electricity, police, fire and garbage service.

In summary, it appears that the that appraised property is situated in a neighborhood with eyes to revitalization and redevelopment.

# NEIGHBORHOOD MAP





This neighborhood offers good access to major transportation routes, shopping and employment centers, availability of public utilities, usable topography and compatibility with other properties in the vicinity. A map of the neighborhood is provided following this page.

## MARKET ANALYSIS/TRENDS

**Introduction.** The appraised property consists of retail/commercial land. This section will provide an overview of the Sacramento commercial market, and an analysis of the Sacramento and West Sacramento retail markets, conclusions of the market acceptance of the subject property and the estimated exposure time of the property.

**Overview of Sacramento Commercial Market.** The Sacramento area is widely viewed as the best market in the western United States by investors, brokers and commercial real estate officials according to a midyear report by the Sacramento Bee.<sup>4</sup> While office and industrial leasing has declined from the high levels of the last couple of years, especially in the Bay Area, buyers and Bay Area refugees continue to scout the Sacramento region for stable investments as well as for new homes. The apartment, home, land and retail development sectors remain especially strong. Commercial activity has slowed, however, the capital region is expected to escape the high vacancy rates and glut of sublease space in many other markets.

The Sacramento region was labeled “Best in the West” for the first half of 2001 by CoStar Group Inc., a major provider of information services to the commercial real estate industry nationwide. Among other criteria, CoStar pointed to low vacancy rates, a low jobless rate and the smooth transition of McClellan Air Force Base to McClellan Park, one of the largest business parks in the region. The reasons for the Sacramento area’s stability are: little reliance on the volatile high-tech/dot-com sector; state governments continued need for building and leasing mostly large buildings; the discipline of developers—or their financial partners—to avoid widespread overbuilding during the recent boom; and affordability. The capital region continues to offer affordable housing, affordable land (competitively), affordable power, and generally affordable costs of doing business.<sup>5</sup>

**Sacramento Retail Market.** According to CB Richard Ellis, 2001 represented “another banner year” for retail in the Sacramento region as local, regional and national retailers continued expansion plans throughout the market. Demand for space has kept vacancy rates at the lowest levels in the past several years as the overall vacancy rate in the market was 6.1%. Construction activity was steady with more than 1.1 million square feet under construction the end of 2001, with 609,176 square feet completed during this period. Net absorption was up 23% from 2000's record annual net absorption of 1,121,779 square feet. Overall, lease rates remained stable in all property types with the average asking lease rate for the market at \$1.51 per square foot, NNN. Due to the region’s strong employment base and continued strong residential growth, the outlook for the Sacramento retail market is considered to be very good.<sup>6</sup>

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<sup>4</sup> Property Deals Big in Capital Region, *The Sacramento Bee*, September 9, 2001

<sup>5</sup> Ibid.

<sup>6</sup> Sacramento Area Retail Market Index Brief, Fourth Quarter 2001, *CB Richard Ellis*

- ◆ **Economic Conditions.** See Addenda Item 1 (Sacramento Regional Analysis - Economic Conditions and Economic Forecast).
- ◆ **Vacancy.** The Sacramento area had nearly 28.6 million square feet of leasable retail area with an overall vacancy rate of 7.1% as of the second quarter 2002. Table 3-1 shows the leasable area, vacancy, absorption, and space under construction for the five submarkets representing the region's major growth areas, the West Sacramento/Davis submarket, as well as the total Sacramento market area as of the second quarter 2002, according to CB Richard Ellis.

| TABLE 3-1<br>RETAIL MARKET SUMMARY - SECOND QUARTER 2002 |             |           |              |                |                    |
|--|-------------|-----------|--------------|----------------|--------------------|
| SUBMARKET  | LEASABLE SF | VACANT SF | VACANCY RATE | YTD ABSORPTION | UNDER CONSTRUCTION |
| Northgate/Natomas  | 1,479,521   | 7,917     | 0.5%         | (4,417)        | 195,320            |
| Roseville/Rocklin  | 3,943,802   | 76,773    | 1.9%         | 38,816         | 886,630            |
| Hwy. 50/Rancho Cordova                                   | 2,647,688   | 265,298   | 10.0%        | (95,348)       | 0                  |
| West Sacramento/Davis                                    | 851,310     | 70,766    | 8.3%         | (38,816)       | 0                  |
| Folsom/El Dorado Hills                                   | 2,277,031   | 37,686    | 1.7%         | 9,743          | 140,000            |
| Laguna/Elk Grove   | 2,310,839   | 44,381    | 1.9%         | (11,452)       | 280,941            |
| Total Region   | 28,629,326  | 2,029,398 | 7.1%         | (430,970)      | 1,502,891          |
| Source: CB Richard Ellis                                 |             |           |              |                |                    |

- ◆ **Net Absorption.** The Sacramento region had a total of 430,970 square feet of negative net absorption as of the second quarter 2002. The Citrus Heights/Fair Oaks submarket experienced a negative absorption of 26,921 square feet due to the demolishing of the United Artist Theater in the Regency Plaza retail center . The Carmichael submarket had the strongest net absorption of 227,184 square feet. The West Sacramento/Davis submarket had a positive absorption of nearly 40,000 square feet.
- ◆ **Lease Rates.** The greater Sacramento area market is showing a varied range in average asking lease rates. Rates typically ranged from \$1.00 to \$2.25 per square foot for strip retail to \$1.50 to \$2.50 per square foot for specialty centers. In between rates were \$1.40 to \$2.00 per square foot for community centers, \$1.35 to \$2.25 per square foot for neighborhood centers, and \$1.50 to \$2.25 per square foot for power centers. All of these lease rates are on a NNN basis. Marcus & Millichap and CB Richard Ellis report that rents are higher in the region's growth markets, with low vacancy rates, such as Roseville-Rocklin, Folsom and Elk Grove/Laguna. Lease rates in the Roseville area for newer shopping centers and well located freestanding buildings generally range from \$2.00 to \$3.00 per square foot per month on a NNN basis. Overall, average asking lease rates were up slightly during the second quarter at \$1.53 per square foot NNN for in-line shop space in community centers, about a nickel



higher than last year. In 2002, lease rates in key Class A projects will remain stable according to CB Richard Ellis. Rents in Class B and C projects, particularly in older, in-fill markets, will decrease as vacancy rates move upward and landlords are forced into offering additional concessions.

- ◆ **Land Prices.** Overall, land prices have not changed significantly over the past few years. Generally, non-pad parcels up to approximately 20 acres sell in the range of \$4.00 to \$10.00 per square foot. 2- to 20-acre parcels in strong submarkets like Roseville generally sell from approximately \$8.00 to \$16.00 per square foot. There is some variance in the cost for finished pad sites, which average approximately \$15 per square foot, while some of the premium sites at signalized corner locations have been as high as \$20 to \$25 per square foot.
  
- ◆ **West Sacramento/Davis Retail Submarket.** This is the third smallest retail submarket in the Sacramento region. Most of the 851,310 square feet of retail space in this submarket is in the city of Davis, with West Sacramento reportedly only having about 300,000 square feet of this space. Therefore, **West Sacramento is the smallest retail submarket in the Sacramento area.** The vacancy rate in the West Sacramento/Davis submarket was 8.3% as of the second quarter 2002. Year-to-date net absorption in this submarket was a positive 38,816 square feet as of second quarter. The average asking rental rate in this submarket was \$1.88 per square foot in the second quarter 2002, the third highest of any area submarket.<sup>7</sup>

**Market Acceptance/Exposure Time.** It is our conclusion that the **exposure time** of the subject property is up to twelve months.

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<sup>7</sup> Ibid.

## IV. PROPERTY DATA

### SITE DESCRIPTION AND ANALYSIS

**Description.** The subject of this appraisal is a 0.480+/- net acre parcel of land. The property is zoned C-2 (Community Commercial) which allows retail/commercial uses. The property consists of a single assessor's parcel. Off-site improvements are completed along the north line of West Capitol Avenue. These include curbs, gutters and sidewalks with utilities stubbed to the site. Off-site improvements are required along the west line of Glide Avenue.

**Location.** The property is located at the northwest corner of Glide Avenue and West Capitol Avenue within the city of West Sacramento. The property is readily accessible from I-80 and Harbor Boulevard via West Capitol Avenue. See the Location Map on Page 2, the Community Map - West Sacramento on Page 14 and the Neighborhood Map on Page 16.

**Address.** 2600 - 20 West Capitol Avenue, West Sacramento, California.

**Surrounding Land Uses.** The surrounding land uses consist of vacant commercial parcels, filling stations, modular home enterprises, auto businesses, single-family dwellings, strip retail and various other retail oriented developments.

**Assessor's Parcel Number.** 08-450-16. See the Assessor's Parcel Map on a subsequent page.

**Map Reference.** 296: G3 (Thomas Bros.)

**Census Tract.** 102.03

**Legal Description.** A preliminary title report was not provide to the appraiser for use in this assignment.

**Size/Ownership.** The subject consists of approximately 0.480+/- acres or 20,909 square feet. The appraised site is currently vested in the Redevelopment Agency of West Sacramento.

**Property Rights Appraised.** Fee simple estate.

**Shape.** The site is the shape of a parallelogram. Please see assessor's parcel map previously for further orientation.

**Topography.** Level at road grade.

**Street Frontage.** The site has approximately 150 feet linear feet of frontage along West Capitol Avenue and about 145 linear feet along Glide Avenue.

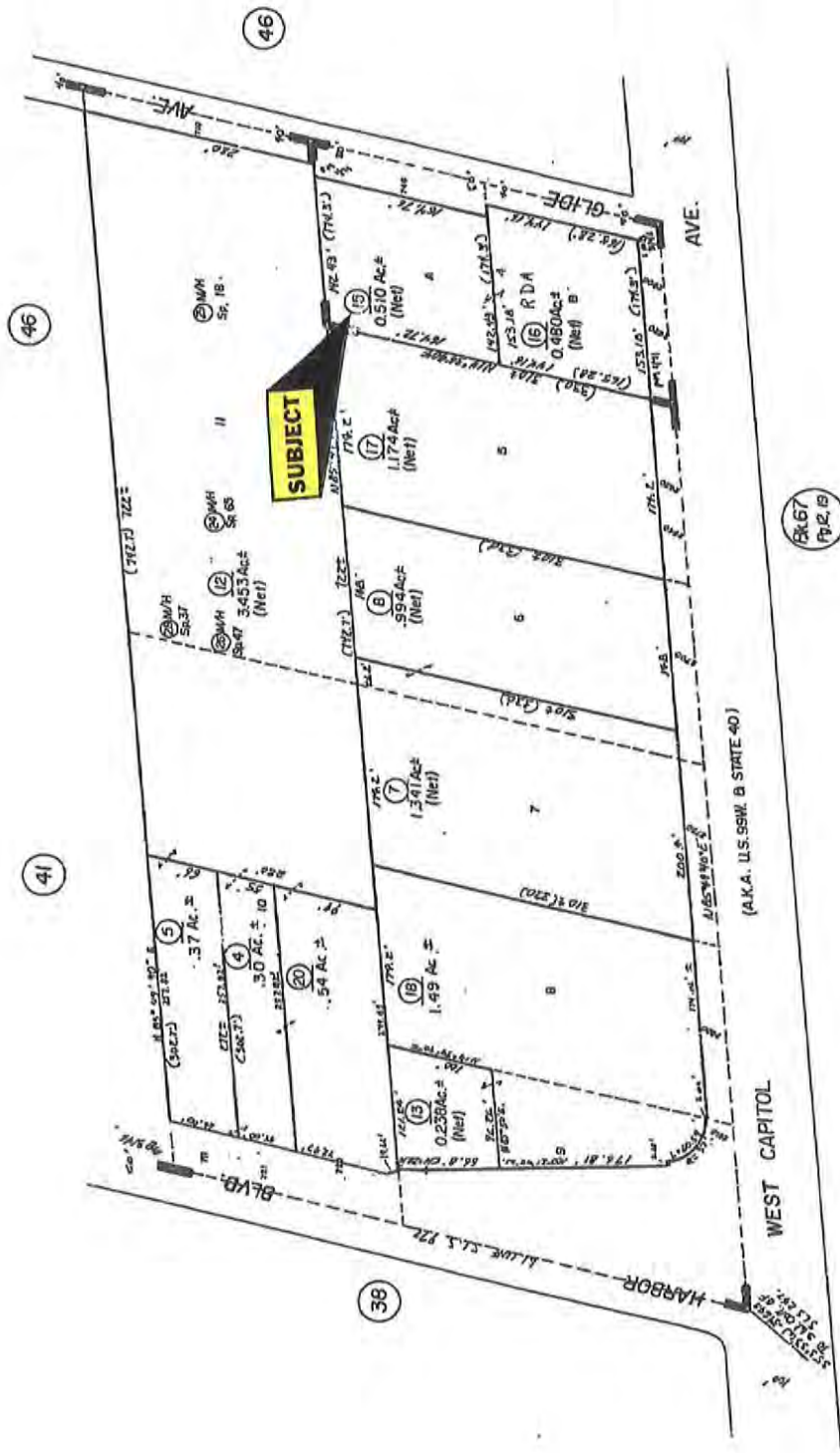
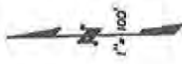
**Access.** The site is directly accessible from both West Capitol and Glide Avenues. No significant vegetation.

**Development and Sales History.** The subject property is currently undeveloped, excepting

POR. SEC. 32& POR. SEC. 33, T.9N., R.4E., M.D.B.& M.

CAUTION- These maps ARE NOT to be used for legal descriptions.

8-45



|           |                 |
|-----------|-----------------|
| PARCEL 3  | 0.510 Ac. (Net) |
| PARCEL 4  | 1.174 Ac. (Net) |
| PARCEL 5  | 0.510 Ac. (Net) |
| PARCEL 6  | 1.174 Ac. (Net) |
| PARCEL 7  | 0.510 Ac. (Net) |
| PARCEL 8  | 1.174 Ac. (Net) |
| PARCEL 9  | 0.510 Ac. (Net) |
| PARCEL 10 | 1.174 Ac. (Net) |
| PARCEL 11 | 0.510 Ac. (Net) |
| PARCEL 12 | 1.174 Ac. (Net) |
| PARCEL 13 | 0.510 Ac. (Net) |
| PARCEL 14 | 1.174 Ac. (Net) |
| PARCEL 15 | 0.510 Ac. (Net) |
| PARCEL 16 | 1.174 Ac. (Net) |
| PARCEL 17 | 0.510 Ac. (Net) |
| PARCEL 18 | 1.174 Ac. (Net) |
| PARCEL 19 | 0.510 Ac. (Net) |
| PARCEL 20 | 1.174 Ac. (Net) |

M.B. Bk. 3, Pg. 46- Lots 4-11, Riverbloom Acres.  
P.M. Bk. 1, Pg. 71 - Lot 14, Riverbloom Acres.

( formerly par. 8-09 )

NOTE - Assessor's Block Numbers Shown in Ellipses  
Assessor's Parcel Numbers Shown in Circles.

CITY OF WEST SACRAMENTO  
Assessor's Map Bk. 8, Pg. 45.  
County of Yolo, Calif.

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depreciated asphalt paving and a concrete foundation which would be removed prior to developing the site. The subject property has not transferred in an arms-length sale within the past three-year period. The Redevelopment Agency is actively marketing the appraised site. However, a offering price has not been concluded.

**Utilities and Public Services.** All required utilities and public services are available to the subject property.

**Offsite Improvements.** Off-site improvements are completed along the north line of West Capitol Avenue. These include curbs, gutters and sidewalks with utilities stubbed to the site. Off-site improvements are required along the west line of Glide Avenue.

**Onsite Improvements.** The subject property is currently undeveloped, excepting depreciated asphalt paving and a concrete foundation which would be removed prior to developing the site.

**Flood Information.** According to Federal Emergency Management Agency Flood Insurance Rate Map, city of West Sacramento, Yolo County, California, Community-Panel Number 0607280005B Map dated January 19, 1995, the subject property is located in Zone X, areas determined to be outside a 100-year and a 500-year flood plain. The city of West Sacramento is a participating community in the National Flood Insurance Program and is entered in the regular program. No flood insurance is required.

**Seismic Information.** The subject property is not located in a Fault Rupture Hazard Zone as defined in Special Publication 42 issued by the California Department of Conservation, Division of Mines and Geology.

**Toxic Hazards Information.** None apparent. Please refer to Item 17 in the General Assumptions and Limiting Conditions.

**Wetlands.** There are no wetlands on the property.

**Soil Conditions.** Although a soils report/site assessment was not provided to the appraiser, the soils are typical of other northwestern West Sacramento development sites that have been developed. There do not appear to be any soil conditions that will negatively impact the development o the property.

**Land Use.**

**Zoning.** (C-2). This is a community commercial zoning designation which allows for a number of retail/commercial uses subject to this zoning classification restrictions.

**Real Property Tax Data.** The property tax system in California was amended in 1978 by Article XIII to the state constitution, commonly referred to as Proposition 13. Under Proposition 13, real property assessment values were returned to March 1, 1975 levels, and properties are now appraised (i.e., reassessed) only when:

- ◆ A change in ownership occurs; or

- ◆ New construction is completed; or
- ◆ New construction is unfinished on March 1st (lien date)
- ◆ Market values decline below assess values.

Except for these four instances, property assessments cannot be increased by more than 2% annually.

Also under Proposition 13, the property tax rate is stipulated to be 1% of a property's assessed value, plus any bonds or fees approved by the voters. The Tax Rate Area is 004005. The appraised property is not currently not on the tax collector's roll since the appraised property is presently vested in a public (governmental) entity.

**Public Improvement Bonds/Assessments.** There are no public improvement bonds assessed against the subject property.

**Easements.** The subject property is believed to be encumbered with typical roadway and utility easements. A Preliminary Report was not provided to the appraisers. **This appraisal assumes that the easements on the property do not adversely impact its value.**

**Restrictions.** With the absence of a Preliminary Report, it is unknown if the property is subject to any unusual restrictions. **This appraisal assumes that there are no unusual restrictions that would adversely impact the retail/commercial development of the property. See Extraordinary Assumption/Hypothetical Condition No. 1.**

**Encroachments.** None apparent.

**Development Issues/Constraints.** There are currently set-back requirements surrounding the appraised site which has been calculated by a prospective purchaser's contractor to account for a loss in developable site area of approximately 7,500 square feet. Also, since the site is the shape of a parallelogram, the build-out has been reduced by nearly 35% based upon the contractor's preliminary estimates. These issues will be considered in the sales comparison approach to follow. Please see the addenda for a proposed building footprint submitted by a potential buyer of the appraised site.

**Summary/Conclusion.** In summary, it appears that the appraised property is situated in a neighborhood with eyes to revitalization and redevelopment. This neighborhood offers good access to major transportation routes, shopping and employment centers, availability of public utilities, usable topography and compatibility with other properties in the vicinity.

## **HIGHEST AND BEST USE ANALYSIS**

Highest and best use<sup>8</sup> may be defined as the reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value.

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<sup>8</sup>THE APPRAISAL OF REAL ESTATE (Eleventh Edition), Appraisal Institute, Chicago, Illinois, 1996, p. 297.

that results in the highest value.

There are four criteria used in the highest and best use analysis. These are:

1. **Legally Permissible Use.** What uses are permitted legally under existing zoning, building codes, historic district controls, environmental regulations, deed (private) restrictions, and long-term lease provisions on the site in question?
2. **Physically Possible Use.** What uses of the site are physically possible, given its size, shape, area, terrain, soils composition, accessibility, assembly potential, and risk potential from natural disasters?
3. **Financially Feasible Use.** Which possible and permissible uses will produce a positive net return to the owner of the property?
4. **Maximally Productive Use.** Among the feasible uses, which use will produce the highest residual land value consistent with the rate of return warranted by the market for that use?

When a property is improved, both the highest and best use **as if vacant** and **as improved** are investigated. The appraised property includes completed site improvements and is evaluated in its "as is" condition, as if vacant.

#### **Highest and Best Use As a Vacant Site.**

1. **Legally Permissible Use.** The subject property consists of 0.480+/- net acres of C-2 zoned land that allows for retail/commercial uses subject to the zoning designation's restrictions.
2. **Physically Possible Use.** The size, shape, topography, and location of the subject are also important factors in determining the use of the property. The size of the property can have a significant effect on the type of development and on any economies of scale. The appraised site has adequate potential for commercial/retail uses, and such uses conform to the surrounding developments. The physical features of the site, such as its size, shape, frontage, depth, topography, ingress/egress and presence of utilities also permit such uses. Given the physical features of the site, a commercial/retail use of the site is physically possible.
3. **Financially Feasible Use.** Financially feasible uses of the property are a function of the market and the forces of supply and demand. Given the location of the site in close proximity to major transportation routes, shopping and employment centers, we believe that the subject, if vacant and ready for development could be leased or sold as a commercial/retail site in an adequate marketing time at a rate and/or price sufficient to recover the cost of acquisition and development.

Based upon these factors, as well as additional information contained in the Market Analysis/Trends section of the report, retail/commercial use is considered a financially feasible use of the property.

1. **Maximally Productive Use.** As a result of this analysis, it is our opinion that the maximally

*COMMERCIAL LAND , 2600-20 WEST CAPITOL AVE., WEST SACRAMENTO*

productive use most of the property as vacant is to develop the property with retail/commercial uses.

**Conclusion.** The highest and best use of the property is to develop the appraised property with retail/commercial uses, consistent with the current (C-2) zoning classification.



## V. VALUATION

### VALUATION METHODOLOGY AND CONSIDERATIONS

The valuation process involves the investigation, organization, and analysis of relevant market data and other factors that affect the market value of the property. Factors that influence value are discussed in the Regional, Community and Neighborhood, Market, Property, and Highest and Best Use analyses of the report.

This section of the report typically discusses the three approaches generally used to arrive at an opinion of value for the property: the cost approach, the income capitalization approach, and the sales comparison approach. The cost approach and the income capitalization approach, as generally employed, will not be used since there are no improvements on the property.

The **sales comparison approach** is the most common and preferred method for valuing vacant land and is the approach used in determining the "as is" value of the property. This method involved the accumulation of sales data of retail/commercial land and within the West Sacramento submarket area. Selected sales are then analyzed and adjusted for various elements of comparison including dissimilar physical characteristics and other development considerations. Adjustments to the comparable sales are preferably extracted from market data; however because this market is an imperfect one, adjustments are often subjectively applied using the best information available. Through a search of public records, our appraisal files, interviews with buyers and sellers, knowledgeable real estate brokers, and other professionals knowledgeable of particular transactions, we have found enough pertinent transactions considered comparable to the subject property. It should be noted, however, that recent sales of similar zoned, size with similar utility as the appraised are scarce. Fortunately, we were able to located one recent sale and one property under contract within close proximity to the subject.

The remainder of this section of the report includes Comparable Retail/Commercial Land Sales and Conclusion of "As Is" Value.

### COMPARABLE RETAIL/COMMERCIAL LAND SALES

The comparable retail/commercial land sales in this analysis are used to value the 0.480 +/- net acres of subject retail/commercial land. The sales transactions identified as the most similar in this analysis are summarized in Table 4-1 and described on the following pages. See the Addenda for Comparable Retail/Commercial Land Sales with Parcel Maps.

COMMERCIAL LAND , 2600-20 WEST CAPITOL AVE., WEST SACRAMENTO

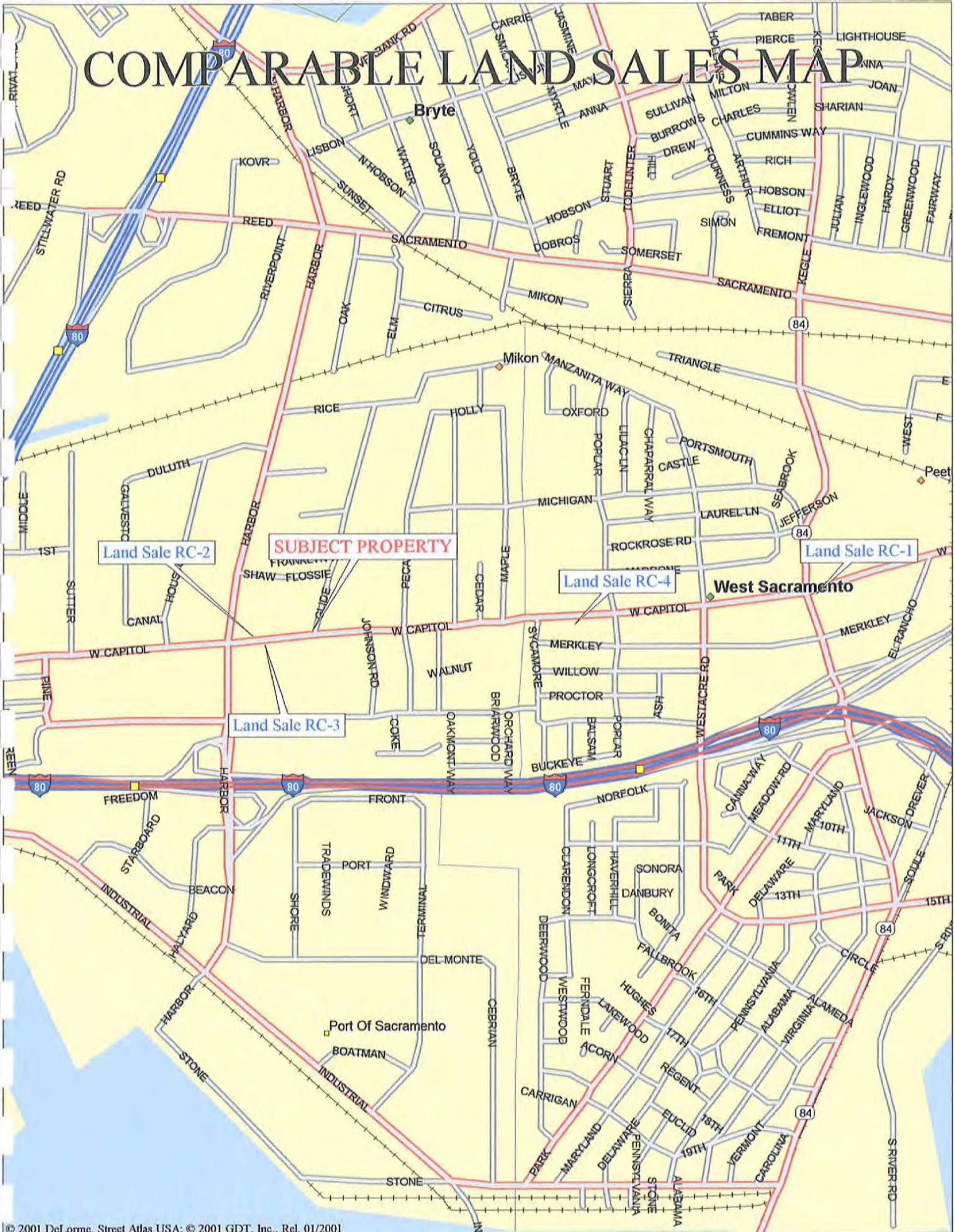
| TABLE 4-1<br>COMPARABLE RETAIL/COMMERCIAL LAND SALES |  |                                    |   |                     |  |
|--|--|------------------------------------|---|---------------------|--|
| NO.  | IDENTIFICATION<br>LOCATION<br>ASSESSOR'S PARCEL NUMBER<br>(APN)    | SALE PRICE<br>BONDS<br>TOTAL PRICE | SALE DATE<br>ZONING   | NET ACRE<br>LAND SF | PRICE PER<br>SQUARE FOOT<br>BONDS<br>TOTAL PRICE |
| Subj   | NWC of Glide & W. Capitol,<br>West Sacramento<br>APN: 08-450-16    | N/A                                | DOV:<br>7/30/02<br>C-2<br>(Community<br>Commercial)           | .0480<br>20,909     | N/A  |
| RC-1   | 817 Jefferson Blvd.,<br>West Sacramento<br>APN: 067-310-018        | \$159,000<br>\$0<br>\$159,000      | 4/98<br>C-2<br>(Community<br>Commercial)                      | 0.585<br>25,472     | \$6.24<br>\$0<br>\$6.24                          |
| RC-2   | 2401 W. Capitol Ave.,<br>West Sacramento<br>APN: 08-450-07         | \$251,200<br>\$0<br>\$251,200      | 7/24/02<br>C-2<br>(Community<br>Commercial)                   | 1.49<br>64,904      | \$3.87<br>\$0<br>\$3.87                          |
| RC-3   | 2410 W. Capitol Ave.,<br>West Sacramento<br>APN: 067-210-051       | \$137,608<br>\$0<br>\$137,608      | Contract<br>COE<br>(9/02)<br>C-2<br>(Community<br>Commercial) | 0.810<br>35,284     | \$3.90<br>\$0<br>\$3.90                          |
| RC-4   | 2100 Block W. Capitol Ave.,<br>West Sacramento<br>APN: 067-210-001 | \$357,737<br>\$0<br>\$357,737      | Listing<br>C-2<br>(Community<br>Commercial)                   | 2.19<br>95,396      | \$3.75<br>\$0<br>\$3.75                          |

**Comparable RC-1** represents a 1998 sale located at 817 Jefferson Boulevard. This sale consists of a portion of a retail center, and is located adjacent to the Walgreen's Store. This August 1998 sale warrants an upward adjustment for improved market conditions since the date of this sale. No adjustment is considered necessary for size since the sale is similar in area. The primary adjustment is downward for the superior location of this site at the corner of West Capitol Avenue and Jefferson Boulevard. The site is paved, somewhat narrow, and level with curb, gutter and sidewalk. The narrow (comparable) and parallelogram (subject) shapes of these properties tend to be off-setting. An additional downward adjustment is applied for the demolition costs (asphalt paving and concrete slab) required prior to developing the subject site. Also, a downward adjustment is considered necessary for the installation of off-site improvements and underground telephone utilities along Glide Avenue. After applying the adjustments, this sale indicates a value of approximately \$ 4.00 per square foot for the subject property.

**Comparable RC-2 & 3** represent the recent sale (7/24/02) and contract of two C-2 zoned parcels of land located directly west and south of the appraised site. The seller is the same for both



# COMPARABLE LAND SALES MAP



**COMMERCIAL LAND , 2600-20 WEST CAPITOL AVE., WEST SACRAMENTO**

transaction. The buyers intend to operate a modular home enterprises on the sites. The unit values per square foot indicate a narrow range between \$3.87 and \$3.90. Both properties have depreciated asphalt paving, fencing with all off-site improvements installed. A downward adjustment is considered necessary for the installation of off-site improvements and underground utilities along Glide Avenue. The properties are judged to be similar in location. No adjustments for market condition are warranted. A downward adjustment for the shape (parallelogram) of the subject is applied which allows for a lower amount of buildable area than this comparable. A slight upward adjustment is warranted for the smaller size of the subject. Overall, these comparables are superior to the subject property. After applying the necessary adjustments, these comparables indicate a value of approximately \$3.00 per square foot for the subject property.

**Comparable RC-4** is the current listing of a 2.19 acre site comprised of retail/commercial land. The property is presently owned by Frank Ramos. The property is listed for \$3.75 per square foot. The site is fenced with depreciated asphalt paving and a dilapidated old wood building which would be demolished prior to development. This site is located along West Capitol Avenue, just east of the appraised property. The site has all off-site improvements installed. This parcel has superior frontage along West Capitol Avenue warranting a downward adjustment for subject. The shape and utility of this comparable is also judged superior to the appraised site. A deduction for the higher FAR (floor area ratio) of this comparable is warranted. A further downward adjustment is considered necessary for the installation of off-site improvements and underground utilities along Glide Avenue. A corresponding upward adjustment is considered necessary for size differences. Smaller properties typically sell at higher prices per square foot than larger properties. This transaction after adjustment, indicates a value of approximately \$ 2.80 per square foot for the subject property.

**Summary of Comparable Retail/Commercial Land Sales.** The comparable retail/commercial land sales used in this analysis range in size from approximately 0.585 to 2.19 acres. They range in price is from \$3.75 to \$6.24 per square foot of net land area before adjustment, and from \$ 2.80 to \$ 4.00 per square foot after adjustment.

**CONCLUSION OF THE "AS IS" VALUE**

Based on the preceding analysis, and weighting Comparables RC-2 and RC-3 the most, **it is our conclusion that the "as is" market value of the fee simple interest in the subject retail/commercial land as of July 30, 2002, subject to the General Assumptions and Limiting Conditions and the Extraordinary Assumptions/Hypothetical Conditions included in this report, is:**


$$\mathbf{\$3.00\ PSF \times 0.480\ net\ acres \times 43,560\ sf = \$63,000\ rounded}$$



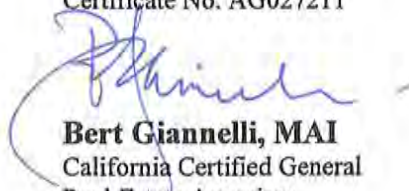
**COMMERCIAL LAND , 2600-20 WEST CAPITOL AVE., WEST SACRAMENTO**

**CERTIFICATION:** We certify that, to the best of our knowledge and belief:

1. The statements of fact contained in this report are true and correct.
2. The analyses, opinions, and conclusions contained in this report are our personal, unbiased and professional analyses, opinions and conclusions, and are limited only by the reported assumptions and limiting conditions, and extraordinary assumptions/hypothetical conditions of this report.
3. We have no present or prospective interest in the property that is the subject of this report, and we have no personal interest or bias with respect to the parties involved.
4. Our compensation is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.
5. Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with Title XI of the Federal Financial Institutions Reform Recovery, and Enforcement Act of 1989 (FIRREA) and its regulations, as well as the requirements of the Code of Professional Ethics and the Standards of Professional Practice of the Appraisal Institute, which fully incorporate the Uniform Standards of Professional Appraisal Practice (USPAP) of the Appraisal Foundation. Our report has also been prepared in accordance with FDIC Regulation 323.4.
6. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
7. As of the date of this report, I, Bert Giannelli, have completed the requirements of the continuing education program of the Appraisal Institute.
8. Mark McGuire and Bert Giannelli, MAI, are Certified General Appraisers in the State of California.
9. Mr. McGuire and Bert Giannelli, MAI conducted an inspection of the property.
10. No one provided significant professional assistance to the undersigned in the preparation of this report.
11. The appraisers are competent to complete this report in accordance with the Competency Provisions in the USPAP.
12. The appraisers acted in an independent capacity and the appraisal assignment is not based on a requested minimum valuation, a specific valuation, or the approval of a loan.



**Mark D. McGuire**  
California Certified General  
Real Estate Appraiser  
Certificate No. AG027211



**Bert Giannelli, MAI**  
California Certified General  
Real Estate Appraiser  
Certificate No. AG002088

**A D D E N D A**

- ITEM 1      SACRAMENTO REGIONAL ANALYSIS**
- ITEM 2      COMPARABLE RETAIL/COMMERCIAL LAND SALES**
- ITEM 3      PROPOSED BUILDING FOOTPRINT**
- ITEM 5      PROFESSIONAL QUALIFICATIONS**

ITEM 1

SACRAMENTO REGIONAL ANALYSIS

**Introduction.** The city of Roseville and Placer County are part of the Sacramento Metropolitan Area (SMA), which is strategically located with respect to transportation corridors and agricultural production within California’s huge Central Valley region. The metropolitan area benefits from being the capital and center of government for the State of California, which has a population of more than 34.7 million and a gross domestic product that, if compared to other nations, would be among the top ten in the world. The remainder of this section of the report will focus on population growth, economic conditions, economic forecast and regional growth and development trends.

**Population Growth.** For the first time since the Gold Rush, more than half of Californians live outside the Bay Area and Los Angeles County. **The 18-county Central Valley – stretching from Bakersfield to Redding and anchored by the Sacramento Metropolitan Area – gained more people than either Los Angeles County or the Bay Area, adding nearly one million residents from 1990 to 2000 according to the 2000 Census.** The Central Valley’s 20 percent growth rate topped even the burgeoning Orange County - San Diego - Inland Empire region of southern California. In the process, the Central Valley reached a population of 5.6 million residents. Table 1-1 shows the population growth of the major areas of California from 1990 to 2000.<sup>9</sup>

| TABLE 1-1<br>POPULATION GROWTH OF MAJOR CALIFORNIA AREA<br>FROM 1990 TO 2000 |            |            |           |          |
|--|------------|------------|-----------|----------|
| REGIONS  | 1990       | 2000       | CHANGE    | % CHANGE |
| Central Valley<br>(Includes Sacramento<br>Metropolitan Area)                 | 4,639,604  | 5,550,222  | 910,618   | 20%      |
| San Francisco Bay Area   | 6,023,577  | 6,783,760  | 760,183   | 13%      |
| Los Angeles County   | 8,863,164  | 9,519,338  | 656,174   | 7%       |
| Other southern California<br>counties  | 7,497,365  | 8,914,943  | 1,417,578 | 19%      |
| Rest of State  | 2,736,311  | 3,103,385  | 367,074   | 13%      |
| Total California   | 29,760,021 | 33,871,648 | 4,111,627 | 14%      |
| Source: 2000 Census  |            |            |           |          |

California grew more than any other state in the nation from 1990 to 2001, to its current population of more than 34.7 million. Within California, the Sacramento region was one of the fastest growing areas. Table 1-2 shows the population growth of the Sacramento region’s four major counties in 2000 compared to 1990.<sup>10</sup>

<sup>9</sup> Fastest Growing Region in the State, *The Sacramento Bee*, April 15, 2001

<sup>10</sup> Counting California, *The Sacramento Bee*, April 3, 2001



| TABLE 1-2<br>POPULATION GROWTH OF THE FOUR COUNTY<br>SACRAMENTO REGION IN 2000 FROM 1990 |                 |                         |
|--|-----------------|-------------------------|
| COUNTY   | 2000 POPULATION | % OF INCREASE FROM 1990 |
| El Dorado  | 156,299         | 24.05%                  |
| Placer   | 248,399         | 43.75%                  |
| Sacramento   | 1,223,499       | 17.51%                  |
| Yolo   | 168,660         | 19.54%                  |
| Source: U.S. Census Bureau   |                 |                         |

The SMA’s population continues to increase, especially in the south Placer County area, the city of Folsom in eastern Sacramento County, western El Dorado County, and the southern portion of Sacramento County in the Laguna, Vineyard, and Elk Grove communities. See the Greater Sacramento Area map on the previous page. Table 1-3 shows the population growth projections for the Sacramento MSA and Yolo County for 2000 to 2005 and 2005 to 2010.

| TABLE 1-3<br>POPULATION GROWTH PROJECTIONS<br>SACRAMENTO MSA & YOLO COUNTY JULY 2000 TO JULY 2010 |                           |                            |                           |                            |
|---|---------------------------|----------------------------|---------------------------|----------------------------|
| COUNTY  | JULY 2000 TO<br>JULY 2005 | INCREASE<br>(2000 TO 2005) | JULY 2005 TO<br>JULY 2010 | INCREASE<br>(2005 TO 2010) |
| Sacramento  | 1,218,860 to<br>1,335,283 | 116,423<br>(+9.55%)        | 1,335,283 to<br>1,459,952 | 124,669<br>(+9.34%)        |
| Placer*   | 237,145 to<br>292,640     | 55,495<br>(+23.40%)        | 292,640 to<br>336,805     | 44,165<br>(+15.09%)        |
| El Dorado*  | 124,910 to<br>140,395     | 15,485<br>(+12.40%)        | 140,395 to<br>158,085     | 17,690<br>(+12.60%)        |
| Yolo  | 165,220 to<br>191,210     | 25,990<br>(+15.73%)        | 191,210 to<br>209,035     | 17,825<br>(+9.32%)         |
| Total   | 1,746,135 to<br>1,959,528 | 213,393<br>(+12.22%)       | 1,959,528 to<br>2,163,877 | 204,349<br>(+10.43%)       |
| *Excludes Tahoe basin portion<br>Source: Sacramento Area Council of Governments, March 2001       |                           |                            |                           |                            |

As this table shows, the Sacramento Metropolitan Statistical Area (MSA) and Yolo County will have a projected population growth of 213,393 (+12.22%) from July 2000 to July 2005, and of 204,349 (+10.43%) from July 2005 to July 2010. The fastest growing county in this area is Placer County with a projected population growth of 55,495 (+23.40%) from July 2000 to July 2005, and of 44,165 (+15.09%) from July 2005 to July 2010.

Between the years 2000 and 2025, the Sacramento region’s population of 1.88 million (an update

from the population shown in Table 3-3 on the previous page) is expected to increase by 49 percent to each 2.81 million, or 928,089 additional people. Table 1-4 shows the projected population increases in the seven major cities in the Sacramento region from 2000 to 2005.<sup>11</sup>

| TABLE 1-4<br>PROJECTED POPULATION GROWTH OF SACRAMENTO<br>REGIONS MAJOR CITIES FROM 2000 TO 2025 |                    |                              |          |            |
|--|--------------------|------------------------------|----------|------------|
| CITY   | 2000<br>POPULATION | 2025 PROJECTED<br>POPULATION | INCREASE | % INCREASE |
| Sacramento   | 409,610            | 528,880                      | 119,270  | 29.1%      |
| Roseville  | 79,560             | 109,160                      | 29,600   | 37.2%      |
| Elk Grove  | 72,685             | 168,465                      | 95,780   | 131.8%     |
| Folsom   | 53,810             | 76,333                       | 22,523   | 41.9%      |
| Rocklin  | 37,670             | 70,490                       | 32,820   | 87.1%      |
| West Sacramento  | 31,660             | 77,100                       | 45,440   | 143.5%     |
| Lincoln  | 12,900             | 57,875                       | 44,975   | 348.6%     |

\*Source: Sacramento Area Council of Governments

Although the city of Sacramento will gain the most people, the fastest growing cities are projected to be Lincoln (+348.6%), **West Sacramento (+143.5%)**, Elk Grove (+131.8%), and Rocklin (+87.1%).

**Economic Conditions.** Although much of the United States and portions of California are in a mild recession, the Sacramento region is not in a recession as nearly every economic sector is still growing. The area’s economy has fared better than the state and nation. The first half of 2001, job growth in the Sacramento region was strong, according to David Lyons, labor market analyst with the state Employment Development Department. Then weakness set in, with the last quarter “particularly weaker.”<sup>12</sup>

According to a January 2002 report by RREEF Research that analyzed major cities and metropolitan areas throughout the United States, the Sacramento area, together with San Diego, Riverside, and Orange counties, are the most stable California metropolitan areas. And, these areas are experiencing job growth “significantly faster than the U.S. average.” The Sacramento area benefits from lower costs and business migration to the area. Nationally, RREEF expects a turnaround in job growth and economic activity beginning the second quarter 2002.<sup>13</sup>

The Sacramento region added 2,100 new **jobs** in March 2002, continuing to be one of California’s

<sup>11</sup> Growth Races to Suburbs, *Sacramento Business Journal*, January 4, 2002

<sup>12</sup> Economy Won’t Have Far to Bounce Locally, *Sacramento Business Journal*, January 4, 2002

<sup>13</sup> Recession. Looking for the Bottom, *RREEF Research*, January 20, 2002

healthier labor markets. In the past year, Sacramento employers created 5,400 additional jobs, a 0.7 percent annual rate of growth – one of the weakest rates in years. Still, the Sacramento region outpaced the Bay Area, which has lost thousands of jobs since March 2001. In March 2002, Sacramento benefitted from a big jump in government hiring (1,700 jobs, with nearly two-thirds coming from local education) as well as increases in construction and service jobs such as health care and engineering.<sup>14</sup>

The **unemployment rate** in Sacramento, Placer and El Dorado counties decreased in March 2002 to 4.9 percent, down from 5.0 percent in February. The **Yolo County** jobless rate fell to 5.6 percent in March from 5.9 percent in February 2002. California's March 2002 unemployment rate rose to 6.4 percent, up from 6.2 percent in February.<sup>15</sup>

Helping buffer the Sacramento region from job losses are government jobs which account for nearly 25 percent of the area's job base. Other economic insulators that are cushioning the area from harsher realities experienced by other parts of the state and county are the following: relatively low labor costs, location as a regional hub, Sacramento's back-office operations, and affordable housing compared to the major coastal areas of the state.<sup>16</sup>

According to Barbara Hays, Executive Director of the Sacramento Area Commerce and Trade Organization (SACTO), the Sacramento region still has a distinct competitive advantage over most other regions in the state because it is a very affordable option for companies looking to relocate. Despite a national recession that experts say officially began in March 2001, Ms. Hayes said companies are still moving to the Sacramento area. She says companies located in more severely depressed areas, such as the Bay Area and Los Angeles, are actually more interested in moving now. "The bottom line is savings," Hayes says. "If a company is looking to save money through lower land or rent costs, then the Capital Region becomes an attractive option." Additionally, Hayes cites a talented work force pool and quality of life issues as features that make the region continue to stand out to employers looking to make a positive move during recessionary times. "The region's work force is driving site relocation in our area," she says. "Employers are looking for affordable rooftops and we still have them. When you add in public transportation to the mix, we look a lot better than other regions in the state. All indicators I look at make me optimistic, perhaps cautiously, that we're in for a prosperous 2002."<sup>17</sup>

In addition to its population and employment growth, the Sacramento region is increasing in wealth. **Greater Sacramento is amassing money in banks faster than the rest of California, according to the latest deposit records – a sure sign of the area's rapid growth and rising wealth.** Placer County led the local area with 16 percent growth in deposits, followed by 15 percent gains in El Dorado and Yolo Counties. Sacramento County grew by 12 percent. "This deposit growth reflects the health of the area. Our area is healthier than the rest of the state, and the state is healthier than

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<sup>14</sup> State Jobs Market is Still Weak, *The Sacramento Bee*, April 13, 2002

<sup>15</sup> Ibid.

<sup>16</sup> Economy Won't Have Far to Bounce Locally, *Sacramento Business Journal*, January 4, 2002

<sup>17</sup> A New Perspective - Economic Watchers Are Seeing A V-Shaped Recession, *Comstocks Business*, January 2002

the rest of the region,” according to Walter Payne, chairman of the board of the California Chamber of Commerce. **The stability of the Sacramento area’s job market is likely a major contributing factor to the growth in capital. Government jobs, a high percentage of the local job market, are generally very stable and the technology companies in this area haven’t been cutting too deeply at their local operations.** In other California markets, where there have been job losses and the cost of living is very high, unemployment quickly draws down on bank deposits. That has not been the case in the Sacramento area.<sup>18</sup>

The Sacramento region’s valuation of commercial building permits, a weather vane of future construction, was up 20 percent during the first five months of 2001 compared to the previous year, according to the Construction Industry Research Council. The \$1.28 billion in permits for new residential construction was nearly 26 percent ahead of the previous year for metropolitan Sacramento.<sup>19</sup>

**Economic Forecast.** Due to its more varied work force, the Sacramento region will likely weather the impact of the current recession better than its Bay Area counterparts in San Francisco and Silicon Valley, according to experts at the 2002 Earlybird Economic Forecast in Sacramento on October 26, 2001. The following are some of the highlights of this meeting.<sup>20</sup>

- If the United States isn’t drawn into a long war, and if the uncertainty about safety eases, local economists and business experts expect the regional and national economy to start turning around next spring or summer (2002).
- California’s recession will not be as deep as that of the early 1990's.
- According to John Mitchell, economist for U.S. Bancorp’s Western region, the right things are happening to set the stage for a recovery. Monetary policies have eased, inventories are coming down, and people are refinancing their homes.
- While the economy is probably shrinking, inflation has slowed to next to nothing.
- The Sacramento area will likely fare well because of its diversified economic base. State government is expected to remain stable locally, while local government, mainly school jobs, will increase. Other areas of the economy will see slight downturns.

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<sup>18</sup> Area Shows Signs of New Wealth, *Sacramento Business Journal*, December 21, 2001

<sup>19</sup> Which Way Is Up? *Sacramento Business Journal*, July 6, 2001

<sup>20</sup> Earlybird Economic Forecast, Recovery Expected by Mid ‘02 Unless . . . , *Sacramento Business Journal*, October 26, 2001

The following are some of the findings of the inaugural CSUS Forecast of the Sacramento Region:<sup>21</sup>

1. In 2002, the Sacramento region will skirt the recession and escape the steep job decline plaguing much of the nation.
2. The labor market will remain tight, and job seekers will have a harder time finding employment.
3. Overall, job growth will hit one percent for 2002 - a dramatic slowdown from the robust growth rates during the recent boom times. Still, that is a lot better than the Silicon Valley and other regions hammered by recession and companies slashing their payrolls.
4. For the next several months, little or no employment growth is anticipated for the region.
5. By summer (2002), low interest rates and low inflation, as well as economic recoveries across the state and nation, will fuel even stronger job growth locally.

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<sup>21</sup> Tight Labor Market Seen, Worst of Recession Should Bypass Area, CSUS Forecast Says, *The Sacramento Bee*, January 17, 2002

**ITEM 2  
COMPARABLE RETAIL/COMMERCIAL  
LAND SALES**

COMPARABLE RETAIL/COMMERCIAL LAND SALE RC-1

**Assessor's Parcel Number** 067-310-018  
**Location:** 817 Jefferson Boulevard, West Sacramento, Yolo County  
**Size:** 0.585 net acres (25,472 SF)  
**Zoning:** C-2 (Commercial)  
**Condition/Status:** Asphalt paved parking lot with sidewalks, curb and gutter and available utilities  
**Intended Use:** Retail  
**Date of Sale:** 8/18/98  
**Sale Price:** \$159,000 (no bonds)  
**Price Per Square Foot Land Area:** \$6.24  
**Recording Data:** N/A  
**Terms of Sale:** All cash  
**Grantor:** Charles H. Parella Jr. Tr. (et al)  
**Grantee:** West Capitol Partners (et al)  
**Confirmed With:** Seller and Comps, Inc.



COMPARABLE RETAIL/COMMERCIAL LAND SALE RC-2

**Assessor's Parcel Number:** 08-450-07  
**Location:** 2401 West Capitol Avenue, West Sacramento, Yolo County  
**Size:** 1.49 net acres (64,904 SF)  
**Zoning:** C-2 (Community Commercial)  
**Condition/Status:** Fenced, depreciated asphalt with off-site improvement installed  
**Intended Use:** Retail/commercial development  
**Date of Sale:** 7/24/02  
**Sale Price:** \$251,200  
**Price Per Square Foot Land Area:** \$3.87  
**Recording Data:** N/A  
**Terms of Sale:** Cash  
**Grantor:** John Pierson  
**Grantee:** Roy Grifton  
**Confirmed With:** Selling broker, Shawn Morrow, Coldwell Banker

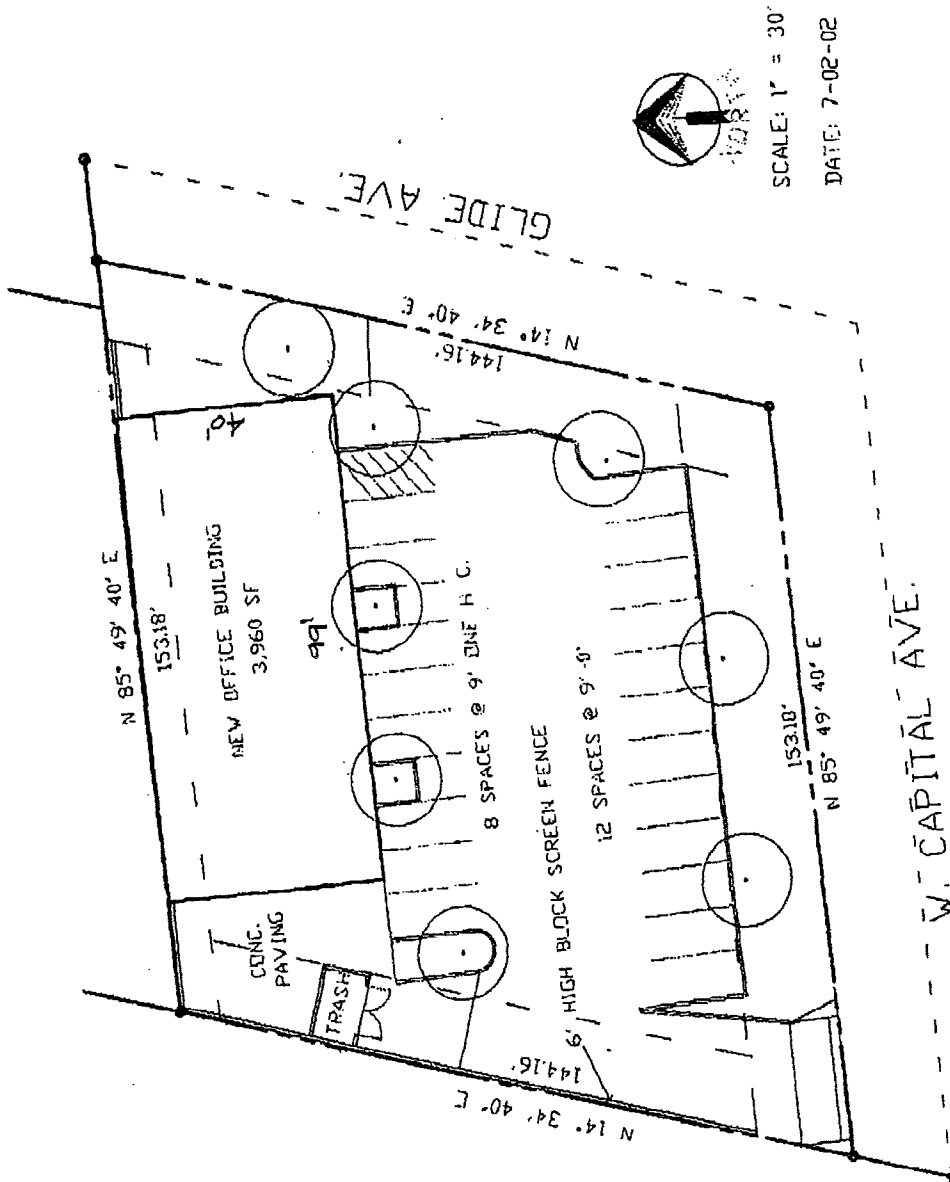
**COMPARABLE RETAIL/COMMERCIAL LAND SALE RC-3**

**Assessor's Parcel Number:** 067-210-051  
**Location:** 2410 W. Capitol Avenue, West Sacramento, Yolo County  
**Size:** 0.810 net acres (35,284 SF)  
**Zoning:** C-2 (Community Commercial)  
**Condition/Status:** Fenced, depreciated asphalt with off-site improvement installed  
**Intended Use:** Retail/Commercial  
**Date of Sale:** Contract (COE) 7/2002  
**Sale Price:** \$135,000  
**Price Per Square Foot Land Area:** \$3.90  
**Recording Data:** N/A  
**Terms of Sale:** Cash  
**Grantor:** John Pierson  
**Grantee:** N/A  
**Confirmed With:** Selling broker, Shawn Morrow, Caldwell Banker

**COMPARABLE RETAIL/COMMERCIAL LAND SALE RC-4**

**Assessor's Parcel Number:** 067-210-001  
**Location:** 2100 Block, West Capitol Avenue, West Sacramento, Yolo County  
**Size:** 2.19 net acres (95,396 SF)  
**Zoning:** C-2  
**Condition/Status:** Fenced, depreciated asphalt, dilapidated wood building  
**Intended Use:** Retail/Commercial  
**Date of Sale:** Listing  
**Sale Price:** \$357,737 (asking price)  
**Price Per Square Foot Land Area:** \$3.75  
**Recording Data:** N/A  
**Terms of Sale:** Cash, terms may be available  
**Grantor:** Frank Ramos  
**Grantee:** N/A  
**Confirmed With:** Frank Ramos

**ITEM 3  
PROPOSED BUILDING FOOTPRINT**



**ITEM 4  
PROFESSIONAL QUALIFICATIONS**

**PROFESSIONAL QUALIFICATIONS  
OF  
BERT GIANNELLI, MAI**

Bert Giannelli has been a real estate appraiser, real estate broker, and consultant since 1983. His professional experience in real estate appraisal encompasses almost every type of property, including office, retail, industrial, multi-family, mixed-use, elderly housing, and residential subdivisions. He has coordinated and been responsible for market studies involving mixed-use developments, office developments, elderly housing, and residential developments. Mr. Giannelli has also been involved in developing several commercial properties in the Sacramento area, which provides him with an understanding of the development process as a developer and an investor.

Mr. Giannelli is a member of the Sacramento Association of Realtors and is a licensed real estate broker in the State of California. He has qualified and testified as an expert witness on real estate valuation.

Prior to his career in real estate, Mr. Giannelli served in the United States Marine Corps in various command and staff assignments in the United States, Europe, and Asia. During his 23 years in the Corps, he commanded units at platoon, company, and battalion level and served as the senior advisor to a Vietnamese Marine Infantry Battalion and the operations advisor to the Vietnamese Marine Corps.

**Representative Assignments Include:**

**Mixed-Use** - Proposed and existing office, retail, and multifamily residential projects for investors, government agencies and financial institutions. Proposed mixed-use developments include the Southern Pacific/Union Pacific site in downtown Sacramento and a portion of the West Sacramento river front area.

**Office** - Existing and proposed office developments for various clients, including banks, attorneys, national developers, and investors.

**Retail** - Community, neighborhood and strip shopping centers for financial institutions.

**Industrial** - Existing and proposed industrial developments for banks and local developers.

**Multifamily Residential** - Existing and proposed apartment complexes, principally in the Sacramento Metropolitan Area, for attorneys, financial institutions, and developers.

**Elderly Housing** - Existing and proposed congregate care, residential care, and skilled nursing facilities for financial institutions and developers.

**Residential Developments** - Proposed residential subdivisions in Sacramento, Placer, El Dorado, Sutter, Yuba, and Solano counties for financial institutions, and local and national builders.

**Formal Education**

Santa Clara University and the University of the Pacific, B.A., Economics  
George Washington University, Postgraduate studies

**Professional Affiliations**

Member of the Appraisal Institute, with the MAI designation  
Past Member, Board of Directors, Sacramento Sierra Chapter of the Appraisal Institute  
Past Assistant Regional Member, Ethics Administration Division of the Appraisal Institute  
Member, National Experience Review Committee of the Appraisal Institute  
Member, Sacramento Association of Realtors  
Past Member, Board of Directors, Marines' Memorial Club, San Francisco

**Licenses**

Certified General Real Estate Appraiser, State of California, No. AG002088  
Licensed California Real Estate Broker



# **RESUME & QUALIFICATIONS**

## **MARK D. McGUIRE**

### **INTRODUCTION**

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Mr. McGuire is a senior valuation analyst engaged in a wide variety of real estate valuation and consultation assignments. In 1981, Mr. McGuire began his career in real estate as an analyst for Corcoran and SeEVERS. By 1984, he began writing narrative appraisal reports covering a wide variety of income properties. Today, Mr. McGuire is involved in appraisal assignments covering a wide variety of urban properties including office, retail, industrial, residential, income residential and subdivisions. With approximately 20 years of experience in the field, he has developed the expertise and background necessary to deal with complex assignments covering a wide range of property types.

### **EDUCATION**

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#### ***Appraisal Institute and Real Estate Courses:***

- SPPA & SPPB - Standards or Professional Practice, Parts A & B
- 1A2 – Basic Valuation Procedures
- 1A1 – Real Estate Appraisal Principles
- II-540 Report Writing & Valuation Analysis
- II-550 Case Studies in Real Estate Valuation
- II-510 Capitalization Theory and Techniques, Part B
- 1BA – Capitalization Theory and Techniques, Part A

#### ***Real Estate Seminars and Workshops:***

- Mortgage Broker Training

### **PROFESSIONAL AFFILIATIONS**

---

- Certified General Real Estate Appraiser – State of California (AG027211), expires 10-21-03
- Real Estate Broker's License – State of California.

## RECENTLY COMPLETED ASSIGNMENTS

| PROPERTY IDENTIFICATION  | PROPERTY DESCRIPTION & CLIENT  |
|--|--|
| Zinfandel Plaza<br>Rancho Cordova, California                  | This is an existing multi-tenant office building complex totaling 98,671 square feet. This report was prepared for Allmerica Financial Life Insurance and Annuity Company.   |
| Industrial Complex<br>Vacaville, California                    | This is an existing two building industrial complex consisting of 150,556 square feet. This report was prepared for E. S. Merriman and Sons.   |
| Creskide Medical Office Building<br>Folsom, California         | This project included the valuation of an existing medical office building totaling 45,580 square feet. The report was prepared for GE Capital.  |
| Contra Loma Plaza Shopping Center<br>Antioch, California       | This project is a market valuation for an Antioch neighborhood shopping center consisting of 74,486 square feet of rentable area. This report was prepared for Stockmans Bank.   |
| Vacaville Town Center<br>Vacaville, California                 | This report is a market valuation for an existing 34,954 square foot neighborhood shopping center. The property is located in Vacaville, California just off Highway 80. This report was prepared for Saloman Brothers Realty Corporation. |
| Unimproved Industrial Land<br>Placer County, California        | This report represents the market valuation of 268 acres of unimproved industrial land. This report was prepared for Western Sierra Bank.  |
| A proposed build-to-suit Rite Aid Store<br>Gridley, California | A self-contained appraisal report consisting of a proposed Rite Aid retail store. This report was prepared for U.S. Bancorp.   |
| Motel, Orleans<br>Yuba City, California                        | An existing 22,000 square foot economy hotel. This report was prepared for Fallbrook National Bank.  |

## CITY OF WEST SACRAMENTO

## AGENDA REPORT

MEETING DATE: February 19, 1992

ITEM # 17

**SUBJECT:**

**APPROVAL OF RESOLUTION 92-18 ACCEPTING REAL PROPERTY  
ASSESSOR'S PARCEL NUMBER 08-450-16  
ON WEST CAPITOL AVENUE**

**INITIATED OR REQUESTED BY:**

Council                       Staff  
 Other

**REPORT COORDINATED OR PREPARED BY:**

*Carol B. Richardson*  
\_\_\_\_\_  
Carol B. Richardson  
Assistant City Manager

**ATTACHMENT**                       Yes    No                       Information                       Direction                       Action

**OBJECTIVE:**

The purpose of this report is to secure the Council's acceptance of real property on West Capitol Avenue. This action is needed to secure City ownership of the noted property.

**RECOMMENDED ACTION:**

It is respectfully recommended that the City Council adopt Resolution No. 92-18 accepting real property on West Capitol (APN# 08-450-160).

**BACKGROUND:**

The City of West Sacramento has been the subject of litigation with the owners and operators of Harbor Books on West Capitol Avenue. After nearly two years of litigation, the City and Harbor Books have entered into a court-ordered confidential settlement agreement. A condition of the settlement agreement calls for the City to own the property and building currently housing Harbor Books. The agreed upon purchase price for the property and building is \$150,000. The recommended action is needed in order to finalize the settlement agreement and accept the property.

**ANALYSIS:**

N/A

**Alternatives:**

The City has the option of not accepting the property, and thereby negating the settlement agreement.

**Coordination and Review:**

This matter was coordinated with the City Attorney.

**Fiscal Impact:**

The purchase price of the property is \$150,000. Funds for the purchase of the property are an appropriate Redevelopment expenditure.

**CONCLUSION:**

It is respectfully recommended that the City Council adopt Resolution 92-18 accepting real property on West Capitol Avenue identified as Assessor's Parcel Number 8-450-16. (2600 W. Capitol Ave.)

**ATTACHMENT:**

- 1) Resolution 92-18

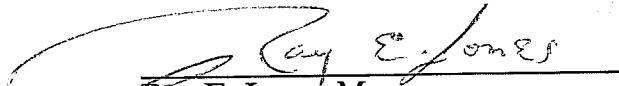
**RESOLUTION 92-18**  
**A RESOLUTION OF THE CITY COUNCIL OF THE**  
**CITY OF WEST SACRAMENTO ACCEPTING REAL PROPERTY**  
**LOCATED ON WEST CAPITOL AVENUE**

**WHEREAS**, the City of West Sacramento has requested a conveyance of real property from Jack Levenson and Louis Roseman identified as Assessor's Parcel Number 08-450-16; and


**WHEREAS**, this is to certify that the interest in the real property conveyed by the deed from Jack Levenson and Louis Roseman to the City of West Sacramento, a governmental agency is hereby accepted by order of the City Council on February 19, 1992, and the grantee consents to recordation thereof by its duly authorized officer.

**PASSED AND ADOPTED** this 19th day of February, 1992 by the following vote:

**AYES:** Beers, Kristoff, Potnick, McGowan, Jones  
**NOES:** None  
**ABSENT:** None

  
Ray E. Jones, Mayor

**ATTEST:**

  
Helen M. Kanowsky, City Clerk

**THE REDEVELOPMENT AGENCY  
OF THE CITY OF WEST SACRAMENTO**

**RESOLUTION NO. 87-164**

**ACCEPTING TRANSFER OF REAL PROPERTY  
FROM THE COUNTY OF YOLO**

**WHEREAS**, the County of Yolo owns certain real property and appurtenances thereto located within the City of West Sacramento, commonly known as the "Broderick Boat Ramp" and the "Sheriff's Substation site", depicted on the maps and legal descriptions attached hereto as Exhibits "A" and "B" respectively, both of which are incorporated herein by this reference; and

**WHEREAS**, pursuant to Agreement No. 87-120, a "Pass-Through Agreement" between Yolo County and the West Sacramento Redevelopment Agency, dated June 30, 1987, the County agreed to convey the subject property to the City by quit claim deed; and

**WHEREAS**, the acquisition of the property by the West Sacramento Redevelopment Agency for redevelopment purposes is in furtherance of the Redevelopment Plan for Redevelopment Project No. 1, and is authorized therein; and

**WHEREAS**, no private person or business will be displaced as a result of the acquisition of this property by the Redevelopment Agency; and


**WHEREAS**, on December 2, 1987, the West Sacramento City Council found acquisition of the subject property by the Redevelopment Agency to be in conformance with the West Sacramento General Plan.

87-164  
**NOW, THEREFORE, BE IT RESOLVED** as follows:


1. Each of the foregoing recitals is true and correct.
2. The acquisition of the subject property from the County of Yolo hereby is authorized.
3. The Chairman of the West Sacramento Redevelopment Agency governing board hereby is authorized to execute and deliver an acceptance of the deeds and take such actions as are necessary to complete this transaction.

**PASSED AND ADOPTED** by the West Sacramento Redevelopment Agency this 2nd day of December, 1987, by the following vote:

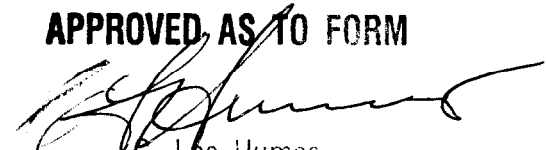
**AYES:** Jones, Kristoff, Martinez, Rogers, McGowan  
**NOES:** None  
**ABSENT:** None  
**ABSTAIN:** None

  
Michael H. McGowan, Chairman  
West Sacramento Redevelopment Agency

ATTEST:

  
Helen M. Kanowsky  
Deputy City Clerk

(27:11068701.res)

**APPROVED, AS TO FORM**  
  
C. Lee Humes  
Planning / Redevelopment Attorney  
CITY OF WEST SACRAMENTO

Recording requested by:

City of West Sacramento  
P. O. Box 802  
West Sacramento, CA 95691

When recorded mail to:

City of West Sacramento  
P. O. Box 802  
West Sacramento, CA 95691

col'l

Mail Tax Statements as  
directed above

QUIT CLAIM DEED

The undersigned declares that this deed is exempt from documentary transfer tax.

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, the COUNTY OF YOLO, a political subdivision, hereby quit claims to the REDEVELOPMENT AGENCY OF THE CITY OF WEST SACRAMENTO, a redevelopment agency, all County's right, title and interest in and to the following described real property in the City of West Sacramento, County of Yolo, State of California:

See Exhibit A attached hereto and incorporated herein by this reference.

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BOAT RAMP



Dated: October 20, 1987.

COUNTY OF YOLO, a political sub-  
division of the State of  
California

BY *George P. Demars*  
GEORGE P. DEMARS, Chairman  
Board of Supervisors

ATTEST:

PAULA COOPER, CLERK  
BOARD OF SUPERVISORS

BY *Paula M. Cooper*  
(SEAL)

APPROVED AS TO FORM

*Lee Humes*  
Lee Humes  
Planning / Redevelopment Attorney  
CITY OF WEST SACRAMENTO

ACKNOWLEDGMENT

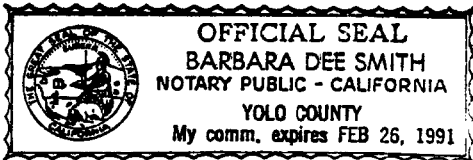
STATE OF CALIFORNIA

COUNTY OF YOLO

On this 20<sup>th</sup> day of October in the year 1987, before  
me, Barbara Dee Smith, a notary public, personally  
appeared George P. Demars and Paula M. Cooper,  
personally known to me to be the Chairman and Clerk,  
respectively, of the Board of Supervisors of the County of  
Yolo persons whose names are subscribed to this instrument,  
and acknowledged that the County of Yolo executed it.

(SEAL)

*Barbara Dee Smith*  
Signature



Notary Public for the  
State of California

My commission expires:

Feb. 26, 1991

PARCEL ONE:

The following described property in the City of West Sacramento, County of Yolo, State of California:

Lots 11, 12, 15, 16, 17, 18, 19, 20, 21, 22, 23 and 24 of Block 40, Town of Washington, Yolo County, California, filed in Book I of Deeds, page 264.

EXCEPTING THEREFROM the following described property:

Beginning at the Southwest corner of said Lot 11, Block 40; running thence Northerly along the West line of said Lots 11 and 12 to the Northwest corner of Lot 12; thence Easterly along the South line of Pine Grove Avenue (now known as James Street), 11 feet to the land base of the levee on the right bank of the Sacramento River; thence Southeasterly along the base of said levee to a point on the South line of said Lot 11; thence Westerly along said boundary line of said Lot 11, 90 feet to the place of beginning.

A.P. No. 10-493-01 and 02.

PARCEL TWO

All that portion of that certain real property situate lying and being in the County of Yolo, State of California, being a portion of Block 41 of the "Town of Washington" as said block is designated and delineated on that certain map of the said "Town of Washington" filed for record in the office of the Recorder of the said County of Yolo on June 26, 1869, in Book I of Deeds, at page 264; and more particularly described as follows:

Beginning at a point, said point being the most Southerly corner common to Lots 4 and 5 of said Block 41 and being on the Easterly edge of the crown of the Easterly levee of Reclamation District No. 811; thence Northwesterly along said Easterly edge of the levee crown to point on the boundary common to Lots 6 and 7 of said blocks which is 17.91 feet Northerly, measured along said common boundary, from the most Southerly corner common to said Lots 6 and 7; thence Northerly along the boundary common to Lots 6, 7, 13 and 16 of said Block to the Northeasterly corner of said Lot 13; thence Westerly along the boundary common to Lots 13 and 14 of said block to the most Westerly corner common to said Lots 13 and 14; thence Northerly along the most Westerly boundary of Lots 14, 15 and 30 of said Block to the Northwesterly corner of said Lot 30 and of said Block 41; thence Easterly along the Northerly boundary of said block and the Easterly production thereof 407 feet, more or less, to a point on the Westerly low water line of the Sacramento River; thence Southerly and downstream along said low water line and following the meanders thereof to a point on the Easterly production of the Southerly boundary of said Block 41; thence Westerly along the Southerly boundary of said Block and the Easterly production thereof 394.67 feet, more or less, to the point of beginning.

EXCEPTING THEREFROM that portion of Second Street lying between the North boundary of William Street and the South boundary of James Street.

ALSO EXCEPTING THEREFROM any portion thereof lying below the ordinary high water mark of the Sacramento River.

A.P. No. 10-103-01 and 10-102-08 and 09.

PARCEL THREE:

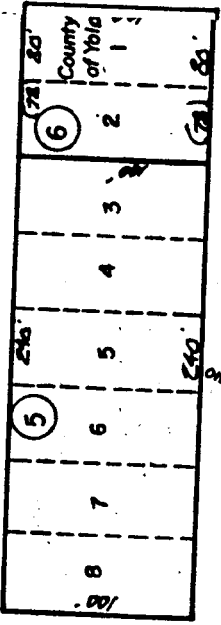
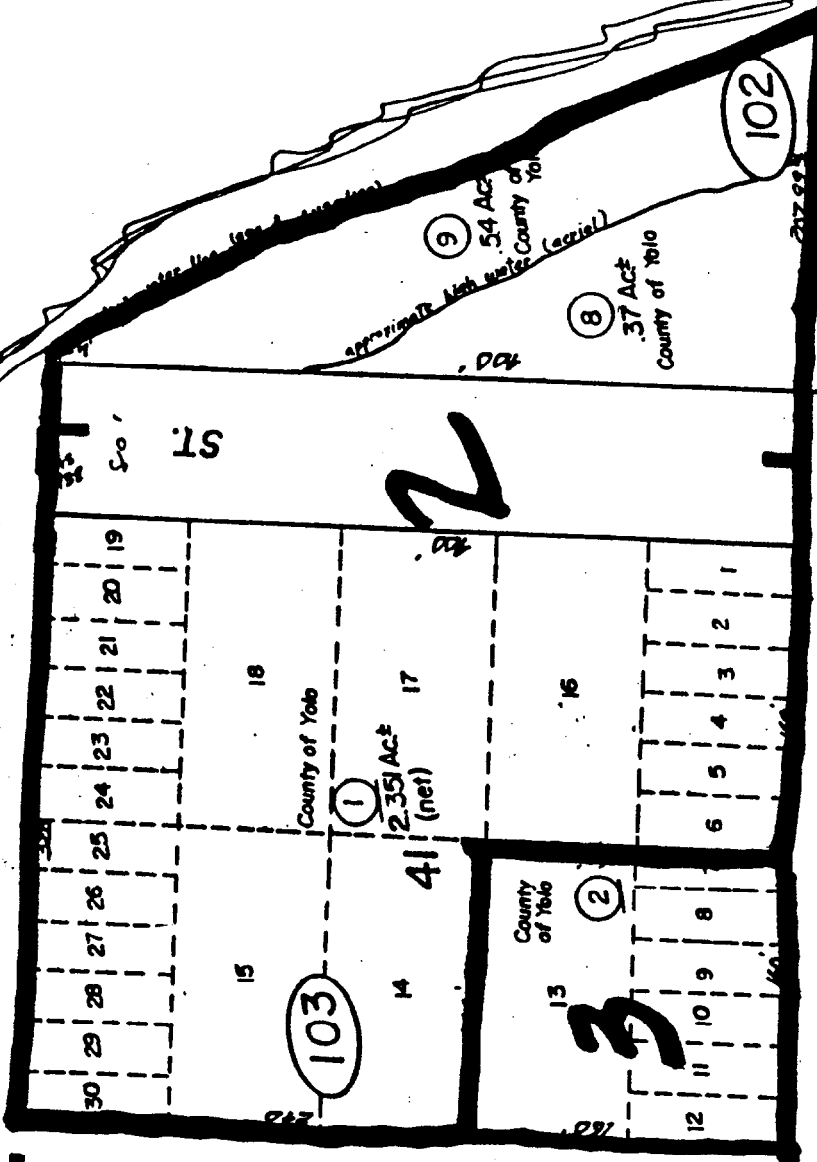
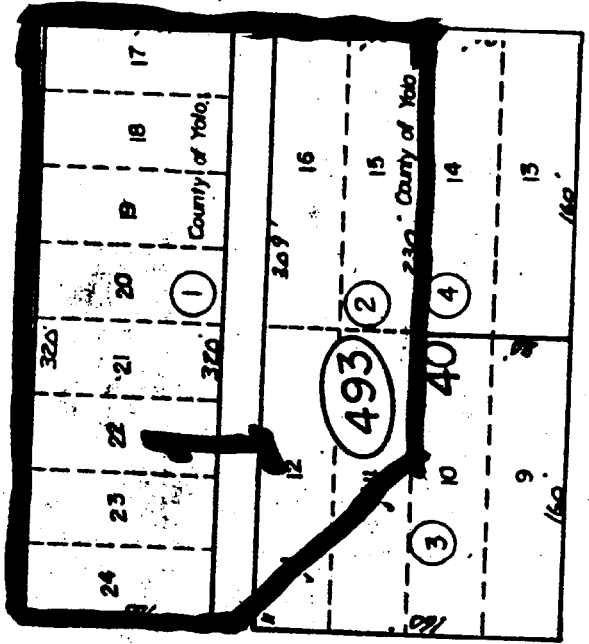
Lots 7, 8, 9, 10, 11, 12, and 13 in Block 41 in the Town of Washington, Yolo County, California.

A.P. No. 10-103-02.

53

ST. 8 POR. T.9N., R.4E., M.D. - JAMES (A'ST.)

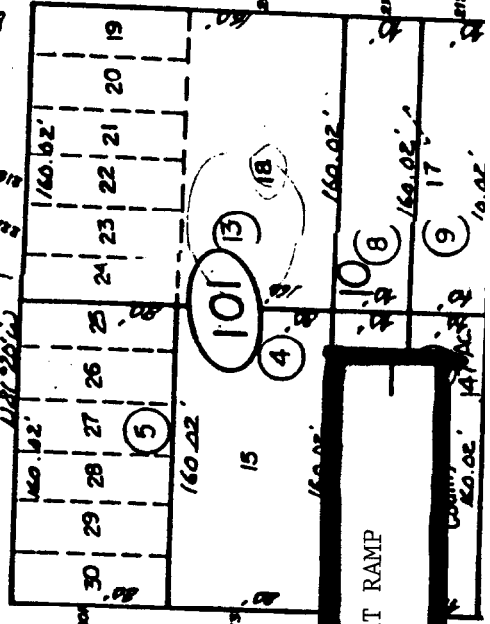
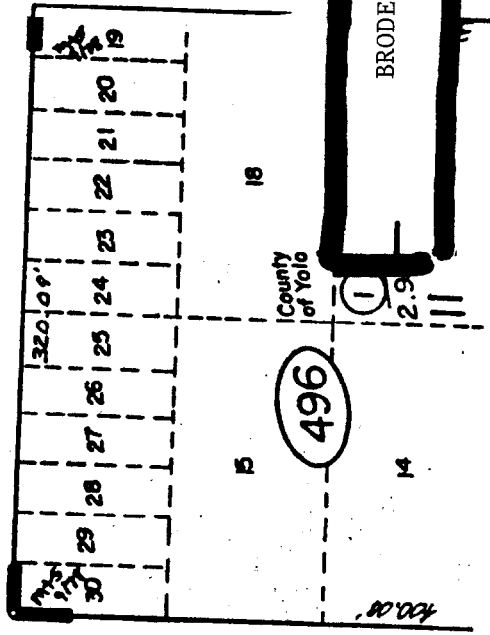
53 ST.



ST.

WILLIAM (B'ST.)

ST.



143'

8 13

12

11 4

10

9

8

102

5

3

12

BOAT RAMP

Recording requested by:

City of West Sacramento  
P. O. Box 802  
West Sacramento, CA 95691

When recorded mail to:

City of West Sacramento  
P. O. Box 802  
West Sacramento, CA 95691

Mail Tax Statements as  
directed above

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QUIT CLAIM DEED

The undersigned declares that this deed is exempt from documentary transfer tax.

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, the COUNTY OF YOLO, a political subdivision, hereby quit claims to the REDEVELOPMENT AGENCY OF THE CITY OF WEST SACRAMENTO, a redevelopment agency, all County's right, title and interest in and to the following described real property in the City of West Sacramento, County of Yolo, State of California:

All that real property situate in the State of California, County of Yolo, City of West Sacramento, described as follows:

Parcel One: Lots 28, 29 and 30, Block 9 of the Town of Washington, according to the official plat thereof filed for record in the office of the Recorder of Yolo County in Book I of Deeds at Page 264.

Parcel Two: Lots 25, 26, 27 and the East one-half of Lot 15, Block 9 of the Town of Washington, according to the official plat thereof filed for record in the office of the Recorder of Yolo County in Book I of Deeds at Page 264.

EXCEPTING THEREFROM all that portion of Lots 25 and 26 of the above described property, as described in Final Order of

SUBSTATION

Condemnation recorded December 22, 1960, in Book 623 of Official Records, at page 95, more particularly described as follows:

BEGINNING at a point on the North line of said Block 9 from which the monument at the Southeast corner of Block 11 bears N. 79 57' 10" W. 212.54 feet and No. 10 04' 03" E. 80.00 feet, said point is also distant 24.62 feet Southwesterly, measured radially from the base line at Engineer's Station "F3" 10+95.00 P. O. C. of the Department of Public Works' 1957 Survey of the West Approach to the "I" Street Bridge, Road III-Yol-50-F; THENCE, from said point of beginning, along the South Side of "C" Street S. 79 57' 10" E. 54.13 feet to the Northeast corner of said Lot 24; thence S. 40.00 feet to the Southeast corner of the North half of said Lot 24; thence along the South line of the North half of said Lot 24, N. 79 57' 10" W. 12.13 feet; thence N. 36 19' 51" W. 57.98 feet to the point of beginning.

Parcel 1: AP Number 10-371-05 affects Parcel 1

Parcel 2: AP Number 10-371-06 affects Parcel 2.

Dated: October 20, 1987.

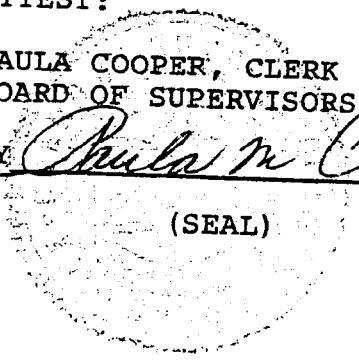
COUNTY OF YOLO, a political sub-division of the State of California

BY *George P. Demars*  
GEORGE P. DEMARS, Chairman  
Board of Supervisors

ATTEST:

PAULA COOPER, CLERK  
BOARD OF SUPERVISORS

BY *Paula M Cooper*



APPROVED AS TO FORM

*C. Lee Humes*  
C. Lee Humes  
Planning / Redevelopment Attorney  
CITY OF WEST SACRAMENTO

ACKNOWLEDGMENT

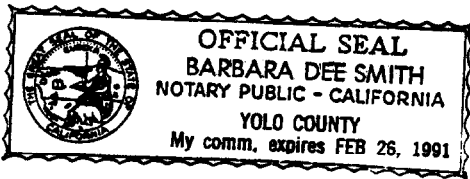
STATE OF CALIFORNIA

COUNTY OF YOLO

On this 20<sup>th</sup> day of October in the year 1987, before me, Barbara Dee Smith, a notary public, personally appeared George P. De Mars and PAULA M. Cooper, personally known to me to be the Chairman and Clerk, respectively, of the Board of Supervisors of the County of Yolo persons whose names are subscribed to this instrument, and acknowledged that the County of Yolo executed it.

(SEAL)

Barbara Dee Smith  
Signature



Notary Public for the  
State of California

My commission expires:

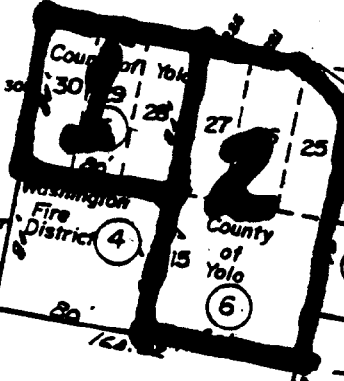
Feb. 26, 1987

POR. T. 9N., R. 4E., M.D.B. & M.

ELIZABETH ('C' ST.) ST.

ST.

ST.

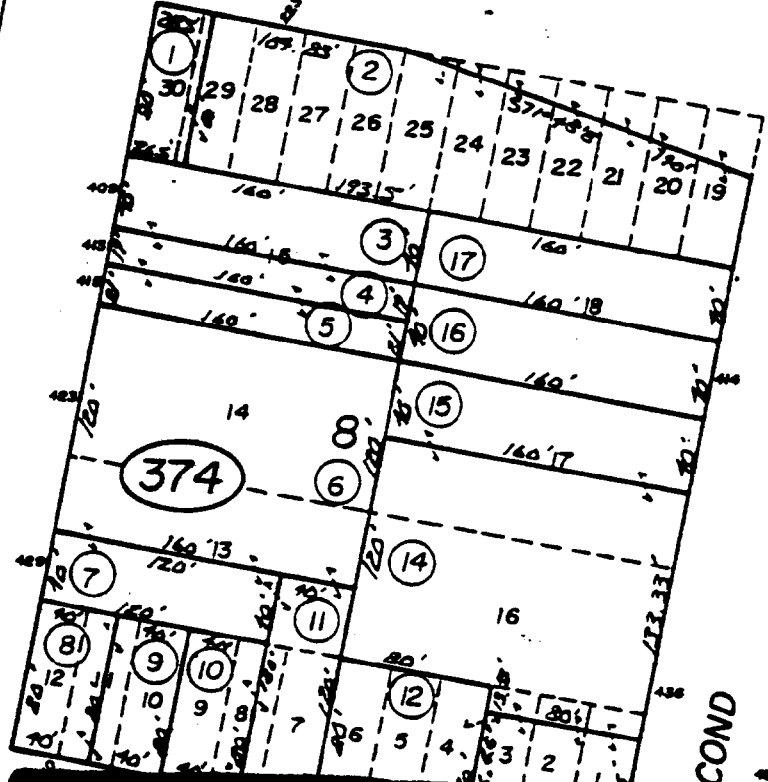


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371

ANN ('D' ST.)

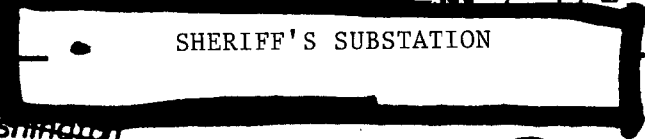
48



374

THIRD

SECOND



SHERIFF'S SUBSTATION

HARRIET ('E' ST.)

M. & S. Bk. 2, Pg. 37 - Gallinar, Su  
 M. & S. Bk. 2, Pg. 38 - Town of Washington  
 M. & S. Bk. 5, Pg. 16 - W.H. Shearman Tracts

47

ST



**PARKING LEASE AGREEMENT**

This Parking Lease Agreement (hereinafter, the "Lease") is made this 16<sup>th</sup> day of April, 2007, ("Execution Date") by and between the Redevelopment Agency of the City of West Sacramento ("Agency"), its successors and assigns, and Third & C Street L.L.C., a California limited liability company ("Developer").

**RECITALS**

**WHEREAS**, Agency owns that certain real property located in the City of West Sacramento, County of Yolo, State of California, legally described on Exhibit A, attached hereto and made a part hereof ("Property");

**WHEREAS**, the City of West Sacramento ("City"), the Agency, and Developer entered into that certain Development and Disposition Agreement dated May 18, 2005 ("DDA");

**WHEREAS**, the DDA requires Agency and Developer to enter into an agreement allowing Developer to use seventeen (17) parking spaces to serve the commercial and residential use being developed on a portion of the Project (the term "Project", as used herein, shall have the same meaning as defined within the DDA) which is the subject of the DDA, and Developer desires to use a portion of the Property depicted on Exhibit B attached hereto for this express purpose (the "Subject Premises");

**WHEREAS**, the Agency intends to grant Developer this Lease to allow for its use of the Subject Premises, according to the terms and conditions set forth in this Lease.

**NOW, THEREFORE**, in consideration of the mutual covenants and conditions contained herein, and in exchange for good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the parties hereto agree as follows:

**TERMS**

1. **Grant of Lease.** Agency hereby leases to Developer, and Developer hereby Leases from Agency, on the terms and conditions described herein, the Subject Premises, together with the necessary rights of ingress and egress for access thereto. Developer shall have the exclusive right to park vehicles on the Subject Premises.
2. **Term.** The term ("Term") of this Lease shall be for forty (40) years, commencing on the Execution Date of this Agreement and shall expire forty (40) years from the Execution Date ("Expiration Date").
3. **Assignment.** This Lease may not be assigned, in whole or in part, nor may the Subject Premises be subleased, in whole or in part, by Developer without Agency's prior written approval, which approval shall not be unreasonably withheld or delayed. It shall be reasonable for Agency to withhold approval of an assignment or sublease to anyone not holding an actual, leasehold or fee interest in the commercial space located in Project.

4. **Use.** The use of the Subject Premises is limited to surface parking during normal business hours of no more than seventeen (17) standard sized passenger vehicles for Developer and the employees, owners and the invitees of the commercial tenant(s) occupying the commercial space in the Project, which is generally located at the north-east corner of 3<sup>rd</sup> and C Streets, West Sacramento, California. Developer shall not place or attach any personal property, fixtures, or structures to the Subject Premises without the prior written consent of Agency; provided, however, the Developer may place on the Subject Premises portable lighting reasonably required for the safe operation of the Subject Premises as a parking facility without the prior written consent of Agency.

4.1 Notwithstanding the foregoing, the Subject Premises shall be available for surface area parking (including overnight parking) by guests and invitees of the owners, residents of the Project and the general public during hours when the commercial tenant(s) is not operating its business. The parties allowed access to the Subject Premises as provided hereunder shall have access thereto seven (7) days a week, three hundred sixty-five (365) days a year for surface parking only. The Subject Premises are to be used only for surface parking and no other purpose, unless Developer or tenant gets specific written permission for other use from the Agency. Developer shall keep the Subject Premises parking area open to serve the parking needs of the commercial tenant during commercial business hours and Developer accepts sole responsibility of assuring that the parking spaces of the Subject Premises remain available for use by commercial tenants during normal business hours. Notwithstanding anything that may be interpreted to the contrary in this Agreement, Lessee shall have the ability to control access to the Subject Premises for purposes of collecting fees for paid parking, and Lessee shall have the right to take reasonable measures to prevent noxious or criminal activity, such as, but not limited to, loitering, gang related activity or other activity that compromises the well being of the Subject Premises or Project.

4.2 This Agreement shall constitute the Parking Management Plan required by condition 12, as contained within the conditions of approval, approved on January 26, 2005. In no event shall Agency have the right to charge the employees, owners and the invitees of the commercial tenant(s) occupying the commercial space in the Project or the guests and invitees of the owners and/or residents of the Project any fee, charge or tax to utilize the Subject Premises except as provided herein.

5. **Agency Relocation or Payment Option.** After the fifteenth (15<sup>th</sup>) anniversary of the Execution Date, Agency shall have the right, at its sole and absolute discretion and upon no less than six (6) months prior written notice to Developer, to terminate the Lease prior to its Expiration Date. Should the Agency exercise its right to terminate the Lease, the Agency shall provide the Developer the choice of either: (1) accepting a one-time payment in the amount of Four Hundred Thousand Dollars (\$400,000.00) (the "Relocation Fee") adjusted annually as set forth below, or (2) accepting alternate premises to serve the parking requirements of commercial tenants, owners and/or residents occupying the Project as provided in Section 3 above (the "Substitute Premises"), provided the Substitute Premises (a) complies with all applicable City parking requirements and standards in effect for the applicable commercial development at the date the Substitute Premises is delivered to Developer, including the number of required spaces, which number may be less than the number required for this commercial development at the Effective Date of this Lease, (b) is in no event more than four hundred (400) feet from the north-

east corner of 3<sup>rd</sup> and C Streets, West Sacramento, California, and (c) is provided to Developer at no additional cost or charge. Agency's right to relocate Developer shall be personal to Agency and may not be assigned. Should the Developer elect to be relocated to Substitute Premises, the parties shall enter into a new lease agreement with substantially the same terms for the balance of the Lease Term. Should the Developer elect to be relocated to Substitute Premises, and at the time of the election the Agency either (1) does not own any Substitute Premises within 400 feet from the north-east corner of 3<sup>rd</sup> and C Streets, or (2) cannot purchase Substitute Premises within 400 feet from the north-east corner of 3<sup>rd</sup> and C Streets at a cost under \$400,000.00, Agency may elect to terminate the Lease and pay Developer the Relocation Fee.

The Relocation Fee shall be adjusted annually on each anniversary of the Execution Date of this Lease at a rate of 2.4% each year as set forth in the following table:

| <b>Year</b> | <b>Relocation Fee</b> | <b>Years</b> | <b>Relocation Fee</b> |
|-------------|-----------------------|--------------|-----------------------|
| Year 15     | \$557,518.63          | Year 28      | \$758,855.05          |
| Year 16     | \$570,899.08          | Year 29      | \$777,067.57          |
| Year 17     | \$584,600.66          | Year 30      | \$795,717.19          |
| Year 18     | \$598,631.08          | Year 31      | \$814,814.40          |
| Year 19     | \$612,998.23          | Year 32      | \$834,369.95          |
| Year 20     | \$627,710.19          | Year 33      | \$854,394.83          |
| Year 21     | \$642,775.23          | Year 34      | \$874,900.31          |
| Year 22     | \$658,201.84          | Year 35      | \$895,897.92          |
| Year 23     | \$673,998.68          | Year 36      | \$917,399.47          |
| Year 24     | \$690,174.65          | Year 37      | \$939,417.06          |
| Year 25     | \$706,738.84          | Year 38      | \$961,963.07          |
| Year 26     | \$723,700.57          | Year 39      | \$985,050.18          |
| Year 27     | \$741,069.38          | Year 40      | \$1,008,691.38        |

6. **Rent.** Developer shall pay to Agency annual rent ("Rent"), in advance, in the amounts set forth in the chart below. Rent is due and payable on the Execution Date, and on each anniversary date thereafter. All other monetary sums Developer is obligated to pay to Agency under this Lease shall be deemed additional rent.

| <b>Years</b> | <b>Annual Rent</b> |
|--------------|--------------------|
| Years 1-5    | \$3,552.00         |
| Years 6-10   | \$3,978.24         |
| Years 11-15  | \$4,455.63         |
| Years 16-20  | \$4,990.30         |
| Years 21-25  | \$5,589.14         |
| Years 26-30  | \$6,259.84         |
| Years 31-35  | \$7,011.02         |
| Years 36-40  | \$7,852.34         |

**7. Breach, Termination.**

7.1 This Lease may be terminated prior to the Expiration Date upon the occurrence of any of the following conditions:

7.1.1 A material breach by Developer, its approved assignees, or owners or commercial tenants of the Project of the terms and conditions of (1) this Lease, (2) Section 9 of the DDA entitled Covenants Regarding Use and Operation of the Project and Property, as it relates to the operation of the business occupying the commercial building space, (3) the executed and recorded Agreement Containing Covenants Affecting Real Property, as it relates to the operation of the business occupying the commercial building space, and/or (4), the executed and recorded Regulatory Agreement, as it relates to the operation of the business occupying the commercial building space, which the Agency, in its reasonable discretion, determines has not been cured by Developer as follows:

7.1.1.1 Within ten (10) calendar days following delivery of a written notice by Agency to Developer, in the case of a breach involving Developer's monetary obligations under this Lease;

7.1.1.2 In the case of a material breach of Developer's obligations hereunder which cause, as the Agency determines, in its reasonable discretion, a threat to the health or safety to persons using the Subject Premises or to the public generally, if within five (5) calendar days following delivery of a written notice, Developer fails to secure the premises to the Agency's reasonable satisfaction. Developer shall begin remedial measures within ten (10) calendar days, and shall complete all remedial measures with thirty (30) days of written notice, unless Developer provides Agency with a remedial estimate from a contractor or engineer stating a greater length of time necessary for completion of the remedial measures. In no event, shall completion of the remedial measures exceed one-hundred eighty (180) days; or

7.1.1.3 For all other material breaches of this Lease by Developer, if within ten (10) calendar days, Developer fails to begin remedial measures following delivery of a written notice by Agency to Developer. Developer shall complete all remedial measures with thirty (30) days of written notice, unless Developer provides Agency with a remedial estimate from a contractor or engineer stating a greater length of time necessary for completion of the remedial measures. In no event, shall completion of the remedial measures exceed one-hundred eighty (180) days.

7.1.2 A termination of the DDA by Agency due to a material breach by Developer or its approved assignees thereunder.

7.1.3 An assignment of this Lease in violation of Section 2.

7.1.4 A termination of this Lease by the Agency in accordance with Section 5 above.

7.2 **Additional Remedies.** In addition to all remedies available to Agency under California law in the enforcement of the terms and conditions of this Lease, Agency reserves the right to pursue all available legal remedies against the owners of vehicles parked outside of the Subject Premises without the Agency's permission, including but not limited to citation, towing and impounding of such vehicles. Notwithstanding anything to the contrary set forth herein, in no event shall Agency have the right to seek punitive damages from Developer in connection with a breach of this Lease by Developer.

8. **Notices and Demands.** Any notice, demand, request, consent or approval that either party desires or is required to give under this Lease shall be in writing and shall be served personally, delivered by messenger or courier service, or sent by U.S. certified mail, return receipt requested, postage prepaid, addressed to the other party at the party's address for notices set forth below. Notices delivered personally or by certified mail, return receipt requested, will be effective three (3) business days after placed in the mail or immediately upon receipt (or refusal of delivery or receipt); notices sent by independent messenger or courier service will be effective one (1) business day after acceptance by the independent service for delivery. Either party may change its address for notices hereunder by a notice to the other party complying with this Section.

If to Agency:                   Redevelopment Agency of the  
  City of West Sacramento  
  1110 West Capitol Avenue  
  West Sacramento, CA 95691  
  Attn: Executive Director  
  Tel: (916) 617-4500  
  Fax: (916) 372-8765

If to Developer:               Third & C Street L.L.C.  
  2206 K Street, Suite 3  
  Sacramento, CA 95816  
  Tel: (916) 443-8300  
  Fax: (916) 551-1855  
  Attn: John Leonard

9. **Maintenance and Care of Subject Premises.** Developer shall be responsible at its sole expense for: (1) improving the parking lot pursuant to the construction documents approved on November 16, 2005 (herein after referred to as "Approved Construction Documents") within the Subject Premises to the City standards; and (ii) obtaining from the City any applicable permits required by the City for Developer's intended use.

Developer and Agency may enter into an Early Entry Agreement to allow Developer access to the Property and Subject Premises for purposes of improving the Subject Premises according to Approved Construction Documents. Developer shall exercise due care in the use of the Subject Premises and shall be solely responsible for maintaining the Subject Premises in good condition and repair, and that the Subject Premises be kept clean and free of hazards or waste. Developer shall not act, or fail to act, in any way that results in excessive wear or damage to the Subject Premises. Developer expressly agrees to repair, replace or otherwise restore any part or item of

real or personal property that is damaged, lost or destroyed as a result of Developer' use of the Subject Premises. Should Developer fail to repair, replace or otherwise restore such real or personal property, Developer expressly agrees to pay Agency's costs in making such repairs, replacements or restorations.

9.1 **Utilities.** Developer is responsible for payment of all utilities and service charges attributable to Developer or its assignee's use of the Subject Premises whether separately metered or billed, including without limitation electricity, gas, telephone, garbage collection, sanitary sewer, storm sewer, and water. Utilities serving the Subject Premises which are not separately metered or billed shall be equitably allocated to the Subject Premises and paid by Developer within thirty (30) after written notice thereof is received from the Agency, together with reasonable supporting documentation evidencing the amounts required to be paid; provided, however, Developer shall have no obligation to make such payment when the remaining portion of the Property is developed. Developer shall pay the cost of separately metering any utilities serving the Subject Premises.

9.2 **Taxes.** A possessory interest subject to taxation and assessments may be created by this Lease. Notice is hereby given, pursuant to Revenue and Taxation Code Section 107.6 and Government Code Section 53340.1, that such property interest may be subject to taxation and special assessments, if created, and that the party in whom the possessory interest accrues may be subject to the payment of taxes and assessments levied on such interest. Developer shall pay all such real property possessory interest taxes attributable to the Subject Premises prior to delinquency.

10. **Environmental Matters.** Agency has disclosed to Developer the existence of Hazardous Materials on a portion of the Property located outside of the boundaries of the Subject Premises ("Existing Hazardous Materials"), as set forth in the environmental report prepared by Wallace and Kuhl (the "Environmental Engineers"), dated January 2, 2007, a copy of which is attached hereto as Exhibit C (the "Report"). Agency expressly disclaims any liability or responsibility for the accuracy or veracity of the Report. Notwithstanding Agency's disclosure, Developer represents to Agency that it has conducted environmental investigations of the Subject Premises or has been provided an opportunity to do so and is relying solely on its own investigations and the opinions of its environmental consultants regarding the suitability of the Subject Premises for Developer's intended use or the presence of Hazardous Materials in, on or under the Subject Premises.

As used in this Lease, the term "Hazardous Materials" includes, but is not limited to, any hazardous or toxic substance, material or waste that is (i) regulated by any local governmental agency, the State of California or the United States Government; (ii) defined as such in any federal, state, or local statute, ordinance, rule, or regulation applicable to the Property, including, without limitation, the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended (Title 42 United States Code sections 9601-9675), the Resource Conservation and Recovery Act (Title 42 United States Code sections 6901-6992k), the Carpenter-Presley-Tanner Hazardous Substance Account Act (Health and Safety Code sections 25330-25395), and the Hazardous Waste Control Law (Health and Safety Code sections 25100-25250.25); (iii) asbestos, or asbestos containing material; (iv) radon gas; (v) petroleum or petroleum fractions; (vi) any explosive substances; and (vii) any radioactive material.



**10.1 Indemnification.** Developer, its agents, employees, contractors, tenants and their invitees shall not disturb the soil in the area of the Hazardous Materials, and shall take all commercially reasonable steps necessary to prevent the disturbance of the soil or release of any Existing Hazardous Materials located on the Property as of the Execution Date by Developer, its agents, employees, contractors, tenants and their invitees. In addition, Developer will not (a) cause the storage, treatment or disposal of any Hazardous Materials in, on, or about the Subject Premises or any part of the Property in violation of any environmental laws or (b) permit the Subject Premises to be used or operated in a manner that may cause the Property or any part of the Property to be contaminated by any Hazardous Materials in violation of any applicable environmental laws. Developer will be solely responsible for and will defend, indemnify, and hold Agency, its agents and employees harmless from and against all reasonable, actual, direct and indirect claims, costs, and liabilities, including reasonable attorney fees and costs, arising out of or in connection with Developer's breach of its obligations in this Section. Developer's obligations under this Section shall survive the expiration or other termination of this Lease.

Agency will be solely responsible for and will defend, indemnify, and hold Developer, its agents, employees, contractors, tenants and their invitees harmless from and against any and all claims (whether direct or indirect), costs, liabilities and penalties, including reasonable attorney fees and costs, arising out of or in connection with the removal, CERCLA or other cleanup, or restoration of the Property, except for any and all claims, costs, liabilities and penalties caused by the introduction of Hazardous Materials to the Property or the Subject Premises by Developer, its agents, employees, contractors, tenants and their invitees. Agency's obligations under this section will survive the expiration or other termination of this Lease.

Both the Agency and the Developer agree that neither party will indemnify the other party and neither party shall bring any action against the other party, due to the presence of Existing Hazardous Materials, unless the party or its agents, employees, contractors, tenants and invitees, causes the introduction of new Hazardous Materials to the Subject Premises or exacerbates an Existing Hazardous Materials condition on the Subject Premises.

**10.2 Notification and Remedial Work.** Each party will promptly notify the other party of (i) any and all enforcement, cleanup, remedial, removal, or other governmental or enforcement cleanup or other governmental or regulatory actions instituted, completed or threatened pursuant to any environmental laws relating to any Hazardous Materials affecting any part of the Property; and (ii) all claims made or threatened by any third party against Developer, Agency or any part of the Property relating to damage, contribution, cost recovery, compensation, loss or injury resulting from any Hazardous Materials on or about the Property or any part of the Property.

Developer also acknowledges that it fully understands that some or all of any response actions to be undertaken with respect to any cleanup or remedial work may interfere with the Developer's quiet use and enjoyment of the Subject Premises. Developer agrees that notwithstanding any other provision of this Lease, Agency assumes no liability to the Developer or its sub lessees should implementation of a remedial work plan or other hazardous waste cleanup requirements, whether imposed by law or regulatory agencies, interfere with Developer's or sub lessees' use of the Subject Premises.

Developer agrees to comply with any health or safety plan as provided by Agency or any hazardous substance remediation or response actions or agreements during the course of any of the above described response or remedial actions. Any inspection, survey investigation or other response or remedial action will, to the extent practicable, be coordinated with representatives designated by Developer.

**10.3 Grading, Paving, and Temporary Relocation Right.** Developer has notified the Agency of its desire to take possession and make use of certain parking spaces on the Subject Premises during the time the City and/or Agency conducts Hazardous Materials testing and/or remedial work on the Property. Upon taking possession of the Subject Property, but prior to environmental remediation, Developer may perform limited surface striping work for the purpose of creating a limited number commercial parking spaces that are in compliance with the Americans with Disabilities Act (“ADA”), subject to the following conditions:

10.3.1 Developer shall not grade or in any other way disturb the soil on the Property;

10.3.2 Developer agrees that after the striping is completed, the Agency shall be given the temporary right, upon 24 hour notice to Developer, to relocate Developer’s parking spaces during any Hazardous Materials testing and/or remedial work on the Property, including work that may require removal of striping work completed by Developer.

If temporary relocation is necessary for one or more of the parking spaces, the Agency shall provide access to as many substitute parking spaces as possible in an alternate location on the Property, not to exceed seventeen (17) parking spaces, including ADA spaces created. Depending on the extent and nature of the testing and/or remedial work taking place on the Property, Developer understands that fewer than the initial number of parking spaces may be available at any one time. When the City, Agency and/or their contractors have completed the testing and/or remedial work, the Agency’s temporary relocation right shall terminate, and Agency shall restore the subject premises to its prior condition.

**11. Sale of the Property and Termination of Lease.** Developer is aware that the Agency may sell its Property at some future time. Should the Agency sell the Property to an entity of which John Leonard is a member, this Lease shall terminate automatically. Should the Agency sell the Property to another party, Developer understands and agrees that temporary relocation of its parking spaces on the Subject Premises may be necessary in order for the new buyer to develop and/or renovate the Property. Developer agrees to allow the new buyer of the Property to temporarily relocate one or more of the Subject Premises parking spaces upon the same terms above. Depending on the extent and nature of the construction or development taking place on the Property, Developer understands that fewer than seventeen (17) total parking spaces may be available at any one time. When the buyer and/or its contractors have completed the construction and development work, the buyer’s temporary relocation right shall terminate. Developer also understands that a new buyer may require access to the Property through the entrance on the Subject Premises and agrees to allow such joint access.



12. **Indemnification.** Developer shall defend, pay, indemnify and hold harmless Agency, its officers, officials, employees, agents, invitees, and volunteers (collectively "Agency Parties") from all claims, suits, actions, damages, demands, costs or expenses of any kind or nature by or in favor of anyone whomsoever and from and against any and all costs and expenses, including without limitation court costs and reasonable attorneys' fees, resulting from or in connection with loss of life, bodily or personal injury or property damage arising directly or indirectly out of or from or on account of any occurrence upon the Subject Premises or Developer's entry, use or presence upon the Subject Premises, except such loss or damage which was caused by the sole negligence or willful misconduct of Agency.

13. **Insurance.** Developer shall procure and maintain for the duration of this Lease insurance against claims for injuries to persons or damages to property which may arise from, or in connection with the presence of Developer, its agents, representatives, officers, employees, agents or volunteers upon the Subject Premises. Developer shall maintain General Liability limits no less than One Million and no/100 Dollars (\$1,000,000.00) per occurrence for bodily injury, personal injury and property damage, and in the sum of One Million and no/100 Dollars (\$1,000,000.00) for injury to or death of more than one person for each occurrence. Each insurance policy shall name Agency as an additional insured and it shall be endorsed to state that: (i) coverage shall not be suspended, voided, or cancelled by either party, or reduced in coverage or in limits except after thirty (30) calendar days prior written notice by certified mail, return receipt requested, has been given to Agency; and (ii) for any claims related to the Subject Premises, Developer' insurance coverage shall be primary insurance as respects the Agency and any insurance or self-insurance maintained by the Agency shall be in excess of Developer' insurance and shall not contribute with it. The insurance required herein, shall be procured by an insurance company approved by Agency, which approval shall not be unreasonably withheld.

14. **Estoppel Certificates.** Each party shall, within fifteen (15) days after written notice from the other party, execute, acknowledge and deliver to the requesting party an "estoppel certificate" in commercially reasonable form indicating that this Lease is unmodified and in full force and effect, or is in full force and effect as modified and stating the modifications, the amount of rent and the date to which rent has been paid in advance, and such other reasonable matters as the requesting party may reasonably request.

15. **Compliance with Law.** Developer at its own cost and expense, shall comply with all statutes, ordinances, regulations, and requirements of all governmental entities applicable to its use of the Subject Premises, including but not limited to federal, state, county, or municipal entities, whether those statutes, ordinances, regulations, and requirements are now in force or are subsequently enacted. If any license, permit, or other governmental authorization is required for Developer' lawful use or occupancy of the Subject Premises or any portion thereof, Developer shall procure and maintain such license, permit and/or governmental authorization throughout the term of this Lease.

16. **Integration.** This Lease constitutes the entire agreement between the parties and supersedes any and all other arguments, either oral or in writing, between the parties with respect to the subject matter of this Lease.

17. **Negation of Joint Venture.** Nothing herein contained shall be in any way construed as expressing or implying that the parties hereto have joined together in any joint venture or liability company or in any manner have agreed to or are contemplating the sharing of profits and losses among themselves in relation to any matter relating to this Lease.

18. **Applicable Law and Venue.** The laws of the State of California shall govern the interpretation and enforcement of this Lease. The parties hereby consent to venue in Yolo County (for judicial actions instituted under California law) or in the Eastern District of California (for judicial actions instituted under federal law).

19. **Modification.** This Lease may be amended by mutual agreement of the parties. Such amendments shall only be effective if incorporated in written amendments to this Lease and executed by duly authorized representatives of the parties.

20. **Unenforceable Provisions.** If any provision of this Lease is declared or determined by any court of competent jurisdiction to be illegal, invalid or unenforceable, the legality, validity or enforceability of the remaining portions hereof shall not, in any way, be affected or impaired thereby.

21. **Authority.**

21.1 Developer represents and warrants that this Lease has been duly authorized and executed by Developer and that this Lease is a legal, valid and binding obligation of Developer and is enforceable in accordance with its respective terms.

21.2 The Agency represents and warrants that:

21.2.1 this Lease has been duly authorized and executed by the Agency and that this Lease is a legal, valid and binding obligation of the Agency and is enforceable in accordance with its respective terms; and

21.2.2 that the Agency is the legal and beneficial owner of fee title to the Subject Premises, which is not subject to any lease or other possessory or usage interest, except a non-exclusive easement for roadway purposes over the northeast corner of the Subject Premises, as more particularly described in the document recorded September 13, 1981 in the Yolo County Public Records at Book 648, page 376.

22. **Quiet Use and Enjoyment.** Agency hereby covenants and agrees that, subject to the termination of this Lease pursuant to Section 7 and the Temporary Relocation Right pursuant to Section 10.3, Developer shall have quiet and peaceful use and enjoyment of the Subject Premises for the uses permitted under this Lease for the Term of the Lease.

23. **Attorney's Fees.** In the event of any litigation or arbitration regarding any rights and obligations under this Lease, the prevailing party (meaning the party receiving substantially the relief desired by judgment) shall be entitled to recover reasonable attorneys' fees and court costs in addition to any other relief which may be granted.

24. **Successors and Assigns.** This Lease shall inure to the benefit of and be binding upon Developer and Agency and their respective heirs, personal representatives, successors and assigns.

25. **Memorandum.** Upon Developer's written request, Agency shall execute a memorandum of this Lease, in the form attached hereto as Exhibit D, which, at Developer's sole cost and expense, shall be recorded in the Official Records of Yolo County.

26. **Counterparts.** This Agreement may be executed simultaneously or in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same Agreement.

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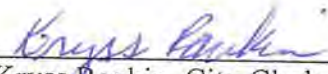
Executed the day and year first above written, by the parties as follows:

**AGENCY:**

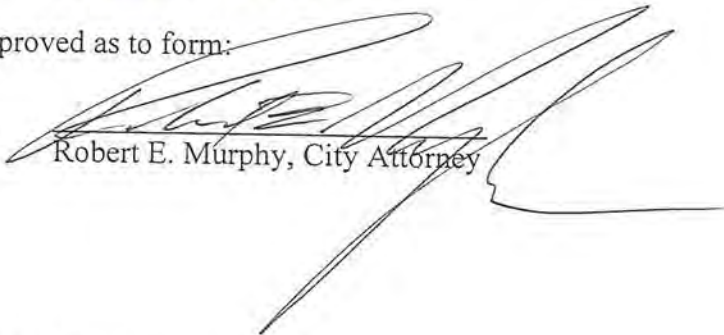
***REDEVELOPMENT AGENCY OF THE CITY OF WEST SACRAMENTO***

By:   
\_\_\_\_\_  
Toby Ross, Executive Director

Attest:

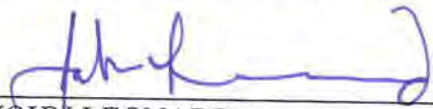
  
\_\_\_\_\_  
Kryss Rankin, City Clerk

Approved as to form:

  
\_\_\_\_\_  
Robert E. Murphy, City Attorney

**DEVELOPER:**

***Third & C, L.L.C.,***  
*a California limited liability company.*

By:   
\_\_\_\_\_  
JOHN LEONARD,  
Managing Member

**EXHIBIT A**

**Legal Description of Property**

THE LAND DESCRIBED HEREIN IS SITUATED IN THE STATE OF CALIFORNIA, COUNTY OF YOLO, CITY OF WEST SACRAMENTO, AND IS DESCRIBED AS FOLLOWS:

PARCEL ONE:

LOTS 28, 29 AND 30, BLOCK 9 OF THE TOWN OF WASHINGTON, ACCORDING TO THE OFFICIAL PLAT THEREOF FILED FOR RECORD IN THE OFFICE OF THE RECORDER OF YOLO COUNTY IN BOOK I OF DEEDS AT PAGE 264, YOLO COUNTY RECORDS.

ASSESSOR'S PARCEL NUMBER: 010-371-05

PARCEL TWO:

LOTS 25, 26, 27 AND THE EAST ONE-HALF OF LOT 15, BLOCK 9 OF THE TOWN OF WASHINGTON, ACCORDING TO THE OFFICIAL PLAT THEREOF FILED FOR RECORD IN THE OFFICE OF THE RECORDER OF YOLO COUNTY IN BOOK I OF DEEDS AT PAGE 264, YOLO COUNTY RECORDS.

EXCEPTING THEREFROM ALL THAT PORTION OF LOTS 25 AND 26 OF THE ABOVE DESCRIBED PROPERTY, AS DESCRIBED IN FINAL ORDER OF CONDEMNATION RECORDED DECEMBER 22, 1960, IN BOOK 623 OF OFFICIAL RECORDS, AT PAGE 95, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE NORTH LINE OF SAID BLOCK 9 FROM WHICH THE MONUMENT AT THE SOUTHEAST CORNER OF BLOCK 11 BEARS N. 79 DEGREES 57' 10" W. 212.54 FEET AND NO. 10 DEGREES 04' 03" E. 80.00 FEET, SAID POINT IS ALSO DISTANT 24.62 FEET SOUTHWESTERLY, MEASURED RADially FROM THE BASE LINE AT ENGINEER'S STATION "F3" 10+95.00 P.O.C. OF THE DEPARTMENT OF PUBLIC WORKS' 1957 SURVEY OF THE

WEST APPROACH TO THE "I" STREET BRIDGE, ROAD III-YOL-50-F; THENCE FROM SAID POINT OF BEGINNING, ALONG THE SOUTH SIDE OF "C" STREET S. 79 DEGREES 57' 10" E. 54.13 FEET TO THE NORTHEAST CORNER OF SAID LOT 24; THENCE S. 40.00 FEET TO THE SOUTHEAST CORNER OF THE NORTH HALF OF SAID LOT 24; THENCE ALONG THE SOUTH LINE OF THE NORTH HALF OF SAID LOT 24, N. 79 DEGREES 57' 10" W. 12.13 FEET; THENCE N. 36 DEGREES 19' 51" W. 57.98 FEET TO THE POINT OF BEGINNING.

ASSESSOR'S PARCEL NUMBER: A PORTION OF 010-371-06

PARCEL THREE:

THE NORTH ONE HALF OF LOT 24, BLOCK 9 OF THE TOWN OF WASHINGTON, ACCORDING TO THE OFFICIAL PLAT THEREOF FILED FOR RECORD IN THE OFFICE OF THE RECORDER OF YOLO COUNTY IN BOOK I OF DEEDS AT PAGE 264, YOLO COUNTY RECORDS.

EXCEPTING THEREFROM ALL THAT PORTION OF LOT 24 AS DESCRIBED IN FINAL ORDER OF CONDEMNATION RECORDED DECEMBER 22, 1960, IN BOOK 623 PAGE 95, OFFICIAL RECORDS.

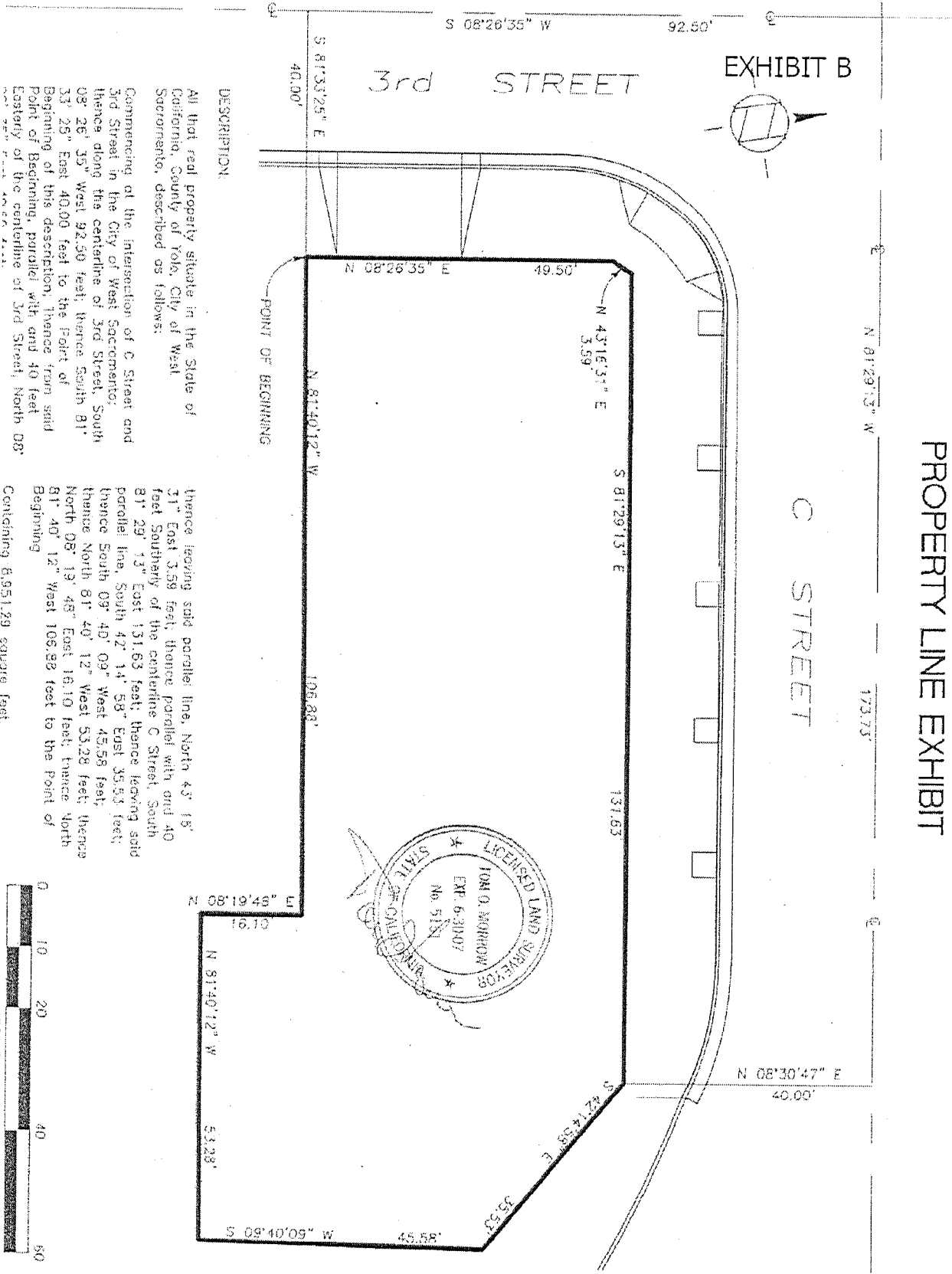
ASSESSOR'S PARCEL NUMBER: A PORTION OF 010-371-06

PARCEL FOUR:

THE WEST 1/2 OF LOT 15, BLOCK 9 OF THE TOWN OF WASHINGTON, FILED IN BOOK I OF DEEDS, PAGE 264, YOLO COUNTY RECORDS.

ASSESSOR'S PARCEL NUMBER: 010-371-04

**EXHIBIT B - Diagram Depicting Subject Premises**



**EXHIBIT C**

**Copy of the Environmental Report**



EXHIBIT C ENVIRONMENTAL  
SITE ASSESSMENT

WASHINGTON  
FIREHOUSE

WKA No.  
6200.16





**WALLACE • KUHL  
& ASSOCIATES INC.**

Geotechnical Engineering

Engineering Geology

Environmental Consulting

Remediation Services

Construction Inspection

Materials Testing

## EXHIBIT C

### ALL APPROPRIATE INQUIRIES REPORT

### WASHINGTON FIREHOUSE

January 2, 2007

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ALL APPROPRIATE INQUIRIES REPORT

WASHINGTON FIREHOUSE

3<sup>rd</sup> and C Streets

West Sacramento, California

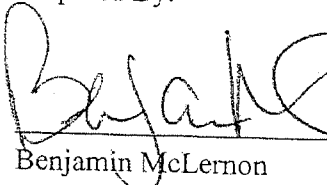
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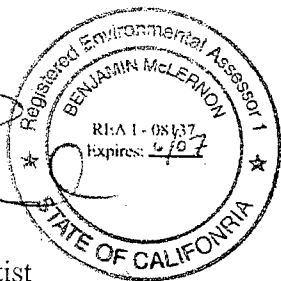
January 2, 2007

Wallace-Kuhl & Associates, Inc., on behalf of the City of West Sacramento, Grants and Community Investment prepared this All Appropriate Inquiries Report for the Washington Firehouse in West Sacramento, California. We declare that, to the best of our professional knowledge and belief, the report reviewer meets the definition of *Environmental Professional* as defined in §312.10 of 40 CFR 312 and has the specific qualifications based on education, training, and experience to assess a property of the nature, history, and setting of the site. We have developed and performed the *all appropriate inquiries* in conformance with the standards and practices set forth in 40 CFR Part 312. Resumes of the key staff who prepared this report are included in Appendix A.

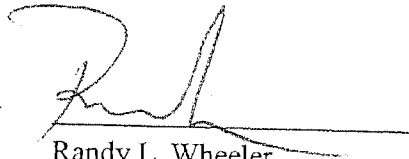
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### ALL APPROPRIATE INQUIRIES REPORT WASHINGTON FIREHOUSE

#### EXECUTIVE SUMMARY

The Washington Firehouse (herein referred to as the site) is located at the southeastern corner of 3<sup>rd</sup> and C Streets, in the City of West Sacramento, California. The site is currently owned by the City of West Sacramento. The site is comprised of three Yolo County Assessor's Parcel Numbers (APNs) as follows: 010-371-004, 010-371-005, and 010-371-006. The site currently contains a single structure, parking lot area and vacant land. The following presents a list of observations and findings identified during the preparation of this report:

- The historic land use research dating back to 1895 revealed the site was historically developed for residential use and later was re-developed into local government use, i.e. a town hall, fire station and police station.
- The previous town hall structure has been demolished. The existing structure on the site was constructed in the 1940s.
- The site itself was found to have contained a UST that was removed in 1987. No evidence of a confirmed leak from the former UST was encountered in the reviewed documentation.
- The former Capitol Plating facility operations, to the south, has impacted the site with lead contamination.
- During a previous report, Wallace-Kuhl & Associates, Inc. (WKA) recommended an additional, more intense investigation to determine the vertical and lateral extent of fill material and analyzing soil samples using the DI Wet analysis to assess the potential for dissolved lead migration to groundwater. Additionally, WKA stated that if removed from the site, the lead impacted soils would be considered hazardous waste under California state regulations. It is the understanding of WKA that at this time, Kleinfelder is under contract with the DTSC for future assessments on the Washington Firehouse Site.
- Review of the User Questionnaire completed by City of West Sacramento, did not reveal any records of environmental cleanup liens or Activity and Use Limitations currently recorded against the site.

This assessment has revealed evidence of "conditions indicative of releases or threatened releases of hazardous substances on, at, in or to site."



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### ALL APPROPRIATE INQUIRIES REPORT WASHINGTON FIREHOUSE

#### 1.0 INTRODUCTION

##### 1.1 Purpose

The purpose of this All Appropriate Inquiries (AAI) report [commonly known as a Phase I Environmental Site Assessment], is to evaluate the site for “evidence of conditions indicative of releases or threatened releases of hazardous substances, pollutants, contaminants, petroleum and petroleum products, and controlled substances (as defined in 21 U.S.C 802) on, at, in or to the site,” per the requirements set forth in 40 CFR Part 312, *Standards and Practices for All Appropriate Inquiries*. Any person seeking Landowner Liability Protections (LLPs) of CERCLA as an *innocent landowner, contiguous property owner, or bona fide prospective purchaser* is required to conduct “all appropriate inquiries” in conformance with 40 CFR Part 312.

##### 1.2 Scope of Services

Wallace-Kuhl & Associates (WKA) has completed this AAI for the Washington Firehouse (hereafter referred to as the site), shown on various maps included as Figures 1 through 3. Mr. Aaron Laurel from the City of West Sacramento Grants and Community Investment Department authorized WKA to perform this assessment as part of the on-going Brownfields Community-Wide Assessment Grant administered by the City of West Sacramento. To satisfy the AAI, the assessment included the following ten items. Items 6 through 10 are “user provided information” as presented in Section 2 of this report.

1. The results of an inquiry by an Environmental Professional.
2. Visual inspection of the site and of adjoining properties
3. Interviews
4. Review of historical sources
5. Review of federal, state, and local government records
6. Searches for recorded environmental cleanup liens
7. Specialized knowledge or experience related to the site
8. The relationship of the purchase price to the value of the site
9. Commonly known or reasonably ascertainable information
10. The degree of obviousness of the presence or likely presence of contamination at the site.



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### 2.0 USER PROVIDED INFORMATION

A *User Questionnaire* was submitted to Mr. Aaron Laurel from the City of West Sacramento Grants and Community Investment Department on November 1, 2006. Discussion regarding his responses is provided in the following sections. A copy of the completed questionnaire is included in Appendix B.

#### 2.1 Recorded Environmental Cleanup Liens

Mr. Laurel was not aware of any records of Environmental Liens or Activity and Use Limitations (AULs) currently recorded against the site.

#### 2.2 Specialized Knowledge Related to the Site

Mr. Laurel stated he does not possess specialized knowledge or experience related to the site.

#### 2.3 Relationship of the Purchase Price to Fair Market Value

Mr. Laurel stated that the site is currently owned by the City and is not currently for sale or in escrow.

#### 2.4 Commonly Known or Reasonably Ascertainable Information

Mr. Laurel stated that the site may have contained an above ground storage tank.

#### 2.5 Degree of Obviousness of the Presence or Likely Presence of Contamination

Mr. Laurel stated that the adjacent facility to the south of the site is known to be contaminated. The facility, Capitol Plating, is discussed within this report.





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### 3.0 SITE DESCRIPTION

#### 3.1 Site and Vicinity General Characteristics

The site is located at the intersection of 3<sup>rd</sup> and C Streets in the City of West Sacramento, California. Four known street addresses have been assigned to the parcels that comprise the site: 305 and 317 3<sup>rd</sup> Street and 221 and 225 C Street. The site is comprised of three Yolo County Assessor's Parcel Numbers (APNs) as follows: 010-371-004, 010-371-005, and 010-371-006. A copy of the Assessor's Parcel Map has been included as Figure 3. The site currently contains a single structure, parking lot area and vacant land.

#### 3.2 Site Reconnaissance

The site was visually and physically inspected by WKA on December 1, 2006 to observe current conditions. Figure 4 contains color photographs of the site.

As can be seen from the color photographs in Figure 4, the site is essentially featureless, with the exception of a single structure. The site is enclosed within a chain link fence to prevent unauthorized access. The majority of the surface area is covered with asphalt. An area north of the structure is fallow and not covered by asphalt or concrete.

The on-site two story, approximate 5,000 square foot structure was constructed in the late 1930s and was used to house a fire station and police station. A community center was located on the second floor. Currently the structure is vacant. Portions of a small dirigible are stored in the garage area of the building.

The structure is constructed on a concrete pad and exterior walls are concrete block. The building contains typical interior improvements, including restrooms and a kitchen area. Given the date of construction, the structure may contain lead based paints and asbestos containing building materials.

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### 3.2.1 Municipal Infrastructure and Utilities

Municipal provisions for water and sanitary sewer are located on the site. Stormwater runoff is directed to a drainage inlet on the northern portion of the site and apparently directed to the adjacent curb/gutter infrastructure located along C and 3<sup>rd</sup> Streets.

No high-voltage, tower-mounted, electrical transmission lines were observed on or adjacent to the site. Neighborhood distribution, pole-mounted, electrical lines (12 kV) are located on the eastern side of the site. A single pole mounted electrical transformer is located at the east-central boundary. The transformer was not tagged as to its Polychlorinated Biphenyl (PCB) content.

A 12-inch diameter liquid petroleum buried pipeline owned and operated by Kinder Morgan Energy Partners (KMEP - formerly Santa Fe Pacific Pipeline Company) trends north/south beneath 3<sup>rd</sup> Street. At the northern terminus of 3<sup>rd</sup> Street at B Street, the pipeline apparently trends northeast, and continues beneath the Sacramento River toward the Union Pacific (former Southern Pacific) Rail yards located on the east side of the river near the north edge of the City of Sacramento central business district. The existing KMEP pipeline is part of a refined petroleum distribution network extending from California's Bay Area to Reno, Nevada.

### 3.3 Adjoining Properties

The site is bounded to the north by C Street and an under construction apartment complex. South of the site is the location of the former Capitol Plating facility. This facility is discussed in Sections 5.2.11 and 5.3 of this report. East of the site is a vacant lot and the bridges of the Southern Pacific Railroad and C Street. West of the site are residences and a vacant lot.



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### 4.0 INTERVIEWS

Interviews with various persons, including state and/or local agencies, were conducted to evaluate the site for evidence of conditions indicative of releases or threatened releases of hazardous substances on or adjacent to the site. Results of those interviews are discussed in the following sections.

#### 4.1 Current Owners, Operators and Occupants

According to Mr. Aaron Laurel with the City of West Sacramento, the City Redevelopment Agency currently owns the site. To the best of his knowledge, the site has been vacant for a while. Mr. Laurel recalled that the fire station and police station occupied the on-site building. When asked, Mr. Laurel was not aware of any existing USTs, ASTs, or hazardous materials storage on the site.

#### 4.2 Past Owners, Operators and Occupants

No information was made available to WKA regarding contact information for past owners, operators, and occupants. Therefore these interviews were not performed

#### 4.3 State and/or Local Government Officials

During previous report in the vicinity, concerning the possibility of leakage along the pipeline route beneath 3<sup>rd</sup> Street, WKA inquired with the California State Fire Marshall's Office. The State Fire Marshall's Office reported no records of leaks, ruptures or problems known to have occurred along the buried pipeline route in the immediate vicinity of the site.

#### 4.4 Abandoned Properties

As referenced in 40 CFR Part 312, "*In the case of inquiries conducted at "abandoned properties," as defined in §310.10, where there is evidence of potential unauthorized uses...or evidence of uncontrolled access to the abandoned property, the environmental professional's inquiry must include interviewing one or more (as necessary) owners or occupants of neighboring or nearby properties from which it appears possible to have observed uses of, or releases at, such abandoned properties...*" No evidence of potential unauthorized uses, or evidence of uncontrolled access to the site was observed. Therefore, WKA did not interview owners or occupants of neighboring properties.



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### 5.0 RECORDS REVIEW

The purpose of the records review is to obtain and review information concerning the current and historical use of the site and adjoining properties that would help to evaluate the site for evidence of conditions indicative of releases or threatened releases of hazardous substances on or adjacent to the site. The records review included review and discussion of the following, as available:

- Physical Setting Source(s)
- Historical Use Information
- Environmental Record Sources

#### 5.1 Physical Setting Source(s)

Based upon review of the United States Geologic Survey (USGS) *Sacramento West California Quadrangle*, 7.5-Minute topographic map (1992), the elevation of the site is approximately +20 feet relative to mean sea level (msl). The site is located in a portion of Section 27, Township 9 North, Range 4 East, Mount Diablo Base and Meridian (MDB&M).

##### 5.1.1 Regional and Local Geology

The site is located within the Great Valley geomorphic province of California, a large, elongate, northwest-trending structural trough, generally constrained to the west by the Coast Ranges and to the east by the foothills of the Sierra Nevada Range (Norris and Webb, 1990). The Great Valley consists of two valleys lying end-to-end, with the Sacramento Valley to the north and the San Joaquin Valley to the south.

The Sacramento and San Joaquin Valleys have been filled to their present elevations with thick sequences of sediment derived from both marine and continental sources. The sedimentary deposits range in thickness from relatively thin deposits along the eastern valley edge to more than 25,000 feet in the south central portion of the Great Valley (Norris and Webb, 1990). The sedimentary geologic formations of the Great Valley province vary in age from Jurassic to Quaternary, with the older deposits being primarily marine in origin. Younger sediments are continentally derived and were typically deposited in lacustrine, fluvial, and alluvial environments with their main source being the Sierra Nevada Range.



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The 1981 California Division of Mines and Geology, *Geologic Map of Sacramento, California Quadrangle* (Wagner et al, 1981), shows the site to be underlain by levee and channel deposits.

### 5.1.2 Soil Survey

Review of the June 1972 U.S. Department of Agriculture, Soil Conservation Service (SCS) *Soil Survey of Yolo County, California* indicates the near-surface soils on the subject property consist of the "Lang Sandy Loam, deep." The Lang Sandy Loam consists of poorly drained soils on alluvial fans. This soil has a subsoil of loamy fine sand. At a depth of forty to sixty inches lies a subsoil of clay or heavy silty clay loam. Slopes are less than one percent. The soil formed in a stratified sandy alluvium from mixed sources. When cultivated, historically this soil has been used for irrigated alfalfa, corn, carrots, sugar beets and tomatoes.

### 5.1.3 Radon

The 1990 *California Statewide Radon Survey, Interim Results*, based on the EPA/State Department of Health Services State Radon Survey (Department of Health Services 1990), predicts that only 3.6% of homes in Yolo County would exceed the EPA's recommended level of 4 pCi/l. Additionally, California ranks as the third lowest for percentage of homes exceeding 4 pCi/l of the 33 states participating in the study. Specific indoor radon information for the site can only be obtained subsequent to construction of site buildings where radon testing would be feasible. EPA recommends that all owners test their homes or commercial buildings for radon. Site-specific geology, construction materials and methodologies, use characteristics of building occupants and the quality of construction can all affect indoor radon results.

### 5.1.4 Regional and Local Groundwater

The site is located within the Sacramento Valley Groundwater Basin, as defined in *California's Groundwater*, Bulletin 118 published by the California Department of Water Resources (DWR) and updated in October 2003. Groundwater elevations in the vicinity of the site are estimated using depth-to-groundwater measurements taken at DWR-monitored well #9N/4E-34K1, located over approximately 3,000 feet southwest of the site. The measured groundwater elevations are summarized in the *Hydrographs* on Figure 4. The average ground surface elevation of the site is approximately +20 feet msl, as indicated in section 5.1 of this report.



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Well #9N/4E-34K1 was monitored for the timeframe 1968 to 2006. Groundwater elevations measured in well #9N/4E-34K1 have fluctuated from a high of +17.8 feet msl during the spring of 1986 to a low of +1.9 feet msl during the fall of 1977. The ground surface elevation of this well is reported by DWR as approximately +18.4 feet msl. Groundwater in the site vicinity, therefore, is estimated to have historically varied at this location from approximately 0.6 to 16.5 feet below the ground surface.

Review of the *Spring 2004 Groundwater Contour Map for the Yolo County* area prepared by Wood Rodgers, dated 2004 revealed that regional groundwater flow is predicted to be east to southeast. Regional groundwater flow direction can be affected, at least temporarily, by agricultural groundwater pumping, time of year, and stage fluctuation of local creeks, canals, and the nearby Sacramento River. The referenced map's estimated depth-to-groundwater in the vicinity of the site is +15 feet msl or approximately 5 feet below existing grade.

### 5.2 Historical Use Information

Historical information was reviewed to develop a history of the previous uses of the site and surrounding area, in order to evaluate the site and adjoining properties for evidence of conditions indicative of releases or threatened releases of hazardous substances on or adjacent to the site. Standard historical sources reviewed during the preparation of this report included the following, as available:

- Sanborn® Maps
- Topographic Maps
- Aerial Photographs
- Oil and Gas Well Maps
- Building Department Records
- Local Street Directories
- Zoning Records
- Land Use Records
- Other Historical Sources
- Prior Assessments

Discussion of these historical sources is provided in the following sections.

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### 5.2.1 Sanborn® Maps

The availability of Sanborn® Maps with coverage of the site area was determined by Environmental Data Resources, Inc. (EDR®). EDR® is a national commercial provider of environmental database information. Sanborn® Maps are detailed drawings of site development, and were typically used by fire insurance companies to determine site fire insurability. Sanborn® Maps with coverage of the site include maps dated 1895 through 1970 (non-inclusive). The maps received from EDR are discussed below by year.

1895

According to the Sanborn Map the site contains a two-story schoolhouse, two dwellings, and two sheds. C Street is labeled as Elizabeth Street. The area immediately south of the site is vacant land. The Southern Pacific Railroad Tracks are mapped along Ann Street (currently D Street). Approximately 150 feet southeast of the site, at the corner of Ann and 2<sup>nd</sup> Streets, are buildings labeled "Standard Oil Company WHRE HO'S [warehouse]." The area immediately east of the site contains four dwellings and a vacant lot. The site is shown to be located in "Washington, California."

1915

A structure labeled "Town Hall, Fire Dept" is mapped on the northwestern area of the site. Additional structures mapped as dwellings and outbuildings are mapped on the eastern and southern portion of the site. The surrounding area is mapped similar to that described in the review of the 1895 map.

1950

By 1950 the existing firehouse is mapped. The "Town Hall" is still mapped as well. The eastern portion of the site contains structures labeled as "Cabins." A small structure labeled "Jail" is mapped adjacent to the Town Hall. "Plating Works" is mapped adjacent to and south of the site. The Plating Works, a.k.a. Capitol Plating, is discussed in Section 5.3 of this report. A gas station is mapped off-site to the west at the southwestern intersection of 3<sup>rd</sup> and C Streets. Washington School is mapped at the northwest corner of the intersection of 3<sup>rd</sup> and C Streets.



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1952

The site appears similar to the 1950 map, the only exception being the structure labeled Town Hall is no longer mapped.

1957, 1960, 1968, and 1970

The site again appears to be similar to the previous mapping. A structure is mapped in the former location of the Town Hall. The text on the maps is mostly illegible; therefore the type of building is undetermined. Each of the four maps is similar if not identical. The Sacramento Bridge has been constructed and mapped as early as 1957, adjacent to and east of the site.

### 5.2.2 Topographic Maps

Historical USGS topographic maps with coverage of the site and outlying land areas were made available by EDR® and were reviewed by WKA. Maps dated 1907, 1916, 1949, 1954, 1967, 1975, and 1992 were available for review. The maps are each discussed by date below. The most recent map (1992) has been adapted to serve as Figure 2 of this report.

1907

*Davisville Quadrangle*

Scale: 1:62,500

The site is mapped as part of the town of "*Washington*." C and 3<sup>rd</sup> Streets are mapped but not labeled. Structures are mapped on the site.

1916

*Lovdal Quadrangle*

Scale: 1:31,680

The site is shown similar to the 1907 mapping. No significant changes were observed.





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1949

*Sacramento West Quadrangle*

Scale: 1:24,000

By 1949 West Sacramento is mapped south of the site. The site is mapped in "Broderick." Several structures are mapped on the site. Levees have been constructed and mapped.

1954, 1967, 1975, and 1992

*Sacramento West Quadrangle*

Scale: 1:24,000

These maps contain omission tinting in areas that contain dense development such as the West Sacramento area. The site is part of a larger land area covered by the tinting.

No evidence was observed on any of the reviewed topographic maps to suggest the site was disturbed by human activities typically mapped by the USGS, such as the following: quarrying; installation or removal of pits or lagoons; occurrences of dredging or subsurface or surface mining; or, deposition of historically placed *USGS topographically mappable* quantities of imported fill materials. Levee in the area were constructed to the east and north of the site.

### 5.2.3 California Oil/Gas Well Maps

Review of California Department of Conservation, Division of Oil, Gas, and Geothermal Resources (DOGGR) map 614, dated October 2002, shows that the site is not located within a designated Natural Gas Field. No listed plugged, abandoned or active DOGGR wells were located on or adjacent to the site based on review of DOGGR map.

### 5.2.4 Aerial Photographs

Historical aerial photographs of the site and general vicinity were obtained through EDR®. Photographs covering the years 1952, 1961, 1971, 1981, 1994, and 1998 were reviewed; the results of which are discussed below by year.



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1952, 1961, 1971, 1984

In these photographs the structures mentioned in the review of the 1950 and 1952 Sanborn Maps are visible; the firehouse, town hall, and jail. No significant changes are noted on the site.

1998

In the 1998 photograph, the site contains a single structure, the existing firehouse.

### 5.2.5 Ownership Records

No ownership records, such as a Chain of Title Report, were made available to WKA during the timeframe of this assessment. As indicated on Figure 3, the site is currently owned by the City of West Sacramento.

### 5.2.6 Building Department Records

Building department records for the site were accessed through the City of West Sacramento's Community Development website (<http://www.cityofwestsacramento.org>). A single permit for a "Sales Trailer (River's side at Washington Square)" was applied for in September 2006. The permit was canceled, however. No other building department records were encountered for the site.

### 5.2.7 Local Street Directories

Historic business (street) directories with coverage of the site addresses were reviewed through EDR®. The directories contain business and residential listings based on street number identifiers. According to the EDR® search the site addresses were not encountered in the reviewed directories.

### 5.2.8 Zoning Records

The site is zoned as Waterfront. According to the City of West Sacramento, the Waterfront Zone is designated for high density mixed uses.



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### 5.2.9 Land Use Records

Other than zoning information obtained from the City of West Sacramento, no land use records were encountered for the site. No indications of agriculture were encountered for the site.

### 5.2.10 Other Historical Sources

No other historical sources of information were reviewed during the preparation of this report.

### 5.2.11 Prior Assessments

Two prior assessments were made available to WKA for review during completion of this assessment. One was prepared in 2000 and the other in 2006. Both reports are briefly summarized below.

#### Ecology and Environmental, Inc.

In February 2000, Ecology and Environmental, Inc. (EEI) published a Brownfields Site Investigation Sampling and Analysis Report for the Washington Firehouse site. The report was mainly prepared to address potential contamination on the site due to the activities of the adjacent former Capitol Plating facility to the south. A former underground storage tank existed on the site until the late 1980s, when it was removed. At the time of removal no sampling of soils or groundwater was done. The EEI report included testing for constituents that may have contaminated the site as a result of a leak from the tank.

The EEI project consisted of collecting 53 soil samples, six groundwater samples, and 27 soil-gas samples from the site. A copy of the EEI sampling location map is included in Appendix B of this report. Analysis of those samples consisted of testing for the following constituents: volatile organic compounds (including but not limited to trichloroethene (TCE) and tetrachloroethene (PCE)) as well as metals (including but not limited to lead, zinc, chromium).

Conclusions in the EEI report stated that nickel and lead were detected in some soil samples above California regulatory standards, but below the Federal standards. Cadmium, nickel, and chromium were detected in groundwater samples above regulatory standards. No other constituents of interest were detected above regulatory standards. No recommendations



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concerning nickel were made in the EEI report. EEI concluded that the lead concentrations in the soil may warrant additional assessment if the soils are disturbed during redevelopment. Groundwater was not considered a significant consideration due to the fact that contaminants appear to have come from an offsite source and because drinking water in the area is from municipal wells.

### Wallace-Kuhl & Associates

In November 2006, WKA published a *Shallow Lead Soil Investigation Report of Findings* for 3<sup>rd</sup> Street Fire Station. The report references a *Site Summary Report* completed in 2004 by URS Corporation in which a high concentration of lead was discovered in a composite sample taken by URS on the northeastern portion of the site. WKA completed additional sampling in order to assess the existence and extent of contamination on the site.

WKA collected 75 soil samples at 25 locations on the site. Samples were taken at 0 to 6, 6 to 12, and 12 to 18 inches below the ground surface and analyzed for lead. During the investigation ceramic shards, brick, nails, and bone material were encountered beneath the asphalt paving on portions of the site, possibly suggesting that fill material is present onsite. The concentrations of lead encountered on the site ranged from 6.2 to 8,100 mg/kg. Of the 75 samples collected, 23 exceeded regulatory criteria. Based on the results of the investigation, WKA recommended an additional, more intense investigation to determine the vertical and lateral extent of fill material and analyzing the soil samples using the DI Wet analysis to assess the potential for dissolved lead migration to groundwater. Additionally, WKA stated that if removed from the site, the lead impacted soils would be considered hazardous waste under California state regulations.

### 5.3 Environmental Record Sources

EDR<sup>®</sup> was contacted to provide a summary of facilities listed on regulatory agency databases (EDR<sup>®</sup> August 2006). EDR<sup>®</sup> used the 40 CFR 312, §312.26-designated search radii during review of the regulatory agency databases shown on Table 1. Appendix D contains several agency databases and corresponding descriptions.

Review of database information obtained from EDR included but was not limited to, the Regional Water Quality Control Board (RWQCB) *Leaking Underground Storage Tanks (LUST)*, the *CORTESE*, and the RWQCB *Spills, Leaks, Investigations, and Cleanups (SLIC)*. Reviewed



## EXHIBIT C

information revealed that at least nine facilities located within one-half mile of the site are known to have experienced an unauthorized hazardous materials release (Table 1). At least six of these facilities have received a "Case Closed" status by the lead-investigating agency. The Washington Firehouse site itself was identified on the United States Brownfield's database and the Yolo County Environmental Management Department database. The site and the three "open" facilities are discussed in the subheadings below. The former gas station mentioned in review of the Sanborn Maps and aerial photographs (Sections 5.2.1 and 5.2.4 respectively) was not encountered on any of the reviewed databases.

### Washington Firehouse

The structure that housed the City of West Sacramento Firehouse/Police Department is located on the site. Yolo County-assembled information pertaining to the site indicates that a 500-gallon gasoline UST was removed from the site in October 1988. Information pertaining to subsurface conditions at the site in regards to the former tank are included in a October 20, 1988 Yolo County *Underground Tank Abandonment Inspection and Certificate*, which stated the tank "had signs of corrosion but no holes. Soils had no odors, no stains. Soil sample collected." Apparently, no follow-up was performed with respect to the UST removal until the EEI report in February 2000 (discussed in Section 5.2.11 of this report).

### Capitol Plating

From 1949 to 1985, the facility located at 319 3<sup>rd</sup> Street, adjacent to and south of the site, had been leased to the former Capitol Plating Company (owned by Stockton Plating Inc.). A fire destroyed one of the buildings at the facility in 1985, and Capitol Plating closed a year later. Presently, no structures are located on the facility parcel. A state inspection of the property in 1986 found elevated levels of copper, nickel, and zinc. During several site investigations between 1997 to the present, groundwater was found to be impacted by chromium, nickel, copper, arsenic, cyanides, and 1,2-dichloroethane and possibly cadmium and soil has been found to be impacted with lead. In January 2000, a Technical Advisory Committee met to discuss a site characterization and a site remediation plan. The DTSC has labeled this site as Needing Further Evaluation (NFE).



## EXHIBIT C

During previous work WKA spoke to Mr. Ed Cargile, DTSC case manager for the former Capitol Plating Facility. Mr. Cargile stated that DTSC has completed the site characterization for the facility on behalf of the City of West Sacramento, utilizing the Brownsfield's grant. The unique hydraulic conditions in the area, directly influenced by the tidal changes of the Sacramento River, render the lateral groundwater contamination static. As stated in Section 5.2.11 of this report, studies completed for the site and adjacent Capitol Plating facility have revealed contamination on the site that may have originated from the Capitol Plating facility.

### Milne Trucking

Milne trucking is located approximately 2,300 feet southwest of the site, at 830 E Street. According to Yolo County file information, "tanks failed test after 1986 installation. Removed March 1987, replaced. Soil vapor & soil boring found slight contamination. Water being monitored pending review by RWQCB [Regional Water Quality Control Board]. Remediation plan approved by RWQCBR Jan 24, 1990. Not implemented yet." No other information was found concerning the facility.

### Gary's Mohawk Service Case # 2

Gary's Mohawk is located at 427 C Street, approximately 500 feet westerly of the site. According to a Leaking Underground Fuel Tank Report accessed through the State of California Water Resources Control Board's GeoTracker website, during an assessment in 2004 a leak was discovered in an underground storage tank. The tank was removed. Groundwater appears to have been impacted. According to the County file, the groundwater in the area is not used for drinking water. No other information was available.

### 5.3.1 Environmental Lien Search

An environmental lien search was performed by EDR® for the parcel number associated with the site. According to EDR® information pertaining to Environmental Liens was not found by EDR®. EDR® representative stated that the APN could not be searched because of its association with a government agency (Sacramento redevelopment agency) and therefore no report was generated. However, the User Questionnaire completed by the City indicated that there is no knowledge of any Environmental Liens for the site.



## EXHIBIT C

### 6.0 CONCLUSIONS AND RECOMMENDATIONS

#### 6.1 Data Gaps

The historical research presented in this report documented the property use back to 1895. The time interval between the Standard Historical Sources exceeded the minimum five-year period and therefore represents a data gap. However, the data gap is not considered significant in terms of evaluating the site for evidence of conditions indicative of releases or threatened releases of hazardous substances on or adjacent to the site since the overall use of the site during the years where the data gaps were identified has not changed significantly over time. No other significant data gaps were identified during the preparation of this report that affect the ability of the Environmental Professional to evaluate the site for evidence of conditions indicative of releases or threatened releases of hazardous substances on or adjacent to the site.

#### 6.2 Conclusions

The historical land use research dating back to 1895, which included reviews of topographic maps, aerial photography, assessor records, and other standard historical documents revealed that the site has been structurally developed for at least the past 112 years, including cabins, dwellings, a town hall, and fire station.

Review of agency records, interviews, and review of previous reports completed for the site revealed evidence of hazardous materials contamination on and adjacent to the site, originating from the Capitol Plating facility to the south. The site itself was found to have contained a UST that was removed in 1987. No evidence of a confirmed leak from the former UST was encountered in the reviewed documentation.

Review of the User Questionnaire (Appendix B) completed by City of West Sacramento, did not reveal any records of Environmental Cleanup Liens or Activity and Use Limitations (AULs) currently recorded against the site. No specialized knowledge or experience that is material in evaluating the site for evidence of conditions indicative of releases or threatened releases of hazardous substances on, at, in or to the site was identified. However, contamination originating from the off-site Capitol Plating facility, to the south, is known to have impacted the site. Concerning the relationship of the purchase price to the fair market value of the site, the site is being leased and not purchased therefore this question is not applicable.



## EXHIBIT C

### 6.3 Recommendations

This assessment has revealed evidence of "conditions indicative of releases or threatened releases of hazardous substances, pollutants, contaminants, petroleum and petroleum products, and controlled substances (as defined in 21 U.S.C 802) on, at, in or to the site." Those conditions were discussed in some detail within this report.

WKA recommended an additional, more intense investigation to determine the vertical and lateral extent of fill material and analyzing soil sample using the DI Wet analysis to assess the potential for dissolved lead migration to groundwater. Additionally, WKA stated that if removed from the site, the lead impacted soils would be considered hazardous waste under California state regulations. It is the understanding of WKA that at this time, Kleinfelder is under contract with the DTSC for future assessments on the Washington Firehouse Site.

In summary, WKA has performed this AAI in conformance with the scope and limitations as defined in 40 CFR Part 312, *Standards and Practices for All Appropriate Inquiries* for the Washington Firehouse located in West Sacramento, California. Any exceptions to, or deletions from, this practice are described in Section 6.4 of this report.

### 6.4 Exceptions and/or Deletions

No exceptions or deletions from the *Standards and Practices for All Appropriate Inquiries* were made during the preparation of this report.

### 6.5 Additional Services

Non-scope considerations, such as naturally occurring asbestos (NOA), wetlands evaluation, laboratory testing of the soils and groundwater beneath the site for environmental contaminants (such as agricultural-related pesticides, termiticides, polychlorinated biphenyls [PCBs], or arsenic and lead), and assessments for asbestos containing materials and lead-based paint were not included or requested as part of this ESA. These additional components can be provided as part of an additional assessment, if requested.





## EXHIBIT C

All Appropriate Inquiry Report  
Washington Firehouse  
WKA No. 6200.16

Page 19  
January 2, 2007

### 7.0 LIMITATIONS

The statements and conclusions in this report are based upon the scope of work described above and on observations made only on the date of the field reconnaissance, December 1, 2006. Work was performed using a degree of skill consistent with that of competent environmental consulting firms performing similar work in the area. Information regarding the site that is *publicly available* and *practically reviewable*, as described in 40 CFR Part 312, *Standards and Practices for All Appropriate Inquiries* was obtained. Additional research or receipt of information regarding the site that was not disclosed or available to WKA during this assessment may result in revision of the conclusions.

The conclusions in this report should be reevaluated if site conditions change. No recommendation is made as to the suitability of the site for any purpose. The results of the assessment do not preclude the possibility that materials currently or in the future defined as hazardous are present on the site, nor do the results of the work guarantee the potability of groundwater beneath the site. This report is applicable only to the investigated site and should not be used for any other property. No warranty is expressed or implied.

BPM:RLW:lmb

N:\dept7\Active\6200.08 Washington Firehouse AAI



WALLACE & ASSOCIATES, INC.

## EXHIBIT C

All Appropriate Inquiry Report  
Washington Firehouse  
WKA No. 6200.16

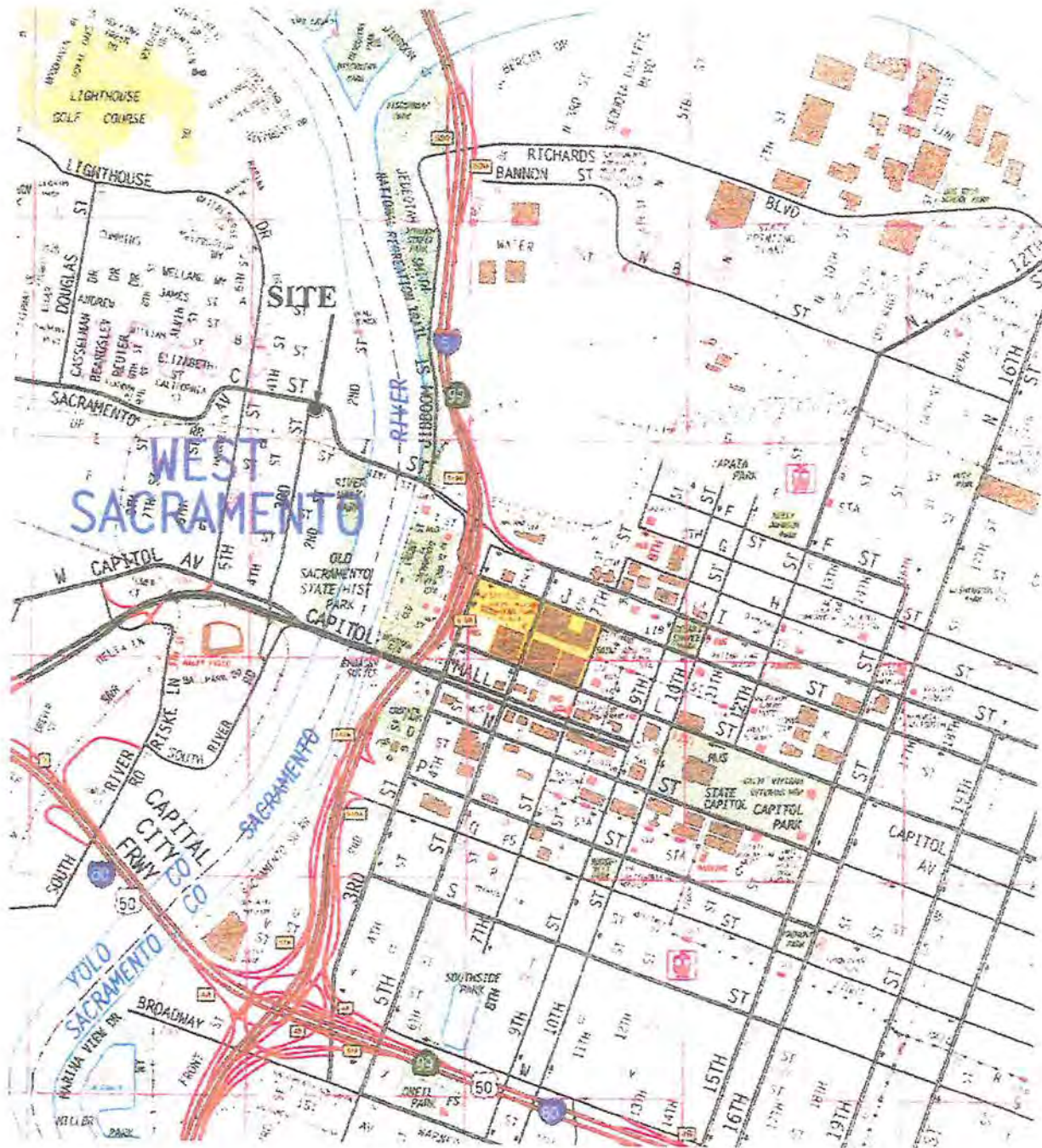
Page 20  
January 2, 2007

### 8.0 REFERENCES

- Environmental Protection Agency. 2006. 40 CFR Part 312, *Standards and Practices for All Appropriate Inquiries*, (November 1, 2005).
- Environmental Data Resources, Inc. 2006. *EDR Radius Map with Geocheck, Washington Firehouse, Inquiry Number 1768726.2s*, Milford, Connecticut, (October 4, 2006).
- Environmental Data Resources, Inc. 2006. *The EDR Aerial Photo Decade Package, Washington Firehouse, Inquiry Number 1768726.5*, Milford, Connecticut, (October 4, 2006).
- Environmental Data Resources, Inc. 2006. *The EDR Topographic Map Report, Washington Firehouse, Inquiry Number 1768726.4*, Milford, Connecticut, (October 4, 2006).
- California Department of Health Services. 1990. *California Statewide Radon Survey, Interim Results*.
- State of California, Department of Conservation, Division of Oil, Gas, and Geothermal Resources, *District 6, Northern California*.
- Wagner, D.L., et al, State of California Department of Mines and Geology, *Geologic Map of the Sacramento Quadrangle, California* [map]. 1:250,000, Regional Geologic Map Series, Map No. 1A (Geology) Sheet 1 of 4. Capitol Heights, MD: William Heintz Map Corporation, 1981.



# EXHIBIT C



Adapted from the Thomas Guide  
Sacramento County Street Guide and  
Directory, 2006 edition.



0 950 1900  
SCALE IN FEET



WALLACE-KUHL &  
ASSOCIATES, INC.

## VICINITY MAP

### WASHINGTON FIREHOUSE

City of West Sacramento, California

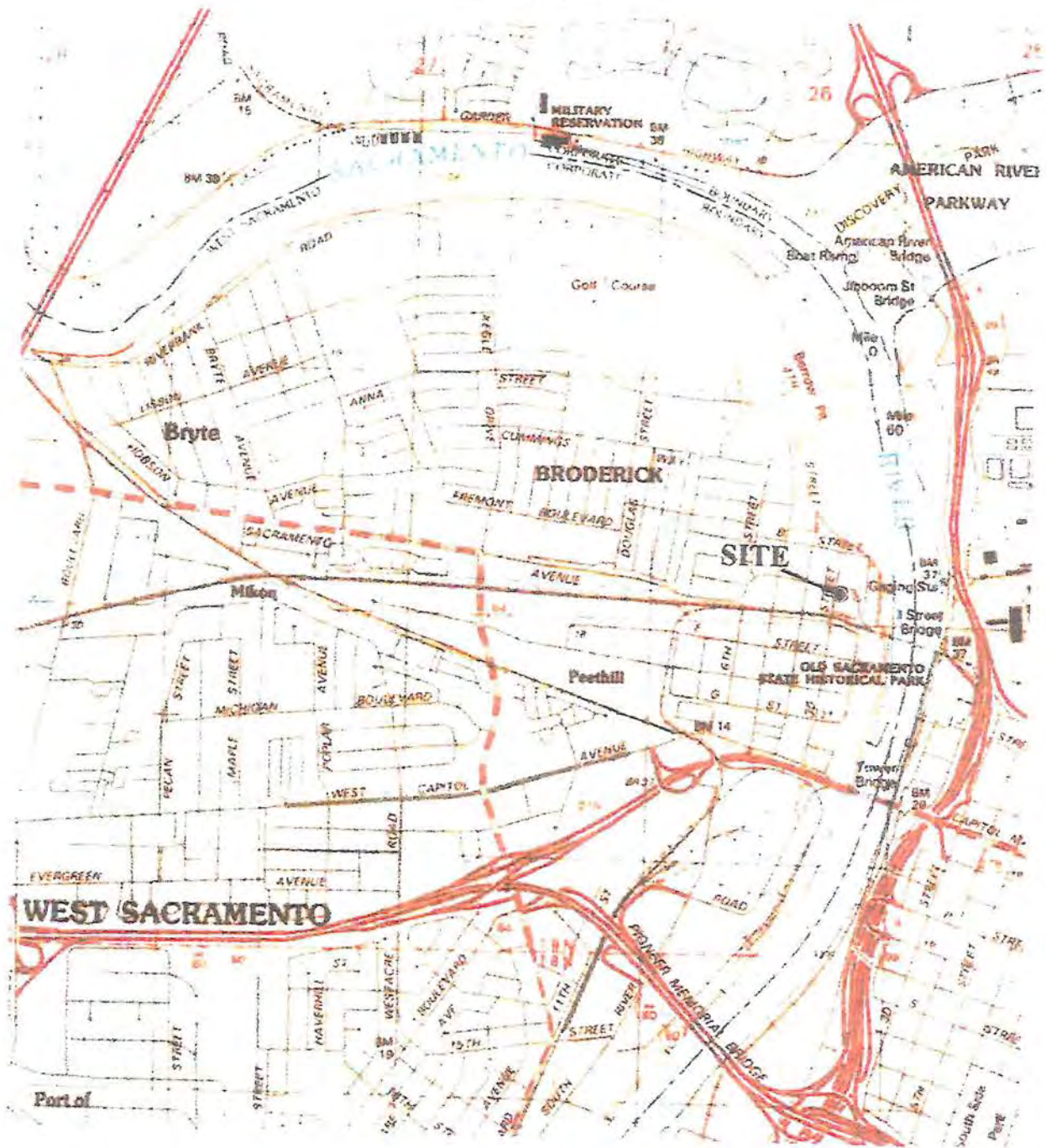
## FIGURE 1

|             |       |
|-------------|-------|
| DRAWN BY    | BPM   |
| CHECKED BY  | RLW   |
| PROJECT MGR | BPM   |
| DATE        | 12/06 |

WKA NO. 6200.16



# EXHIBIT C



Adapted from the Thomas Guide  
Sacramento County Street Guide and  
Directory, 2006 edition.



0 950 1900  
SCALE IN FEET

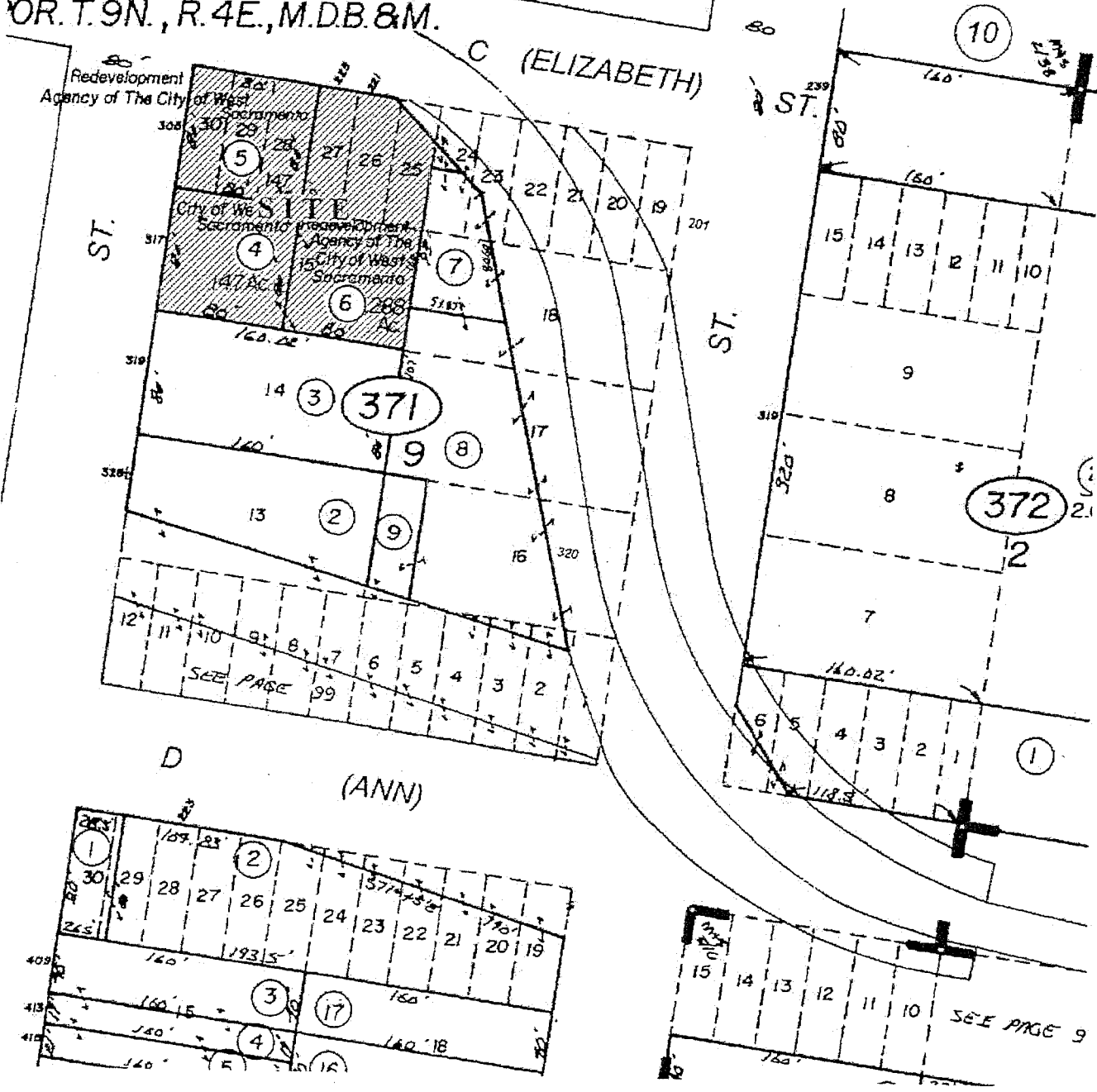


TOPOGRAPHIC MAP  
WASHINGTON FIREHOUSE  
City of West Sacramento, California

|                        |       |
|------------------------|-------|
| <b>FIGURE 2</b>        |       |
| DRAWN BY               | BPM   |
| CHECKED BY             | RLW   |
| PROJECT MGR            | BPM   |
| DATE                   | 12/06 |
| <b>WKA NO. 6200.16</b> |       |

EXHIBIT C

OR. T. 9N., R. 4E., M. D.B. & M.



Adapted from Yolo County Assessor's Parcel Map Book 10, Page 37.



WALLACE-KUHL & ASSOCIATES, INC.

PARCEL MAP

WASHINGTON FIREHOUSE

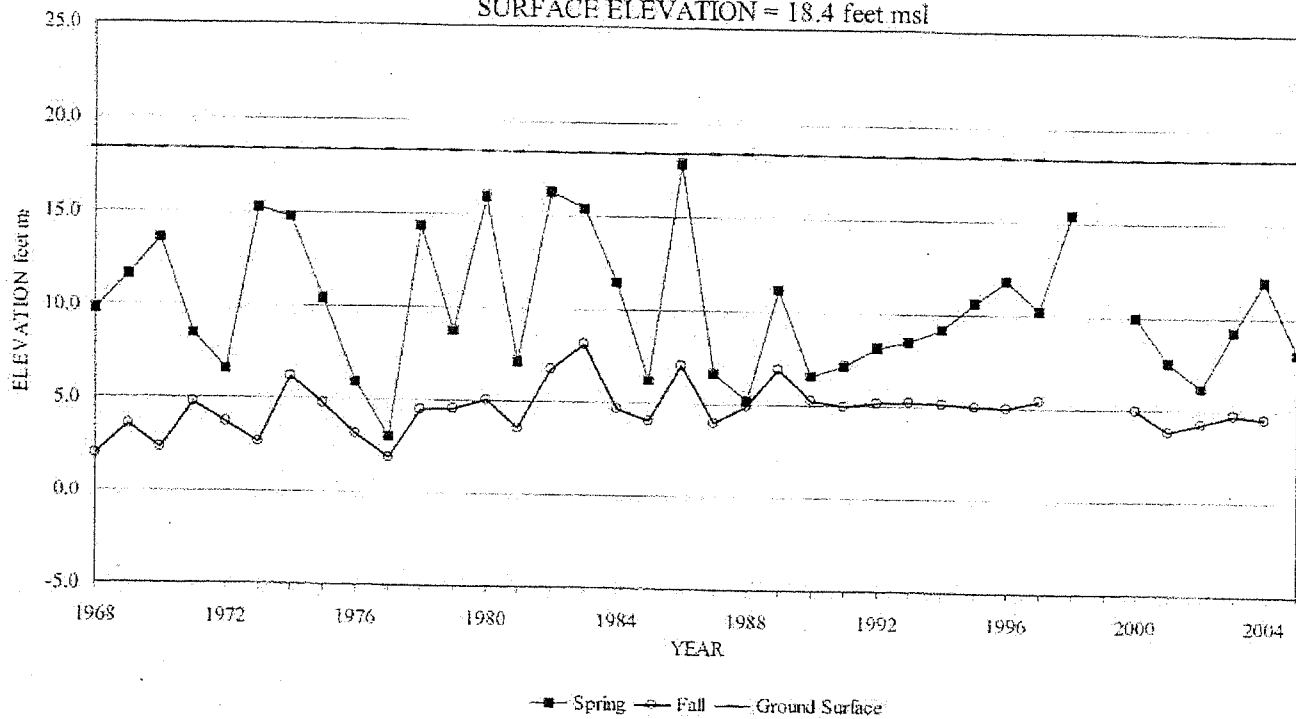
City of West Sacramento, California

FIGURE 3

|             |       |
|-------------|-------|
| DRAWN BY    | BPM   |
| CHECKED BY  | RLW   |
| PROJECT MGR | BPM   |
| DATE        | 12/06 |

WKA NO. 6200.16

**EXHIBIT C**  
**STATE WELL #9N/4E-34K1**  
**SURFACE ELEVATION = 18.4 feet msl**



| Year | Spring | Fall |
|------|--------|------|
| 1968 | 9.8    | 2.0  |
| 1969 | 11.6   | 3.6  |
| 1970 | 13.6   | 2.3  |
| 1971 | 8.5    | 4.8  |
| 1972 | 6.6    | 3.7  |
| 1973 | 15.3   | 2.7  |
| 1974 | 14.8   | 6.3  |
| 1975 | 10.4   | 4.8  |
| 1976 | 6.0    | 3.2  |
| 1977 | 3.0    | 1.9  |
| 1978 | 14.4   | 4.5  |
| 1979 | 8.8    | 4.6  |
| 1980 | 16.0   | 5.1  |
| 1981 | 7.2    | 3.6  |
| 1982 | 16.3   | 6.8  |
| 1983 | 15.4   | 8.2  |
| 1984 | 11.5   | 4.7  |
| 1985 | 6.3    | 4.1  |
| 1986 | 17.8   | 7.1  |

| Year | Spring | Fall |
|------|--------|------|
| 1987 | 6.7    | 4.0  |
| 1988 | 5.2    | 4.9  |
| 1989 | 11.2   | 7.0  |
| 1990 | 6.6    | 5.3  |
| 1991 | 7.2    | 5.0  |
| 1992 | 8.2    | 5.2  |
| 1993 | 8.5    | 5.3  |
| 1994 | 9.2    | 5.2  |
| 1995 | 10.6   | 5.1  |
| 1996 | 11.8   | 5.0  |
| 1997 | 10.3   | 5.4  |
| 1998 | 15.4   |      |
| 1999 |        |      |
| 2000 | 10.0   | 5.0  |
| 2001 | 7.6    | 3.9  |
| 2002 | 6.2    | 4.3  |
| 2003 | 9.3    | 4.8  |
| 2004 | 12.0   | 4.6  |
| 2005 | 8.1    |      |



**HYDROGRAPH**  
**WASHINGTON FIREHOUSE**  
 West Sacramento, California

**FIGURE 4**

|             |       |
|-------------|-------|
| DRAWN BY    | MOB   |
| CHECKED BY  | MOB   |
| PROJECT MGR | BPM   |
| DATE        | 12/06 |

**WKA NO. 6200.16**



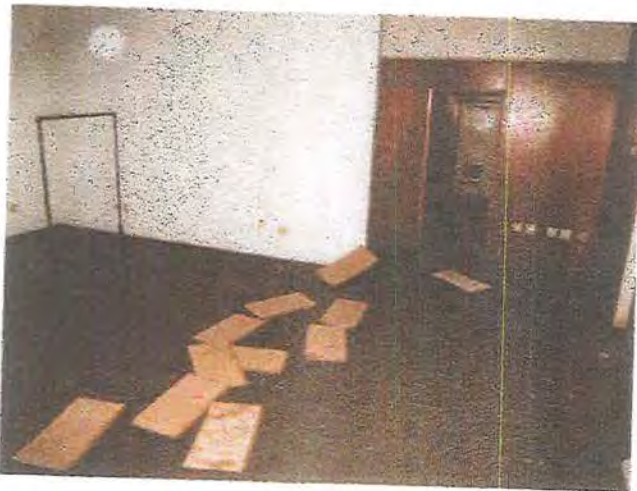
EXHIBIT C



Typical view of the site as seen from 2<sup>nd</sup> Street and the J Street Bridge, looking to the West. The former Capitol Plating facility is indicated by the arrow.



Typical view of the site looking to the southwest as seen from near the north eastern corner.



Typical interior view of the Washington Firehouse.



Interior view of the garage area of the Washington Firehouse.



**WALLACE - KUHL  
& ASSOCIATES INC.**

**COLOR PHOTOGRAPHY  
WASHINGTON FIREHOUSE  
West Sacramento, California**

**FIGURE 5**

|             |       |
|-------------|-------|
| DRAWN BY    | BPM   |
| CHECKED BY  | RLW   |
| PROJECT MGR | BPM   |
| DATE        | 12/96 |

**WKA NO. 6200.16**

**Table 1**  
**EXHIBIT C**  
**AGENCY DATABASE SUMMARY**

WKA No. 7451.01  
Elk Grove Promenade

|  | <i>EDR Listed Database</i>                        | <i>ASTM E 1527-00 Search Distance</i> | <i>Date of Government Version</i> | <i>Date of last EDR contact</i> | <i>No. of Facilities Listed (within Search Radius)</i> | <i>For Facility Listings see the following pages</i>   |
|--|---|---------------------------------------|-----------------------------------|---------------------------------|--|--|
| <b>Federal</b>   |   |                                       |                                   |                                 |  |  |
| Federal NPL Site List  | <i>NPL</i>  | 1-mile                                | 07/05/06                          | 11/01/06                        | 0  |  |
| Federal Delisted NPL Site List   | <i>Delisted NPL</i>                               | 1/2-mile                              | 07/05/06                          | 11/01/06                        | 0  |  |
| Federal CERCLIS List   | <i>CERCLIS</i>                                    | 1/2-mile                              | 06/16/06                          | 09/21/06                        | 0  |  |
| Federal CERCLIS NFRAP Site List  | <i>CERCLIS NFRAP</i>                              | 1/2-mile                              | 07/17/06                          | 09/18/06                        | 0  |  |
| Federal RCRA CORRACTS Facilities List  | <i>CORRACTS</i>                                   | 1-mile                                | 03/15/06                          | 09/05/06                        | 1  | Southern Pacific Transportation Company  |
| Federal RCRA Generators List:  | <i>RCRA Info</i>                                  |                                       |                                   |                                 |  |  |
| Small Quantity and Large Quantity Generators                                   | <i>RCRA SQG</i><br><i>RCRA LOG</i>                | site & adjoining                      | 06/13/06                          | 09/28/06                        | 1  | Stockton Plating, Inc.   |
| Landfills and Solid Waste Management Units                                     | <i>RCRA TSDF</i>                                  | 1/2-mile                              | 06/13/06                          | 09/28/06                        | 0  |  |
| Federal Institutional Control / Engineering Control Registries                 | <i>US ENG Controls</i><br><i>US INST Controls</i> | site only                             | 03/21/06                          | 09/07/06                        | 0  |  |
| Federal ERNS List  | <i>ERNS</i>                                       | site only                             | 12/31/05                          | 10/24/06                        | 0  |  |
| Brownfield Sites   | <i>US Brownfields</i>                             | 1/2-mile                              | 07/10/06                          | 09/11/06                        | 1  | Washington Firehouse   |
| <b>State</b>   |   |                                       |                                   |                                 |  |  |
| State-equivalent NPL (Hist. Cal-Sites)   | <i>Hist. Cal-Sites</i>                            | 1-mile                                | 08/08/05                          | 08/28/06                        | 7  | Southern Pacific, Sacramento - Sand Piles<br>Sacramento Station<br>Battery Shop Yard<br>Union Pacific, - Lagoon<br>Jibboom Junkyard<br>Sacramento Housing & Redevelopment<br>Capitol Plating |
| State-equivalent CERCLIS   | <i>RESPONSE</i>                                   | 1/2-mile                              | 08/08/05                          | 08/30/06                        | 1  |  |
| State Landfill and/or Solid Waste Disposal Site Lists                          | <i>SWFLF (SWIS)</i><br><i>WMUDESIFAT</i>          | 1/2-mile                              | 09/13/06                          | 09/13/06                        | 0  |  |
| State Leaking Underground Storage Tanks  | <i>LUST - Reg 5</i><br><i>Geotracker</i>          | 1/2-mile                              | 10/11/06                          | 10/12/06                        | 8  | Gary's Service, Gary's Mohawk Service Case # 2, Former Hudson, On the Ball Graphics, Old Trailways Property, Community Center, Raley's Landing/Parrish, Milne Trucking                       |
| Tribal Leaking Underground Storage Tanks                                       | <i>Indian LUST - Reg 9</i>                        | 1/2-mile                              | 09/06/06                          | 11/17/06                        | 0  |  |
| State Registered Underground Storage Tanks                                     | <i>UST</i>  | site & adjoining                      | 10/11/06                          | 10/12/06                        | 4  | Lehrer Vacant Lot, Capitol Plating, Lighthouse Pump Station, Gary's Service  |
| Tribal Registered Underground Storage Tanks                                    | <i>Indian UST - Reg 9</i>                         | site & adjoining                      | 09/06/06                          | 11/17/06                        | 0  |  |
| State Registered Aboveground Storage Tanks                                     | <i>AST</i>  | site & adjoining                      | 01/30/06                          | 10/30/06                        | 0  |  |
| State Institutional Control Registries (No State-equivalent for Eng. Controls) | <i>DEEDS</i>                                      | site only                             | 10/04/06                          | 10/05/06                        | 0  |  |
| State Voluntary Cleanup Sites  | <i>VCP</i>  | 1/2-mile                              | 08/29/06                          | 08/30/06                        | 0  |  |
| <b>Additional Environmental Record Sources</b>                                 |   |                                       |                                   |                                 |  |  |
| Hazardous Waste & Substances Sites List  | <i>CORTESE</i>                                    | 1/2-mile                              | 04/01/01                          | 09/05/06                        | 7  | Gary's Service, Former Hudson, On the Ball Graphics, Old Trailways Property, Community Center, Raley's Landing/Parrish, Milne Trucking   |
| DTSC Envirostor (includes Cal-Sites)   | <i>Envirostor</i>                                 | 1-mile                                | 08/08/05                          | 08/30/06                        | 17   | See attached sheet   |
| SLIC   | <i>SLIC - Reg 5</i>                               | 1/2-mile                              | 04/01/05                          | 10/02/06                        | 0  |  |
| Cleaner Facilities   | <i>Drvcleaners</i>                                | 1/4-mile                              | 04/18/05                          | 10/02/06                        | 0  |  |
| HAZNET   | <i>HAZNET</i>                                     | 1/4-mile                              | 12/31/03                          | 11/07/06                        | 0  |  |
| <b>Local - County</b>  |   |                                       |                                   |                                 |  |  |
| Sacramento County Contaminated Sites   | <i>Sac Co CS</i>                                  | 1/2-mile                              | 08/02/06                          | 11/17/06                        | 1  | Community Center   |
| Sacramento County Master List  | <i>Sac Co ML</i>                                  | 1/2-mile                              | 08/02/06                          | 11/17/06                        | 0  |  |
| Yolo County  |   |                                       |                                   |                                 |  |  |



## EXHIBIT C

### DTSC Envirostor (includes Cal-Sites)

**CAPITOL PLATING CORPORATION**

Facility Status: Active

**SOUTHERN PACIFIC TRANS CO**

Facility Status: Refer: Other Agency

**SP, SAC - SAND PILES**

Facility Status: Certified

**SP, SAC - SACRAMENTO STATION**

Facility Status: Certified

**UP, DOWNTOWN SAC - REDEVELOPME**

Facility Status: Active

**SP, SAC - BATTERY SHOP YARD**

Facility Status: Certified

**Not reported**

Facility Status: Active

Facility Status: Certified / Operation & Maintenance

**UP, DOWNTOWN SAC - LAGOON**

Facility Status: Active

**WESTCO TECHNOLOGIES**

Facility Status: Refer: RWQCB

**1X CAL DEPT OF WATER RESOURCES**

Facility Status: Certified / Operation & Maintenance

**JIBBOOM JUNKYARD**

Facility Status: Certified

**UNIVAR USA, INC**

Facility Status: Refer: RWQCB

**SACRAMENTO STUCCO CO.**

Facility Status: Active

**SUNSHINE LAUNDRY AND CLEANERS**

Facility Status: Refer: Other Agency

**A-B-C CLEANERS**

Facility Status: Refer: Other Agency

**H AND H CLEANERS**

Facility Status: Refer: Other Agency

**BIGGERS INDUSTRIAL GERLINGER**

Facility Status: No Further Action

EXHIBIT C

**APPENDIX A**

RESUMES





**WALLACE • KUHL  
& ASSOCIATES INC.**

## EXHIBIT C

**BENJAMIN McLERNON**  
Staff Environmental Scientist

Mr. McLernon has been with Wallace-Kuhl & Associates since May of 2000. Mr. McLernon started as the CAD Manager for the drafting department. During a very short time as the drafter, he performed the CAD drafting for all reports produced by Wallace-Kuhl & Associates. His dedication and genuine desire to improve productivity cut job turnaround time for drafting projects. He also assisted with Environmental Site Assessments (ESAs) and assisted project engineers with soil and core sampling for use in geotechnical reports. Mr. McLernon has brought this job dedication and experience to his current position within the company as an environmental specialist. Mr. McLernon has completed numerous ESAs in at least seven California Central Valley counties, including ESAs for proposed school sites. Many of his projects have included Phase 2 assessments for persistent pesticide residuals and petroleum hydrocarbon contamination in soils and/or groundwater. Mr. McLernon's prior field reconnaissance experience in the U.S. Army lends itself well to the detailed observations, topographic map interpretations, and aerial photography interpretive skills that are necessary for thorough Phase 1 investigations. Mr. McLernon has a Bachelor of Arts degree in Environmental Studies and a minor in Biology from California State University Sacramento. Mr. McLernon is a member of the California Groundwater Resources Association

### Work Experience

- 01 to Present Wallace-Kuhl & Associates, Inc.  
Environmental Scientist
- 5/00 Wallace-Kuhl & Associates, Inc.  
CAD Manager
- 5/00 Kern County Assessor  
Cadastral Mapper

### Project Experience

- Folsom Lake Nissan, Sacramento
- Stardust 77-Acre Property, Lincoln
- Major Retail Store, Orangevale
- Yroz 1440-Acre Property, San Joaquin County
- Orchard Pointe, Madera

### Education and Registration

- California State University, Sacramento  
Bachelor of Arts, Environmental Studies
- Registered Environmental Assessor 1  
(No. 08137), California



**WALLACE • KUHL  
& ASSOCIATES INC.**

EXHIBIT C

**RANDY L. WHEELER**  
Senior Environmental Scientist

Mr. Wheeler has been employed in the fields of soil and groundwater investigations since 1988. With our firm since March 2003, Mr. Wheeler has over 19 years of experience conducting Phase 1 and Phase 2 site assessments. These projects include a large variety of properties ranging from single-family residential developments to large-scale commercial and industrial facilities.

He has also performed Phase 1 site assessments for several community-wide projects, including the South Sutter County Specific Plan; the results of which were or will be used to formulate project area specific plans with city and county agencies. Mr. Wheeler has conducted several Brownfields investigations for the City of West Sacramento under the EPA Brownfields Grant program, including the West Capitol Avenue Corridor Study, and the West Capitol West End Community Wide Assessment. His projects have also included Phase 1 studies of several thousand acres of proposed mitigation lands in addition to performing Phase 1 and Phase 2 work on the former Union Pacific Rail yard in West Sacramento.

**Work Experience**

- 3/03 - Present: Wallace-Kuhl & Associates, Inc.  
Senior Environmental Scientist
- 1997 - 2003 Kleinfelder  
Project Manager
- 1996 - 1997 Douglas Partners, Newcastle  
NSW Australia  
Senior Project Geologist
- 1988 - 1996 Kleinfelder  
Project Geologist

**Project Experience**

- Port of Sacramento Collateral Property  
West Sacramento
- Ironworks at the Triangle Property  
West Sacramento
- Former Union Pacific Redevelopment Property,  
Riske Lane, West Sacramento
- California Woodfiber Property, West Sacramento
- West Capitol Avenue Corridor Study, West  
Sacramento - Brownfields Redevelopment Project
- South Sutter County Specific Plan, Sutter County

**Education and Registration**

- California State University, Sacramento Bachelor of  
Arts, Geology 1987
- Registered Environmental Assessor I  
No. 07916, California
- Member Groundwater Resources Association

EXHIBIT C

**APPENDIX B**

ALL APPROPRIATE INQUIRY

ASTM E 1527 - 05

USER QUESTIONNAIRE



WALLACE & TIERNAN  
ASSOCIATES, INC.

ASTM - AAI  
EXHIBIT C  
USER QUESTIONNAIRE

In order to qualify for one of the *Landowner Liability Protections (LLPs)* offered by the Small Business Liability Relief and Brownfields Revitalization Act of 2001 (the "*Brownfields Amendments*"), the *user* must provide the following information (if available) to the *environmental professional*. Failure to provide this information could result in a determination that "*all appropriate inquiry*" is not complete.

**(1.) Environmental cleanup liens that are filed or recorded against the site (40 CFR 312.25).**

Are you aware of any environmental cleanup liens against the *property* that are filed or recorded under federal, tribal, state or local law?

*No, we are not aware of any environmental liens against the property.*

**(2.) Activity and land use limitations (AULs) that are in place on the site or that have been filed or recorded in a registry (40 CFR 312.26).**

Are you aware of any AULs, such as *engineering controls*, land use restrictions or *institutional controls* that are in place at the site and/or have been filed or recorded in a registry under federal, tribal, state or local law?

*No, we are unaware of any AULs in place on the site.*

**(3.) Specialized knowledge or experience of the person seeking to qualify for the LLP (40 CFR 312.28).**

As the *user* of the ESA, do you have any specialized knowledge or experience related to the *property* or nearby properties? For example, are you involved in the same line of business as the current or former occupants of the *property* or an adjoining *property* so that you would have specialized knowledge of the chemicals and processes used by this type of business?

*No, the Agency does not have any specialized knowledge or experience related to the property. The property was acquired by the City and Agency during the incorporation of the City in 1987.*

**(4.) Relationship of the purchase price to the fair market value of the property if it were not contaminated (40 CFR 312.29).**

Does the purchase price being paid for this *property* reasonably reflect the fair market value of the *property*? If you conclude that there is a difference, have you considered whether the lower purchase price is because contamination is known or believed to be present on the *property*?

*Not applicable—the City and Agency currently own the properties, and acquired the properties through the incorporation of the City in 1987.*

**(5.) Commonly known or reasonably ascertainable information about the property (40 CFR 312.30).**

Are you aware of commonly known or reasonably ascertainable information about the *property* that would help the environmental professional to identify conditions indicative of releases or threatened releases? For example, as user,

(a.) Do you know the past uses of the *property*?

*The past uses of the properties included a fire station and a police station.*

(b.) Do you know of specific chemicals that are present or once were present at the *property*?

*We are aware that there may have been an above-ground fuel storage tank at the property.*

(c.) Do you know of spills or other chemical releases that have taken place at the *property*?

*No, we do not know of any spills or other chemical releases that have taken place at the property.*

(d.) Do you know of any environmental cleanups that have taken place at the *property*?

*No, we do not know of any environmental cleanups that have taken place at the property.*

**(6.) The degree of obviousness of the presence of likely presence of contamination at the property, and the ability to detect the contamination by appropriate investigations (40 CFR 312.31).**

As the *user* of this ESA, based on your knowledge and experience related to the *property* are there any obvious indicators that point to the presence or likely presence of contamination at the *property*?

*Yes, the adjacent property, the former site of Capitol Plating (metal plating facility) is known to be seriously contaminated. A Targeted Site Assessment completed by DTSC in 2003 identified the presence of contamination originating from the Capitol Plating property to be present on the Washington Firehouse property. The City is interested in further assessment on the Firehouse property to address this concern.*

Name of Project: Washington Firehouse

EXHIBIT C

WKA No. 6200.12

Completed by: Aaron Laurel, Senior Program Manager

Date: December 18, 2006

Signature: 

EXHIBIT C

**APPENDIX C**

EEI SAMPLE LOCATION MAP





EXHIBIT C

C STREET

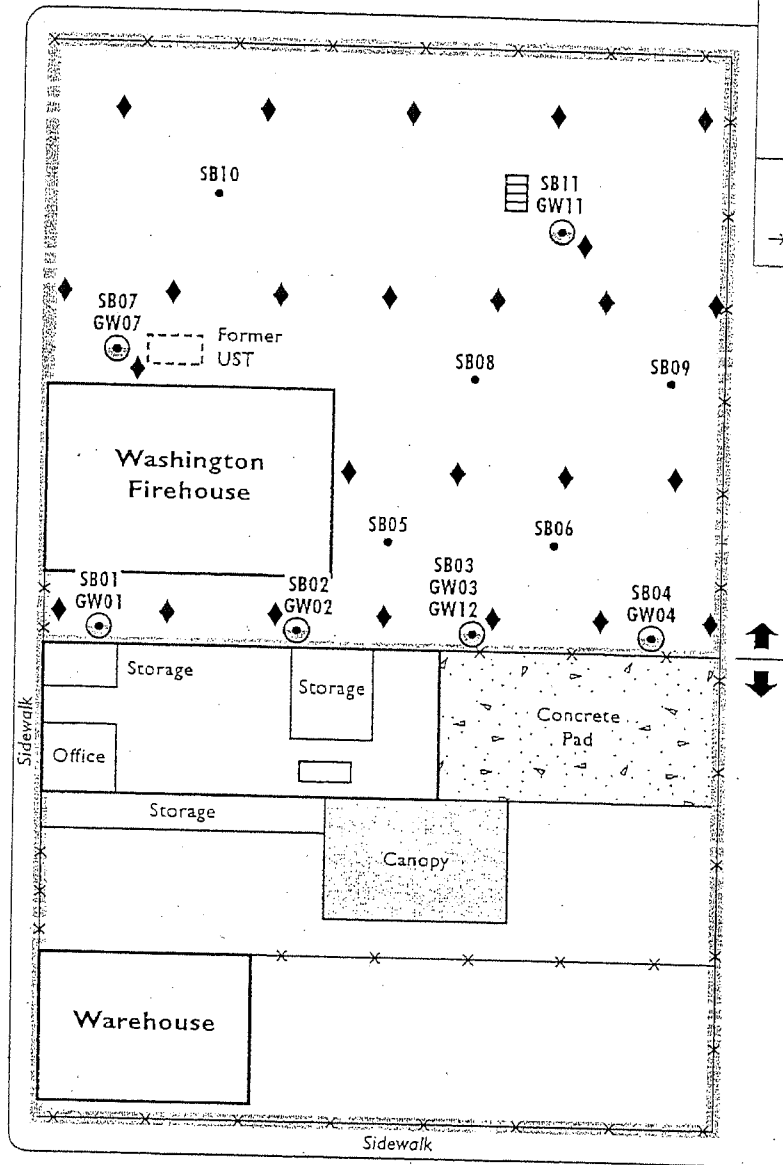
SAMPLING LOCATIONS

- Soil
- ⊙ Soil and groundwater
- ◆ Goresorber® screening

▤ Storm drain

×× Fence

THIRD STREET



▲ Washington Firehouse  
▼ Capitol Plating Company

SECOND STREET

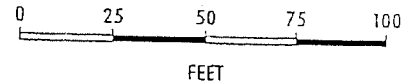


Figure 4-1

Sample Location Map  
Washington Firehouse  
West Sacramento, California

EXHIBIT C

**APPENDIX D**

ENVIRONMENTAL DATA RESOURCES  
GOVERNMENT RECORDS  
DATABASE DESCRIPTIONS



# EXHIBIT C

## AGENCY DATABASE DESCRIPTIONS

### FEDERAL DATABASES

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#### **NPL: 1-mile**

National Priority List (Superfund). The NPL is a subset of CERCLIS and identifies over 1,200 sites for priority cleanup under the Superfund Program. NPL sites may encompass relatively large areas. As such, EDR provides polygon coverage for over 1,000 NPL site boundaries produced by EPA's Environmental Photographic Interpretation Center (EPIC) and regional EPA offices.

#### **Delisted NPL: ½-mile**

The National Oil and Hazardous Substances Pollution Contingency Plan (NCP) establishes the criteria that the EPA uses to delete sites from the NPL. In accordance with 40 CFR 300.425.(e), sites may be deleted from the NPL where no further response is appropriate.

#### **CERCLIS: ½ mile**

CERCLIS contains data on potentially hazardous waste sites that have been reported to the USEPA by states, municipalities, private companies and private persons, pursuant to Section 103 of the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA). CERCLIS contains sites which are either proposed to or on the National Priorities List (NPL) and sites which are in the screening and assessment phase for possible inclusion on the NPL.

- Source: EPA
- Telephone: 703-413-0223

#### **CERCLIS-NFRAP: ½-mile**

CERCLIS No Further Remedial Action Planned

As of February 1995, CERCLIS sites designated "No Further Remedial Action Planned" (NFRAP) have been removed from CERCLIS. NFRAP sites may be sites where, following an initial investigation, no contamination was found, contamination was removed quickly without the need for the site to be placed on the NPL, or the contamination was not serious enough to require NPL consideration. EPA has removed approximately 25,000 NFRAP sites to lift the unintended barriers to the redevelopment of these properties and has archived them as historical records so EPA does not needlessly repeat the investigations in the future.

- Source: EPA
- Telephone: 703-413-0223

## EXHIBIT C

### **CORRACTS: 1-mile**

CORRACTS is a list of handlers with RCRA Corrective Action Activity. This report shows which nationally-defined corrective action core events have occurred for every handler that has had corrective action activity.

- Source: EPA
- Telephone: 800-424-9346

### **RCRAInfo: site and adjoining**

RCRAInfo is EPA's comprehensive information system, providing access to data supporting the Resource Conservation and Recovery Act (RCRA) of 1976 and the Hazardous and Solid Waste Amendments (HSWA) of 1984. RCRAInfo replaces the data recording and reporting abilities of the Resource Conservation and Recovery Information System (RCRIS). The database includes selective information on sites which generate, transport, store, treat and/or dispose of hazardous waste as defined by the Resource Conservation and Recovery Act (RCRA). Small quantity generators (SQGs) generate between 100 kg and 1,000 kg of hazardous waste per month. Large quantity generators (LQGs) generate over 1,000 kilograms (kg) of hazardous waste, or over 1 kg of acutely hazardous waste per month. Transporters are individuals or entities that move hazardous waste from the generator offsite to a facility that can recycle, treat, store, or dispose of the waste. TSDs treat, store, or dispose of the waste.

- Source: EPA
- Telephone: 800-424-9346

### **US ENG CONTROLS: site only (provides Activity and Use Limitation (AUL) information per ASTM Section 5.1)**

Engineering Controls Sites listing of sites with engineering controls in place. Engineering controls include various forms of caps, building foundations, liners, and treatment methods to create pathway elimination for regulated substances to enter environmental media or effect human health.

- Source: Environmental Protection Agency
- Telephone: 703-603-8867

### **US INST CONTROL: site only (provides Activity and Use Limitation (AUL) information per ASTM Section 5.1)**

Sites with Institutional Controls listing of sites with institutional controls in place. Institutional controls include administrative measures, such as groundwater use restrictions, construction restrictions, property use restrictions, and post remediation care requirements intended to prevent exposure to contaminants remaining on site. Deed restrictions are generally required as part of the institutional controls.

- Source: Environmental Protection Agency
- Telephone: 703-603-8867

### **US BROWNFIELDS: 1/2-mile**

Included in the listing are brownfields properties addresses by Cooperative Agreement Recipients and brownfields properties addressed by Targeted Brownfields Assessments. Targeted Brownfields Assessments-EPA's Targeted Brownfields Assessments (TBA) program is designed to help states, tribes, and municipalities--especially those without EPA Brownfields Assessment Demonstration Pilots--minimize the uncertainties of contamination often associated with brownfields.

- Source: Environmental Protection Agency
- Telephone: 202-566-2777

### **ERNS: site only**

Emergency Response Notification System

ERNS records and stores information on reported releases of oil and hazardous substances.

## EXHIBIT C

- Source: National Response Center, United States Coast Guard
- Telephone: 202-260-2342

### STATE DATABASES:

---

#### **Historical CAL-SITES: 1-mile**

This database contains historical information related to potential and confirmed hazardous substance release sites. Current information is included in the EnviroSor database below:

- Source: Department of Toxic Substance Control
- Telephone: 916-323-3400

#### **RESPONSE (formerly AWP): ½-mile**

California DTSC's State Response database, identifies sites where DTSC is involved in remediation, either in a lead or oversight capacity. These confirmed release sites are generally high-priority and high potential risk sites.

- Source: California Environmental Protection Agency
- Telephone: 916-323-3400

#### **EnviroStor: 1-mile**

EnviroStor provides similar information to the information that was available in CalSites, and provides additional site information, including, but not limited to, identification of formerly-contaminated properties that have been released for reuse, properties where environmental deed restrictions have been recorded to prevent inappropriate land uses, and risk characterization information that is used to assess potential impacts to public health and the environment at contaminated sites.

- Source: Department of Toxic Substance Control
- Telephone: 916-323-3400

#### **SWF/LF (SWIS): ½-mile**

Solid Waste Information System Active, Closed and Inactive Landfills. SWF/LF records typically contain an inventory of solid waste disposal facilities or landfills. These may be active or inactive facilities or open dumps that failed to meet RCRA Section 4004 criteria for solid waste landfills or disposal sites.

- Source: Integrated Waste Management Board
- Telephone: 916-341-6320

#### **WMUDS/SWAT: ½-mile**

Waste Management Unit Database Waste Management Unit Database System. WMUDS is used by the State Water Resources Control Board staff and the Regional Water Quality Control Boards for program tracking and inventory of waste management units. WMUDS is composed of the following databases: Facility Information, Scheduled Inspections Information, Waste Management Unit Information, SWAT Program Information, SWAT Report Summary Information, SWAT Report Summary Data, Chapter 15 (formerly Subchapter 15) Information, Chapter 15 Monitoring Parameters, TPCA Program Information, RCRA Program Information, Closure Information, and Interested Parties Information.

- Source: State Water Resources Control Board
- Telephone: 916-227-4448

### LUST Databases

## EXHIBIT C

### LUST: ½-mile

Geotracker's Leaking Underground Fuel Tank Report Leaking Underground Storage Tank Incident Reports. LUST records contain an inventory of reported leaking underground storage tank incidents. Not all states maintain these records, and the information stored varies by state.

- Source: State Water Resources Control Board
- <https://geotracker.swrcb.ca.gov/>

### LUST REG 5: ½-mile

Leaking Underground Storage Tank Database

- Source: Regional Water Quality Control Board Central Valley Region (5)
- Telephone: 916-464-3291

### INDIAN LUST: ½-mile

Leaking Underground Storage Tanks on Indian Land in Arizona, California, New Mexico and Nevada

- Source: Environmental Protection Agency
- Telephone: 415-972-3372

### UST Databases

#### UST: site and adjoining

The Underground Storage Tank database contains registered USTs.

Active UST facilities gathered from the local regulatory agencies

- Source: State Water Resources Control Board
- Contact: local regulatory agencies

#### INDIAN UST: site and adjoining

Underground Storage Tanks on Indian Land

- Source: EPA Region 9
- Telephone: 415-972-3368

#### ASTs: site and adjoining

Aboveground Petroleum Storage Tank Facilities- Registered Aboveground Storage Tanks.

- Source: State Water Resources Control Board
- Telephone: 916-341-5712

#### DEEDS: site only

Deed Restriction Listing- (State and tribal institutional control registries – No CA State equivalent for engineering controls)

Site Mitigation and Brownfields Reuse Program Facility Sites with Deed Restrictions & Hazardous Waste Management

Program Facility Sites with Deed / Land Use Restriction. The DTSC Site Mitigation and Brownfields Reuse Program (SMBRP) list includes sites cleaned up under the program's oversight and generally does not include current or former

hazardous waste facilities that required a hazardous waste facility permit. The list represents deed restrictions that are active. Some sites have multiple deed restrictions. The DTSC Hazardous Waste Management Program (HWMP) has

developed a list of current or former hazardous waste facilities that have a recorded land use restriction at the local county recorder's office. The land use restrictions on this list were required by the DTSC HWMP as a result of the presence of

hazardous substances that remain on site after the facility (or part of the facility) has been closed or cleaned up. The types of land use restriction include deed notice, deed restriction, or a land use restriction that binds current and future owners.

- Source: Department of Toxic Substances Control
- Telephone: 916-323-3400

## EXHIBIT C

### VCP: ½-mile

Voluntary Cleanup Program: Contains low threat level properties with either confirmed or unconfirmed releases and the project proponents have request that DTSC oversee investigation and/or cleanup activities and have agreed to provide coverage for DTSC's costs.

- Source: Department of Toxic Substances Control
- Telephone: 916-323-3400

### LOCAL OR SUPPLEMENTAL INFORMATION

---

### CORTESE: ½-mile

This database identifies public drinking water wells with detectable levels of contamination, hazardous substance sites selected for remedial action, sites with known toxic materials identified through the abandoned site assessment program, sites with USTs having a reportable release and all solid waste disposal facilities from which there is known migration.

- Source: CAL EPA/Office of Emergency Information
- Telephone: 916-323-9100

### CA SLIC: ½-mile

SLIC Region comes from the California Regional Water Quality Control Board. Spills, Leaks, Investigation & Cleanup Cost Recovery Listing Unregulated sites that impact groundwater or have the potential to impact groundwater.

- Source: Regional Water Quality Control Board Central Valley Region (5)
- Telephone: 916-464-3291

### HAZNET: ½-mile

The data is extracted from the copies of hazardous waste manifests received each year by the DTSC. The annual volume of manifests is typically 700,000-1,000,000 annually, representing approximately 350,000-500,000 shipments. Data are from the manifests submitted without correction, and therefore many contain some invalid values for data elements such as generator ID, TSD ID, waste category, & disposal method.

- Source: California Environmental Protection Agency
- Telephone: 916-255-1136

### CLEANER FACILITIES: ½-mile

Cleaner Facilities A list of drycleaner related facilities that have EPA ID numbers. These are facilities with certain SIC codes: power laundries, family and commercial; garment pressing and cleaner's agents; linen supply; coin-operated laundries and cleaning; drycleaning plants, except rugs; carpet and upholster cleaning; industrial launderers; laundry and garment services.

- Source: Department of Toxic Substance Control
- Telephone: 916-327-4498

### YOLO COUNTY:

USTs – Underground Storage Tanks Comprehensive Facility List: ½-mile

- Yolo County Department of Health
- Telephone: 530-666-8686

Memorandum of Lease

NO FEE DOCUMENT  
per Government Code 6103



RECORDING REQUESTED BY  
AND WHEN RECORDED RETURN TO:

Yolo Recorder's Office  
Freddie Oakley, County Recorder  
**DOC- 2007-0014605-00**  
REQD BY THIRD & C STREET LLC  
Friday, APR 20, 2007 14:31:45  
Ttl Pd \$22.00 Nbr-0000704414  
FRT/R8/1-6

Third & C Street L.L.C.  
2206 K Street, Suite 3  
Sacramento, CA 95816  
Attn: John Leonard

**CONFORMED COPY  
NOT COMPARED  
WITH ORIGINAL**

(Space Above This Line Reserved for Recorder's Use)

**MEMORANDUM OF LEASE**

This Memorandum of Lease and Option ("**Memorandum**") is made by and between Redevelopment Agency of the City of West Sacramento (hereinafter "**Lessor**"), and Third & C Street L.L.C., a California limited liability company (hereinafter "**Lessee**") with reference to the following facts set forth in the Recitals below.

**RECITALS**

Lessor and Lessee have entered into that certain Parking Lease Agreement (the "**Lease**") executed by Lessor and Lessee of even date herewith. All capitalized terms not defined herein shall have the meaning ascribed to them in the Lease.

Lessor and Lessee desire to provide notice that Lessee has the right to lease a portion of that certain real property located in the County of Yolo, California (the "**Property**"), which is described in Exhibit "A" attached hereto and by this reference incorporated herein.

**AGREEMENT**

NOW, THEREFORE, in consideration of the facts set forth in the Recitals above, the mutual covenants and conditions below, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Lessor and Lessee hereby agree as follows:

1. Lease of Premises. Subject to the terms and conditions set forth in the Lease, Lessor leases to Lessee, and Lessee leases from Lessor, that portion of the Property depicted on Exhibit "B" attached hereto and incorporated herein by this reference (the "**Subject Premises**"), together with the necessary rights of ingress and egress for access thereto. Lessee shall have the exclusive right to park vehicles on the Subject Premises. The Execution Date shall be set forth in the Lease. The term of the Lease ("**Lease Term**") is set to expire forty (40) years after the Execution Date, unless terminated earlier as set forth by the terms of the Lease.



2. Incorporation by Reference: No Modification of Lease. The terms and conditions of the Lease are incorporated herein by this reference. This Memorandum is prepared and recorded for the purpose of putting the public on notice of the Lease, and this Memorandum in no way modifies the terms and conditions of the Lease. In the event of any inconsistency between the terms and conditions of this Memorandum and the terms and conditions of the Lease, the terms and conditions of the Lease shall control.

3. Counterparts. This Memorandum may be executed in any number of counterparts with the same effect as if the parties had all signed the same document. All counterparts shall be construed together as one agreement.

LESSOR:

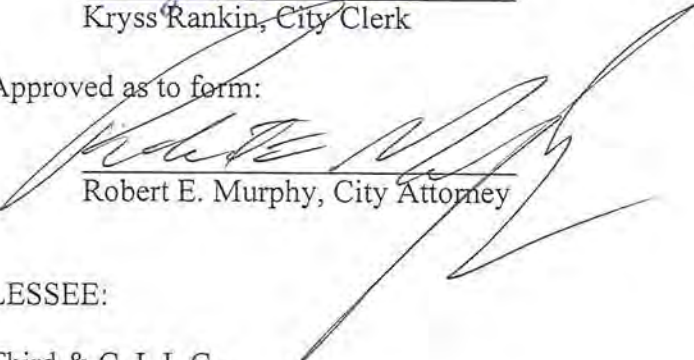
REDEVELOPMENT AGENCY OF THE CITY OF WEST SACRAMENTO

By:   
Toby Ross, Executive Director

Attest:

  
Kryss Rankin, City Clerk

Approved as to form:

  
Robert E. Murphy, City Attorney

LESSEE:

Third & C, L.L.C.,  
a California limited liability company,

By:   
JOHN LEONARD,  
Managing Member

ACKNOWLEDGMENT

STATE OF CALIFORNIA )  
 )  
COUNTY OF Yolo )

On April 16, 2007, before me, Neala C. Rankin, a Notary Public in and for said County and State, personally appeared Toby Ross, personally known to me (or proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument), and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity(ies) upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Neala C. Rankin  
Signature of Notary Public



ACKNOWLEDGMENT

STATE OF CALIFORNIA )  
 )  
COUNTY OF Yolo )

On April 16, 2007, before me, Neala C. Rankin, a Notary Public in and for said County and State, personally appeared John Leonard, personally known to me (or proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument), and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity(ies) upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Neala C. Rankin  
Signature of Notary Public



**EXHIBIT A**

**Legal Description of Property**

THE LAND DESCRIBED HEREIN IS SITUATED IN THE STATE OF CALIFORNIA, COUNTY OF YOLO, CITY OF WEST SACRAMENTO, AND IS DESCRIBED AS FOLLOWS:

PARCEL ONE:

LOTS 28, 29 AND 30, BLOCK 9 OF THE TOWN OF WASHINGTON, ACCORDING TO THE OFFICIAL PLAT THEREOF FILED FOR RECORD IN THE OFFICE OF THE RECORDER OF YOLO COUNTY IN BOOK I OF DEEDS AT PAGE 264, YOLO COUNTY RECORDS.

ASSESSOR'S PARCEL NUMBER: 010-371-05

PARCEL TWO:

LOTS 25, 26, 27 AND THE EAST ONE-HALF OF LOT 15, BLOCK 9 OF THE TOWN OF WASHINGTON, ACCORDING TO THE OFFICIAL PLAT THEREOF FILED FOR RECORD IN THE OFFICE OF THE RECORDER OF YOLO COUNTY IN BOOK I OF DEEDS AT PAGE 264, YOLO COUNTY RECORDS.

EXCEPTING THEREFROM ALL THAT PORTION OF LOTS 25 AND 26 OF THE ABOVE DESCRIBED PROPERTY, AS DESCRIBED IN FINAL ORDER OF CONDEMNATION RECORDED DECEMBER 22, 1960, IN BOOK 623 OF OFFICIAL RECORDS, AT PAGE 95, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE NORTH LINE OF SAID BLOCK 9 FROM WHICH THE MONUMENT AT THE SOUTHEAST CORNER OF BLOCK 11 BEARS N. 79 DEGREES 57' 10" W. 212.54 FEET AND NO. 10 DEGREES 04' 03" E. 80.00 FEET, SAID POINT IS ALSO DISTANT 24.62 FEET SOUTHWESTERLY, MEASURED RADially FROM THE BASE LINE AT ENGINEER'S STATION "F3" 10+95.00 P.O.C. OF THE DEPARTMENT OF PUBLIC WORKS' 1957 SURVEY OF THE

WEST APPROACH TO THE "I" STREET BRIDGE, ROAD III-YOL-50-F; THENCE FROM SAID POINT OF BEGINNING, ALONG THE SOUTH SIDE OF "C" STREET S. 79 DEGREES 57' 10" E. 54.13 FEET TO THE NORTHEAST CORNER OF SAID LOT 24; THENCE S. 40.00 FEET TO THE SOUTHEAST CORNER OF THE NORTH HALF OF SAID LOT 24; THENCE ALONG THE SOUTH LINE OF THE NORTH HALF OF SAID LOT 24, N. 79 DEGREES 57' 10" W. 12.13 FEET; THENCE N. 36 DEGREES 19' 51" W. 57.98 FEET TO THE POINT OF BEGINNING.

ASSESSOR'S PARCEL NUMBER: A PORTION OF 010-371-06

PARCEL THREE:

THE NORTH ONE HALF OF LOT 24, BLOCK 9 OF THE TOWN OF WASHINGTON, ACCORDING TO THE OFFICIAL PLAT THEREOF FILED FOR RECORD IN THE OFFICE OF THE RECORDER OF YOLO COUNTY IN BOOK I OF DEEDS AT PAGE 264, YOLO COUNTY RECORDS.

EXCEPTING THEREFROM ALL THAT PORTION OF LOT 24 AS DESCRIBED IN FINAL ORDER OF CONDEMNATION RECORDED DECEMBER 22, 1960, IN BOOK 623 PAGE 95, OFFICIAL RECORDS.

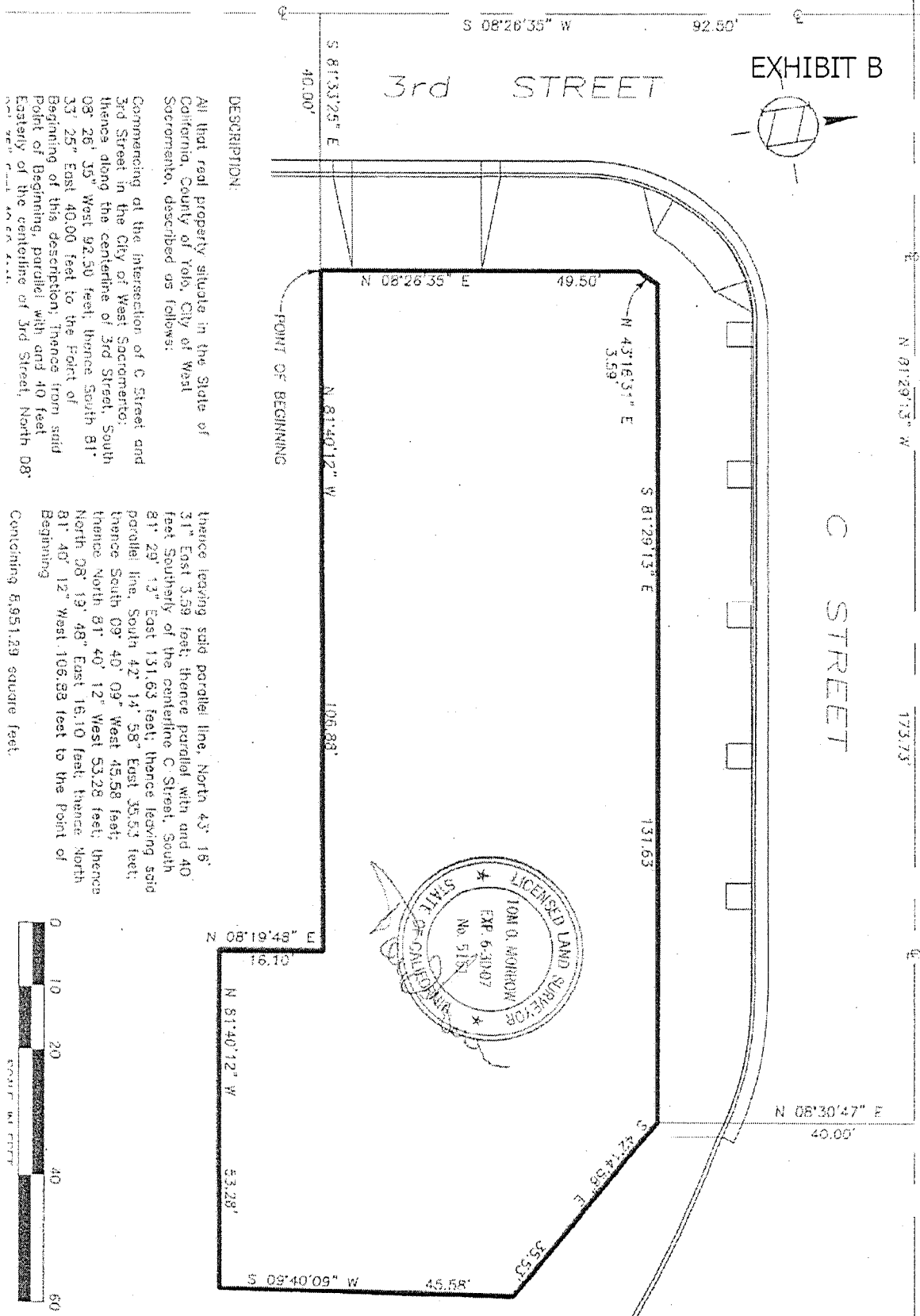
ASSESSOR'S PARCEL NUMBER: A PORTION OF 010-371-06

PARCEL FOUR:

THE WEST 1/2 OF LOT 15, BLOCK 9 OF THE TOWN OF WASHINGTON, FILED IN BOOK I OF DEEDS, PAGE 264, YOLO COUNTY RECORDS.

ASSESSOR'S PARCEL NUMBER: 010-371-04

**EXHIBIT B - Diagram Depicting Subject Premises**



**DESCRIPTION:**

All that real property situate in the State of California, County of Yolo, City of West Sacramento, described as follows:

Commencing at the intersection of C Street and 3rd Street in the City of West Sacramento; thence along the centerline of 3rd Street, South  $08^{\circ}26'35''$  West  $92.50$  feet; thence South  $81^{\circ}53'25''$  East  $40.00$  feet to the Point of Beginning; thence from said Point of Beginning, parallel with and  $40$  feet Easterly of the centerline of 3rd Street, North  $08^{\circ}28'35''$  East  $49.50$  feet; thence North  $43^{\circ}16'31''$  East  $5.59$  feet; thence South  $81^{\circ}29'13''$  East  $131.63$  feet; thence North  $08^{\circ}30'47''$  East  $40.00$  feet; thence South  $42^{\circ}14'58''$  East  $35.53$  feet; thence South  $09^{\circ}40'09''$  West  $45.58$  feet; thence North  $08^{\circ}19'48''$  East  $16.10$  feet; thence North  $81^{\circ}40'12''$  West  $53.28$  feet to the Point of Beginning.

thence leaving said parallel line, North  $43^{\circ}18'31''$  East  $3.59$  feet; thence parallel with and  $40$  feet Southerly of the centerline of C Street, South  $81^{\circ}29'13''$  East  $131.63$  feet; thence leaving said parallel line, South  $42^{\circ}14'58''$  East  $35.53$  feet; thence South  $09^{\circ}40'09''$  West  $45.58$  feet; thence North  $08^{\circ}19'48''$  East  $16.10$  feet; thence North  $81^{\circ}40'12''$  West  $106.88$  feet to the Point of Beginning.

Containing  $8,951.29$  square feet.



**WALLACE - KUHL  
& ASSOCIATES INC.**

**EXHIBIT C**

**ALL APPROPRIATE INQUIRIES REPORT**

Geotechnical Engineering

Engineering Geology

Environmental Consulting

Remediation Services

Construction Inspection

Materials Testing

**WASHINGTON FIREHOUSE**

January 2, 2007

*Prepared For:*  
Mr. Aaron Laurel  
City of West Sacramento  
Grants and Community Investments  
1110 West Capitol Avenue, 3<sup>rd</sup> Floor  
West Sacramento, California 95691

*Prepared By:*  
Wallace-Kuhl & Associates, Inc.  
3050 Industrial Boulevard  
West Sacramento, California 95691  
WKA No. 6200.16

**CORPORATE OFFICE**  
3050 Industrial Boulevard  
West Sacramento  
CA 95691  
Tel: 916.372.1000  
Fax: 916.372.2200

**ROCKLIN OFFICE**  
800 Main Drive  
Suite 100  
Rocklin, CA 95765  
Tel: 916.850.0727  
Fax: 916.850.0022

**STOCKTON OFFICE**  
3410 West - 10th Street  
Suite F  
Stockton, CA 95219  
Tel: 209.234.7727  
Fax: 209.234.7727

EXHIBIT C

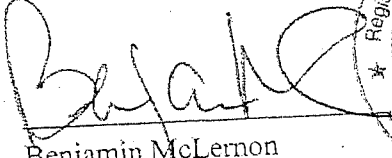
ALL APPROPRIATE INQUIRIES REPORT  
WASHINGTON FIREHOUSE

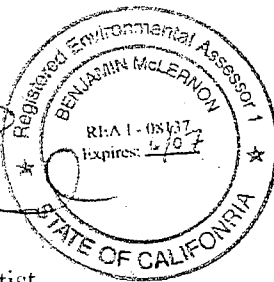
3<sup>rd</sup> and C Streets  
West Sacramento, California  
WKA No. 6200.16  
January 2, 2007

Wallace-Kuhl & Associates, Inc., on behalf of the City of West Sacramento, Grants and Community Investment prepared this All Appropriate Inquiries Report for the Washington Firehouse in West Sacramento, California. We declare that, to the best of our professional knowledge and belief, the report reviewer meets the definition of *Environmental Professional* as defined in §312.10 of 40 CFR 312 and has the specific qualifications based on education, training, and experience to assess a property of the nature, history, and setting of the site. We have developed and performed the *all appropriate inquiries* in conformance with the standards and practices set forth in 40 CFR Part 312. Resumes of the key staff who prepared this report are included in Appendix A.


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**EXHIBIT C**  
**ALL APPROPRIATE INQUIRIES REPORT**  
**WASHINGTON FIREHOUSE**

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### ALL APPROPRIATE INQUIRIES REPORT WASHINGTON FIREHOUSE

#### EXECUTIVE SUMMARY

The Washington Firehouse (herein referred to as the site) is located at the southeastern corner of 3<sup>rd</sup> and C Streets, in the City of West Sacramento, California. The site is currently owned by the City of West Sacramento. The site is comprised of three Yolo County Assessor's Parcel Numbers (APNs) as follows: 010-371-004, 010-371-005, and 010-371-006. The site currently contains a single structure, parking lot area and vacant land. The following presents a list of observations and findings identified during the preparation of this report:

- The historic land use research dating back to 1895 revealed the site was historically developed for residential use and later was re-developed into local government use, i.e. a town hall, fire station and police station.
- The previous town hall structure has been demolished. The existing structure on the site was constructed in the 1940s.
- The site itself was found to have contained a UST that was removed in 1987. No evidence of a confirmed leak from the former UST was encountered in the reviewed documentation.
- The former Capitol Plating facility operations, to the south, has impacted the site with lead contamination.
- During a previous report, Wallace-Kuhl & Associates, Inc. (WKA) recommended an additional, more intense investigation to determine the vertical and lateral extent of fill material and analyzing soil samples using the DI Wet analysis to assess the potential for dissolved lead migration to groundwater. Additionally, WKA stated that if removed from the site, the lead impacted soils would be considered hazardous waste under California state regulations. It is the understanding of WKA that at this time, Kleinfelder is under contract with the DTSC for future assessments on the Washington Firehouse Site.
- Review of the User Questionnaire completed by City of West Sacramento, did not reveal any records of environmental cleanup liens or Activity and Use Limitations currently recorded against the site.

This assessment has revealed evidence of "conditions indicative of releases or threatened releases of hazardous substances on, at, in or to site."

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### ALL APPROPRIATE INQUIRIES REPORT WASHINGTON FIREHOUSE

#### 1.0 INTRODUCTION

##### 1.1 Purpose

The purpose of this All Appropriate Inquiries (AAI) report [commonly known as a Phase 1 Environmental Site Assessment], is to evaluate the site for "evidence of conditions indicative of releases or threatened releases of hazardous substances, pollutants, contaminants, petroleum and petroleum products, and controlled substances (as defined in 21 U.S.C 802) on, at, in or to the site," per the requirements set forth in 40 CFR Part 312, *Standards and Practices for All Appropriate Inquiries*. Any person seeking Landowner Liability Protections (LLPs) of CERCLA as an *innocent landowner, contiguous property owner, or bona fide prospective purchaser* is required to conduct "all appropriate inquiries" in conformance with 40 CFR Part 312.

##### 1.2 Scope of Services

Wallace-Kuhl & Associates (WKA) has completed this AAI for the Washington Firehouse (hereafter referred to as the site), shown on various maps included as Figures 1 through 3. Mr. Aaron Laurel from the City of West Sacramento Grants and Community Investment Department authorized WKA to perform this assessment as part of the on-going Brownfields Community-Wide Assessment Grant administered by the City of West Sacramento. To satisfy the AAI, the assessment included the following ten items. Items 6 through 10 are "user provided information" as presented in Section 2 of this report.

1. The results of an inquiry by an Environmental Professional.
2. Visual inspection of the site and of adjoining properties
3. Interviews
4. Review of historical sources
5. Review of federal, state, and local government records
6. Searches for recorded environmental cleanup liens
7. Specialized knowledge or experience related to the site
8. The relationship of the purchase price to the value of the site
9. Commonly known or reasonably ascertainable information
10. The degree of obviousness of the presence or likely presence of contamination at the site.

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### 2.0 USER PROVIDED INFORMATION

A *User Questionnaire* was submitted to Mr. Aaron Laurel from the City of West Sacramento Grants and Community Investment Department on November 1, 2006. Discussion regarding his responses is provided in the following sections. A copy of the completed questionnaire is included in Appendix B.

#### 2.1 Recorded Environmental Cleanup Liens

Mr. Laurel was not aware of any records of Environmental Liens or Activity and Use Limitations (AULs) currently recorded against the site.

#### 2.2 Specialized Knowledge Related to the Site

Mr. Laurel stated he does not possess specialized knowledge or experience related to the site.

#### 2.3 Relationship of the Purchase Price to Fair Market Value

Mr. Laurel stated that the site is currently owned by the City and is not currently for sale or in escrow.

#### 2.4 Commonly Known or Reasonably Ascertainable Information

Mr. Laurel stated that the site may have contained an above ground storage tank.

#### 2.5 Degree of Obviousness of the Presence or Likely Presence of Contamination

Mr. Laurel stated that the adjacent facility to the south of the site is known to be contaminated. The facility, Capitol Plating, is discussed within this report.



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### 3.0 SITE DESCRIPTION

#### 3.1 Site and Vicinity General Characteristics

The site is located at the intersection of 3<sup>rd</sup> and C Streets in the City of West Sacramento, California. Four known street address have been assigned to the parcels that comprise the site: 305 and 317 3<sup>rd</sup> Street and 221 and 225 C Street. The site is comprised of three Yolo County Assessor's Parcel Numbers (APNs) as follows: 010-371-004, 010-371-005, and 010-371-006. A copy of the Assessor's Parcel Map has been included as Figure 3. The site currently contains a single structure, parking lot area and vacant land.

#### 3.2 Site Reconnaissance

The site was visually and physically inspected by WKA on December 1, 2006 to observe current conditions. Figure 4 contains color photographs of the site.

As can be seen from the color photographs in Figure 4, the site is essentially featureless, with the exception of a single structure. The site is enclosed within a chain link fence to prevent unauthorized access. The majority of the surface area is covered with asphalt. An area north of the structure is fallow and not covered by asphalt or concrete.

The on-site two story, approximate 5,000 square foot structure was constructed in the late 1930s and was used to house a fire station and police station. A community center was located on the second floor. Currently the structure is vacant. Portions of a small dirigible are stored in the garage area of the building.

The structure is constructed on a concrete pad and exterior walls are concrete block. The building contains typical interior improvements, including restrooms and a kitchen area. Given the date of construction, the structure may contain lead based paints and asbestos containing building materials.



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### 3.2.1 Municipal Infrastructure and Utilities

Municipal provisions for water and sanitary sewer are located on the site. Stormwater runoff is directed to a drainage inlet on the northern portion of the site and apparently directed to the adjacent curb/gutter infrastructure located along C and 3<sup>rd</sup> Streets.

No high-voltage, tower-mounted, electrical transmission lines were observed on or adjacent to the site. Neighborhood distribution, pole-mounted, electrical lines (12 kV) are located on the eastern side of the site. A single pole mounted electrical transformer is located at the east-central boundary. The transformer was not tagged as to its Polychlorinated Biphenyl (PCB) content.

A 12-inch diameter liquid petroleum buried pipeline owned and operated by Kinder Morgan Energy Partners (KMEP - formerly Santa Fe Pacific Pipeline Company) trends north/south beneath 3<sup>rd</sup> Street. At the northern terminus of 3<sup>rd</sup> Street at B Street, the pipeline apparently trends northeast, and continues beneath the Sacramento River toward the Union Pacific (former Southern Pacific) Rail yards located on the east side of the river near the north edge of the City of Sacramento central business district. The existing KMEP pipeline is part of a refined petroleum distribution network extending from California's Bay Area to Reno, Nevada.

### 3.3 Adjoining Properties

The site is bounded to the north by C Street and an under construction apartment complex. South of the site is the location of the former Capitol Plating facility. This facility is discussed in Sections 5.2.11 and 5.3 of this report. East of the site is a vacant lot and the bridges of the Southern Pacific Railroad and C Street. West of the site are residences and a vacant lot.



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### 4.0 INTERVIEWS

Interviews with various persons, including state and/or local agencies, were conducted to evaluate the site for evidence of conditions indicative of releases or threatened releases of hazardous substances on or adjacent to the site. Results of those interviews are discussed in the following sections.

#### 4.1 Current Owners, Operators and Occupants

According to Mr. Aaron Laurel with the City of West Sacramento, the City Redevelopment Agency currently owns the site. To the best of his knowledge, the site has been vacant for a while. Mr. Laurel recalled that the fire station and police station occupied the on-site building. When asked, Mr. Laurel was not aware of any existing USTs, ASTs, or hazardous materials storage on the site.

#### 4.2 Past Owners, Operators and Occupants

No information was made available to WKA regarding contact information for past owners, operators, and occupants. Therefore these interviews were not performed

#### 4.3 State and/or Local Government Officials

During previous report in the vicinity, concerning the possibility of leakage along the pipeline route beneath 3<sup>rd</sup> Street, WKA inquired with the California State Fire Marshall's Office. The State Fire Marshall's Office reported no records of leaks, ruptures or problems known to have occurred along the buried pipeline route in the immediate vicinity of the site.

#### 4.4 Abandoned Properties

As referenced in 40 CFR Part 312, *"In the case of inquiries conducted at "abandoned properties," as defined in §310.10, where there is evidence of potential unauthorized uses...or evidence of uncontrolled access to the abandoned property, the environmental professional's inquiry must include interviewing one or more (as necessary) owners or occupants of neighboring or nearby properties from which it appears possible to have observed uses of, or releases at, such abandoned properties..."* No evidence of potential unauthorized uses, or evidence of uncontrolled access to the site was observed. Therefore, WKA did not interview owners or occupants of neighboring properties.



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### 5.0 RECORDS REVIEW

The purpose of the records review is to obtain and review information concerning the current and historical use of the site and adjoining properties that would help to evaluate the site for evidence of conditions indicative of releases or threatened releases of hazardous substances on or adjacent to the site. The records review included review and discussion of the following, as available:

- Physical Setting Source(s)
- Historical Use Information
- Environmental Record Sources

#### 5.1 Physical Setting Source(s)

Based upon review of the United States Geologic Survey (USGS) *Sacramento West California Quadrangle*, 7.5-Minute topographic map (1992), the elevation of the site is approximately +20 feet relative to mean sea level (msl). The site is located in a portion of Section 27, Township 9 North, Range 4 East, Mount Diablo Base and Meridian (MDB&M).

##### 5.1.1 Regional and Local Geology

The site is located within the Great Valley geomorphic province of California, a large, elongate, northwest-trending structural trough, generally constrained to the west by the Coast Ranges and to the east by the foothills of the Sierra Nevada Range (Norris and Webb, 1990). The Great Valley consists of two valleys lying end-to-end, with the Sacramento Valley to the north and the San Joaquin Valley to the south.

The Sacramento and San Joaquin Valleys have been filled to their present elevations with thick sequences of sediment derived from both marine and continental sources. The sedimentary deposits range in thickness from relatively thin deposits along the eastern valley edge to more than 25,000 feet in the south central portion of the Great Valley (Norris and Webb, 1990). The sedimentary geologic formations of the Great Valley province vary in age from Jurassic to Quaternary, with the older deposits being primarily marine in origin. Younger sediments are continentally derived and were typically deposited in lacustrine, fluvial, and alluvial environments with their main source being the Sierra Nevada Range.





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The 1981 California Division of Mines and Geology, *Geologic Map of Sacramento, California Quadrangle* (Wagner et al, 1981), shows the site to be underlain by levee and channel deposits.

### 5.1.2 Soil Survey

Review of the June 1972 U.S. Department of Agriculture, Soil Conservation Service (SCS) *Soil Survey of Yolo County, California* indicates the near-surface soils on the subject property consist of the "Lang Sandy Loam, deep." The Lang Sandy Loam consists of poorly drained soils on alluvial fans. This soil has a subsoil of loamy fine sand. At a depth of forty to sixty inches lies a subsoil of clay or heavy silty clay loam. Slopes are less than one percent. The soil formed in a stratified sandy alluvium from mixed sources. When cultivated, historically this soil has been used for irrigated alfalfa, corn, carrots, sugar beets and tomatoes.

### 5.1.3 Radon

The 1990 *California Statewide Radon Survey, Interim Results*, based on the EPA/State Department of Health Services State Radon Survey (Department of Health Services 1990), predicts that only 3.6% of homes in Yolo County would exceed the EPA's recommended level of 4 pCi/l. Additionally, California ranks as the third lowest for percentage of homes exceeding 4 pCi/l of the 33 states participating in the study. Specific indoor radon information for the site can only be obtained subsequent to construction of site buildings where radon testing would be feasible. EPA recommends that all owners test their homes or commercial buildings for radon. Site-specific geology, construction materials and methodologies, use characteristics of building occupants and the quality of construction can all affect indoor radon results.

### 5.1.4 Regional and Local Groundwater

The site is located within the Sacramento Valley Groundwater Basin, as defined in *California's Groundwater*, Bulletin 118 published by the California Department of Water Resources (DWR) and updated in October 2003. Groundwater elevations in the vicinity of the site are estimated using depth-to-groundwater measurements taken at DWR-monitored well #9N/4E-34K1, located over approximately 3,000 feet southwest of the site. The measured groundwater elevations are summarized in the *Hydrographs* on Figure 4. The average ground surface elevation of the site is approximately +20 feet msl, as indicated in section 5.1 of this report.



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Well #9N/4E-34K1 was monitored for the timeframe 1968 to 2006. Groundwater elevations measured in well #9N/4E-34K1 have fluctuated from a high of +17.8 feet msl during the spring of 1986 to a low of +1.9 feet msl during the fall of 1977. The ground surface elevation of this well is reported by DWR as approximately +18.4 feet msl. Groundwater in the site vicinity, therefore, is estimated to have historically varied at this location from approximately 0.6 to 16.5 feet below the ground surface.

Review of the *Spring 2004 Groundwater Contour Map for the Yolo County* area prepared by Wood Rodgers, dated 2004 revealed that regional groundwater flow is predicted to be east to southeast. Regional groundwater flow direction can be affected, at least temporarily, by agricultural groundwater pumping, time of year, and stage fluctuation of local creeks, canals, and the nearby Sacramento River. The referenced map's estimated depth-to-groundwater in the vicinity of the site is +15 feet msl or approximately 5 feet below existing grade.

### 5.2 Historical Use Information

Historical information was reviewed to develop a history of the previous uses of the site and surrounding area, in order to evaluate the site and adjoining properties for evidence of conditions indicative of releases or threatened releases of hazardous substances on or adjacent to the site. Standard historical sources reviewed during the preparation of this report included the following, as available:

- Sanborn® Maps
- Topographic Maps
- Aerial Photographs
- Oil and Gas Well Maps
- Building Department Records
- Local Street Directories
- Zoning Records
- Land Use Records
- Other Historical Sources
- Prior Assessments

Discussion of these historical sources is provided in the following sections.



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### 5.2.1 Sanborn® Maps

The availability of Sanborn® Maps with coverage of the site area was determined by Environmental Data Resources, Inc. (EDR®). EDR® is a national commercial provider of environmental database information. Sanborn® Maps are detailed drawings of site development, and were typically used by fire insurance companies to determine site fire insurability. Sanborn® Maps with coverage of the site include maps dated 1895 through 1970 (non-inclusive). The maps received from EDR are discussed below by year.

1895

According to the Sanborn Map the site contains a two-story schoolhouse, two dwellings, and two sheds. C Street is labeled as Elizabeth Street. The area immediately south of the site is vacant land. The Southern Pacific Railroad Tracks are mapped along Ann Street (currently D Street). Approximately 150 feet southeast of the site, at the corner of Ann and 2<sup>nd</sup> Streets, are buildings labeled "Standard Oil Company WARE HO'S [warehouse]." The area immediately east of the site contains four dwellings and a vacant lot. The site is shown to be located in "Washington, California."

1915

A structure labeled "Town Hall, Fire Dept" is mapped on the northwestern area of the site. Additional structures mapped as dwellings and outbuildings are mapped on the eastern and southern portion of the site. The surrounding area is mapped similar to that described in the review of the 1895 map.

1950

By 1950 the existing firehouse is mapped. The "Town Hall" is still mapped as well. The eastern portion of the site contains structures labeled as "Cabins." A small structure labeled "Jail" is mapped adjacent to the Town Hall. "Plating Works" is mapped adjacent to and south of the site. The Plating Works, a.k.a. Capitol Plating, is discussed in Section 5.3 of this report. A gas station is mapped off-site to the west at the southwestern intersection of 3<sup>rd</sup> and C Streets. Washington School is mapped at the northwest corner of the intersection of 3<sup>rd</sup> and C Streets.



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1952

The site appears similar to the 1950 map, the only exception being the structure labeled Town Hall is no longer mapped.

1957, 1960, 1968, and 1970

The site again appears to be similar to the previous mapping. A structure is mapped in the former location of the Town Hall. The text on the maps is mostly illegible; therefore the type of building is undetermined. Each of the four maps is similar if not identical. The Sacramento Bridge has been constructed and mapped as early as 1957, adjacent to and east of the site.

### 5.2.2 Topographic Maps

Historical USGS topographic maps with coverage of the site and outlying land areas were made available by EDR<sup>®</sup> and were reviewed by WKA. Maps dated 1907, 1916, 1949, 1954, 1967, 1975, and 1992 were available for review. The maps are each discussed by date below. The most recent map (1992) has been adapted to serve as Figure 2 of this report.

1907

*Davisville Quadrangle*

Scale: 1:62,500

The site is mapped as part of the town of "Washington." C and 3<sup>rd</sup> Streets are mapped but not labeled. Structures are mapped on the site.

1916

*Lovdal Quadrangle*

Scale: 1:31,680

The site is shown similar to the 1907 mapping. No significant changes were observed.



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1949

*Sacramento West Quadrangle*

Scale: 1:24,000

By 1949 West Sacramento is mapped south of the site. The site is mapped in "Broderick." Several structures are mapped on the site. Levees have been constructed and mapped.

1954, 1967, 1975, and 1992

*Sacramento West Quadrangle*

Scale: 1:24,000

These maps contain omission tinting in areas that contain dense development such as the West Sacramento area. The site is part of a larger land area covered by the tinting.

No evidence was observed on any of the reviewed topographic maps to suggest the site was disturbed by human activities typically mapped by the USGS, such as the following: quarrying; installation or removal of pits or lagoons; occurrences of dredging or subsurface or surface mining; or, deposition of historically placed *USGS topographically mappable* quantities of imported fill materials. Levee in the area were constructed to the east and north of the site.

### 5.2.3 California Oil/Gas Well Maps

Review of California Department of Conservation, Division of Oil, Gas, and Geothermal Resources (DOGGR) map 614, dated October 2002, shows that the site is not located within a designated Natural Gas Field. No listed plugged, abandoned or active DOGGR wells were located on or adjacent to the site based on review of DOGGR map.

### 5.2.4 Aerial Photographs

Historical aerial photographs of the site and general vicinity were obtained through EDR®. Photographs covering the years 1952, 1961, 1971, 1981, 1994, and 1998 were reviewed; the results of which are discussed below by year.



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1952, 1961, 1971, 1984

In these photographs the structures mentioned in the review of the 1950 and 1952 Sanborn Maps are visible; the firehouse, town hall, and jail. No significant changes are noted on the site.

1998

In the 1998 photograph, the site contains a single structure, the existing firehouse.

### 5.2.5 Ownership Records

No ownership records, such as a Chain of Title Report, were made available to WKA during the timeframe of this assessment. As indicated on Figure 3, the site is currently owned by the City of West Sacramento.

### 5.2.6 Building Department Records

Building department records for the site were accessed through the City of West Sacramento's Community Development website (<http://www.cityofwestsacramento.org>). A single permit for a "Sales Trailer (River's side at Washington Square)" was applied for in September 2006. The permit was canceled, however. No other building department records were encountered for the site.

### 5.2.7 Local Street Directories

Historic business (street) directories with coverage of the site addresses were reviewed through EDR<sup>®</sup>. The directories contain business and residential listings based on street number identifiers. According to the EDR<sup>®</sup> search the site addresses were not encountered in the reviewed directories.

### 5.2.8 Zoning Records

The site is zoned as Waterfront. According to the City of West Sacramento, the Waterfront Zone is designated for high density mixed uses.



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### 5.2.9 Land Use Records

Other than zoning information obtained from the City of West Sacramento, no land use records were encountered for the site. No indications of agriculture were encountered for the site.

### 5.2.10 Other Historical Sources

No other historical sources of information were reviewed during the preparation of this report.

### 5.2.11 Prior Assessments

Two prior assessments were made available to WKA for review during completion of this assessment. One was prepared in 2000 and the other in 2006. Both reports are briefly summarized below.

#### Ecology and Environmental, Inc.

In February 2000, Ecology and Environmental, Inc. (EEI) published a Brownfields Site Investigation Sampling and Analysis Report for the Washington Firehouse site. The report was mainly prepared to address potential contamination on the site due to the activities of the adjacent former Capitol Plating facility to the south. A former underground storage tank existed on the site until the late 1980s, when it was removed. At the time of removal no sampling of soils or groundwater was done. The EEI report included testing for constituents that may have contaminated the site as a result of a leak from the tank.

The EEI project consisted of collecting 53 soil samples, six groundwater samples, and 27 soil-gas samples from the site. A copy of the EEI sampling location map is included in Appendix B of this report. Analysis of those samples consisted of testing for the following constituents: volatile organic compounds (including but not limited to trichloroethene (TCE) and tetrachloroethene (PCE)) as well as metals (including but not limited to lead, zinc, chromium).

Conclusions in the EEI report stated that nickel and lead were detected in some soil samples above California regulatory standards, but below the Federal standards. Cadmium, nickel, and chromium were detected in groundwater samples above regulatory standards. No other constituents of interest were detected above regulatory standards. No recommendations



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concerning nickel were made in the EEI report. EEI concluded that the lead concentrations in the soil may warrant additional assessment if the soils are disturbed during redevelopment. Groundwater was not considered a significant consideration due to the fact that contaminants appear to have come from an offsite source and because drinking water in the area is from municipal wells.

### Wallace-Kuhl & Associates

In November 2006, WKA published a *Shallow Lead Soil Investigation Report of Findings* for 3<sup>rd</sup> Street Fire Station. The report references a *Site Summary Report* completed in 2004 by URS Corporation in which a high concentration of lead was discovered in a composite sample taken by URS on the northeastern portion of the site. WKA completed additional sampling in order to assess the existence and extent of contamination on the site.

WKA collected 75 soil samples at 25 locations on the site. Samples were taken at 0 to 6, 6 to 12, and 12 to 18 inches below the ground surface and analyzed for lead. During the investigation ceramic shards, brick, nails, and bone material were encountered beneath the asphalt paving on portions of the site, possibly suggesting that fill material is present onsite. The concentrations of lead encountered on the site ranged from 6.2 to 8,100 mg/kg. Of the 75 samples collected, 23 exceeded regulatory criteria. Based on the results of the investigation, WKA recommended an additional, more intense investigation to determine the vertical and lateral extent of fill material and analyzing the soil samples using the DI Wet analysis to assess the potential for dissolved lead migration to groundwater. Additionally, WKA stated that if removed from the site, the lead impacted soils would be considered hazardous waste under California state regulations.

### 5.3 Environmental Record Sources

EDR<sup>®</sup> was contacted to provide a summary of facilities listed on regulatory agency databases (EDR<sup>®</sup> August 2006). EDR<sup>®</sup> used the 40 CFR 312, §312.26-designated search radii during review of the regulatory agency databases shown on Table 1. Appendix D contains several agency databases and corresponding descriptions.

Review of database information obtained from EDR included but was not limited to, the Regional Water Quality Control Board (RWQCB) *Leaking Underground Storage Tanks (LUST)*, the *CORTESE*, and the RWQCB *Spills, Leaks, Investigations, and Cleanups (SLIC)*. Reviewed





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information revealed that at least nine facilities located within one-half mile of the site are known to have experienced an unauthorized hazardous materials release (Table 1). At least six of these facilities have received a "Case Closed" status by the lead-investigating agency. The Washington Firehouse site itself was identified on the United States Brownfield's database and the Yolo County Environmental Management Department database. The site and the three "open" facilities are discussed in the subheadings below. The former gas station mentioned in review of the Sanborn Maps and aerial photographs (Sections 5.2.1 and 5.2.4 respectively) was not encountered on any of the reviewed databases.

### Washington Firehouse

The structure that housed the City of West Sacramento Firehouse/Police Department is located on the site. Yolo County-assembled information pertaining to the site indicates that a 500-gallon gasoline UST was removed from the site in October 1988. Information pertaining to subsurface conditions at the site in regards to the former tank are included in a October 20, 1988 Yolo County *Underground Tank Abandonment Inspection and Certificate*, which stated the tank "had signs of corrosion but no holes. Soils had no odors, no stains. Soil sample collected." Apparently, no follow-up was performed with respect to the UST removal until the EEI report in February 2000 (discussed in Section 5.2.11 of this report).

### Capitol Plating

From 1949 to 1985, the facility located at 319 3<sup>rd</sup> Street, adjacent to and south of the site, had been leased to the former Capitol Plating Company (owned by Stockton Plating Inc.). A fire destroyed one of the buildings at the facility in 1985, and Capitol Plating closed a year later. Presently, no structures are located on the facility parcel. A state inspection of the property in 1986 found elevated levels of copper, nickel, and zinc. During several site investigations between 1997 to the present, groundwater was found to be impacted by chromium, nickel, copper, arsenic, cyanides, and 1,2-dichloroethane and possibly cadmium and soil has been found to be impacted with lead. In January 2000, a Technical Advisory Committee met to discuss a site characterization and a site remediation plan. The DTSC has labeled this site as Needing Further Evaluation (NFE).



## EXHIBIT C

During previous work WKA spoke to Mr. Ed Cargile, DTSC case manager for the former Capitol Plating Facility. Mr. Cargile stated that DTSC has completed the site characterization for the facility on behalf of the City of West Sacramento, utilizing the Brownsfield's grant. The unique hydraulic conditions in the area, directly influenced by the tidal changes of the Sacramento River, render the lateral groundwater contamination static. As stated in Section 5.2.11 of this report, studies completed for the site and adjacent Capitol Plating facility have revealed contamination on the site that may have originated from the Capitol Plating facility.

### Milne Trucking

Milne trucking is located approximately 2,300 feet southwest of the site, at 830 E Street. According to Yolo County file information, "tanks failed test after 1986 installation. Removed March 1987, replaced. Soil vapor & soil boring found slight contamination. Water being monitored pending review by RWQCB [Regional Water Quality Control Board]. Remediation plan approved by RWQCBR Jan 24, 1990. Not implemented yet." No other information was found concerning the facility.

### Gary's Mohawk Service Case # 2

Gary's Mohawk is located at 427 C Street, approximately 500 feet westerly of the site. According to a Leaking Underground Fuel Tank Report accessed through the State of California Water Resources Control Board's GeoTracker website, during an assessment in 2004 a leak was discovered in an underground storage tank. The tank was removed. Groundwater appears to have been impacted. According to the County file, the groundwater in the area is not used for drinking water. No other information was available.

#### 5.3.1 Environmental Lien Search

An environmental lien search was performed by EDR® for the parcel number associated with the site. According to EDR® information pertaining to Environmental Liens was not found by EDR®. EDR® representative stated that the APN could not be searched because of its association with a government agency (Sacramento redevelopment agency) and therefore no report was generated. However, the User Questionnaire completed by the City indicated that there is no knowledge of any Environmental Liens for the site.



## EXHIBIT C

### 6.0 CONCLUSIONS AND RECOMMENDATIONS

#### 6.1 Data Gaps

The historical research presented in this report documented the property use back to 1895. The time interval between the Standard Historical Sources exceeded the minimum five-year period and therefore represents a data gap. However, the data gap is not considered significant in terms of evaluating the site for evidence of conditions indicative of releases or threatened releases of hazardous substances on or adjacent to the site since the overall use of the site during the years where the data gaps were identified has not changed significantly over time. No other significant data gaps were identified during the preparation of this report that affect the ability of the Environmental Professional to evaluate the site for evidence of conditions indicative of releases or threatened releases of hazardous substances on or adjacent to the site.

#### 6.2 Conclusions

The historical land use research dating back to 1895, which included reviews of topographic maps, aerial photography, assessor records, and other standard historical documents revealed that the site has been structurally developed for at least the past 112 years, including cabins, dwellings, a town hall, and fire station.

Review of agency records, interviews, and review of previous reports completed for the site revealed evidence of hazardous materials contamination on and adjacent to the site, originating from the Capitol Plating facility to the south. The site itself was found to have contained a UST that was removed in 1987. No evidence of a confirmed leak from the former UST was encountered in the reviewed documentation.

Review of the User Questionnaire (Appendix B) completed by City of West Sacramento, did not reveal any records of Environmental Cleanup Liens or Activity and Use Limitations (AULs) currently recorded against the site. No specialized knowledge or experience that is material in evaluating the site for evidence of conditions indicative of releases or threatened releases of hazardous substances on, at, in or to the site was identified. However, contamination originating from the off-site Capitol Plating facility, to the south, is known to have impacted the site. Concerning the relationship of the purchase price to the fair market value of the site, the site is being leased and not purchased therefore this question is not applicable.



## EXHIBIT C

### 6.3 Recommendations

This assessment has revealed evidence of "conditions indicative of releases or threatened releases of hazardous substances, pollutants, contaminants, petroleum and petroleum products, and controlled substances (as defined in 21 U.S.C 802) on, at, in or to the site." Those conditions were discussed in some detail within this report.

WKA recommended an additional, more intense investigation to determine the vertical and lateral extent of fill material and analyzing soil sample using the DI Wet analysis to assess the potential for dissolved lead migration to groundwater. Additionally, WKA stated that if removed from the site, the lead impacted soils would be considered hazardous waste under California state regulations. It is the understanding of WKA that at this time, Kleinfelder is under contract with the DTSC for future assessments on the Washington Firehouse Site.

In summary, WKA has performed this AAI in conformance with the scope and limitations as defined in 40 CFR Part 312, *Standards and Practices for All Appropriate Inquiries* for the Washington Firehouse located in West Sacramento, California. Any exceptions to, or deletions from, this practice are described in Section 6.4 of this report.

### 6.4 Exceptions and/or Deletions

No exceptions or deletions from the *Standards and Practices for All Appropriate Inquiries* were made during the preparation of this report.

### 6.5 Additional Services

Non-scope considerations, such as naturally occurring asbestos (NOA), wetlands evaluation, laboratory testing of the soils and groundwater beneath the site for environmental contaminants (such as agricultural-related pesticides, termiticides, polychlorinated biphenyls [PCBs], or arsenic and lead), and assessments for asbestos containing materials and lead-based paint were not included or requested as part of this ESA. These additional components can be provided as part of an additional assessment, if requested.



## EXHIBIT C

All Appropriate Inquiry Report  
Washington Firehouse  
WKA No. 6200.16

Page 19  
January 2, 2007

### 7.0 LIMITATIONS

The statements and conclusions in this report are based upon the scope of work described above and on observations made only on the date of the field reconnaissance, December 1, 2006. Work was performed using a degree of skill consistent with that of competent environmental consulting firms performing similar work in the area. Information regarding the site that is *publicly available* and *practically reviewable*, as described in 40 CFR Part 312, *Standards and Practices for All Appropriate Inquiries* was obtained. Additional research or receipt of information regarding the site that was not disclosed or available to WKA during this assessment may result in revision of the conclusions.

The conclusions in this report should be reevaluated if site conditions change. No recommendation is made as to the suitability of the site for any purpose. The results of the assessment do not preclude the possibility that materials currently or in the future defined as hazardous are present on the site, nor do the results of the work guarantee the potability of groundwater beneath the site. This report is applicable only to the investigated site and should not be used for any other property. No warranty is expressed or implied.

BPM:RLW:lmb

N:/dept7/Active/6200.08 Washington Firehouse AAI

## EXHIBIT C

All Appropriate Inquiry Report  
Washington Firehouse  
WKA No. 6200.16

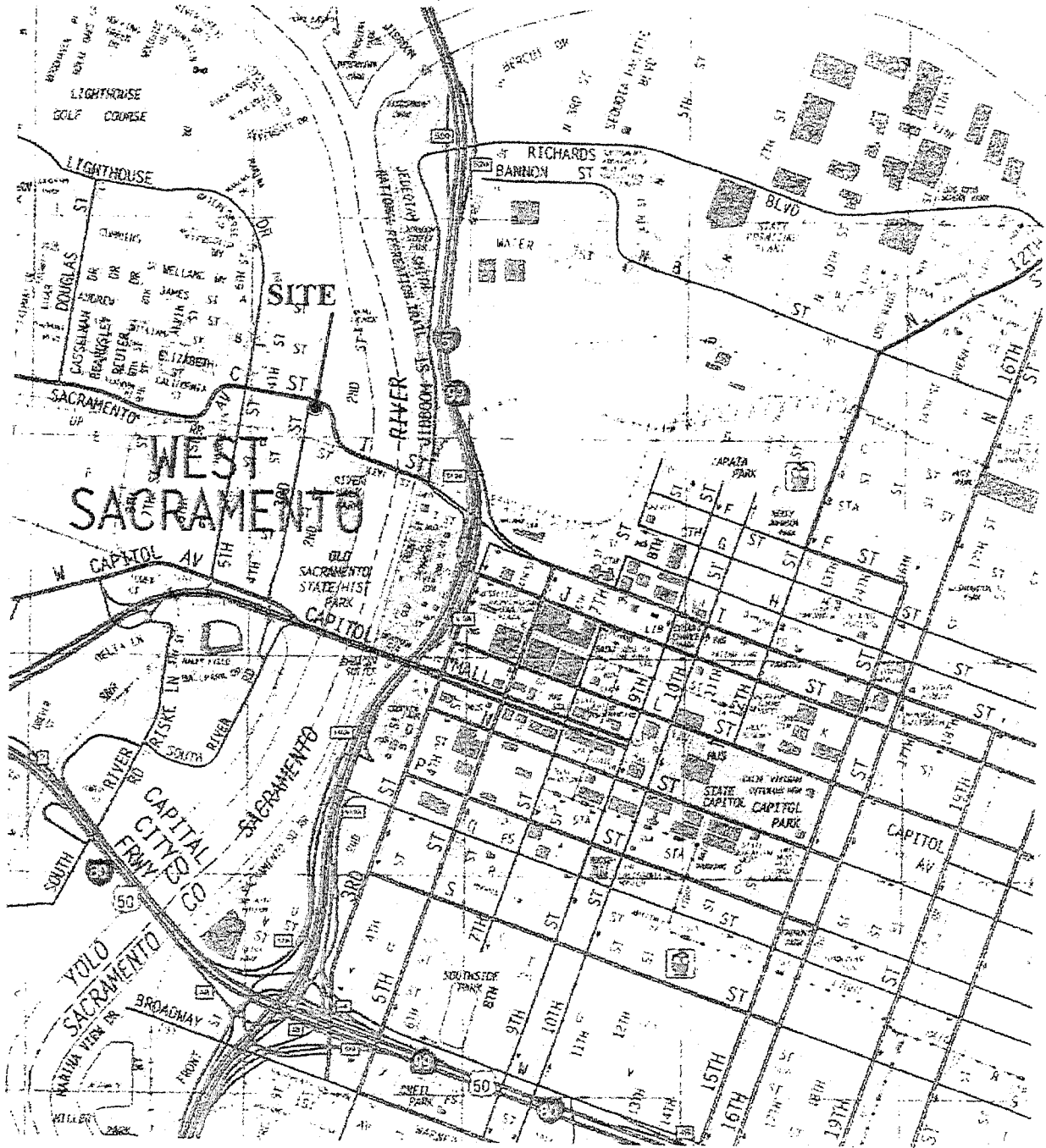
Page 20  
January 2, 2007

### 8.0 REFERENCES

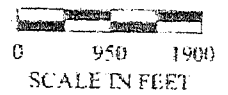
- Environmental Protection Agency. 2006. 40 CFR Part 312, *Standards and Practices for All Appropriate Inquiries*, (November 1, 2005).
- Environmental Data Resources, Inc. 2006. *EDR Radius Map with Geocheck, Washington Firehouse, Inquiry Number 1768726.2s*, Milford, Connecticut, (October 4, 2006).
- Environmental Data Resources, Inc. 2006. *The EDR Aerial Photo Decade Package, Washington Firehouse, Inquiry Number 1768726.5*, Milford, Connecticut, (October 4, 2006).
- Environmental Data Resources, Inc. 2006. *The EDR Topographic Map Report, Washington Firehouse, Inquiry Number 1768726.4*, Milford, Connecticut, (October 4, 2006).
- California Department of Health Services. 1990. *California Statewide Radon Survey, Interim Results*.
- State of California, Department of Conservation, Division of Oil, Gas, and Geothermal Resources, *District 6, Northern California*.
- Wagner, D.L., et al, State of California Department of Mines and Geology, *Geologic Map of the Sacramento Quadrangle, California* [map]. 1:250,000, Regional Geologic Map Series, Map No. 1A (Geology) Sheet 1 of 4. Capitol Heights, MD: William Heintz Map Corporation, 1981.



# EXHIBIT C



Adapted from the Thomas Guide  
Sacramento County Street Guide and  
Directory, 2006 edition.



WALLACE-KUHL &  
ASSOCIATES, INC

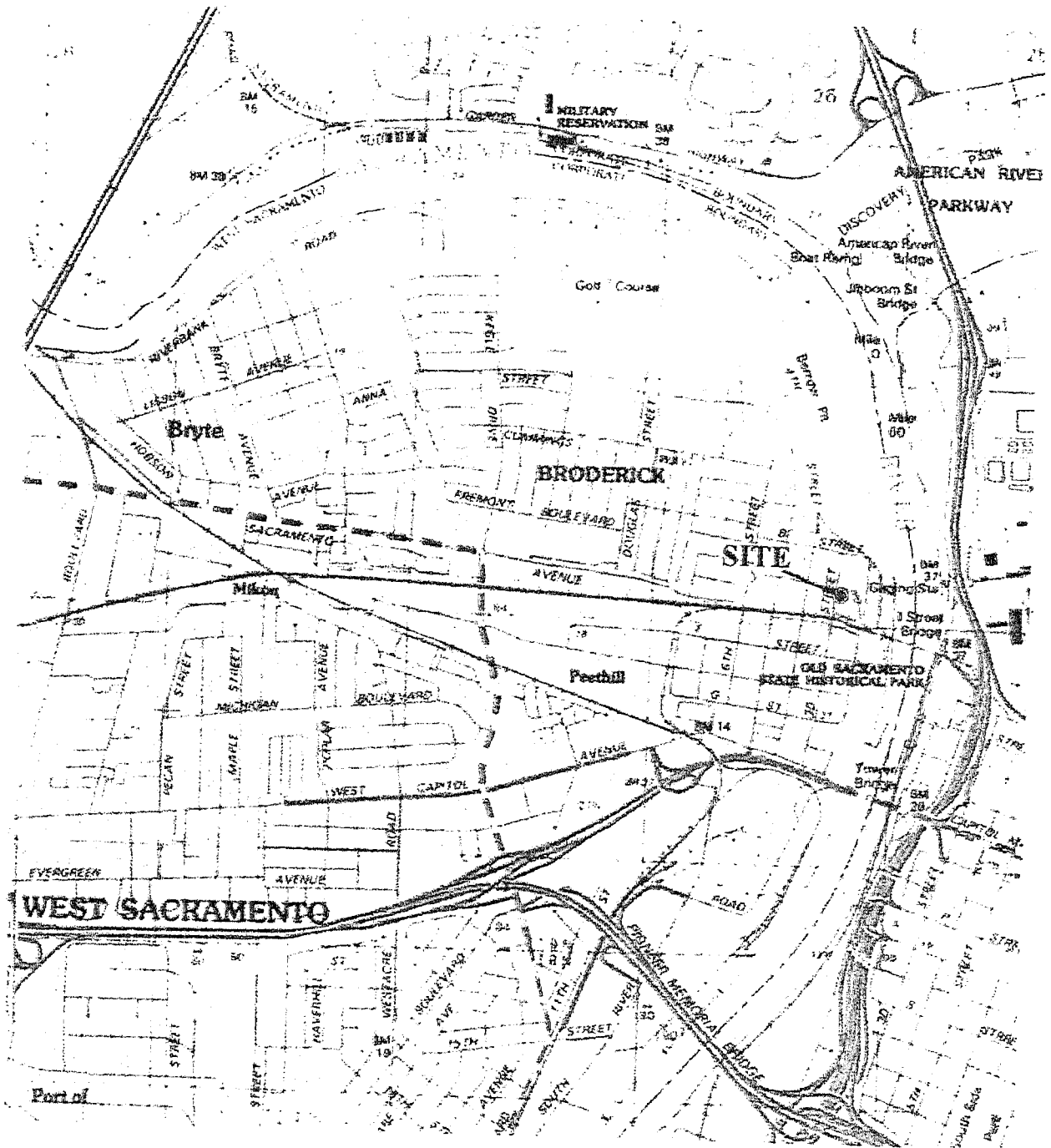
VICINITY MAP  
WASHINGTON FIREHOUSE  
City of West Sacramento, California

FIGURE 1

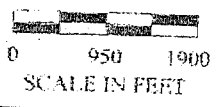
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|-------------|-------|
| DRAWN BY    | BPM   |
| CHECKED BY  | RLW   |
| PROJECT MGR | BPM   |
| DATE        | 12/06 |

WKA NO. 6200.16

# EXHIBIT C



Adapted from the Thomas Guide  
Sacramento County Street Guide and  
Directory, 2006 edition.



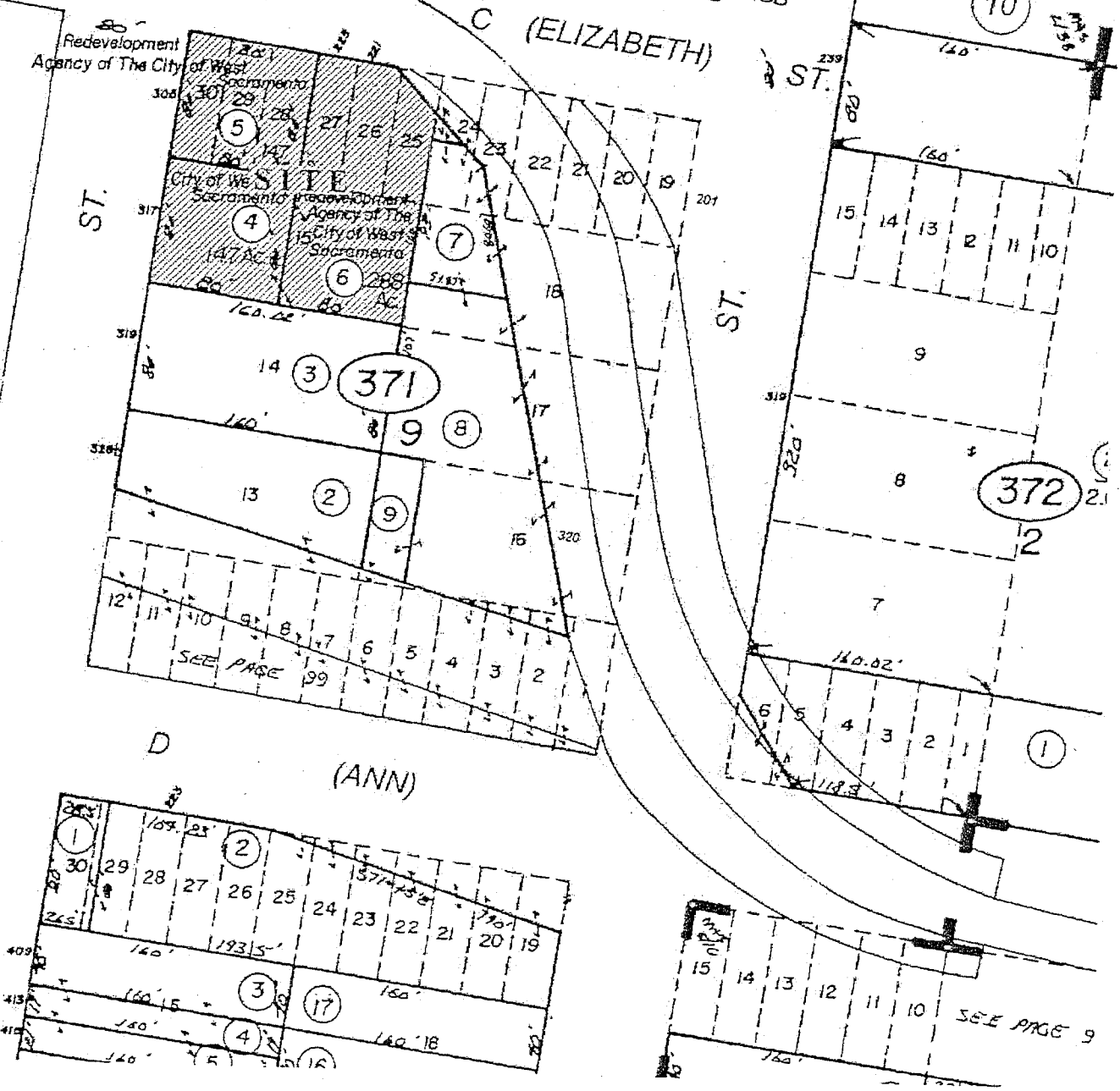
TOPOGRAPHIC MAP  
WASHINGTON FIREHOUSE  
City of West Sacramento, California

|                        |       |
|------------------------|-------|
| <b>FIGURE 2</b>        |       |
| DRAWN BY               | JPM   |
| CHECKED BY             | RLW   |
| PROJECT MGR            | BPM   |
| DATE                   | 12/06 |
| <b>WKA NO. 6200.16</b> |       |

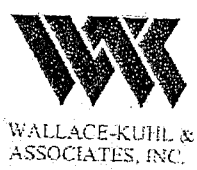


EXHIBIT C

OR. T. 9N., R. 4E., M. DB. & M.



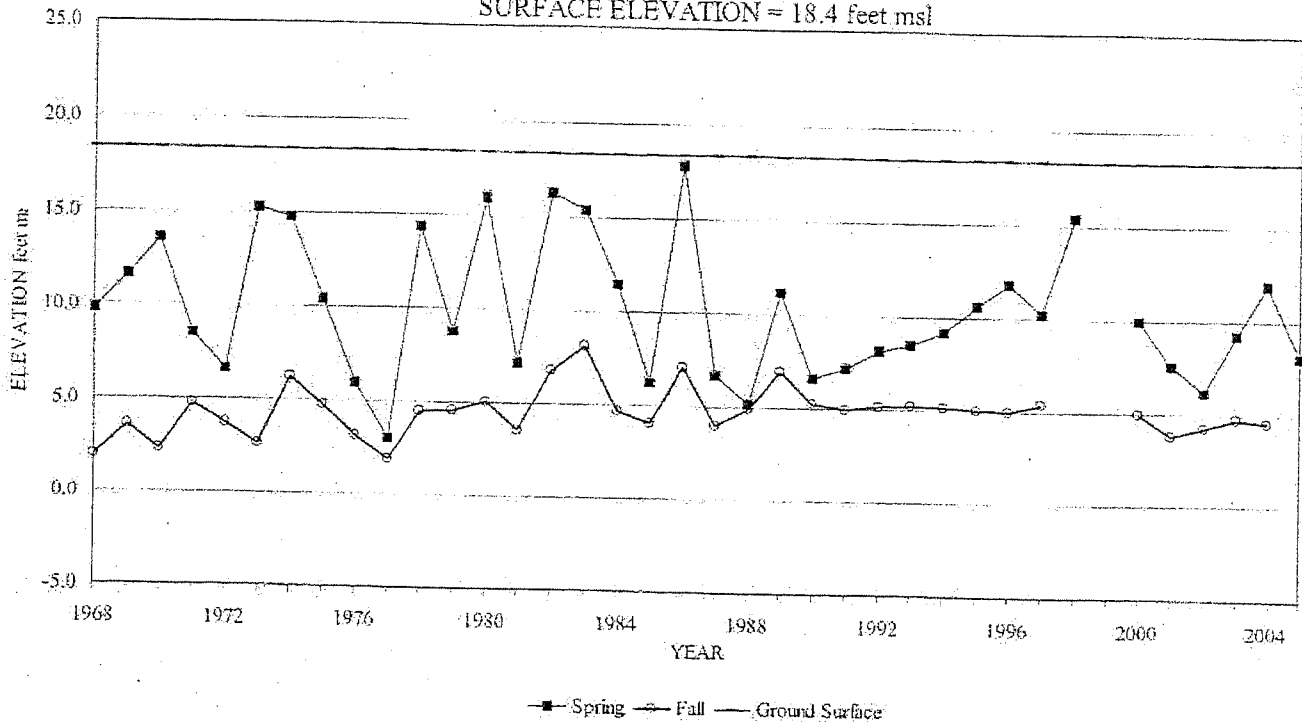
Adapted from Yolo County Assessor's Parcel Map Book 10, Page 37.



PARCEL MAP  
WASHINGTON FIREHOUSE  
City of West Sacramento, California

|                 |       |
|-----------------|-------|
| FIGURE 3        |       |
| DRAWN BY        | BPM   |
| CHECKED BY      | RLW   |
| PROJECT MGR     | BPM   |
| DATE            | 12/06 |
| WKA NO. 6200.16 |       |

**EXHIBIT C**  
**STATE WELL #9N/4E-34K1**  
**SURFACE ELEVATION = 18.4 feet msl**



| Year | Spring | Fall |
|------|--------|------|
| 1968 | 9.8    | 2.0  |
| 1969 | 11.6   | 3.6  |
| 1970 | 13.6   | 2.3  |
| 1971 | 8.5    | 4.8  |
| 1972 | 6.6    | 3.7  |
| 1973 | 15.3   | 2.7  |
| 1974 | 14.8   | 6.3  |
| 1975 | 10.4   | 4.8  |
| 1976 | 6.0    | 3.2  |
| 1977 | 3.0    | 1.9  |
| 1978 | 14.4   | 4.5  |
| 1979 | 8.8    | 4.6  |
| 1980 | 16.0   | 5.1  |
| 1981 | 7.2    | 3.6  |
| 1982 | 16.3   | 6.8  |
| 1983 | 15.4   | 8.2  |
| 1984 | 11.5   | 4.7  |
| 1985 | 6.3    | 4.1  |
| 1986 | 17.8   | 7.1  |

| Year | Spring | Fall |
|------|--------|------|
| 1987 | 6.7    | 4.0  |
| 1988 | 5.2    | 4.9  |
| 1989 | 11.2   | 7.0  |
| 1990 | 6.6    | 5.3  |
| 1991 | 7.2    | 5.0  |
| 1992 | 8.2    | 5.2  |
| 1993 | 8.5    | 5.3  |
| 1994 | 9.2    | 5.2  |
| 1995 | 10.6   | 5.1  |
| 1996 | 11.8   | 5.0  |
| 1997 | 10.3   | 5.4  |
| 1998 | 15.4   |      |
| 1999 |        |      |
| 2000 | 10.0   | 5.0  |
| 2001 | 7.6    | 3.9  |
| 2002 | 6.2    | 4.3  |
| 2003 | 9.3    | 4.8  |
| 2004 | 12.0   | 4.6  |
| 2005 | 8.1    |      |



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**& ASSOCIATES INC.**

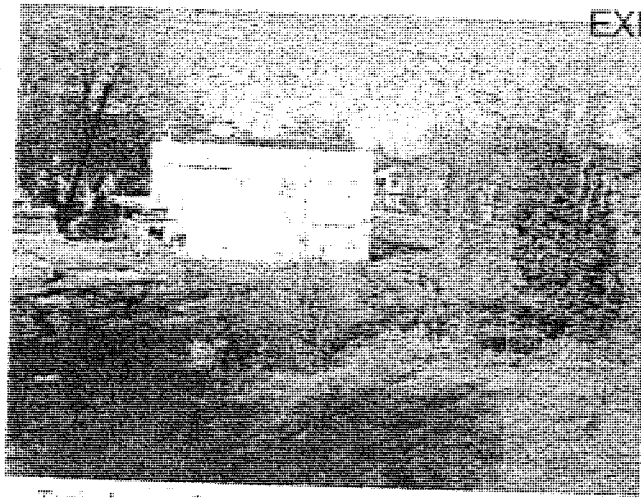
**HYDROGRAPH**  
**WASHINGTON FIREHOUSE**  
 West Sacramento, California

**FIGURE 4**

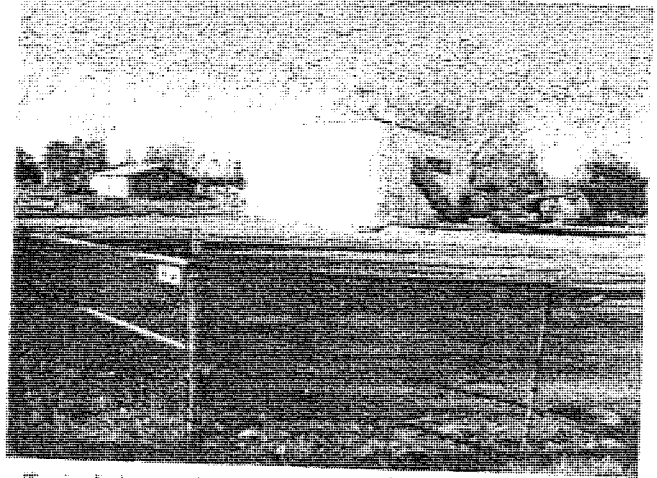
|             |       |
|-------------|-------|
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| CHECKED BY  | MOB   |
| PROJECT MGR | BPM   |
| DATE        | 12/06 |

**WKA NO. 6200.16**

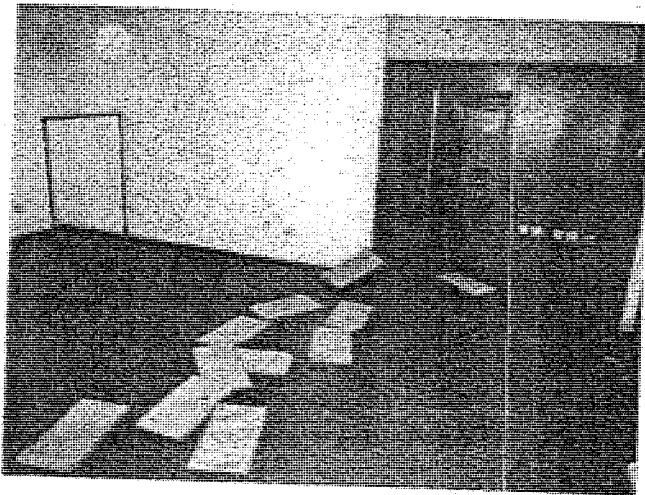
EXHIBIT C



Typical view of the site as seen from 2<sup>nd</sup> Street and the I-Street Bridge, looking to the West. The former Capitol Plating facility is indicated by the arrow.

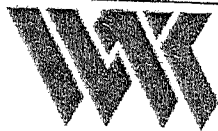
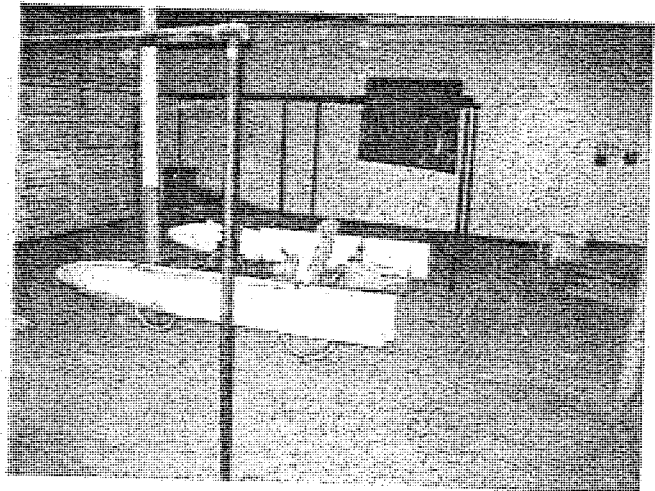


Typical view of the site looking to the southwest as seen from near the north eastern corner.



Typical interior view of the Washington Firehouse.

Interior view of the garage area of the Washington Firehouse.



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& ASSOCIATES INC.

COLOR PHOTOGRAPHY  
WASHINGTON FIREHOUSE  
West Sacramento, California

FIGURE 5

|             |       |
|-------------|-------|
| DRAWN BY    | RPM   |
| CHECKED BY  | RLW   |
| PROJECT NO. | 6200  |
| DATE        | 12/90 |

WKA NO. 6200.16

**Table 1**  
**EXHIBIT C**  
**AGENCY DATABASE SUMMARY**

WKA No. 7451.01  
Elk Grove Promenade

|  | <i>EDR Listed Database</i>     | <i>ASTM E 1527-00 Search Distance</i> | <i>Date of Government Version</i> | <i>Date of last EDR contact</i> | <i>No. of Facilities Listed (within Search Radius)</i> | <i>For Facility Listings see the following pages</i>   |
|--|--------------------------------|---------------------------------------|-----------------------------------|---------------------------------|--|--|
| <b>Federal</b>   |                                |                                       |                                   |                                 |  |  |
| Federal NPL Site List  | <i>NPL</i>                     | 1-mile                                | 07/05/06                          | 11/01/06                        | 0  |  |
| Federal Delisted NPL Site List   | <i>Delisted NPL</i>            | 1/2-mile                              | 07/05/06                          | 11/01/06                        | 0  |  |
| Federal CERCLIS List   | <i>CERCLIS</i>                 | 1/2-mile                              | 06/16/06                          | 09/21/06                        | 0  |  |
| Federal CERCLIS NFRAP Site List  | <i>CERCLIS NFRAP</i>           | 1/2-mile                              | 07/17/06                          | 09/18/06                        | 0  |  |
| Federal RCRA CORRACTS Facilities List  | <i>CORRACTS</i>                | 1-mile                                | 03/15/06                          | 09/05/06                        | 1  | Southern Pacific Transportation Company  |
| Federal RCRA Generators List:  | <i>RCRAInfo</i>                |                                       |                                   |                                 |  |  |
| Small Quantity and Large Quantity Generators                                   | <i>RCRA SQG</i>                | site & adjoining                      | 06/13/06                          | 09/28/06                        | 1  | Stockton Plating, Inc.   |
|  | <i>RCRA LOG</i>                |                                       | 06/13/06                          | 09/28/06                        | 0  |  |
| Landfills and Solid Waste Management Units                                     | <i>RCRA TSDF</i>               | 1/2-mile                              | 06/13/06                          | 09/28/06                        | 0  |  |
| Federal Institutional Control / Engineering Control Registries                 | <i>US ENG Controls</i>         | site only                             | 03/21/06                          | 09/07/06                        | 0  |  |
|  | <i>US INST Controls</i>        |                                       | 03/21/06                          | 09/07/06                        | 0  |  |
| Federal ERNS List  | <i>ERNS</i>                    | site only                             | 12/31/05                          | 10/24/06                        | 0  |  |
| Brownfield Sites   | <i>US Brownfields</i>          | 1/2-mile                              | 07/10/06                          | 09/11/06                        | 1  | Washington Firehouse   |
| <b>State</b>   |                                |                                       |                                   |                                 |  |  |
| State-equivalent NPL (Hist. Cal-Sites)   | <i>Hist. Cal-Sites</i>         | 1-mile                                | 08/08/05                          | 08/28/06                        | 7  | Southern Pacific, Sacramento - Sand Piles<br>Sacramento Station<br>Battery Shop Yard<br>Union Pacific, - Lagoon<br>Jibboom Junkyard<br>Sacramento Housing & Redevelopment<br>Capitol Plating |
| State-equivalent CERCLIS   | <i>RESPONSE</i>                | 1/2-mile                              | 08/08/05                          | 08/30/06                        | 1  |  |
| State Landfill and/or Solid Waste Disposal Site Lists                          | <i>SWFLF (SWIS)</i>            | 1/2-mile                              | 09/13/06                          | 09/13/06                        | 0  |  |
|  | <i>WMU/SSWAT</i>               |                                       | 04/01/00                          | 09/05/06                        | 0  |  |
| State Leaking Underground Storage Tanks  | <i>LUST - Reg 5 Geotracker</i> | 1/2-mile                              | 10/11/06                          | 10/12/06                        | 8  | Gary's Service, Gary's Mohawk Service Case # 2, Former Hudson, On the Ball Graphics, Old Trailways Property, Community Center, Raley's Landing/Parrish, Milne Trucking                       |
| Tribal Leaking Underground Storage Tanks                                       | <i>Indian LUST - Reg 9</i>     | 1/2-mile                              | 09/06/06                          | 11/17/06                        | 0  |  |
| State Registered Underground Storage Tanks                                     | <i>LUST</i>                    | site & adjoining                      | 10/11/06                          | 10/12/06                        | 4  | Lehrer Vacant Lot, Capitol Plating, Lighthouse Pump Station, Gary's Service  |
| Tribal Registered Underground Storage Tanks                                    | <i>Indian LUST - Reg 9</i>     | site & adjoining                      | 09/06/06                          | 11/17/06                        | 0  |  |
| State Registered Aboveground Storage Tanks                                     | <i>AST</i>                     | site & adjoining                      | 01/30/06                          | 10/30/06                        | 0  |  |
| State Institutional Control Registries (No State-equivalent for Eng. Controls) | <i>DEEDS</i>                   | site only                             | 10/04/06                          | 10/05/06                        | 0  |  |
| State Voluntary Cleanup Sites  | <i>VCP</i>                     | 1/2-mile                              | 08/29/06                          | 08/30/06                        | 0  |  |
| <b>Additional Environmental Record Sources</b>                                 |                                |                                       |                                   |                                 |  |  |
| Hazardous Waste & Substances Sites List  | <i>CORTESE</i>                 | 1/2-mile                              | 04/01/01                          | 09/05/06                        | 7  | Gary's Service, Former Hudson, On the Ball Graphics, Old Trailways Property, Community Center, Raley's Landing/Parrish, Milne Trucking   |
| DTSC Envirostor (includes Cal-Sites)   | <i>Envirostor</i>              | 1-mile                                | 08/08/05                          | 08/30/06                        | 17   | See attached sheet   |
| SLIC   | <i>SLIC - Reg 5</i>            | 1/2-mile                              | 04/01/05                          | 10/02/06                        | 0  |  |
| Cleaner Facilities   | <i>Drvecleaners</i>            | 1/4-mile                              | 04/18/05                          | 10/02/06                        | 0  |  |
| HAZNET   | <i>HAZNET</i>                  | 1/4-mile                              | 12/31/03                          | 11/07/06                        | 0  |  |
| <b>Local - County</b>  |                                |                                       |                                   |                                 |  |  |
| Sacramento County Contaminated Sites   | <i>Sac Co CS</i>               | 1/2-mile                              | 08/02/06                          | 11/17/06                        | 1  | Community Center   |
| Sacramento County Master List  | <i>Sac Co ML</i>               | 1/2-mile                              | 08/02/06                          | 11/17/06                        | 0  |  |
| Yolo County  |                                |                                       |                                   |                                 |  |  |

## EXHIBIT C

| DTSC Envirostor (includes Cal-Sites)  |
|---|
| <b>CAPITOL PLATING CORPORATION</b><br>Facility Status: Active                                 |
| <b>SOUTHERN PACIFIC TRANS CO</b><br>Facility Status: Refer: Other Agency                      |
| <b>SP, SAC - SAND PILES</b><br>Facility Status: Certified                                     |
| <b>SP, SAC - SACRAMENTO STATION</b><br>Facility Status: Certified                             |
| <b>UP, DOWNTOWN SAC - REDEVELOPME</b><br>Facility Status: Active                              |
| <b>SP, SAC - BATTERY SHOP YARD</b><br>Facility Status: Certified                              |
| <b>Not reported</b><br>Facility Status: Active  |
| Facility Status: Certified / Operation & Maintenance  |
| <b>UP, DOWNTOWN SAC - LAGOON</b><br>Facility Status: Active                                   |
| <b>WESTCO TECHNOLOGIES</b><br>Facility Status: Refer: RWQCB                                   |
| <b>1X CAL DEPT OF WATER RESOURCES</b><br>Facility Status: Certified / Operation & Maintenance |
| <b>JIBBOOM JUNKYARD</b><br>Facility Status: Certified   |
| <b>UNIVAR USA, INC</b><br>Facility Status: Refer: RWQCB                                       |
| <b>SACRAMENTO STUCCO CO.</b><br>Facility Status: Active                                       |
| <b>SUNSHINE LAUNDRY AND CLEANERS</b><br>Facility Status: Refer: Other Agency                  |
| <b>A-B-C CLEANERS</b><br>Facility Status: Refer: Other Agency                                 |
| <b>H AND H CLEANERS</b><br>Facility Status: Refer: Other Agency                               |
| <b>BIGGERS INDUSTRIAL GERLINGER</b><br>Facility Status: No Further Action                     |

EXHIBIT C

DTSC Envirostor (includes Cal-Sites)

**CAPITOL PLATING CORPORATION**

Facility Status: Active

**SOUTHERN PACIFIC TRANS CO**

Facility Status: Refer: Other Agency

**SP, SAC - SAND PILES**

Facility Status: Certified

**SP, SAC - SACRAMENTO STATION**

Facility Status: Certified

**UP, DOWNTOWN SAC - REDEVELOPME**

Facility Status: Active

**SP, SAC - BATTERY SHOP YARD**

Facility Status: Certified

**Not reported**

Facility Status: Active

Facility Status: Certified / Operation & Maintenance

**UP, DOWNTOWN SAC - LAGOON**

Facility Status: Active

**WESTCO TECHNOLOGIES**

Facility Status: Refer: RWQCB

**1X CAL DEPT OF WATER RESOURCES**

Facility Status: Certified / Operation & Maintenance

**JIBBOOM JUNKYARD**

Facility Status: Certified

**UNIVAR USA, INC**

Facility Status: Refer: RWQCB

**SACRAMENTO STUCCO CO.**

Facility Status: Active

**SUNSHINE LAUNDRY AND CLEANERS**

Facility Status: Refer: Other Agency

**A-B-C CLEANERS**

Facility Status: Refer: Other Agency

**H AND H CLEANERS**

Facility Status: Refer: Other Agency

**BIGGERS INDUSTRIAL GERLINGER**

Facility Status: No Further Action

EXHIBIT C

| DTSC Envirostor (includes Cal-Sites)  |  |
|---------------------------------------|--|
| <b>CAPITOL PLATING CORPORATION</b>    | Facility Status: Active                              |
| <b>SOUTHERN PACIFIC TRANS CO</b>      | Facility Status: Refer: Other Agency                 |
| <b>SP, SAC - SAND PILES</b>           | Facility Status: Certified                           |
| <b>SP, SAC - SACRAMENTO STATION</b>   | Facility Status: Certified                           |
| <b>UP, DOWNTOWN SAC - REDEVELOPME</b> | Facility Status: Active                              |
| <b>SP, SAC - BATTERY SHOP YARD</b>    | Facility Status: Certified                           |
| <b>Not reported</b>                   | Facility Status: Active                              |
|                                       | Facility Status: Certified / Operation & Maintenance |
| <b>UP, DOWNTOWN SAC - LAGOON</b>      | Facility Status: Active                              |
| <b>WESTCO TECHNOLOGIES</b>            | Facility Status: Refer: RWQCB                        |
| <b>1X CAL DEPT OF WATER RESOURCES</b> | Facility Status: Certified / Operation & Maintenance |
| <b>JIBBOOM JUNKYARD</b>               | Facility Status: Certified                           |
| <b>UNIVAR USA, INC</b>                | Facility Status: Refer: RWQCB                        |
| <b>SACRAMENTO STUCCO CO.</b>          | Facility Status: Active                              |
| <b>SUNSHINE LAUNDRY AND CLEANERS</b>  | Facility Status: Refer: Other Agency                 |
| <b>A-B-C CLEANERS</b>                 | Facility Status: Refer: Other Agency                 |
| <b>H AND H CLEANERS</b>               | Facility Status: Refer: Other Agency                 |
| <b>BIGGERS INDUSTRIAL GERLINGER</b>   | Facility Status: No Further Action                   |

EXHIBIT C

**APPENDIX A**

RESUMES







WALLACE • KUHL  
& ASSOCIATES INC.

## EXHIBIT C

BENJAMIN McLERNON  
Staff Environmental Scientist

Mr. McLernon has been with Wallace-Kuhl & Associates since May of 2000. Mr. McLernon started as the CAD Manager for the drafting department. During a very short time as the drafter, he performed the CAD drafting for all reports produced by Wallace-Kuhl & Associates. His dedication and genuine desire to improve productivity cut job turnaround time for drafting projects. He also assisted with Environmental Site Assessments (ESAs) and assisted project engineers with soil and core sampling for use in geotechnical reports. Mr. McLernon has brought this job dedication and experience to his current position within the company as an environmental specialist. Mr. McLernon has completed numerous ESAs in at least seven California Central Valley counties, including ESAs for proposed school sites. Many of his projects have included Phase 2 assessments for persistent pesticide residuals and petroleum hydrocarbon contamination in soils and/or groundwater. Mr. McLernon's prior field reconnaissance experience in the U.S. Army lends itself well to the detailed observations, topographic map interpretations, and aerial photography interpretive skills that are necessary for thorough Phase I investigations. Mr. McLernon has a Bachelor of Arts degree in Environmental Studies and a minor in Biology from California State University Sacramento. Mr. McLernon is a member of the California Groundwater Resources Association

### Work Experience

- 01 to Present Wallace-Kuhl & Associates, Inc.  
Environmental Scientist
- 5/00 - Wallace-Kuhl & Associates, Inc.  
CAD Manager
- 5/00 Kern County Assessor  
Cadastral Mapper

### Project Experience

- Folsom Lake Nissan, Sacramento
- Stardust 77-Acre Property, Lincoln
- Major Retail Store, Orangevale
- Yroz 1440-Acre Property, San Joaquin County
- Orchard Pointe, Madera

### Education and Registration

- California State University, Sacramento  
Bachelor of Arts, Environmental Studies
- Registered Environmental Assessor I  
(No. 08137), California



## EXHIBIT C

RANDY L. WHEELER  
Senior Environmental Scientist

Mr. Wheeler has been employed in the fields of soil and groundwater investigations since 1988. With our firm since March 2003, Mr. Wheeler has over 19 years of experience conducting Phase 1 and Phase 2 site assessments. These projects include a large variety of properties ranging from single-family residential developments to large-scale commercial and industrial facilities.

He has also performed Phase 1 site assessments for several community-wide projects, including the South Sutter County Specific Plan; the results of which were or will be used to formulate project area specific plans with city and county agencies. Mr. Wheeler has conducted several Brownfields investigations for the City of West Sacramento under the EPA Brownfields Grant program, including the West Capitol Avenue Corridor Study, and the West Capitol West End Community Wide Assessment. His projects have also included Phase 1 studies of several thousand acres of proposed mitigation lands in addition to performing Phase 1 and Phase 2 work on the former Union Pacific Rail yard in West Sacramento.

### Work Experience

- 3/03 - Present Wallace-Kuhl & Associates, Inc.  
Senior Environmental Scientist
- 1997 - 2003 Kleinfelder  
Project Manager
- 1996 - 1997 Douglas Partners, Newcastle  
NSW Australia  
Senior Project Geologist
- 1988 - 1996 Kleinfelder  
Project Geologist

### Project Experience

- Port of Sacramento Collateral Property  
West Sacramento
- Ironworks at the Triangle Property  
West Sacramento
- Former Union Pacific Redevelopment Property,  
Riske Lane, West Sacramento
- California Woodfiber Property, West Sacramento
- West Capitol Avenue Corridor Study, West  
Sacramento - Brownfields Redevelopment Project
- South Sutter County Specific Plan, Sutter County

### Education and Registration

- California State University, Sacramento Bachelor of  
Arts, Geology 1987
- Registered Environmental Assessor I  
No. 07916, California
- Member Groundwater Resources Association

EXHIBIT C

**APPENDIX B**

ALL APPROPRIATE INQUIRY

ASTM E 1527 - 05

USER QUESTIONNAIRE



ASTM - AAI  
EXHIBIT C  
USER QUESTIONNAIRE

In order to qualify for one of the *Landowner Liability Protections (LLPs)* offered by the Small Business Liability Relief and Brownfields Revitalization Act of 2001 (the "*Brownfields Amendments*"), the *user* must provide the following information (if available) to the *environmental professional*. Failure to provide this information could result in a determination that "*all appropriate inquiry*" is not complete.

**(1.) Environmental cleanup liens that are filed or recorded against the site (40 CFR 312.25).**

Are you aware of any environmental cleanup liens against the *property* that are filed or recorded under federal, tribal, state or local law?

*No, we are not aware of any environmental liens against the property.*

**(2.) Activity and land use limitations (AULs) that are in place on the site or that have been filed or recorded in a registry (40 CFR 312.26).**

Are you aware of any AULs, such as *engineering controls*, land use restrictions or *institutional controls* that are in place at the site and/or have been filed or recorded in a registry under federal, tribal, state or local law?

*No, we are unaware of any AULs in place on the site.*

**(3.) Specialized knowledge or experience of the person seeking to qualify for the LLP (40 CFR 312.28).**

As the *user* of the ESA, do you have any specialized knowledge or experience related to the *property* or nearby properties? For example, are you involved in the same line of business as the current or former occupants of the *property* or an adjoining property so that you would have specialized knowledge of the chemicals and processes used by this type of business?

*No, the Agency does not have any specialized knowledge or experience related to the property. The property was acquired by the City and Agency during the incorporation of the City in 1987.*

**(4.) Relationship of the purchase price to the fair market value of the property if it were not contaminated (40 CFR 312.29).**

Does the purchase price being paid for this *property* reasonably reflect the fair market value of the *property*? If you conclude that there is a difference, have you considered whether the lower purchase price is because contamination is known or believed to be present on the *property*?

*Not applicable—the City and Agency currently own the properties, and acquired the properties through the incorporation of the City in 1987.*

**(5.) Commonly known or reasonably ascertainable information about the property (40 CFR 312.30).**

Are you aware of commonly known or reasonably ascertainable information about the *property* that would help the environmental professional to identify conditions indicative of releases or threatened releases? For example, as user,

(a.) Do you know the past uses of the *property*?

*The past uses of the properties included a fire station and a police station.*

(b.) Do you know of specific chemicals that are present or once were present at the *property*?

*We are aware that there may have been an above-ground fuel storage tank at the property.*

(c.) Do you know of spills or other chemical releases that have taken place at the *property*?

*No, we do not know of any spills or other chemical releases that have taken place at the property.*

(d.) Do you know of any environmental cleanups that have taken place at the *property*?

*No, we do not know of any environmental cleanups that have taken place at the property.*

**(6.) The degree of obviousness of the presence of likely presence of contamination at the property, and the ability to detect the contamination by appropriate investigations (40 CFR 312.31).**

As the *user* of this ESA, based on your knowledge and experience related to the *property* are there any obvious indicators that point to the presence or likely presence of contamination at the *property*?

*Yes, the adjacent property, the former site of Capitol Plating (metal plating facility) is known to be seriously contaminated. A Targeted Site Assessment completed by DTSC in 2003 identified the presence of contamination originating from the Capitol Plating property to be present on the Washington Firehouse property. The City is interested in further assessment on the Firehouse property to address this concern.*

Name of Project: Washington Firehouse EXHIBIT C

WKA No. 6200.12

Completed by: Aaron Laurel, Senior Program Manager

Date: December 18, 2006

Signature: 

EXHIBIT C

APPENDIX C

EEI SAMPLE LOCATION MAP



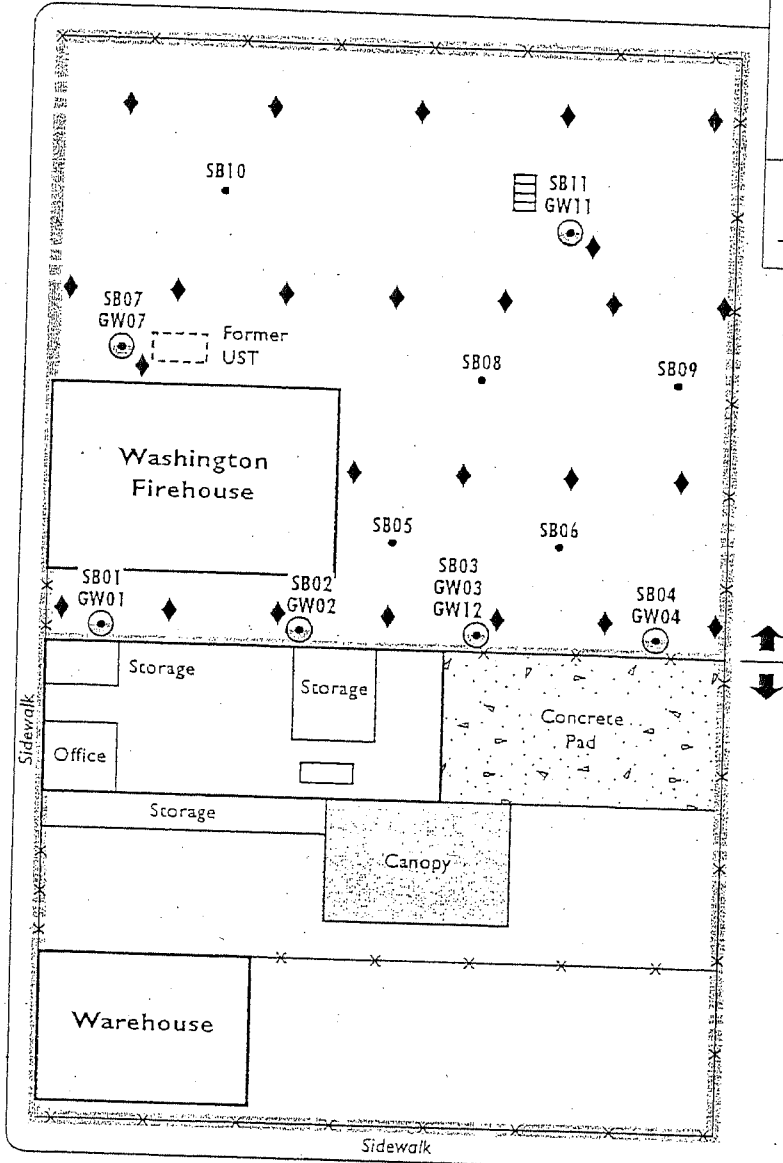
EXHIBIT C

C STREET

SAMPLING LOCATIONS

- Soil
- ⊙ Soil and groundwater
- ◆ Goresorber® screening
- ▤ Storm drain
- ××× Fence

THIRD STREET



- ▲ Washington Firehouse
- ▼ Capital Plating Company

SECOND STREET

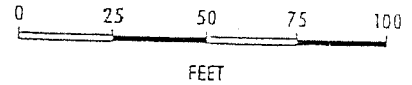


Figure 4-1

Sample Location Map  
Washington Firehouse  
West Sacramento, California

EXHIBIT C

**APPENDIX D**

ENVIRONMENTAL DATA RESOURCES  
GOVERNMENT RECORDS  
DATABASE DESCRIPTIONS





# EXHIBIT C

## AGENCY DATABASE DESCRIPTIONS

### FEDERAL DATABASES

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#### **NPL: 1-mile**

National Priority List (Superfund). The NPL is a subset of CERCLIS and identifies over 1,200 sites for priority cleanup under the Superfund Program. NPL sites may encompass relatively large areas. As such, EDR provides polygon coverage for over 1,000 NPL site boundaries produced by EPA's Environmental Photographic Interpretation Center (EPIC) and regional EPA offices.

#### **Delisted NPL: 1/2-mile**

The National Oil and Hazardous Substances Pollution Contingency Plan (NCP) establishes the criteria that the EPA uses to delete sites from the NPL. In accordance with 40 CFR 300.425.(e), sites may be deleted from the NPL where no further response is appropriate.

#### **CERCLIS: 1/2 mile**

CERCLIS contains data on potentially hazardous waste sites that have been reported to the USEPA by states, municipalities, private companies and private persons, pursuant to Section 103 of the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA). CERCLIS contains sites which are either proposed to or on the National Priorities List (NPL) and sites which are in the screening and assessment phase for possible inclusion on the NPL.

- Source: EPA
- Telephone: 703-413-0223

#### **CERCLIS-NFRAP: 1/2-mile**

CERCLIS No Further Remedial Action Planned

As of February 1995, CERCLIS sites designated "No Further Remedial Action Planned" (NFRAP) have been removed from CERCLIS. NFRAP sites may be sites where, following an initial investigation, no contamination was found, contamination was removed quickly without the need for the site to be placed on the NPL, or the contamination was not serious enough to require NPL consideration. EPA has removed approximately 25,000 NFRAP sites to lift the unintended barriers to the redevelopment of these properties and has archived them as historical records so EPA does not needlessly repeat the investigations in the future.

- Source: EPA
- Telephone: 703-413-0223

## EXHIBIT C

### **CORRACTS: 1-mile**

CORRACTS is a list of handlers with RCRA Corrective Action Activity. This report shows which nationally-defined corrective action core events have occurred for every handler that has had corrective action activity.

- Source: EPA
- Telephone: 800-424-9346

### **RCRAInfo: site and adjoining**

RCRAInfo is EPA's comprehensive information system, providing access to data supporting the Resource Conservation and Recovery Act (RCRA) of 1976 and the Hazardous and Solid Waste Amendments (HSWA) of 1984. RCRAInfo replaces the data recording and reporting abilities of the Resource Conservation and Recovery Information System (RCRIS). The database includes selective information on sites which generate, transport, store, treat and/or dispose of hazardous waste as defined by the Resource Conservation and Recovery Act (RCRA). Small quantity generators (SQGs) generate between 100 kg and 1,000 kg of hazardous waste per month. Large quantity generators (LQGs) generate over 1,000 kilograms (kg) of hazardous waste, or over 1 kg of acutely hazardous waste per month. Transporters are individuals or entities that move hazardous waste from the generator offsite to a facility that can recycle, treat, store, or dispose of the waste. TSDs treat, store, or dispose of the waste.

- Source: EPA
- Telephone: 800-424-9346

### **US ENG CONTROLS: site only (provides Activity and Use Limitation (AUL) information per ASTM Section 5.1)**

Engineering Controls Sites listing of sites with engineering controls in place. Engineering controls include various forms of caps, building foundations, liners, and treatment methods to create pathway elimination for regulated substances to enter environmental media or effect human health.

- Source: Environmental Protection Agency
- Telephone: 703-603-8867

### **US INST CONTROL: site only (provides Activity and Use Limitation (AUL) information per ASTM Section 5.1)**

Sites with Institutional Controls listing of sites with institutional controls in place. Institutional controls include administrative measures, such as groundwater use restrictions, construction restrictions, property use restrictions, and post remediation care requirements intended to prevent exposure to contaminants remaining on site. Deed restrictions are generally required as part of the institutional controls.

- Source: Environmental Protection Agency
- Telephone: 703-603-8867

### **US BROWNFIELDS: 1/2-mile**

Included in the listing are brownfields properties addresses by Cooperative Agreement Recipients and brownfields properties addressed by Targeted Brownfields Assessments. Targeted Brownfields Assessments-EPA's Targeted Brownfields Assessments (TBA) program is designed to help states, tribes, and municipalities--especially those without EPA Brownfields Assessment Demonstration Pilots--minimize the uncertainties of contamination often associated with brownfields.

- Source: Environmental Protection Agency
- Telephone: 202-566-2777

### **ERNS: site only**

Emergency Response Notification System

ERNS records and stores information on reported releases of oil and hazardous substances.

## EXHIBIT C

- Source: National Response Center, United States Coast Guard
- Telephone: 202-260-2342

### STATE DATABASES:

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#### **Historical CAL-SITES: 1-mile**

This database contains historical information related to potential and confirmed hazardous substance release sites. Current information is included in the EnviroSor database below:

- Source: Department of Toxic Substance Control
- Telephone: 916-323-3400

#### **RESPONSE (formerly AWP): ½-mile**

California DTSC's State Response database, identifies sites where DTSC is involved in remediation, either in a lead or oversight capacity. These confirmed release sites are generally high-priority and high potential risk sites.

- Source: California Environmental Protection Agency
- Telephone: 916-323-3400

#### **EnviroStor: 1-mile**

EnviroStor provides similar information to the information that was available in CalSites, and provides additional site information, including, but not limited to, identification of formerly-contaminated properties that have been released for reuse, properties where environmental deed restrictions have been recorded to prevent inappropriate land uses, and risk characterization information that is used to assess potential impacts to public health and the environment at contaminated sites.

- Source: Department of Toxic Substance Control
- Telephone: 916-323-3400

#### **SWF/LF (SWIS): ½-mile**

Solid Waste Information System Active, Closed and Inactive Landfills. SWF/LF records typically contain an inventory of solid waste disposal facilities or landfills. These may be active or inactive facilities or open dumps that failed to meet RCRA Section 4004 criteria for solid waste landfills or disposal sites.

- Source: Integrated Waste Management Board
- Telephone: 916-341-6320

#### **WMUDS/SWAT: ½-mile**

Waste Management Unit Database Waste Management Unit Database System. WMUDS is used by the State Water Resources Control Board staff and the Regional Water Quality Control Boards for program tracking and inventory of waste management units. WMUDS is composed of the following databases: Facility Information, Scheduled Inspections Information, Waste Management Unit Information, SWAT Program Information, SWAT Report Summary Information, SWAT Report Summary Data, Chapter 15 (formerly Subchapter 15) Information, Chapter 15 Monitoring Parameters, TPCA Program Information, RCRA Program Information, Closure Information, and Interested Parties Information.

- Source: State Water Resources Control Board
- Telephone: 916-227-4448

### LUST Databases

## EXHIBIT C

### LUST: ½-mile

Geotracker's Leaking Underground Fuel Tank Report Leaking Underground Storage Tank Incident Reports. LUST records contain an inventory of reported leaking underground storage tank incidents. Not all states maintain these records, and the information stored varies by state.

- Source: State Water Resources Control Board
- <https://geotracker.swrcb.ca.gov/>

### LUST REG 5: ½-mile

Leaking Underground Storage Tank Database

- Source: Regional Water Quality Control Board Central Valley Region (5)
- Telephone: 916-464-3291

### INDIAN LUST: ½-mile

Leaking Underground Storage Tanks on Indian Land in Arizona, California, New Mexico and Nevada

- Source: Environmental Protection Agency
- Telephone: 415-972-3372

### UST Databases

#### UST: site and adjoining

The Underground Storage Tank database contains registered USTs.

Active UST facilities gathered from the local regulatory agencies

- Source: State Water Resources Control Board
- Contact: local regulatory agencies

#### INDIAN UST: site and adjoining

Underground Storage Tanks on Indian Land

- Source: EPA Region 9
- Telephone: 415-972-3368

#### ASTs: site and adjoining

Aboveground Petroleum Storage Tank Facilities- Registered Aboveground Storage Tanks.

- Source: State Water Resources Control Board
- Telephone: 916-341-5712

#### DEEDS: site only

Deed Restriction Listing- (State and tribal institutional control registries – No CA State equivalent for engineering controls)

Site Mitigation and Brownfields Reuse Program Facility Sites with Deed Restrictions & Hazardous Waste Management

Program Facility Sites with Deed / Land Use Restriction. The DTSC Site Mitigation and Brownfields Reuse Program (SMBRP) list includes sites cleaned up under the program's oversight and generally does not include current or former

hazardous waste facilities that required a hazardous waste facility permit. The list represents deed restrictions that are active. Some sites have multiple deed restrictions. The DTSC Hazardous Waste Management Program (HWMP) has

developed a list of current or former hazardous waste facilities that have a recorded land use restriction at the local county recorder's office. The land use restrictions on this list were required by the DTSC HWMP as a result of the presence of

hazardous substances that remain on site after the facility (or part of the facility) has been closed or cleaned up. The types of land use restriction include deed notice, deed restriction, or a land use restriction that binds current and future owners.

- Source: Department of Toxic Substances Control
- Telephone: 916-323-3400

## EXHIBIT C

### VCP: ½-mile

Voluntary Cleanup Program: Contains low threat level properties with either confirmed or unconfirmed releases and the project proponents have request that DTSC oversee investigation and/or cleanup activities and have agreed to provide coverage for DTSC's costs.

- Source: Department of Toxic Substances Control
- Telephone: 916-323-3400

### LOCAL OR SUPPLEMENTAL INFORMATION

### CORTESE: ½-mile

This database identifies public drinking water wells with detectable levels of contamination, hazardous substance sites selected for remedial action, sites with known toxic materials identified through the abandoned site assessment program, sites with USTs having a reportable release and all solid waste disposal facilities from which there is known migration.

- Source: CAL EPA/Office of Emergency Information
- Telephone: 916-323-9100

### CA SLIC: ½-mile

SLIC Region comes from the California Regional Water Quality Control Board. Spills, Leaks, Investigation & Cleanup Cost Recovery Listing Unregulated sites that impact groundwater or have the potential to impact groundwater.

- Source: Regional Water Quality Control Board Central Valley Region (5)
- Telephone: 916-464-3291

### HAZNET: ½-mile

The data is extracted from the copies of hazardous waste manifests received each year by the DTSC. The annual volume of manifests is typically 700,000-1,000,000 annually, representing approximately 350,000-500,000 shipments. Data are from the manifests submitted without correction, and therefore many contain some invalid values for data elements such as generator ID, TSD ID, waste category, & disposal method.

- Source: California Environmental Protection Agency
- Telephone: 916-255-1136

### CLEANER FACILITIES: ½-mile

Cleaner Facilities A list of drycleaner related facilities that have EPA ID numbers. These are facilities with certain SIC codes: power laundries, family and commercial; garment pressing and cleaner's agents; linen supply; coin-operated laundries and cleaning; drycleaning plants, except rugs; carpet and upholster cleaning; industrial launderers; laundry and garment services.

- Source: Department of Toxic Substance Control
- Telephone: 916-327-4498

### YOLO COUNTY:

USTs - Underground Storage Tanks Comprehensive Facility List: ½-mile

- Yolo County Department of Health
- Telephone: 530-666-8686

Memorandum of Lease

NO FEE DOCUMENT  
per Government Code 6103



RECORDING REQUESTED BY  
AND WHEN RECORDED RETURN TO:

Yolo Recorder's Office  
Freddie Oakley, County Recorder  
**DOC- 2007-0014605-00**

Third & C Street L.L.C.  
2206 K Street, Suite 3  
Sacramento, CA 95816  
Attn: John Leonard

REQD BY THIRD & C STREET LLC  
Friday, APR 20, 2007 14:31:45  
Ttl Pd \$22.00 Nbr-0000704414  
FRT/R8/1-6

CONFORMED COPY  
NOT COMPARED  
WITH ORIGINAL

(Space Above This Line Reserved for Recorder's Use)

MEMORANDUM OF LEASE

This Memorandum of Lease and Option ("**Memorandum**") is made by and between Redevelopment Agency of the City of West Sacramento (hereinafter "**Lessor**"), and Third & C Street L.L.C., a California limited liability company (hereinafter "**Lessee**") with reference to the following facts set forth in the Recitals below.

RECITALS

Lessor and Lessee have entered into that certain Parking Lease Agreement (the "**Lease**") executed by Lessor and Lessee of even date herewith. All capitalized terms not defined herein shall have the meaning ascribed to them in the Lease.

Lessor and Lessee desire to provide notice that Lessee has the right to lease a portion of that certain real property located in the County of Yolo, California (the "**Property**"), which is described in Exhibit "A" attached hereto and by this reference incorporated herein.

AGREEMENT

NOW, THEREFORE, in consideration of the facts set forth in the Recitals above, the mutual covenants and conditions below, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Lessor and Lessee hereby agree as follows:

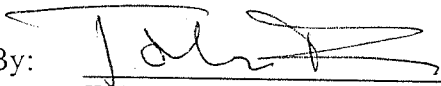
1. Lease of Premises. Subject to the terms and conditions set forth in the Lease, Lessor leases to Lessee, and Lessee leases from Lessor, that portion of the Property depicted on Exhibit "B" attached hereto and incorporated herein by this reference (the "**Subject Premises**"), together with the necessary rights of ingress and egress for access thereto. Lessee shall have the exclusive right to park vehicles on the Subject Premises. The Execution Date shall be set forth in the Lease. The term of the Lease ("**Lease Term**") is set to expire forty (40) years after the Execution Date, unless terminated earlier as set forth by the terms of the Lease.

2. Incorporation by Reference; No Modification of Lease. The terms and conditions of the Lease are incorporated herein by this reference. This Memorandum is prepared and recorded for the purpose of putting the public on notice of the Lease, and this Memorandum in no way modifies the terms and conditions of the Lease. In the event of any inconsistency between the terms and conditions of this Memorandum and the terms and conditions of the Lease, the terms and conditions of the Lease shall control.

3. Counterparts. This Memorandum may be executed in any number of counterparts with the same effect as if the parties had all signed the same document. All counterparts shall be construed together as one agreement.

LESSOR:

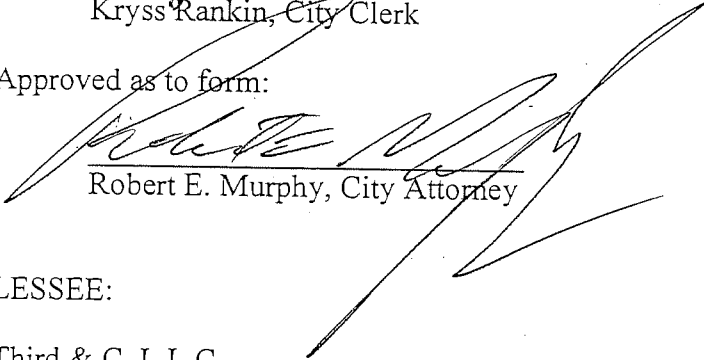
REDEVELOPMENT AGENCY OF THE CITY OF WEST SACRAMENTO

By:   
Toby Ross, Executive Director

Attest:


  
Kryss Rankin, City Clerk

Approved as to form:

  
Robert E. Murphy, City Attorney

LESSEE:

Third & C, L.L.C.,  
a California limited liability company,

By:   
JOHN LEONARD,  
Managing Member

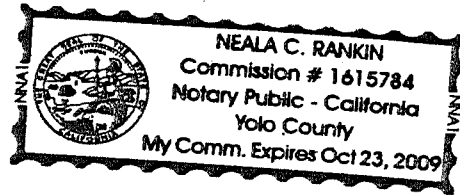
ACKNOWLEDGMENT

STATE OF CALIFORNIA )  
 )  
COUNTY OF Yolo )

On April 16, 2007, before me, Neala C. Rankin, a Notary Public in and for said County and State, personally appeared Toby Ross, personally known to me (or proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument), and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity(ies) upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Neala C. Rankin  
Signature of Notary Public



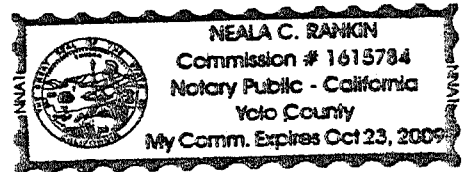
ACKNOWLEDGMENT

STATE OF CALIFORNIA )  
 )  
COUNTY OF Yolo )

On April 16, 2007, before me, Neala C. Rankin, a Notary Public in and for said County and State, personally appeared John Leonard, personally known to me (or proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument), and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity(ies) upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Neala C. Rankin  
Signature of Notary Public





**EXHIBIT A**

**Legal Description of Property**

THE LAND DESCRIBED HEREIN IS SITUATED IN THE STATE OF CALIFORNIA, COUNTY OF YOLO, CITY OF WEST SACRAMENTO, AND IS DESCRIBED AS FOLLOWS:

PARCEL ONE:

LOTS 28, 29 AND 30, BLOCK 9 OF THE TOWN OF WASHINGTON, ACCORDING TO THE OFFICIAL PLAT THEREOF FILED FOR RECORD IN THE OFFICE OF THE RECORDER OF YOLO COUNTY IN BOOK I OF DEEDS AT PAGE 264, YOLO COUNTY RECORDS.

ASSESSOR'S PARCEL NUMBER: 010-371-05

PARCEL TWO:

LOTS 25, 26, 27 AND THE EAST ONE-HALF OF LOT 15, BLOCK 9 OF THE TOWN OF WASHINGTON, ACCORDING TO THE OFFICIAL PLAT THEREOF FILED FOR RECORD IN THE OFFICE OF THE RECORDER OF YOLO COUNTY IN BOOK I OF DEEDS AT PAGE 264, YOLO COUNTY RECORDS.

EXCEPTING THEREFROM ALL THAT PORTION OF LOTS 25 AND 26 OF THE ABOVE DESCRIBED PROPERTY, AS DESCRIBED IN FINAL ORDER OF CONDEMNATION RECORDED DECEMBER 22, 1960, IN BOOK 623 OF OFFICIAL RECORDS, AT PAGE 95, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE NORTH LINE OF SAID BLOCK 9 FROM WHICH THE MONUMENT AT THE SOUTHEAST CORNER OF BLOCK 11 BEARS N. 79 DEGREES 57' 10" W. 212.54 FEET AND NO. 10 DEGREES 04' 03" E. 80.00 FEET, SAID POINT IS ALSO DISTANT 24.62 FEET SOUTHWESTERLY, MEASURED RADIALLY FROM THE BASE LINE AT ENGINEER'S STATION "F3" 10+95.00 P.O.C. OF THE DEPARTMENT OF PUBLIC WORKS' 1957 SURVEY OF THE

WEST APPROACH TO THE "I" STREET BRIDGE, ROAD III-YOL-50-F; THENCE FROM SAID POINT OF BEGINNING, ALONG THE SOUTH SIDE OF "C" STREET S. 79 DEGREES 57' 10" E. 54.13 FEET TO THE NORTHEAST CORNER OF SAID LOT 24; THENCE S. 40.00 FEET TO THE SOUTHEAST CORNER OF THE NORTH HALF OF SAID LOT 24; THENCE ALONG THE SOUTH LINE OF THE NORTH HALF OF SAID LOT 24, N. 79 DEGREES 57' 10" W. 12.13 FEET; THENCE N. 36 DEGREES 19' 51" W. 57.98 FEET TO THE POINT OF BEGINNING.

ASSESSOR'S PARCEL NUMBER: A PORTION OF 010-371-06

PARCEL THREE:

THE NORTH ONE HALF OF LOT 24, BLOCK 9 OF THE TOWN OF WASHINGTON, ACCORDING TO THE OFFICIAL PLAT THEREOF FILED FOR RECORD IN THE OFFICE OF THE RECORDER OF YOLO COUNTY IN BOOK I OF DEEDS AT PAGE 264, YOLO COUNTY RECORDS.

EXCEPTING THEREFROM ALL THAT PORTION OF LOT 24 AS DESCRIBED IN FINAL ORDER OF CONDEMNATION RECORDED DECEMBER 22, 1960, IN BOOK 623 PAGE 95, OFFICIAL RECORDS.

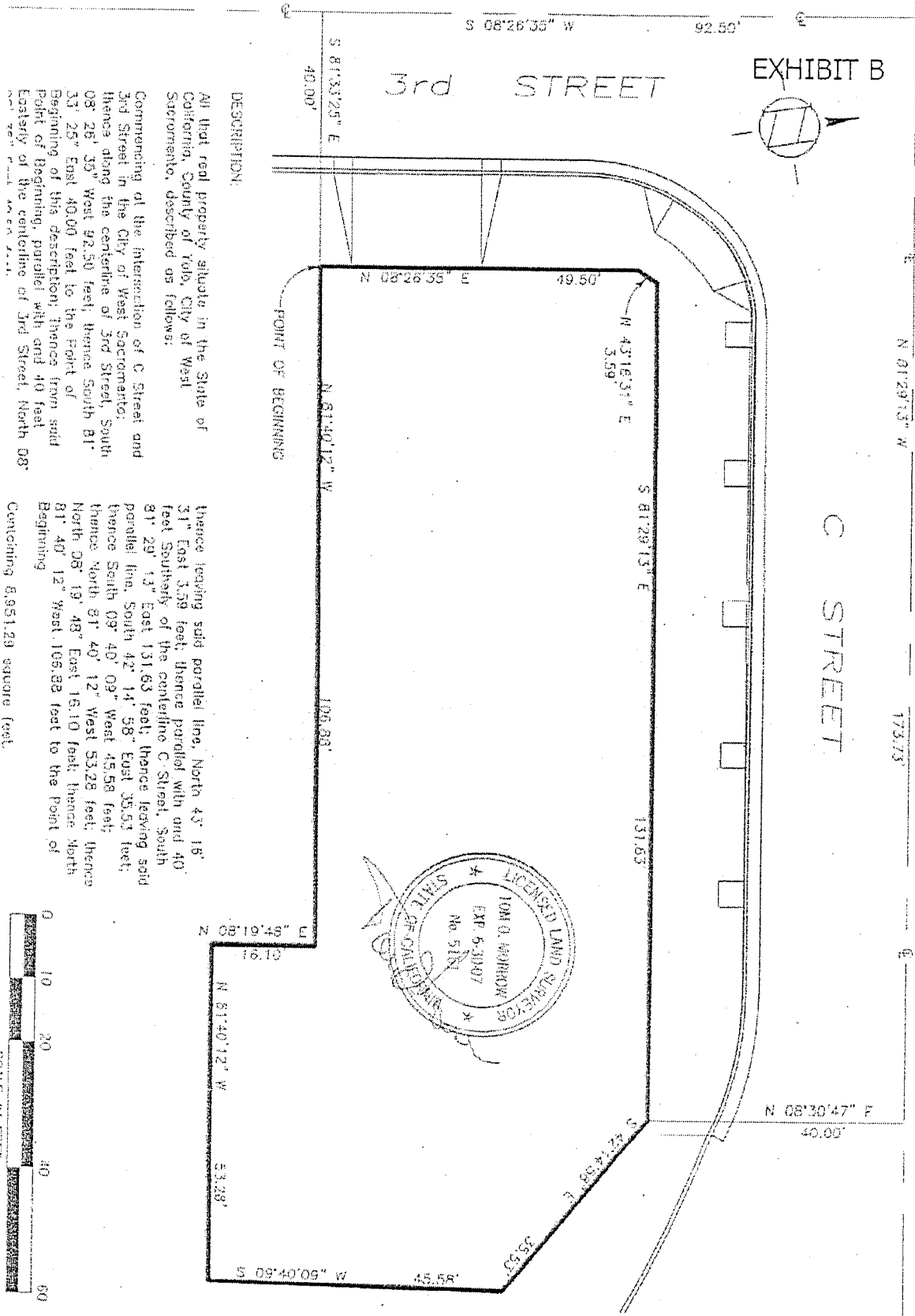
ASSESSOR'S PARCEL NUMBER: A PORTION OF 010-371-06

PARCEL FOUR:

THE WEST 1/2 OF LOT 15, BLOCK 9 OF THE TOWN OF WASHINGTON, FILED IN BOOK I OF DEEDS, PAGE 264, YOLO COUNTY RECORDS.

ASSESSOR'S PARCEL NUMBER: 010-371-04

# EXHIBIT B - Diagram Depicting Subject Premises



November 6, 2007

Redevelopment Agency of  
the City of West Sacramento  
1110 West Capitol Avenue  
West Sacramento, CA 95691

Attn: Executive Director

Re: Third & C Mixed Use Project;  
Disposition and Development Agreement by and between the Redevelopment Agency of the City of West Sacramento and Third & C Street, L.L.C., a California limited liability company, dated as of May 18, 2005 (the "DDA"), evidenced by that certain Memorandum of Disposition and Development Agreement recorded on May 24, 2005 in the Official Records of Yolo County under Recorder's Serial Number 2005-0024292, and that certain Memorandum of Disposition and Development Agreement recorded on May 2, 2007 in the Official Records of Yolo County under Recorder's Serial Number 2007-0016252

Dear Agency:

We are writing on behalf of Third & C Street, L.L.C., owner ("Owner") of the Commercial and Inclusionary Housing Building described in the DDA (and the legal parcel that includes such building) ("Premises"), and on behalf of Marvin L. Oates, as co-Trustee of the Marvin L. Oates Trust, the proposed transferee ("Transferee") of the Premises. Owner and Transferee are requesting your approval of a conveyance of the Premises from Owner to Transferee as part of a sale and leaseback transaction. As required by Section 13.9 of the DDA (and as required by Section 3 of the Regulatory Agreement and Section 1.3 of the Agreement Containing Covenants Affecting Real Property described below), Owner is required to obtain Agency consent for such a conveyance. Owner plans to transfer the Premises to Transferee by Grant Deed on or about November 7, 2007.

Transferee hereby agrees and acknowledges that, upon recordation of the Grant Deed granting the Premises from Owner to Transferee, the following documents will continue to encumber the Premises and Transferee will assume Owner's obligations under the documents to the extent the documents continue to restrict the use of the Premises pursuant to their respective terms: (a) the DDA; (b) that certain Regulatory Agreement recorded on September 20, 2005 in the Official Records of Yolo County under Recorder's Serial Number 2005-0046814; (c) that

October 31, 2007

Page 2

certain Agreement Containing Covenants Affecting Real Property recorded on September 20, 2005 in the Official Records of Yolo County under Recorder's Serial Number 2005-0046815; and (d) that certain First Amendment to Agreement Containing Covenants Affecting Real Property (Third & C Mixed Use Project) recorded September 13, 2007 in the Official Records of Yolo County under Recorder's Serial Number 2007-0032264 (collectively, "Recorded Operating Documents").

Pursuant to a related Parking Lease Agreement with the Agency dated April 16, 2007, Owner leases certain adjacent parking spaces from the Agency for parking in connection with the commercial space on the Premises. By way of a separate Consent to Assignment of Parking Lease Agreement, we have requested Agency's consent to an assignment of the related Parking Lease Agreement from Owner to Transferee, and the sublease under the related Parking Lease Agreement from Transferee to Owner or a related person or entity.

We request that you approve the transfer of the Premises. If you need further information, please contact us. Otherwise, please sign below and return to Third & C Street, L.L.C.

Very truly yours,

Owner:


Third & C Street, LLC, a California  
limited liability company

By: 

Name: John Leonard

Its: Managing Member

Transferee:

  
Marvin L. Oates, as co-Trustee of the  
Marvin L. Oates Trust

The Redevelopment Agency of the City of West Sacramento hereby consents to the transfer of the Commercial and Inclusionary Housing Building described in the DDA (and the legal parcel that includes such building), by Owner to Transferee.

REDEVELOPMENT AGENCY  
OF THE CITY OF WEST SACRAMENTO

By: 

TOBY ROSS, Executive Director

Dated: November 6, 2007

## ASSIGNMENT OF PARKING LEASE AGREEMENT

This Assignment of Parking Lease Agreement (this "**Assignment**"), dated for reference purposes as of November 6, 2007, is entered into by and between Third & C Street, LLC, a California limited liability company ("**Assignor**") (whose address is 2206 K Street, Suite 3, Sacramento, CA 95816, Attention: John Leonard), and Marvin L. Oates, as co-Trustee of the Marvin L. Oates Trust ("**Assignee**") (whose address is c/o Oates Investments, Inc., 960 Fulton Avenue, Sacramento, CA 95825, Attention: Scott Cable), who agree as follows:

1. Recitals. This Assignment is made with reference to the following facts and objectives:

(a) The Redevelopment Agency of the City of West Sacramento ("**Landlord**") (whose address is 1110 West Capitol Avenue, West Sacramento, California 95691, Attention: Executive Director), and Assignor entered into a written Parking Lease Agreement dated April 16, 2007 (the "**Original Lease**"), as modified by that certain letter agreement dated on or about November 5, 2007 (the "**Letter Modification**") (as so amended, the "**Lease**"), pursuant to which Landlord currently leases to Assignor and Assignor currently leases from Landlord, certain premises (the "**Premises**") located upon a portion of that certain real property located on the South-East corner of Third and C Streets in West Sacramento, California, and more particularly described in the Lease.

(b) The Lease provides that the Premises are to be used for the parking of passenger vehicles in connection with the use of the commercial space within the Mixed-Use Property (defined below), as such use is more particularly described in the Lease and subject to the terms and conditions with respect to such use set forth in the Lease.

(c) Concurrently with the recordation of the Grant Deed referenced below, Assignor desires to assign all its right, title and interest in the Lease to Assignee and Assignee desires to assume all of Assignor's obligations under the Lease.

(d) Assignor and Assignee acknowledge that, immediately following the effectiveness of the assignment and assumption described in Section 3 below, Assignee desires to sublease the entire Premises to either John P. Leonard and Jill Leonard, Co-Trustees of The Leonard Family Trust dated April 19, 2002 (the "**Leonard Family Trust**"), John P. Leonard and/or Jill Leonard, or an entity controlled by John P. Leonard or the Leonard Family Trust, pursuant to the terms of a written sublease to be entered into by and between Assignee and such subtenant (the "**Proposed Sublease**").

2. Effective Date. The effective date of this Assignment shall be on the date ("**Effective Date**") that the Grant Deed (the "**Grant Deed**") is recorded in the official records of Yolo County granting from Assignor to Assignee that certain real property located on the North-East corner of Third and C Streets in West Sacramento, California, which is more particularly described as Lot 26, as shown on that certain Map entitled "River's Side at Washington Square, Subdivision No. 4756", filed for record December 22, 2005, in Book 2005 at Page 212 through 214, inclusive, Yolo County Records (the "**Mixed-Use Property**").

3. Assignment and Assumption. As of the Effective Date, Assignor assigns and transfers to Assignee all of Assignor's right, title and interest in the Lease, and Assignee accepts such assignment and assumes and agrees to perform, from and after the Effective Date, as a direct obligation to Landlord, all obligations of Assignor under the Lease.

4. Intentionally omitted.

5. Landlord's Consent. Assignor and Assignee acknowledge that Landlord's consent to this Assignment and the Proposed Sublease is a condition to the effectiveness of this Assignment and hereby agree to be bound by the terms of the Consent to Assignment of Parking Lease Agreement contained at the end of this Assignment. The provisions of this Assignment shall inure to the benefit of Landlord as a third party beneficiary hereof.

6. Effect of Assignment. As of the Effective Date, Assignor is hereby released of all of its obligations under the Lease, including, without limitation, all of the provisions, covenants, and conditions set forth in the Lease to be performed and observed by the tenant under the Lease, subject to the terms of the Consent to Assignment of Parking Lease Agreement contained at the end of this Assignment.

7. Miscellaneous.

(a) Attorneys' Fees. If any party commences any action against any of the parties hereto, arising out of or in connection with this Assignment, the prevailing party or parties shall be entitled to recover from the losing party or parties reasonable attorneys' fees and costs of suit.

(b) Notice. Any notice, demand, request, consent, approval or communication that the parties or Landlord desire or are required to give to one another shall be sent in the manner required by the Lease and addressed to such party at the address set forth in the introductory paragraph of this Assignment as to Assignor and Assignee, and at the address set forth in Section 1 above as to Landlord.

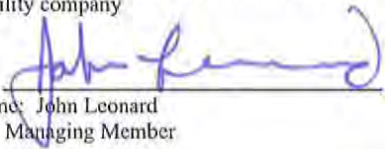
(c) Successors. This Assignment shall be binding on and inure to the benefit of the parties and their successors and assigns.

(d) Entire Agreement. This Assignment, together with the Lease and its exhibits, contain all of the agreements of the parties hereto and supersede any previous oral negotiations or discussions. There have been no representations made by the Assignor and/or Assignee between each other, other than those set forth in this Assignment.


IN WITNESS WHEREOF, the parties hereto have executed this Assignment as of the date first set forth above.

**ASSIGNOR:**

Third & C Street, LLC, a California limited liability company

By:   
Name: John Leonard  
Its: Managing Member

**ASSIGNEE:**

  
Marvin L. Oates, as co-Trustee of the Marvin L. Oates Trust



CONSENT TO ASSIGNMENT OF PARKING LEASE AGREEMENT

Landlord (referred to in this Consent to Assignment of Parking Lease Agreement as the "Master Landlord") does hereby consent to the Assignment of Parking Lease Agreement (the "Assignment") set forth above, as well as the Proposed Sublease, subject to the following terms and conditions of this Consent to Assignment of Parking Lease Agreement ("Consent"):

1. Except as otherwise provided in Section 2 of this Consent, nothing contained in this Consent or in the Assignment shall be construed to modify, waive or affect (i) any of the provisions, covenants or conditions in the Lease (referred to in this Consent as the "Master Lease"), (ii) any of the tenant's obligations under the Master Lease, or (iii) any rights, remedies or obligations of the Master Landlord under the Master Lease or otherwise.

2. As of the Effective Date set forth in the Assignment, Assignor is hereby released of all obligations under the Master Lease, including, without limitation, all of the provisions, covenants, and conditions set forth in the Master Lease to be performed and observed by the tenant under the Master Lease; provided, however, that if Assignor is the subtenant under any sublease from Assignee, such release does not apply to any obligations of Assignor as such a subtenant.

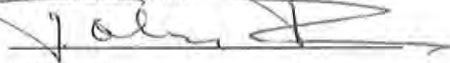
3. In the event that the Proposed Sublease is entered into by the parties thereto, the Proposed Sublease shall provide that the subtenant thereunder agrees, for the benefit of Master Landlord, to perform and be bound by all of obligations, terms, covenants and conditions that are required to be performed on the part of the tenant under the Master Lease with respect to the Premises for and to the extent they apply to the entire term of the Proposed Sublease.

4. In the case of any conflict between the provisions of this Consent and the provisions of the Assignment or the Proposed Sublease, the provisions of this Consent shall prevail unaffected by the Assignment or the Proposed Sublease.

5. This Consent shall not be construed as a consent to any further assignment or subletting.

IN WITNESS WHEREOF, Master Landlord has executed this Consent as of the date first set forth above.

Redevelopment Agency of the  
City of West Sacramento

By: 

Name: Toby Ross

Its: Executive Director

Attest:

By: 

Name: Krissy Rankin

Its: City Clerk

Approved as to form

By: 

Name: Toby Mitchell

Its: City Attorney



**EXHIBIT A**

**Copy of Original Lease and Letter Modification**

[See the attached copy of the Original Lease and the attached copy of the Letter Modification.]

November 6, 2007

Third & C Street, L.L.C.  
Attention: Mr. John Leonard,  
Managing Member  
2206 K Street, Suite 3  
Sacramento, CA 95816

Re: Parking Lease Agreement for Premises at South-East corner of Third and C  
Streets in West Sacramento

Dear Mr. Leonard:

Under the terms of the Parking Lease Agreement dated April 16, 2007 ("Lease") between the Redevelopment Agency of the City of West Sacramento ("Agency") and Third & C Street, L.L.C. ("Lessee"), the full amount of the first year's annual rent was due and payable on the execution date of the Lease, April 16, 2007. However, the Agency acknowledges that the environmental remedial work undertaken by the Agency pursuant to the terms of the Lease has affected your ability to use the leased parking spaces. Therefore, the Agency agrees to reduce Lessee's rent for the first year from \$3,552.00 to \$1,580.00. Such a reduction in rent is consistent with the intention and spirit of the Lease.

The first year rent payment in the full amount of \$1,580.00 shall be due and payable on November 20, 2007.

Sincerely,



TOBY ROSS, Executive Director  
Redevelopment Agency of the  
City of West Sacramento

Lessee hereby accepts and agrees to the modification of the first year's rent set forth above.

Third & C Street, LLC, a California limited liability company

By: 

John Leonard, Managing Member

McDONOUGH, HOLLAND & ALLEN  
A PROFESSIONAL CORPORATION  
ATTORNEYS

555 CAPITOL MALL, SUITE 950  
SACRAMENTO, CALIFORNIA 95814

(916) 444-3900

TELECOPIER: (916) 444-8334

September 18, 1990

11.11.5.2  
Attachment 10

JOSEPH E. COOMES, JR.  
DAVID J. SPOTTISWOOD  
RICHARD W. NICHOLS  
DONALD C. POOLE  
RICHARD W. OSEN  
RICHARD E. BRANDT  
GARY F. LOVERIDGE  
G. RICHARD BROWN  
DAVID W. POST  
SUSAN K. EDLING  
WILLIAM L. OWEN  
DAVID F. BEATTY  
ALICE A. WOODYARD  
MICHAEL T. FOGARTY  
HARRY E. HULL, JR.  
DENNIS W. DE CUIR  
ANN O'CONNELL  
ROBERT W. O'CONNOR  
JEFFRY R. JONES  
T. BRENT HAWKINS  
JAMES M. RUDDICK

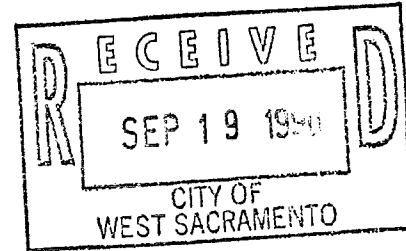
STUART L. SOMACH  
RICHARD M. ROSS  
DAWN H. COLE  
SHARON D. ROSEME  
SUSAN L. SCHOENIG  
JAMES L. LEET  
MARK A. WASSER  
DAVID S. SALEM  
VIRGINIA A. CAHILL  
HARRIET A. STEINER  
WILLIAM A. LICHTIG  
EDWARD J. QUINN, JR.  
MARK GORTON  
ROBERT R. RUBIN  
PATRICIA D. ELLIOTT  
WILLIAM C. HILSON, JR.  
IRIS P. YANG  
MARY POWERS ANTOINE  
SETH P. BRUNNER  
NANCY P. LEE  
MARY E. OLDEN

CATHY DEUBEL SALENKO  
ANDREANNA KSIDAKIS  
PAUL S. SIMMONS  
EDWARD J. WRIGHT, JR.  
SUSAN R. HAMLIN  
MICHAEL K. IWAHIRO  
MICHELLE MARCHETTA KENYON  
KIMBERLY MITCHELL BOTT  
VICTORIA L. KALMAN  
JANET D. ROBINSON  
DANIEL L. BARNETT  
LESLIE M. BAKER  
MICHELE M. CLARK  
ROBERT S. FISHER  
STEVEN J. BECHTOLD  
DAVID L. KROTINE  
CRAIG LABADIE  
CAROLYN R. HOFFMANN  
KIRK E. TROST  
GLENN W. PETERSON  
TODD D. LERAS

KATHRYN ANN HOOVER  
MARCIA A. KINCANON  
JOHN L. MARSHALL  
TIMOTHY P. HAYES  
NANCY T. TEMPLETON  
SANDRA K. DUNN  
MICHAEL V. BRADY

OF COUNSEL  
ALFRED E. HOLLAND  
BRUCE F. ALLEN  
V. BARLOW GOFF  
ANN TAYLOR SCHWING  
DANIEL L. SIMMONS  
DAVID S. KAPLAN

MARTIN McDONOUGH  
(1915 - 1987)



Val Toppenberg  
City of West Sacramento  
P.O. Box 966  
West Sacramento, CA 95691

Re: Lighthouse Marina Project

Dear Val:

Here is a copy of Tom Clark's appraisal report on the Fifth Street properties.

Until the Agency decides to accept Mr. Clark's appraisal, we would like to protect its confidentiality. Perhaps you can give me a call before you disclose the appraisal so that we can discuss it.

Very truly yours,

A handwritten signature in cursive script that reads "Mark".

Mark A. Wasser

MAW:bd  
Enclosure

**REPORT OF THE APPRAISAL  
FOR  
MCDONOUGH, HOLLAND & ALLEN**

**RIGHT-OF-WAY ACQUISITION  
"ALANS ALLEY"  
WEST SACRAMENTO, CALIFORNIA**

# **Clark - Wolcott**

September 10, 1990

Mr. Mark Wasser  
McDonough, Holland & Allen  
555 Capitol Mall  
Sacramento, California 95814

SUBJECT: Appraisal Report  
Fifth Street Right-of-Way Project  
West Sacramento, California

**90/94**

Dear Mr. Wasser:

In response to your request and authorization, an appraisal has been prepared of the fee interest in four parcels of land to be acquired by the City of West Sacramento for the northerly extension of Fifth Street north of A Street in the city of West Sacramento. During the preparation of this appraisal, the property has been inspected and an investigation made of relevant market indicators and conditions.

Based on the analysis of the data obtained from the inspection and investigation, we have estimated the market value of the fee interest as of *August 30, 1990*. A summary of the appraisal, our conclusions and estimate of value are described in the attached **Executive Summary**.

The report that follows sets forth in further detail the descriptive and factual data, assumptions and conditions affecting the appraisal and the analysis, findings and conclusions that lead to and support our estimate of value.

Respectfully submitted,

**CLARK-WOLCOTT COMPANY, INC.**

*Clark-Wolcott Company, Inc.*  
**Real Estate Analysts and Consultants**

3230 Ramos Circle, Sacramento, California 95827  
TEL: 916-366-3911  
FAX: 916-366-3835

**EXECUTIVE SUMMARY**

This appraisal involves the valuation of four parcels of land located in West Sacramento that are proposed to be acquired by the City for extension of Fifth Street north of A Street. The four parcels appraised are valued as of *August 30, 1990*. Two of the parcels appraised involve partial acquisitions from a larger property.

Consideration has been given to damages and/or special benefits that accrue to the remainder parcels. The other two parcels are total buyouts.

Two of the parcels appraised (Anderson and Rea) involve vacant sites that are zoned for multifamily residential use. The smaller of these parcels, Parcel 3 (Rea), is a relatively small site and, although zoned for multifamily residential use, can only be devoted to single-family residential development.

The other vacant parcel of land, Parcel 1 (Anderson), is a much larger property containing a net usable area of 31,772 square feet or 0.729 acres. This property has the potential for development of multifamily residential housing.

The two improved properties (Diaz and Lehrer, et al.), are also zoned R-3, a multifamily residential land use zoning for the City of West Sacramento. Parcel 4 (Diaz), however, is improved with a single-family residence in fair to good condition, and highest and best use of this property is for single-family residential purposes.

Parcel 2 (Lehrer, et al.), is a much larger parcel containing a net usable area of 2.202 acres or 95,919 square feet. This property is improved with four single-family residential units that are currently being rented. Three of the units are in overall poor condition and are approaching the end of their economic life. One of the residences is located within a dedicated road right-of-way, although the right-of-way is not currently improved or used for road purposes. The other house on the property is located at the northwest corner of James and Fifth Streets and is a dwelling that is in

fair overall condition and would represent highest and best use of that portion of the property on which the residence is situated. This residence is on an identifiable city lot.

The properties appraised are served by necessary public utilities including water, sewer, natural gas, electric power and telephone service. Access to the properties is provided by A Street and a graveled roadway known as "Alans Alley" that is not a public street.

Valuation of the two vacant parcels of land, Parcel 1 (Anderson) and Parcel 3 (Rea), are valued on the basis of the Sales Comparison Approach utilizing recent transactions of similar type properties. Parcel 4 (Diaz) is valued as a single-family residence to which it is currently devoted and is based on both a Market Comparison Approach and a Cost Approach.

Parcel 2 (Lehrer, et al.) presents a more difficult valuation problem. The city lot that is a portion of the Lehrer property and is improved with a single-family residence located at the northwest corner of A and Fifth Streets is valued separately. The improvement on the property is a fair quality single-family residence that has a significant remaining economic life. The balance of the property essentially represents land with an interim value attributable to the rental income being derived from the three substandard rental units. This portion of the property would have an ultimate use for multifamily residential development.

Estimated value of the four parcels to be acquired is summarized as follows:

# Clark - Wolcott

Incorporated

---

|                      |                |                  |
|----------------------|----------------|------------------|
| PARCEL 1             | Anderson       | \$ 95,000        |
| PARCEL 2             | Lehrer, et al. | \$350,450        |
| PARCEL 3             | Rea, et al.    | \$ 20,000        |
| PARCEL 4             | Diaz, et ux.   | <u>\$105,000</u> |
| TOTAL PROPERTY VALUE |                | \$570,450        |

CLARK-WOLCOTT COMPANY, INC.

By Thomas W. Clark, Jr.  
Thomas W. Clark, Jr., MAI

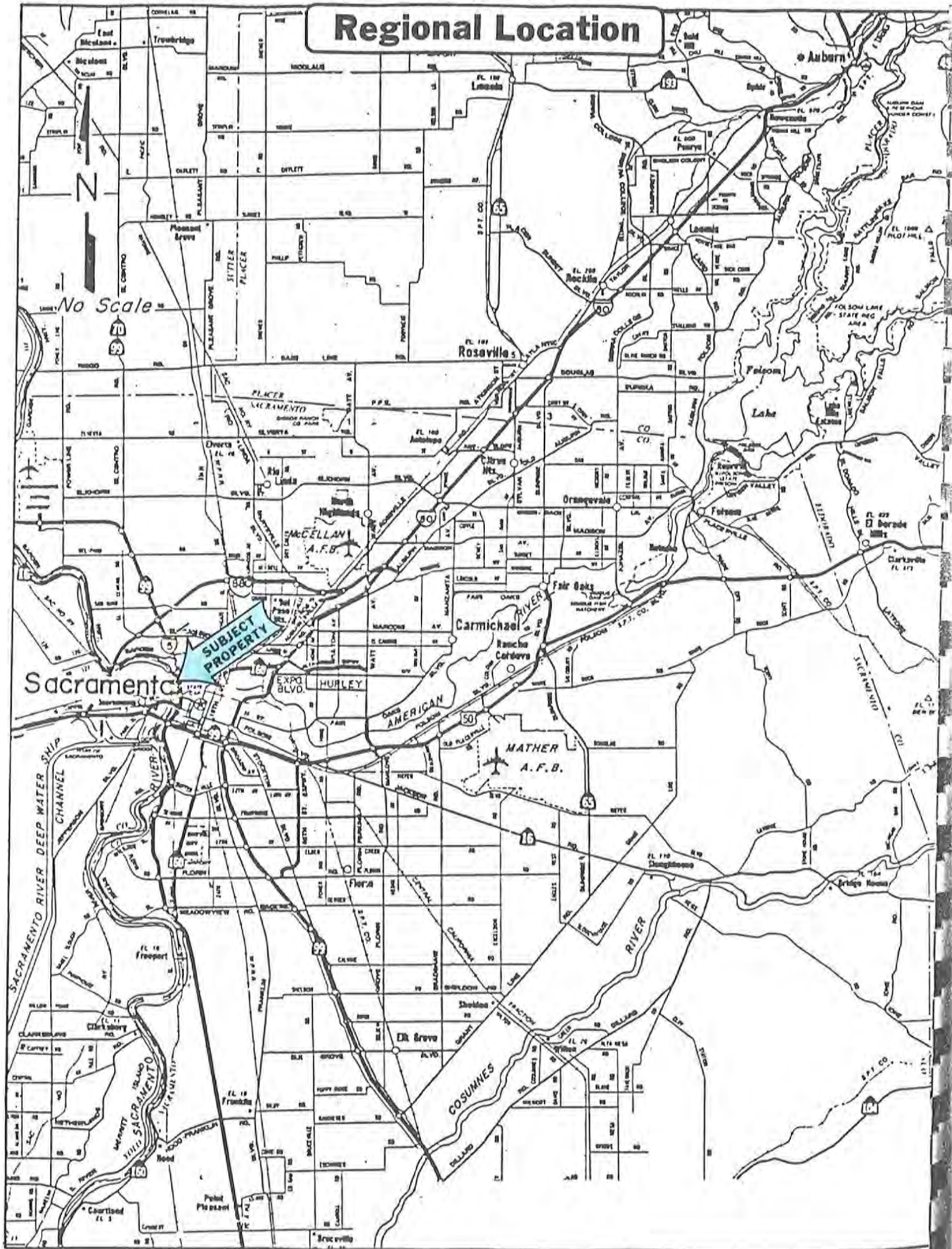
Date: 09/10/90



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# Regional Location



## **INTRODUCTION**

### **SCOPE AND FUNCTION OF THE APPRAISAL ASSIGNMENT**

This appraisal involves the valuation of four parcels of land located in the northeasterly section of the city of West Sacramento. These parcels are being appraised for acquisition by the City of West Sacramento for the extension of 5th Street and could involve eminent domain proceedings.

### **PROPERTY OWNERSHIP AND IDENTIFICATION**

The parcels appraised in this report are separately identified in the individual Parcel Valuation portion of this report.

### **PROPERTY RIGHTS APPRAISED**

This appraisal is of the fee estate subject only to exceptions, easements and rights-of-way of record.

### **DATE OF VALUATION**

Valuation of the four parcels appraised in this report is as of *August 30, 1990*.

**DEFINITION OF MARKET VALUE**

*Market Value* as used in this report is:

"the fair market value of the property taken is the highest price on the date of valuation that would be agreed to by a seller, being willing to sell but under no particular or urgent necessity for so doing, nor obligated to sell, and a buyer, being ready, willing, and able to buy but under no particular necessity for so doing, each dealing with the other with full knowledge of all the uses and purposes for which the property is reasonably adaptable and available."

---

## ASSUMPTIONS AND LIMITING CONDITIONS

This Appraisal Report and Valuation contained herein are expressly subject to the following assumptions and/or conditions:

1. Title to the Fee Estate Interest in the property is clear and marketable and that there are no recorded or unrecorded matters or exceptions to title that would adversely affect marketability or value. Clark-Wolcott Company, Inc., has not examined title and makes no representations relative to the condition thereof.
2. Clark-Wolcott Company, Inc., has made no survey of property boundaries, and boundaries as they appear on the ground or as represented by the client or client representative, are assumed to be correct.  
  
Maps, sketches, photographs and other exhibits depicting the appraisal property are intended for illustrating purposes to supplement the narrative description of the properties and are not intended nor should they be construed to represent an exact survey or location of property boundaries.
3. All factual data furnished by the property owner, owner's representative, or persons designated by the owner to supply said data are accurate and correct unless otherwise specifically noted in the appraisal report. Unless otherwise specifically noted in the appraisal report, Clark-Wolcott Company, Inc., has no reason to believe that any of the data furnished contains any material error. Information and data referred to in this paragraph includes, without being limited to, lot and block numbers, Assessor's parcel numbers, land dimensions, acreage or area of the land, net farmable areas, usable areas, rent schedules, income data, historic operating expenses, budgets, and related data. Any material error in any of the above data has a substantial impact on the value reported. Thus, Clark-Wolcott Company, Inc., reserves the right to amend the value reported if made aware of any such error. Accordingly, the client-addressee should carefully review all assumptions, data, relevant calculations, and conclusions within ten days after the date of delivery of this report and should immediately notify Clark-Wolcott Company, Inc., of any questions or errors.
4. All information and data furnished by others in connection with the preparation of this report are accurate and correct, and Clark-Wolcott Company, Inc., has no reason to believe to the contrary unless such is specifically noted in the body of the report. Information included in this context refers to comparable rental and sales data, verification of factual data, and general market data.
5. No responsibility is assumed for building permits, zone changes, engineering or any other services or duty connected with legally utilizing the subject property. Unless otherwise noted in the body of the report, it is assumed that no changes in the present zoning ordinances or regulations governing use, density or shape are being considered.
6. The appraisal has been prepared on the premise that there are no encumbrances or other matters not of record prohibiting utilization of the property under the appraiser's statement of highest and best use.
7. Unless otherwise noted in the body of the report, it is assumed that there are no mineral or sub-surface rights of value involved in this appraisal and that there are no air or development rights of value that may be transferred.

8. This report may not be duplicated in whole or in part without the specific written consent of Clark-Wolcott Company, Inc., nor may this report or copies hereof be transmitted to third parties without said consent, which consent Clark-Wolcott Company, Inc., reserves the right to deny. Exempt from this restriction are duplication for the internal use of the client-addressee and/or transmission to attorneys, accountants, or advisors of the client-addressee. Also exempt from this restriction is transmission of the report to any court, governmental authority, or regulatory agency having jurisdiction over the owner of the property, provided that this report and/or its contents shall not be published, in whole or in part, in any public document without the express written consent of Clark-Wolcott Company, Inc. Finally, this report shall not be advertised to the public or otherwise used to induce a third party to purchase the property. Any third party, not covered by the exemptions herein, who may possess this report, is advised that they should rely on their own independently secured advise for any decision in connection with this property. Clark-Wolcott Company, Inc., shall have no accountability or responsibility to any such third party.
9. Unless specifically set forth in the body of the report, nothing contained herein shall be construed to represent any direct or indirect recommendation of Clark-Wolcott Company, Inc., to buy, sell, or hold the property at the value appraised. Such decisions involve substantial investment strategy questions and must be specifically addressed in consultation form.
10. The real estate market is in a state of constant flux, as is the value of the U.S. dollar. Clark-Wolcott Company, Inc., can offer no assurances that the reported value will remain stable or improve in terms of current dollars. The passage of time or changing economic conditions could result in a change in value, as could a change in the relative value of the U.S. dollar. If the client believes such has occurred, an updated valuation may be in order.
11. The appraiser shall not be required to give testimony or appear in court by reason of this appraisal with reference to the property described herein unless prior arrangements have been made.
12. Unless otherwise stated in this report, the existence of hazardous substances, including without limitation asbestos, polychlorinated biphenyls, petroleum leakage, or agricultural chemicals, which may or may not be present on the property, or other environmental conditions, were not called to the attention of nor did Clark-Wolcott Company, Inc., become aware of such during the appraiser's inspection. Clark-Wolcott Company, Inc., has no knowledge of the existence of such materials on or in the property unless otherwise stated. Clark-Wolcott Company, Inc., however, is not qualified to test for the presence of such substances or conditions. If the presence of such substances, such as asbestos, ureaformaldehyde, foam insulation, or other hazardous substances or environmental conditions, may affect the value of the property, the value estimated is predicated on the assumption that there is no such condition on or in the property or in such proximity thereto that it would cause a loss in value. No responsibility is assumed for any such conditions, nor for any expertise or engineering knowledge required to discover them.

If questions in these areas are critical to the decision process of the reader, the advice of competent engineering or environmental consultants should be obtained and relied upon. If engineering or environmental consultants retained should report negative factors, of a material nature, relative to the condition of the property, such negative information could have a substantial negative impact on the value reported in this appraisal. Accordingly, if negative findings are reported by engineering or environmental consultants, Clark-Wolcott Company, Inc., reserves the right to amend the value reported herein.



**SPECIAL ASSUMPTIONS AND LIMITING CONDITIONS**

- The net usable land areas as shown in this report are based on information and data provided by Spink Engineering Corporation.
- This is an abbreviated appraisal report involving four parcels of land required for road right-of-way purposes. In the event of court proceedings, a more in-depth appraisal of the various parcels may be required.

**CERTIFICATION**

The undersigned does hereby certify that, except as otherwise noted in this appraisal report:

1. I have personally inspected the property which is the subject of this appraisal.
2. I have no present or contemplated future interest in the real estate that is the subject of this appraisal report.
3. I have no personal interest or bias with respect to the subject matter of this appraisal report or the parties involved.
4. The professional fee for the appraisal service rendered is dependent solely upon completion of the service evidenced by delivery of this report and is in no way contingent upon the conclusions or value estimate reported.
5. To the best of my knowledge and belief the statements of fact contained in this appraisal report, upon which the analysis, opinions and conclusions expressed herein are based, are true and correct.
6. This appraisal report sets forth all of the limiting conditions (imposed by the terms of the assignment or by the undersigned) affecting the analysis, opinions and conclusions contained in this report.
7. This appraisal report has been made in conformity with and is subject to the requirements of the Code of Professional Ethics and Standards of Professional Practice of the American Institute of Real Estate Appraisers of the National Association of Realtors including review by its duly authorized representatives.
8. The American Institute of Real Estate Appraisers conducts a program of continuing education for its designated members. As of the date of this report, the undersigned, Thomas W. Clark, Jr., MAI, has completed the requirements of the continuing education program of the American Institute of Real Estate Appraisers.
9. No one other than the undersigned prepared the analysis, conclusions and opinions concerning real estate that are set forth in this appraisal report.

By: Thomas W. Clark, Jr.

Date: 02/10/90



**APPRAISAL FORMAT**

This appraisal has been essentially divided into two sections. The first section consists of pertinent data relating to the project, the area in which it is situated, the influence having an economic impact and an analysis of market land sales used to establish a base value range for the various land uses valued in this appraisal.

The second part of the appraisal involves the Valuation section and includes the value of each individual parcel as well as pertinent facts and data relating to the properties and description of the physical characteristics, estimate of highest and best use and estimated market value of each of the properties that are proposed to be acquired.

The parcels appraised have been designated as Parcels 1 through 4. The following is a summary of the ownership of the various parcels, the assessor parcel numbers and the net usable land area of the property to be acquired.

| <u>PARCEL NUMBER</u> | <u>PROPERTY OWNERSHIP</u>  | <u>ASSESSOR<br/>PARCEL NUMBER</u> | <u>USABLE AREA<br/>TO BE ACQUIRED</u> |
|----------------------|----------------------------|-----------------------------------|---------------------------------------|
| 1                    | Laurie O'Shea Anderson     | 10-523-06<br>YOLO COUNTY          | 31,772 SF                             |
| 2                    | Lehrer, et al.             | 10-523-23, 25, 27<br>YOLO COUNTY  | 95,919 SF                             |
| 3                    | Ralph D. Rea, et al.       | 10-523-08<br>YOLO COUNTY          | 5,140 SF                              |
| 4                    | Raymundo Diaz, Jr., et ux. | 10-523-12<br>YOLO COUNTY          | 10,629 SF                             |

**AREA DATA****SACRAMENTO METROPOLITAN REGION AND AREA DATA**

The parcels valued in this report are within the Sacramento metropolitan area in northern California. A description of the Sacramento Metroplex is included in the Addenda of this report as Exhibit A.

**NEIGHBORHOOD CHARACTERISTICS**

The property appraised is located in the city of West Sacramento, which is across the Sacramento River from the Central Business District of the city of Sacramento and the State Capitol.

West Sacramento is a recently incorporated city that includes a wide variety of land uses ranging from single-family residential housing to heavy industrial development. The neighborhood in which the subject property is situated is in the northeast section of West Sacramento.

Neighborhood boundaries are generally Sacramento Avenue and C Street to the south, Douglas Street to the west, Anna Street to the north and County Road 136 (the Levee Road) to the east. Within this neighborhood the primary land uses are residential, both single- and multifamily.

Adjacent to the neighborhood to the north is the Lighthouse Marina Riverbend Development, a planned mixed-use community of 320± acres. When completed, this project is proposed to consist of 1,700 residential units, 500 to 800 hotel rooms, 200,000 square feet of office space, and docking facilities for 500 pleasure craft. Infrastructure (street and utilities) construction is currently underway. This project, if

completed to the standards proposed, could have a significant long term impact on value in the neighborhood. It currently is influencing property values in the general area upward to some degree.

Traffic circulation in the neighborhood is generally limited to local neighborhood streets, with Sacramento Avenue being the primary traffic corridor. Sacramento Avenue via the I Street Bridge provides direct access to the neighborhood from the Central Business District of the city of Sacramento. Capitol Avenue and the Tower Bridge, approximately one-half mile south, also provides access to the Central Business District. Public bus transportation is available along Sacramento Avenue by Yolo County Transit, but the primary mode of transportation is private automobile.

The general neighborhood, as it is presently developed, consists primarily of single-family residential land uses with some multifamily residential development and strip commercial development along Sacramento Avenue. The existing building structures are old and are approaching the latter part of their economic life. The single-family residences are in the low to moderate income price range. The overall residential neighborhood is adequately maintained considering the quality and age of the residential and other improvements.

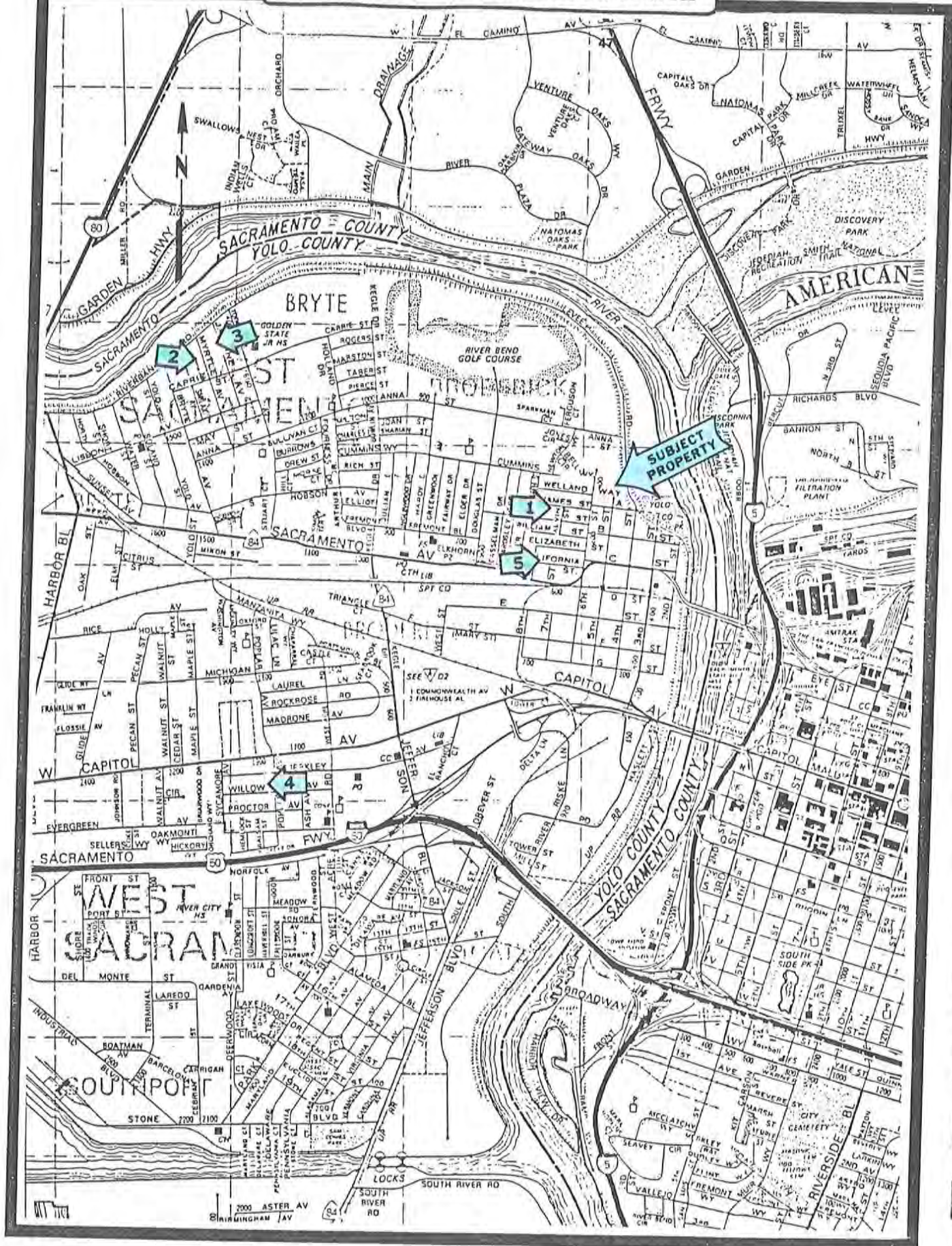
Schools from Kindergarten to high school are provided in the community of West Sacramento by the Washington Unified School District. Institutions of higher learning are situated across the Sacramento River in the central Sacramento area and in Davis.

Neighborhood shopping is provided by a shopping center at Kagle Drive and Sacramento Avenue (Elk Horn Plaza). Other local shopping facilities are situated along West Capitol Avenue. Regional shopping is provided in the Central Business District of the city of Sacramento (Downtown Plaza shopping mall).

In summary, the property appraised is in an area predominately consisting of older single- and multifamily housing in the low to moderate income price range. The Lighthouse Marina Riverbend project to the north of the neighborhood could positively impact the area over an extended period of time. The neighborhood as it presently exists, however, consists primarily of small, older single-family homes and multifamily units with older strip commercial development along Sacramento Avenue. The neighborhood is approaching the end of its economic life cycle.



# Comparable Market Data



**LAND VALUE ANALYSIS**

An in-depth investigation was made for sales of reasonably comparable property to those parcels appraised. These land uses generally fall into two categories: individual single-family residential lots and multifamily residential parcels.

Included are market data base tabulations of sales utilized in this report to develop a value range for individual single-family lots and multifamily parcels. These data base sets establish general value parameters for the land appraised. In the Valuation section of this report, the base value ranges established are further analyzed and land values for each parcel are developed.

Data Base A reflects market transactions involving lots that have a use for single-family residential purposes and, for the most part, are within the subject neighborhood.

**DATA BASE A**

| <b>SALE</b> | <b>LOCATION</b>  | <b>SALE DATE</b> | <b>SIZE</b> | <b>ZONE</b> | <b>SALE PRICE</b> | <b>PRICE PER S.F.</b> |
|-------------|--|------------------|-------------|-------------|-------------------|-----------------------|
| 1           | 627 JAMES STREET   | 8/90             | 4,000 SF    | R2-B14      | \$25,000          | \$6.25                |
| 2           | WEST SIDE OF MYRTLE AVENUE<br>100 FEET NORTH OF CARRIE STREET  | 3/88             | 7,300 SF    | R2-B14      | \$12,000          | \$1.64                |
| 3           | WEST SIDE OF JASMINE AVENUE<br>200 FEET NORTH OF CARRIE STREET | 10/87            | 7,300 SF    | R2-B14      | \$16,000          | \$2.19                |
| 4           | WEST SIDE OF POPLAR AVENUE<br>50 FEET SOUTH OF MERKLEY AVENUE  | 5/87             | 5,500 SF    | R-2         | \$17,500          | \$3.18                |
| 5           | NORTHEAST CORNER 8TH<br>AND CALIFORNIA STREETS                 | LISTING          | 10,800 SF   | R2-B14      | \$80,000          | \$7.41                |



All of the sales analyzed are zoned R2-B14 or R-2, a medium density land use designation that will allow residential development of one single-family dwelling or one duplex if the parcel has a minimum lot size of 14,000 square feet. Since none of the sales are that large, the sale properties can only be used for single-family residential use.

Sale 1 is located two blocks west of the property appraised and is the most recent transaction, August, 1990. The sale price of the lot is \$25,000 or \$6.25 per square foot with no adjustments necessary.

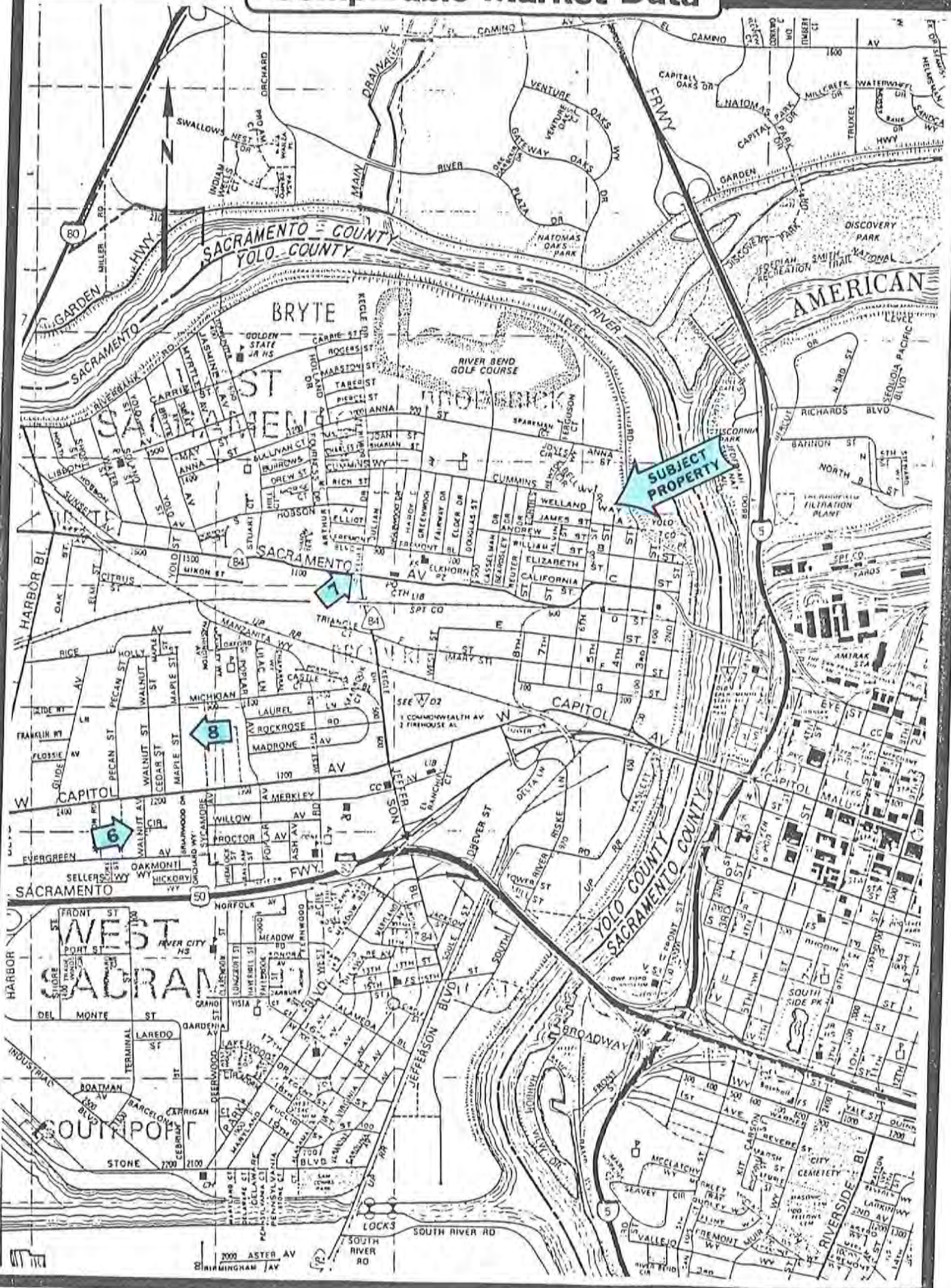
Sales 2 through 4 are all older sales that occurred between May, 1987 and March, 1988 at prices ranging from \$1.64 to \$3.18 per square foot. Adjusting these sales for time-value increases to the valuation date would indicate a value range of \$3.50 to \$4.25 per square foot for the parcels appraised.

Sale 5 is a current listing located at the northeast corner of 8th and California Streets. The property consists of two lots that contain 5,400 square feet each or a total of 10,800 square feet. The listing price for the parcels is \$80,000 or \$40,000 per lot. This listing is shown primarily for informational purpose. Any sale of this property would be at a price well below the listing price.

The market data suggests a value range of \$25,000 to \$40,000 for single-family lots, with the smaller lots of 4,000 square feet having a lesser value than larger sites of 7,000 to 8,000 square feet.

Data Base B involves sales that are zoned for multifamily residential use. The sales used in this analysis are all in the general area of the property appraised and are considered good indicators of value for multifamily zoned land.

# Comparable Market Data





**DATA BASE B**

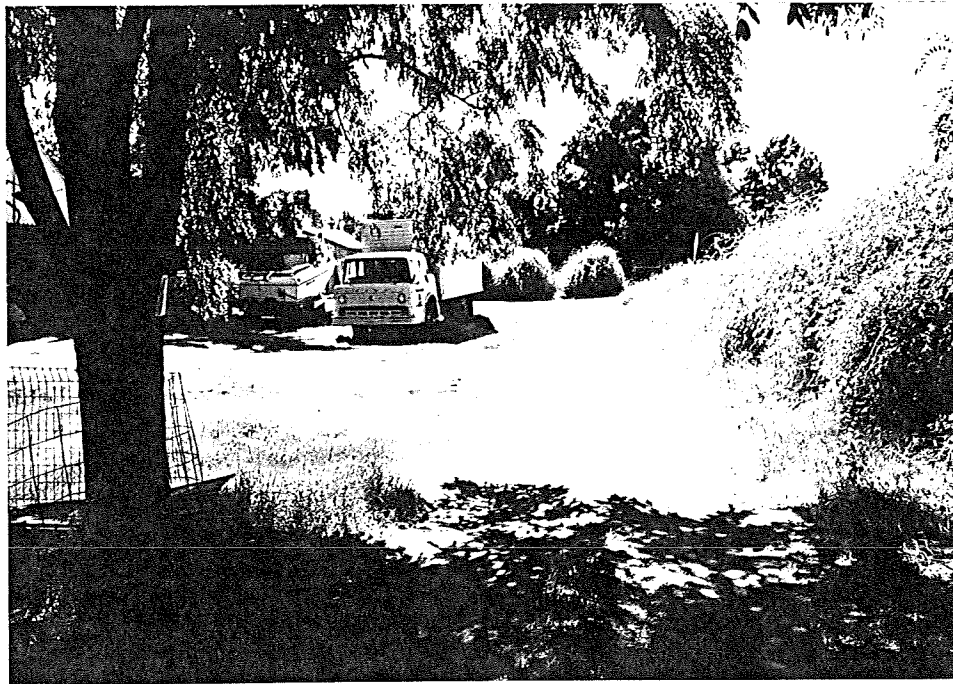
| <b>SALE</b> | <b>LOCATION</b>   | <b>SALE DATE</b> | <b>SIZE</b>                   | <b>ZONE</b> | <b>SALE PRICE</b> | <b>PRICE PER S.F.</b> |
|-------------|---|------------------|-------------------------------|-------------|-------------------|-----------------------|
| 6           | 700 WALNUT STREET   | 01/90            | <u>.487 AC</u><br>21,21 SF    | R3          | \$ 65,000         | \$3.06                |
| 7           | NORTHWEST CORNER OF SACRAMENTO AVENUE AND KEGLE DRIVE           | 08/88            | <u>6.793 AC</u><br>295,803 SF | R3          | \$825,000         | \$2.79                |
| 8           | EAST SIDE OF MAPLE STREET 600 FEET NORTH OF WEST CAPITOL AVENUE | 04/89            | <u>.463 AC</u><br>20,168 SF   | R3          | \$ 47,500         | \$2.36                |

These three multifamily residential land sales were the only recent transactions of larger parcels in the West Sacramento area. They occurred between August, 1988 and January, 1990 at prices ranging from \$2.36 to \$3.06 per square foot. Adjusting these sales for time-value increases since the date of sale and for location characteristics would suggest a general value range for the multifamily land appraised of \$3.00 to \$3.25 per square foot for the parcels appraised.

PHOTOGRAPHS OF PARCEL NO. 1



VIEW LOOKING SOUTHEASTERLY FROM BASE OF LEVEE



VIEW LOOKING WESTERLY OF PROPERTY'S ADJACENT LOT  
FRONTING 6TH STREET WHICH PROVIDES ACCESS TO THE SITE

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**PROPERTY IDENTIFICATION AND  
SIGNIFICANT FACTS**

**PARCEL NO. 1**

**OWNER OF RECORD:** Laurie O'Shea Anderson

**OWNER ADDRESS:** c/o Michael Gill  
11 - 6th Street; West Sacramento, California

**OWNER CONTACT:** Michael Gill, owner's representative, inspected the property with the appraiser July 30, 1990.

**PROPERTY LOCATION:** 110 feet east of the northern terminus of 6th Street

**ASSESSOR PARCEL NO.:** 10-523-06, Yolo County

**PROPERTY INSPECTION:** Last property inspection July 30, 1990

**PROPERTY DESCRIPTION:**

This is an irregular, but generally rectangular shaped parcel containing 31,772 square feet of usable land area. Usable land excludes the area within County Road 136 right-of-way. Gross land area including the road right-of-way is 40,772± square feet.

Topography of the land is generally level and the property is at grade with 6th Street, which provides access to the property, and at grade with land to the south. The northerly and easterly boundaries consist of levees. The crowns of these levees are approximately 12 to 15 above the grade of the parcel appraised. The levee along the easterly property line is also the location of County Road 136.

The land is currently unused, and there are no building improvements on the site. Vegetative cover consists of various trees and grasses that are native to the area.

**PUBLIC UTILITIES:** Water, sewer, natural gas, electric power and telephone service.

**ZONING:**

R-3; This is a multiple family residential land use designation for the City of West Sacramento. Typical uses allowed are multifamily dwellings, duplexes and single-family residences.

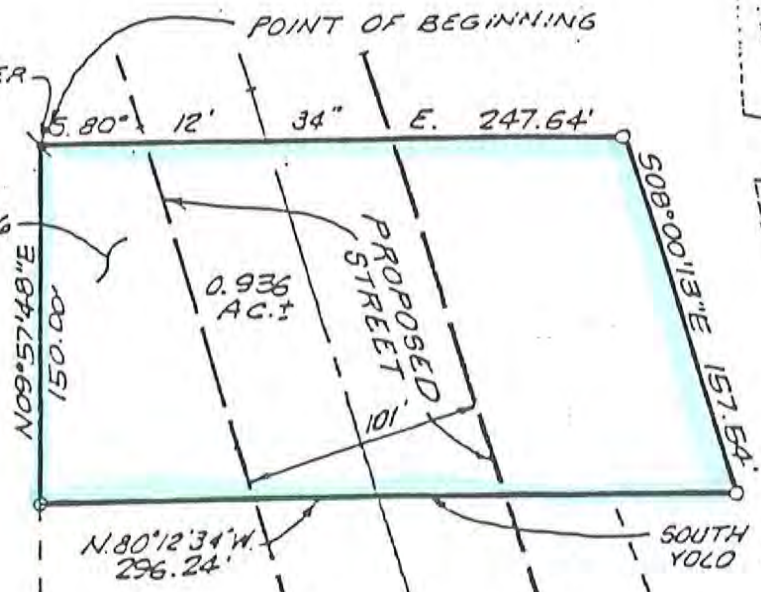
**SALES HISTORY:**

Investigation indicates that there have been no transfers of the property for the past three years.

SIXTH STREET

NW CORNER  
335/20  
YOLO CO.  
RECORDS

A.P.N.  
10-523-06



SCALE: 1" = 80'

3

NORTH R/W  
JAMES STREET  
(A STREET)

**VALUATION ANALYSIS**

**HIGHEST AND BEST USE:**

The parcel has a probable use for multifamily development which is consistent with the current zoning.

**PROPERTY TO BE ACQUIRED:**

The parcel to be acquired contains a net area of 31,772 square feet or 0.729 acres.

**VALUATION CONSIDERATIONS AND ANALYSIS:**

This appraisal involves a partial acquisition from a larger property. The remainder of the property consists of a city lot that presently provides physical access to the land that is proposed to be acquired.

The remaining city lot will not suffer any loss in value as a result of the proposed acquisition since it could be sold as a single-family residential lot at a value greater than if utilized with the property to be acquired.

The market data base established in the Land Value section of this report indicates a value range of \$3.00 to \$3.25 per square foot R-3 zoned property. Considering the location of the parcel appraised, which is inferior to the market data, estimated value is at the lower end of the price range and is estimated at \$3.00 per square foot.

**CONCLUSION OF VALUE:**

31,772 S.F. @ \$3.00/S.F.                      \$95,316

Rounded To    \$95,000

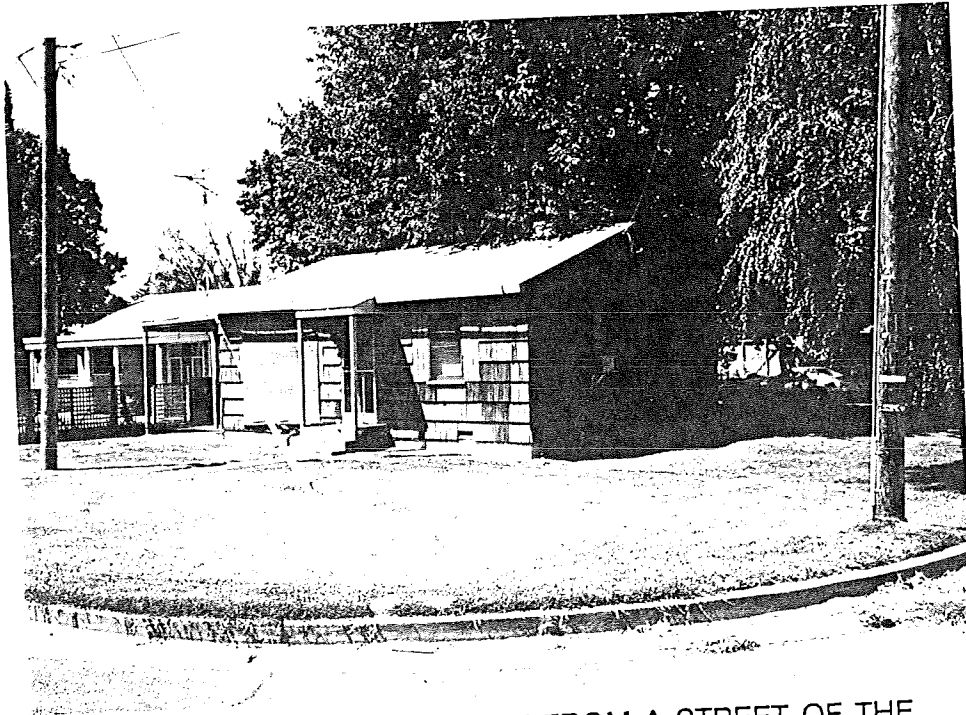
**LEGAL DESCRIPTION**

All that real property situate in the City of West Sacramento, County of Yolo, State of California described as follows:

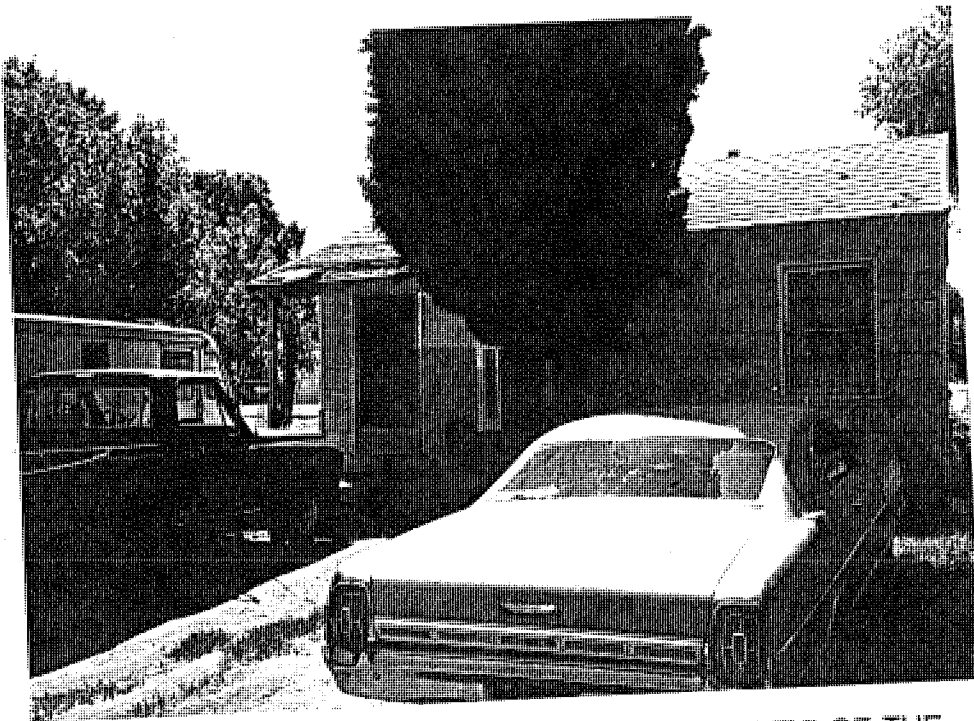
Beginning at the Northwest corner of the land conveyed to Abner B. Smith and Gladys A. Smith by Quitclaim Deed recorded in Book 335 Page 20, Yolo County Records; Thence along the boundary of the land so conveyed the following four (4) courses:

- (1) North 80° 12' 34" East 247.64 feet,
- (2) South 08° 00' 13" East 157.54 feet,
- (3) North 80° 12' 34" West 296.24 feet and
- (4) North 09° 57' 48" East 150.00 feet to the POINT OF BEGINNING;  
containing 0.936 Acre more or less.

PHOTOGRAPHS OF PARCEL NO. 2



LOOKING NORTHWESTERLY FROM A STREET OF THE  
SINGLE FAMILY STRUCTURE LOCATED AT 514 A STREET



VIEW LOOKING WESTERLY FROM "ALANS ALLEY" OF THE  
PROPERTY LOCATED AT 58 - 5TH STREET



**PROPERTY IDENTIFICATION AND  
SIGNIFICANT FACTS**

**PARCEL NO. 2**

**OWNER OF RECORD:** Lehrer, Lehrer, Lehrer & Graiwer, a general partnership

**OWNER ADDRESS:** Lehrer, Lehrer, Lehrer & Graiwer  
2601 Commonwealth, Los Angeles, California

**OWNER CONTACT:** Stanley Tanaka, owners' representative, inspected the property with the appraiser August 2, 1990.

**PROPERTY LOCATION:** North side of A Street at end of 5th Street.

**ASSESSOR PARCEL NO.:** 10-523-23, 25 and 27, Yolo County

**PROPERTY INSPECTION:** Last property inspection August 2, 1990

**PROPERTY DESCRIPTION:**

This is an irregular shaped parcel of land containing a gross area of 2.668 acres and a net usable area after deduction for road rights-of-way of 2.202 acres or 95,919 square feet. Access to the property is from A Street over a graveled road (which is not a dedicated public street) known as "Alans Alley".

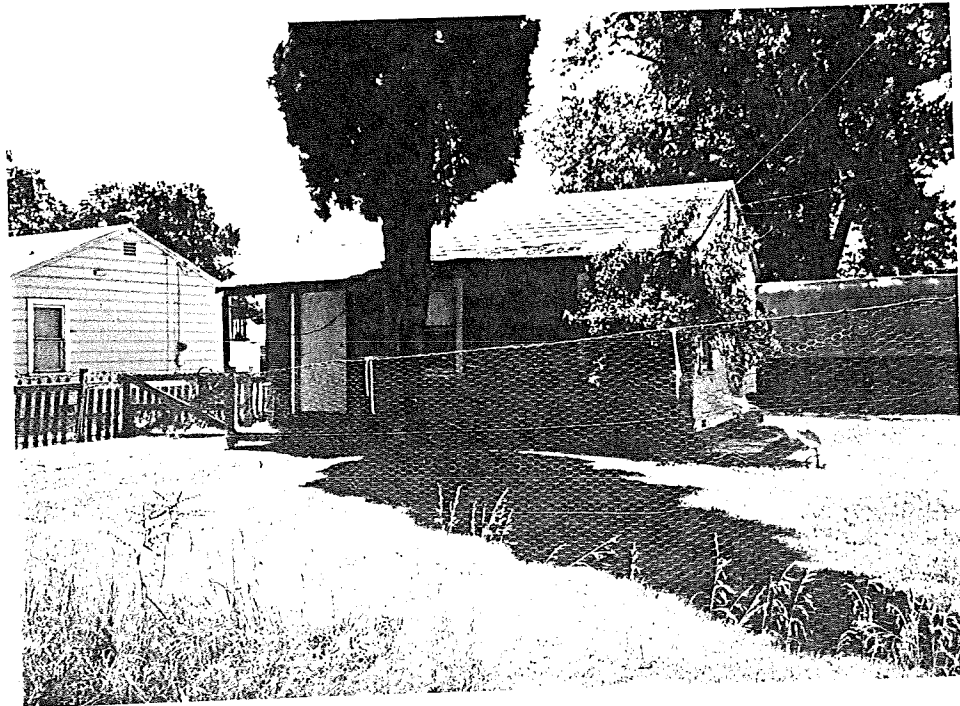
Improvements on the property consist of four single-family residences in overall poor to fair condition.

The residence at the northwest corner of Fifth and A Streets is in fair to good condition and is currently rented at \$235 per month. This property is on an identified residential lot with an address of 514 A Street.

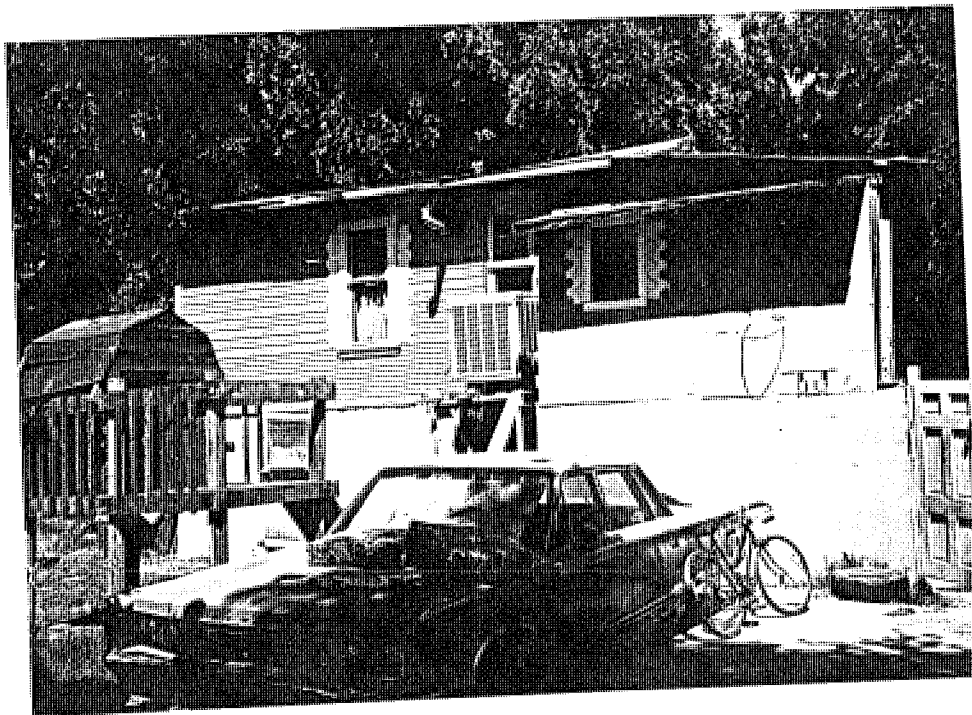
The lot contains 8,864± square feet of land area and the house, which is a two bedroom/one bath with living room, kitchen and carport, contains 684 square feet. The attached carport is 240 square feet.

This residence is a wood frame building with concrete foundation, wood subfloor, wood shingle siding and composition roofing. The interior consists of drywall construction with wall-to-wall carpeting and linoleum flooring in the kitchen. Heating is provided by a wall heater and air conditioning by a window-mounted air conditioning

PHOTOGRAPHS OF PARCEL NO. 2



VIEW LOOKING WESTERLY FROM "ALANS ALLEY" OF PROPERTY  
LOCATED AT 70 - 5TH STREET



VIEW LOOKING EASTERLY FROM "ALANS ALLEY" OF PROPERTY LOCATED  
IN THE ROAD RIGHT-OF-WAY AREA AT 55 - 5TH STREET

unit. Landscaping around the house is poor to fair. The frontage along A Street includes curbs and gutters, but no sidewalk.

The other residential units on the property consist of three single-family dwelling units that are at the rear of the parcel with access from a graveled road referred to as "Alans Alley". The two houses on the west side of "Alans Alley" are identical structures containing a gross area of 482 square feet each. They are one bedroom/one bath with a living room and kitchen. Basic construction consists of concrete foundation, wood frame construction, wood subfloor, wood shingle and wood siding, and a composition shingle roof. Interior construction consists of drywall partitions with wall-to-wall carpeting in all rooms except the kitchens which have linoleum floor covering. Heating is provided by wall mounted gas fired heating units. One of the units is cooled with a swamp cooler and the other has no air conditioning unit. The area around the houses consists of minimal landscaping with grass and a single tree. Both of these units are rented at \$215 per month. Overall condition of these two units is poor.

The other rental unit on the property is located on the east side of "Alans Alley" generally opposite the two smaller rental units and is situated in an area that has been dedicated for road right-of-way purposes, although the land is not devoted to that use. This house is rented at \$175 per month and is in overall very poor condition. The structure, in fact, is the least desirable of the rental units on the Lehrer property. The house is two stories in height and contains a total area of 1,076 square feet. Foundation is mudsil with wood subfloor, wood frame construction, wood siding, and composition roofing. Interior partitions consist of drywall construction with some wall-to-wall carpeting and linoleum in other areas of the dwelling. Heating is provided by a wall mounted heating unit and cooling is provided by a swamp cooler. This dwelling has two bedrooms, one bath, a dining area, a kitchen and a small family room.

The balance of the land not improved with single-family residences is open, generally level and has a vegetative cover of native grasses.

**PUBLIC UTILITIES:**

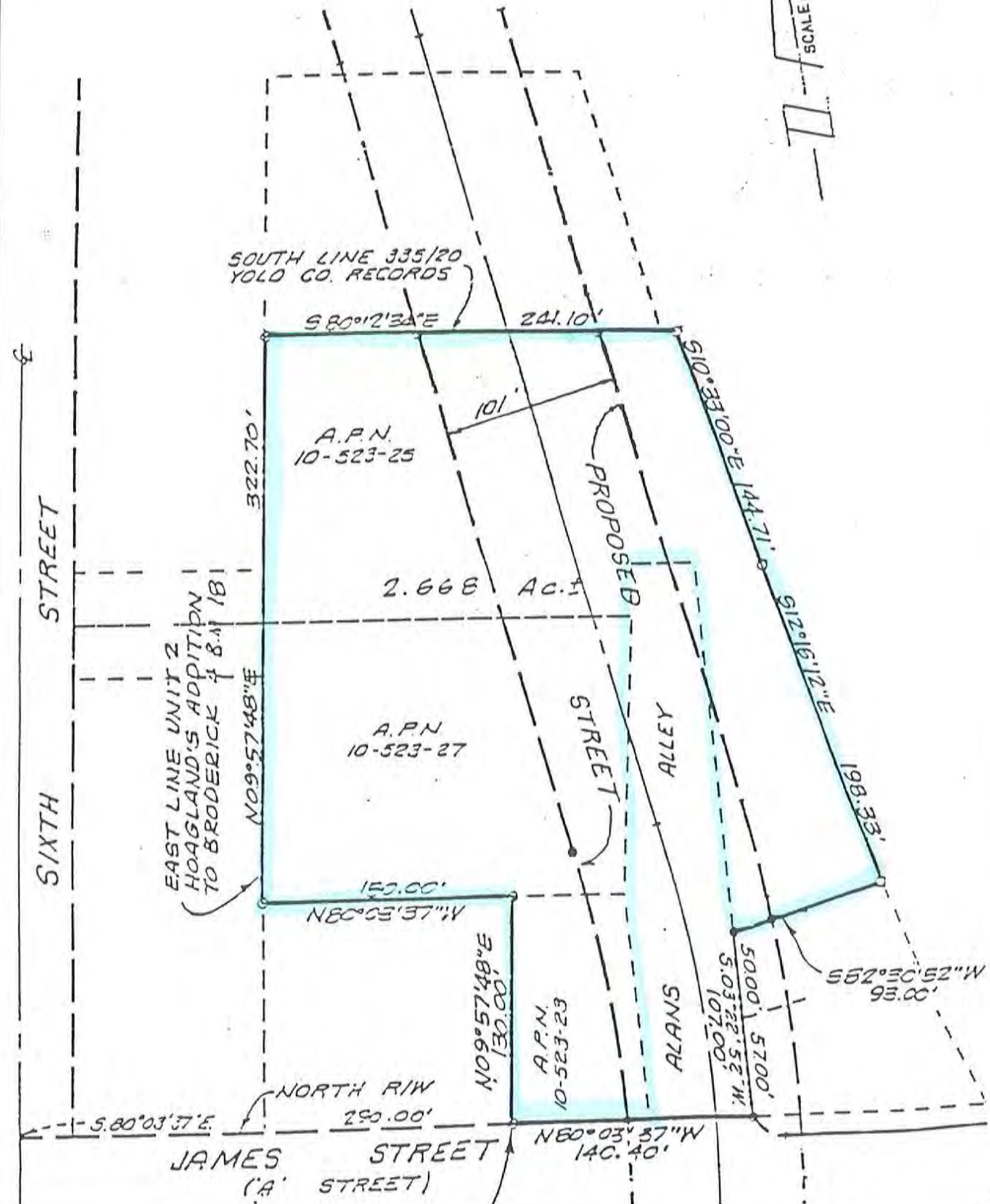
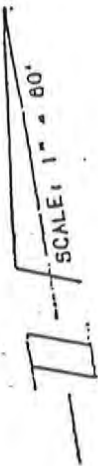
Water, sewer, natural gas, electric power and telephone service.

**ZONING:**

R-3; This is a multiple family residential land use designation for the City of West Sacramento. Typical uses allowed are multifamily dwellings, duplexes and single-family residences.

**SALES HISTORY:**

The property was acquired by the current owners March 3, 1988 for \$291,000.



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**VALUATION ANALYSIS**

**HIGHEST AND BEST USE:**

The parcel has a probable ultimate use for multifamily residential development with a short-term continued interim use for residential purposes, the use to which it is currently devoted.

**PROPERTY TO BE ACQUIRED:**

The parcel to be acquired contains a net area of 2.202 acres or 95,919 square feet.

**VALUATION CONSIDERATIONS AND ANALYSIS:**

This appraisal involves a partial acquisition from a larger property. The remainder property consists of two city lots fronting on 6th Street that are vacant and unimproved. The remaining city lots will not suffer any loss in value as a result of the proposed acquisition since they could be sold separately for single-family residential use at a value greater than if the two lots were utilized as part of the property to be acquired. Thus, there are no damages or special benefits to the remainder city lots fronting on 6th Street.

For purposes of valuation, the property has been divided into two separate parcels. One parcel, which consists of a city lot and a single-family residence in fairly good condition, is located at 514 A Street. This property has been valued assuming it could be readily sold as a separate single-family residential property.

The balance of the property, which consists of land and three rental units, is appraised on the basis of the land value as vacant plus an additional value for the improvement during a short interim period during which the rental units would be rented. Two of the rental units are very small and in only fair condition. The third rental unit is larger but is in very poor condition.

Highest and best use of this portion of the property is for ultimate multifamily residential development which would require demolition of the existing building structures. The interim value of the buildings is predicated on the gross rental income developed over a three year period at which time it is assumed the structures would be demolished to allow development of the property to its highest and best use. The rental income is discounted on a monthly basis to reflect present value of the income stream over the three year rental period.

The property at 514 A Street is valued on the basis of both Direct Market Comparison and a Cost Approach to value. Estimated cost new of the building improvement is based on the Marshall Swift Residential Cost handbook with the value of the land based on comparable land sales. Estimated accrued depreciation amounts to 24%.

The lot is generally larger than average, containing 8,864± square feet, and is a corner site at A Street and "Alans Alley". Estimated value of the lot based on land values developed in Market Data Base A is \$35,000.

The following is a summary of the estimated value applying a Cost Approach:

**Construction Cost New**

|  |               |
|--|---------------|
| Basic Cost - 684 S.F. @ \$38.65/S.F.   | \$26,437      |
| Floor Cover Adj 684 S.F. @ \$1.12/S.F. | 766           |
| Carport - 240 S.F. @ \$8.45/S.F.       | <u>2,028</u>  |
| Total Cost New                         | \$29,231      |
| Depreciation - 24%                     | <u>8,477</u>  |
| Depreciated Replacement Cost           | \$20,754      |
| Landscaping                            | 1,000         |
| Land Value                             | <u>35,000</u> |
| Total Value By Cost Approach           | \$56,754      |
|  | Rounded To    |
|  | \$56,750      |

Valuation of the property applying a Direct Market Comparison is predicated on the following tabulated market transactions:



# Comparable Market Data

SUBJECT PROPERTY

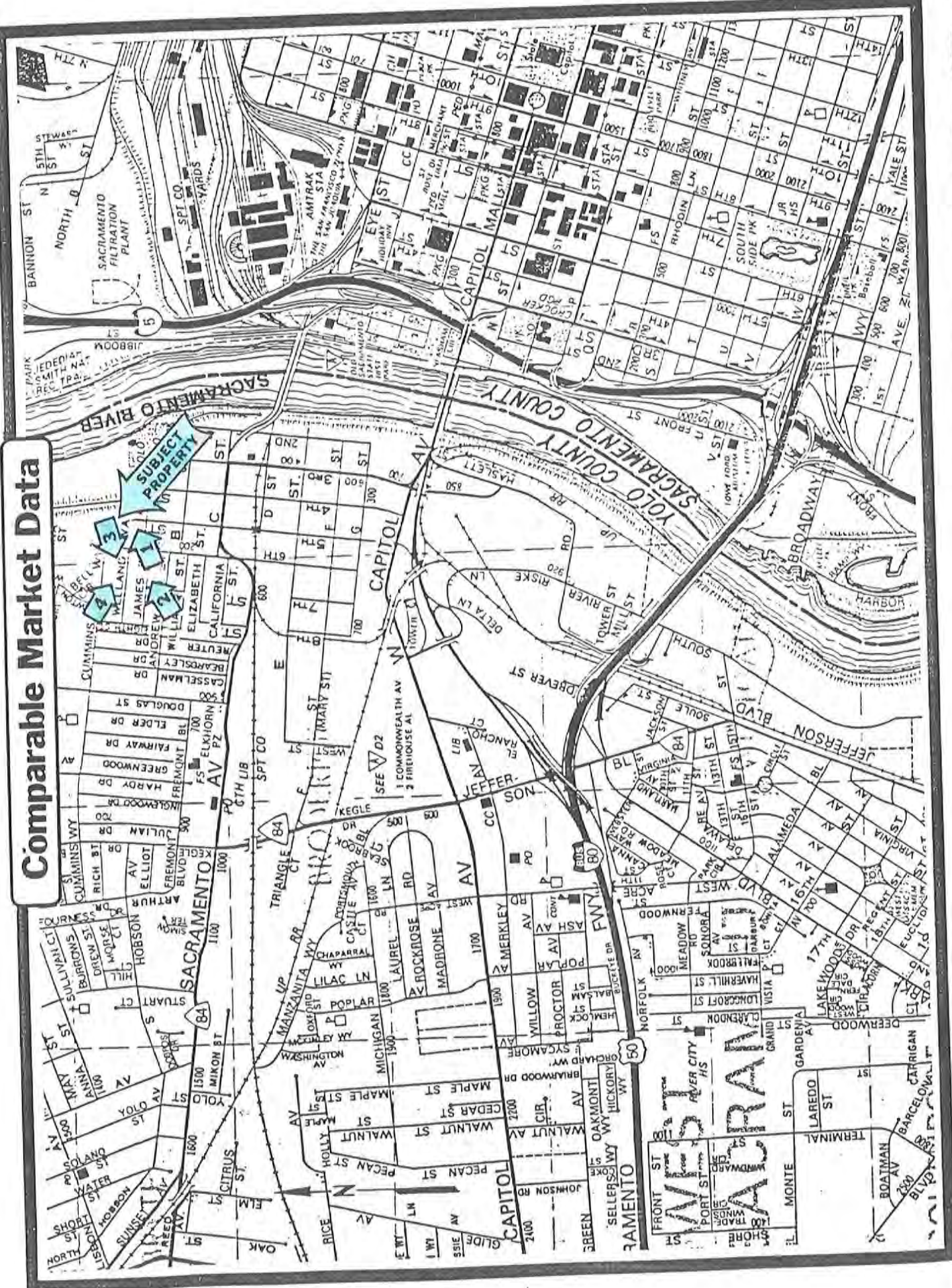
1

2

3

4

5



| SALE | LOCATION         | SALE DATE | ZONING | BEDROOMS/<br>BATHS | LOT SIZE | BUILDING SIZE | SALE PRICE | PRICE PER SF |
|------|------------------|-----------|--------|--------------------|----------|---------------|------------|--------------|
| 1    | 516 JAMES STREET | ESCROW    | R3     | 3/1                | 6,500 SF | 1,019 SF      | \$85,000   | \$77.91      |
| 2    | 611 JAMES STREET | 12/89     | R2-B14 | 2/1                | 4,000 SF | 793 SF        | \$71,000   | \$89.53      |
| 3    | 602 WELLAND WAY  | 08/89     | R2-B14 | 2/1                | 6,000 SF | 700 SF        | \$55,000   | \$78.57      |
| 4    | 614 WELLAND WAY  | 03/89     | R2-B14 | 2/1                | 6,000 SF | 991 SF        | \$52,000   | \$52.47      |

The three most comparable sales, Sales 1, 2, and 3, sold in a price range from \$77.91 to \$89.53 per square foot. Sale 4, which is the oldest of the three sales and is also in somewhat inferior condition, sold for \$52.47 per square foot.

Sale 1 is located immediately adjacent to the subject property and is currently in escrow. It must be adjusted upward somewhat on a per square foot basis because of its larger lot size.

Sale 2 is at 611 James Street and is a December, 1989 transaction. This property is approximately the same size as the subject parcel, containing 793 square feet, and sold for \$89.53 per square foot. Prior to the sale, the property had been remodeled, and downward adjustment to the price per square foot is necessary for this factor. Sale 3 is another transaction of a home containing 700 square feet that sold for \$78.57 per square foot. Some upward adjustment for value increases since the date of sale is necessary.

Considering all of the market data but relying primarily on Sales 1, 2, and 4, estimated value on a Market Comparison Approach is \$86.00 per square foot or a total value for the property of:

|                         |           |
|-------------------------|-----------|
| 684 S.F. @ \$86.00/S.F. | \$ 58,824 |
| Rounded To              | \$ 58,500 |

The estimated value of this portion of the Lehrer property based on both the Cost and Market Comparison Approaches is \$58,000.

Value of the balance of the Lehrer property as previously discussed is based on land value plus the interim value of the income attributable to the three rental units.



As developed in the Land Value section of this appraisal, the value range for multifamily residential use is \$3.00 to \$3.25 per square foot. Estimated value of the Lehrer parcel, considering all relevant factors, is \$3.15 per square foot. The total land area in this portion of the property is 87,055 square feet or 1.999 acres. Total value of the land is:

|                         |           |
|-------------------------|-----------|
| 87,055 SF @ \$3.15/S.F. | \$274,223 |
| Rounded To              | \$275,000 |

The three rental units at the rear of the property generate a total income of \$605 per month. The two small dwelling units on the west side of "Alans Alley" are rented at \$215 per month each and the other dwelling that is in very poor condition is rented for \$175 per month. Discounting this rental income over a three year period at a rate of 15% annually would yield a net present value of the income stream for the three years of \$17,453±.

Adding the value of the income interim stream and the land value of the rear portion of the property yields a total value of:

|                                  |               |
|----------------------------------|---------------|
| Land Value                       | \$275,000     |
| Interim Income From Rental Units | <u>17,453</u> |
| Total Value of Rear Parcel       | \$292,453     |
| Rounded To                       | \$292,450     |

### CONCLUSION OF VALUE:

Valuation of the Lehrer property as discussed in this analysis is based on a value for the single-family residential lot and home at the corner of A and Fifth Streets plus the balance of the land with an interim income attributable to the rental units for a period of three years.

Total value of the property is summarized as follows:

|  |                  |
|--|------------------|
| Value of Single-Family Residence At 514 A Street | \$ 58,000        |
| Value of Balance of Property                     | <u>\$292,450</u> |
| Total Value                                      | \$350,450        |

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**LEGAL DESCRIPTION**

All that real property situated in the City of West Sacramento, County of Yolo, State of California, described as follows:

Beginning at a point on the North line of James Street that is located South 80° 03' 37" East 290.00 feet thereon from the centerline of Sixth Street, as said streets are shown on the Map of the Town of Washington, filed in Book I of Deeds, at Page 264 Yolo County Records;

Thence North 09° 57' 48" East 130.00 feet;

Thence North 80° 03' 37" West 150.00 feet to the East line of Unit No. 2 of Hoagland's Addition to Broderick, filed in Map Book 4, Page 18, Yolo County Records;

Thence North 09° 57' 48" East, along said East line, 322.70 feet to the South line of the land referred to in that certain Quit Claim Deed recorded in Book 335, Page 20, Yolo County Records;

Thence South 80° 12' 34" East, along said South line, 241.10 feet;

Thence South 10° 33' 00" East 144.71 feet;

Thence South 12° 16' 12" East 198.33 feet;

Thence South 82° 30' 52" West 93.00 feet;

Thence South 03° 22' 52" West 107.00 feet to the North line of James Street;

Thence North 80° 03' 37" West, along said North line, 140.40 feet to the POINT OF BEGINNING; containing 2.668 Acres more or less.

PHOTOGRAPH OF PARCEL NO. 3



VIEW LOOKING EASTERLY FROM "ALANS ALLEY"

**PROPERTY IDENTIFICATION AND  
SIGNIFICANT FACTS**

**PARCEL NO. 3**

**OWNER OF RECORD:** Ralph D. Rea, et al.

**OWNER ADDRESS:** Ralph D. Rea  
5317 Mississippi Bar Drive, Orangevale, California

**OWNER CONTACT:** Ralph and David Rea inspected the property with the  
appraiser on August 7, 1990.

**PROPERTY LOCATION:** East side of "Alans Alley" 57 feet north of A Street.

**ASSESSOR PARCEL NO.:** 10-523-08, Yolo County

**PROPERTY INSPECTION:** Last property inspection August 7, 1990

**PROPERTY DESCRIPTION:**

This is a generally rectangular shaped parcel containing 0.118 acres or 5,140 square feet. Access to the parcel is provided by "Alans Alley", a two-lane gravel road. Topography of the parcel is generally at grade with "Alans Alley", with the eastern boundary abutting the levee road. The parcel is approximately 12 to 15 feet below the crown of the levee road.

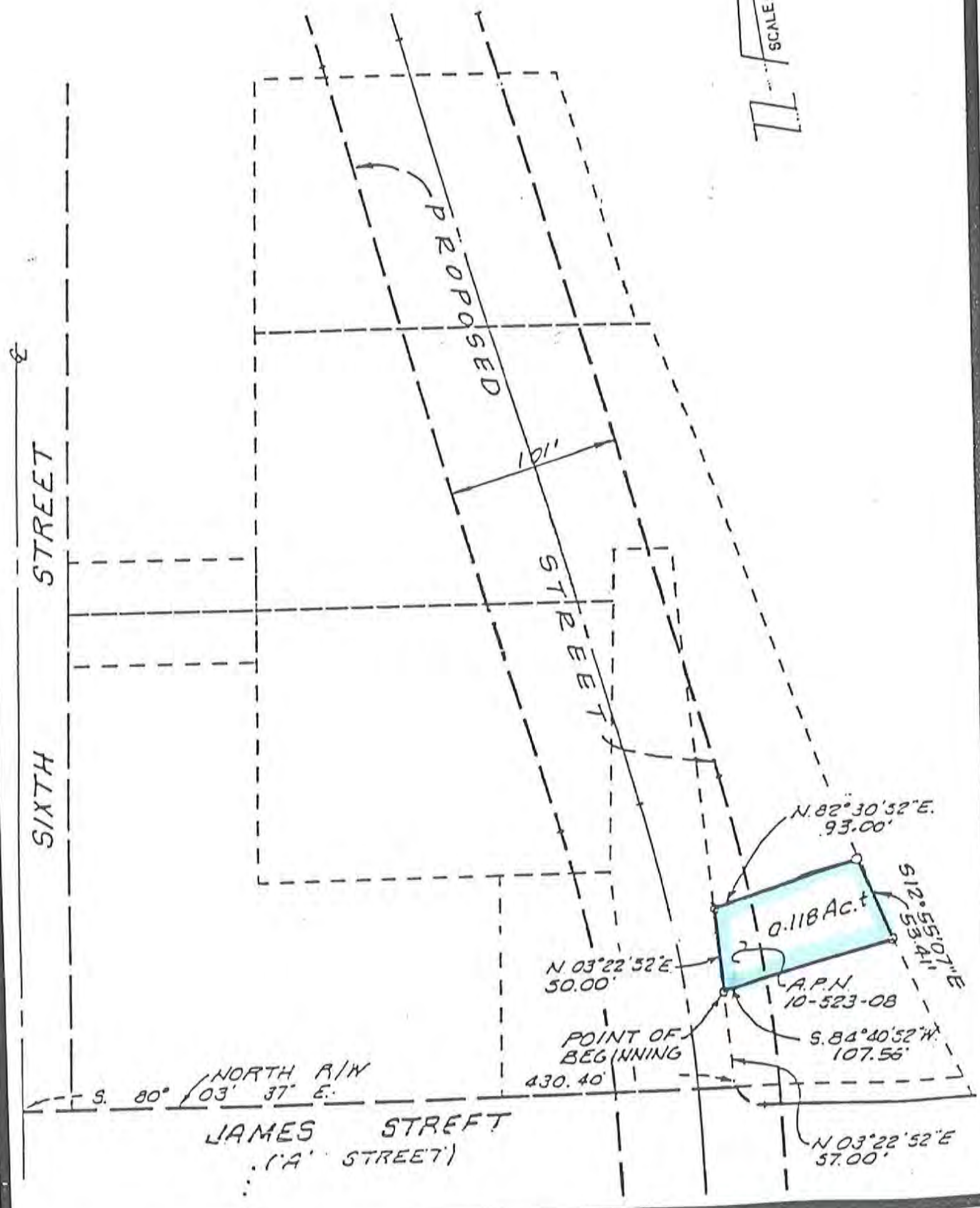
The land is currently unused, and there are no building improvements. Vegetative cover consists of various trees and grasses that are native to the area.

**PUBLIC UTILITIES:** Water, sewer, natural gas, electric power and telephone service.

**ZONING:** R-3; This is a multifamily residential land use designation for the City of West Sacramento. Typical uses allowed are multifamily dwellings, duplexes and single-family residences.

**SALES HISTORY:** Investigation indicates that there have been no transfers of the property for the past three years.

SCALE: 1" = 80'



SIXTH STREET

PROPOSED STREET

STREET

JAMES STREET  
(A STREET)

0.118 Ac.t  
APN 10-523-08

S. 80° 03' 37" E.

N. 03° 22' 52" E.  
50.00'

N. 82° 30' 52" E.  
93.00'

S. 12° 55' 07" E.  
512.53.41'

POINT OF BEGINNING  
430.40'

S. 84° 40' 52" W.  
107.55'

N. 03° 22' 52" E.  
57.00'

**VALUATION ANALYSIS**

**HIGHEST AND BEST USE:**

The parcel has a probable ultimate use as single-family residential, which is consistent with the current zoning.

**PROPERTY TO BE ACQUIRED:**

The parcel is to be acquired in its entirety and contains 0.118 acres or 5,140 square feet.

**VALUATION CONSIDERATIONS AND ANALYSIS:**

Although the parcel is zoned for multifamily use, the site is too small to be considered for such a development; therefore, the only use that would be allowed under the current zoning is for single-family development.

Market Data Base A in the Land Value section of this report indicates a typical value range of \$25,000 to \$40,000 for a good buildable lot. However, considering the fact that this lot has no paved street frontage and access is via a private easement, estimated value of the lot is \$20,000.

**CONCLUSION OF VALUE:**

\$20,000

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**LEGAL DESCRIPTION**

All that real property situate in the City of West Sacramento, County of Yolo, State of California described as follows:

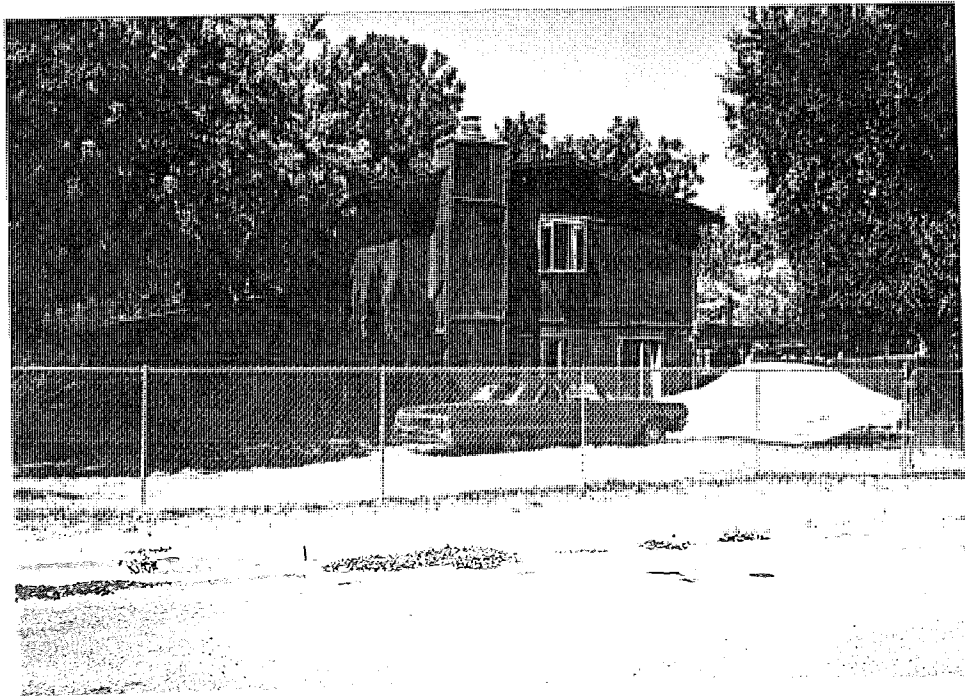
BEGINNING at the Southwest corner of the land conveyed to Inez D. Rea by deed recorded in Book 534, Page 416 Yolo County Records, said corner being located the following two (2) courses and distances from the intersection of the North line of James Street and the centerline of Sixth Street as said streets are shown on the Map of the Town of Washington recorded in Book I of Deeds, Page 264, Yolo County Records:

- (1) South 80° 03' 37" East, along the North line of James Street, 430.00 feet  
and
- (2) North 03° 22' 52" East 57.00 feet;

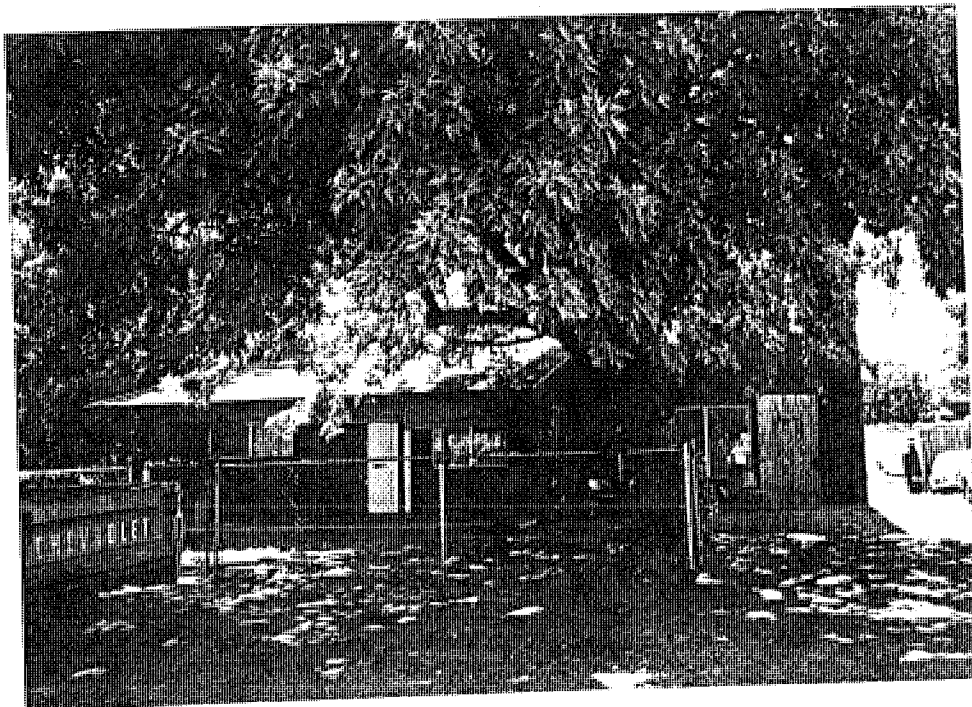
Thence from said point of beginning along the boundary of the land so conveyed the following four (4) courses:

- (1) North 03° 22' 52" East 50.00 feet,
- (2) North 82° 30' 52" East 93.00 feet,
- (3) South 12° 55' 07" East 53.41 feet and
- (4) South 84° 40' 52" West 107.56 feet to the POINT OF BEGINNING;  
containing 0.118 Acre more or less.

PHOTOGRAPHS OF PARCEL NO. 4



VIEW OF SINGLE-FAMILY STRUCTURE LOOKING  
NORTHEASTERLY FROM A STREET



VIEW LOOKING EASTERLY FROM "ALANS ALLEY"



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**PROPERTY IDENTIFICATION AND  
SIGNIFICANT FACTS****PARCEL NO. 4**

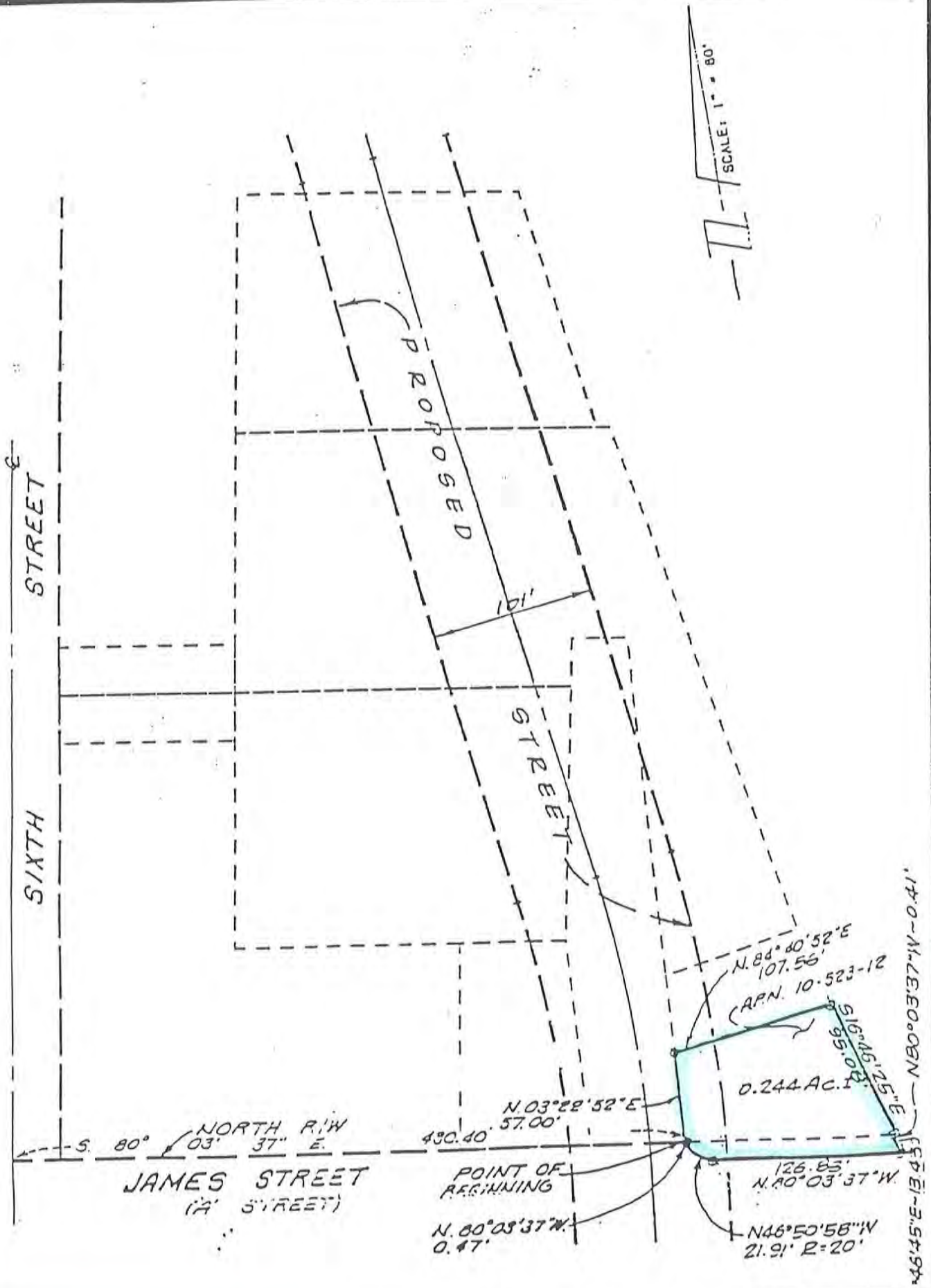
- OWNER OF RECORD:** Raymundo Diaz, Jr., and Armida Michelle Diaz, his wife, as Joint Tenants
- OWNER ADDRESS:** Raymundo Diaz  
95 - 5th Street, West Sacramento, California
- OWNER CONTACT:** Raymundo Diaz, Jr. inspected the property with the appraiser August 2, 1990.
- PROPERTY LOCATION:** Property is located at the northeast corner of A Street and 5th Street.
- ASSESSOR PARCEL NO.:** 10-523-12, Yolo County
- PROPERTY INSPECTION:** Last property inspection was August 2, 1990.
- PROPERTY DESCRIPTION:**
- This is an irregular shaped lot containing .244 acres or 10,629 square feet. The parcel is at grade with both A and 5th Streets. The subject property has 57 feet of frontage along "Alans Alley" and 126 feet along A Street. "Alans Alley" has no street improvements, curb or gutter, but A Street has curb, gutter and sidewalk.
- The parcel is currently improved with a two-story, single-family residence that contains approximately 1,980 square feet of living area. The home is of wood frame construction with a continuous concrete perimeter foundation, wood siding and composition roof.
- The interior finish consists of drywall partitioned rooms that include three bedrooms, three baths, dining room, kitchen, utility room and a family room with a fireplace. The interior is in overall good condition with linoleum floor covering in all rooms except for the bedrooms and family room, where there is wall-to-wall carpeting. Heating is provided by a wall-mounted gas fired heating unit.
- PUBLIC UTILITIES:** Water, sewer, natural gas, electric power and telephone service.

**ZONING:**

R-3; This is a multifamily residential land use designation for the City of West Sacramento. Typical uses allowed are multifamily dwellings, duplexes and single-family residences.

**SALES HISTORY:**

Investigation indicates that there has been no transfer of the property in the past three years.



SCALE: 1" = 80'

SIXTH STREET

PROPOSED STREET

STREET

SIXTH

JAMES STREET  
(A STREET)

N. 03° 22' 52" E  
 430.40' 57.00'  
 POINT OF BEGINNING  
 N. 80° 03' 37" W.  
 0.47'

N. 84° 40' 52" E  
 107.56'  
 (ARN. 10-523-12)

0.244 AC. 1/4  
 S 16° 45' 25" E  
 95.00'

126.85'  
 N. 80° 03' 37" W  
 N 46° 50' 58" W  
 21.91' R=20'

170-0-N-LE-EO-08N-0.41  
150-0-E-3-57-94

**VALUATION ANALYSIS****HIGHEST AND BEST USE:**

Highest and best use of the parcel is its current use as a single-family residence, which is consistent with the current zoning.

**PROPERTY TO BE ACQUIRED:**

The parcel is to be acquired in its entirety, and contains .244 acres or 10,629 square feet.

**VALUATION CONSIDERATIONS AND ANALYSIS:**

Although the parcel is designated for multifamily development, the highest and best use is as its current use, a single-family residence.

Valuation of the property is based on a Cost Approach and Market Data analysis. The cost new of the improvements is based on the Marshall Swift Residential Handbook. Estimated depreciation is 16%. Land value is predicated on Data Base A in the Land Value section of this report and is estimated at \$37,500. The following is a summary of the estimated value applying the Cost Approach:

## Construction Cost New

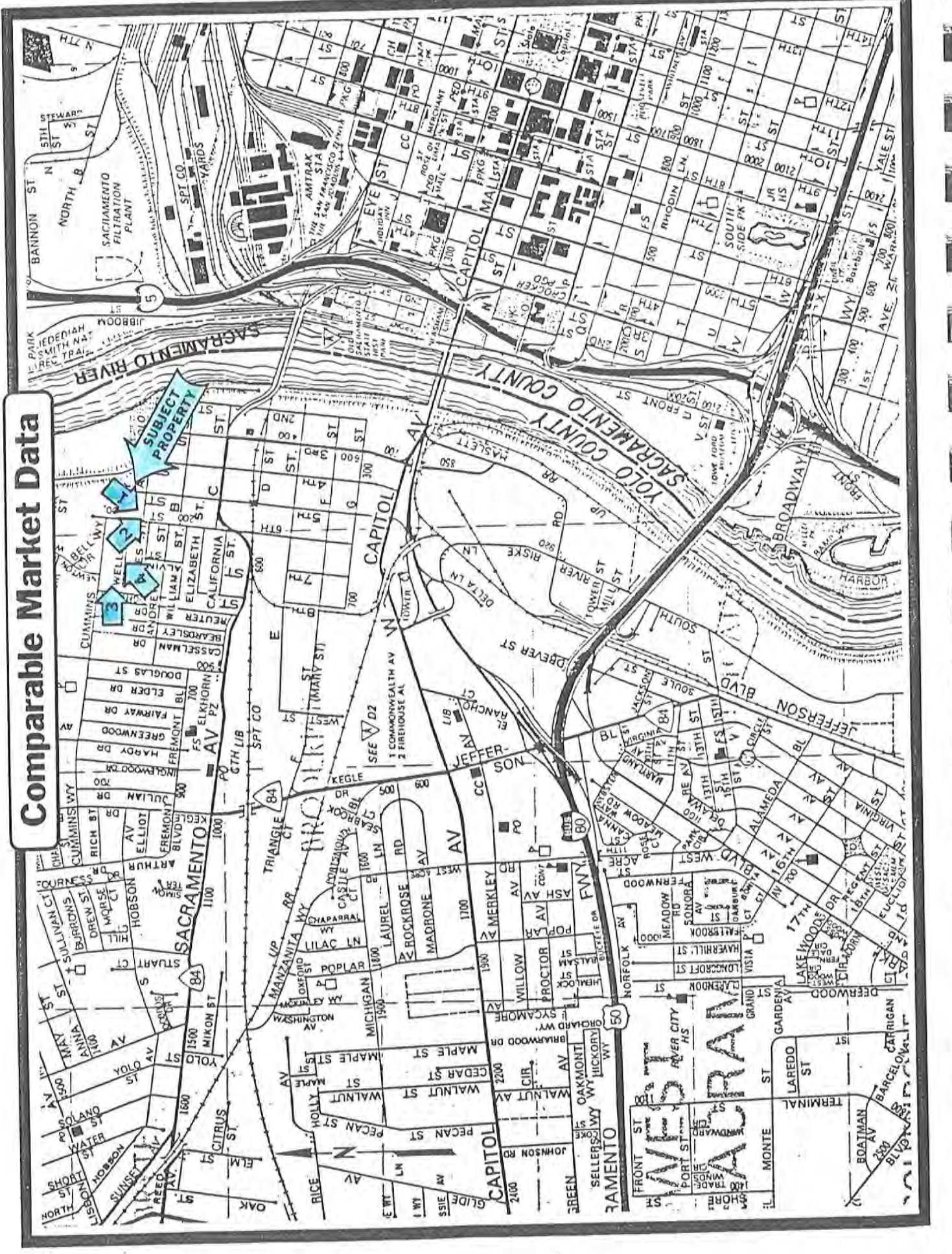
|  |               |
|--|---------------|
| Basic Cost: 1,960 S.F. @ \$36.30/S.F.      | \$ 71,148     |
| Floor Cover: 1,960 S.F. @ \$1.60/S.F.      | 3,136         |
| Heating and Cooling 1,960 SF @ \$1.26/S.F. | ( 2,470)      |
| Fireplace                                  | 2,110         |
| Plumbing                                   | <u>550</u>    |
| Total Cost New                             | \$ 74,474     |
| Depreciation: 16%                          | <u>11,916</u> |
| Depreciated Replacement Cost               | \$ 62,558     |
| Landscaping                                | 1,000         |
| Land Value                                 | <u>37,500</u> |
| Total Value By Cost Approach               | \$101,058     |
| Rounded To:                                | \$101,000     |



# Comparable Market Data

SUBJECT PROPERTY

- 1
- 2
- 3
- 4
- 5



Valuation of the property applying a Direct Market Comparison is predicated on the following tabulated market transactions:

| SALE | LOCATION         | SALE DATE | ZONING | BEDROOMS/<br>BATHS | LOT SIZE  | BUILDING SIZE | SALE PRICE | PRICE PER SF |
|------|------------------|-----------|--------|--------------------|-----------|---------------|------------|--------------|
| 1    | 516 JAMES STREET | ESCROW    | R3     | 3/1                | 6,500 SF  | 1,019 SF      | \$85,000   | \$77.91      |
| 2    | 39 - 6TH STREET  | 10/89     | R3     | 3/1                | 5,200 SF  | 1,238 SF      | \$51,000   | \$41.20      |
| 3    | 632 WELLAND WAY  | 03/90     | R2-B14 | 2/1                | 12,000 SF | 1,226 SF      | \$74,000   | \$60.36      |
| 4    | 615 WELLAND WAY  | 10/89     | R2-B14 | 3/1                | 6,000 SF  | 1,488 SF      | \$48,000   | \$32.26      |

Sale 1 is located at 516 James Street and is currently in escrow at an agreed upon price of \$85,000. This sale must be adjusted downward somewhat on a per square foot basis because of its smaller building size, and an upward adjustment is warranted for its smaller sized lot as compared to the property appraised.

Sale 2 is at 39 - 6th Street and sold in October, 1989 at a price of \$51,000. A downward adjustment is necessary for its smaller building size, and an upward adjustment must be made for time-value increases from the sale date to the date of valuation, as well as for the smaller sized lot.

Sale 3 is located at 623 Welland Way and is a March, 1990 transaction at a sale price of \$74,000. This sale price was agreed upon one year prior to the close of escrow. Therefore, an adjustment must be made for time-value increases. This sale must also be adjusted downward for the smaller building size.

Sale 4 is at 615 Welland Way and sold in October, 1989 for a price of \$48,000. Upward adjustments are necessary for time-value increases from the sale date to the valuation date and for the smaller sized lot. A slight downward adjustment is used for the smaller building size.

All of the market data analyzed are considered to be reasonably comparable to the property appraised. Sales 1 through 4 have an adjusted price range of \$50.00 to \$62.00 per square foot for the property appraised. Estimated value of the Diaz parcel, considering all relevant factors, is \$55.00 per square foot or a total value of:

1,960 S.F. @ \$55.00/S.F.

\$107,800

**CONCLUSION OF VALUE:**

The estimated value of the Diaz property, based on both the Cost and Market Comparison Approaches, is \$105,000.



**LEGAL DESCRIPTION**

All that real property situated in the City of West Sacramento, County of Yolo, State of California, described as follows:

BEGINNING at a point on the North line of James Street that is located South 80° 03' 37" East 430.40 feet thereon from the centerline of Sixth Street, as said streets are shown on the Map of the Town of Washington, filed in Book I of Deeds, Page 264, Yolo County Records, said point also being the Southwest corner of the land conveyed to Raymundo Diaz, Jr. and Armida Michelle Diaz by deed recorded in Book 1148, Page 31, Yolo County Records; Thence from said point of beginning along the boundary of the land so conveyed the following three (3) courses:

- (1) North 03° 22' 52" East 57.00 feet,
- (2) North 84° 40' 52" East 107.56 feet and
- (3) South 16° 46' 25" East 95.08 feet to the North line of James Street;

Thence North 80° 03' 37" West, along said North line, 0.41 feet to the Easterly line of that certain street abandonment recorded in Book 1521, Page 323 Yolo County Records;

Thence along the boundaries of said street abandonment the following three (3) courses:

- (1) South 16° 46' 45" East 13.43 feet,
- (2) North 80° 03' 37" West 126.83 feet and
- (3) curving to the right on an arc of 20.00 feet radius, said arc being subtended by a chord bearing North 46° 50' 58" West 21.91 feet to the North line of James Street;

Thence North 80° 03' 37" West, along said North line, 0.47 feet to the POINT OF BEGINNING; containing 0.244 Acre more or less.

**CONCLUSION OF VALUE**

The following is a summary of the estimated values for the right-of-way acquisition of "Alans Alley":

|                      |                |                  |
|----------------------|----------------|------------------|
| PARCEL 1             | ANDERSON       | \$ 95,000        |
| PARCEL 2             | LEHRER, ET AL. | \$350,450        |
| PARCEL 3             | REA, ET AL.    | \$ 20,000        |
| PARCEL 4             | DIAZ, ET UX.   | <u>\$105,000</u> |
| TOTAL PROPERTY VALUE |                | \$570,450        |



**ADDENDA**

**EXHIBIT A**

**METROPOLITAN SACRAMENTO REGION AND AREA DATA**

## **METROPOLITAN SACRAMENTO REGION AND AREA DATA**

### **LOCATION AND AREA IDENTIFICATION**

The property appraised is located in the Sacramento Metropolitan area of Northern California.

Sacramento is the California State Capital and the county seat of Sacramento County. The city is located at the confluence of the Sacramento and the American Rivers near the center of California's Central Valley, approximately 385 miles north of Los Angeles, 85 miles east of San Francisco, and 95 miles west of the Lake Tahoe resort area.

Sacramento is the center of a metropolitan area that extends from the Sierra Nevada foothills to the valley floor and from the Sacramento-San Joaquin Delta to the farm land of the southern section of the Sacramento Valley.

### **POPULATION CHARACTERISTICS**

The population for Sacramento County is 839,900 with 292,600 people located in the incorporated City of Sacramento. The Sacramento Metropolitan Statistical Area (SMSA) has a population of 1,191,600 and includes Sacramento, Yolo, Placer and El Dorado Counties.

The Sacramento regional population experiences an approximate growth rate of 2.4% per annum. Based on this rate of growth, the SMSA population is projected at 1,687,565 for the year 2000. This population increase will have a significant impact on the regional economy.

**LABOR RESOURCES**

The Sacramento labor market, which draws from the Counties of Sacramento, Yolo, Placer and El Dorado, amounts to 425,000 people employed. A growth rate of 3.59% is projected to 1985.

By far, the largest segment of the labor market in the Metropolitan area is employed by government, comprising 33% of the work force. Wholesale and retail trade account for the second largest employed segment, comprising 23% of the labor force. The remaining 44% are employed in manufacturing, construction, transportation, services and other various types of employment.

**TRANSPORTATION FACILITIES**

The Sacramento Metropolitan area is served by an excellent transportation network, a favorable factor for the continued growth in population and business. Highway facilities are particularly good with Interstate Highway 80 and State Highway 50 being major east-west freeways and Interstate 5 and State Highway 99 being major north-south freeways. These freeways connect the downtown area with the suburbs and their intersection, just south of the Central Business District, serves as the junction of the main overland trucking routes. Delivery service is offered to all sections of the West Coast and nearly every other metropolitan area in the United States.

Rail service to all sections of the United States is provided by the Southern Pacific and the Union Pacific. In addition, there are connections to the Transcontinental, Atchison, Topeka and Santa Fe lines via the Central California Traction Company, Union Pacific and Southern Pacific at Stockton. The Sacramento Northern also provides additional freight service to Sacramento Valley markets. Amtrak provides daily passenger service to cities east, west, north and south of Sacramento.

Sacramento Metropolitan Airport provides air freight and passenger service to most principal cities in the United States. Sacramento Executive Airport provides additional facilities for private and business aircraft.

The port of Sacramento, located in eastern Yolo county across the Sacramento River from the City of Sacramento, is a deep water seaport offering shippers one of the most efficient bulk cargo facilities in the world.

Regional Transit provides Sacramento and outlying communities with public bus service. An 18.3 mile light rail system began operating in early 1987 and will be integrated with the existing Rapid Transit system.

#### **EDUCATIONAL, SHOPPING AND RECREATIONAL FACILITIES**

There are four community colleges and two universities located in the region. American River Junior College, Sacramento City College, Consumnes River Junior College and Sierra Junior College all offer a wide variety of technical training and educational courses. The University of California at Davis offers a full curriculum of undergraduate and graduate degrees in both masters and doctoral programs. California State University at Sacramento offers undergraduate and graduate programs. The School of Law at U.C. Davis, Lincoln Law School, and McGeorge School of Law, affiliated with the University of Pacific, offer fully accredited legal training.

Shopping facilities in the metropolitan area are excellent and include, in addition to the central shopping district in downtown Sacramento, several regional shopping centers in suburban area.

Recreational opportunities in the immediate metropolitan area are also excellent. The Sacramento and American Rivers, Folsom and Natoma Lakes have good public access and offer boating, water skiing, sailing, river rafting, swimming and fishing.

The area has many parks, 12 golf courses, bike and running trails. To the east, one to two hours driving, are the Sierra-nevada Mountains where recreational areas offer hunting, backpacking, river rafting and winter skiing. One to two hours to the south is the Sacramento-San Joaquin Delta, offering boating, sailing and unsurpassed fishing.

### **CULTURAL AMENITIES**

Sacramento continues to grow as a cultural center for the Central Valley and as a tourist center for the entire county. There is strong support for and recognition of local fine art and crafts, theater and music. The area's cultural and historical resources will draw 10.5 million tourists in 1985 who will seek out Old Sacramento, the State Capitol, Sutter's fort and the Railroad Museum.

In conclusion, it appears that the economic future of Sacramento is good. A strong governmental economic base, and an efficient highway transportation system contribute to the desirability of the area. These factors, along with the projected increases in population, should cause the area to continue the growth pattern that has occurred in the recent past and result in increasing long term property values.

**EXHIBIT B**  
**QUALIFICATIONS OF APPRAISER**

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**PROFESSIONAL RESUME OF**  
**THOMAS W. CLARK, JR., MAI**

Mr. Clark has been involved in the valuation of real property since 1956 when he began work for the State of California, Division of Highways. After working for the Division of Highways for five years, he transferred to the State Reclamation Board where he was Chief Appraiser. Subsequently, he worked for the State Department of General Services as Chief of Urban Property Appraisals for Northern California and later handled the sale of surplus property.

In 1969, Mr. Clark became associated in the appraisal firm of Rhodes, Brennan, and Clark, which appraised commercial, industrial, agricultural and rural-recreational properties in the States of California, Washington, Nevada and Hawaii.

In Mid-1972, Mr. Clark became a Vice President and one of the principles of Urban Property Research Company and was involved in the appraisal of a variety of property types including shopping centers, office buildings, apartment complexes, industrial property, restaurants, mobile home parks, and various other types of commercial property, major right of way acquisition projects, large rural-recreation subdivision development and agricultural properties.

In 1976, Mr. Clark formed the Thomas Clark Company, specializing in the valuation of all types of commercial, industrial, multi-family residential and rural-recreation property. In January 1978, William J. Robbins, Jr., M.A.I. and Thomas W. Clark, Jr. M.A.I. formed the Clark-Robbins Company, a partnership involved in real estate consultation, appraisals and financing. Clark-Robbins Company in September 1986, became Clark-Wolcott Company, Inc. Thomas W. Clark, Jr., MAI, and Richard C. Wolcott, MAI, are the principals in the company.

**EDUCATION:**

B.A. degree California State University Sacramento. Graduated 1953. Graduate work in economics and business administration, California State University Sacramento. Numerous appraisal and affiliated courses presented by the American Institute of Real Estate Appraisers, International Right of Way Association, Educare Program and various seminars.



**PROFESSIONAL AFFILIATIONS:**

Member American Institute of Real Estate Appraisers MAI Designation

International Right of Way Association  
SR/WA Designation

**TYPES OF PROPERTY APPRAISED AND ANALYZED:**

Shopping centers, office buildings, industrial parks, restaurants, industrial plants and buildings, mobile home parks, rural-recreational property, multi-family residential property, agricultural land, retail commercial property, motels, various rights of way required for roads, flowage easements, underground easements, etc., and various economic studies involving real property and real estate investments.

**QUALIFIED AS AN EXPERT VALUATION WITNESS:**

Federal Tax Court - Los Angeles, San Francisco

Federal Court - Sacramento

Superior Court State of California in the Counties of: Fresno, Merced, San Joaquin, Sacramento, Sutter, Butte, Yolo, Tehama, Stanislaus, Colusa, Yuba Nevada, Placer and Los Angeles.

Court Of Common Pleas In Pennsylvania

**PARTIAL LIST OF CLIENTS**

**PUBLIC AGENCIES**

City of Folsom  
City of Galt  
City of Rocklin  
City of Sacramento  
City of West Sacramento  
El Dorado County  
Placer County  
Sacramento County  
Yolo County

State of California  
Attorney General's Office  
Dept. of General Services  
Dept. of Water Resources  
Wildlife Conservation Service  
U.S. Forest Service  
Tahoe-Truckee Sanitation Agency

**ATTORNIES, BANKS AND CORPORATIONS:**

Chickering & Gregory, Attorneys  
Hefner, Stark & Marois,  
Attorneys  
Diepenbrock, Wulff, Plant &  
Hannegan, Attorneys  
Hoffman, Mayhew & Gallawa,  
Attorneys  
Thelen, Marrin, Johnson &  
Bridges, Attorneys  
Bank of America  
Sanwa Bank  
First Chicago National Bank  
River City Bank  
Union Bank  
Wells Fargo Bank  
Sacramento Savings & Loan  
McMorgan & Co., Mortgage  
Brokers  
McKesson Company  
Natomas Real Estate Company

American National Insurance  
Company  
Aetna Insurance Company  
Lumberman's Mutual Fire  
Insurance Company  
Woodman's Insurance Company  
Landels, Ripley & Diamond  
Attorneys  
Shell Oil Company  
Standard Oil Company  
Southern Pacific Railroad  
Western Pacific Railroad  
Guy F. Atkinson Construction  
Company  
Continental Development  
Company  
Santa Anita Development  
Morrison Homes  
Libby, McNeil, Libby  
Great American Savings & Loan

FILED  
YOLO COUNTY  
SUPERIOR/MUNICIPAL COURTS

DEC 30 1993

OCT 27 1993

ADAM AYALA, CLERK

By A. GRIMBLE  
Deputy

1 McDONOUGH, HOLLAND & ALLEN  
A Professional Corporation  
2 MARK A. WASSER, ESQ. (State Bar No. 060160)  
JAMES R. ROSS, ESQ. (State Bar No. 149199)  
3 555 Capitol Mall, Suite 950  
Sacramento, California 95814  
4 Telephone: (916) 444-3900

5 Attorneys for Plaintiff  
City of West Sacramento

6  
7  
8 IN THE SUPERIOR COURT OF THE STATE OF CALIFORNIA  
9 IN AND FOR THE COUNTY OF YOLO

10  
11 CITY OF WEST SACRAMENTO, a )  
municipal corporation )

Case No. 70443

12 Plaintiff, )

STIPULATED JUDGMENT IN  
EMINENT DOMAIN

13 v. )

14 LEHRER, LEHRER, LEHRER and )  
15 GRAIWER, a general partnership; FIRST )  
AMERICAN TITLE INSURANCE )  
16 COMPANY, a California corporation; )  
JOHN L. BROUGHTEN; VICTOR )  
17 MARTIN; VINCENT PAULMETIER; )  
DOES 1 through 100, inclusive; and all )  
18 persons claiming an interest in the property )  
described in the complaint, )

19  
20 Defendants. )

21  
22 IT IS HEREBY STIPULATED by and between the City of West Sacramento ("City") and  
23 Lehrer, Lehrer, Lehrer and Graiwer ("Lehrer") through their respective counsel as follows:

24 1. All right, title and interest in and to the real property described in Exhibit A to the  
25 proposed Final Order of Condemnation shall be condemned in fee to City. All right, title and interest  
26 in and to the real property described in Exhibit B to the proposed Final Order of Condemnation shall  
27 be condemned as a public service easement to City.

28 2. City shall pay to Lehrer, as full and fair compensation for all claims Lehrer has or might

1 have herein the sum of One Hundred Seventy Thousand Seven Hundred Ninety-One and 90/100  
2 Dollars (\$170,791.90).

3 3. The City's payment shall be by check made payable to Lehrer, Lehrer, Lehrer and  
4 Graiwer, a general partnership, and shall be mailed to Lehrer's counsel of record.

5 4. The City shall be entitled to withdraw its deposit from the state treasury. The State  
6 Treasurer shall forthwith issue a warrant in the amount of \$119,375, made payable to the City of  
7 West Sacramento, to Leigh Keicher, Treasurer and Finance Director of the City of West Sacramento.

8 5. The City shall approve one curb cut for each of the remainder parcels of the Property  
9 (i.e., APN 10-523-23, 10, 523-25, 10-523-27) retained by Lehrer upon approval of an application  
10 for development of each such parcel. The curb cuts shall conform to City standards in effect upon  
11 the day the application for development is approved.

12 6. The City shall smooth any surface irregularities in the remainder parcels that resulted  
13 from the construction and excavation of Lighthouse Drive. The City shall have no obligation to  
14 change any natural features of the remainder parcels.

15 7. Lehrer releases the City from any and all claims for additional compensation or relief  
16 and consents to the filing and recordation of a final order of condemnation in the form attached  
17 hereto as Exhibit 1 without further notice.

18 8. Lehrer hereby waives any and all defenses to City's right to acquire the Property and  
19 all claims for compensation other than payment of the sum herein specified.

20 9. City and Lehrer shall each bear their own attorneys' fees, appraisal fees and costs  
21 and neither party shall have any claim against the other therefor.

22 10. This Agreement shall inure to the benefit of and be binding upon the parties' heirs,  
23 successors and representatives.

24 DATED: October 25, 1993

McDONOUGH, HOLLAND & ALLEN  
A Professional Corporation

25  
26 By Mark A. Wasser  
27 Mark A. Wasser

28 Attorneys for Plaintiff City of West Sacramento

1 DATED: October 25, 1993

WILKE, FLEURY, HOFFELT, GOULD & BIRNEY

2  
3 By Stephen K. Marmaduke  
4 Stephen K. Marmaduke

5 Attorneys for Defendants Lehrer, Lehrer, Lehrer &  
6 Graiwer

7  
8  
9 **ORDER AND JUDGMENT**

10 The parties having stipulated as hereinabove set forth and good cause appearing therefor,  
11 The provisions of the foregoing stipulated judgment are approved and shall become the  
12 judgment of this Court.

13 A final order of condemnation condemning all right, title and interest in and to the Property  
14 to the City as described in the stipulation may be entered and recorded forthwith without further  
15 notice to any party.

16  
17 DATED: October 26, 1993

JAMES L STEVENS, JR.  
18 HONORABLE JAMES L. STEVENS, JR.,  
19 Judge of the Superior Court  
20  
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1 McDONOUGH, HOLLAND & ALLEN  
A Professional Corporation  
2 MARK A. WASSER, ESQ. (State Bar No. 060160)  
JAMES R. ROSS, ESQ. (State Bar No. 149199)  
3 555 Capitol Mall, Suite 950  
Sacramento, California 95814  
4 Telephone: (916) 444-3900

5 Attorneys for Plaintiff  
City of West Sacramento  
6  
7

8 IN THE SUPERIOR COURT OF THE STATE OF CALIFORNIA  
9 IN AND FOR THE COUNTY OF YOLO

10  
11 CITY OF WEST SACRAMENTO, a )  
municipal corporation )

Case No. 70443

12 Plaintiff, )

**FINAL ORDER OF CONDEMNATION**

13 v. )

14 LEHRER, LEHRER, LEHRER and )  
15 GRAIWER, a general partnership; FIRST )  
AMERICAN TITLE INSURANCE )  
16 COMPANY, a California corporation; )  
JOHN L. BROUGHTEN; VICTOR )  
17 MARTIN; VINCENT PAULMETIER; )  
DOES 1 through 100, inclusive; and all )  
18 persons claiming an interest in the property )  
described in the complaint, )

19 )  
20 Defendants. )

21 A stipulated judgment in eminent domain having been entered in this action on October \_\_\_\_,  
22 1993, adjudging that the City of West Sacramento is entitled to take by condemnation the property  
23 which is the subject of this proceeding and which is more fully described hereafter; and

24 Plaintiff having paid defendants full and fair compensation as required by the eminent domain  
25 law;

26 IT IS HEREBY ORDERED, ADJUDGED AND DECREED that all right, title and interest in  
27 and to the property described on Exhibit A attached hereto is taken for and condemned to plaintiff in  
28 fee and all right, title and interest in and to the property described on Exhibit B attached hereto is taken

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for and condemned to plaintiff for public service easement purposes. Title to the property in fee and for public service easement purposes, respectively, will vest in plaintiff on the date that a certified copy of this final order of condemnation is recorded in the office of the Yolo County Recorder.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that all real property taxes assessed on the property described in Exhibit A shall be prorated and cancelled as of December 7, 1992.

DATED: October \_\_\_\_\_, 1993

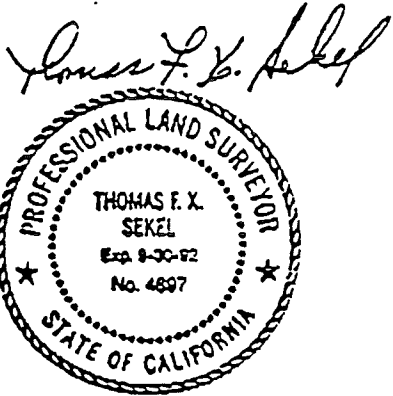
\_\_\_\_\_  
HONORABLE JAMES L. STEVENS, JR.,  
Judge of the Superior Court

NATURE OF ACQUISITION: Fee

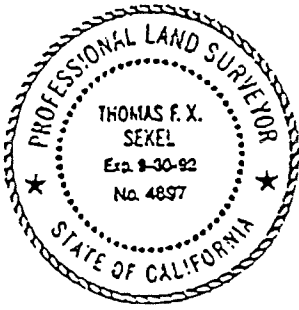
All that real property situate in the City of West Sacramento, County of Yolo, State of California, described as follows:

BEGINNING at a point on the North line of James Street that is located South 80° 03' 37" East 356.78 feet thereon from the centerline of Sixth Street, as said streets are shown on the Map of the Town of Washington, filed in Book 1 of Deeds, at Page 264 Yolo County Records, a radial line passing through said point of beginning bears South 85° 24' 04" East; Thence from said point of beginning, curving to the North on the arc of a non-tangent curve having a radius of 749.50 feet, through a central angle of 07° 02' 32", an arc length of 92.12 feet, the chord subtended by said arc bears North 01° 04' 40" East 92.06 feet; Thence North 02° 26' 36" West 370.67 feet to the South line of the lands conveyed to Abner B. Smith & Gladys A. Smith by Quitclaim deed recorded in Book 235, Page 20, Yolo County Records; Thence South 80° 12' 34" East, along said South line, 103.35 feet; Thence South 02° 26' 36" East 347.90 feet to the Northerly line of the land conveyed to Inez D. Rea by deed recorded in Book 534, Page 416, Yolo County Records; Thence South 83° 30' 52" West, along said Northerly line, 23.98 feet to the Westerly line of the land so conveyed; Thence South 03° 22' 52" West, along said Westerly line, 50.00 feet to the Southwest corner of the land so conveyed, said Southwest corner being the Northwest corner of the land conveyed to Raymundo Diaz, Jr. & Armida Michelle Diaz by deed recorded in Book 1148, Page 31 Yolo County Records; Thence continuing South 03° 22' 52" West, along the Westerly line of the land so conveyed, 57.00 feet to the North line of James Street; Thence North 80° 03' 37" West, along said North line, 73.62 feet to the POINT OF BEGINNING; containing 1.004 acres, more or less.

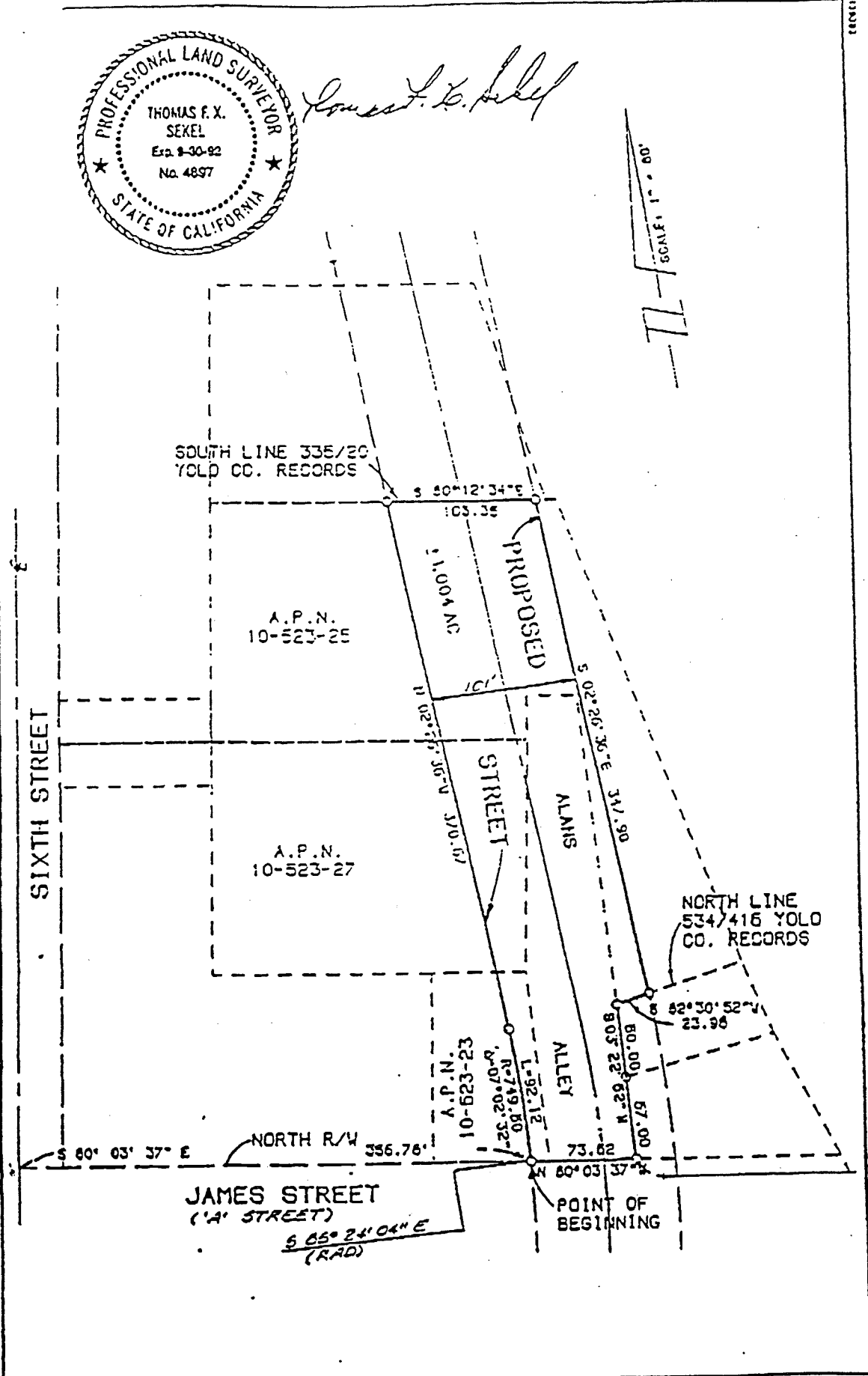
PORTION  
 A.P.N.'S 10-523-23  
                   -25  
                   -27  
 & ALANS ALLEY







*Thomas F. X. Sexel*



PUBLIC SERVICE EASEMENT

LEHRER, LEHRER, LEHRER AND GRAIWER, a general partnership,  
hereby grants to the CITY OF WEST SACRAMENTO an easement and right of way for  
installation and maintenance of water, gas, sewer and drainage pipes and for traffic control  
devices; electroliers and underground wires and conduits for electric, cable television and  
telephone services together with any and all appurtenances pertaining thereto and for planting  
and maintaining trees on, over, under and across all that real property situate in the City of West  
Sacramento, County of Yolo, State of California, described as follows:

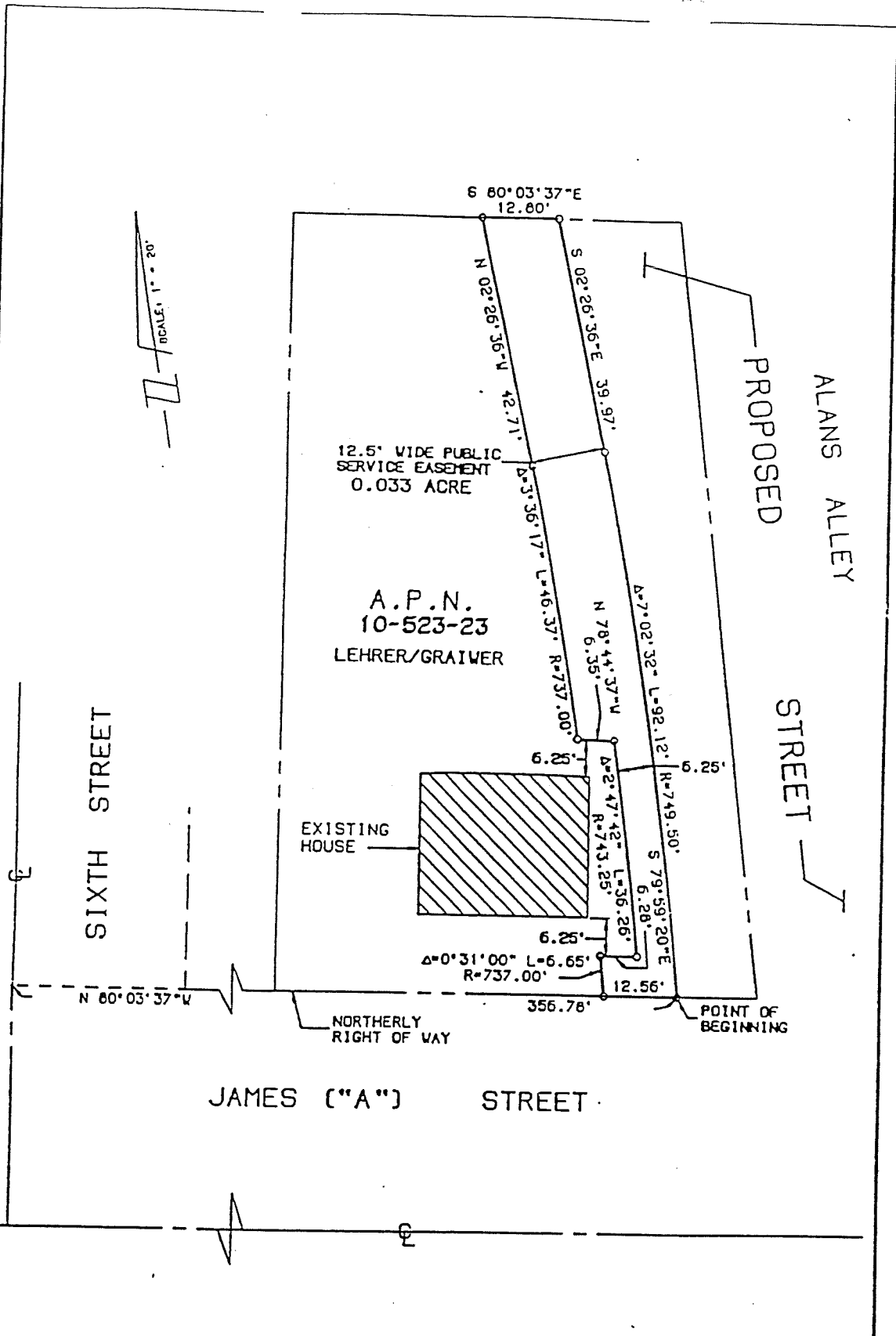
BEGINNING at a point lying on the North line of James Street that is  
located South 80° 03' 37" East 356.78 feet thereon from the centerline of Sixth  
Street, as said streets are shown on the Map of the Town of Washington, filed in  
Book I of Deeds, at Page 264 Yolo County Records; thence from said point of  
beginning along said North line of James Street North 80° 03' 37" West 12.56 feet  
to a point on an arc having a radius of 737.00 feet, a radial line through said point  
bears South 85° 29' 31" East; thence curving to the left along said arc, through a  
central angle of 00° 31' 00", an arc length of 6.65 feet to a line lying 6.25 feet  
Southerly, measured at right angles, of an existing house; thence along said line  
South 79° 59' 20" East 6.28 feet to a point on an arc having a radius of 743.25  
feet, a radial line through said point bears South 85° 57' 28" East; thence curving  
to the left along said arc, through a central angle of 02° 47' 42", an arc length of  
36.26 feet to a line lying 6.25 feet Northerly, measured at right angles, of said  
house; thence along said line North 78° 44' 37" West 6.35 feet to a point on an arc  
having a radius of 737.00 feet radius, a radial line through said point bears South  
88° 50' 19" East; thence curving to the left along said arc, through a central angle  
of 03° 36' 17", an arc length of 46.37 feet; thence North 02° 26' 36" West 42.71  
feet; thence South 80° 03' 37" East 12.80 feet; thence South 02° 26' 36" East  
39.97 feet to a point on an arc having a radius of 749.50 feet; thence curving to  
the right along said arc, through a central angle of 07° 02' 32", an arc length of  
92.12 feet to the point of beginning, containing 0.033 acre, more or less.

PORTION  
A.P.N. 10-523-23

LEHRER, LEHRER, LEHRER AND GRAIWER,  
a general partnership

By: \_\_\_\_\_ By: \_\_\_\_\_

EXHIBIT B



UNPUBLISHED WORK  
© 1993  
THE SPINK CORPORATION

938904/2429

TITLE: 12.5' WIDE PUBLIC SERVICE EASEMENT; APN 10-523-023 WEST SACRAMENTO, CA  
CLIENT: CITY OF WEST SACRAMENTO

|  |                   |
|--|-------------------|
| DATE: 2/93                                 | JOB NO.: 9389-007 |
| DRAWN BY: J.K.                             | CHECKED BY: C.W.  |
| <b>The Spink Corporation</b>               |                   |
| 2590 VENTURE OAKS WAY SACRAMENTO, CA 95833 |                   |
| (916) 925-5550 FAX NO. (916) 921-9274      |                   |
| SCALE: 1"=20'                              | DR. NO.: h-7328   |

11.11.5.2 #11.8.5.1.1

file  
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Row

NOV 29 1993

1 McDONOUGH, HOLLAND & ALLEN  
A Professional Corporation  
2 MARK A. WASSER, ESQ. (State Bar No. 060160)  
JAMES R. ROSS, ESQ. (State Bar No. 149199)  
3 555 Capitol Mall, Suite 950  
Sacramento, California 95814  
4 Telephone: (916) 444-3900

**FILED**  
**YOLO COUNTY**

NOV 25 1993

ADAM AYALA, CLERK  
By [Signature]  
Deputy

5 Attorneys for Plaintiff  
City of West Sacramento  
6

2 CE

7  
8 IN THE SUPERIOR COURT OF THE STATE OF CALIFORNIA  
9 IN AND FOR THE COUNTY OF YOLO

10  
11 CITY OF WEST SACRAMENTO, a )  
municipal corporation )  
12 )  
Plaintiff, )  
13 )  
v. )  
14 )  
LEHRER, LEHRER, LEHRER and )  
15 GRAIWER, a general partnership; FIRST )  
AMERICAN TITLE INSURANCE )  
16 COMPANY, a California corporation; )  
JOHN L. BROUGHTEN; VICTOR )  
17 MARTIN; VINCENT PAULMETIER; )  
DOES 1 through 100, inclusive; and all )  
18 persons claiming an interest in the property )  
described in the complaint, )  
19 )  
20 Defendants. )

Case No. 70443

**FINAL ORDER OF CONDEMNATION**

21 A stipulated judgment in eminent domain having been entered in this action on October \_\_\_\_,  
22 1993, adjudging that the City of West Sacramento is entitled to take by condemnation the property  
23 which is the subject of this proceeding and which is more fully described hereafter; and

24 Plaintiff having paid defendants full and fair compensation as required by the eminent domain  
25 law;

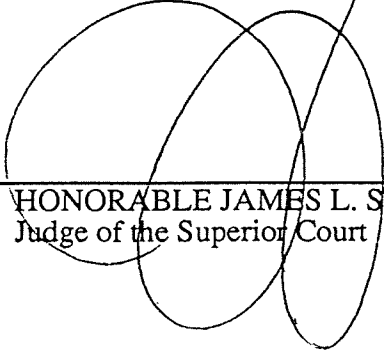
26 IT IS HEREBY ORDERED, ADJUDGED AND DECREED that all right, title and interest in  
27 and to the property described on Exhibit A attached hereto is taken for and condemned to plaintiff in  
28 fee and all right, title and interest in and to the property described on Exhibit B attached hereto is taken

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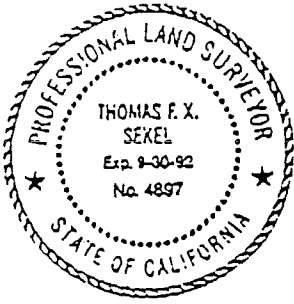
for and condemned to plaintiff for public service easement purposes. Title to the property in fee and for public service easement purposes, respectively, will vest in plaintiff on the date that a certified copy of this final order of condemnation is recorded in the office of the Yolo County Recorder.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that all real property taxes assessed on the property described in Exhibit A shall be prorated and cancelled as of December 7, 1992.

DATED: ~~October~~ November 4, 1993

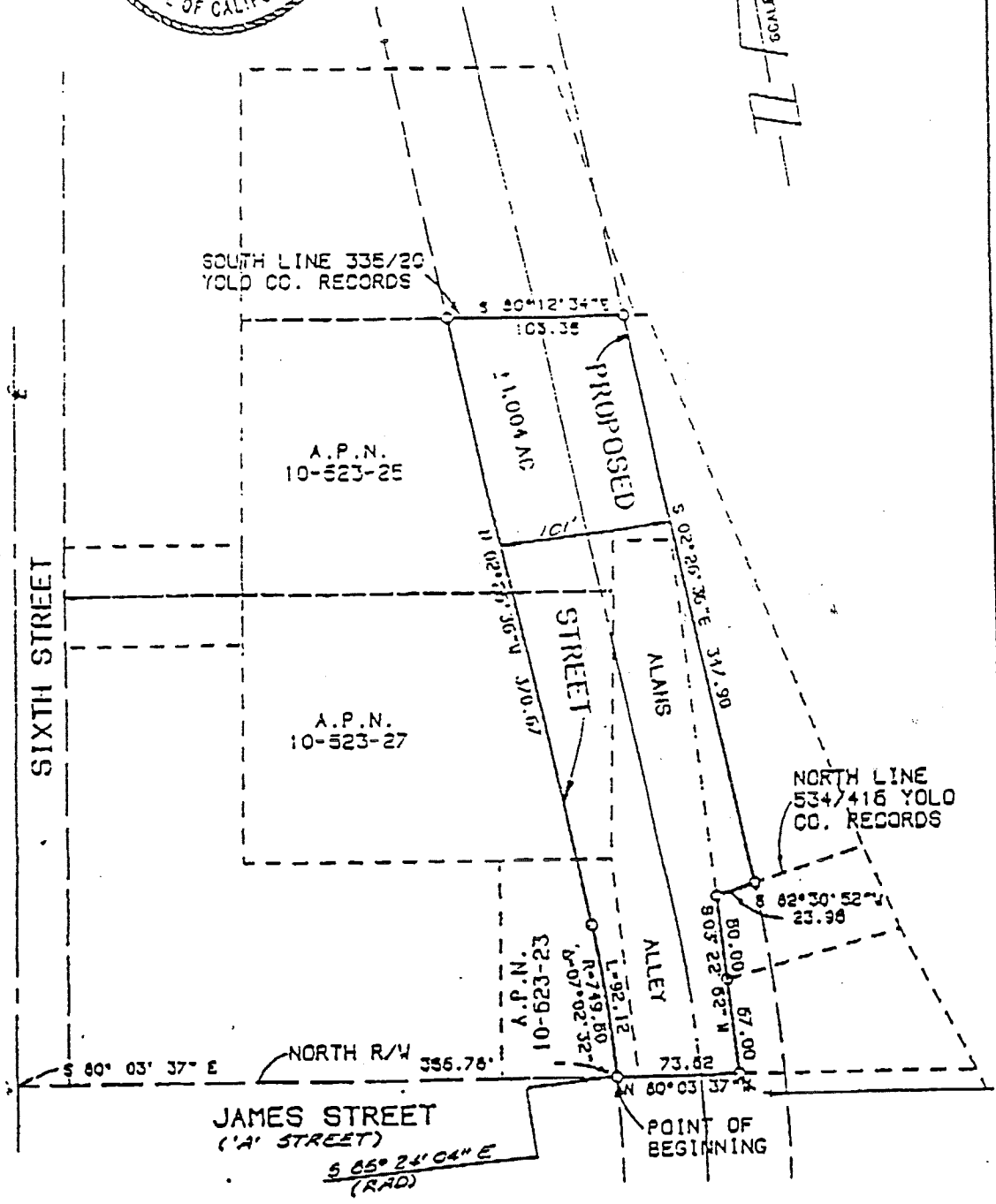


HONORABLE JAMES L. STEVENS, JR.,  
Judge of the Superior Court

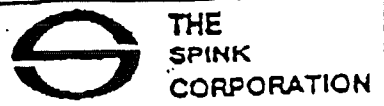


*Thomas F. X. Sekel*

SCALE: 1" = 60'



|         |          |                              |                         |
|---------|----------|------------------------------|-------------------------|
| JOB NO. | 5181-005 | TITLE:                       | EXHIBIT OF RIGHT OF WAY |
| DATE:   | 3-90     | ACQUISITION IN APN'S         | 10-523-                 |
| P.R.    | PAGE     | 25, 26, & 27 AND ALANS ALLEY |                         |
| SCALE:  | 1" = 60' | CLIENT:                      | LIGHTHOUSE MARINA       |



CURE OF ACQUISITION: Fee

All that real property situate in the City of West Sacramento, County of Yolo, State of California, described as follows:

BEGINNING at a point on the North line of James Street that is located South 80° 03' 37" East 356.78 feet thereon from the centerline of Sixth Street, as said streets are shown on the Map of the Town of Washington, filed in Book 1 of Deeds, at Page 264 Yolo County Records, a radial line passing through said point of beginning bears South 85° 24' 04" East; Thence from said point of beginning, curving to the North on the arc of a non-tangent curve having a radius of 749.50 feet, through a central angle of 07° 02' 32", an arc length of 92.12 feet, the chord subtended by said arc bears North 01° 04' 40" East 92.06 feet;

Thence North 02° 26' 36" West 370.67 feet to the South line of the lands conveyed to Abner B. Smith & Gladys A. Smith by Quitclaim deed recorded in Book 335, Page 20, Yolo County Records;

Thence South 80° 12' 34" East, along said South line, 103.35 feet;

Thence South 02° 26' 36" East 347.90 feet to the Northerly line of the land conveyed to Inez D. Rea by deed recorded in Book 534, Page 415, Yolo County Records;

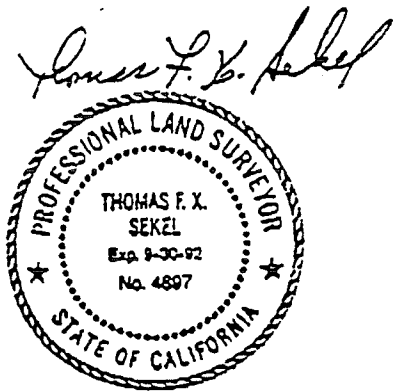
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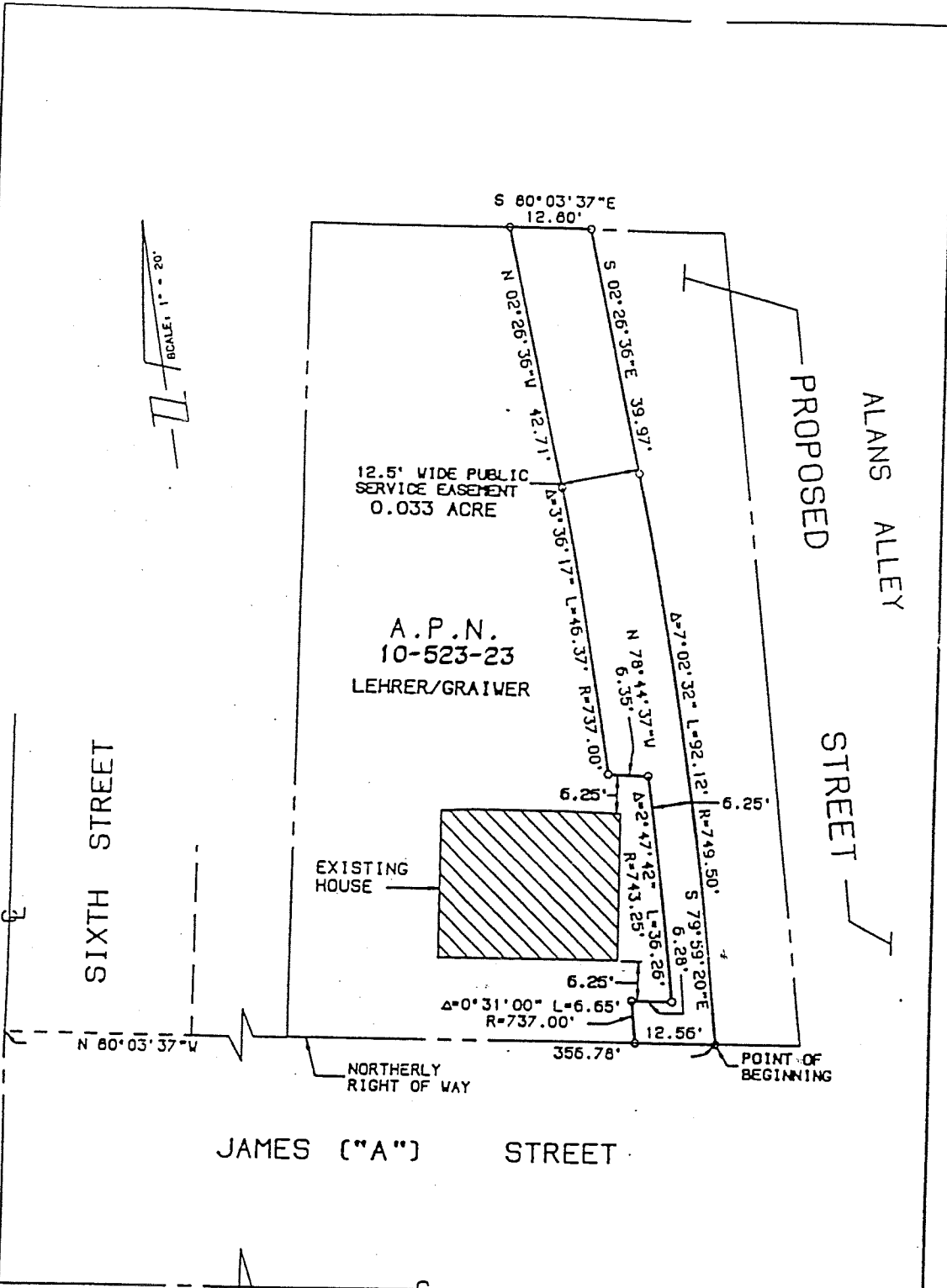
Thence South 03° 22' 52" West, along said Westerly line, 50.00 feet to the Southwest corner of the land so conveyed, said Southwest corner being the Northwest corner of the land conveyed to Raymundo Diaz, Jr. & Arnida Michelle Diaz by deed recorded in Book 1148, Page 31 Yolo County Records;

Thence continuing South 03° 22' 52" West, along the Westerly line of the land so conveyed, 57.00 feet to the North line of James Street;

Thence North 80° 03' 37" West, along said North line, 73.62 feet to the POINT OF BEGINNING; containing 1.004 acres, more or less.

PORTION  
 A.P.N'S 10-523-23  
 -25  
 -27  
 & ALANS ALLEY





UNPUBLISHED WORK  
 ©, 1993  
 THE SPINK CORPORATION

938904/2429

TITLE: 12.5' WIDE PUBLIC SERVICE EASEMENT; APN 10-523-023 WEST SACRAMENTO, CA

DATE: 2/93 JOB NO.: 9389-007  
 DRAWN BY: J.K. CHECKED BY: C.W.

REVISION

CLIENT: CITY OF WEST SACRAMENTO

**The Spink Corporation**  
 2590 VENTURE OAKS WAY SACRAMENTO, CA 95833  
 (916) 925-5550 FAX NO. (916) 921-9274

SCALE: 1"=20' CODE: YOL-3 DR.NO.: h-7328



PUBLIC SERVICE EASEMENT

LEHRER, LEHRER, LEHRER AND GRAIWER, a general partnership,  
hereby grants to the CITY OF WEST SACRAMENTO an easement and right of way for  
installation and maintenance of water, gas, sewer and drainage pipes and for traffic control  
devices; electroliers and underground wires and conduits for electric, cable television and  
telephone services together with any and all appurtenances pertaining thereto and for planting  
and maintaining trees on, over, under and across all that real property situate in the City of West  
Sacramento, County of Yolo, State of California, described as follows:

BEGINNING at a point lying on the North line of James Street that is  
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to a point on an arc having a radius of 737.00 feet, a radial line through said point  
bears South 85° 29' 31" East; thence curving to the left along said arc, through a  
central angle of 00° 31' 00", an arc length of 6.65 feet to a line lying 6.25 feet  
Southerly, measured at right angles, of an existing house; thence along said line  
South 79° 59' 20" East 6.28 feet to a point on an arc having a radius of 743.25  
feet, a radial line through said point bears South 85° 57' 28" East; thence curving  
to the left along said arc, through a central angle of 02° 47' 42", an arc length of  
36.26 feet to a line lying 6.25 feet Northerly, measured at right angles, of said  
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92.12 feet to the point of beginning, containing 0.033 acre, more or less.

PORTION  
A.P.N. 10-523-23

LEHRER, LEHRER, LEHRER AND GRAIWER,  
a general partnership

By: \_\_\_\_\_ By: \_\_\_\_\_

*[blank page]*

9851 Horn Road, Suite 150  
Sacramento, California 95827-1949

Telephone  
(916) 368 1083

**F. DEAN BAILEY**

Real Estate Appraiser  
August 28, 1995

F. Dean Bailey, MAI  
Member, Appraisal Institute

Fax  
(916) 368 1080

Ms. Kathleen O'Leary  
Redevelopment Program Manager  
City of West Sacramento Redevelopment Agency  
102 Jefferson Boulevard, Suite D  
West Sacramento, CA 95691

**Re: Lighthouse Drive, North of A Street**

Dear Ms. O'Leary:

I have made an investigation and analysis relative to estimating the market value of the 0.279-acre (12,150-square-foot) unimproved property located on the west side of Lighthouse Drive, north of A Street, West Sacramento, California.

The property is low and will require fill material prior to being developed. It could not be determined if the parcel has legal access from Lighthouse Drive at the time of the appraisal. It is assumed that there is no legal access from Lighthouse Drive. If access from Lighthouse Drive can be provided, the property would be more valuable.

It is my opinion that the market value of the property described (without access) as of the effective date of August 18, 1995, subject to the *Limiting Conditions* attached, is the nominal value of:

**TEN THOUSAND DOLLARS  
(\$10,000)**

This is a "Restricted Appraisal Report" prepared in conformance with Standards Rule 2-2 (c) of the *Uniform Standards of Professional Appraisal Practice* (USPAP), as promulgated by the Appraisal Standards Board of The Appraisal Foundation.

This report is prepared for the client's internal use only and cannot be understood properly without additional information contained in the appraiser's work file. The following statements are required by USPAP:

Identification: Assessor Parcel No. 10-523-06 (County of Yolo).

Interest appraised: Fee simple, as if unencumbered (see under *Limiting Conditions*).

Purpose of appraisal: Limited as internal guidance to the client only.

Scope: In excess of forty sales investigated, analyzed, and compared.

Highest and best use: Residential.

Approaches to value: The cost and income approaches not deemed applicable due to appraisal being restricted to land only (see under *Special Limiting Conditions*).

Definition of value:\*

The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in the definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. buyer and seller are typically motivated;
2. both parties are well informed or well advised, and acting in what they consider their best interests;
3. a reasonable time is allowed for exposure in the open market;
4. payment is made in terms of cash in United States dollars or in terms of financial arrangements comparable thereto; and

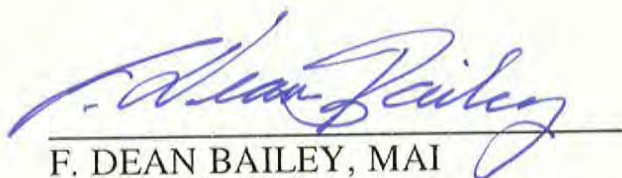
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\* *Uniform Standards of Professional Appraisal Practice*, Appraisal Standards Board, The Appraisal Foundation, 1995 Edition, page 8.

5. the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

Thank you for the opportunity of preparing this appraisal.

Respectfully submitted,



F. DEAN BAILEY, MAI  
State of California  
Certified General Real Estate Appraiser No. AG001510

## **SPECIAL LIMITING CONDITIONS**

- This is a Restricted Appraisal Report as defined in the Uniform Standards of Professional Appraisal Practice.
- It could not be determined if the property has legal access from Lighthouse Drive. It is assumed that there is no access from Lighthouse Drive.

The square-foot area is estimated based on measurements in the field. A new street (Lighthouse Drive) has recently been installed. The Assessor's map does not show the new street.

## **GENERAL LIMITING CONDITIONS**

- The legal description, dimensions, and areas used herein are assumed to be correct.
- Title to the property is assumed to be free and clear of any liens or encumbrances, and to be merchantable title, unless otherwise specified herein.
- No responsibility is assumed for matters that are legal in nature.
- Information furnished the appraiser by others has been reviewed and analyzed and is believed to be reasonably accurate, but cannot be guaranteed.
- Unless otherwise specified herein, it is assumed that there are no adverse subsurface conditions, particularly those relating to soil-bearing capacity.
- Unless otherwise stated in this report: The existence of hazardous material, which may or may not be present on the property, was not observed by the appraiser. The appraiser has no knowledge of the existence of such materials on or in the property. The appraiser, however, is not qualified to detect such substances. The presence of substances such as asbestos, radon, urea-formaldehyde foam insulation, or other potentially hazardous materials may affect the value of the property. The value estimate is predicated on the assumption that there is no such material on or in the property that would cause a loss in value. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them.
- Unless otherwise stated in this report: No "Phase I" environmental assessment investigation has been made as to (a) the possible existence of a hazardous waste area that might be located in close enough proximity to the property appraised so as to have an effect on highest and best use or market value, nor as to (b) the historical use or ownership of the subject property beyond the three years required by Standards Rule 1-5 (a)(ii) of the Uniform Standards of Professional Appraisal Practice (USPAP), 1994 Edition.
- The property appraised may or may not be subject to the Americans with Disabilities Act of 1990 (ADA). Title III of said Act provides for penalties for discrimination in failing "...to remove architectural barriers...in existing facilities [unless] an entity can demonstrate that the removal...is not readily achievable..." [Section 302(b)(2)(A)(iv, v)]. Unless otherwise noted in this appraisal, it is assumed that the property appraised is not substantially impacted by this law.

F. Dean Bailey, MAI  
Real Estate Appraiser

## **GENERAL LIMITING CONDITIONS**

- This appraisal is specifically limited to the condition that all information on sales, listings, offers, options, leases, and other pertinent data has been revealed to the appraiser. In the event there are unrevealed or unknown facts that would change the opinion of value expressed herein, the appraiser reserves the right to make such change.
- Unless otherwise noted, this report is preliminary to the extent that no physical or functional analysis of the building, equipment, or other improvements, if any, has been made by a structural or other engineer, and the conclusions as to condition are based solely on the observations of the appraiser as a result of a routine inspection, with no search made to uncover hidden defects, if any.
- This appraisal report has been prepared for the exclusive benefit of the City of West Sacramento. It may not be used or relied upon by any other party. Any party who uses or relies upon any information in this report, without the preparer's written consent, does so at his/her own risk.

F. Dean Bailey, MAI  
Real Estate Appraiser



**PHOTOGRAPHS — Lighthouse Drive north of A Street**



Looking northwest across Lighthouse Drive.



Looking west along the north boundary.



CAUTION - These maps ARE NOT  
to be used for legal descriptions.  
**10-52**

POR. T.9N., R.4E., M.D.B. & M.



CITY OF WEST SACRAMENTO  
Assessors Map Bk. 10, Pg. 52  
County of Yolo, Calif.  
9/3/94

(formerly por. 10-30831)  
NOTE - Assessor's Block Numbers Shown in Ellipses  
Assessor's Parcel Numbers Shown in Circles.

M.B. Bk. 4, Pg. 4 - Hoagland's Addition, Unit 1.  
M.B. Bk. 4, Pg. 18 - " " " " Unit 283.  
M.B.S. Bk. 7, Pg. 18 - Record of Survey.  
P.M. Bk. 7, Pg. 88 - Plat Map No. 3373 for Dennis Weaver  
M.S. Bk. 12, Pg. 94 - R. O. Survey.

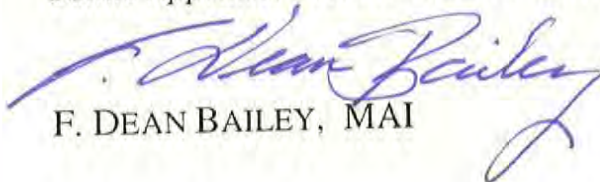
F. Dean Bailey, MAI  
Real Estate Appraiser



## CERTIFICATION

I certify that, to the best of my knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest or bias with respect to the parties involved.
- My compensation is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.
- My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP) of The Appraisal Foundation, and in conformity with the requirements of the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute.
- I aver that I am competent to complete this report in accordance with the competency provisions in the USPAP.
- I have made a personal inspection of the property that is the subject of this report.
- This appraisal is designated as a *Certified Real Estate Appraisal* as defined in Chapter 491, Statutes of 1990, Part 3, commencing with Section 11300, Division 4, Business and Professions Code, of the State of California.
- No one provided significant professional assistance to the person signing this report.
- I certify that the use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- As of the date of this report, I, F. Dean Bailey, have completed the requirements of the continuing education program of the Appraisal Institute.
- I am currently designated by the State of California as *Certified General Real Estate Appraiser* No. AG001510. Said license is valid through March 11, 1996.

  
F. DEAN BAILEY, MAI

F. Dean Bailey, MAI  
Real Estate Appraiser

# QUALIFICATIONS OF F. DEAN BAILEY, MAI

## EXPERIENCE

- Independent real estate appraiser, Sacramento, California, 4-87 to present.
- State of California, Department of General Services, Supervising Land Agent, Assistant Chief, 5-78 to 4-87.
- Department of General Services and State Board of Equalization, Real Property Appraiser and Land Agent, 5-54 to 5-78.

**Types of Properties Appraised:** Single and multi-family residential, commercial, office buildings, industrial, recreational properties (including golf courses), shopping centers, hotels, motels, automobile agencies, special purpose properties and other.

**Geographical Area:** Northern California, with emphasis on the Sacramento Metropolitan Area.

**Court Testimony:** Qualified as an expert valuation witness in the California Superior Court for the Counties of Alameda, Nevada, Placer, Sacramento, and Santa Clara.

## EDUCATION

University of California, Berkeley — BA, Economics, 1954  
Certificate in Real Estate, University Extension, University of California, 1962

## MEMBERSHIPS AND LICENSES

MAI Member, the Appraisal Institute, Certificate No. 3250, awarded November 1962

*Certified General Real Estate Appraiser* No. AG001510, State of California

International Right of Way Association, Senior Member, Certificate No. 1271, awarded December 1969

Member, Davis Chamber of Commerce

Member, Yolo County Board of Assessment Appeals

Member, Building Owners and Managers Association of Sacramento

Member, Rotary Club of Davis

## **QUALIFICATIONS OF F. DEAN BAILEY, MAI (continued)**

### **PROFESSIONAL ACTIVITIES**

Governing Councilor, American Institute of Real Estate Appraisers, 1979-1981

President, Northern California Chapter of the Appraisal Institute, 1975

Founding President, Sierra-Nevada Chapter of the Appraisal Institute, 1981

Chairman, National Division of Courses, and Vice Chairman, National Education Committee, American Institute of Real Estate Appraisers, 1975

Editorial Board — *The Appraisal Journal*, 1971-1976

Board of Directors, Northern California Real Estate Research Council, 1975-1978

Meritorious Service Award — awarded annually to the outstanding MAI in the Southwest Region of the United States by the American Institute of Real Estate Appraisers, 1981.

Professional Recognition Award — AIREA for years 1976, 1977, and 1978, based on prior service to the Institute for a three-year period.

Participation as guest speaker at regional and local seminars and programs sponsored by the American Institute of Real Estate Appraisers, other professional organizations, and government agencies in the real estate appraisal and condemnation fields.

Currently certified under the Appraisal Institute's Voluntary Continuing Education Program.

Member: Appraisal Institute's *Regional Ethics and Counseling Panel* 1989-1994.

### **TEACHING EXPERIENCE — INSTRUCTOR**

- University of California Extension, 1965-1971  
Intermediate Real Estate Appraisal X433  
Advanced Real Estate Appraisal X490
- Lifetime Teaching Credential — area of real estate, California Community Colleges
- American Institute of Real Estate Appraisers, 1967-1984. Instructor for 23 courses at various colleges and universities around the United States. Courses taught include: Course I - *Basic Principles, Methods and Techniques* (four times); Course 1A - *Real Estate Appraisal and Technique* (nine times); Course 1B - *Capitalization Theory and Techniques* (three times); Course II - *Urban Property Case Study* (three times); and Course IX - *Appraisal Administration and Review* (twice).

## QUALIFICATIONS OF F. DEAN BAILEY, MAI (continued)

### REPRESENTATIVE LIST OF CLIENTS

|   |   |
|---|---|
| A&A Imprest Properties                              | Law Offices of Kinder & Wuerfel                     |
| AETNA Casualty and Surety Company                   | Daniel R. King, Attorney                            |
| Adams Grain Company                                 | The Koll Company                                    |
| Adrian Adair, D.O.                                  | Kronick, Moskovitz, Tiedemann & Girard              |
| Jack Anthony Enterprises                            | Langlois, MacDonald and Webster, A Law Corporation  |
| Azusa Pacific University                            | Legal Services of Northern California               |
| Bancap Investment Group                             | Roy E. Levin, Attorney                              |
| Bank of America                                     | Los Rios Community College District                 |
| Bank of California                                  | McDonough, Holland & Allen, Attorneys at Law        |
| Bank One  | McDonald's Corporation                              |
| Brigit S. Barnes, Inc., a law corporation           | Mellon Bank   |
| Bridge Management, Inc.                             | Mitsubishi Bank                                     |
| Burger & Flaherty, Attorneys                        | Morgan Capital Investment Properties                |
| California Valley Bank                              | Nelson-Rodgers Company                              |
| Canadian Imperial Bank of California                | Pacer Homes   |
| Centennial Group, Inc.                              | Pebble Beach Financial Services, Inc.               |
| Center Developers                                   | Plaza Bank of Commerce                              |
| City and County of San Francisco                    | Port of Sacramento                                  |
| City of Davis                                       | Procter & Gamble                                    |
| City of Sacramento                                  | Rancho Murieta Properties, Inc.                     |
| City of Vacaville                                   | Resolution Trust Corporation                        |
| City of West Sacramento                             | Rio Linda Union School District                     |
| Clearlake National Bank                             | Rodegerdts, Means, Janes, Nakken & Hugo, Attorneys  |
| Commercial Center Bank                              | Sacramento Housing and Redevelopment Agency         |
| Concilium, Inc.                                     | Shea & Smith, Attorneys                             |
| Continental Pacific Bank                            | State of California, Department of General Services |
| County of Sacramento                                | Stumbos & Mason, Attorneys                          |
| County of Yolo                                      | Sunrise Car Wash, Inc.                              |
| Couper & Donaldson, a Law Corporation               | Teichert Land Company                               |
| Dahlawi California Corporation                      | The Watkins Company                                 |
| Dairy Queen Stores, Inc.                            | Valuation Research Corporation                      |
| Elk Grove Unified School District                   | Borden E. Webb, Attorney                            |
| Elman Investors, Inc.                               | United States Bankruptcy Court                      |
| Federal Deposit Insurance Corp. (F.D.I.C.)          | United States Department of Defense                 |
| Fireman's Fund Insurance Company                    | United States Fidelity and Guaranty Insurance       |
| The First Church of Christ, Scientist               | United States General Services Administration (GSA) |
| First Commercial Bank                               | Vanderberg Keil Partnership                         |
| First Nationwide Bank                               | Washington Unified School District                  |
| Folomar, Inc.                                       | Weintraub, Genshlea & Sproul, a Law Corporation     |
| Freidberg Law Corporation                           | Daniel S. Weiss, Attorney                           |
| GAB Business Services, Inc.                         | Wells Fargo Bank                                    |
| General Electric Medical Systems                    | Wells, Wingate, Small & Graham, a Law Corporation   |
| Gold River Savings Bank                             | Westamerica Bankcorporation                         |
| Golden Gate Investments                             | West Sacramento Redevelopment Agency                |
| The Henley Group                                    | Western Management                                  |
| Internal Revenue Service                            | Winncrest Homes                                     |
| JB Company  | Wheaton College                                     |
| Jones & Stokes, Engineers                           | Wilke, Fluery, Hoffelt, Bould and Birney            |
| Kelling, Northcross & Nobriga, Inc. Bond Management | Woodland Joint Unified School District              |

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YOLO Recorder's Office  
Tony Bernhard, County Recorder

AND WHEN RECORDED MAIL TO

Name City Clerk  
Address West Sacramento Redevelopment Agency  
2101 Stone Blvd., #301  
City, State Zip West Sacramento CA 95691

DOC - 98-0017722-00  
Acct 117-West Sac - NC  
Wednesday, JUN 24, 1998 11:20:00  
Ttl Pd \$0.00 Nbr-0000109974  
VRB/R6/1-1

SPACE ABOVE THIS LINE FOR RECORDER'S USE

MAIL TAX STATEMENTS TO:

Name West Sacramento Redevelopment Agency  
Address 2101 Stone Blvd., #301  
City, State Zip West Sacramento CA 95691

DOCUMENTARY TRANSFER TAX \$ -0-

QUITCLAIM DEED

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged,  
**THE COUNTY OF YOLO**, a Political Subdivision of the State of California  
hereby Remise, Release, and Quitclaim to:  
**THE REDEVELOPMENT AGENCY OF THE CITY OF WEST SACRAMENTO**, a California Municipal Corporation  
all of their right, title and interest in and to the following described Real Property in the State of California, County of Yolo, City of West  
Sacramento:

APN 67-330-02

Commencing at a point on the Southwesterly line of that certain parcel of land conveyed to the State of California by deed dated January 31, 1950 and recorded March 30, 1950 in Book 315 of Official Records, page 419, Yolo County Records that bears North 73 33' 00" East 50.86 feet and thence along the arc of a curve to the right having a radius of 492.96 feet, through a central angle of 00 27' 52" an arc distance of 4.00 feet from the point of intersection of the Southerly line of West Capitol Avenue with the Westerly line of that certain parcel of land described in the deed to James R. Mason, et ux., dated January 30, 1950 and recorded March 30, 1950 in Book 315 of Official Records, page 417, Yolo County Records to the point of beginning; thence from said point of beginning along the said Southwesterly line of the said parcel so conveyed to the State of California, in the first mentioned deed on a curve to the right having a radius of 492.96 feet; through a central angle of 21 09' 47", an arc distance of 182.08 feet; thence North 42 53' 47" East 25.00 feet; thence along a curve to the left having a radius of 517.96 feet; through a central angle of 17 46' 20" an arc distance of 160.66 feet; thence South 73 33' 00" West 38.97 feet to the point of the beginning.

State of California )  
County of Yolo )

**THE COUNTY OF YOLO, a Political Subdivision of  
the State of California**

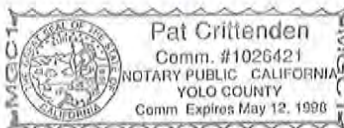
On April 9, 1998 before me, Pat Crittenden  
personally appeared Lynnel Pollock, Chairman  
Yolo County Board of Supervisors

By:

Lynnel Pollock

provided me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(s) and that by his/her/their signature(s) on the instrument the person(s) or entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.



Signature Pat Crittenden

017722 JUN 24 98

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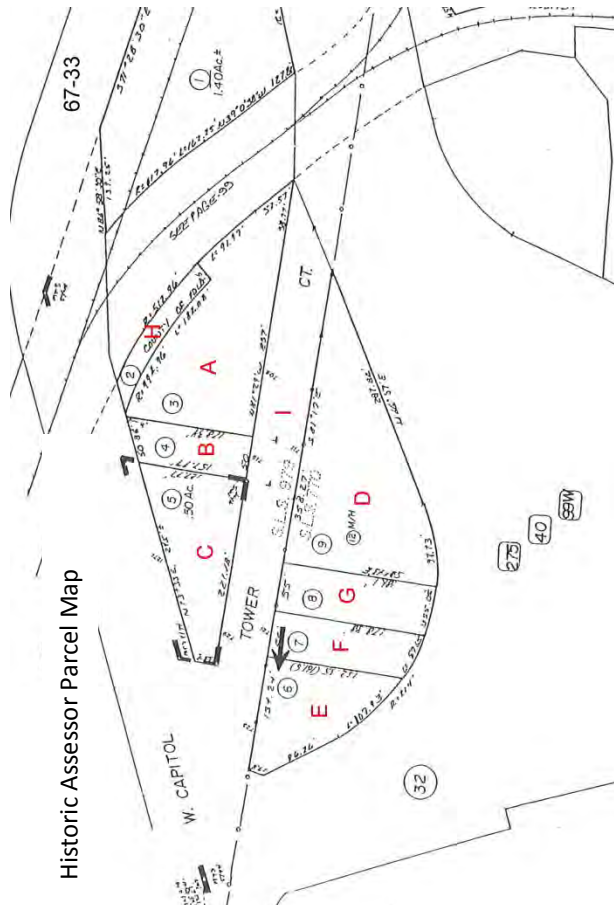


Tower Court Property Summary

| ID | APN         | Street Address        | Owners                                  | Historical Lessee                    | Acquired through          | Appraised Value | Purchase Price | Litigation Expense | Equipment Replacement | Reestablishment Expense |
|----|-------------|-----------------------|---|--------------------------------------|---------------------------|-----------------|----------------|--------------------|-----------------------|-------------------------|
| A  | 067-330-03  | 706 Tower Court       | Pargon & Surinder Singh                 | Cellular One                         | Case No 69724             | \$ 153,000.00   | \$ 153,000.00  | \$ -               |                       |                         |
| B  | 067-330-04  | 716 Tower Court       | Karnail & Satnam Singh                  | Vacant                               | Case No 69724             | \$ 38,000.00    | \$ 38,000.00   | \$ -               |                       |                         |
| C  | 067-330-05  | 720 & 729 Tower Court | Karnail & Satnam Singh                  | Bob Hart-Harto Auto & Manasero Glass | Case No 69724             | \$ 274,000.00   | \$ 268,000.00  | \$ -               |                       | \$ 6,316.37             |
| D  | 067-330-09  | 711 Tower Court       | Karnail & Satnam Singh                  |                                      | Case No 69724             | \$ 154,000.00   | \$ 154,000.00  | \$ -               |                       |                         |
| H  | 067-330-02  | 811 West Capitol Ave  | Yolo County (Quit Claimed)              |                                      | Quitclaim                 | \$ -            | \$ 1.00        | \$ -               |                       |                         |
| E  | 067-330-06  | 723 & 725 Tower Court | Chen/Penny Bait Shop & Coffee Hut       | Owner Occupied                       | Settlement Case No. 69722 | \$ 140,000.00   | \$ 140,000.00  | \$ 50,000.00       | \$ 8,324.00           | \$ 4,723.00             |
| F  | 067-330-07* | 721 Tower Court (717) | Walker (also Wisner, Warnecke, & Scott) | Ben's Books dba Goldie's             | Case No 69723             | \$ 144,000.00   |                | \$ 660,000.00      |                       |                         |
| G  | 067-330-08* | 721 Tower Court (717) | Walker (also Wisner, Warnecke, & Scott) | Ben's Books dba Goldie's             | Case No 69723             | \$ -            | \$ -           | \$ -               |                       |                         |
| I  | Tower Ct    | Tower Court ROW       |   |                                      | Resolution No 98-82       | \$ -            |                |                    |                       |                         |

\* - Parcels consolidated into one - new APN assigned - 067-330-13

Historic Assessor Parcel Map



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1 FREDERICK G. GIRARD, State Bar No. 025033  
 2 KRONICK, MOSKOVITZ, TIEDEMANN & GIRARD  
 3 A Professional Corporation  
 4 770 L Street, Suite 1200  
 5 Sacramento, California 95814-3363  
 6 (916) 444-8920  
 7 Attorneys for Plaintiff

**FILED**  
**YOLO COUNTY**

JAN 26 1988

ADAMAYALA, CLERK  
 By RENEE AGUILAR  
 Deputy

8 IN THE SUPERIOR COURT OF THE STATE OF CALIFORNIA  
 9 IN AND FOR THE COUNTY OF YOLO

10  
 11 REDEVELOPMENT AGENCY OF THE ) CASE NO. 69724  
 12 CITY OF WEST SACRAMENTO, )  
 13 Plaintiff, ) PLAINTIFF'S DISCLOSURE OF  
 14 vs. ) EXPERT WITNESSES; STATEMENT  
 15 SATNAM K. SINGH aka BOBBIE K. ) OF VALUATION DATA  
 16 SINGH, et al., ) (CCP § 1258.210-1258.260)  
 17 Defendants. )  
 18 \_\_\_\_\_ )

19 I.

20 DISCLOSURE OF EXPERT WITNESSES

21 The name and address of the expert witness who plaintiff  
 22 expects to call to testify at the trial is:

- 23 1. Richard M. Rhodes, M.A.I.
- 24 Real Estate Appraiser
- 25 P. O. Box 159
- 26 Bodega Bay, CA 94923

27 Mr. Rhodes will testify as to the fair market value of the  
 28 property on the date of valuation.

1 II.

2 STATEMENT OF VALUATION DATA (RHODES)

3 Plaintiff has retained as a valuation witness, RICHARD M.  
4 RHODES, whose business address is P. O. Box 159, Bodega Bay, CA  
5 94923. Mr. Rhodes will testify that, in his opinion, the value of  
6 the entire 83,956 square feet of property being taken on the date  
7 of valuation is \$613,000.

8 A breakdown of that value is as follows:

|             |           |                  |
|-------------|-----------|------------------|
| 9 Parcel 1  | \$153,000 | (25,900 sq. ft.) |
| 10 Parcel 2 | \$ 38,000 | (6,965 sq. ft.)  |
| 11 Parcel 3 | \$154,000 | (34,220 sq. ft.) |
| 12 Parcel 4 | \$268,000 | (16,871 sq. ft.) |

13 The four parcels are described and depicted in Exhibits A and B,  
14 attached to the Complaint. The Assessor's parcel numbers for the  
15 four parcels are:

|             |            |
|-------------|------------|
| 16 Parcel 1 | 067-330-03 |
| 17 Parcel 2 | 067-330-04 |
| 18 Parcel 3 | 067-330-09 |
| 19 Parcel 4 | 067-330-05 |

20 1. The interest being valued by Mr. Rhodes is the fee  
21 simple interest on the date of valuation.

22 2. The date of valuation used by Mr. Rhodes is May 13,  
23 1992.

24 3. In Mr. Rhodes' opinion, the highest and best use of  
25 the improved parcel is the continuation of the uses evidenced on the  
26 valuation date, i.e., a combination of light industrial, heavy  
27 commercial, or automotive related uses. As to the vacant parcels'  
28 future development similar to the uses of the improved parcel.

1           4.    The property is zoned CBD, Central Business District.  
2 Mr. Rhodes does not believe that a zoning change is probable.

3           5.    In valuing the four parcels, Mr. Rhodes considered  
4 comparable sales or market data. Data sheets for the comparable  
5 sales or market data which were considered by Mr. Rhodes and which  
6 support his valuation opinion are set forth in Exhibit "A" attached  
7 hereto. The market data or comparable sales approach indicated a  
8 value as follows:

|    |          |           |
|----|----------|-----------|
| 9  | Parcel 1 | \$153,000 |
|    | Parcel 2 | \$ 38,000 |
| 10 | Parcel 3 | \$154,000 |
|    | Parcel 4 | \$274,000 |

11           6.    The reproduction or replacement cost approach was  
12 also used by Mr. Rhodes in valuing Parcel 4. This replacement cost,  
13 less depreciation by straight-line, age life method, indicated a  
14 value as follows:

|    |                                 |                 |
|----|---------------------------------|-----------------|
| 15 | Class C. Average Service Garage |                 |
| 16 | 6,080 sf x \$33.13 =            | \$201,430       |
| 17 | Less: 25% Depreciation          | <u>(50,358)</u> |
| 18 | Estimated Replacement Cost      |                 |
|    | Less Depreciation               | \$151,072       |
| 19 | Plus: Site Costs                | 27,000          |
| 20 | Plus: Land Value                |                 |
| 21 | \$5.50 psf x 16,871 sf =        | <u>92,791</u> , |
| 22 | Total                           | \$270,863       |

23           7.    The income capitalization method of valuation was  
24 also used by Mr. Rhodes in valuing Parcel 1 and Parcel 4. The  
25 indicated value by income capitalization was as follows:

26           Parcel 1: Cellular One Lease:

27                     \$3,600/yr. Capitalized @ 8% = \$45,000

28           Parcel 4: Fair Rental Income:

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Building:  
6,080 sf x \$0.40 psf per mo. = \$29,184  
Less Vacancy & Expenses: 6,400  
\$22,784

Gannett Lease: \$1,200 per yr.

Income Capitalization Method:

|   |                  |
|---|------------------|
| Capitalize the Building Income @9%            | \$253,156        |
| Plus: Capitalized value of Gannett lease @ 8% | <u>\$ 15,000</u> |
|   | \$268,156        |

The comparable lease transactions that were considered by Mr. Rhodes in arriving at the 40¢ per square foot per month rental are included in Exhibit A, attached hereto.

8. This action involves a total take. Severance damages and special benefits are not applicable.

a. See Exhibit "A" attached hereto which identifies the parties to each comparable sale, the date, the location, size and shape of the property sold, the price of the sale, and the recording data. Exhibit "A" also identifies the location, parties, tenant space, and rent of each comparable lease.

b. Mr. Rhodes did not rely "in whole or substantial part" on the opinions of other persons. However, in connection with the appraisal, Mr. Rhodes and his partner, Jean Campbell, did interview realtors, leasing agents, and also the parties to the comparable transactions described in Exhibit A, primarily to confirm the sale or lease information. Mr. Rhodes also confirmed the zoning

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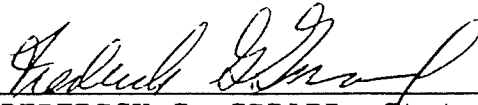
1 information with the Planning Commission staff.

2 Dated: 1/4, 1993.

3 KRONICK, MOSKOVITZ, TIEDEMANN & GIRARD  
4 A Professional Corporation

5

6

By 

7

FREDERICK G. GIRARD, State Bar No. 025033  
Attorneys for Plaintiff, Redevelopment Agency of the  
City of West Sacramento

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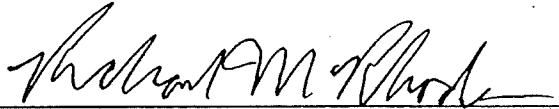
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I have read the foregoing Statement of Valuation Data and it fairly and correctly states my opinions and knowledge as to the matters therein stated.

Executed on January 4, 1993, at Bodega Bay, California.

  
RICHARD M. RHODES

79968.1



EXHIBIT A

SALES DATA - ONE

LOCATION: Evergreen, West of Harbour Blvd.  
GRANTOR: Anna L. Jan (Tr.)  
GRANTEE: Clarence Engstrom  
ZONING: M-2  
RECORDING: 91-08442  
DATE OF DEED: April 11, 1991  
SALE PRICE: \$355,000  
LAND AREA: 1.517 Acres, 66,066 sf  
UNIT VALUE: \$ 5.37 psf  
ASSESSOR NO. 067-120-13 (por.)

SALES DATA - TWO

LOCATION: W. Capital, W. of Poplar  
GRANTOR: Delbert Zimmerman  
GRANTEE: Rick Hart  
ZONING: C-2  
RECORDING: 92-03134  
DATE OF DEED: 2/3/92  
SALE PRICE: \$100,000  
LAND AREA: .524 Acres, 22,825 sf  
UNIT VALUE: \$ 4.38 psf  
ASSESSOR NO. 067-240-04

SALES DATA - THREE

LOCATION: 3100 W. Capitol  
GRANTOR: Robert Everett  
GRANTEE: Clyde and Marion Lamar  
ZONING: M-1  
RECORDING: 90-16023  
DATE OF DEED: June 29, 1990  
SALE PRICE: \$290,000  
LAND AREA: 1.25 Acres,  
BUILDING AREA: 8,000 sf  
UNIT VALUE: \$ 36.25 psf GBA  
ASSESSOR NO. 008-382-01

SALES DATA - FOUR

LOCATION: 2399 Sellers Way  
GRANTOR: The Chy Co.  
GRANTEE: Michael & Julie Ramos  
ZONING: M-1  
RECORDING: 90-19718  
DATE OF DEED: 8/7/90  
SALE PRICE: \$250,000  
LAND AREA: 40,000+ sf  
BUILDING AREA: 4,000 sf  
UNIT VALUE: \$ 62.50 psf GBA  
ASSESSOR NO. 067-200-10

SALES DATA - FIVE

LOCATION: 1524 Merkley  
GRANTOR: Al and LaVerne Miller  
GRANTEE: Daniel Martinez  
ZONING: C-2  
RECORDING: 90-26265  
DATE OF DEED: October 11, 1990  
SALE PRICE: \$210,000  
LAND AREA: .12 Acres  
BUILDING AREA: 1,350 sf  
UNIT VALUE: \$ 155.56 psf GBA  
ASSESSOR NO. 067-290-14

SALES DATA - SIX

LOCATION: 412 W. Capital  
GRANTOR: Park Enterprises  
GRANTEE: Joyce Teel (Tr)  
ZONING: C-1  
RECORDING: 91-04085+  
DATE OF DEED: 2/20/91  
SALE PRICE: \$300,000  
LAND AREA: .629 Acres  
BUILDING AREA: 9,000 sf  
UNIT VALUE: \$ 33.33 psf GBA  
ASSESSOR NO. 067-240-04

SALES DATA - SEVEN

LOCATION: 2021 W. Capitol  
GRANTOR: Gael & Joan Barsotti  
GRANTEE: Pargan & Surinder Singh  
ZONING: C-2  
RECORDING: 91-05055  
DATE OF DEED: March 1, 1991  
SALE PRICE: \$220,000  
LAND AREA: .247 Acres  
BUILDING AREA: 5,700 sf  
UNIT VALUE: \$ 38.60 psf GBA  
ASSESSOR NO. 067-240-02

SALES DATA - EIGHT

LOCATION: 700 Harbor Blvd.  
GRANTOR: Donald Wilson  
GRANTEE: Salvatore Romeo  
ZONING: M-2  
RECORDING: 91-017885  
DATE OF DEED: July 19, 1991  
SALE PRICE: \$310,000  
LAND AREA: 1.377 Acres, 60,000 sf  
BUILDING AREA: 9,600 sf  
UNIT VALUE: \$ 32.29 psf GBA  
ASSESSOR NO. 008-383-10

SALES DATA - NINE

LOCATION: 640 Houston St.  
GRANTOR: Joseph Barnett  
GRANTEE: James & Dorothy Brandenburger  
ZONING: M-2  
RECORDING: 92-2313-396  
DATE OF DEED: February 21, 1992  
SALE PRICE: \$285,000  
LAND AREA: .58 Acres  
BUILDING AREA: 12,000 sf  
UNIT VALUE: \$ 23.75 psf GBA  
ASSESSOR NO. 008-371-06

COMPARABLE LEASE - ONE

LOCATION: 1025 Triangle Ct.  
LESSOR: Bob Collett  
LESSEE: Hart Automotive  
RENT/SF/MO: \$0.43  
TERMS: Gross  
TENANT SPACE: 7,500 sf

COMPARABLE LEASE - TWO

LOCATION: W. Capitol  
LESSOR: Rick Hart  
LESSEE: Zimmerman Investments, Video Rentals  
RENT/SF/MO: \$ .67  
TERMS: Gross  
TENANT SPACE: 1,500 sf

COMPARABLE LEASE - THREE

LOCATION: Jefferson & W. Capitol  
LESSOR: Engstrom  
LESSEE: Various  
RENT/SF/MO: \$1.15-\$1.50  
TERMS: NNN (\$.20)  
TENANT SPACE: Various

COMPARABLE LEASE - FOUR

LOCATION: 412 W. Capitol  
LESSOR: Park Enterprises  
LESSEE: 7 Star Market  
RENT/SF/MO: \$0.50  
TERMS:  
TENANT SPACE: 1,200 sf

COMPARABLE LEASE - FIVE

LOCATION: 412 W. Capitol  
LESSOR: Park Enterprises  
LESSEE: Barber Shop  
RENT/SF/MO: \$ .56  
TERMS:  
TENANT SPACE: 400 sf

COMPARABLE LEASE - SIX

LOCATION: 710 Harbor Blvd.  
LESSOR: Donald Wilson  
LESSEE: Harbor Marine  
RENT/SF/MO: \$ 0.19  
TERMS: NNN  
TENANT SPACE: 9,600

COMPARABLE LEASE - SEVEN

LOCATION: 642 Houston  
LESSOR: James Brandenburger  
LESSEE: Vacant  
RENT/SF/MO: \$0.30 - Asking  
TERMS: Gross  
TENANT SPACE: 4,000 sf



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Redevelopment Agency v. Satnam Singh, et.al.  
Yolo County Case No. 69724

PROOF OF SERVICE

I, JUANITA DUN, declare:

I am a resident of the State of California and over the age of eighteen years, and not a party to the within action; my business address is Kronick, Moskovitz, Tiedemann & Girard, 770 L Street, Suite 1200, Sacramento, CA 95814-3363. On January 26, 1993, I served the within documents:

PLAINTIFF'S DISCLOSURE OF EXPERT WITNESSES; STATEMENT OF VALUATION DATA

by transmitting via facsimile the above listed document(s) to the fax number(s) set forth below on this date before 5:00 p.m.

by placing the document(s) listed above in a sealed envelope, and placed the same with the firm's mailing room personnel for mailing in the United States mail at Sacramento, California in accordance with the firm's ordinary practices, and addressed as set forth below.


by causing personal delivery by \_\_\_\_\_ of the document(s) listed above to the person(s) at the address(es) set forth below.

by personally delivering the document(s) listed above to the person(s) at the address(es) set forth below.

SEE ATTACHED LIST

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed on January 26, 1993, at Sacramento, California.

  
\_\_\_\_\_  
JUANITA DUN

| <u>1</u>  | <u>ATTORNEY</u>  | <u>DEFENDANT REPRESENTED</u>                    |
|-----------|--|---|
| <u>2</u>  | Richard F. Desmond, Esq.<br>DESMOND, MILLER & DESMOND                              | Satnam K. Singh, aka<br>Bobbie K. Singh; Pargan |
| <u>3</u>  | 1006 4th Street, #10th Floor<br>Sacramento, CA 95814                               | Singh; Surinder Singh                           |
| <u>4</u>  | Bruce Scheidt, Esq.  | Capitolbank Sacramento;                         |
| <u>5</u>  | MOYER, BUCHNER & TOWNE   | Commerce Corporation                            |
| <u>6</u>  | 2720 Gateway Oaks Drive, #250<br>Sacramento, CA 95833                              |   |
| <u>7</u>  | Ronald W. Beals, Esq.  | Gannett Outdoor Co. of                          |
| <u>8</u>  | GANNETT OUTDOOR COMPANY  | Northern California                             |
| <u>9</u>  | OF NORTHERN CALIFORNIA, INC.<br>1311 Terminal Street<br>Weest Sacramento, CA 95691 |   |
| <u>10</u> | David V. Westcott, Esq.  | First American Title                            |
| <u>11</u> | Regional Counsel   | Insurance Company                               |
| <u>12</u> | FIRST AMERICAN TITLE<br>INSURANCE COMPANY  |   |
| <u>13</u> | 345 California Street, #1650<br>San Francisco, CA 94104                            |   |
| <u>14</u> | John F. Cavin, Esq.  | Transamerica Title                              |
| <u>15</u> | Division Counsel   | Insurance Company                               |
| <u>16</u> | TRANSAMERICA TITLE<br>INSURANCE COMPANY  |   |
| <u>17</u> | 44 Montgomery Street, #3450<br>San Francisco, CA 94104                             |   |
| <u>18</u> | Daniel R. Martinez, Esq.   | Sierra Hart Enterprises                         |
| <u>19</u> | LAW OFFICES OF DANIEL MARTINEZ   |   |
| <u>20</u> | 1524 Merkley Avenue<br>West Sacramento, CA 95691                                   |   |
| <u>21</u> | Frank C. Simmons, Esq.   | Northwest Creditors                             |
| <u>22</u> | Attorney at Law  | Services  |
| <u>23</u> | 7225 E. Southgate Dr., #D<br>Sacramento, CA 95823                                  |   |
| <u>24</u> | Mr. Donald Gorton  | Donald Gorton, James R.                         |
| <u>25</u> | In Pro Per   | Mason, Inez Mason,                              |
| <u>26</u> | 7445 Heritage Meadow Place<br>Citrus Heights, CA 95610                             | Mortgage Lender Services                        |
| <u>27</u> | David J. Cook, Esq.  | BC Stocking Distributing                        |
| <u>28</u> | COOK, PERKISS & LEW  |   |
|           | 333 Pine Street, Third Floor<br>San Francisco, CA 94104                            |   |

1 Daniel F. Cooley, Esq.  
PACIFIC GAS & ELECTRIC  
2 77 Beale Street  
P. O. Box 7442  
3 San Francisco, CA 94120

Pacific Gas & Electric

4 Claudia Saunders, Esq.  
5 U. S. ATTORNEY'S OFFICE  
650 Capitol Mall, #300  
6 Sacramento, CA 95814

United States of  
America

7 Charles E. Spencer, Jr.  
Interim Chief Counsel  
8 ATTORNEYS FOR CALIFORNIA  
DEPT. OF TRANSPORTATION  
9 1120 N Street  
P. O. Box 1438  
10 Sacramento, CA 95812

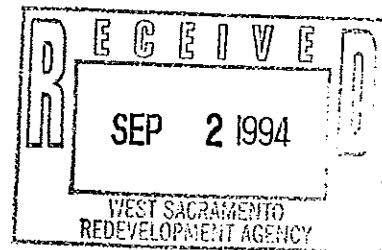
State of California,  
Dept. of Transportation

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FREDERICK G. GIRARD

KRONICK  
MOSKOVITZ  
TIEDEMANN  
& GIRARD  
A PROFESSIONAL CORPORATION



September 1, 1994

Les Bowman  
City of West Sacramento  
1102 Jefferson Boulevard  
Suite D  
West Sacramento, CA 95691

Re: Redevelopment Agency of the City of West  
Sacramento v. Satnam K. Singh, et al.,  
Yolo County Superior Court No. 69724

Dear Les:

Enclosed is a copy of the Final Order of Condemnation with the recording information. As per C.C.P. § 1268.030, title to the property is now vested in the City of West Sacramento.

Very truly yours,

  
FREDERICK G. GIRARD

FGG:jd  
Enc.

158527.1

Recording Requested by  
and when recorded mail to:

Kronick, Moskowitz, Tiedemann

Name: & Girard

400 Capitol Mall, 27th FL

Address:

Sacramento, CA 95814-4417

City, State, Zip:

024514

OFFICIAL RECORDS  
Y.C. & CO. - CALIF.  
RECORD REQUESTED BY:

TONY BERNHARD  
COUNTY RECORDER

94 AUG -1 PM 2:57

ATTORNEY:

N/C

Document Title: Final order of Condemnation

RECEIVED  
AUG 1 1994

BOOK 2671 PAGE 390

**CERTIFIED COPY**

1 FREDERICK G. GIRARD, State Bar No. 025033  
2 KRONICK, MOSKOVITZ, TIEDEMANN & GIRARD  
3 A Professional Corporation  
4 400 Capitol Mall, 27th Floor  
5 Sacramento, California 95814-4417  
6 (916) 321-4500

7 Attorneys for Plaintiff  
8 Redevelopment Agency of the City  
9 of West Sacramento

**FILED**  
**YOLO COUNTY**  
**SUPERIOR/MUNICIPAL COURTS**

JUN 15 1994

By RENEE AGUILAR CLERK  
Deputy

10 IN THE SUPERIOR COURT OF THE STATE OF CALIFORNIA

11 IN AND FOR THE COUNTY OF YOLO

|                                  |   |                             |
|----------------------------------|---|-----------------------------|
| 12 REDEVELOPMENT AGENCY OF THE   | ) | CASE NO. 69724              |
| 13 CITY OF WEST SACRAMENTO,      | ) |                             |
| 14 Plaintiff,                    | ) | FINAL ORDER OF CONDEMNATION |
| 15 vs.                           | ) |                             |
| 16 SATNAM K. SINGH aka BOBBIE K. | ) |                             |
| 17 SINGH, PARGAN SINGH, SURINDER | ) |                             |
| 18 K. SINGH, et al.,             | ) |                             |
| 19 Defendants.                   | ) |                             |

20 Judgment In Eminent Domain having been entered in the  
21 above-entitled action on October 28, 1993, and it appearing to  
22 the Court's satisfaction that the Redevelopment Agency of the  
23 City of West Sacramento has paid into Court for the benefit of  
24 the defendants entitled thereto, the full amount of the Judgment  
25 in accordance with the provisions of said Judgment;

26 NOW, THEREFORE, IT IS ORDERED AND ADJUDGED AND DECREED:

27 1. There is hereby condemned to and taken by the  
28 REDEVELOPMENT AGENCY OF THE CITY OF WEST SACRAMENTO, the real

1 property designated and described in Exhibit A attached hereto  
2 and incorporated herein by reference.

3 2. On filing a certified copy of this Final Order of  
4 Condemnation with the County Recorder of the County of Yolo,  
5 State of California, the real property described in Exhibit A  
6 attached hereto and incorporated herein by reference shall vest  
7 in the REDEVELOPMENT AGENCY OF THE CITY OF WEST SACRAMENTO, its  
8 successors and its assigns.

9 DATED: June 14, 1994

11 DONNA M. PETRE  
12 DONNA M. PETRE, JUDGE OF THE  
13 SUPERIOR COURT

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BOOK 2671 PAGE 392

EXHIBIT "A"

The property to be acquired is situated in the State of California, County of Yolo, City of West Sacramento, and more particularly described as follows:

PARCEL ONE:

BEGINNING at a point on the Southwesterly line of that certain parcel of land conveyed the State of California by Deed dated January 31, 1950, and recorded March 30, 1950, in Book 315 of

Official Records, at page 419, Yolo County Records, that bears North 73° 33' 00" East 50.86 feet and thence along the arc of a curve to the right having a radius of 492.96 feet, through a central angle of 00° 27' 52" an arc distance of 4.00 feet from the point of intersection of the Southerly line of West Capitol Avenue with the Westerly line of that certain parcel of land described in the Deed to James R. Mason, et ux., dated January 30, 1950, and recorded March 30, 1950, in Book 315 of Official Records, at page 417, Yolo County Records; running thence along the said Southwesterly line of the said parcel so conveyed to the State of California, in the first mentioned Deed on a curve to the right having a radius of 492.96 feet, through a central angle of 21° 09' 47", an arc distance of 182.08 feet; thence North 42° 53' 47" East 25.00 feet; thence along a curve to the right having a radius of 517.96 feet, through a central angle of 10° 10' 26", an arc distance of 91.97 feet; thence South 36° 53' 47" East 52.57 feet; thence South 66° 22' 49" West 58.77 feet to a point on the center line of a 60 foot road known as Tower Court; thence North 81° 29' 00" West along the last named line, 237.00 feet; thence leaving the said center line and running thence North 08° 31' 00" East 178.34 feet to the point of beginning.

PARCEL TWO:

All that portion of Swamp Land Survey No. 979 and a portion of Parcel 1 as said Parcel is described in the Deed to James Mason et ux recorded in Book 315 of Official Records at page 417, Yolo County Records described as follows:

Beginning at the Southwest corner of said Parcel; thence N. 8° 31' 00" E. along the West line of said Parcel 157.77 feet to the Southerly line of West Capitol Avenue; thence N. 73° 33' 00" E. along said line 50.86 feet to the most Westerly corner of that certain parcel of land conveyed to the State of California by deed recorded in Book 315 of Official Records, page 419 Yolo County Records; thence along the Southwesterly line of said Parcel and along a curve to the right having a radius of 492.96 feet, a central angle of 0° 27' 52" a distance along the arc of 4.00 feet; thence leaving said line S. 8° 31' 00" W. 178.34 feet to the South line of said Parcel 1 being the center line of a 60 feet wide County Road; thence N. 81° 29' 00" W. along said line 50.00 feet to the point of beginning.

EXHIBIT A

BOOK 2671 PAGE 393



## EXHIBIT "A" (Continued)

PARCEL THREE:

BEGINNING at a point on the line common to Swamp Land Surveys No.'s 979 and 770, in the County of Yolo, State of California, that is situated South 81' 17' East 501.55 feet from the Northwestern corner of said Swamp Land Survey No. 770 and extending thence South 81' 17' East along the line common to first mentioned Swamp Land Survey No.'s 979 and 770 a distance of 377.36 feet to a property corner; thence at right angles along property line having a bearing of South 8' 43' West a distance of 381.82 feet to a property corner, which point is also located in the Northerly line of the State Box Company property; thence at right angles along the Northerly line of the State Box Company property North 81' 17' West a distance of 377.36 feet to a property corner; thence at right angles along a property line having a bearing of North 8' 43' East a distance of 381.82 feet to the point of beginning.

EXCEPTING THEREFROM that portion thereof, acquired by the State of California, by Final Order of Condemnation, dated January 14, 1953, in Book 383 of Official Records, page 437.

PARCEL FOUR:

That portion of Swamp Land Survey No. 979, shown on the Map of the Reed Orchard Co., recorded in the office of the Recorder of Yolo County, in Book 5 of Maps and Surveys at page 44, described as follows:

BEGINNING at a point on the centerline of the California State Highway alignment South of the town of Broderick designated as Station 746+31.1 from which the Southwest corner of S.L.S. South 84' 25' 50" West 121.63 feet; and extending thence North 73' 33' East 530.6 feet along said center line; thence South 8' 31' West 223.95 feet to centerline of Intersecting State Highway alignment; thence North 81' 29' West 481.00 feet along said latter centerline to the point of beginning.

EXCEPTING THEREFROM, that portion conveyed to the State of California for State Highway by Deeds recorded December 23, 1916, in Book 91 of Deeds at page 102, September 4, 1935, in Book III at Page 26, and June 18, 1931, in Book 28 of Official Records at page 68, in the office of the Recorder of Yolo County.





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FIRST AMERICAN TITLE COMPANY OF YOLO  
 1450 HARBOR BOULEVARD, SUITE E  
 WEST SACRAMENTO, CALIFORNIA 95691

FINAL ESCROW STATEMENT OF:  
 REDEVELOPMENT AGENCY OF THE  
 CITY OF WEST SACRAMENTO

ESCROW NUMBER: 71540

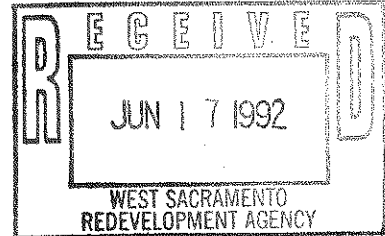
OTHER PARTY:  
 CHI FU CHEN AND TSUI KIM CHEN

DATE: JUNE 16, 1992

PROPERTY: YOLO COUNTY  
 APN 67-330-6  
 723 TOWER COURT  
 WEST SACRAMENTO, CA

FINAL CLOSING DATE:  
 JUNE 16, 1992

| DESCRIPTION  | DEBIT      | CREDIT     |
|--|------------|------------|
| SALES PRICE  | 203,047.52 |            |
| DEPOSIT  |            | 203,047.52 |
| PRORATE SUPPLEMENTAL TAXES<br>FROM CLOSE OF ESCROW<br>TO JULY 01, 1992 | 35.36      |            |
| OWNER'S<br>TITLE POLICY  | 897.60     |            |
| ESCROW FEE   | 193.00     |            |
| DOCUMENT PREPARATION   | 35.00      |            |
| DOCUMENTARY TRANSFER TAX   | 223.74     |            |
| BALANCE DUE<br>INVOICE NUMBER 3386                                     |            | 1,384.70   |
| TOTALS   | 204,432.22 | 204,432.22 |



*[blank page]*

**RESOLUTION NO. 98-82**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WEST SACRAMENTO  
VACATING TOWER COURT AND RETAINING A PUBLIC UTILITY EASEMENT OVER  
THOSE UTILITIES TO REMAIN PUBLIC**

**WHEREAS**, the City of West Sacramento may vacate streets pursuant to the authority provided in Division 9, Part 3, Chapter 4, "Summary Vacation," (Sections 8330 et seq.) of the Streets and Highways Code by adopting a resolution of vacation; and

**WHEREAS**, the City does not require this roadway for any planned purpose; and

**WHEREAS**, in conjunction with said vacation, the City will retain an Ingress/Egress easement for lots fronting on Tower Court and a Public Utility Easement over those utilities to remain public; and

**WHEREAS**, on July 15, 1998, the City Council adopted Resolution No. 98-68, a Resolution of Intent to Vacate Tower Court and ordered that the hearing on the proposed vacation be set for the 19th day of August, 1998, in the City Council Chambers of the City Council, at City Hall, 2101 Stone Boulevard, West Sacramento, California; and

**WHEREAS**, the Public Hearing on the proposed vacation was continued to the September 9, 1998 City Council meeting; and

**WHEREAS**, a copy of Resolution No. 98-68 has been posted on the Directory in the Lobby of City Hall at least two weeks in advance of the hearing; and

**WHEREAS**, notice of the date, hour and place of hearing of the proposed vacation was published for at least two successive weeks prior to the hearing; and

**WHEREAS**, at least two weeks before the day set for the hearing at least three notices of vacation were conspicuously posted along the line of said easement not more than 300 feet apart; and

**WHEREAS**, as required by Street and Highway Code Section 8313 and Government Code Section 65402, the Zoning Administrator of the City of West Sacramento has determined that the vacation of Tower Court is consistent with the City's General Plan, and Government Code Section 65402; and

**WHEREAS**, the hearing described above has been conducted, and this Council having heard and considered all oral, documentary and other evidence presented, hereby finds, determines and orders as follows:

**NOW, THEREFORE, BE IT RESOLVED** that the City Council of the City of West Sacramento vacates Tower Court pursuant to the provisions of Chapter 3 of the Public Street, Highway and Service Easement Law (commencing at Section 8320 of the Streets and Highway Code) and retains 1) an Ingress/Egress easement for lots fronting on Tower Court and 2) a Public Utility Easement, all described as follows:

All that real property situated in the City of West Sacramento, County of Yolo, State of California, described as follows:

All that portion of Swamp Land Survey Nos. 770 and 979, Yolo County Surveys, described as follows:

026640 SEP 14 8

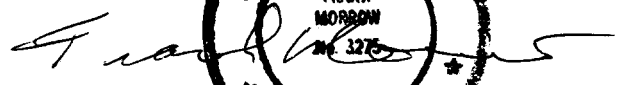

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DESCRIPTION OF  
TOWER COURT  
TO BE ABANDONED

ALL THAT CERTAIN REAL PROPERTY SITUATED IN THE CITY OF WEST SACRAMENTO, COUNTY OF YOLO, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

ALL THAT PORTION OF SWAMP LAND SURVEYS NOS. 770 AND 979, YOLO COUNTY SURVEYS, DESCRIBED AT FOLLOWS

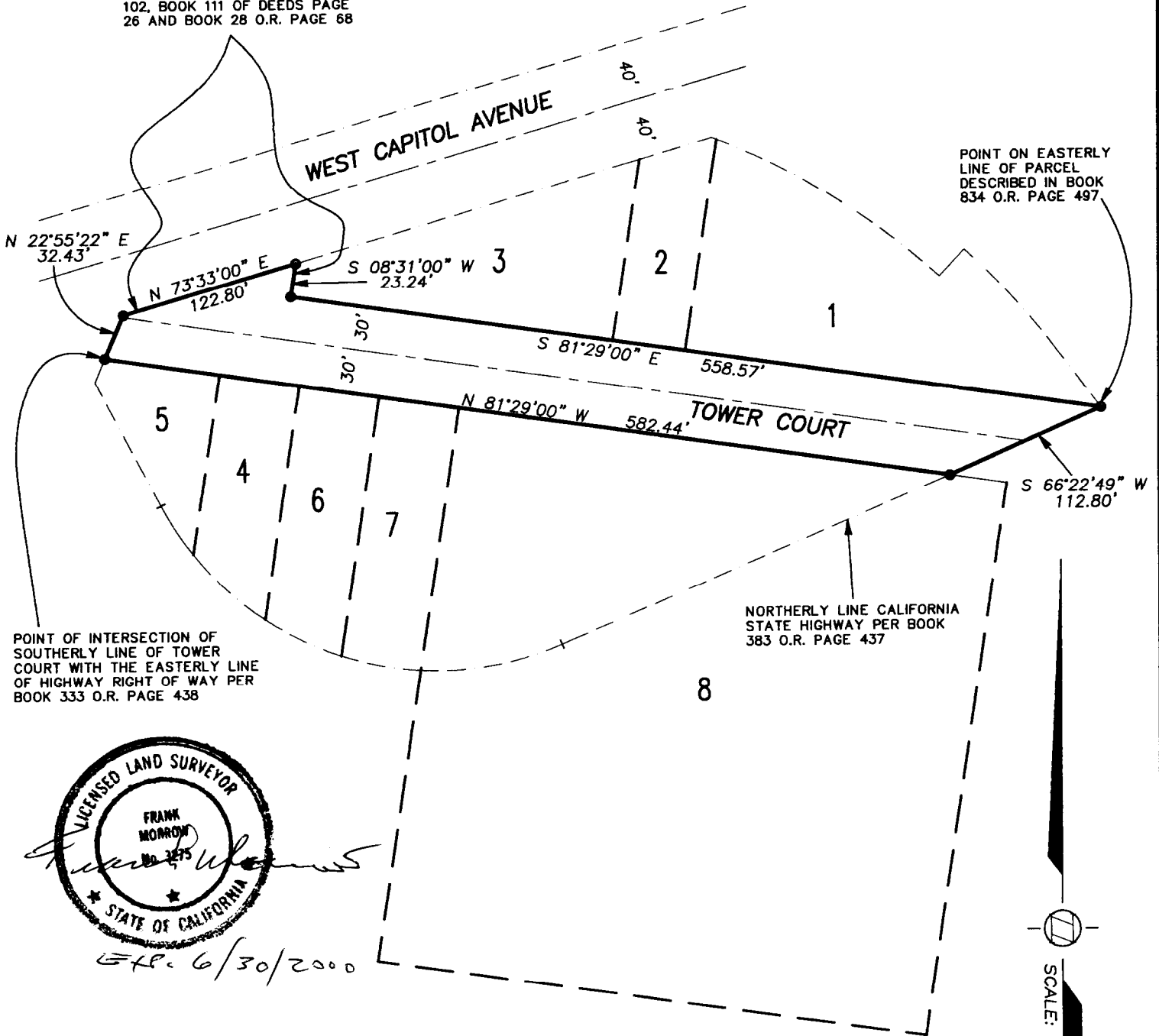
BEGINNING AT THE POINT OF INTERSECTION OF THE SOUTHERLY LINE OF TOWER COURT, A PUBLIC STREET 60.00 FEET IN WIDTH, WITH THE EASTERLY LINE OF THE CALIFORNIA STATE HIGHWAY RIGHT OF WAY DESCRIBED IN DEED RECORD IN BOOK 333 OF OFFICIAL RECORDS, PAGE 438; THENCE FROM SAID POINT OF BEGINNING ALONG THE RIGHT OF WAY LINE OF SAID STATE HIGHWAY AS DESCRIBED IN DEEDS RECORDED IN BOOK 91 OF DEEDS PAGE 102, BOOK 111 OF DEEDS, PAGE 26 AND BOOK 28 OF OFFICIAL RECORDS, PAGE 68 THE FOLLOWING THREE COURSES: (1) NORTH 22° 55' 22" EAST 32.43 FEET, (2) NORTH 73° 33' 00" EAST 122.80 FEET AND (3) SOUTH 08° 31' 00" WEST 23.24 FEET TO THE NORTHERLY LINE OF SAID TOWER COURT; THENCE ALONG THE NORTHERLY LINE OF SAID TOWER COURT SOUTH 81° 29' 00" EAST 558.57 FEET TO A POINT ON THE EASTERLY LINE OF THAT CERTAIN PARCEL OF LAND DESCRIBED IN BOOK 834 OF OFFICAL RECORDS, PAGE 497 SAID POINT ALSO BEING A POINT ON THE CALIFORNIA STATE HIGHWAY AS DESCRIBED IN DEED RECORDED IN BOOK 383 OF OFFICIAL RECORDS, PAGE 437; THENCE ALONG SAID RIGHT OF WAY LINE SOUTH 66° 59' 00" WEST 112.80 FEET TO A POINT ON THE SOUTHERLY LINE OF SAID TOWER COURT; THENCE ALONG SAID SOUTHERLY LINE NORTH 81° 29' 00" WEST 582.44 FEET TO THE POINT OF BEGINNING.

  
  
ETC. 09/30/2000



# EXHIBIT

STATE HIGHWAY RIGHT OF WAY  
PER BOOK 91 OF DEEDS PAGE  
102, BOOK 111 OF DEEDS PAGE  
26 AND BOOK 28 O.R. PAGE 68



6/30/2000



Beginning at the Point of Intersection of the southerly line of Tower Court, a public street 60.00 feet in width, with the easterly line of the California State Highway right-of-way described in deed record in Book 333 of Official Records, page 438; thence from said Point of Beginning along the right-of-way line of said State Highway as described in deeds recorded in Book 91 of Deeds, Page 102, Book 111 of Deeds, Page 26 and Book 28 of Official Records, Page 68 the following three courses: (1) North 22°55'22" East 32.43 feet, (2) North 73°33'00" East 122.80 feet and (3) South 08°31'00" West 23.24 feet to the northerly line of said Tower Court; thence along the northerly line of said Tower Court South 81°29'00" East 558.57 feet to a point on the easterly line of that certain parcel of land described in Book 834 of Official Records, Page 497, said point also being a point on the California State Highway as described in deed recorded in Book 383 of Official Records, Page 437; thence along said right-of-way line South 66°59'00" West 112.80 feet to a point on the southerly line of said Tower Court; thence along said southerly line North 81°29'00" West 582.44 feet to the Point of Beginning.

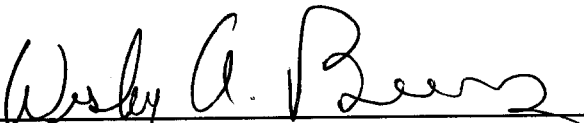
**BE IT FURTHER RESOLVED** that the City Clerk shall cause this resolution to be recorded in the office of the Yolo County Recorder and following the date of recordation of this resolution said Tower Court will no longer constitute a Public Right-of-Way, but shall be designated an Ingress/Egress easement and a Public Utility Easement.

**PASSED AND ADOPTED** by the City Council of the City of West Sacramento this 19th day of August, 1998, by the following vote:

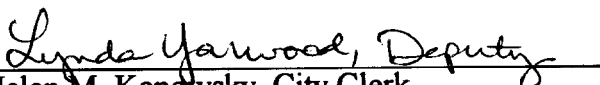
**AYES:** Cabaldon, Kristoff, Montemayor, Potnick, Beers

**NOES:** None

**ABSENT:** None

  
\_\_\_\_\_  
Wesley A. Beers, Mayor

ATTEST:

  
\_\_\_\_\_  
Helen M. Kanowsky, City Clerk

9851 Horn Road, Suite 150  
Sacramento, California 95827-1949

Telephone  
(916) 368 1083

**F. DEAN BAILEY**

Real Estate Appraiser

August 28, 1995

F. Dean Bailey, MAI  
Member, Appraisal Institute

Fax  
(916) 368 1080

Ms. Kathleen O'Leary  
Redevelopment Program Manager  
City of West Sacramento Redevelopment Agency  
102 Jefferson Boulevard, Suite D  
West Sacramento, CA 95691

**Re: Tower Court**

Dear Ms. O'Leary:

I have made an investigation and analysis relative to estimating the market value of the 3.29-acre (143,312-square-foot) unimproved property located on both sides of Tower Court, south of West Capitol Avenue, West Sacramento, California. The property appraised consists of the Assessor's parcels described and the land area in Tower Court. It is assumed that this right-of-way will be abandoned and incorporated into a developable site.

It is my opinion that the market value as of the effective date of August 18, 1995, subject to the *Limiting Conditions* attached, is:

**FOUR HUNDRED THIRTY THOUSAND DOLLARS  
(\$430,000)**

This is a "Restricted Appraisal Report" prepared in conformance with Standards Rule 2-2 (c) of the *Uniform Standards of Professional Appraisal Practice* (USPAP), as promulgated by the Appraisal Standards Board of The Appraisal Foundation.

This report is prepared for the client's internal use only and cannot be understood properly without additional information contained in the appraiser's work file. The following statements are required by USPAP:

Identification: Assessor Parcel Nos. 67-330-02 through 05, 09 and 15. (County of Yolo).

Interest appraised: Fee simple, as if unencumbered (see under *Limiting Conditions*).

Purpose of appraisal: Limited as internal guidance to the client only.  
Scope: In excess of forty sales investigated, analyzed, and compared.

Highest and best use: Commercial.

Approaches to value: The cost and income approaches not deemed applicable due to appraisal being restricted to land only (see under *Special Limiting Conditions*).

Definition of value:\*

The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in the definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

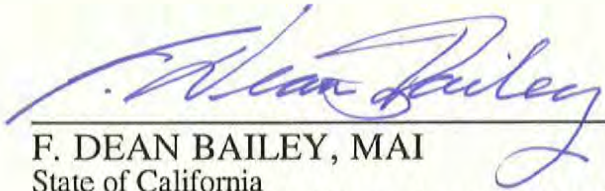
1. buyer and seller are typically motivated;
2. both parties are well informed or well advised, and acting in what they consider their best interests;
3. a reasonable time is allowed for exposure in the open market;
4. payment is made in terms of cash in United States dollars or in terms of financial arrangements comparable thereto; and
5. the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

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\* *Uniform Standards of Professional Appraisal Practice*, Appraisal Standards Board, The Appraisal Foundation, 1995 Edition, page 8.

Thank you for the opportunity of preparing this appraisal.

Respectfully submitted,



F. DEAN BAILEY, MAI  
State of California  
Certified General Real Estate Appraiser No. AG001510

## **SPECIAL LIMITING CONDITIONS**

- This is a Restricted Appraisal Report as defined in the Uniform Standards of Professional Appraisal Practice.
- It is assumed that Tower Court will be abandoned and its right-of-way included in a developable parcel.
- The site has concrete foundations, floors and asphaltic paving remaining from former buildings. The Tower Court street will also have to be removed prior to development. It is assumed that the buyer will remove these improvements at its cost. The property is valued "as is."

## **GENERAL LIMITING CONDITIONS**

- The legal description, dimensions, and areas used herein are assumed to be correct.
- Title to the property is assumed to be free and clear of any liens or encumbrances, and to be merchantable title, unless otherwise specified herein.
- No responsibility is assumed for matters that are legal in nature.
- Information furnished the appraiser by others has been reviewed and analyzed and is believed to be reasonably accurate, but cannot be guaranteed.
- Unless otherwise specified herein, it is assumed that there are no adverse subsurface conditions, particularly those relating to soil-bearing capacity.
- Unless otherwise stated in this report: The existence of hazardous material, which may or may not be present on the property, was not observed by the appraiser. The appraiser has no knowledge of the existence of such materials on or in the property. The appraiser, however, is not qualified to detect such substances. The presence of substances such as asbestos, radon, urea-formaldehyde foam insulation, or other potentially hazardous materials may affect the value of the property. The value estimate is predicated on the assumption that there is no such material on or in the property that would cause a loss in value. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them.
- Unless otherwise stated in this report: No "Phase I" environmental assessment investigation has been made as to (a) the possible existence of a hazardous waste area that might be located in close enough proximity to the property appraised so as to have an effect on highest and best use or market value, nor as to (b) the historical use or ownership of the subject property beyond the three years required by Standards Rule 1-5 (a)(ii) of the Uniform Standards of Professional Appraisal Practice (USPAP), 1994 Edition.
- The property appraised may or may not be subject to the Americans with Disabilities Act of 1990 (ADA). Title III of said Act provides for penalties for discrimination in failing "...to remove architectural barriers...in existing facilities [unless] an entity can demonstrate that the removal...is not readily achievable..." [Section 302(b)(2)(A)(iv, v)]. Unless otherwise noted in this appraisal, it is assumed that the property appraised is not substantially impacted by this law.

F. Dean Bailey, MAI  
Real Estate Appraiser

## **GENERAL LIMITING CONDITIONS**

- This appraisal is specifically limited to the condition that all information on sales, listings, offers, options, leases, and other pertinent data has been revealed to the appraiser. In the event there are unrevealed or unknown facts that would change the opinion of value expressed herein, the appraiser reserves the right to make such change.
- Unless otherwise noted, this report is preliminary to the extent that no physical or functional analysis of the building, equipment, or other improvements, if any, has been made by a structural or other engineer, and the conclusions as to condition are based solely on the observations of the appraiser as a result of a routine inspection, with no search made to uncover hidden defects, if any.
- This appraisal report has been prepared for the exclusive benefit of the City of West Sacramento. It may not be used or relied upon by any other party. Any party who uses or relies upon any information in this report, without the preparer's written consent, does so at his/her own risk.

F. Dean Bailey, MAI  
Real Estate Appraiser

PHOTOGRAPHS — Tower Court



Looking southeast across West Capitol Avenue.



Looking southwest across West Capitol Avenue.



67-33

CAUTION- These maps ARE NOT to be used for legal descriptions

POR. SEC. 34, T. 9N., R. 4E., M.D. B.M.

4T  
75  
6E



Bk. 10  
Pg. 43

Bk. 8  
Pg. 15

Bk. 58  
Pg. 32

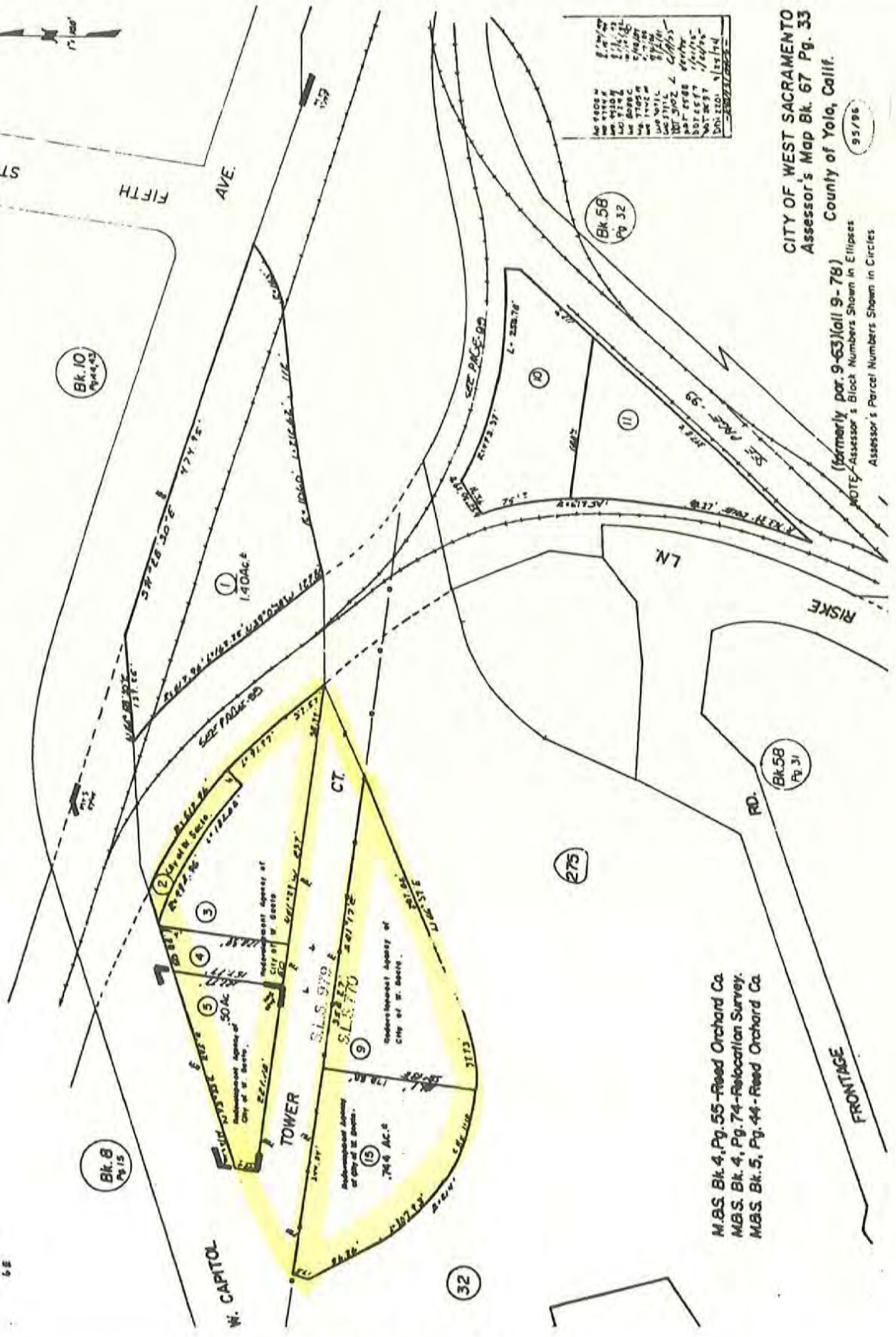
Bk. 58  
Pg. 31

CITY OF WEST SACRAMENTO  
Assessor's Map Bk. 67 Pg. 33  
County of Yolo, Calif.

(formerly par. 9-63) (all 9-78)  
NOTE-Assessor's Block Numbers Shown in Ellipses  
Assessor's Parcel Numbers Shown in Circles

95/96

M.B.S. Bk. 4, Pg. 55-Reed Orchard Co.  
M.B.S. Bk. 4, Pg. 74-Relocation Survey.  
M.B.S. Bk. 5, Pg. 44-Reed Orchard Co.



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| Map Sheet     | Area     |
| Map Sheet 1   | 1.27 Ac. |
| Map Sheet 2   | 2.14 Ac. |
| Map Sheet 3   | 1.10 Ac. |
| Map Sheet 4   | 1.10 Ac. |
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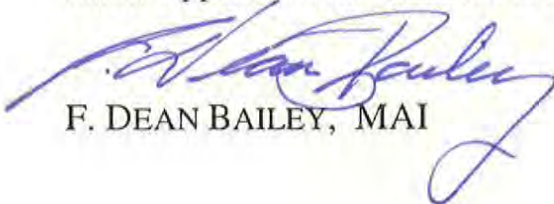
F. Dean Bailey, MAI  
Real Estate Appraiser



## CERTIFICATION

I certify that, to the best of my knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest or bias with respect to the parties involved.
- My compensation is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.
- My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP) of The Appraisal Foundation, and in conformity with the requirements of the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute.
- I aver that I am competent to complete this report in accordance with the competency provisions in the USPAP.
- I have made a personal inspection of the property that is the subject of this report.
- This appraisal is designated as a *Certified Real Estate Appraisal* as defined in Chapter 491, Statutes of 1990, Part 3, commencing with Section 11300, Division 4, Business and Professions Code, of the State of California.
- No one provided significant professional assistance to the person signing this report.
- I certify that the use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- As of the date of this report, I, F. Dean Bailey, have completed the requirements of the continuing education program of the Appraisal Institute.
- I am currently designated by the State of California as *Certified General Real Estate Appraiser* No. AG001510. Said license is valid through March 11, 1996.



F. DEAN BAILEY, MAI

F. Dean Bailey, MAI  
Real Estate Appraiser

# QUALIFICATIONS OF F. DEAN BAILEY, MAI

## EXPERIENCE

- Independent real estate appraiser, Sacramento, California, 4-87 to present.
- State of California, Department of General Services, Supervising Land Agent, Assistant Chief, 5-78 to 4-87.
- Department of General Services and State Board of Equalization, Real Property Appraiser and Land Agent, 5-54 to 5-78.

**Types of Properties Appraised:** Single and multi-family residential, commercial, office buildings, industrial, recreational properties (including golf courses), shopping centers, hotels, motels, automobile agencies, special purpose properties and other.

**Geographical Area:** Northern California, with emphasis on the Sacramento Metropolitan Area.

**Court Testimony:** Qualified as an expert valuation witness in the California Superior Court for the Counties of Alameda, Nevada, Placer, Sacramento, and Santa Clara.

## EDUCATION

University of California, Berkeley — BA, Economics, 1954  
Certificate in Real Estate, University Extension, University of California, 1962

## MEMBERSHIPS AND LICENSES

MAI Member, the Appraisal Institute, Certificate No. 3250, awarded November 1962

*Certified General Real Estate Appraiser* No. AG001510, State of California

International Right of Way Association, Senior Member, Certificate No. 1271, awarded December 1969

Member, Davis Chamber of Commerce

Member, Yolo County Board of Assessment Appeals

Member, Building Owners and Managers Association of Sacramento

Member, Rotary Club of Davis

## **QUALIFICATIONS OF F. DEAN BAILEY, MAI (continued)**

### **PROFESSIONAL ACTIVITIES**

Governing Councilor, American Institute of Real Estate Appraisers, 1979-1981

President, Northern California Chapter of the Appraisal Institute, 1975

Founding President, Sierra-Nevada Chapter of the Appraisal Institute, 1981

Chairman, National Division of Courses, and Vice Chairman, National Education Committee, American Institute of Real Estate Appraisers, 1975

Editorial Board — *The Appraisal Journal*, 1971-1976

Board of Directors, Northern California Real Estate Research Council, 1975-1978

Meritorious Service Award — awarded annually to the outstanding MAI in the Southwest Region of the United States by the American Institute of Real Estate Appraisers, 1981.

Professional Recognition Award — AIREA for years 1976, 1977, and 1978, based on prior service to the Institute for a three-year period.

Participation as guest speaker at regional and local seminars and programs sponsored by the American Institute of Real Estate Appraisers, other professional organizations, and government agencies in the real estate appraisal and condemnation fields.

Currently certified under the Appraisal Institute's Voluntary Continuing Education Program.

Member: Appraisal Institute's *Regional Ethics and Counseling Panel* 1989-1994.

### **TEACHING EXPERIENCE — INSTRUCTOR**

- University of California Extension, 1965-1971  
Intermediate Real Estate Appraisal X433  
Advanced Real Estate Appraisal X490
- Lifetime Teaching Credential — area of real estate, California Community Colleges
- American Institute of Real Estate Appraisers, 1967-1984. Instructor for 23 courses at various colleges and universities around the United States. Courses taught include: Course I - *Basic Principles, Methods and Techniques* (four times); Course 1A - *Real Estate Appraisal and Technique* (nine times); Course 1B - *Capitalization Theory and Techniques* (three times); Course II - *Urban Property Case Study* (three times); and Course IX - *Appraisal Administration and Review* (twice).

## QUALIFICATIONS OF F. DEAN BAILEY, MAI (continued)

### REPRESENTATIVE LIST OF CLIENTS

|   |   |
|---|---|
| A&A Imprest Properties                              | Law Offices of Kinder & Wuerfel                     |
| AETNA Casualty and Surety Company                   | Daniel R. King, Attorney                            |
| Adams Grain Company                                 | The Koll Company                                    |
| Adrian Adair, D.O.                                  | Kronick, Moskovitz, Tiedemann & Giranrd             |
| Jack Anthony Enterprises                            | Langlois, MacDonald and Webster, A Law Corporation  |
| Azusa Pacific University                            | Legal Services of Northern California               |
| Bancap Investment Group                             | Roy E. Levin, Attorney                              |
| Bank of America                                     | Los Rios Community College District                 |
| Bank of California                                  | McDonough, Holland & Allen, Attorneys at Law        |
| Bank One  | McDonald's Corporation                              |
| Brigit S. Barnes, Inc., a law corporation           | Mellon Bank   |
| Bridge Management, Inc.                             | Mitsubishi Bank                                     |
| Burger & Flaherty, Attorneys                        | Morgan Capital Investment Properties                |
| California Valley Bank                              | Nelson-Rodgers Company                              |
| Canadian Imperial Bank of California                | Pacer Homes   |
| Centennial Group, Inc.                              | Pebble Beach Financial Services, Inc.               |
| Center Developers                                   | Plaza Bank of Commerce                              |
| City and County of San Francisco                    | Port of Sacramento                                  |
| City of Davis                                       | Procter & Gamble                                    |
| City of Sacramento                                  | Rancho Murieta Properties, Inc.                     |
| City of Vacaville                                   | Resolution Trust Corporation                        |
| City of West Sacramento                             | Rio Linda Union School District                     |
| Clearlake National Bank                             | Rodegerdts, Means, Janes, Nakken & Hugo, Attorneys  |
| Commercial Center Bank                              | Sacramento Housing and Redevelopment Agency         |
| Concilium, Inc.                                     | Shea & Smith, Attorneys                             |
| Continental Pacific Bank                            | State of California, Department of General Services |
| County of Sacramento                                | Stumbos & Mason, Attorneys                          |
| County of Yolo                                      | Sunrise Car Wash, Inc.                              |
| Couper & Donaldson, a Law Corporation               | Teichert Land Company                               |
| Dahlawi California Corporation                      | The Watkins Company                                 |
| Dairy Queen Stores, Inc.                            | Valuation Research Corporation                      |
| Elk Grove Unified School District                   | Borden E. Webb, Attorney                            |
| Elman Investors, Inc.                               | United States Bankruptcy Court                      |
| Federal Deposit Insurance Corp. (F.D.I.C.)          | United States Department of Defense                 |
| Fireman's Fund Insurance Company                    | United States Fidelity and Guaranty Insurance       |
| The First Church of Christ, Scientist               | United States General Services Administration (GSA) |
| First Commercial Bank                               | Vanderberg Keil Partnership                         |
| First Nationwide Bank                               | Washington Unified School District                  |
| Folomar, Inc.                                       | Weintraub, Genshlea & Sproul, a Law Corporation     |
| Freidberg Law Corporation                           | Daniel S. Weiss, Attorney                           |
| GAB Business Services, Inc.                         | Wells Fargo Bank                                    |
| General Electric Medical Systems                    | Wells, Wingate, Small & Graham, a Law Corporation   |
| Gold River Savings Bank                             | Westamerica Bankcorporation                         |
| Golden Gate Investments                             | West Sacramento Redevelopment Agency                |
| The Henley Group                                    | Western Management                                  |
| Internal Revenue Service                            | Winncrest Homes                                     |
| JB Company  | Wheaton College                                     |
| Jones & Stokes, Engineers                           | Wilke, Fluery, Hoffelt, Bould and Birney            |
| Kelling, Northcross & Nobriga, Inc. Bond Management | Woodland Joint Unified School District              |

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## SITE LEASE AGREEMENT

THIS SITE LEASE AGREEMENT (this "Lease") is entered into this 7<sup>th</sup> day of May, 1997, between the REDEVELOPMENT AGENCY OF THE CITY OF WEST SACRAMENTO ("Lessor") and AT&T WIRELESS SERVICES OF CALIFORNIA, INC. ("Lessee").

For good and valuable consideration, the parties agree as follows:

1. Premises. Lessor hereby leases to Lessee 2,000 square feet of property ("the Premises") owned by Lessor and contained within the property described on Exhibit A attached hereto ("the Property"), subject to the terms and conditions of this Lease.
2. Use. The Property shall be used by Lessee for the transmission and reception of communications and signals in any and all frequencies allowed by law or which may be allowed by law in the future and for the construction of necessary facilities, towers, antennas, or buildings.
3. Term. This Lease shall be for a period of five (5) years, commencing on March 1, 1997 and terminating on February 28, 2002. Lessee shall have the option to extend the term of the Lease for nine (9) successive three (3)-year periods ("Extension Term") after the original term expires. Each such option to extend shall be deemed to have been automatically exercised by Lessee, unless, prior to the expiration of the then-current term, Lessee delivers to Lessor written notice of its intent not to extend the term, in which case the Lease shall terminate at the end of the then-current term. Each Extension Term, unless otherwise specified herein, shall be upon the same terms and conditions as the original term of this Lease.
4. Rent.
  - a. Lessee shall pay Lessor, as rent, the sum of five hundred dollars (\$500.00) per month ("Initial Rent"). The Initial Rent shall be increased annually on March 1 in the amount of three percent (3%). Rent shall be payable on the first day of each month in advance at such place as may be designated by Lessor, except that rent for the first two (2) months has been paid upon execution of this Lease, and Lessor acknowledges receipt of this sum.
  - b. In the event of termination of this Lease at a time other than the end of one of the specified rental periods, then the rent shall be prorated as of the date of termination, and, in the event of termination for any reason other than nonpayment of rent, all prepaid rent shall be refunded to Lessee or paid on its account.
5. Interference. Lessor shall not use, nor shall Lessor permit its lessees, licensees or invitees to use, any of Lessor's property in any way which interferes with the then existing operations of Lessee. Such interference shall be deemed a material breach by Lessor, and Lessor shall have the responsibility to terminate said interference. In the event any such interference does not cease within a reasonable period of time, Lessee shall have the right to terminate this Lease at Lessee's option.
6. Relocation of Facilities.
  - a. In the event that the Property is developed, Lessee shall at its expense, upon one hundred eighty (180) days (the "Relocation Notice Period") prior written notice to Lessee,

relocate its facilities on the Property to another location reasonably acceptable to Lessee. Included in the Relocation Notice Period is a forty-five day time allotment for zoning approvals. Should the zoning approval time exceed the forty-five days allotted, Lessor shall extend the Relocation Notice Period by the same number of days.

b. Lessor shall permit Lessee to install a temporary communication facility on the Property if necessary to insure Lessee's operation of its facility remains uninterrupted during a relocation as described above in subparagraph 6.a. Prior to construction of any such temporary facility, Lessee shall provide evidence satisfactory to the Lessor that all permits required by the City of West Sacramento for such construction have been obtained. The Lessor agrees to reasonably cooperate with Lessee to identify a mutually acceptable location for the temporary facility.

7. Improvements; Liability; Utilities; Access.

a. Lessee shall have the right to erect and maintain on the Premises an antenna tower and base, and supporting outbuilding for housing of electronic equipment (the "antenna facility"). The antenna facility shall remain the property of Lessee.

b. The antenna facility shall be erected and maintained at the expense of Lessee and at its sole risk. Lessee shall pay for any and all damage to persons as well as to property that may in any manner be caused by the erection or maintenance of the antenna facility, and shall save Lessor harmless from any loss or damage by reason of the erection or maintenance of the antenna facility.

c. Prior to any construction or erection of any facility on the Property as contemplated by paragraphs 6, 7, 8, or as otherwise described in this Agreement, Lessee shall provide evidence satisfactory to Lessor that all permits required by the City of West Sacramento for such construction or erection have been obtained and are in effect.

d. Lessor acknowledges that Lessee may be required to supply the Premises with utilities and/or improve the present utility service to the Premises. Lessee shall have the right to install utilities on the Premises and/or to improve the present utilities on the Premises. Lessee shall have the right to permanently place utilities on (or to bring utilities across) the Property in order to service the Premises. Lessor shall execute an easement evidencing this right upon Lessee's request.

e. Lessor shall provide Lessee ingress, egress, and access over the Property to the Premises at all times during this Lease at no additional charge to Lessee.

8. Co-location. In the event Lessor leases additional ground space to another telecommunications provider, Lessee shall reasonably cooperate to facilitate co-location of the provider's facilities on Lessee's monopole.



9. Termination. This Lease may be terminated on thirty (30) days' written notice as follows: (a) by either party upon a default of any covenant or term hereof by the other which is not cured within thirty (30) days of receipt of written notice of default; (b) by Lessee if the approval of any agency, board, court, or other governmental authority necessary to construction and/or operation of the antenna facility or Lessee's business cannot be obtained or is not for any reason maintained; (c) by Lessee if Lessee determines that the Premises are not appropriate for its operations for economic or technological reasons, including, but not limited to, signal interference; (d) if Lessee's license is revoked, removed or suspended.

10. Taxes. In the event that personal property taxes attributable to the antenna facility are assessed, then Lessee shall pay that part of the said taxes attributable to said antenna facility. Lessor shall pay all real property taxes attributable to the Property.

11. Insurance.

a. Lessee shall obtain and maintain liability insurance in an amount not less than \$1,000,000 per occurrence, and shall name Lessor as an additional insured on the policy or policies.

b. Neither party shall be liable to the other (or to the other's successors or assigns) for any loss or damage caused by fire or any of the risks enumerated in a standard fire insurance policy with an extended coverage endorsement, and, in the event of insured loss, neither party's insurance company shall have a subrogated claim against the other.

12. Destruction of Premises. If the Premises or Lessee's improvements thereon are destroyed or damaged, Lessee may elect to terminate this Lease as of the date of the damage or destruction by notice given to Lessor in writing not more than forty-five (45) days following the date of damage. In such event, all rights and obligations of the parties shall cease as of the date of the damage or destruction and Lessee shall be entitled to the reimbursement of any prepaid amounts paid by Lessee and attributable to the anticipated term following the date of termination.

13. Condemnation. If a condemning authority takes all of the Property, or a portion sufficient, in Lessee's determination, to render the Premises unsuitable for the use which Lessee was then making of the Premises, this Lease shall terminate and be of no further force or effect as of the date the title vests in the condemning authority. The parties shall be entitled to share in the condemnation proceeds in proportion to the values of their respective interests in the Property. Sale of all or part of the Property to a purchaser with the power of eminent domain in the face of a threat, or probability of the exercise of power, shall be treated for the purposes of this section as a taking by condemnation.

14. Hold Harmless. Lessee agrees to indemnify Lessor against and hold Lessor harmless from any and all claims arising in any way out of the installation, use, maintenance, repair or removal of Lessee's equipment with the sole exception of claims arising due to the sole negligence of Lessor, its agents or independent contractors.

15. Right of First Refusal. Prior to selling the property or any portion thereof, Lessor shall notify Lessee in writing of the sale price offered by a third party. Lessee shall have the first right of refusal to purchase the property at substantively comparable values and terms upon giving Lessor notice of its exercise of refusal rights within thirty (30) days of receipt of Lessor's notice.

14. Disputes. Any controversy or claim arising out of or relating to this Lease, or the breach thereof, shall be settled by arbitration in accordance with the rules of the American Arbitration Association and the laws of the State of California. It is agreed that the substantially prevailing party shall be entitled to recover in addition to costs such sum as the court may adjudge reasonable as attorneys' fees, including fees upon appeal of any judgment or ruling.

17. Notices. All notices, requests, demands and other communications hereunder shall be in writing and shall be deemed given if personally delivered or mailed, certified mail, return receipt requested, to the following addresses:

If to Lessor, to:       Redevelopment Agency of the  
                                  City of West Sacramento  
                                  1102 Jefferson Boulevard, Suite D  
                                  West Sacramento, CA 95691

If to Lessee, to:        AT&T Wireless Services  
                                  Legal Department  
                                  1750 Howe Avenue, Third Floor  
                                  Sacramento, CA 95825

with a copy thereof to:

                                  AT&T Wireless Services  
                                  5400 Carillon Point  
                                  Kirkland, CA 98033  
                                  Attn: Legal Department

18. Warranties. Lessor warrants that it has full right, power, and authority to execute this Lease and good and unencumbered title to the Property. Lessor further covenants that Lessee shall have the quiet enjoyment of the Premises during the term of this Lease and that the Premises are zoned to permit Lessee's use.

19. Successors and Assigns. This Lease shall run with the Property described on Exhibit A. This Lease may be assigned by Lessee in whole or in part. This Lease shall be binding upon and inure to the benefit of the parties, their respective successors and assigns.

DATED as of the date first set forth above.

LESSOR:

REDEVELOPMENT AGENCY OF THE  
CITY OF WEST SACRAMENTO

By: William G. Kristoff  
      William G. Kristoff  
Its: Chairperson

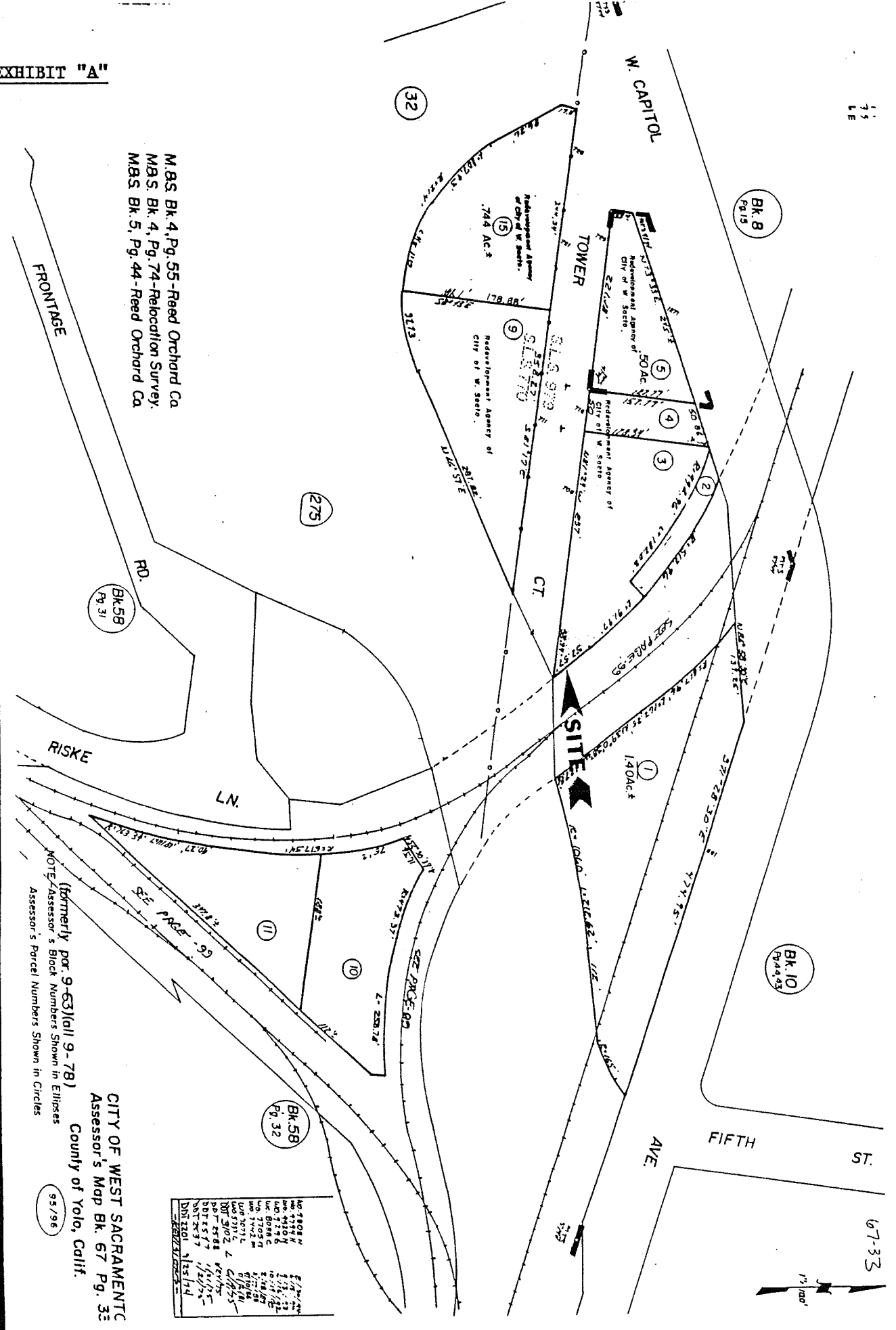
LESSEE:

AT&T WIRELESS SERVICES OF  
CALIFORNIA, INC.

By: Patrick Poling  
      Patrick Poling  
Its: Site Development Manager

e/fleck/final:attlease

11  
12  
13  
14



M.B.S. Bk. 4, Pg. 55-Reed Orchard Ca.  
M.B.S. Bk. 4, Pg. 74-Relocation Survey.  
M.B.S. Bk. 5, Pg. 44-Reed Orchard Ca.

(Formerly por 9-63)(all 9-78)  
NOTE-Assessor's Block Numbers Shown in Ellipses  
Assessor's Parcel Numbers Shown in Circles

CITY OF WEST SACRAMENTO  
Assessor's Map Bk. 67 Pg. 33  
County of Yolo, Calif.

5/1/96

67-33

## WEST SACRAMENTO REDEVELOPMENT AGENCY

## AGENDA REPORT

MEETING DATE: May 12, 1999

ITEM # 16

## SUBJECT:

CONSIDERATION OF SITE LEASE AGREEMENT (GROUND) BETWEEN THE CITY OF WEST SACRAMENTO REDEVELOPMENT AGENCY AND NEXTEL COMMUNICATIONS FOR A PORTION OF REDEVELOPMENT AGENCY-OWNED LAND AT 706 TOWER COURT, AND CONSENT FOR NEXTEL COMMUNICATIONS TO ENTER INTO A SUB-LEASE WITH AT&T TO LOCATE AN ANTENNA POLE ON AN EXISTING AT&T TOWER

INITIATED OR REQUESTED BY:

REPORT COORDINATED OR PREPARED BY:

Council  
 Other

 Staff

  
CAROL B. RICHARDSON, Assistant City Manager

ATTACHMENT

 Yes  No Information Direction ActionOBJECTIVE

The purpose of this report is to seek Redevelopment Agency approval of a ground lease with Nextel Communications for a portion of Agency-owned property located at 706 Tower Court, and to consent to Nextel's sub-lease with AT&T to locate an antenna pole on an existing AT&T tower.

RECOMMENDED ACTION

It is respectfully recommended that the Redevelopment Agency approve the communications site lease agreement (ground) between Nextel of California, Inc. and the Redevelopment Agency of the City of West Sacramento.

BACKGROUND

In May of 1997, the Redevelopment Agency entered into a site lease agreement with AT&T Wireless Services of California, Inc. The Agency agreed to lease 2,000 square feet of Agency property on Tower Court for the construction of necessary facilities, towers, antennae, or buildings for wireless communications. The term of the lease is for a period of five years commencing on March 1, 1997, and terminated on February 28, 2002. AT&T initially paid the Agency \$500 per month as rent for the property. The rent, pursuant to the terms of the lease agreement, was increased annually on March 1<sup>st</sup> of each subsequent year in the amount of 3%. The lease with AT&T also provides that if the Agency wishes to lease additional ground space to another telecommunications provider, AT&T shall reasonably cooperate to facilitate co-location of the provider's facilities on AT&T's monopole.

Over a year ago, Nextel Communications approached the Agency to inquire about leasing property at Tower Court for equipment needed for an antenna to be operational on the existing monopole owned by AT&T. Agency and city staff have been working with Nextel Communications, AT&T, and the prospective owner of the Tower Court property to reach agreement on this lease.

ANALYSIS

Under the terms of the lease, Nextel Communications will lease 1,117 square feet of land on Tower Court for communications facilities. The lease also provides Agency consent to a sub-lease between Nextel and AT&T for co-location of a Nextel antenna on the existing AT&T tower.

Renewal date =  
September 1



The term of the agreement is for five (5) years commencing on the date that Nextel starts construction of its facilities or fourteen (14) months following the full execution of this agreement, whichever occurs first. The agreement shall automatically be extended for each successive renewal term of five years unless the Agency delivers written notice to the lessor of its intention not to renew at least sixty (60) days prior to commencement of the succeeding renewal term.

The lease also has a transfer provision granting the Agency the right to transfer all or any part of its interest in the land and the lease upon written notice to Nextel. As the Agency is aware, this property is pending a property exchange with Ramco Enterprises. Ramco Enterprises and their attorney have approved the conditions set forth in this lease agreement.

Nextel will pay the Agency \$750 per month as rent for the property. The rent shall be increased on each anniversary of the commencement date by 3.5% of the rent in effect during the previous year.

Nextel is obligated to secure appropriate permits through the Community Development Department for construction of its facilities.

**Alternatives**

The Agency is not required to approve the site lease agreement or any of the terms therein.

**Coordination and Review**

The lease has been reviewed and approved by the City Attorney. Further, Ramco Enterprises, the prospective owner of the Tower Court property, has approved this transaction.

**Fiscal Impact**

The lease agreement calls for the Agency or its successor to receive \$750 per month as rent.

**CONCLUSION**

It is respectfully recommended that the Redevelopment Agency approve the communications site lease agreement that is attached to this report.

**ATTACHMENT**

- 1. Site Lease Agreement

CD/A:NEXTEL TOWER AGT

Commencement September 1, 1999  
of term  
1<sup>st</sup> renewal term 2004  
2<sup>d</sup> renewal term 2009

(based on lease payments)



## COMMUNICATIONS SITE LEASE AGREEMENT (GROUND)

THIS COMMUNICATIONS SITE LEASE AGREEMENT ("Agreement") is entered into this 12<sup>th</sup> day of May, 1999, by and between NEXTEL OF CALIFORNIA, INC., a Delaware corporation, d/b/a Nextel Communications ("Lessee") and REDEVELOPMENT AGENCY OF THE CITY OF WEST SACRAMENTO (referred to herein as "Lessor").

For good and valuable consideration the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

### **1. Premises.**

(a) Lessor is the owner of a parcel of land (the "Land") located in the City of West Sacramento, County of Yolo, State of California, commonly known as 706 Tower Court, West Sacramento, CA (APN: 67-33-03). The Land is more particularly described in Exhibit A annexed hereto. Lessor hereby leases to Lessee and Lessee leases from Lessor approximately one thousand one hundred seventeen (1,117) square feet of the Land and all access and utility easements, if any, (the "Premises") as described in Exhibit B annexed hereto.

(b) The parties acknowledge that Lessor has entered into that certain Site Lease Agreement ("AT&T Lease") with AT&T Wireless Services, Inc. ("AT&T"), dated May 7, 1997, whereby AT&T has leased from Lessor certain other space on the Land ("AT&T Premises"), as set forth in the AT&T Lease attached hereto as Exhibit C and incorporated herein, for purposes of installing and operating a telecommunications pole or tower ("AT&T Tower"). The parties further acknowledge that Lessee contemplates entering into an agreement with AT&T, whereby Lessee will sublease space on the AT&T Tower for the installation of equipment to be connected to the Lessee Facilities (as defined in Paragraph 6(a) below) located on the Premises. Lessor hereby consents to such sublease between Lessee and AT&T and agrees that upon the expiration or earlier termination of the AT&T Lease or abandonment of the AT&T Premises by AT&T, Lessee shall have the right at no additional cost to lease the space under the AT&T Tower and associated foundation space ("Additional Premises"), and install an antenna tower or pole thereon. The terms and conditions for Lessee's lease of the Additional Premises shall be the same terms and conditions set forth in this Agreement. Not less than thirty (30) days prior to the expiration or termination of the AT&T Lease, Lessor shall provide written notice thereof to Lessee, following the receipt of which notice Lessee shall have ten (10) business days to provide written notice of its election to exercise its right to lease the Additional Premises. Lessor agrees to execute any documents as may be necessary or desirable (in Lessee's reasonable discretion) to evidence the lease of the Additional Premises. In the event Lessee exercises the above option, the Additional Premises hereunder shall be deemed a part of the Premises, and subject to all the terms and conditions contained herein.

2. **Use.** The Premises shall be used by Lessee for the transmission and reception of communications and signals in any and all frequencies allowed by law or which may be allowed by law in the future and for the construction, operation and maintenance of necessary facilities, towers, antennas and buildings. Lessor agrees to cooperate with Lessee, at Lessee's expense, in making application for and obtaining all licenses, permits and any and all other necessary approvals that may be required for Lessee's intended use of the Premises; provided that Lessee shall reimburse Lessor for all of Lessor's reasonable out of pocket expenses, including reasonable legal and engineering fees incurred in connection with the foregoing, subject to Paragraph 23 herein below.

3. **Tests and Construction.** Lessee shall have the right at any time following the full execution of this Agreement to enter upon the Land for the purpose of making appropriate engineering and boundary surveys, inspections, soil test borings, other reasonably necessary tests and constructing the Lessee Facilities (as defined in Paragraph 6(a) below).

4. **Term.** The term of this Agreement shall be for five (5) years commencing on the date Lessee starts construction or fourteen (14) months following the full execution of this Agreement, whichever first occurs, ("Commencement Date") and terminating on the fifth anniversary of the Commencement Date (the "Term") unless otherwise terminated as provided in Paragraph 10. Lessee shall have the right to extend the Term for five (5) successive five (5) year periods (the "Renewal Terms") on the same terms and conditions as set forth herein. This Agreement shall automatically be extended for each successive Renewal Term unless Lessee delivers written notice to Lessor of its intention not to renew at least sixty (60) days prior to commencement of the succeeding Renewal Term. Notwithstanding anything contained herein to the contrary, this Agreement shall be concurrent with the AT&T Lease annexed hereto as Exhibit C.

### **5. Rent.**

(a) Within fifteen (15) business days of the Commencement Date and on the first day of each month thereafter, Lessee shall pay to Lessor as rent SEVEN HUNDRED FIFTY and 00/100 DOLLARS (\$750.00) per month ("Rent"). Rent for any fractional month at the beginning or at the end of the Term or Renewal Term shall be prorated. Rent shall be payable to Lessor at 2101 Stone Boulevard, #301, West Sacramento, CA 95691, Attn: Val Toppenberg, or such place as may be designated by Lessor.

(b) Rent shall be increased on each anniversary of the Commencement Date by an amount equal to three and one-half percent (3½%) of the Rent in effect during the previous year.

(c) Within fifteen (15) business days after the date this Agreement is fully executed, Lessee shall deposit with Lessor SEVEN HUNDRED FIFTY and 00/100 DOLLARS (\$750.00) (the "Rental Deposit"). Lessor shall hold the Rental Deposit as one (1) month's rental credit towards Rent for the Premises. On the Commencement Date, the Rental Deposit shall be credited towards one (1) month's Rent herein. Should the Lessee terminate this Agreement prior to the Commencement Date pursuant to Paragraph 10(ii), Lessor shall be entitled to retain the Rental Deposit as liquidated damages for Lessee's early termination.

### **6. Facilities; Utilities; Access.**

(a) Subject to Lessor's prior approval of Lessee's plans, which approval shall not be unreasonably denied or conditioned, and upon evidence satisfactory to Lessor that all permits required by the City of West Sacramento for such construction or erection have been obtained and are in effect, Lessee shall have the right to erect, maintain and operate on the Premises radio communications facilities, at Lessee's sole expense and risk, including without limitation, utility lines, transmission lines, air conditioned equipment shelter(s), electronic equipment, radio



transmitting and receiving antennas, supporting equipment and structures thereto ("Lessee Facilities"). If Lessor fails to provide its approval or reasons for disapproval of the Lessee's plans within ten (10) business days after receipt of such plans from Lessee, the Lessee's plans shall be deemed approved. In connection with the Lessee Facilities on the Premises, Lessee shall do all work necessary to prepare, maintain, repair and alter the Premises for Lessee's business operations and to install transmission lines connecting the antennas to the transmitters and receivers. Lessor shall have no liability to maintain the Lessee Facilities or any operating specifications. All of Lessee's construction and installation work shall be performed at Lessee's sole cost, expense and risk and in a good and workmanlike manner. Title to the Lessee Facilities shall be held by Lessee. All of the Lessee Facilities shall remain Lessee's personal property and are not fixtures. Lessee has the right to remove all of the Lessee Facilities at its sole expense on or before the expiration or earlier termination of this Agreement; provided that Lessee repairs any damage to the Premises caused by such removal. Upon termination of this Agreement, Lessee shall not be required to remove any foundation more than five (5) feet below grade level.

(b) Lessee shall be solely responsible for all utilities (whether supplied by Lessor or the utility supplier directly) used by Lessee in conjunction with the use of the Premises (including without limitation all costs incurred by Lessor or others for the installation of any meters or other equipment associated with supplying such utilities). Lessee shall pay for the electricity it consumes in its operations at the rate charged by the servicing utility company. Lessee shall reimburse Lessor within ten (10) business days of receipt of an invoice, including reasonable supporting documentation, for all utility charges Lessor incurs as a result of Lessee's use of the Premises. Lessee shall have the right to draw electricity and other utilities from the existing utilities on the Land or obtain separate utility service from any utility company that will provide service to the Land. Lessee shall also have the right to install and operate on the Premises a standby power generator for Lessee's exclusive use. Lessor agrees to sign such documents or easements as may be required by said utility companies to provide such service to the Premises, including the grant to Lessee or to the servicing utility company of an easement in, over, across or through the Land as required by such servicing utility company to provide utility services as provided herein; provided that Lessee reimburses Lessor for all of Lessor's reasonable out-of-pocket expenses, including reasonable legal fees incurred in connection with the foregoing, subject to Paragraph 23 herein below. Any easement necessary for such power or other utilities will be at a location acceptable to Lessor and the servicing utility company.

(c) Lessee, Lessee's employees, agents, subcontractors, lenders and invitees shall have access to the Premises without notice to Lessor twenty-four (24) hours a day, seven (7) days a week, at no charge. Lessor grants to Lessee, and Lessee's agents, employees, contractors, guests and invitees, a non-exclusive right and easement for pedestrian and vehicular ingress and egress across that portion of the Land described in Exhibit B.

(d) Lessor shall maintain all access roadways owned by Lessor from the nearest public roadway to the Premises in a manner sufficient to allow pedestrian and vehicular access at all times under normal weather conditions. Lessor shall be responsible for maintaining and repairing such roadways, at its sole expense, except for any damage caused by Lessee's use of such roadways.

#### **7. Interference.**

(a) Lessee shall operate the Lessee Facilities in a manner that will not cause interference to Lessor and other lessees or licensees of the Land, provided that their installations predate that of the Lessee Facilities. All operations by Lessee shall be in compliance with all applicable laws, including Federal Communications Commission ("FCC") rules and regulations. Lessee shall bear the risk should technological upgrades to its equipment or changes in the law give rise to interference that previously did not exist. Lessor shall have the right to correct interference caused by the Lessee Facilities (including turning off power to the Lessee Facilities, if necessary); provided that Lessee has failed to cure such interference within thirty (30) days of receipt of notice thereof and provided that such right shall be limited to interference caused by the Lessee Facilities affecting other installations that predate Lessee's occupancy date.

(b) Subsequent to the installation of the Lessee Facilities, Lessor shall not permit itself, its lessees or licensees to install new equipment on the Land, or property contiguous thereto owned or controlled by Lessor, if such equipment shall cause interference with Lessee's operations. In the event interference occurs, Lessee shall notify Lessor in writing of such interference and Lessor shall take all reasonable steps necessary to eliminate such interference in a reasonable time period.

8. **Taxes.** Lessee acknowledges that Lessor, a public non-profit agency, is not subject to property taxation. However, this Agreement may create a possessory interest or other property interest that may be subject to property taxation. The Lessee in whom such possessory interest or other interest is vested may be subject to the payment of property taxes levied on that interest. The Lessee shall reimburse Lessor for any and all real property taxes on the property interest created by this Agreement or directly attributable to the Lessee Facilities upon receipt of supporting documentation thereof.

#### **9. Waiver of Lessor's Lien.**

(a) Lessor waives any lien rights it may have concerning the Lessee Facilities which are deemed Lessee's personal property and not fixtures, and Lessee has the right to remove the same at any time without Lessor's consent.

(b) Lessor acknowledges that Lessee has entered into a financing arrangement including promissory notes and financial and security agreements for the financing of the Lessee Facilities (the "Collateral") with a third party financing entity (and may in the future enter into additional financing arrangements with other financing entities). In connection therewith, Lessor (i) consents to the installation of the Collateral; (ii) disclaims any interest in the Collateral, as fixtures or otherwise; and (iii) agrees that the Collateral shall be exempt from execution, foreclosure, sale, levy, attachment or distress for any Rent due or to become due and that such Collateral may be removed at any time without recourse to legal proceedings.

10. **Termination.** This Agreement may be terminated without further liability on thirty (30) days prior written notice as follows: (i) by either party upon a default of any covenant or term hereof by the other party, which default is not cured within sixty (60) days of receipt of written notice of default, provided that the grace period for any monetary default is ten (10) days from receipt of written notice; or (ii) by Lessee for any reason or for no reason, provided Lessee delivers written notice of early termination to Lessor no later than sixty (60) days prior to the



Commencement Date, in which event the Rental Deposit set forth in Paragraph 5(c) shall be forfeited to Lessor as liquidated damages in consideration for the early termination of this Agreement; or (iii) by Lessee if it does not obtain or maintain any license, permit or other approval necessary for the construction and operation of the Lessee Facilities; or (iv) by Lessee if Lessee is unable to occupy and utilize the Premises due to an action of the FCC, including, without limitation, a take back of channels or change in frequencies; or (v) by Lessee if Lessee determines that the Premises are not appropriate for its operations for economic or technological reasons, including, without limitation, signal interference.

11. **Destruction or Condemnation.** If the Premises or Lessee Facilities are damaged, destroyed, condemned or transferred in lieu of condemnation, Lessee may elect to terminate this Agreement as of the date of the damage, destruction, condemnation or transfer in lieu of condemnation by giving notice to Lessor no more than forty-five (45) days following the date of such damage, destruction, condemnation or transfer in lieu of condemnation.

12. **Insurance.** Lessee, at Lessee's sole cost and expense, shall procure and maintain on the Premises and on the Lessee Facilities bodily injury and property damage insurance with a combined single limit of at least One Million and 00/100 Dollars (\$1,000,000.00) per occurrence. Such insurance shall insure, on an occurrence basis, against all liability of Lessee, its employees and agents arising out of or in connection with Lessee's use of the Premises, all as provided for herein. Lessor shall be named as an additional insured on Lessee's policy. Lessee shall provide to Lessor a certificate of insurance evidencing the coverage required by this paragraph within thirty (30) days of the Commencement Date.

13. **Waiver of Subrogation.** Lessor and Lessee release each other and their respective principals, employees, representatives and agents from any claims for damage to any person or to the Premises or to the Lessee Facilities thereon caused by, or that result from, risks insured against under any insurance policies carried by the parties and in force at the time of any such damage. Lessor and Lessee shall cause each insurance policy obtained by them to provide that the insurance company waives all right of recovery by way of subrogation against the other in connection with any damage covered by any policy. Neither Lessor nor Lessee shall be liable to the other for any damage caused by fire or any of the risks insured against under any insurance policy required by Paragraph 12.

14. **Assignment and Subletting.**

(a) Lessee may not assign, or otherwise transfer all or any part of its interest in this Agreement or in the Premises without the prior written consent of Lessor, which consent shall not be unreasonably denied, delayed or conditioned; provided, however, that Lessee may assign its interest to its parent company, any subsidiary or affiliate or to any successor-in-interest or entity acquiring fifty-one percent (51%) or more of its stock or assets, subject to any financing entity's interest, if any, in this Agreement as set forth in Paragraph 9 above, or pursuant to a bulk sale transaction, where Lessee sells more than ten (10) of its towers to a third party. Upon assignment, Lessee shall be relieved of all future performance, liabilities and obligations under this Agreement, provided that the assignee assumes all of Lessee's obligations herein. Lessee may not sublet or license all or any portion of the Premises without Lessor's prior written consent, which consent shall not be unreasonably denied, delayed or conditioned; provided, however, that Lessee may sublet or license space on its Tower without Lessor's consent. Notwithstanding anything to the contrary contained in this Agreement, Lessee may assign, mortgage, pledge, hypothecate or otherwise transfer without notice or consent its interest in this Agreement to any financing entity, or agent on behalf of any financing entity to whom Lessee (i) has obligations for borrowed money or in respect of guaranties thereof, (ii) has obligations evidenced by bonds, debentures, notes or similar instruments, or (iii) has obligations under or with respect to letters of credit, bankers acceptances and similar facilities or in respect of guaranties thereof.

(b) Lessor has the right to transfer all or any part of its interest in the Land and in this Agreement upon written notice to Lessee, subject to the grantee/assignee assuming all of Lessor's obligations herein, including, but not limited to, those set forth in Paragraph 9 ("Waiver of Lessor's Lien") above and subject further to Lessor transferring to the grantee/assignee all prepaid rents and deposits that have not yet been earned. Upon such transfer, Lessor shall automatically be released from all liability accruing under this Agreement, and Lessee shall look solely to the grantee/assignee for the performance of Lessor's obligations under this Agreement after the date of such transfer.

15. **Warranty of Title and Quiet Enjoyment.** Lessor warrants that (i) Lessor owns the Land in fee simple and has rights of access thereto and the Land is free and clear of all liens, encumbrances and restrictions except those of record; (ii) Lessor has full right to make and perform this Agreement; and (iii) Lessor covenants and agrees with Lessee that upon Lessee paying the Rent and observing and performing all the terms, covenants and conditions on Lessee's part to be observed and performed, Lessee may peacefully and quietly enjoy the Premises. Lessee represents that Lessee has the full power and authority to enter into this Agreement and that Lessee's use of the Premises shall comply with all applicable federal, state and local rules and regulations.

16. **Repairs.** Lessee shall not be required to make any repairs to the Premises or Land unless such repairs shall be necessitated by reason of the default or neglect of Lessee. Lessee shall be solely responsible for all maintenance and repair of the Lessee Facilities. Except as set forth in Paragraph 6(a) above, upon expiration or termination hereof, Lessee shall restore the Premises to the condition in which it existed upon execution hereof, reasonable wear and tear and loss by casualty or other causes beyond Lessee's control excepted.

17. **Hazardous Substances.** Lessee agrees that it will not use, generate, store or dispose of any Hazardous Material (e.g. batteries) on, under, about or within the Land in violation of any law or regulation. Lessor represents, warrants and agrees (i) that neither Lessor nor, to Lessor's knowledge, any third party has used, generated, stored or disposed of, or permitted the use, generation, storage or disposal of, any Hazardous Material (defined below) on, under, about or within the Land in violation of any law or regulation, and (ii) that Lessor will not, and will not permit any third party to use, generate, store or dispose of any Hazardous Material on, under, about or within the Land in violation of any law or regulation. Lessor and Lessee each agree to defend, indemnify and hold harmless the other and the other's partners, affiliates, agents and employees against any and all losses, liabilities, claims and/or costs (including reasonable attorney's fees and costs) arising from any breach of any representation, warranty or agreement contained in this paragraph. As used in this paragraph, "Hazardous Material" shall mean petroleum or any petroleum product, asbestos, any substance known by the state in which the Land is located to cause cancer and/or reproductive toxicity, and/or any substance, chemical or waste that is identified as hazardous, toxic or dangerous in any applicable federal, state or local law or regulation. Both Lessor and Lessee acknowledge the presence of hazardous substances on the Land, as set forth in the reports listed on Exhibit D annexed hereto. This paragraph shall survive the termination of this Agreement.



18. Miscellaneous.

(a) This Agreement constitutes the entire agreement and understanding between the parties and supersedes all offers, negotiations and other agreements concerning the subject matter contained herein. Any amendments to this Agreement must be in writing and executed by both parties.

(b) If any provision of this Agreement is invalid or unenforceable with respect to any party, the remainder of this Agreement, or the application of such provision to persons other than those as to whom it is held invalid or unenforceable, shall not be affected and each provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

(c) This Agreement shall run with the Land and shall be binding upon and inure to the benefit of the parties, their respective successors, personal representatives, heirs and assigns.

(d) Any notice or demand required to be given herein shall be made by certified or registered mail, return receipt requested, or reliable overnight courier to the address of the respective parties set forth below:

Lessor: Redevelopment Agency of the City of  
West Sacramento  
2101 Stone Boulevard, #301  
West Sacramento, CA 95691  
Attn: Val Toppenberg

Lessee: Nextel of California, Inc.  
475 14<sup>th</sup> Street, Suite 200  
Oakland, CA 94612  
Attn.: Property Administrator

With a copy to: Nextel Communications, Inc.  
1505 Farm Credit Drive  
McLean, VA 22102  
Attn.: Legal Dept., Contracts Manager

Lessor or Lessee may from time to time designate any other address for this purpose by written notice to the other party. All notices hereunder shall be deemed received upon actual receipt.

(e) This Agreement shall be governed by the laws of the State of California.

(f) Lessor acknowledges that a Memorandum of Agreement in the form annexed hereto as Exhibit E will be recorded by Lessee in the official records of the County where the Land is located within a reasonable period of time after the Commencement Date. In the event the Land is encumbered by a mortgage or deed of trust, Lessor agrees to obtain and furnish to Lessee a non-disturbance and attornment instrument for each such mortgage or deed of trust.

(g) Lessee may obtain title insurance on its interest in the Land. Lessor shall cooperate by executing documentation required by the title insurance company.

(h) In any case where the approval or consent of one party hereto is required, requested or otherwise to be given under this Agreement, such party shall not unreasonably delay or withhold its approval or consent.

(i) All Riders and Exhibits annexed hereto form material parts of this Agreement.

(j) This Agreement may be executed in duplicate counterparts, each of which shall be deemed an original.

19. Relocation of Lessee Facilities. Subject to the other provisions of this Agreement, in the event Lessor desires to redevelop, modify, remodel or in any way alter the Land and/or any improvements located thereon ("Redevelopment"), Lessor shall in good faith use its best efforts to fully accommodate Lessee's continuing use of the Premises. Should any proposed Redevelopment necessitate the relocation of the Premises and/or the Lessee Facilities, subject to Lessee's prior written consent, which consent shall not be unreasonably withheld, Lessee shall relocate or make the necessary alterations, at Lessor's sole cost, expense and risk; provided, however, that Lessor has provided Lessee with no less than one (1) year prior written notice of Lessor's proposed Redevelopment. Upon demand from Lessee, Lessor shall reimburse Lessee for any costs or expenses arising out of, or associated with, such relocation or alteration. Lessor shall only be entitled to relocate the Premises and/or the Lessee Facilities one (1) time, which relocation cannot be exercised prior to the commencement of the second Renewal Term.

20. Collocation. In the event that Lessor leases or licenses space on the Land, excluding the Premises, to another telecommunications provider, Lessee shall reasonably cooperate with such third party to collocate such third party's communications equipment on the Premises; provided that the Premises and the Lessee Facilities have sufficient space and capacity to support said third party's communications equipment and provided that Lessee and said third party can mutually agree on the terms and conditions of a sublease or license agreement for such collocation, including, but not limited to, the rental amount and any reimbursement amount for Lessee's initial construction costs.

21. Subordination. Lessee accepts this Agreement subject and subordinate to any existing or future security interests, mortgages, deeds of trust or other financing arrangements, which do currently or may affect all or any part of the Land. Lessee agrees to execute within fifteen (15) business days after receipt of Lessor's request any instruments that may be required to subordinate Lessee's interest to such financing arrangements, provided that such instrument contains non-disturbance language with regard to Lessee's leasehold interest in the Premises. Notwithstanding the foregoing, in the event of a foreclosure pursuant to a mortgage, deed of trust or other financing arrangement, or in the event of a sale or transfer of the Land by deed in lieu of such foreclosure, Lessee shall have the right to remain undisturbed in its use and occupancy of the Premises so long as Lessee is not in default of its obligations hereunder. In the event of a foreclosure or deed in lieu thereof, Lessee agrees to attorn to the new owner as the Lessor under this Agreement, it being agreed that this Agreement shall remain in full force and effect.

22. Indemnity.

(a) Lessee shall defend, indemnify, hold and save Lessor harmless from and against any and all loss, cost, liability or damage (including reasonable attorneys' fees and court costs) arising in any way out of the use or possession of the Premises, the Lessee Facilities or the Land by Lessee, its officers, agents employees or invitees.

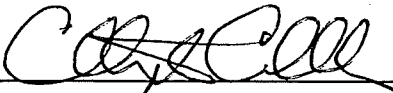
(b) Lessor shall defend, indemnify, hold and save Lessee harmless from and against any and all loss, cost, liability or damage (including reasonable attorneys' fees and court costs) arising in any way out of the use or possession of the Land by Lessor, its officers, agents, employees or invitees.

(c) The indemnities in this Paragraph 22 shall survive the termination or expiration of this Agreement.

23. Reimbursement. Lessee's obligation to reimburse Lessor for Lessor's reasonable out-of-pocket expenses, including, but not limited to reasonable attorney fees, pursuant to Paragraphs 2 and 6(b) herein above shall not exceed One Thousand and 00/100 Dollars (\$1,000.00) aggregate and is conditioned on Lessor providing to Lessee documentation reasonably acceptable to Lessee supporting such expenses.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

LESSOR:  
REDEVELOPMENT AGENCY OF THE CITY OF WEST  
SACRAMENTO

By: 

Title: Mayor

Date: May 12, 1999

Tax ID#: \_\_\_\_\_

LESSEE:  
NEXTEL OF CALIFORNIA, INC.,  
a Delaware corporation,  
d/b/a Nextel Communications

By: 

Title: VICE PRESIDENT

Date: April 26, 1999

**EXHIBIT A**

**DESCRIPTION OF LAND**

(Page 1 of 2)

to the Agreement dated May 12, 1999, by and between REDEVELOPMENT AGENCY OF THE CITY OF WEST SACRAMENTO, as Lessor, and NEXTEL OF CALIFORNIA, INC., a Delaware corporation, d/b/a Nextel Communications, as Lessee.

The Land is described and/or depicted as follows (metes and bounds description):

APN: 67-33-03

The land referred to herein is situated in the State of California and is described as follows:

**County: Yolo**

**City: West Sacramento**

BEGINNING at a point on the southwestern line of the parcel of land conveyed to the State of California by deed recorded March 30, 1950, in book 315 of Official Records, page 419, that bears north 73° 33' 00" east 50.86 feet and along the arc of a curve to the right having a radius of 492.96 feet, through a central angle of 00° 27' 52", an arc distance of 4.00 feet from the point of intersection of the southeastern line of West Capitol Avenue with the western line of that certain parcel of land described in the deed to James R. Mason, et ux., recorded March 30, 1950, in book 315 of Official Records, page 417; running thence along said southwestern line of said parcel so conveyed to the State of California, as follows: 1) on a curve to the right having a radius of 492.96 feet, through a central angle of 21° 09' 47", an arc distance of 182.08 feet; 2) north 42° 53' 47" east 25.00 feet; 3) along a curve to the right having a radius of 517.96 feet, through a central angle of 10° 10' 26", an arc distance of 91.97 feet; 4) south 36° 55' 47" east 52.57 feet; and 5) south 66° 22' 49" west 58.77 feet to a point on the center line of a 60 feet road known as Tower Court; thence north 81° 29' 00" west along the last named line, 237.00 feet; thence leaving said center line north 08° 31' 00" east 178.34 feet to the point of beginning.

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EXHIBIT A

DESCRIPTION OF LAND

(Page 2 of 2)

to the Agreement dated \_\_\_\_\_, 1999, by and between REDEVELOPMENT AGENCY OF THE CITY OF WEST SACRAMENTO, as Lessor, and NEXTEL OF CALIFORNIA, INC., a Delaware corporation, d/b/a Nextel Communications, as Lessee.

The Land is described and/or depicted as follows (metes and bounds description):

APN: 67-33-03

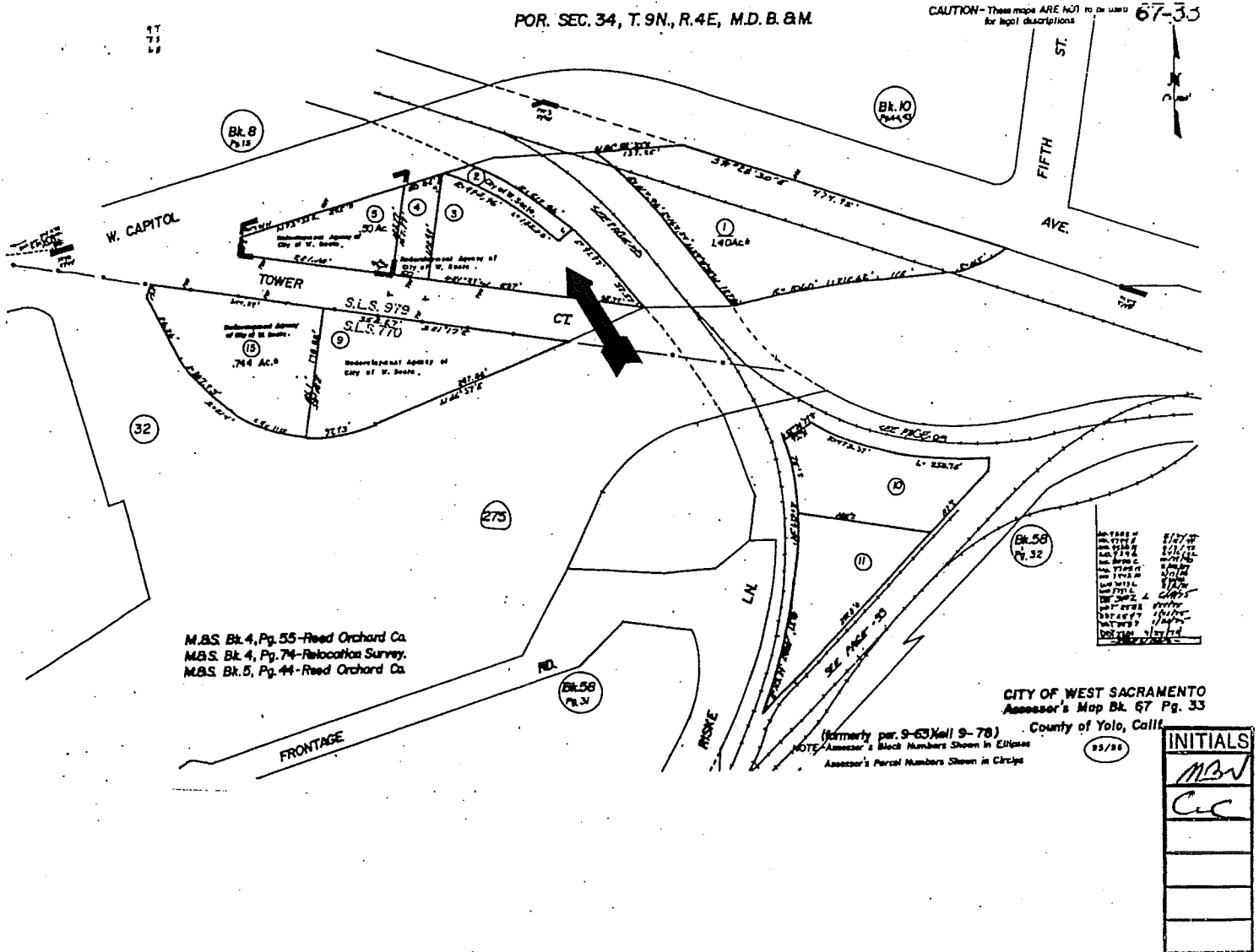


EXHIBIT B

DESCRIPTION OF PREMISES

(Page 1 of 2)

to the Agreement dated May 12, 1999, by and between REDEVELOPMENT AGENCY OF THE CITY OF WEST SACRAMENTO, as Lessor, and NEXTEL OF CALIFORNIA, INC., a Delaware corporation, d/b/a Nextel Communications, as Lessee.

The Premises are described and/or depicted as follows:

ALL THAT CERTAIN REAL PROPERTY SITUATED IN THE COUNTY OF YOLO, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

ALL THAT REAL PROPERTY AS CONVEYED TO JAMES R. MASON, ET UX, BY GRANT DEED RECORDED AUGUST 16, 1996, IN BOOK 834 AT PAGE 497, YOLO COUNTY OFFICIAL RECORDS.

DESCRIPTION OF LEASE AREA:

ALL THAT CERTAIN LEASE AREA SITUATED IN THE COUNTY OF YOLO, STATE OF CALIFORNIA, BEING A PORTION OF THE ABOVE DESCRIBED PARCEL, DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT LYING NORTH 77°07'37" EAST, 192.89 FEET FROM THE SOUTHWEST CORNER OF THE ABOVE SAID PARCEL; THENCE FROM SAID POINT OF BEGINNING NORTH 54°48'33" EAST, 44.44 FEET; THENCE SOUTH 41°13'06" EAST, 25.14 FEET; THENCE SOUTH 54°48'28" WEST, 44.44 FEET; THENCE NORTH 41°13'06" WEST, 25.14 FEET TO THE POINT OF BEGINNING.

TOGETHER WITH A 15' WIDE NON-EXCLUSIVE MEANDERING EASEMENT, FROM THE ABOVE DESCRIBED LEASE AREA TO THE WEST LINE OF THE ABOVE DESCRIBED PARCEL, AS SHOWN HEREON.

TOGETHER WITH ELECTRIC & TELEPHONE EASEMENTS, IN AN UNDETERMINED LOCATION, NECESSARY TO SERVICE THE ABOVE DESCRIBED LEASE AREA.

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Notes:

1. This Exhibit may be replaced by a land survey of the Premises once it is received by Lessee.
2. Setback of the Premises from the Land's boundaries shall be the distance required by the applicable governmental authorities.
3. Width of the access road shall be the width required by the applicable governmental authorities, including police and fire departments.
4. The type, number and mounting positions and locations of antennas and transmission lines are illustrative only. Actual types, numbers, mounting positions and locations may vary from what is shown above.
5. The location of any utility easement is illustrative only. The actual location will be determined by the servicing utility company in compliance with all local laws and regulations.

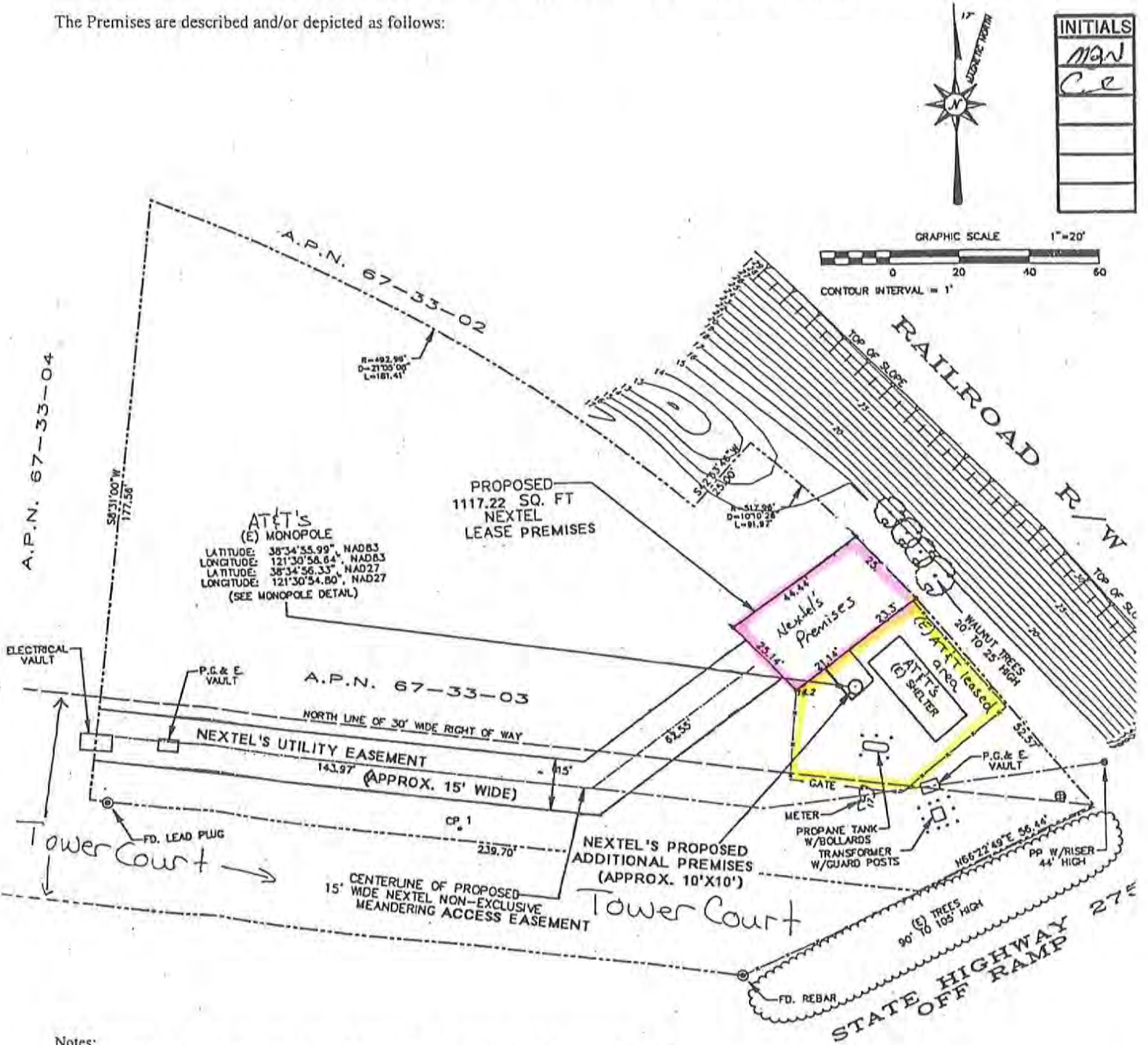


EXHIBIT B

DESCRIPTION OF PREMISES  
(Page 2 of 2)

to the Agreement dated May 12, 1999, by and between REDEVELOPMENT AGENCY OF THE CITY OF WEST SACRAMENTO, as Lessor, and NEXTEL OF CALIFORNIA, INC., a Delaware corporation, d/b/a Nextel Communications, as Lessee.

The Premises are described and/or depicted as follows:



Notes:

1. This Exhibit may be replaced by a land survey of the Premises once it is received by Lessee.
2. Setback of the Premises from the Land's boundaries shall be the distance required by the applicable governmental authorities.
3. Width of the access road shall be the width required by the applicable governmental authorities, including police and fire departments.
4. The type, number and mounting positions and locations of antennas and transmission lines are illustrative only. Actual types, numbers, mounting positions and locations may vary from what is shown above.
5. The location of any utility easement is illustrative only. The actual location will be determined by the servicing utility company in compliance with all local laws and regulations.

EXHIBIT C

AT&T LEASE

to the Agreement dated May 12, 1999, by and between REDEVELOPMENT AGENCY OF THE CITY OF WEST SACRAMENTO, as Lessor, and NEXTEL OF CALIFORNIA, INC., a Delaware corporation, d/b/a Nextel Communications, as Lessee.

The AT&T Lease is attached hereto.

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SITE: West Sacramento.

### SITE LEASE AGREEMENT

THIS SITE LEASE AGREEMENT (this "Lease") is entered into this 7<sup>th</sup> day of May, 1997, between the REDEVELOPMENT AGENCY OF THE CITY OF WEST SACRAMENTO ("Lessor") and AT&T WIRELESS SERVICES OF CALIFORNIA, INC. ("Lessee").

For good and valuable consideration, the parties agree as follows:

1. Premises. Lessor hereby leases to Lessee 2,000 square feet of property ("the Premises") owned by Lessor and contained within the property described on Exhibit A attached hereto ("the Property"), subject to the terms and conditions of this Lease.

2. Use. The Property shall be used by Lessee for the transmission and reception of communications and signals in any and all frequencies allowed by law or which may be allowed by law in the future and for the construction of necessary facilities, towers, antennas, or buildings.

3. Term. This Lease shall be for a period of five (5) years, commencing on March 1, 1997 and terminating on February 28, 2002. Lessee shall have the option to extend the term of the Lease for nine (9) successive three (3)-year periods ("Extension Term") after the original term expires. Each such option to extend shall be deemed to have been automatically exercised by Lessee, unless, prior to the expiration of the then-current term, Lessee delivers to Lessor written notice of its intent not to extend the term, in which case the Lease shall terminate at the end of the then-current term. Each Extension Term, unless otherwise specified herein, shall be upon the same terms and conditions as the original term of this Lease.

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4. Rent.

a. Lessee shall pay Lessor, as rent, the sum of [REDACTED] per month ("Initial Rent"). The Initial Rent shall be increased annually on March 1 in the amount of three percent (3%). Rent shall be payable on the first day of each month in advance at such place as may be designated by Lessor, except that rent for the first two (2) months has been paid upon execution of this Lease, and Lessor acknowledges receipt of this sum.

b. In the event of termination of this Lease at a time other than the end of one of the specified rental periods, then the rent shall be prorated as of the date of termination, and, in the event of termination for any reason other than nonpayment of rent, all prepaid rent shall be refunded to Lessee or paid on its account.

5. Interference. Lessor shall not use, nor shall Lessor permit its lessees, licensees or invitees to use, any of Lessor's property in any way which interferes with the then existing operations of Lessee. Such interference shall be deemed a material breach by Lessor, and Lessor shall have the responsibility to terminate said interference. In the event any such interference does not cease within a reasonable period of time, Lessee shall have the right to terminate this Lease at Lessee's option.

6. Relocation of Facilities.

a. In the event that the Property is developed, Lessee shall at its expense, upon one hundred eighty (180) days (the "Relocation Notice Period") prior written notice to Lessee,



relocate its facilities on the Property to another location reasonably acceptable to Lessee. Included in the Relocation Notice Period is a forty-five day time allotment for zoning approvals. Should the zoning approval time exceed the forty-five days allotted, Lessor shall extend the Relocation Notice Period by the same number of days.

b. Lessor shall permit Lessee to install a temporary communication facility on the Property if necessary to insure Lessee's operation of its facility remains uninterrupted during a relocation as described above in subparagraph 6.a. Prior to construction of any such temporary facility, Lessee shall provide evidence satisfactory to the Lessor that all permits required by the City of West Sacramento for such construction have been obtained. The Lessor agrees to reasonably cooperate with Lessee to identify a mutually acceptable location for the temporary facility.

7. Improvements; Liability; Utilities; Access.

a. Lessee shall have the right to erect and maintain on the Premises an antenna tower and base, and supporting outbuilding for housing of electronic equipment (the "antenna facility"). The antenna facility shall remain the property of Lessee.

b. The antenna facility shall be erected and maintained at the expense of Lessee and at its sole risk. Lessee shall pay for any and all damage to persons as well as to property that may in any manner be caused by the erection or maintenance of the antenna facility, and shall save Lessor harmless from any loss or damage by reason of the erection or maintenance of the antenna facility.

c. Prior to any construction or erection of any facility on the Property as contemplated by paragraphs 6, 7, 8, or as otherwise described in this Agreement, Lessee shall provide evidence satisfactory to Lessor that all permits required by the City of West Sacramento for such construction or erection have been obtained and are in effect.

d. Lessor acknowledges that Lessee may be required to supply the Premises with utilities and/or improve the present utility service to the Premises. Lessee shall have the right to install utilities on the Premises and/or to improve the present utilities on the Premises. Lessee shall have the right to permanently place utilities on (or to bring utilities across) the Property in order to service the Premises. Lessor shall execute an easement evidencing this right upon Lessee's request.

e. Lessor shall provide Lessee ingress, egress, and access over the Property to the Premises at all times during this Lease at no additional charge to Lessee.

8. Co-location. In the event Lessor leases additional ground space to another telecommunications provider, Lessee shall reasonably cooperate to facilitate co-location of the provider's facilities on Lessee's monopole.

9. Termination. This Lease may be terminated on thirty (30) days' written notice as follows: (a) by either party upon a default of any covenant or term hereof by the other which is not cured within thirty (30) days of receipt of written notice of default; (b) by Lessee if the approval of any agency, board, court, or other governmental authority necessary to construction and/or operation of the antenna facility or Lessee's business cannot be obtained or is not for any reason maintained; (c) by Lessee if Lessee determines that the Premises are not appropriate for its operations for economic or technological reasons, including, but not limited to, signal interference; (d) if Lessee's license is revoked, removed or suspended.

10. Taxes. In the event that personal property taxes attributable to the antenna facility are assessed, then Lessee shall pay that part of the said taxes attributable to said antenna facility. Lessor shall pay all real property taxes attributable to the Property.

11. Insurance.

a. Lessee shall obtain and maintain liability insurance in an amount not less than \$1,000,000 per occurrence, and shall name Lessor as an additional insured on the policy or policies.

b. Neither party shall be liable to the other (or to the other's successors or assigns) for any loss or damage caused by fire or any of the risks enumerated in a standard fire insurance policy with an extended coverage endorsement, and, in the event of insured loss, neither party's insurance company shall have a subrogated claim against the other.

12. Destruction of Premises. If the Premises or Lessee's improvements thereon are destroyed or damaged, Lessee may elect to terminate this Lease as of the date of the damage or destruction by notice given to Lessor in writing not more than forty-five (45) days following the date of damage. In such event, all rights and obligations of the parties shall cease as of the date of the damage or destruction and Lessee shall be entitled to the reimbursement of any prepaid amounts paid by Lessee and attributable to the anticipated term following the date of termination.

13. Condemnation. If a condemning authority takes all of the Property, or a portion sufficient, in Lessee's determination, to render the Premises unsuitable for the use which Lessee was then making of the Premises, this Lease shall terminate and be of no further force or effect as of the date the title vests in the condemning authority. The parties shall be entitled to share in the condemnation proceeds in proportion to the values of their respective interests in the Property. Sale of all or part of the Property to a purchaser with the power of eminent domain in the face of a threat, or probability of the exercise of power, shall be treated for the purposes of this section as a taking by condemnation.

14. Hold Harmless. Lessee agrees to indemnify Lessor against and hold Lessor harmless from any and all claims arising in any way out of the installation, use, maintenance, repair or removal of Lessee's equipment with the sole exception of claims arising due to the sole negligence of Lessor, its agents or independent contractors.

15. Right of First Refusal. Prior to selling the property or any portion thereof, Lessor shall notify Lessee in writing of the sale price offered by a third party. Lessee shall have the first right of refusal to purchase the property at substantively comparable values and terms upon giving Lessor notice of its exercise of refusal rights within thirty (30) days of receipt of Lessor's notice.

14. Disputes. Any controversy or claim arising out of or relating to this Lease, or the breach thereof, shall be settled by arbitration in accordance with the rules of the American Arbitration Association and the laws of the State of California. It is agreed that the substantially prevailing party shall be entitled to recover in addition to costs such sum as the court may adjudge reasonable as attorneys' fees, including fees upon appeal of any judgment or ruling.

17. Notices. All notices, requests, demands and other communications hereunder shall be in writing and shall be deemed given if personally delivered or mailed, certified mail, return receipt requested, to the following addresses:

If to Lessor, to: Redevelopment Agency of the  
City of West Sacramento  
1102 Jefferson Boulevard, Suite D  
West Sacramento, CA 95691

If to Lessee, to: AT&T Wireless Services  
Legal Department  
1750 Howe Avenue, Third Floor  
Sacramento, CA 95825

10030 Foethe Rd  
Sac, CA 95827

with a copy thereof to:

AT&T Wireless Services  
5400 Carillon Point  
Kirkland, CA 98033  
Attn: Legal Department

18. Warranties. Lessor warrants that it has full right, power, and authority to execute this Lease and good and unencumbered title to the Property. Lessor further covenants that Lessee shall have the quiet enjoyment of the Premises during the term of this Lease and that the Premises are zoned to permit Lessee's use.

19. Successors and Assigns. This Lease shall run with the Property described on Exhibit A. This Lease may be assigned by Lessee in whole or in part. This Lease shall be binding upon and inure to the benefit of the parties, their respective successors and assigns.

DATED as of the date first set forth above.

LESSOR:

REDEVELOPMENT AGENCY OF THE  
CITY OF WEST SACRAMENTO

By:

  
William G. Kristoff

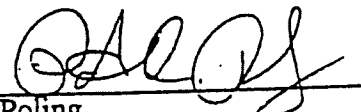
Its:

Chairperson

LESSEE:

AT&T WIRELESS SERVICES OF  
CALIFORNIA, INC.

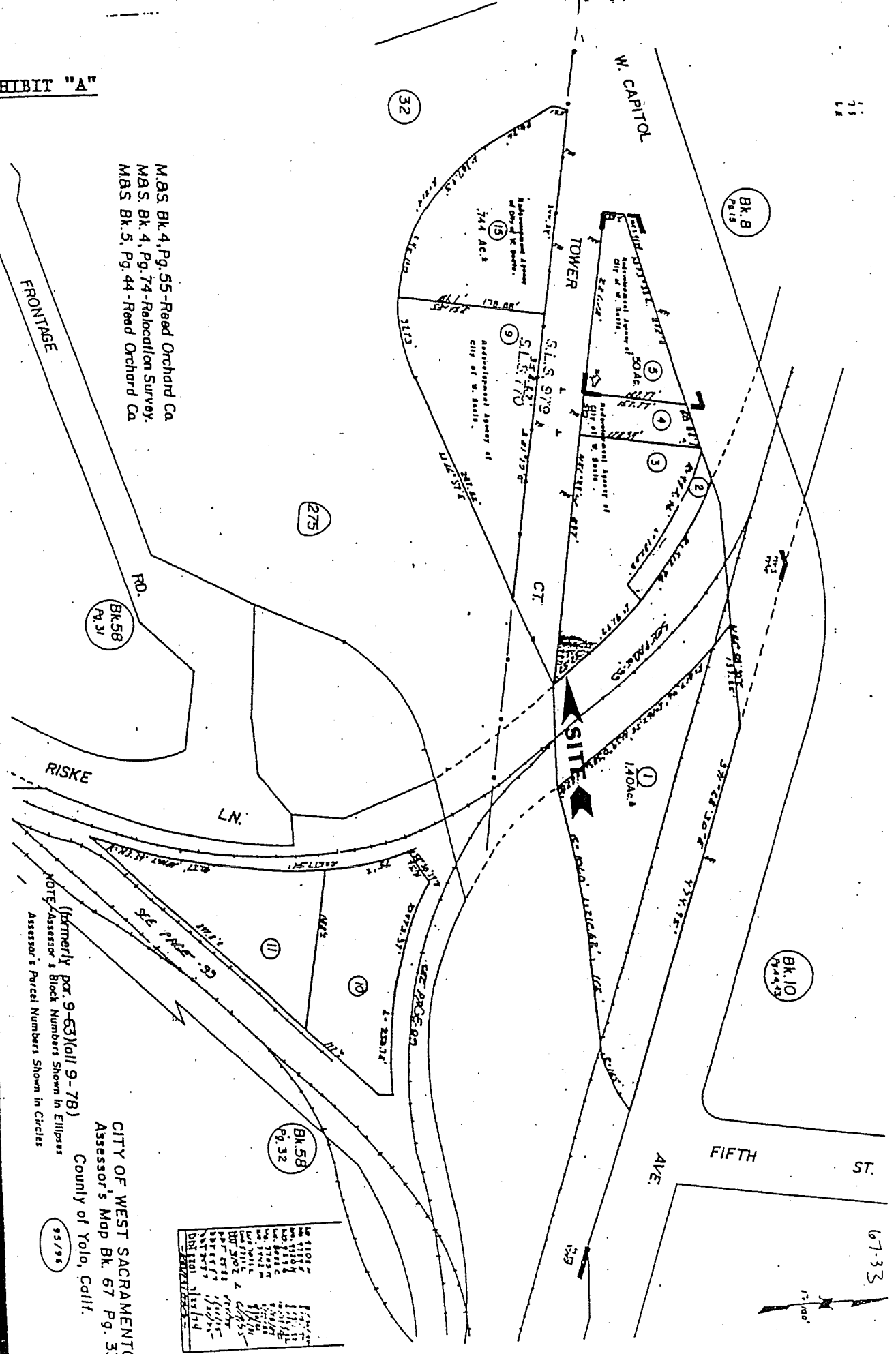
By:

  
Patrick Poling

Its:

Site Development Manager

**EXHIBIT "A"**



M.B.S. Bk. 4, Pg. 55 - Reed Orchard Ca  
 M.B.S. Bk. 4, Pg. 74 - Relocation Survey  
 M.B.S. Bk. 5, Pg. 44 - Reed Orchard Ca

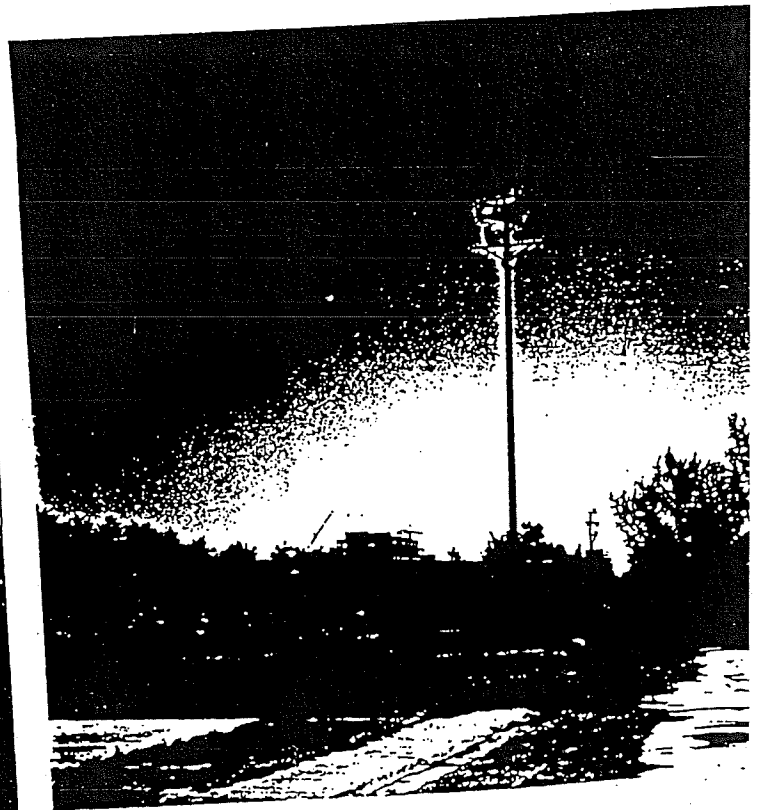
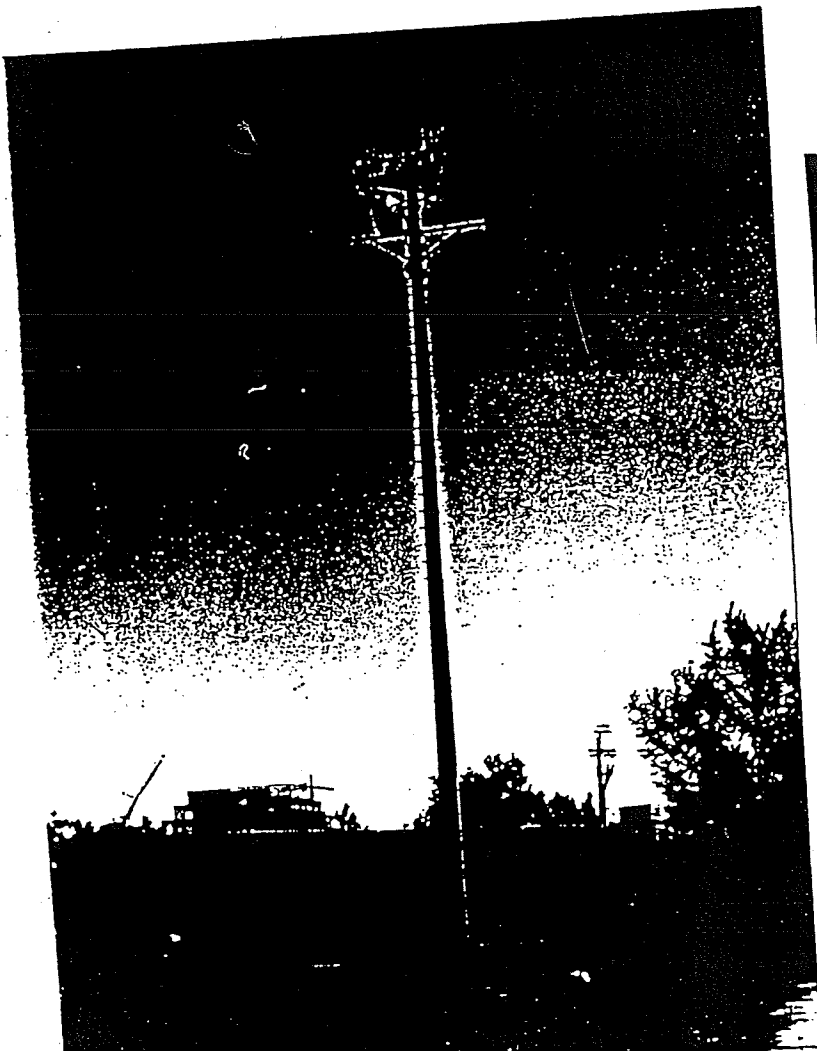
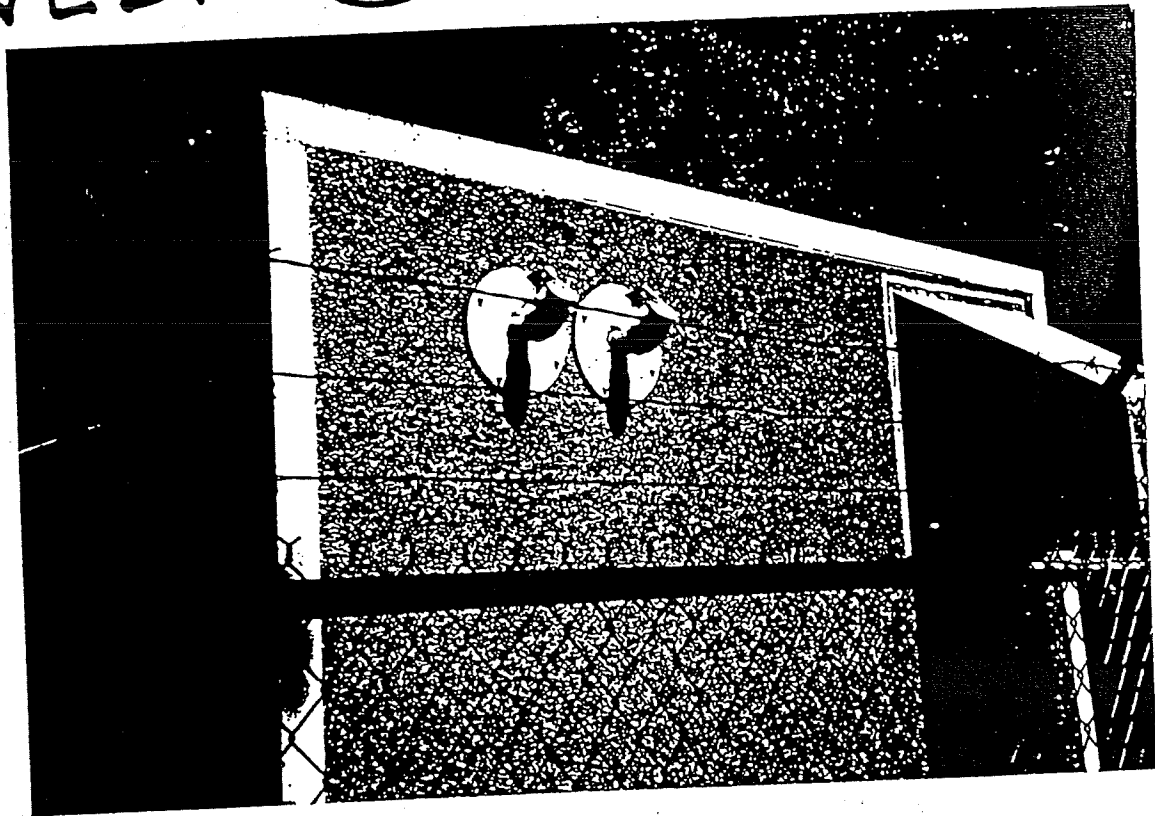
(Formerly par. 9-63)(all 9-78)  
 NOTE: Assessor's Block Numbers Shown in Ellipses  
 Assessor's Parcel Numbers Shown in Circles

CITY OF WEST SACRAMENTO  
 Assessor's Map Bk. 67 Pg. 33  
 County of Yolo, Calif.

95/78

|        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |
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| 101102 | 101103 | 101104 | 101105 | 101106 | 101107 | 101108 | 101109 | 101110 | 101111 | 101112 | 101113 | 101114 | 101115 | 101116 | 101117 | 101118 | 101119 | 101120 | 101121 | 101122 | 101123 | 101124 | 101125 | 101126 | 101127 | 101128 | 101129 | 101130 | 101131 | 101132 | 101133 | 101134 | 101135 | 101136 | 101137 | 101138 | 101139 | 101140 | 101141 | 101142 | 101143 | 101144 | 101145 | 101146 | 101147 | 101148 | 101149 | 101150 | 101151 | 101152 | 101153 | 101154 | 101155 | 101156 | 101157 | 101158 | 101159 | 101160 | 101161 | 101162 | 101163 | 101164 | 101165 | 101166 | 101167 | 101168 | 101169 | 101170 | 101171 | 101172 | 101173 | 101174 | 101175 | 101176 | 101177 | 101178 | 101179 | 101180 | 101181 | 101182 | 101183 | 101184 | 101185 | 101186 | 101187 | 101188 | 101189 | 101190 | 101191 | 101192 | 101193 | 101194 | 101195 | 101196 | 101197 | 101198 | 101199 | 101200 |
|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|

# WEST SAC. SITE



# WEST SAC. SITE



**EXHIBIT D**

**HAZARDOUS SUBSTANCES**

to the Agreement dated May 12, 1999, by and between REDEVELOPMENT AGENCY OF THE CITY OF WEST SACRAMENTO, as Lessor, and NEXTEL OF CALIFORNIA, INC., a Delaware corporation, d/b/a Nextel Communications, as Lessee.

The Land contains certain Hazardous Substances, as described in the following reports:

1. Phase I site assessment dated October 4, 1991, performed by Anderson Consulting Group.
2. Limited Phase II Assessment dated December, 1991, performed by Taber Consultants.
3. Site Assessment Update, dated August, 1998, performed by Wallace Kuhl & Associates Inc.

After the completion of the Wallace Kuhl report described above, the Agency commissioned Wallace Kuhl to perform additional Phase II testing upon the site. Such testing revealed certain lead contamination. Additional testing was performed to determine the lateral extent of such contamination. The results of such testing are being incorporated into a written report, which will be provided upon completion.

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**EXHIBIT E**

**When Recorded Send To:**  
Nextel Communications  
Attn: Property Manager  
475 14<sup>th</sup> Street, Suite 200  
Oakland, CA 94612

**MEMORANDUM OF AGREEMENT**

**THIS MEMORANDUM OF AGREEMENT** is entered into on this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, by and between REDEVELOPMENT AGENCY OF THE CITY OF WEST SACRAMENTO, with an address at 2101 Stone Boulevard, #301, West Sacramento, CA 95691 (hereinafter referred to as "Lessor"), and NEXTEL OF CALIFORNIA, INC., a Delaware corporation, d/b/a Nextel Communications, with an office at 2180 Harvard Street, Suite 220, Sacramento, CA 95815 (hereinafter referred to as "Lessee").

1. Lessor and Lessee entered into a Communications Site Lease Agreement ("Agreement") on \_\_\_\_\_, 1999, for the purpose of installing, operating and maintaining a radio communications facility and other improvements. All of the foregoing are set forth in the Agreement.
2. The term of the Agreement is for five (5) years commencing on \_\_\_\_\_, \_\_\_\_\_, ("Commencement Date") and terminating on the fifth anniversary of the Commencement Date with five (5) successive five (5) year options to renew; provided that the Agreement shall be conterminous with the AT&T Lease set forth therein.
3. The Land which is the subject of the Agreement is described in Exhibit A annexed hereto. The portion of the Land being leased to Lessee (the "Premises") is described in Exhibit B annexed hereto.

**IN WITNESS WHEREOF**, the parties have executed this Memorandum of Agreement as of the day and year first written above.

**LESSOR:**  
REDEVELOPMENT AGENCY OF THE CITY OF WEST  
SACRAMENTO

**LESSEE:**  
NEXTEL OF CALIFORNIA, INC.,  
a Delaware corporation,  
d/b/a Nextel Communications

By: \_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_



STATE OF \_\_\_\_\_

COUNTY OF \_\_\_\_\_

On \_\_\_\_\_, before me, \_\_\_\_\_, Notary Public, personally appeared \_\_\_\_\_, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument, the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

\_\_\_\_\_  
Notary Public (SEAL)

My commission expires: \_\_\_\_\_

STATE OF \_\_\_\_\_

COUNTY OF \_\_\_\_\_

On \_\_\_\_\_, before me, \_\_\_\_\_, Notary Public, personally appeared \_\_\_\_\_, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument, the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

\_\_\_\_\_  
Notary Public (SEAL)

My commission expires: \_\_\_\_\_

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NEXTEL COMMUNICATIONS, INC  
1255 TREAT BLVD, SUITE 800  
WALNUT CREEK, CA 94596

FACSIMILE TRANSMITTAL SHEET

|               |                           |                                     |  |
|---------------|---------------------------|-------------------------------------|--|
| TO:           | <i>John Jansons</i>       | FROM:                               | Tracy Emery - Sr. Property Administrator |
| COMPANY:      |                           | DATE:                               | <i>4/18/01</i>                           |
| FAX NUMBER:   | <i>(916) 373-5848</i>     | TOTAL NO. OF PAGES INCLUDING COVER: | <i>2</i>                                 |
| PHONE NUMBER: | <i>(916) 373-5843</i>     | PHONE NUMBER:                       | <i>(925) 279-5732</i>                    |
| RE:           | <i>Amendment Summary.</i> | FAX NUMBER:                         | <i>(925) 279-2599</i>                    |

FOR REVIEW     PLEASE COMMENT     PLEASE REPLY     PLEASE RECYCLE

*John-*

*Per our discussion.*

*Thanks.*

*Tracy*

### AMENDMENT SUMMARY

Northern California (Sacramento)  
Site #: CA-1904A  
Site Name: West Capital  
Site Acq.: Patricia Guay

Date 09/22/99  
Page 1

Landlord: Redevelopment Agency of the City of West Sacramento  
Payee: Redevelopment Agency of the City of West Sacramento  
Payee Address: 2101 Stone Boulevard, #301, West Sacramento, CA 95691, Attn: Val Toppenberg  
Tax ID # \_\_\_\_\_  
Contact Name & # Val Toppenberg (916) 373-5843

Site Type: Raw Land

Non-Standard Terms

Lease Paragraph  
Reference

This Amendment is amending the lease to show Nextel's Access Easement crossing two (2) additional parcels. The street that was to be used for Nextel's access has been abandoned and incorporated into the surrounding parcels. Therefore, Nextel will have to cross two (2) additional parcels (both owned by Lessor) to reach a public right-of-way.

Paragraph 1(a),  
Exhibit A & B

Notice addresses have been changed to reflect new Nextel office locations.

18(d)

Reviewed by: Karen Manske  
Karen Manske

Date: 9-22-99

CORPORATE LEGAL REVIEW: Yes  No \_\_\_\_\_  
Reviewed By: [Signature]  
Ryne Stittell

Date: 9/23/99

MARKET CONCURRENCE:

Signature: \_\_\_\_\_  
Susana D. Copeland, System Development Team Leader

Date: \_\_\_\_\_

# COPY

## AMENDMENT NO. 1

**THIS AMENDMENT NO. 1** ("Amendment") is attached to and made a part of the Communications Site Lease Agreement dated May 12, 1999, (the "Agreement") by and between NEXTEL OF CALIFORNIA, INC., a Delaware corporation, d/b/a Nextel Communications ("Lessee") and REDEVELOPMENT AGENCY OF THE CITY OF WEST SACRAMENTO ("Lessor").

The terms in this Amendment shall have the same meaning as in the Agreement. In case of any inconsistencies between the terms and conditions contained in the Agreement and the terms and conditions contained herein, the terms and conditions herein shall control. Except as set forth below, all provisions of the Agreement remain unchanged and in full force and effect.

**NOW, THEREFORE**, in consideration of the mutual covenants contained herein and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. That Paragraph 1(a) of the Agreement is hereby deleted in its entirety and replaced with the following revised Paragraph 1(a):

**1. Premises.**

(a) Lessor is the owner of several parcels of land (the "Land") located in the City of West Sacramento, County of Yolo, State of California, commonly known as APN: 67-33-03, 67-33-04 and 67-33-05. The Land is more particularly described in Exhibit A annexed hereto. Lessor hereby leases to Lessee and Lessee leases from Lessor approximately one thousand one hundred seventeen (1,117) square feet of the Land and all access and utility easements, if any, (the "Premises") as described in Exhibit B annexed hereto.

2. That Exhibit A of the Agreement is hereby deleted in its entirety and replaced with the Revised Exhibit A attached hereto.

3. That Page 2 of Exhibit B of the Agreement is hereby amended to show the access route across Parcels 3, 4, and 5 as shown in the Revised Exhibit B attached hereto and made a part hereof.

4. That Lessee's notice addresses set forth in Paragraph 18(d) of the Agreement are hereby deleted in their entirety and replaced with the following notice addresses:

**Lessee:** Nextel of California, Inc.  
1255 Treat Blvd., #800  
Walnut Creek, CA 94596  
Attn: Property Administrator

**With a copy to:** Nextel Communications, Inc.  
2001 Edmund Halley Dr.  
Reston, VA 20191  
Sixth Floor, Mail Stop 6E630  
Attn: Site Leasing Services, Contracts Manager

**\*\*\* Signatures on Following Page \*\*\***

**IN WITNESS WHEREOF**, the parties have caused this Amendment to be executed on this \_\_\_\_\_ day of \_\_\_\_\_, 1999.

**LESSOR:**  
REDEVELOPMENT AGENCY OF THE  
CITY OF WEST SACRAMENTO

**LESSEE:**  
NEXTEL OF CALIFORNIA, INC.,  
a Delaware corporation, d/b/a  
Nextel Communications

By: \_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**REVISED EXHIBIT A**

**DESCRIPTION OF LAND**

(Page 1 of 2)

to the Agreement dated May 12, 1999, by and between REDEVELOPMENT AGENCY OF THE CITY OF WEST SACRAMENTO, as Lessor, and NEXTEL OF CALIFORNIA, INC., a Delaware corporation, d/b/a Nextel Communications, as Lessee.

The Land is described and/or depicted as follows:

APN: 67-33-03, 67-33-04 and 67-33-05

The land referred to herein is situated in the State of California and is described as follows:

County: Yolo

City: West Sacramento

PARCEL THREE:

BEGINNING at a point on the southwestern line of the parcel of land conveyed to the State of California by deed recorded March 30, 1950, in book 315 of Official Records, page 419, that bears north 73° 33' 00" east 50.86 feet and along the arc of a curve to the right having a radius of 492.96 feet, through a central angle of 00° 27' 52", an arc distance of 4.00 feet from the point of intersection of the southeastern line of West Capitol Avenue with the western line of that certain parcel of land described in the deed to James R. Mason, et ux., recorded March 30, 1950, in book 315 of Official Records, page 417; running thence along said southwestern line of said parcel so conveyed to the State of California, as follows: 1) on a curve to the right having a radius of 492.96 feet, through a central angle of 21° 09' 47", an arc distance of 182.08 feet; 2) north 42° 53' 47" east 25.00 feet; 3) along a curve to the right having a radius of 517.96 feet, through a central angle of 10° 10' 26", an arc distance of 91.97 feet; 4) south 36° 55' 47" east 52.57 feet; and 5) south 66° 22' 49" west 58.77 feet to a point on the center line of a 60 feet road known as Tower Court; thence north 81° 29' 00" west along the last named line, 237.00 feet; thence leaving said center line north 08° 31' 00" east 178.34 feet to the point of beginning.

PARCEL FOUR:

All that portion of Swamp Land Survey No. 979 and a portion of Parcel 1 as said Parcel is described in the Deed to James Mason et ux recorded in Book 325 of Official Records at page 417, Yolo County Records described as follows:

Beginning at the Southwest corner of said Parcel: thence N 8° 31' 00" E. along the West line of said Parcel 157.77 feet to the Southerly line of West Capitol Avenue; thence N. 73° 33' 00" E. along said line 50.86 feet to the most Westerly corner of that certain parcel of land conveyed to the State of California by deed recorded in Book 315 of Official Records, page 419 Yolo County Records; thence along the Southwesterly line of said Parcel and along a curve to the right having a radius of 493.96 feet, a central angle of 0° 27' 52" a distance along the arc of 4.00 feet; thence leaving said line S. 8° 31' 00" W. 178.34 feet to the South line of said Parcel 1 being the center line of a 60 feet wide County Road; thence N. 81° 29' 00" W. along said line 50.00 feet to the point of beginning.

PARCEL FIVE:

That portion of Swamp Land Survey No. 979, shown on the Map of the Reed Orchard Co., recorded in the office of the Recorder of Yolo County, in Book 5 of Maps and Surveys at page 44, described as follows:

Beginning at a point on the centerline of the California State Highway alignment South of the town of Broderick designated as Station 746-11-1 from which the Southwest corner of S.L.S. South 84° 25' 50" West 121.63 feet; and extending thence North 73° 33' East 530.6 feet along said center line; thence South 8° 31' West 323.93 feet to centerline of Intersecting State Highway alignment; thence North 81° 29' West 481.00 feet along said latter centerline to the point of beginning.

EXCEPTING THEREFROM, that portion conveyed to the State of California for State Highway by Deeds recorded December 23, 1916, in Book 91 of Deeds at page 102, September 4, 1935, in Book III at Page 26, and June 18, 1931, in Book 23 of Official Records at page 68, in the office of the Recorder of Yolo County.

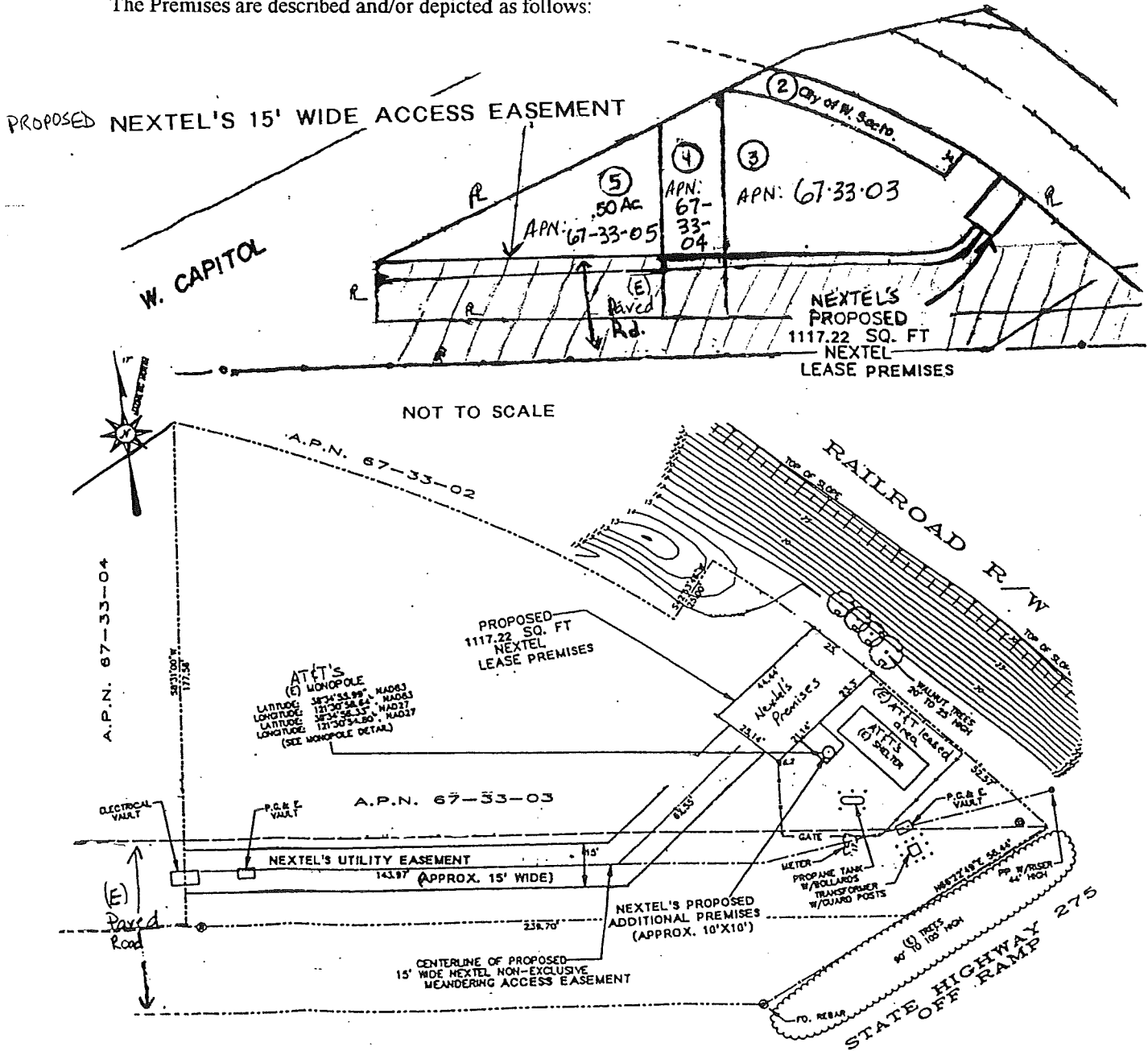


REVISED EXHIBIT B

DESCRIPTION OF PREMISES

to the Agreement dated May 12, 1999, by and between REDEVELOPMENT AGENCY OF THE CITY OF WEST SACRAMENTO, as Lessor, and NEXTEL OF CALIFORNIA, INC., a Delaware corporation, d/b/a Nextel Communications, as Lessee.

The Premises are described and/or depicted as follows:



Notes:

1. This Exhibit may be replaced by a land survey of the Premises once it is received by Lessee.
2. Setback of the Premises from the Land's boundaries shall be the distance required by the applicable governmental authorities.
3. Width of the access road shall be the width required by the applicable governmental authorities, including police and fire departments.
4. The type, number and mounting positions and locations of antennas and transmission lines are illustrative only. Actual types, numbers, mounting positions and locations may vary from what is shown above.
5. The location of any utility easement is illustrative only. The actual location will be determined by the servicing utility company in compliance with all local laws and regulations.



Nextel Communications  
1255 Treat Boulevard, Suite 800  
Walnut Creek, CA 94596  
925 279-2300 FAX 925 279-2301



FEB 18 2000

February 15, 2000

Redevelopment Agency of the City of West Sacramento  
2101 Stone Blvd., #301  
West Sacramento, CA 95691  
Attn: Val Toppenberg

Re: Our Site: CA-1904A West Capital  
Amendment No. 1

Dear Mr. Toppenberg:

Please find three (3) originals of Amendment No. 1 and a copy for your files. Please sign and initial where indicated and return in the enclosed envelope. Upon full execution, an original will be returned to you.

If you have any questions, please contact Tracy Emery at (925) 279-5732. Nextel appreciates your cooperation and appreciates being your tenant.

Sincerely,

A handwritten signature in cursive script that reads "Patricia Guay".

Patricia Guay  
Property Administrator

Enclosures

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Stone Lock Site Map:  
Lock Facility  
(excluded from Option)



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## OPTION AGREEMENT

**THIS OPTION AGREEMENT** (this "Agreement") is dated for reference purposes as of March 23, 2011, by and between the Redevelopment Agency of the City of West Sacramento, a public body, corporate and politic ("Agency"), and the Sacramento-Yolo Port District, a California river port district ("Port"), with reference to the following facts:

### RECITALS

A. The Agency is the current owner of certain real property located within the City of West Sacramento ("City") and generally known as the Stone Lock Property consisting of approximately 215 acres on Assessor Parcel Numbers 046-010-11, 067-180-01- though -04, 067-180-07 through -08, 067-180-24, and 067-180-36 (the "Parcels"), and more specifically described in the legal description attached to this Agreement as Exhibit A and incorporated into this Agreement by this reference.

B. Port desires to obtain an option to purchase the Property from Agency, and Agency is willing to grant to Port an option to purchase the Property, subject to the terms and conditions of this Agreement. The parties intend that the Property may be sold to Port in multiple phases, as further described below, ("Phases"), or the entire Property may be sold to Port at one time, in Port's discretion. A Phase may contain more than one Subdivided Parcel, as defined in Section 1.7.2.

C. Agency has previously committed to granting certain Irrevocable Offers of Dedication ("IOD") in favor of the City of West Sacramento ("City") for public purposes across portions of the Property, as contained in the Declaration of Restrictive Covenants recorded in Official Yolo County records on March 7, 2011, document instrument no. 2011-0006724 and the Irrevocable Offer of Dedication recorded in Official Yolo County records on March 7, 2011, document instrument no. 2011-0006725, and the action approved by City Council/Redevelopment Agency Resolution 10-24 adopted on May 19, 2010.

D. The Agency and Port intend that the option granted by this Agreement constitutes a binding interest in real property, specifically enforceable against the Agency and its successors in interest with respect to the ownership of the Property.

NOW THEREFORE, for valuable consideration, receipt of which is hereby acknowledged, Port and Agency hereby agree as follows:

### ARTICLE 1 OPTION

1.1 The Property. Agency hereby grants to Port an option (the "Option") to purchase the Property from Agency upon the terms, covenants and conditions hereinafter set forth. For purposes hereof, the "Property" shall mean and include all buildings, structures and improvements (collectively the "Improvements") located on the Parcels, all permits, licenses and approvals relating to the Parcels, all mineral and water rights owned by Agency in connection with the Parcels, and other rights appurtenant to the Parcels. However, the Property shall not include the lock improvements and land to which it is attached currently located on a portion of APN 067-180-03, 04 and 05. Agency and Port shall work together to segregate the lock improvements and sufficient land to reasonably permit the Agency to access and maintain the Lock Improvements, into a separate legal parcel during the Option term as provided herein (the



"Lock Parcel"). The Lock Parcel shall be created as provided in Section 1.7.1, and the Lock Parcel shall not be considered a "Subdivided Parcel" as that term is defined in Section 1.7.2.

1.2 Effective Date. For purposes of this Agreement, the "Effective Date" shall be the date first set forth above.

1.3 Option Consideration.

1.3.1 Option Payments. Agency hereby acknowledges that this Agreement has been entered into by Agency and the Option has been granted to Port in consideration of Port's payment of the sum of Five Hundred Dollars (\$500.00) to Agency (the "Initial Option Payment"), which Initial Option Payment shall be delivered to Agency within five (5) days of the Effective Date of this Agreement, and the annual payment of Seventy Five Thousand Dollars (\$75,000) during the Option Term (the "Annual Option Payment," beginning on September 19, 2011 (the "Initial Option Payment Date") and annually thereafter until the Option is either terminated or the entire Property has been acquired pursuant to this Agreement. If the Option is partially exercised, the subsequent Annual Option Payments shall be reduced in proportion to the number of Parcels Port has purchased. (By way of example and not limitation, if Port purchases two of five Subdivided Parcels, subsequent Annual Option Fee payments would be reduced by 40 percent to \$45,000.) The Initial and Annual Option Payments are non-refundable and shall not be credited towards the Purchase Price of the Property. If Port fails to make the required Initial or Annual Option Payment(s) timely per the terms of this Section 1.3, Agency shall give Port notice of such failure, and Port shall have fifteen (15) days after receipt of the notice to deposit the required Option Payment. Such payments shall be due and owing as of each Annual Option Payment Date if the Option is in force and has not been terminated. If Port fails to make such Option Payment after such notice and fifteen (15) days, this Option shall automatically terminate and the parties shall have no further obligations to each other except as to the obligation to make any annual Option Payment that previously become due, and those obligations which specifically survive as contained in Sections 7.1.4, 7.2.3, 11.17, and 11.19. Annual Option Payments shall bear interest at 10% per annum from the date due if Port does not pay all or a part of the Annual Option Payment by the date due.

1.3.2 Payment as Credit Against CRFA. Agency and Port are parties to that certain Capitol Reserve Funding Agreement (the "CRFA") dated April 1, 2009. Under the terms of the CRFA, Agency is obligated to pass through net tax increment generated by development on Port properties. The Parties agree that in any year during the term of this Agreement, Port may elect to credit the amount of the required Annual Payment Obligation against the net tax increment pass-through obligation owed by Agency to Port under the CRFA. In a year when Port makes such an election, it shall not be obligated to make the Annual Payment Obligation to Agency, and the amount of the Annual Payment Obligation shall be credited against the annual net tax increment pass-through payment obligation owed by Agency to Port under the CRFA.



#### 1.4 Term.

Subject to Section 1.5.1 the term of the Option ("Term") shall commence on the Effective Date and shall expire seven (7) years after the Effective Date (the "Outside Date"). Notwithstanding the foregoing, Port may terminate this Agreement and the Option at any time with notice to Agency, and the parties shall have no further obligation to each other except for the obligations which specifically survive the termination of this Agreement as provided in Sections 7.2.3, 11.17 and 11.19.

1.4.1 The parties hereto agree that Port shall record an Option Notice or a memorandum thereof in the Official Records of Yolo County, California.

#### 1.5 Exercise of Option.

1.5.1 Subject to satisfaction of the conditions set forth in Sections 1.5.2 and 1.5.3, Port may exercise the Option for one or more Subdivided Parcels (if Port has elected to subdivide the Property pursuant to Section 1.7) or the entire Property by written notice to Agency (an "Option Notice") at any time during the Term following completion of the appraisal process set forth in Section 2.2. Each Option Notice shall specify that Port is exercising the Option for the entire Property, or for a specified Subdivided Parcel. Subject to the terms of this Agreement which specifically survive termination in Sections 7.1.4, 7.2.3 11.17, and 11.19, if Port fails to deliver an Option Notice to Agency by the Outside Date for one or more Subdivided Parcel(s) or the entire Property, this Agreement shall automatically terminate. If an Option Notice is provided by Port to the Agency prior to the Outside Date and a Subdivided Parcel is transferred to Port or its Affiliate pursuant to the terms of this Agreement, this Agreement shall be extended for four (4) additional years from the Outside Date without any further action by the Agency or Port ("Four Year Extension"). Similarly, if prior to the expiration of the first Four Year Extension, an Option Notice is provided by Port to the Agency and a Subdivided Parcel is transferred to Port or its Affiliate pursuant to the terms of this Agreement, another Four Year Extension shall be granted from the end of the first Four Year Extension. Similarly, additional Four Year Extensions may be granted until all of the property is transferred to Port or its Affiliate. A total of four (4) Four Year Extensions may be granted for a maximum Option term of 23 years. Notwithstanding the foregoing, Port shall have no obligation to purchase any of the Subdivided Parcels or the entire Property unless it exercises the Option in its sole and absolute discretion.

1.5.2 Port's right to exercise the Option for the entire Property, or for any Phase thereof, shall be conditioned upon the following as a condition precedent: Port and the City of West Sacramento having entered into a duly approved and effective Development Agreement which complies with the requirements Government Code section 65864 et seq. and City Resolution No. 88-111, as amended by City Council Resolution No. 96-62 (and any subsequent amendments). Port shall be solely responsible for all costs incurred by Port or the City in the preparation and approval of a Development Agreement.

1.5.3 Port's right to exercise the Option for a Phase shall be conditioned upon the following as conditions precedent: a) the subdivision of the Parcels into separate legal parcels in accordance with the Section 1.7; and b) apportionment of the Purchase Price in accordance with Section 2.2.2.

1.6 Assignments. Port may request that Agency consent to assignments. The Agency may approve or reject such assignment in the reasonable exercise of its discretion.

1.7 Creation of Lock Parcel; Right to Propose Subdivision of Property.

1.7.1 After the Effective Date, Agency will, at its cost, process a lot line adjustment to create the Lock Parcel, the boundaries of which will generally conform to the boundaries shown in Exhibit G.

1.7.2 Any time after the Effective Date of this Agreement, Port may propose division of the Property into two (2) or more separate parcels ("Subdivided Parcel(s)"). Compliance with this Section 1.7.2 is a condition precedent to Port's ability to exercise the Option for a Phase.

(a) The configuration of the Subdivided Parcels shall be proposed by Port and approved by the Agency, which approval shall not be unreasonably withheld. In addition to other reasonable grounds for withholding its approval, the Parties agree that it shall not be unreasonable for the Agency to withhold its approval of any proposed division of the Property on the grounds that the proposal will impair development of the Property in a manner consistent with the Redevelopment Plan, the General Plan, and the Southport Framework Plan.

(b) Upon approval of the proposed division of the Property, Port may apply to the City of West Sacramento and obtain a final subdivision or parcel map dividing the Property into the Subdivided Parcels. The parties agree to execute any additional documents required to achieve such conveyance in the same manner as in the original purchase process. Port shall bear all costs related to the subdivision process, including but not limited to application fees, engineering expenses, environmental review and recording fees.

## ARTICLE 2 PURCHASE PRICE

2.1 Amount. The purchase price for the Property shall be fair market value as determined by appraisal, pursuant to the terms below, no later than September 31, 2011 (the "Purchase Price"). The cost to purchase any Phase shall equal the Purchase Price of all Subdivided Parcels that comprise that Phase which is the subject of a particular Option Notice. The Purchase Price for a Phase shall be determined in the manner set forth below.

2.2 Appraisal.

2.2.1 Within thirty (30) days of the Effective Date, Port and Agency shall each appoint an appraiser and immediately notify the other Party when its appraiser has been appointed. The Agency's and Port's Appraisers shall independently appraise the entire Property, and simultaneously provide a copy of their appraisals to each other, and to the parties, not more than ninety (90) days following the appointment of the appraisers. If both appraisers complete their appraisals within the 90-day period, then the two appraisers shall, within ten (10) days, jointly select a third appraiser, who shall have ten (10) days to review the two appraisals and select the appraisal which he or she believes, in his or her sole discretion, to be the more accurate appraisal. The appraised value selected by the third appraiser shall be the Fair Market Value. If only one appraiser completes his or her appraisal within the 60-day period, then that appraiser shall select the third appraiser, who shall review the appraisal. Review of the appraisal(s) shall be conducted in a manner compliant with the requirements of 49 CFR 24.104, unless otherwise



agreed to by the parties. Each party will pay for the cost of its own appraiser, and 50% of the cost of the third appraiser (or the review appraiser).

2.2.2 If a final subdivision or parcel map has been recorded dividing the Property into Subdivided Parcels, before Port may purchase a Subdivided Parcel the Parties shall agree on an apportionment of the Purchase Price to the Subdivided Parcel(s) being purchased. If requested by either party, the apportionment of the Purchase Price shall be determined by appraisers selected in the manner set forth in Section 2.2.1.

2.3 Payment. The Purchase Price of a Phase or the entire Property which is the subject of a particular Option Notice shall be payable at the Closing (defined below) in cash or immediately available funds.

2.4 Legal Costs. Each party shall bear its own legal fees in connection with this Option Agreement and the Project.

### **ARTICLE 3 COMPLETION OF SALE**

3.1 Place and Date. The purchase and sale of a Subdivided Parcel or the entire Property shall be completed in accordance with Article 9 hereof (the "Closing"). The Closing shall occur through an escrow (the "Escrow") with Placer Title Insurance Company (the "Title Company"), whose address is 220 Cleveland Street, Woodland, California 95695 Attn: Eric Seastrom, or such other title company as Agency and Port agree in writing. The Escrow for a Subdivided Parcel(s) or the entire Property, as applicable, shall be deemed open on the date Port delivers the Option Notice for the Subdivided Parcel(s) or the entire Property. Subject to the conditions precedent described in Article 8 hereof, the Closing for a Subdivided Parcel(s) or the entire Property, as applicable, shall occur within ninety (90) days after the Option Notice for the specified Subdivided Parcel(s) or entire Property, unless extended by Agency and Port in writing (the "Closing Date"). In the event there exists a failed condition to Port's or Agency's obligation to close escrow and Port and Agency do not agree to extend the Closing Date, or such failed condition exists after expiration of any such extension, then the party for whose benefit such condition exists may waive the condition by written notice to the other party and to the Title Company. The Escrow for a Subdivided Parcel(s) or the entire Property, as applicable, shall be considered closed when the Grant Deed (defined below) for the Subdivided Parcel(s) or the entire Property, as applicable, is recorded in the Official Records of Yolo County, California.

3.2 Escrow Instructions. This Agreement shall constitute escrow instructions to and for the benefit of the Title Company to facilitate the Closings. Prior to the Closing Date for a Subdivided Parcel(s) or the entire Property, Agency and Port shall each give any additional written escrow instructions ("Supplemental Escrow Instructions") to the Title Company which are necessary for the Closing in accordance with this Agreement, provided that any such Supplemental Escrow Instructions must be consistent with the terms of this Agreement. In the event there is a conflict between any such Supplemental Escrow Instructions and the provisions of this Agreement, the provisions of this Agreement shall control.

## ARTICLE 4 REVIEW OF THE PROPERTY

4.1 Delivery of Documents. Port shall be responsible for its due diligence regarding the Property. Within thirty (30) days after the Effective Date, Agency shall deliver to Port the following documents, if they exist, and to the extent such documents are in Agency's actual possession:

4.1.1 Contracts. One copy of all written contracts and agreements relating to the leasing, management, operation, service, maintenance or repair of the Property.

4.1.2 Permits. One copy of all building permits, certificates of substantial completion, certificates of occupancy, and other permits, licenses and approvals relating to the Property.

4.1.3 Surveys and Assessments. One copy of any surveys of the boundaries of the Parcels; and one copy of any and all engineering, assessments, reports and/or surveys regarding the improvements on the Property, soils, geological, wetlands, and/or environmental condition of the Property.

4.1.4 Other. The Agency staff shall provide the Port with all currently available non-privileged environmental information regarding the Property in the Agency's possession as well as a preliminary title report for the Property and shall do its best to accommodate requests for additional information made by Port.

4.1.5 Documents. Port acknowledges receipt of copies of the following documents related to the condition of the Property:

(a) Wallace-Kuhl & Associates, Phase 1 Environmental Site Assessment Report, Port of Sacramento Collateral Property, S. River Road and County Road 138, West Sacramento, California, March 15, 2004.

(b) Analytical Environmental Services, Special Status Species Report Port of West Sacramento Cordish Project, June 2008.

(c) Sacramento River Mile 57.2R Pre-Construction Soil Characterization Report, US Army Corps of Engineers, September 2010.

(d) Revised Final Environmental Assessment/Initial Study (EA/IS) for the Construction of a Setback Levee at River Mile 57.2R, Sacramento River Bank Protection Project, Parus Consulting, January 15, 2010.

(e) Draft Environmental Assessment/Initial Study (EA/IS) for the Construction of a Setback Levee at River Mile 57.2R Sacramento River Bank Protection Project, November 2009, Parus Consulting.

Agency makes no representations or warranties as to the accuracy or validity of the information contained in any of the documents listed in Section 4.1.5, and Port agrees to release Agency for any reliance by Port on same.

## 4.2 Access for Review.

4.2.1 Studies Generally. From the Effective Date to the Closing Date, Agency shall provide Port and Port's agents and representatives with access to the Property, all engineering and other reports and studies relating to the Property at all reasonable times to make such reasonable inspections, tests, copies, verifications, and studies ("Studies") as Port considers reasonably necessary or desirable for the sole purpose of conducting due diligence and environmental investigations in connection with Port's acquisition and use of the Property. Port shall have the right to conduct such Studies during five (5) one hundred eighty (180) day periods of time selected by Port in its discretion, each period preceded by at least fifteen (15) days written notice to Agency. Port shall not damage or alter the Property in any material respect as a result of such Studies and shall otherwise conduct the Studies so as not to unreasonably interfere with the then-present operations, if any, on the Property. Any such Studies shall be made at Port's sole cost and expense. If the purchase of the Property (or the Subdivided Parcel(s) that are the subject of such Studies) is not completed for any reason, Port shall promptly deliver to Agency at no cost to Agency copies and the results of any and all Studies made by or at the request of Port. Port makes no representations or warranties as to the accuracy or validity of the information contained in any such Studies, and Agency agrees to release Port for any reliance by Agency on same.

4.2.2 Intrusive Studies. If Port plans to undertake any Studies on or about the Property which involve intrusion to the surface of the Property or the use of any testing, monitoring or other equipment, then Port must (a) give Agency ten (10) days' advance written notice describing the scope and schedule of the work or activities involved in the Studies and the identity of the contractor, (b) prior to any entry on to the Property, deliver to Agency proof of commercial general liability insurance of at least \$1,000,000.00 covering any and all parties entering the Property to perform such intrusive studies and listing Agency as additional named insured, and (c) after the completion of the work or Studies, restore the Property to a condition substantially similar to that existing at the time immediately prior to the work or Studies.

## **ARTICLE 5 TITLE TO THE PROPERTY**

### 5.1 Fee Title.

5.1.1 Grant Deed. On the Closing Date for each Phase or the entire Property, as applicable, Agency shall convey good and marketable fee simple title to the Parcels that are the subject of the Option Notice to Port by means of a duly executed and acknowledged Grant Deed (the "Grant Deed") in the form of Exhibit B attached hereto, reciting that title is subject to real property taxes and assessments not yet due and payable, matters ascertainable by a reasonable inspection and survey of the Property, matters of public record and any additional off-record matters approved by Port in writing (the "Permitted Exceptions").

### 5.1.2 Permitted Exceptions.

(a) Agency shall use good faith, due diligence and reasonable efforts to cause the Title Company to deliver to Port within ten (10) days after the Effective Date, one copy of a current preliminary title report (the "Title Report") issued by the Title Company covering the Property and one copy of each underlying recorded document shown as an exception in such Title Report (the Title Report and said underlying documents being referred to herein as the "Title Documents"). Port's title to the Property shall be insured by the Title Company by means

of the Title Policy. Further, an updated Title Report shall be delivered to Port within ten (10) days after each Option Notice.

(b) Within forty (40) days after each Option Notice is delivered, but no earlier than thirty (30) days after receipt of the Title Documents and any updated Title Report, Port shall notify Agency in writing of those exceptions indicated on the Title Report that Port approves and those exceptions that Port disapproves. If Port fails to deliver written notice to Agency of any exceptions indicated on the Title Report disapproved by Port, then all such items shall be deemed disapproved by Port. Any exceptions indicated on the Title Report and approved by Port shall constitute permitted exceptions ("Permitted Exceptions") in connection with the issuance of the Title Policy. If Port notifies Agency of its disapproval of any exceptions indicated on the Title Report, then Agency shall have fifteen (15) days after such notice to advise Port in writing of any such exceptions which Agency is unable or unwilling to remove at the close of Escrow (other than the lien of deeds of trust or other monetary obligations, which Agency shall be required to remove at the close of Escrow). If Port fails to approve in writing, within ten (10) days of receiving such notice from Agency, those exceptions which Agency is unable or unwilling to remove at the close of Escrow, then Port, by written notice to Agency and the Title Company, may terminate this Agreement as to the affected Parcel only and, unless otherwise provided herein, the rights and obligations of the parties hereunder with respect to the affected Parcel only. Failure of Port to so terminate this Agreement as to the affected Parcel shall be deemed Port's waiver of its previous title objections.

5.1.3 Acknowledgment of and Compliance with Recorded Covenants and IOD. Port acknowledges that the Agency has recently recorded restrictive covenants against the Property, and an Irrevocable Offer of Dedication for a 3.8 acre park site (Exhibits F-1 and F-2, respectively). If Port acquires all or any portion of the Property, Port agrees that it will abide by the terms of the restrictive covenants, including without limitation the dedications of interest in land and the limitations on the use of certain portions of the Property. Failure to comply with any of the obligations set forth in the restrictive covenants or the Irrevocable Offer of Dedication shall constitute a material breach by Port under this Agreement. Covenant 18 provides in part that the property is "suspected to or is known to contain the presence of a hazardous substance, pollutant, or contaminant". This covenant does not apply to the Property which is the subject of this Option. The covenant applies to the City's former wastewater treatment facility, which is not a part of the "Property" as defined in this Option.

## ARTICLE 6 REPRESENTATIONS AND WARRANTIES

6.1 Agency Representations and Warranties. Port acknowledges that if Port exercises the Option, Port shall be acquiring the Property "AS IS, WHERE IS, IN ITS CURRENT CONDITION, WITH ALL FAULTS" and in reliance upon its own Studies, investigations and due diligence. No person acting on behalf of Agency is authorized to make (and by execution hereof, Port acknowledges and agrees that, with the exception of those representations and warranties contained in this Section 6.1, Agency has not made, does not make and specifically negates and disclaims) any representations or warranties of any kind or character whatsoever, whether express or implied, oral or written, past, present or future, with regard to the Property, including without limitation (1) its value; (2) its nature, condition or quality (including without limitation, its water, soil and geology); (3) except as contained in Section 6.1.3 and 6.1.4, its compliance with any laws, rules, ordinances or regulations of any applicable governmental authority or body; (4) its suitability for activities which Port may desire to conduct thereon; (5) its suitability for the development, remodeling, or improvements desired by Port or the ability of Port to develop,

remodel or improve the Property; (6) the income to be derived from the Property; (7) the habitability, merchantability, profitability or fitness for a particular purpose of the Property; (8) except as contained in Section 6.1.3, the environmental condition of the Property; and (9) except as contained in Section 6.1.3, the manner, quality, state of repair or lack of repair of the Property. As used in this Section 6.1, the "best knowledge" of Agency shall mean the present actual knowledge of Jim Bermudez as of the date of this Agreement, without any duty or obligation of investigation or inquiry. During the Option Term and at Closing, if any of the above parties are no longer with the Agency, Agency shall provide a substitute person for such representations. With the foregoing limitations, Agency represents and warrants to Port as of the date of this Agreement as follows:

6.1.1 Power and Authority. Agency has full power and authority to enter into this Agreement and to perform this Agreement. The execution, delivery and performance of this Agreement by Agency have been duly and validly authorized by all necessary action on the part of Agency. This Agreement is a legal, valid and binding obligation of Agency, enforceable against Agency and its successors and assigns in accordance with its terms.

6.1.2 Documents True and Correct. To the best knowledge of Agency, all of the copies of the documents delivered to Port pursuant to Section 4.1 hereof are true, correct and complete copies of all originals of such documents.

6.1.3 Environmental Condition. To the best knowledge of Agency, and except as otherwise noted in any reports or other materials previously provided to Port, including those specifically listed in Section 4.1.5, Agency has not caused, does not know of, nor has any reasonable cause to believe that any release of a Hazardous Substance has occurred or come to be located on or beneath the Property. For purposes of this Agreement, "Hazardous Substances" shall mean any substance or material defined or designated as hazardous or toxic waste, hazardous or toxic material, a hazardous, toxic or radioactive substance, hazardous or potentially hazardous to human health, or other similar term, by any federal, state or local environmental and/or health statute, regulation, or ordinance presently in effect. Such disclosure is in full compliance with California Health and Safety Code Section 25359.7. Agency has received no notice that the Property is in violation of any federal, state or local law, ordinance or regulation relative to the environmental conditions on, under or about the Property, including, but not limited to, soil and groundwater conditions.

6.1.4 No Pending Actions or Encumbrances. There are no actions, proceedings or investigations of any kind pending or, to the best knowledge of Agency, threatened or being contemplated against or involving the Property or any part thereof and there are no valid bases for any such actions, proceedings or investigations. There is no special assessment or condemnation or eminent domain action pending or, to the best knowledge of Agency, threatened or being contemplated with respect to the Property or any part thereof. There is no legal or administrative action or proceeding pending to contest or appeal the amount of real property taxes or assessments levied against the Property or any part thereof or the assessed value of the Property or any part thereof for any real property tax purposes.

6.1.5 FIRPTA. Agency is not a "foreign person" as defined in the Internal Revenue Code of 1986, as amended, and the Income Tax Regulations thereunder (the "Code"). Neither Port nor the Title Company is required by Section 18862 and related provisions of the California Revenue and Taxation Code to withhold any portion of the Purchase Price at Closing.

6.1.6 No Conflict. Except for the rights of Port under this Agreement and matters of record, Agency has not granted any options or rights of first refusal to purchase the Property to any person or entity, and there are no leases executed by Agency or other rights of occupancy or use granted by Agency of any portion of the Property. Neither the execution, delivery or performance by Agency of this Agreement, nor compliance with the terms and provisions hereof, conflicts or will conflict with or will result in a breach or violation of any order, writ, injunction or decree of any court or governmental authority against Agency, or any indenture, or any state law, mortgage or contract or other agreement or instrument to which Agency is a party or by which it or any of its properties is bound, or constitutes or will constitute a default thereunder.

6.2 Port Representations and Warranties. The representations and warranties of Port in this Section 6.2 are a material inducement for Agency to enter into this Agreement. Agency would not sell the Property to Port without such representations and warranties of Port. With the foregoing limitations, Port represents and warrants to Agency as follows:

6.2.1 Power and Authority. Port has full power and authority to enter into this Agreement and to perform this Agreement. The execution, delivery and performance of this Agreement by Port have been duly and validly authorized by all necessary action on the part of Port and all required consents or approvals of Port have been duly obtained. This Agreement is a legal, valid and binding obligation of Port, enforceable against Port in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, arrangement, moratorium or other similar laws from time to time in effect which affect the rights of creditors generally or by limitations upon the availability of equitable remedies.

6.2.2 No Pending Actions. To the best knowledge of Port, there are no actions, proceedings or investigations of any kind pending or threatened against or involving Port.

## ARTICLE 7 COVENANTS

7.1 Agency. Agency covenants and agrees with Port as follows:

7.1.1 Further Encumbrances and Notices. Between the Effective Date of this Agreement and the Closing Date, Agency (a) shall not execute any new lease or amend, modify, renew or extend any existing lease affecting the Property or any part thereof, (b) shall maintain and repair the Property in the ordinary course of business, (c) shall not sell or convey or grant an option for or enter into any contract or agreement to sell or convey the Property to any person or entity other than Port, except as such sale may be required by law, (d) shall not take any action or voluntarily permit any action to be taken which causes its title to the Property to become subject to any covenant, condition, restriction, easement, lien, encumbrance, or other exception that does not exist at the date of this Agreement, (e) shall comply with all covenants, conditions, restrictions, laws, statutes, rules, regulations and ordinances applicable to the Property and the maintenance and operation thereof; (f) shall promptly advise Port of the commencement of any litigation by or against Agency pertaining to the Property; and (g) shall promptly deliver to Port copies of all notices relating to the Property received after the date hereof from governmental authorities. Notwithstanding the foregoing, nothing contained in this Agreement is intended or shall be construed to grant to Port any vested right to develop the Property or any of the Subdivided Parcels.

7.1.2 Absence of Fraud and Misleading Statements. No representation, warranty or statement of Agency in this Agreement, or in any document, certificate or schedule furnished, or



to be furnished to Port pursuant thereto, or in connection with the transactions contemplated herein contains, or will contain, any untrue statement of a material fact, or omits, or will omit, to state a material fact necessary to make the statements or facts contained therein misleading. To the best of Agency's knowledge, all such representations, warranties or statements of Agency are based upon current, accurate and complete information as of the time of their making and there has been no adverse material change in such information subsequent thereto.

7.1.3 Agency's Closing Certificate. Agency shall use its best efforts, in good faith and with diligence, to cause all of the representations and warranties made by Agency in Section 6.1 hereof to be true and correct on and as of the Closing Date, and Agency shall take no action and shall not permit any state of facts to exist or continue which would cause any of such representations and warranties not to be true and correct on and as of the Closing Date. At the Closing, Agency shall execute and deliver to Port a certificate ("Agency's Closing Certificate") in the form of Exhibit C attached hereto certifying to Port that all such representations and warranties are true and correct on and as of the Closing Date, with only such exceptions therein as are necessary to reflect facts or circumstances arising between the date of this Agreement and the Closing Date which would make any such representation or warranty untrue or incorrect on and as of the Closing Date. All representations and warranties made by Agency in Section 6.1 hereof and in Agency's Closing Certificate shall survive the Closing for a period of 1 year.

7.1.4 Indemnity. Agency shall indemnify and defend Port against and hold Port harmless from all claims, demands, liabilities, judgments, awards, losses, damages, costs and expenses (including, without limitation, reasonable attorneys' fees, costs of expert witnesses, court costs, and other expenses of litigation) that may be suffered or incurred by Port if any representation, warranty or covenant made by Agency in this Agreement, Agency's Closing Certificate, or the Grant Deed is untrue or incorrect in any material respect when made or that may be caused by any material breach by Agency of any such representation, warranty or covenant. The foregoing indemnity of Agency shall survive the Closing and any earlier termination of this Agreement.

7.2 Port. Port covenants and agrees with Agency as follows:

7.2.1 Port's Closing Certificate. Port shall use its best efforts, in good faith and with diligence, to cause all of the representations and warranties made by Port in Section 6.2 hereof to be true and correct on and as of the Closing Date, and Port shall take no action and shall not permit any state of facts to exist or continue which would cause any of such representations and warranties not to be true and correct on and as of the Closing Date. At the Closing, Port shall execute and deliver to Agency a certificate ("Port's Closing Certificate") in the form of Exhibit D attached hereto certifying to Agency that all such representations and warranties are true and correct on and as of the Closing Date, with only such exceptions therein as are necessary to reflect facts or circumstances arising between the date of this Agreement and the Closing Date which would make any such representation or warranty untrue or incorrect on and as of the Closing Date. All representations and warranties made by Port in Section 6.2 hereof and in Port's Closing Certificate shall survive the Closing for a period of 1 year.

7.2.2 Absence of Fraud and Misleading Statements. No representation, warranty or statement of Port in this Agreement, or in any document, certificate or schedule furnished, or to be furnished to Agency pursuant thereto, or in connection with the transactions contemplated herein contains, or will contain, any untrue statement of a material fact, or omits, or will omit, to state a material fact necessary to make the statements or facts contained therein misleading. All

such representations, warranties or statements of Port are based upon current, accurate and complete information as of the time of their making and there has been no adverse material change in such information subsequent thereto.

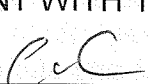
7.2.3 Indemnity. Port shall indemnify and defend Agency against and hold Agency harmless from all claims, demands, liabilities, judgments, awards, losses, damages, costs and expenses (including, without limitation, reasonable attorneys' fees, costs of expert witnesses, court costs, and other expenses of litigation) that may be suffered or incurred by Agency (a) as a result of a third party challenge to the Agency's approval of this Agreement or to the transfer of title to the Property or any Subdivided Parcel pursuant to this Agreement (b) if any representation, warranty or covenant made by Port in this Agreement or in Port's Closing Certificate is untrue or incorrect in any material respect or that may be caused by any material breach by Port of any such representation, warranty or covenant and (c) arising from or related to any bodily injury, property damage or mechanic's lien claim caused by Port's negligence or its representatives negligence in connection with the access provided or the Studies made pursuant to Section 4.2 hereof. The foregoing indemnity of Port shall survive the Closing and any earlier termination of this Agreement.


7.2.4 Release. Except as expressly provided in this Agreement, Port and anyone claiming by, through or under Port hereby fully and irrevocably releases Agency and each of its representatives, agents, servants, attorneys, affiliates, successors and assigns, and all persons, firms, corporations and organizations acting on their behalf, from any and all claims that it may now have or hereafter acquire against Agency or any of their representatives, agents, servants, attorneys, affiliates, successors and assigns, for any costs, loss, liability, damage, expenses, demand, action or cause of action arising from or related to the condition of the Property, including without limitation any construction defects, errors, omissions or other conditions, latent or otherwise, geotechnical, seismic or environmental matters affecting the Property or any portion thereof. This release does not extend to matters covered by the representations and covenants made by Agency in this Agreement.

THIS RELEASE INCLUDES CLAIMS OF WHICH PORT IS PRESENTLY UNAWARE OR WHICH PORT DOES NOT PRESENTLY SUSPECT TO EXIST WHICH, IF KNOWN BY PORT, WOULD MATERIALLY AFFECT PORT'S RELEASE TO AGENCY. PORT SPECIFICALLY WAIVES THE PROVISION OF CALIFORNIA CIVIL CODE SECTION 1542, WHICH PROVIDES AS FOLLOWS:



A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR EXPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN TO HIM OR HER MUST HAVE MATERIALLY AFFECTED THE SETTLEMENT WITH THE DEBTOR.

  
INITIALS OF AGENCY

  
INITIALS OF PORT

7.3 Brokers and Sales Commissions. Agency and Port each represent and warrant to the other that no broker, agent or finder has been engaged by them in connection with the transaction described in this Option. Each of the parties shall indemnify and defend the other party and hold it harmless from any and all loss, damage, liability or expense, including costs and reasonable attorneys' fees, which the other party may incur or sustain by reason of or in connection with any misrepresentation or breach of warranty by the indemnifying party with respect to the foregoing.

7.4 Use and Development of the Property. Following its acquisition of the Property or any Phase, Developer shall maintain the Property in compliance with all applicable federal, state and local laws and shall not allow activities on or uses of the Property that would constitute a nuisance under law, including without limitation Title 19 of the City of West Sacramento Municipal Code. No development or the Property shall be undertaken by Port except in accordance with applicable provisions of the Municipal Code and in a manner consistent with the restrictive covenants recorded against the Property by the Agency (Exhibit F-1).

## ARTICLE 8 CONDITIONS PRECEDENT

8.1 Agency. The obligations of Agency under this Agreement to close the sale and convey the Property to Port are subject to satisfaction of all of the conditions set forth in this Section 8.1. Agency may waive any or all of such conditions in whole or in part but any such waiver shall be effective only if made in writing. No such waiver shall constitute a waiver by Agency of any of its rights or remedies if Port defaults in the performance of any covenant or agreement to be performed by Port under this Agreement or if Port breaches any representation or warranty made by Port in this Agreement. If any condition set forth in this Section 8.1 is not fully satisfied or waived in writing by Agency within the time indicated, then Agency shall be released from all obligations to Port under this Agreement. If Agency fails to notify Port of Agency's disapproval of any items requiring Agency's approval within the time period specified below, then Agency shall be deemed to have disapproved such items.

8.1.1 No Default. On the Closing Date, Port shall not be in default in the performance of any material covenant or material agreement to be performed by Port under this Agreement.

8.1.2 Representations and Warranties True and Correct. On the Closing Date, all representations and warranties made by Port in this Agreement shall be true and correct as if made on and as of the Closing Date and Agency shall have received Port's Closing Certificate executed by Port in which Port certifies to Agency that all representations and warranties made by Port in Section 6.2 hereof are true and correct on and as of the Closing Date without exceptions.

8.1.3 Delivery of Documents. On the Closing Date, Port shall have delivered into the Escrow each of the items to be delivered by Port pursuant to Section 9.1.2.

8.1.4 Option Notice. The Option Notice shall have been timely exercised in compliance with all terms hereof.

8.2 Port. The obligations of Port under this Agreement to purchase the Property and accept title from Agency are subject to satisfaction of all of the conditions set forth in this Section 8.2. Port may waive any or all of such conditions in whole or in part but any such waiver shall be effective only if made in writing. No such waiver shall constitute a waiver by Port of any of its rights or remedies if Agency defaults in the performance of any covenant or agreement to be performed by Agency under this Agreement or if Agency breaches any representation or warranty made by Agency in this Agreement. If any condition set forth in this Section 8.2 is not fully satisfied or waived in writing by Port, then Port shall be released from all obligations to Agency under this Agreement. If Port fails to notify Agency of Port's approval of any items requiring Port's approval within the time period specified below, then Port shall be deemed to have disapproved such items.

8.2.1 No Contest. On the Closing Date, no suit, action, investigation, inquiry or other proceeding by any governmental body or other person or any legal or administrative proceeding shall have been instituted or threatened against Port, Agency or the Property or any part thereof which challenges the validity or legality of the transactions contemplated by this Agreement.

8.2.2 No Default. On the Closing Date, Agency shall not be in material default in the performance of any covenant or agreement to be performed by Agency under this Agreement.

8.2.3 Representations and Warranties True and Correct. On the Closing Date, all representations and warranties made by Agency in this Agreement shall be true and correct as if made on and as of the Closing Date and Port shall have received Agency's Closing Certificate executed by Agency in which Agency certifies to Port that all representations and warranties made by Agency in Section 6.1 hereof are true and correct on and as of the Closing Date without exceptions.

8.2.4 Title Policy. On the Closing Date, the Title Company shall be prepared to issue to Port an American Land Title Association (ALTA) Owner's Policy of title insurance (the "Title Policy"), or its equivalent, with liability equal to the Purchase Price, insuring Port that fee simple absolute title to the Property is vested in Port subject only to real property taxes and assessments not yet due and payable, the Permitted Exceptions, standard printed exceptions usual to such policies, and any additional matters approved in writing by Port.

8.2.5 Delivery of Documents. On the Closing Date, Agency shall have delivered into the Escrow each of the items to be delivered by Agency pursuant to Section 9.1.1.

## ARTICLE 9 CLOSING

### 9.1 Procedure.

9.1.1 Deliveries by Agency. Not less than one (1) day prior to the close of Escrow for each Phase or the entire Property, as applicable, subject to the satisfaction of the conditions to Agency's obligations set forth in this Agreement, Agency shall deliver into Escrow with the Title Company fully executed by Agency (and acknowledged and in recordable form where appropriate) the following: (a) the Grant Deed for the Subdivided Parcels in that Phase or the entire Property, as applicable, (b) Agency's Closing Certificate, (c) a Certificate of Non-Foreign Status in standard title company form in accordance with the Code to enable Port to determine that no withholding is required because Agency is not a foreign person, (d) a California form FTB 593-C ("FTB Affidavit") to enable Port and the Title Company to determine whether any withholding of the Purchase Price is required under California law, and (e) cash in an amount sufficient to cover Agency's portion of the prorations, charges and closing costs allocated to Agency pursuant to this Agreement.

9.1.2 Deliveries by Port. Not less than one (1) day prior to the close of Escrow for a Phase or the entire Property, as applicable, subject to the satisfaction of the conditions to Port's obligations set forth in this Agreement, Port shall deposit into Escrow with the Title Company executed by Port where appropriate (a) the full Purchase Price for that Phase or the entire Property, as applicable, (b) Port's Closing Certificate, and (c) cash in an amount sufficient to cover Port's portion of the prorations, charges and closing costs allocated to Port pursuant to this Agreement.

9.1.3 Additional Deliveries. Port and Agency shall each deposit into Escrow such other instruments and items as are reasonably required by the Title Company or otherwise required to close the Escrow and to consummate the transactions contemplated by this Agreement.

9.1.4 Closing. Agency and Port shall cause the following to occur at the Closing on the Closing Date:

(a) The Grant Deed conveying the Subdivided Parcels within the Phase or the entire Property, as applicable, to Port shall be recorded in the Official Records of Yolo County, California.

(b) The Agency's Closing Certificate and Agency's certificate of non-foreign status shall be delivered to Port.

(c) A copy of the original Port's Closing Certificate and the Purchase Price shall be delivered to Agency.

(d) The Title Company shall issue to Port the Title Policy.

9.1.5 Possession. Agency shall transfer possession of the Subdivided Parcels within a Phase or the entire Property, as applicable, to Port on the Closing Date. If not previously delivered to Port, Agency shall deliver originals of the documents described in Section 4.1 hereof to Port on the Closing Date. The originals of such documents shall become the property of Port on the Closing Date.

9.1.6 Contracts. Seller will not enter into any contract that will be an obligation affecting the Property subsequent to the Closing, except contracts entered into in the ordinary course of business that are terminable without cause and without the payment of any termination penalty on not more than thirty (30) days' prior notice.

## 9.2 Closing Costs.

9.2.1 Agency shall pay (a) fifty percent (50%) of all city, county and other documentary transfer taxes and conveyance taxes in respect of the conveyance of the Property, (b) fifty percent (50%) of Title Company's document prep, notary and delivery fees payable through escrow, (c) fifty percent (50%) of any escrow fees, recording fees, and (d) 100% of the CLTA portion of the premium for the Title Policy.

9.2.2 Port shall pay (a) fifty percent (50%) of all city, county and other documentary transfer taxes and conveyance taxes in respect of the conveyance of the Property, (b) fifty percent (50%) of the escrow fees, recording fees, and (c) fifty percent (50%) of Title Company's document prep, notary and delivery fees payable through escrow and (d) 100% of the ALTA portion of the premium for the Title Policy.

9.2.3 The costs of any escrow cancellation shall be shared equally by Port and Agency unless such cancellation results from a default by Port or Agency hereunder, in which event the defaulting party shall pay all escrow fees.

9.3 Prorations. Any current rent and other income and all current taxes, assessments, utilities, and maintenance charges of the Property shall be prorated between Agency and Port as of the Closing Date on the basis of a thirty-day month and, to the extent of information then available, such prorations shall be made at the Closing. Such prorations shall be adjusted, if necessary, and completed after the Closing as soon as final information becomes available. Agency and Port agree to cooperate and to use their best efforts to complete such prorations no later than thirty (30) days after the Closing Date. Income and expenses of the Property, determined using the accrual method of accounting, for the period prior to the Closing Date shall be for the account of Agency and such income and expenses for the period on and after the Closing Date shall be for the account of Port. Agency and Port shall use their best efforts prior to the Closing Date to prepare a schedule of prorations covering as many items to be prorated as practicable so such prorations can be made at the Closing. Security deposits, other refundable deposits, and similar prepaid rents shall be credited to Port and charged to Agency at the Closing. Agency shall pay all invoices for goods furnished or services supplied to the Property that are allocable to the period prior to the Closing Date. Agency shall immediately pay to Port all rents received by Agency after the Closing Date. Port shall have no obligation to collect for Agency rents that became due from tenants before the Closing Date. If any such rents are received by Port, Port shall pay such rents to Agency but all rents received by Port shall be applied first to rent that accrues or becomes due after the Closing Date.

## **ARTICLE 10 DEFAULT**

### 10.1 Effect of Default.

10.1.1 In the event that Agency shall default in its obligation to convey any Phase of the Property to Port in accordance with the terms hereof, then Port shall be entitled to seek any remedies that may exist at law or in equity, including without limitation specific performance to compel Agency to convey the Property or a Phase thereof to Port on the terms set forth herein.

10.1.2 In the event that Port shall default in any of its obligations under this Agreement, then Agency shall be entitled to seek any remedies that may exist at law or in equity, including without limitation specific performance to compel Port to perform its obligations under this Agreement.

## **ARTICLE 11 GENERAL PROVISIONS**

11.1 Notices. All notices required under this Agreement shall be in writing and presented in person, by nationally recognized overnight delivery service or by facsimile and confirmed by first class certified or registered United States Mail, with return receipt requested, to the address and/or fax number for the Party set forth in this Section 11.1. Notice shall be deemed confirmed by United States Mail effective the third (3rd) business day after deposit with the United States Postal Service. Notice by personal service or nationally recognized overnight delivery service shall be effective upon delivery. Either Party may change its address for receipt of notices by notifying the other Party in writing. Delivery of notices to courtesy copy recipients shall not be required for valid notice to a Party.

TO PORT: Sacramento-Yolo Port District  
1110 West Capitol Avenue  
West Sacramento, CA 95691  
Attention: Port Manager

COPY TO: Kronick, Moskovitz, Tiedemann & Girard  
Attention: Jeffrey Mitchell  
400 Capitol Mall, 27<sup>th</sup> Floor  
Sacramento, CA 95814

TO AGENCY: The Redevelopment Agency of the  
City of West Sacramento  
1110 West Capitol Avenue  
West Sacramento, California 95691  
Attention: Executive Director

COPY TO: Kronick, Moskovitz, Tiedemann & Girard  
Attention: Jeffrey Mitchell  
400 Capitol Mall, 27<sup>th</sup> Floor  
Sacramento, CA 95814

11.2 Entire Agreement. This Agreement is intended to be the entire agreement of the parties. All prior negotiations and written and contemporary oral agreements between the parties and their agents with respect to the transactions contemplated by this Agreement are superseded by this Agreement together with its exhibits.

11.3 Time. Time is of the essence in the performance of the parties' respective obligations pursuant to this Agreement.

11.4 Attorneys' Fees.

11.4.1 If there is any legal action, arbitration or proceeding between Agency and Port arising from or based on this Agreement or the interpretation or enforcement of any provisions hereof, then the unsuccessful party to such action, arbitration or proceeding shall pay to the prevailing party all costs and expenses, including reasonable attorneys' fees, incurred by such prevailing party in such action, arbitration or proceeding and in any appeal in connection therewith. If such prevailing party recovers a judgment in any such action, arbitration, proceeding or appeal, then such costs, expenses and attorneys' fees shall be included in and as a part of such judgment. For purposes hereof, the "prevailing party" shall be the party which recovers substantially the relief sought by said party, whether by judgment, settlement, dismissal or otherwise, in connection with any such action, proceeding or arbitration.

11.4.2 If the services of an attorney are required by any party to enforce a judgment rendered in connection with this Agreement, the judgment creditor shall be entitled to reasonable attorneys' fees, costs and other expenses, and such fees, costs and expenses shall be recoverable as a separate item. This provision shall be severable from all other provisions of this Agreement, shall survive any judgment, and shall not be deemed merged into the judgment.

11.5 Successors and Assigns. This Agreement shall be binding upon and shall inure to the benefit of the successors and assigns of the parties hereto. Except for an Affiliate of Port, neither party may assign its rights or delegate its obligations hereunder to any person or entity without the prior written consent of the other party to this Agreement, which consent shall not be unreasonably withheld. In the event Agency is required by law to convey the Property to any other person or entity, Agency's successor in interest to the Property shall assume all of the Agency's obligations pursuant to this Agreement, and the rights and obligations hereunder shall run with the Property and be binding on the Agency's successor in interest to the Property.

11.6 Amendments or Modifications. This Agreement is subject to amendment or modification only with the written consent of both of the parties.

11.7 Governing Law. This agreement shall be governed by and interpreted in accordance with the laws of the State of California. Venue for all actions shall be in Yolo County.

11.8 Construction. Agency and Port acknowledge that each party and its counsel have reviewed and revised this Agreement and that the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement or any document executed and delivered by either party in connection with the transactions contemplated by this Agreement. The captions in this Agreement are for convenience of reference only and shall not be used to interpret this Agreement.

11.9 Terms Generally. The defined terms in this Agreement shall apply equally to both the singular and the plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine or neuter forms. The term "person" includes individuals, corporations, partnerships, trusts and other entities and associations. The words "include," "includes" and "including" shall be deemed to be followed by the phrase "without limitation." The words "approval," "consent" and "notice" shall be deemed to be preceded by the word "written."

11.10 Further Assurances. From and after the date of this Agreement, Agency and Port agree to do such things, perform such acts, and make, execute, acknowledge and deliver such documents as may be reasonably necessary or proper and usual to complete the transactions contemplated by this Agreement and to carry out the purpose of this Agreement in accordance with this Agreement.

11.11 Partial Invalidity. If any provision of this Agreement is determined by a proper court to be invalid, illegal or unenforceable, such invalidity, illegality or unenforceability shall not affect the other provisions of this Agreement and this Agreement shall remain in full force and effect without such invalid, illegal or unenforceable provisions provided that the severance of such provision(s) does not result in a material failure of consideration under this Agreement to either party hereto.

11.12 Exhibits. The Exhibits attached to this Agreement are made a part of this Agreement.

11.13 Counterparts; Facsimile. This Agreement may be executed in one or more counterparts with the same effect as if the parties executing several counterparts had executed one counterpart and all such executed counterparts shall together constitute one and the same instrument. Facsimile signatures on this Agreement shall be binding as if original.

11.14 Damage. If before the Closing Date, the Property is damaged by any casualty or condemnation or eminent domain proceedings are commenced against the Property it shall have no effect upon this Agreement.

11.15 Holidays. In the event any date for performance of any obligation or the giving of any notice pursuant to this Agreement occurs on a California state or federal holiday or on a Saturday or Sunday, then the next business day shall be deemed the applicable date for performance or notice.

11.16 Short Form Grant of Option. Concurrently with the execution hereof by the parties, Agency shall execute and acknowledge a Short Form Grant of Option in the form attached hereto as Exhibit E, and Port shall cause the same to be recorded in the Official Records of Yolo County, California.



11.17 Successor to Agency. In the event that the Agency is required by law to convey the Property to another person or entity (other than to the City of West Sacramento), or the Property is otherwise conveyed to another person or entity by operation of law, the person or entity which acquires the Property may not terminate this Option and this Option shall be a binding agreement upon the Property and the successor.

11.18 Incorporation of Recitals. The recitals set forth above are true and correct and are incorporated as though fully set forth herein.

11.19 Right of First Purchase. If Port provides notice that it does not intend to develop the Property or any Subdivided Parcel purchased from Agency pursuant to this Option Agreement, Agency may wish to re-purchase the Property or one or more Subdivided Parcel(s) from Port and select a qualified developer to build out the Parcel. Port shall provide the Agency or its successor with a right of first purchase of the Property or any Subdivided Parcel that it has previously purchased from the Agency and wishes to re-sell ("Re-Sale Property"). Purchase price for any Re-Sale Property shall be set by an appraiser selected using the mutual selection mechanism found in Section 2.2 of this Agreement. Following receipt of Port's written notice of intent to sell the specifically identified Re-Sale Property, Agency shall have sixty (60) days to respond in writing whether it intends to exercise its right of first purchase by having the Re-Sale Property appraised. Upon receipt of the completed appraisal and delivery of Agency's notice of intent to exercise, Agency's re-purchase of the Re-Sale Property shall proceed in the same manner as this Agreement provided for Port's original purchase of the parcel following delivery of Port's exercise notice for the parcel. If Agency fails to exercise its Right of First Purchase on the specific Re-Sale Property prior to approval of the development scheme, then the Right to First Purchase shall terminate with regard to the specific Re-Sale Property and Port may sell the specific Re-Sale Property to any party in its sole discretion.

11.20 Subordination Agreement. Port acknowledges that Agency has previously committed to granting certain IOD's in favor of the City for public purposes across portions of the Property (see Exhibits F-1 and F-2). Port agrees that this Agreement and the rights granted to Optionee under this Agreement shall be subordinate to any IOD the Agency records on the Property (or a particular Subdivided Parcel, if applicable) in favor of the City, which is recorded prior to the Port's exercise of Option on the Property (or a particular Subdivided Parcel, if applicable). Upon Agency's request, Port shall execute and deliver a subordination agreement or other agreement necessary to effectuate this subordination and make the priority of this Agreement prior to the lien of the future recorded IOD's. Such agreement shall be in the form requested by the Agency to be recorded by Agency.

#### LIST OF EXHIBITS

- EXHIBIT A: Legal Description of Property
- EXHIBIT B: Grant Deed
- EXHIBIT C: Agency's Closing Certificate
- EXHIBIT D: Port's Closing Certificate
- EXHIBIT E: Short Form Grant of Option
- EXHIBIT F-1: Restrictive Covenants
- EXHIBIT F-2: Irrevocable Offer of Dedication
- EXHIBIT G: Depiction of Proposed Lock Parcel



IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date set opposite their signatures.

\_\_\_\_\_, 2011

REDEVELOPMENT AGENCY OF THE CITY OF  
WEST SACRAMENTO, a California Redevelopment  
Agency

By



Christopher Cabaldon, Chairperson

\_\_\_\_\_, 2011

SACRAMENTO-YOLO PORT DISTRICT, a  
California River Port District

By




ATTEST:

By:

  
Agency Secretary

APPROVED AS TO FORM:  
KRONICK, MOSKOVITZ, TIEDEMANN & GIRARD

By:

  
Agency Counsel

TITLE COMPANY ACCEPTANCE

\_\_\_\_\_, the Title Company named in the foregoing Agreement, hereby acknowledges receipt of and accepts a copy of this Agreement as the joint escrow instructions of Port and Agency to the Title Company, and agrees to honor said instructions and any other instructions delivered by the parties and consistent with this Agreement.

"Title Company"

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

By \_\_\_\_\_  
Its \_\_\_\_\_  
Dated \_\_\_\_\_

EXHIBIT A  
LEGAL DESCRIPTION: PROPERTY

EXHIBIT A

WEST OF JEFFERSON BLVD:

THE LAND DESCRIBED HEREIN IS SITUATED IN THE STATE OF CALIFORNIA, COUNTY OF YOLO, CITY OF WEST SACRAMENTO, AND IS DESCRIBED AS FOLLOWS:

PARCEL ONE:

BEGINNING AT A POINT AT THE CENTER COMMON TO SWAMP LAND SURVEYS NOS. 261, 275 AND 797, YOLO COUNTY SURVEYS, FROM WHICH SAID POINT OF BEGINNING AN OLD GRANITE MONUMENT MARKING THE SOUTHWEST CORNER OF SWAMP LAND SURVEY NO. 261, YOLO COUNTY SURVEYS BEARS SOUTH 89 DEGREES 49' 10" WEST 996.38 FEET, AND RUNNING THENCE FROM SAID POINT OF BEGINNING ALONG THE BOUNDARY COMMON TO SAID SWAMP LAND SURVEY NOS. 261 AND 275, YOLO COUNTY SURVEYS, NORTH 89 DEGREES 49' 10" EAST 1068.39 FEET TO AN INTERSECTION WITH THE WESTERLY RIGHT OF WAY LINE OF THE SACRAMENTO NORTHERN R.R.; THENCE FOLLOWING THE SAID WESTERLY RIGHT OF WAY LINE OF THE SACRAMENTO NORTHERN R.R. SOUTH 23 DEGREES 04' 40" WEST 26.47 FEET; THENCE LEAVING THE SAID WESTERLY RIGHT OF WAY LINE OF THE SACRAMENTO NORTHERN R.R. AND RUNNING SOUTH 89 DEGREES 38' 10" WEST 1062.52 FEET TO A POINT IN THE BOUNDARY LINE COMMON TO SWAMP LAND SURVEYS NOS. 275 AND 797, YOLO COUNTY SURVEYS; THENCE ALONG SAID BOUNDARY LINE COMMON TO SWAMP LAND SURVEY NOS. 275 AND 797, YOLO COUNTY SURVEYS, NORTH 9 DEGREES 13' EAST 28.09 FEET TO THE POINT OF BEGINNING.

ASSESSOR'S PARCEL NUMBER: 046-010-008

PARCEL TWO:

BEING A PORTION OF THAT DEED RECORDED IN BOOK 301, PAGE 320 DESCRIBED AS FOLLOWS:

BEGINNING AT A GRANITE MONUMENT MARKING THE SOUTHWEST CORNER OF SWAMP LAND SURVEY NO. 261, YOLO COUNTY SURVEYS, AND RUNNING THENCE FROM SAID POINT OF BEGINNING SOUTH 89 DEGREES, 49' 10" WEST 124.91 FEET; THENCE NORTH 00 DEGREES, 03' 00" EAST 638.70 FEET TO THE CENTERLINE OF THE SACRAMENTO-YOLO PORT DISTRICT BARGE CANAL AS DEFINED IN BOOK 545, PAGE 427 OFFICIAL RECORDS; THENCE ALONG SAID CENTERLINE, NORTH 89 DEGREES, 38' 08" EAST 2464.33 FEET TO THE WESTERLY RIGHT OF WAY LINE OF THE SACRAMENTO NORTHERN R.R.; THENCE ALONG SAID WESTERLY RIGHT OF WAY LINE, SOUTH 23 DEGREES, 04' 40" WEST 703.80 FEET; THENCE LEAVING SAID WESTERLY RIGHT OF WAY LINE, SOUTH 89 DEGREES, 49' 10" WEST 2064.78 FEET TO THE POINT OF BEGINNING.

EXCEPTING THEREFROM THAT PORTION CONVEYED TO THE CITY OF WEST SACRAMENTO IN THE GRANT DEED RECORDED ON JULY 25, 2003, AS INSTRUMENT NO. 2003-0044071, OFFICIAL RECORDS.

ASSESSOR'S PARCEL NUMBER: 067-180-036

PARCEL THREE:

BEING A PORTION OF THOSE DEEDS RECORDED IN BOOK 301, PAGE 185 AND 189,

DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT AT THE CENTER COMMON TO SWAMP LAND SURVEYS NOS. 261, 275 AND 797, YOLO COUNTY SURVEYS, FROM WHICH SAID POINT OF BEGINNING AN OLD GRANITE MONUMENT MARKING THE SOUTHWEST CORNER OF SWAMP LAND SURVEY NO. 261, YOLO COUNTY SURVEYS BEARS SOUTH 89 DEGREES, 49' 10" WEST 996.38 FEET; THENCE FROM SAID POINT OF BEGINNING SOUTH 09 DEGREES, 13' 00" WEST 38.09 FEET; THENCE SOUTH 89 DEGREES, 38' 11" WEST 1546.68 FEET TO THE EASTERLY RIGHT OF WAY LINE OF LAKE WASHINGTON BOULEVARD; THENCE ALONG SAID EASTERLY RIGHT OF WAY LINE NORTH 08 DEGREES, 21' 39" EAST 511.04 FEET; THENCE SOUTH 87 DEGREES, 28' 23" WEST 54.90 FEET; THENCE ALONG A CURVE TO THE LEFT HAVING A RADIUS OF 1314.50 FEET, A DELTA OF 07 DEGREES, 17' 26" AN ARC LENGTH OF 167.26 FEET, SAID CURVE BEING SUBTENDED BY A CHORD BEARING NORTH 03 DEGREES, 25' 57" WEST TO A POINT ON THE CENTERLINE OF THE SACRAMENTO-YOLO PORT DISTRICT BARGE CANAL AS DEFINED IN BOOK 545, PAGE 427 OFFICIAL RECORDS; THENCE ALONG SAID CENTERLINE, NORTH 89 DEGREES, 38' 08" EAST 421.67 FEET; THENCE LEAVING SAID CENTERLINE, SOUTH 00 DEGREES, 03' 00" WEST 638.70 FEET; THENCE NORTH 89 DEGREES, 49' 10" EAST 1120.59 FEET TO THE POINT OF BEGINNING.

ASSESSOR'S PARCEL NUMBER: 067-180-007, 008 AND 024

EAST OF JEFFERSON BLVD

THE LAND DESCRIBED HEREIN IS SITUATED IN THE STATE OF CALIFORNIA, COUNTY OF YOLO, CITY OF WEST SACRAMENTO, AND IS DESCRIBED AS FOLLOWS:

PARCEL ONE:

PORTION OF THE SOUTHWEST ONE QUARTER OF SECTION 3 AND THE NORTHWEST ONE QUARTER OF SECTION 10, T. 8 N., R. 4 E., M.D.B. & M., AND BEING BOUNDED AND MORE PARTICULARLY DESCRIBED AS FOLLOWS, TO WIT:

BEGINNING AT A POINT ON THE WESTERLY BANK OF THE SACRAMENTO RIVER, FROM WHICH SAID POINT OF BEGINNING AN IRON PIPE MARKED "R. E. 53", MARKING THE SOUTHEAST CORNER OF SWAMP LAND SURVEY NO. 571, YOLO COUNTY SURVEYS, BEARS S. 11 DEGREES 08' 50" E. 92.71 FEET AND S. 11 DEGREES 53' 50" E. 501.60 FEET AND RUNNING THENCE FROM SAID POINT OF BEGINNING N. 75 DEGREES 21' 50" W. 346.74 FEET; THENCE S. 89 DEGREES 38' 10" W. 2160.52 FEET TO A POINT IN A NORTHERLY AND SOUTHERLY FENCE LINE; THENCE FOLLOWING SAID NORTHERLY AND SOUTHERLY FENCE LINE N. 25 DEGREES 12' 23" E. 514.11 FEET TO A FENCE CORNER; THENCE FOLLOWING AN EASTERLY AND WESTERLY FENCE LINE AND THE PROLONGATION EASTERLY THEREOF, S. 80 DEGREES 05' 27" E. 2282.24 FEET TO A POINT ON THE WESTERLY BANK OF THE SACRAMENTO RIVER; THENCE FOLLOWING THE SAID WESTERLY BANK OF THE SACRAMENTO RIVER DOWNSTREAM, S. 11 DEGREES 08' 50" E. 149.12 FEET TO THE POINT OF BEGINNING.

ASSESSOR'S PARCEL NUMBER: PORTION OF 067-180-003

PARCEL TWO:

A PORTION OF PROJECTED SECTIONS 3 AND 10, TOWNSHIP 8 NORTH, RANGE 4 EAST, M.D.B. & M., DESCRIBED AS FOLLOWS:

BEGINNING AT AN IRON PIPE MONUMENT SET IN A FENCE CORNER AND STAMPED RE 1168, FROM WHICH AN OLD GRANITE MONUMENT MARKING THE SOUTHWEST CORNER OF SWAMP LAND SURVEY NO. 261 BEARS NORTH 80 DEGREES 23' 15" WEST 208.33 FEET; THENCE NORTH 00 DEGREES 56' 50" WEST 92.45 FEET AND THENCE SOUTH 89 DEGREES 49' 10" WEST 2653.87 FEET; THENCE FROM SAID POINT OF BEGINNING NORTH 25 DEGREES 12' 23" EAST 217.44 FEET ALONG A FENCE LINE; THENCE NORTH 89 DEGREES 38' 10" EAST 2160.52 FEET; THENCE SOUTH 75 DEGREES 21' 50" EAST 346.74 FEET TO A POINT ON THE MEAN HIGH WATER LINE ON THE RIGHT BANK OF THE SACRAMENT RIVER; THENCE DOWNSTREAM ALONG SAID MEAN HIGH WATER LINE, FOLLOWING THE MENADERINGS THEREOF, TWO COURSES AND DISTANCES AS FOLLOWS: SOUTH 45 DEGREES 29' 20" EAST 198.35 FEET AND SOUTH 19 DEGREES 48' EAST 505.00 FEET; THENCE LEAVING SAID MEAN HIGH WATER LINE NORTH 80 DEGREES 23' 15" WEST 193.94 FEET TO AN IRON PIPE MONUMENT MARKED RE 53 AND SET IN A FENCE LINE; THENCE CONTINUING NORTH 80 DEGREES 23' 15" WEST 2748.49 FEET ALONG A FENCE LINE TO THE POINT OF BEGINNING.

ASSESSOR'S PARCEL NUMBER: A PORTION OF 067-180-002 AND 003

PARCEL THREE:

A PORTION OF THE SOUTHWEST ONE QUARTER OF SECTION 3, THE SOUTHEAST ONE QUARTER OF SECTION 4, AND THE NORTHWEST ONE QUARTER OF SECTION 10, T. 8N., R. 4 E., M.D.B. & M., AND BEING BOUNDED AND MORE PARTICULARLY DESCRIBED AS FOLLOWS, TO WIT:

BEGINNING AT AN OIL IRON PIPE MARKING THE CORNER COMMON TO THE HEREIN DESCRIBED PROPERTY AND THE PROPERTY NOW OR FORMERLY OWNED BY A.F. TURNER, FROM WHICH SAID POINT OF BEGINNING AN OLD GRANITE MONUMENT MARKING THE SOUTHWEST CORNER OF SWAMP LAND SURVEY NO. 261, YOLO COUNTY SURVEYS, BEARS S. 72 DEGREES 10' 15" W. 2879.60 FEET, AND RUNNING THENCE FROM SAID POINT OF BEGINNING ALONG THE BOUNDARY LINE COMMON TO THE HEREIN DESCRIBED PROPERTY AND THE SAID PROPERTY OF A.F. TURNER, S. 86 DEGREES 51' 04" E. 2225.00 FEET TO A POINT ON THE WESTERLY BANK OF THE SACRAMENTO RIVER; THENCE FOLLOWING THE SAID WESTERLY BANK OF THE SACRAMENTO RIVER DOWNSTREAM, S. 38 DEGREES 02' 10" E. 778.34 FEET; THENCE FOLLOWING A FENCE LINE AND THE PROLONGATION EASTERLY AND WESTERLY THEREOF, N. 80 DEGREES 05' 27" W. 2733.02 FEET; THENCE S. 02 DEGREES 08' 50" E. 721.99 FEET; THENCE NO. 80 DEGREES 23' 15" W. 123.80 FEET; THENCE E. 0 DEGREES 56' 50" W. 92.45 FEET; THENCE S. 89 DEGREES 49' 10" W. 444.87 FEET TO A POINT IN THE EASTERLY RIGHT OF WAY LINE OF THE SACRAMENTO NORTHERN RAILROAD; THENCE FOLLOWING THE SAID EASTERLY RIGHT OF WAY LINE OF THE SACRAMENTO NORTHERN RAILROAD, N. 23 DEGREES 04' 40" E. 1074.89 FEET; THENCE N. 89 DEGREES 38' 10" E. 105.89 FEET; THENCE ALONG THE BOUNDARY LINE COMMON TO THE HEREIN DESCRIBED PROPERTY AND THE AFORESAID PROPERTY OF A. F. TURNER, S. 2 DEGREES 36' 15" E. 114.95 FEET TO THE POINT OF BEGINNING.

ASSESSOR'S PARCEL NUMBER: A PORTION OF 067-180-003 AND 004

PARCEL FOUR:

A PORTION OF THE SOUTHWEST ONE-QUARTER OF SECTION 3, AND THE NORTHWEST ONE-QUARTER OF SECTION 10, TOWNSHIP 8 NORTH, RANGE 4 EAST, M.D.B. & M., AND BEING BOUNDED AND MORE PARTICULARLY DESCRIBED AS FOLLOWS, TO WIT:

BEGINNING AT A POINT AT THE CORNER COMMON TO THE HEREIN DESCRIBED PROPERTY AND THE PROPERTY NOW OR FORMERLY OWNED BY LAUREN E. VAN TASSEL, ET AL, FROM WHICH SAID POINT OF BEGINNING AN IRON PIPE MARKED "R. E. 53", MARKING THE SOUTHEAST CORNER OF SWAMP LAND SURVEY NO. 571, YOLO COUNTY SURVYES, BEARS SOUTH 80 DEGREES 23' 15" EAST, 2748.49 FEET, AND RUNNING THENCE FROM SAID POINT OF BEGINNING NORTH 80 DEGREES 23' 15" WEST, 84.53 FEET; THENCE NORTH 02 DEGREES 08' 05" WEST, 721.99 FEET; THENCE SOUTH 80 DEGREES 05' 27" EAST, 428.33 FEET TO A POINT AT A FENCE CORNER; THENCE FOLLOWING A NORTHERLY AND SOUTHERLY FENCE LINE SOUTH 25 DEGREES 12' 23" WEST, 731.55 FEET TO THE POINT OF BEGINNING.

ALL AS MODIFIED BY THE BOUNDARY LINE AGREEMENT EXECUTED BY SACRAMENTO-YOLO PORT DISTRICT AND BETWEEN GEORGE P. PARIS, RECORDED MARCH 13, 1950, IN BOOK 315, PAGE 344, OFFICIAL RECORDS.

EXCEPTING THEREFROM THAT PORTION CONVEYED TO THE CITY OF WEST SACRAMENTO BY

DOCUMENT RECORDED NOVEMBER 17, 2003, AS INSTRUMENT NO. 2003-0069853, OFFICIAL RECORDS.

ASSESSOR'S PARCEL NUMBER: A PORTION OF 067-180-002 AND 003

PARCEL FIVE:

BEING A PORTION OF THE SOUTHWEST ONE QUARTER OF SECTION 3, TOWNSHIP 8 NORTH, RANGE 4 EAST, M.D.B. & M., AND BEING BOUNDED AND MORE PARTICULARLY DESCRIBED AS FOLLOWS, TO-WIT:

BEGINNING AT AN OLD IRON PIPE MARKING THE CORNER COMMON TO THE HEREIN DESCRIBED PROPERTY AND THE PROPERTY NOW OR FORMERLY OWNED BY CHARLES PARELLA, FROM WHICH SAID POINT OF BEGINNING AN OLD GRANITE MONUMENT MARKING THE SOUTHWEST CORNER OF SWAMP LAND SURVEY NO. 261, BEARS SOUTH 72 DEGREES, 10' 15" WEST, 2879.60 FEET; THENCE FROM SAID POINT OF BEGINNING NORTH 02 DEGREES, 36' 15" WEST 114.95 FEET ALONG THE BOUNDARY LINE OF THE HEREIN DESCRIBED PROPERTY AND THE PROPERTY NOW OR FORMERLY OWNED BY CHARLES PARELLA; THENCE NORTH 89 DEGREES, 38' 10" EAST 1,478.61 FEET; THENCE NORTH 00 DEGREES, 21' 50" WEST 500.00 FEET; THENCE NORTH 89 DEGREES, 38' 10" EAST 222.00 FEET TO THE MEAN HIGH WATER LINE ON THE RIGHT BANK OF THE SACRAMENTO RIVER; THENCE DOWNSTREAM ALONG SAID MEAN HIGH WATER LINE, FOLLOWING THE MEANDERINGS THEREOF, FOUR COURSES AND DISTANCES AS FOLLOWS:

SOUTH 28 DEGREES, 24' EAST 193.00 FEET, SOUTH 32 DEGREES, 14' EAST 305.00 FEET, SOUTH 38 DEGREES, 30' EAST 295.00 FEET AND SOUTH 45 DEGREES, 40' 45" EAST 127.68 FEET; THENCE, LEAVING SAID MEAN HIGH WATER LINE, NORTH 86 DEGREES, 51' 04" WEST, 2,225.00 FEET TO THE POINT OF BEGINNING.

EXCEPTING FROM PARCEL FIVE, THE FOLLOWING 4 PARCELS:

PARCEL 1:

BEGINNING AT AN IRON PIPE MONUMENT MARKING THE NORTHWESTERLY CORNER OF THE WEST SACRAMENTO SANITARY DISTRICT TREATMENT PLANT SITE AS OCCUPIED, SAID POINT OF BEGINNING BEING SITUATE NORTH 89 DEGREES 33'05" EAST, 1305.45 FEET; AND THENCE NORTH 0 DEGREE 21'50" WEST 164.20 FEET FROM THE POINT OF INTERSECTION OF THE CENTERLINE OF STATE STREET PRODUCED EASTERLY TO THE POINT OF INTERSECTION WITH THE EASTERLY LINE OF THE RIGHT OF WAY OF THE SACRAMENTO NORTHERN RAILWAY COMPANY, AS SAID STATE STREET AND RIGHT OF WAY APPEAR OF RECORD IN THE OFFICE OF THE RECORDER OF YOLO COUNTY, CALIFORNIA, ON THE "MAP OF WEST SACRAMENTO CITY- UNIT ONE" FILED IN MAP BOOK 3 PAGES 8 TO 14 INCLUSIVE, YOLO COUNTY RECORDS; AND EXTENDING THENCE FROM SAID POINT OF BEGINNING SOUTH 0 DEGREE 21'50" EAST ALONG THE WESTERLY LINE OF SAID WEST SACRAMENTO SANITARY DISTRICT TREATMENT PLANT SITE AS FENCED AND OCCUPIED A DISTANCE OF 520.00 FEET TO AN IRON PIPE MONUMENT MARKING THE SOUTHWESTERLY CORNER OF SAID TREATMENT PLANT SITE AS NOW OCCUPIED; THENCE SOUTH 89 DEGREES 38'10" WEST ALONG THE NORTHERLY BOUNDARY OF THE SACRAMENTO YOLO PORT DISTRICT PROPERTY A DISTANCE OF 167.54 FEET; THENCE NORTH 0 DEGREES 21'50" WEST ALONG A LINE PARALLEL WITH THE FIRST MENTIONED COURSE OF THE DESCRIPTION A DISTANCE OF



520.00 FEET; THENCE NORTH 89 DEGREES 38'10" EAST 167.54 FEET TO THE POINT OF BEGINNING.

PARCEL 2:

THAT PORTION OF YOLO COUNTY SWAMP AND OVERFLOW LAND SURVEY #571 DESCRIBED AS FOLLOWS:

BEGINNING AT AN IRON PIPE MONUMENT MARKED R.E. 1168 AND BEING SITUATE NORTH 89 DEGREES 33'05" EAST 1467.10 FEET; THENCE NORTH 0 DEGREE 21'50" WEST, 144.20 FEET FROM THE POINT OF INTERSECTION OF THE CENTER LINE OF STATE STREET PRODUCED EASTERLY TO THE POINT OF INTERSECTION WITH THE EASTERLY LINE OF THE RIGHT OF WAY OF THE SACRAMENTO NORTHERN RAILWAY COMPANY AS SAID STATE STREET AND RIGHT OF WAY APPEAR OF RECORD IN THE OFFICE OF THE RECORDER OF YOLO COUNTY, CALIFORNIA, ON THE "MAP OF WEST SACRAMENTO CITY UNIT ONE", FILED IN MAP BOOK 3, PAGES 8 TO 14, INCLUSIVE YOLO COUNTY RECORDS, AND EXTENDING THENCE NORTH 89 DEGREES 38'10" EAST ALONG THE NORTHERLY BOUNDARY LINE OF THE TRACT REQUIRED BY THE SACRAMENTO-YOLO PORT DISTRICT; A DISTANCE OF 153.00 FEET TO AN IRON PIPE MONUMENT MARKED R.E. 1168 AND SET IN THE WESTERLY HIGH BANK LINE OF THE SACRAMENTO RIVER; THENCE NORTH 27 DEGREES 10' WEST UP AND ALONG THE SAID WEST BANK OF THE SAID SACRAMENTO RIVER A DISTANCE OF 22.41 FEET; THENCE SOUTH 89 DEGREES 38'10" WEST A DISTANCE OF 304.55 FEET; THENCE SOUTH 0 DEGREE 21'50" EAST 520.00 FEET TO A POINT IN THE NORTHERLY LINE OF THE TRACT REQUIRED BY THE SACRAMENTO-YOLO PORT DISTRICT; THENCE NORTH 89 DEGREES 38'10" EAST ALONG THE SAID BOUNDARY LINE A DISTANCE OF 161.65 FEET TO AN IRON PIPE MONUMENT MARKED R.E. 1168; THENCE UP AND ALONG THE BOUNDARY LINE OF THE SAID TRACT REQUIRED BY THE SAID PORT DISTRICT NORTH 0 DEGREES 21'50" WEST 500.00 FEET TO THE POINT OF BEGINNING.

PARCEL 3:

BEGINNING AT A POINT ON THE NORTHERLY BOUNDARY LINE OF THAT CERTAIN PARCEL OF LAND CONVEYED IN EASEMENT TO THE UNITED STATES OF AMERICA, RECORDED JULY 2, 1958, IN BOOK 545, OFFICIAL RECORDS, PAGE 432, YOLO COUNTY RECORDS; SAID POINT ALSO BEING ON THE SOUTHERLY BOUNDARY OF THE PROPERTY OF THE WEST SACRAMENTO SANITARY DISTRICT, AS SAID PROPERTY NOW EXISTS; SAID POINT OF BEGINNING BEARING SOUTH 89 DEGREES 20'11" WEST 126.13 FEET FROM THE SOUTHEASTERLY PROPERTY CORNER OF THE SAID SANITARY DISTRICT; SAID CORNER ALSO BEING COMMON TO THE AFOREMENTIONED PARCEL CONVEYED TO THE UNITED STATES OF AMERICA; COORDINATES OF SAID POINT OF BEGINNING BEING NORTH 326,534.85 EAST, 2,136,837.15; THENCE FROM SAID POINT OF BEGINNING SOUTH 89 DEGREES 20'11" WEST 201.17 FEET; THENCE SOUTH 0 DEGREE 39'49" WEST 201.17 FEET; THENCE NORTH 89 DEGREES 20'11" EAST, 22.00 FEET; THENCE ALONG A CURVE OF 550 FEET RADIUS AND CURVING TO THE LEFT AN ARC DISTANCE OF 182.50 FEET; SAID ARC BEING SUBTENDED BY A CHORD BEARING NORTH 79 DEGREE 49'49" EAST 181.67 FEET TO THE POINT OF BEGINNING.

PARCEL 4:

BEGINNING AT A POINT ON THE BOUNDARY LINE OF THAT CERTAIN PARCEL OF LAND

CONVEYED IN EASEMENT TO THE UNITED STATES OF AMERICA BY THE SACRAMENTO-YOLO PORT DISTRICT, RECORDED JULY 2, 1958, IN BOOK 545 OF OFFICIAL RECORDS PAGE 432, YOLO COUNTY RECORDS; SAID POINT ALSO BEING ON THE EASTERLY BOUNDARY OF THE PROPERTY OF THE WEST SACRAMENTO SANITARY DISTRICT, AS SAID PROPERTY NOW EXISTS; SAID POINT OF BEGINNING BEARS NORTH 0 DEGREE 39'49" WEST 62.52 FEET FROM THE SOUTHEASTERLY PROPERTY CORNER OF THE SAID SANITARY DISTRICT; SAID CORNER ALSO BEING COMMON TO THE AFOREMENTIONED PARCEL CONVEYED TO THE UNITED STATES OF AMERICA; COORDINATES OF SAID POINT OF BEGINNING BEING NORTH 326,598.83; EAST 2,136,962.55; THENCE FROM SAID POINT OF BEGINNING NORTH 0 DEGREE 39'49" WEST 437.48 FEET; THENCE SOUTH 33 DEGREE 10'08" EAST 310.62 FEET; THENCE ALONG A CURVE OF 550 FEET RADIUS AND CURVING TO THE RIGHT AN ARC DISTANCE OF 244.22 FEET; SAID ARC BEING SUBTENDED BY A CHORD BEARING SOUTH 42 DEGREES 53'51" WEST, 242.00 FEET TO THE POINT OF BEGINNING.

ASSESSOR'S PARCEL NUMBER: A PORTION OF 067-180-001 AND 004

PARCEL SIX:

A PORTION OF THAT CERTAIN 82.5 FOOT STRIP OF LAND CONVEYED BY WESTSIDE RAILROAD COMPANY TO THE SACRAMENTO NORTHERN RAILWAY AS RECORDED JANUARY 28, 1931 IN BOOK 21 OF OFFICIAL RECORDS AT PAGE 404, YOLO COUNTY RECORDS, SAID PORTION BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT A GRANITE MONUMENT MARKING THE SOUTHWEST CORNER OF THE SWAMP LAND SURVEY NO. 261, SAID MONUMENT BEING AT CALIFORNIA STATE COORDINATES  $Y=325,508.41$  AND  $X=2,132,753.87$ ; THENCE FROM SAID POINT OF COMMENCEMENT NORTH 89 DEGREES 31 MINUTES 11 SECONDS EAST, A DISTANCE OF 2119.19 FEET, TO A POINT ON THE NORTHWESTERN LINE OF SAID 82.5 FOOT STRIP OF LAND CONVEYED TO THE SACRAMENTO NORTHERN RAILWAY, SAID POINT BEING THE POINT OF BEGINNING OF THE PARCEL OF LAND TO BE DESCRIBED; THENCE FROM SAID POINT OF BEGINNING NORTH 22 DEGREES 46 MINUTES 41 SECONDS EAST ALONG SAID NORTHWESTERN LINE, A DISTANCE OF 1074.57 FEET; THENCE NORTH 89 DEGREES 20 MINUTES 11 SECONDS EAST, A DISTANCE OF 89.92 FEET, TO A POINT ON THE SOUTHEASTERN LINE OF SAID 82.5 FOOT STRIP OF LAND; THENCE SOUTH 22 DEGREES 46 MINUTES 41 SECONDS WEST ALONG SAID SOUTHEASTERN LINE, A DISTANCE OF 1074.88 FEET; THENCE SOUTH 89 DEGREES 31 MINUTES 11 SECONDS WEST, A DISTANCE OF 89.80 FEET, TO THE POINT OF BEGINNING.

ASSESSOR'S PARCEL NUMBER: 067-180-005

PARCEL SEVEN:

ALL THAT PORTION OF S.L.S. NO. 275 DESCRIBED AS FOLLOWS:

BEGINNING AT A 1-1/2 INCH IRON PIPE CAPPED AND MARKED WITH A COPPER DISC INSCRIBED "R.E. 53," WHICH PIPE IS LOCATED ON THE NORTHERLY BOUNDARY OF S. L.S. 275 WHERE THE SAME IS INTERSECTED BY THE EASTERLY R/W LINE OF THE OAKLAND, ANTIOCH AND EASTERN RAILROAD AND FROM WHICH POINT THE 6 X 6 POST SET AT THE INTERSECTION OF THE FENCE LINE MARKING THE NORTH BOUNDARY OF S. L.S. 275 AND THE NORTH LINE OF THAT CERTAIN 42.06 ACRE TRACT CONVEYED BY DEED, ADAMS TO PARELLA, WITH THE WESTERLY R/W FENCE OF THE OAKLAND, ANTIOCH AND

EASTERN RAILROAD, BEARS SOUTH 89 DEGREES, 53' WEST, 108.87 FEET, AND RUNNING THENCE ALONG THE EASTERLY PROLONGATION OF THE FENCE MARKING THE SAID NORTH LINE OF THE S.L.S. 275, NORTH 89 DEGREES, 53' EAST, 480.29 FEET, TO A SIMILAR IRON PIPE; THENCE SOUTH 0 DEGREES, 59' EAST, 93.40 FEET, MORE OR LESS, TO A SIMILAR IRON PIPE LOCATED AT THE SOUTHWEST CORNER OF S.L.S. 571; THENCE ALONG THE LINE OF OLD FENCE WHICH MARKS THE DIVISION LINE COMMON TO PROPERTY NOW OR FORMERLY OWNED BY VAN TASSELL ON THE NORTH AND PROPERTY FORMERLY OWNED BY ETHEL FARIS ADAMS ON THE SOUTH AND THE BOUNDARY LINE COMMON TO SAID S.L.S. 571 AND S.L.S. 275, SOUTH 80 DEGREES, 27' EAST, 507.38 FEET TO THE TRUE POINT OF BEGINNING; THENCE FROM SAID POINT OF BEGINNING, SOUTH 80 DEGREES, 27' EAST, 2,450.06 FEET TO A SIMILAR IRON PIPE AND CONTINUING ALONG SAID BOUNDARY LINE SOUTH 80 DEGREES, 27' EAST, 193.94 FEET, MAKING 2,644 FEET IN ALL TO THE SACRAMENTO RIVER AND THE EASTERLY BOUNDARY OF S.L.S. 275 FROM THE POINT OF BEGINNING OF HEREIN DESCRIBED TRACT OF LAND; THENCE FOLLOWING THE MEANDERINGS OF THE SAID RIVER AND SAID EASTERLY BOUNDARY DOWNSTREAM SOUTH 17 DEGREES, 51' 30" EAST, 1,018 FEET, TO A POINT ON THE LINE PARALLEL WITH AND 30 FEET NORTHERLY FROM AND MEASURED AT A R/A TO THE POWER POLES EXTENDING SOUTHWESTERLY FROM THE SACRAMENTO LEVEE ALONG THE NORTH SIDE OF THE MAIN FARM ROAD; THENCE ALONG SAID LINE, SOUTH 82 DEGREES, 02' WEST, 2,700 FEET, TO A POINT; THENCE NORTH 7 DEGREES, 58' WEST, 1,840 FEET, MORE OR LESS, TO THE POINT OF BEGINNING.

ASSESSOR'S PARCEL NUMBER: 046-010-011

**EXHIBIT B**  
**GRANT DEED**

RECORDING REQUESTED BY, )  
AND WHEN RECORDED MAIL TO: )  
Sacramento-Yolo Port District )  
1110 West Capitol Avenue )  
West Sacramento, CA )  
Attention: Port Manager )

This document is exempt from payment of a recording fee pursuant to Government Code Sections 27383 and 6103.

SPACE ABOVE THIS LINE FOR RECORDER'S USE

APN:

## Grant Deed

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged,  
REDEVELOPMENT AGENCY OF THE CITY WEST SACRAMENTO, a public body, corporate and  
politic

hereby GRANT(S) to  
SACRAMENTO-YOLO PORT DISTRICT, a California river port district

the following described real property in the City of West Sacramento  
County of Yolo  
State of California:

SEE ATTACHED EXHIBIT A

Dated: \_\_\_\_\_, 2011

REDEVELOPMENT AGENCY OF THE CITY OF WEST  
SACRAMENTO

By: \_\_\_\_\_  
Executive Director

**EXHIBIT C**  
**AGENCY'S CLOSING CERTIFICATE**

For valuable consideration, receipt of which is acknowledged, the Redevelopment Agency of the City of West Sacramento ("Agency"), hereby certifies to Sacramento-Yolo Port District ("Port"), that all representations and warranties made by Agency in Section 6.1 of that certain Option Agreement (the "Agreement") dated March 23, 2011, to Port are true and correct on and as of the date of this Certificate. This Certificate is executed by Agency and delivered to Port pursuant to the Agreement.

Dated: \_\_\_\_\_, 20\_\_.

THE REDEVELOPMENT AGENCY OF THE CITY OF WEST SACRAMENTO

By \_\_\_\_\_  
Its \_\_\_\_\_

**EXHIBIT D**  
**PORT'S CLOSING CERTIFICATE**

For valuable consideration, receipt of which is acknowledged, Sacramento-Yolo Port District ("Port"), hereby certifies to the Redevelopment Agency of the City of West Sacramento ("Agency"), that all representations and warranties made by Port in Section 6.2 of that certain Option Agreement (the "Agreement") dated March 23, 2011, to Agency are true and correct on and as of the date of this Certificate. This Certificate is executed by Port and delivered to Agency pursuant to the Agreement.

Dated: \_\_\_\_\_, 20\_\_.

SACRAMENTO-YOLO PORT DISTRICT

By \_\_\_\_\_  
Its \_\_\_\_\_

**EXHIBIT E**  
**SHORT FORM GRANT OF OPTION**

RECORDING REQUESTED BY AND  
WHEN RECORDED MAIL TO:

Sacramento-Yolo Port District  
1110 West Capitol Avenue  
West Sacramento, CA  
Attention: City Clerk

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*(Space Above This Line For Recorder's Use)*

**SHORT FORM GRANT OF OPTION**

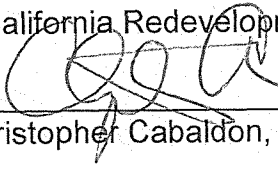
FOR VALUABLE CONSIDERATION, the Redevelopment Agency of the City of West Sacramento, a public body, corporate and politic ("Agency"), hereby grants to Sacramento-Yolo Port District, a California river port district ("Port"), on the terms and conditions contained in that certain unrecorded Option Agreement between the parties hereto dated as of March 23, 2011, an option (the "Option") to purchase the real property described in Exhibit A attached hereto and incorporated herein by reference, on the terms set forth in the Option Agreement. The term of the Option shall commence on the March 23, 2011, and shall expire on September 22, 2018, subject to four (4) extensions of four(4) years each. In any event, if Port has not recorded an effective notice of exercise of the Option for any portion of the Property by September 22, 2018 (as such may be extended), the Option Agreement and this Short Form Grant of Option shall automatically be of no further force and effect as to any portion of the Property which has not been conveyed by Agency to Port, or is not then the subject of a Option Notice, without the need for any additional documentation by the parties hereto.

IN WITNESS WHEREOF, the undersigned have executed this document as of the date set forth below.

Dated: March 23, 2011.

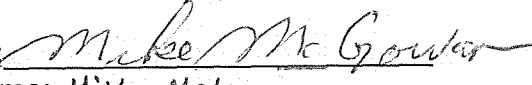
**AGENCY:**

THE REDEVELOPMENT AGENCY OF  
THE CITY OF WEST SACRAMENTO,  
a California Redevelopment Agency

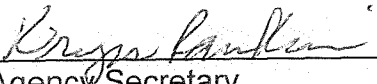
By:   
Christopher Cabaldon, Chairperson

**PORT:**

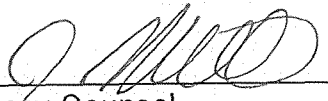
SACRAMENTO-YOLO PORT  
DISTRICT, a California river port district

By:   
Name: Mike McGowan  
Its: Chairperson

**ATTEST:**

By:   
Agency Secretary

**APPROVED AS TO FORM:**

By:   
Agency Counsel

[Appropriate Acknowledgments to be attached.]



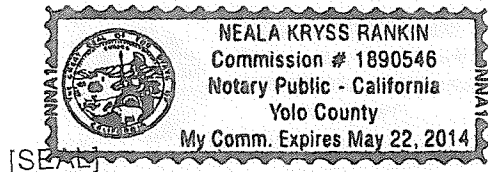
STATE OF CALIFORNIA )  
 ) ss.  
COUNTY OF Yolo )

On May 12, 2011 before me, Neala Kryss Rankin,  
Notary Public, personally appeared Mike McGowan, who  
proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are  
subscribed to the within instrument and acknowledged to me that he/she/they executed the  
same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the  
instrument, the person(s) or the entity upon behalf of which the person(s) acted, executed the  
instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California  
that the foregoing paragraph is true and correct.

Witness my hand and official seal.

Neala Kryss Rankin  
Notary Public



STATE OF CALIFORNIA )  
 ) ss.  
COUNTY OF Yolo )

On May 18, 2011 before me, Neala Kryss Rankin,  
Notary Public, personally appeared Christopher L. Cabaldon, who  
proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are  
subscribed to the within instrument and acknowledged to me that he/she/they executed the  
same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the  
instrument, the person(s) or the entity upon behalf of which the person(s) acted, executed the  
instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California  
that the foregoing paragraph is true and correct.

Witness my hand and official seal.

Neala Kryss Rankin  
Notary Public

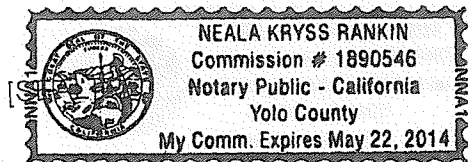


Exhibit A to Short Form Grant of Option

Legal Description of Property

EXHIBIT A

WEST OF JEFFERSON BLVD:

THE LAND DESCRIBED HEREIN IS SITUATED IN THE STATE OF CALIFORNIA, COUNTY OF YOLO, CITY OF WEST SACRAMENTO, AND IS DESCRIBED AS FOLLOWS:

PARCEL ONE:

BEGINNING AT A POINT AT THE CENTER COMMON TO SWAMP LAND SURVEYS NOS. 261, 275 AND 797, YOLO COUNTY SURVEYS, FROM WHICH SAID POINT OF BEGINNING AN OLD GRANITE MONUMENT MARKING THE SOUTHWEST CORNER OF SWAMP LAND SURVEY NO. 261, YOLO COUNTY SURVEYS BEARS SOUTH 89 DEGREES 49' 10" WEST 996.38 FEET, AND RUNNING THENCE FROM SAID POINT OF BEGINNING ALONG THE BOUNDARY COMMON TO SAID SWAMP LAND SURVEY NOS. 261 AND 275, YOLO COUNTY SURVEYS, NORTH 89 DEGREES 49' 10" EAST 1068.39 FEET TO AN INTERSECTION WITH THE WESTERLY RIGHT OF WAY LINE OF THE SACRAMENTO NORTHERN R.R.; THENCE FOLLOWING THE SAID WESTERLY RIGHT OF WAY LINE OF THE SACRAMENTO NORTHERN R.R. SOUTH 23 DEGREES 04' 40" WEST 26.47 FEET; THENCE LEAVING THE SAID WESTERLY RIGHT OF WAY LINE OF THE SACRAMENTO NORTHERN R.R. AND RUNNING SOUTH 89 DEGREES 38' 10" WEST 1062.52 FEET TO A POINT IN THE BOUNDARY LINE COMMON TO SWAMP LAND SURVEYS NOS. 275 AND 797, YOLO COUNTY SURVEYS; THENCE ALONG SAID BOUNDARY LINE COMMON TO SWAMP LAND SURVEY NOS. 275 AND 797, YOLO COUNTY SURVEYS, NORTH 9 DEGREES 13' EAST 28.09 FEET TO THE POINT OF BEGINNING.

ASSESSOR'S PARCEL NUMBER: 046-010-008

PARCEL TWO:

BEING A PORTION OF THAT DEED RECORDED IN BOOK 301, PAGE 320 DESCRIBED AS FOLLOWS:

BEGINNING AT A GRANITE MONUMENT MARKING THE SOUTHWEST CORNER OF SWAMP LAND SURVEY NO. 261, YOLO COUNTY SURVEYS, AND RUNNING THENCE FROM SAID POINT OF BEGINNING SOUTH 89 DEGREES, 49' 10" WEST 124.91 FEET; THENCE NORTH 00 DEGREES, 03' 00" EAST 638.70 FEET TO THE CENTERLINE OF THE SACRAMENTO-YOLO PORT DISTRICT BARGE CANAL AS DEFINED IN BOOK 545, PAGE 427 OFFICIAL RECORDS; THENCE ALONG SAID CENTERLINE, NORTH 89 DEGREES, 38' 08" EAST 2464.33 FEET TO THE WESTERLY RIGHT OF WAY LINE OF THE SACRAMENTO NORTHERN R.R.; THENCE ALONG SAID WESTERLY RIGHT OF WAY LINE, SOUTH 23 DEGREES, 04' 40" WEST 703.80 FEET; THENCE LEAVING SAID WESTERLY RIGHT OF WAY LINE, SOUTH 89 DEGREES, 49' 10" WEST 2064.78 FEET TO THE POINT OF BEGINNING.

EXCEPTING THEREFROM THAT PORTION CONVEYED TO THE CITY OF WEST SACRAMENTO IN THE GRANT DEED RECORDED ON JULY 25, 2003, AS INSTRUMENT NO. 2003-0044071, OFFICIAL RECORDS.

ASSESSOR'S PARCEL NUMBER: 067-180-036

PARCEL THREE:

BEING A PORTION OF THOSE DEEDS RECORDED IN BOOK 301, PAGE 185 AND 189,

DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT AT THE CENTER COMMON TO SWAMP LAND SURVEYS NOS. 261, 275 AND 797, YOLO COUNTY SURVEYS, FROM WHICH SAID POINT OF BEGINNING AN OLD GRANITE MONUMENT MARKING THE SOUTHWEST CORNER OF SWAMP LAND SURVEY NO. 261, YOLO COUNTY SURVEYS BEARS SOUTH 89 DEGREES, 49' 10" WEST 996.38 FEET; THENCE FROM SAID POINT OF BEGINNING SOUTH 09 DEGREES, 13' 00" WEST 38.09 FEET; THENCE SOUTH 89 DEGREES, 38' 11" WEST 1546.68 FEET TO THE EASTERLY RIGHT OF WAY LINE OF LAKE WASHINGTON BOULEVARD; THENCE ALONG SAID EASTERLY RIGHT OF WAY LINE NORTH 08 DEGREES, 21' 39" EAST 511.04 FEET; THENCE SOUTH 87 DEGREES, 28' 23" WEST 54.90 FEET; THENCE ALONG A CURVE TO THE LEFT HAVING A RADIUS OF 1314.50 FEET, A DELTA OF 07 DEGREES, 17' 26" AN ARC LENGTH OF 167.26 FEET, SAID CURVE BEING SUBTENDED BY A CHORD BEARING NORTH 03 DEGREES, 25' 57" WEST TO A POINT ON THE CENTERLINE OF THE SACRAMENTO-YOLO PORT DISTRICT BARGE CANAL AS DEFINED IN BOOK 545, PAGE 427 OFFICIAL RECORDS; THENCE ALONG SAID CENTERLINE, NORTH 89 DEGREES, 38' 08" EAST 421.67 FEET; THENCE LEAVING SAID CENTERLINE, SOUTH 00 DEGREES, 03' 00" WEST 638.70 FEET; THENCE NORTH 89 DEGREES, 49' 10" EAST 1120.59 FEET TO THE POINT OF BEGINNING.

ASSESSOR'S PARCEL NUMBER: 067-180-007, 008 AND 024

EAST OF JEFFERSON BLVD

THE LAND DESCRIBED HEREIN IS SITUATED IN THE STATE OF CALIFORNIA, COUNTY OF YOLO, CITY OF WEST SACRAMENTO, AND IS DESCRIBED AS FOLLOWS:

PARCEL ONE:

PORTION OF THE SOUTHWEST ONE QUARTER OF SECTION 3 AND THE NORTHWEST ONE QUARTER OF SECTION 10, T. 8 N., R. 4 E., M.D.B. & M., AND BEING BOUNDED AND MORE PARTICULARLY DESCRIBED AS FOLLOWS, TO WIT:

BEGINNING AT A POINT ON THE WESTERLY BANK OF THE SACRAMENTO RIVER, FROM WHICH SAID POINT OF BEGINNING AN IRON PIPE MARKED "R. E. 53", MARKING THE SOUTHEAST CORNER OF SWAMP LAND SURVEY NO. 571, YOLO COUNTY SURVEYS, BEARS S. 11 DEGREES 08' 50" E. 92.71 FEET AND S. 11 DEGREES 53' 50" E. 501.60 FEET AND RUNNING THENCE FROM SAID POINT OF BEGINNING N. 75 DEGREES 21' 50" W. 346.74 FEET; THENCE S. 89 DEGREES 38' 10" W. 2160.52 FEET TO A POINT IN A NORTHERLY AND SOUTHERLY FENCE LINE; THENCE FOLLOWING SAID NORTHERLY AND SOUTHERLY FENCE LINE N. 25 DEGREES 12' 23" E. 514.11 FEET TO A FENCE CORNER; THENCE FOLLOWING AN EASTERLY AND WESTERLY FENCE LINE AND THE PROLONGATION EASTERLY THEREOF, S. 80 DEGREES 05' 27" E. 2282.24 FEET TO A POINT ON THE WESTERLY BANK OF THE SACRAMENTO RIVER; THENCE FOLLOWING THE SAID WESTERLY BANK OF THE SACRAMENTO RIVER DOWNSTREAM, S. 11 DEGREES 08' 50" E. 149.12 FEET TO THE POINT OF BEGINNING.

ASSESSOR'S PARCEL NUMBER: PORTION OF 067-180-003

PARCEL TWO:

A PORTION OF PROJECTED SECTIONS 3 AND 10, TOWNSHIP 8 NORTH, RANGE 4 EAST, M.D.B. & M., DESCRIBED AS FOLLOWS:

BEGINNING AT AN IRON PIPE MONUMENT SET IN A FENCE CORNER AND STAMPED RE 1168, FROM WHICH AN OLD GRANITE MONUMENT MARKING THE SOUTHWEST CORNER OF SWAMP LAND SURVEY NO. 261 BEARS NORTH 80 DEGREES 23' 15" WEST 208.33 FEET; THENCE NORTH 00 DEGREES 56' 50" WEST 92.45 FEET AND THENCE SOUTH 89 DEGREES 49' 10" WEST 2653.87 FEET; THENCE FROM SAID POINT OF BEGINNING NORTH 25 DEGREES 12' 23" EAST 217.44 FEET ALONG A FENCE LINE; THENCE NORTH 89 DEGREES 38' 10" EAST 2160.52 FEET; THENCE SOUTH 75 DEGREES 21' 50" EAST 346.74 FEET TO A POINT ON THE MEAN HIGH WATER LINE ON THE RIGHT BANK OF THE SACRAMENT RIVER; THENCE DOWNSTREAM ALONG SAID MEAN HIGH WATER LINE, FOLLOWING THE MENADERINGS THEREOF, TWO COURSES AND DISTANCES AS FOLLOWS: SOUTH 45 DEGREES 29' 20" EAST 198.35 FEET AND SOUTH 19 DEGREES 48' EAST 505.00 FEET; THENCE LEAVING SAID MEAN HIGH WATER LINE NORTH 80 DEGREES 23' 15" WEST 193.94 FEET TO AN IRON PIPE MONUMENT MARKED RE 53 AND SET IN A FENCE LINE; THENCE CONTINUING NORTH 80 DEGREES 23' 15" WEST 2748.49 FEET ALONG A FENCE LINE TO THE POINT OF BEGINNING.

ASSESSOR'S PARCEL NUMBER: A PORTION OF 067-180-002 AND 003

PARCEL THREE:

A PORTION OF THE SOUTHWEST ONE QUARTER OF SECTION 3, THE SOUTHEAST ONE QUARTER OF SECTION 4, AND THE NORTHWEST ONE QUARTER OF SECTION 10, T. 8N., R. 4 E., M.D.B. & M., AND BEING BOUNDED AND MORE PARTICULARLY DESCRIBED AS FOLLOWS, TO WIT:

BEGINNING AT AN OIL IRON PIPE MARKING THE CORNER COMMON TO THE HEREIN DESCRIBED PROPERTY AND THE PROPERTY NOW OR FORMERLY OWNED BY A.F. TURNER, FROM WHICH SAID POINT OF BEGINNING AN OLD GRANITE MONUMENT MARKING THE SOUTHWEST CORNER OF SWAMP LAND SURVEY NO. 261, YOLO COUNTY SURVEYS, BEARS S. 72 DEGREES 10' 15" W. 2879.60 FEET, AND RUNNING THENCE FROM SAID POINT OF BEGINNING ALONG THE BOUNDARY LINE COMMON TO THE HEREIN DESCRIBED PROPERTY AND THE SAID PROPERTY OF A.F. TURNER, S. 86 DEGREES 51' 04" E. 2225.00 FEET TO A POINT ON THE WESTERLY BANK OF THE SACRAMENTO RIVER; THENCE FOLLOWING THE SAID WESTERLY BANK OF THE SACRAMENTO RIVER DOWNSTREAM, S. 38 DEGREES 02' 10" E. 778.34 FEET; THENCE FOLLOWING A FENCE LINE AND THE PROLONGATION EASTERLY AND WESTERLY THEREOF, N. 80 DEGREES 05' 27" W. 2733.02 FEET; THENCE S. 02 DEGREES 08' 50" E. 721.99 FEET; THENCE N. 80 DEGREES 23' 15" W. 123.80 FEET; THENCE E. 0 DEGREES 56' 50" W. 92.45 FEET; THENCE S. 89 DEGREES 49' 10" W. 444.87 FEET TO A POINT IN THE EASTERLY RIGHT OF WAY LINE OF THE SACRAMENTO NORTHERN RAILROAD; THENCE FOLLOWING THE SAID EASTERLY RIGHT OF WAY LINE OF THE SACRAMENTO NORTHERN RAILROAD, N. 23 DEGREES 04' 40" E. 1074.89 FEET; THENCE N. 89 DEGREES 38' 10" E. 105.89 FEET; THENCE ALONG THE BOUNDARY LINE COMMON TO THE HEREIN DESCRIBED PROPERTY AND THE AFORESAID PROPERTY OF A. F. TURNER, S. 2 DEGREES 36' 15" E. 114.95 FEET TO THE POINT OF BEGINNING.

ASSESSOR'S PARCEL NUMBER: A PORTION OF 067-180-003 AND 004

PARCEL FOUR:

A PORTION OF THE SOUTHWEST ONE-QUARTER OF SECTION 3, AND THE NORTHWEST ONE-QUARTER OF SECTION 10, TOWNSHIP 8 NORTH, RANGE 4 EAST, M.D.B. & M., AND BEING BOUNDED AND MORE PARTICULARLY DESCRIBED AS FOLLOWS, TO WIT:

BEGINNING AT A POINT AT THE CORNER COMMON TO THE HEREIN DESCRIBED PROPERTY AND THE PROPERTY NOW OR FORMERLY OWNED BY LAUREN E. VAN TASSEL, ET AL, FROM WHICH SAID POINT OF BEGINNING AN IRON PIPE MARKED "R. E. 53", MARKING THE SOUTHEAST CORNER OF SWAMP LAND SURVEY NO. 571, YOLO COUNTY SURVYES, BEARS SOUTH 80 DEGREES 23' 15" EAST, 2748.49 FEET, AND RUNNING THENCE FROM SAID POINT OF BEGINNING NORTH 80 DEGREES 23' 15" WEST, 84.53 FEET; THENCE NORTH 02 DEGREES 08' 05" WEST, 721.99 FEET; THENCE SOUTH 80 DEGREES 05' 27" EAST, 428.33 FEET TO A POINT AT A FENCE CORNER; THENCE FOLLOWING A NORTHERLY AND SOUTHERLY FENCE LINE SOUTH 25 DEGREES 12' 23" WEST, 731.55 FEET TO THE POINT OF BEGINNING.

ALL AS MODIFIED BY THE BOUNDARY LINE AGREEMENT EXECUTED BY SACRAMENTO-YOLO PORT DISTRICT AND BETWEEN GEORGE P. PARIS, RECORDED MARCH 13, 1950, IN BOOK 315, PAGE 344, OFFICIAL RECORDS.

EXCEPTING THEREFROM THAT PORTION CONVEYED TO THE CITY OF WEST SACRAMENTO BY

DOCUMENT RECORDED NOVEMBER 17, 2003, AS INSTRUMENT NO. 2003-0069853, OFFICIAL RECORDS.

ASSESSOR'S PARCEL NUMBER: A PORTION OF 067-180-002 AND 003

PARCEL FIVE:

BEING A PORTION OF THE SOUTHWEST ONE QUARTER OF SECTION 3, TOWNSHIP 8 NORTH, RANGE 4 EAST, M.D.B. & M., AND BEING BOUNDED AND MORE PARTICULARLY DESCRIBED AS FOLLOWS, TO-WIT:

BEGINNING AT AN OLD IRON PIPE MARKING THE CORNER COMMON TO THE HEREIN DESCRIBED PROPERTY AND THE PROPERTY NOW OR FORMERLY OWNED BY CHARLES PARELLA, FROM WHICH SAID POINT OF BEGINNING AN OLD GRANITE MONUMENT MARKING THE SOUTHWEST CORNER OF SWAMP LAND SURVEY NO. 261, BEARS SOUTH 72 DEGREES, 10' 15" WEST, 2879.60 FEET; THENCE FROM SAID POINT OF BEGINNING NORTH 02 DEGREES, 36' 15" WEST 114.95 FEET ALONG THE BOUNDARY LINE OF THE HEREIN DESCRIBED PROPERTY AND THE PROPERTY NOW OR FORMERLY OWNED BY CHARLES PARELLA; THENCE NORTH 89 DEGREES, 38' 10" EAST 1,478.61 FEET; THENCE NORTH 00 DEGREES, 21' 50" WEST 500.00 FEET; THENCE NORTH 89 DEGREES, 38' 10" EAST 222.00 FEET TO THE MEAN HIGH WATER LINE ON THE RIGHT BANK OF THE SACRAMENTO RIVER; THENCE DOWNSTREAM ALONG SAID MEAN HIGH WATER LINE, FOLLOWING THE MEANDERINGS THEREOF, FOUR COURSES AND DISTANCES AS FOLLOWS:

SOUTH 28 DEGREES, 24' EAST 193.00 FEET, SOUTH 32 DEGREES, 14' EAST 305.00 FEET, SOUTH 38 DEGREES, 30' EAST 295.00 FEET AND SOUTH 45 DEGREES, 40' 45" EAST 127.68 FEET; THENCE, LEAVING SAID MEAN HIGH WATER LINE, NORTH 86 DEGREES, 51' 04" WEST, 2,225.00 FEET TO THE POINT OF BEGINNING.

EXCEPTING FROM PARCEL FIVE, THE FOLLOWING 4 PARCELS:

PARCEL 1:

BEGINNING AT AN IRON PIPE MONUMENT MARKING THE NORTHWESTERLY CORNER OF THE WEST SACRAMENTO SANITARY DISTRICT TREATMENT PLANT SITE AS OCCUPIED, SAID POINT OF BEGINNING BEING SITUATE NORTH 89 DEGREES 33'05" EAST, 1305.45 FEET; AND THENCE NORTH 0 DEGREE 21'50" WEST 164.20 FEET FROM THE POINT OF INTERSECTION OF THE CENTERLINE OF STATE STREET PRODUCED EASTERLY TO THE POINT OF INTERSECTION WITH THE EASTERLY LINE OF THE RIGHT OF WAY OF THE SACRAMENTO NORTHERN RAILWAY COMPANY, AS SAID STATE STREET AND RIGHT OF WAY APPEAR OF RECORD IN THE OFFICE OF THE RECORDER OF YOLO COUNTY, CALIFORNIA, ON THE "MAP OF WEST SACRAMENTO CITY- UNIT ONE" FILED IN MAP BOOK 3 PAGES 8 TO 14 INCLUSIVE, YOLO COUNTY RECORDS; AND EXTENDING THENCE FROM SAID POINT OF BEGINNING SOUTH 0 DEGREE 21'50" EAST ALONG THE WESTERLY LINE OF SAID WEST SACRAMENTO SANITARY DISTRICT TREATMENT PLANT SITE AS FENCED AND OCCUPIED A DISTANCE OF 520.00 FEET TO AN IRON PIPE MONUMENT MARKING THE SOUTHWESTERLY CORNER OF SAID TREATMENT PLANT SITE AS NOW OCCUPIED; THENCE SOUTH 89 DEGREES 38'10" WEST ALONG THE NORTHERLY BOUNDARY OF THE SACRAMENTO YOLO PORT DISTRICT PROPERTY A DISTANCE OF 167.54 FEET; THENCE NORTH 0 DEGREES 21'50" WEST ALONG A LINE PARALLEL WITH THE FIRST MENTIONED COURSE OF THE DESCRIPTION A DISTANCE OF

520.00 FEET; THENCE NORTH 89 DEGREES 38'10" EAST 167.54 FEET TO THE POINT OF BEGINNING.

PARCEL 2:

THAT PORTION OF YOLO COUNTY SWAMP AND OVERFLOW LAND SURVEY #571 DESCRIBED AS FOLLOWS:

BEGINNING AT AN IRON PIPE MONUMENT MARKED R.E. 1168 AND BEING SITUATE NORTH 89 DEGREES 33'05" EAST 1467.10 FEET; THENCE NORTH 0 DEGREE 21'50" WEST, 144.20 FEET FROM THE POINT OF INTERSECTION OF THE CENTER LINE OF STATE STREET PRODUCED EASTERLY TO THE POINT OF INTERSECTION WITH THE EASTERLY LINE OF THE RIGHT OF WAY OF THE SACRAMENTO NORTHERN RAILWAY COMPANY AS SAID STATE STREET AND RIGHT OF WAY APPEAR OF RECORD IN THE OFFICE OF THE RECORDER OF YOLO COUNTY, CALIFORNIA, ON THE "MAP OF WEST SACRAMENTO CITY UNIT ONE", FILED IN MAP BOOK 3, PAGES 8 TO 14, INCLUSIVE YOLO COUNTY RECORDS, AND EXTENDING THENCE NORTH 89 DEGREES 38'10" EAST ALONG THE NORTHERLY BOUNDARY LINE OF THE TRACT REQUIRED BY THE SACRAMENTO-YOLO PORT DISTRICT; A DISTANCE OF 153.00 FEET TO AN IRON PIPE MONUMENT MARKED R.E. 1168 AND SET IN THE WESTERLY HIGH BANK LINE OF THE SACRAMENTO RIVER; THENCE NORTH 27 DEGREES 10' WEST UP AND ALONG THE SAID WEST BANK OF THE SAID SACRAMENTO RIVER A DISTANCE OF 22.41 FEET; THENCE SOUTH 89 DEGREES 38'10" WEST A DISTANCE OF 304.55 FEET; THENCE SOUTH 0 DEGREE 21'50" EAST 520.00 FEET TO A POINT IN THE NORTHERLY LINE OF THE TRACT REQUIRED BY THE SACRAMENTO-YOLO PORT DISTRICT; THENCE NORTH 89 DEGREES 38'10" EAST ALONG THE SAID BOUNDARY LINE A DISTANCE OF 161.65 FEET TO AN IRON PIPE MONUMENT MARKED R.E. 1168; THENCE UP AND ALONG THE BOUNDARY LINE OF THE SAID TRACT REQUIRED BY THE SAID PORT DISTRICT NORTH 0 DEGREES 21'50" WEST 500.00 FEET TO THE POINT OF BEGINNING.

PARCEL 3:

BEGINNING AT A POINT ON THE NORTHERLY BOUNDARY LINE OF THAT CERTAIN PARCEL OF LAND CONVEYED IN EASEMENT TO THE UNITED STATES OF AMERICA, RECORDED JULY 2, 1958, IN BOOK 545, OFFICIAL RECORDS, PAGE 432, YOLO COUNTY RECORDS; SAID POINT ALSO BEING ON THE SOUTHERLY BOUNDARY OF THE PROPERTY OF THE WEST SACRAMENTO SANITARY DISTRICT, AS SAID PROPERTY NOW EXISTS; SAID POINT OF BEGINNING BEARING SOUTH 89 DEGREES 20'11" WEST 126.13 FEET FROM THE SOUTHEASTERLY PROPERTY CORNER OF THE SAID SANITARY DISTRICT; SAID CORNER ALSO BEING COMMON TO THE AFOREMENTIONED PARCEL CONVEYED TO THE UNITED STATES OF AMERICA; COORDINATES OF SAID POINT OF BEGINNING BEING NORTH 326,534.85 EAST, 2,136,837.15; THENCE FROM SAID POINT OF BEGINNING SOUTH 89 DEGREES 20'11" WEST 201.17 FEET; THENCE SOUTH 0 DEGREE 39'49" WEST 201.17 FEET; THENCE NORTH 89 DEGREES 20'11" EAST, 22.00 FEET; THENCE ALONG A CURVE OF 550 FEET RADIUS AND CURVING TO THE LEFT AN ARC DISTANCE OF 182.50 FEET; SAID ARC BEING SUBTENDED BY A CHORD BEARING NORTH 79 DEGREE 49'49" EAST 181.67 FEET TO THE POINT OF BEGINNING.

PARCEL 4:

BEGINNING AT A POINT ON THE BOUNDARY LINE OF THAT CERTAIN PARCEL OF LAND



CONVEYED IN EASEMENT TO THE UNITED STATES OF AMERICA BY THE SACRAMENTO-YOLO PORT DISTRICT, RECORDED JULY 2, 1958, IN BOOK 545 OF OFFICIAL RECORDS PAGE 432, YOLO COUNTY RECORDS; SAID POINT ALSO BEING ON THE EASTERLY BOUNDARY OF THE PROPERTY OF THE WEST SACRAMENTO SANITARY DISTRICT, AS SAID PROPERTY NOW EXISTS; SAID POINT OF BEGINNING BEARS NORTH 0 DEGREE 39'49" WEST 62.52 FEET FROM THE SOUTHEASTERLY PROPERTY CORNER OF THE SAID SANITARY DISTRICT; SAID CORNER ALSO BEING COMMON TO THE AFOREMENTIONED PARCEL CONVEYED TO THE UNITED STATES OF AMERICA; COORDINATES OF SAID POINT OF BEGINNING BEING NORTH 326,598.83; EAST 2,136,962.55; THENCE FROM SAID POINT OF BEGINNING NORTH 0 DEGREE 39'49" WEST 437.48 FEET; THENCE SOUTH 33 DEGREE 10'08" EAST 310.62 FEET; THENCE ALONG A CURVE OF 550 FEET RADIUS AND CURVING TO THE RIGHT AN ARC DISTANCE OF 244.22 FEET; SAID ARC BEING SUBTENDED BY A CHORD BEARING SOUTH 42 DEGREES 53'51" WEST, 242.00 FEET TO THE POINT OF BEGINNING.

ASSESSOR'S PARCEL NUMBER: A PORTION OF 067-180-001 AND 004

PARCEL SIX:

A PORTION OF THAT CERTAIN 82.5 FOOT STRIP OF LAND CONVEYED BY WESTSIDE RAILROAD COMPANY TO THE SACRAMENTO NORTHERN RAILWAY AS RECORDED JANUARY 28, 1931 IN BOOK 21 OF OFFICIAL RECORDS AT PAGE 404, YOLO COUNTY RECORDS, SAID PORTION BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT A GRANITE MONUMENT MARKING THE SOUTHWEST CORNER OF THE SWAMP LAND SURVEY NO. 261, SAID MONUMENT BEING AT CALIFORNIA STATE COORDINATES Y=325,508.41 AND X= 2,132,753.87; THENCE FROM SAID POINT OF COMMENCEMENT NORTH 89 DEGREES 31 MINUTES 11 SECONDS EAST, A DISTANCE OF 2119.19 FEET, TO A POINT ON THE NORTHWESTERN LINE OF SAID 82.5 FOOT STRIP OF LAND CONVEYED TO THE SACRAMENTO NORTHERN RAILWAY, SAID POINT BEING THE POINT OF BEGINNING OF THE PARCEL OF LAND TO BE DESCRIBED; THENCE FROM SAID POINT OF BEGINNING NORTH 22 DEGREES 46 MINUTES 41 SECONDS EAST ALONG SAID NORTHWESTERN LINE, A DISTANCE OF 1074.57 FEET; THENCE NORTH 89 DEGREES 20 MINUTES 11 SECONDS EAST, A DISTANCE OF 89.92 FEET, TO A POINT ON THE SOUTHEASTERN LINE OF SAID 82.5 FOOT STRIP OF LAND; THENCE SOUTH 22 DEGREES 46 MINUTES 41 SECONDS WEST ALONG SAID SOUTHEASTERN LINE, A DISTANCE OF 1074.88 FEET; THENCE SOUTH 89 DEGREES 31 MINUTES 11 SECONDS WEST, A DISTANCE OF 89.80 FEET, TO THE POINT OF BEGINNING.

ASSESSOR'S PARCEL NUMBER: 067-180-005

PARCEL SEVEN:

ALL THAT PORTION OF S.L.S. NO. 275 DESCRIBED AS FOLLOWS:

BEGINNING AT A 1-1/2 INCH IRON PIPE CAPPED AND MARKED WITH A COPPER DISC INSCRIBED "R.E. 53," WHICH PIPE IS LOCATED ON THE NORTHERLY BOUNDARY OF S. L.S. 275 WHERE THE SAME IS INTERSECTED BY THE EASTERLY R/W LINE OF THE OAKLAND, ANTIOCH AND EASTERN RAILROAD AND FROM WHICH POINT THE 6 X 6 POST SET AT THE INTERSECTION OF THE FENCE LINE MARKING THE NORTH BOUNDARY OF S. L.S. 275 AND THE NORTH LINE OF THAT CERTAIN 42.06 ACRE TRACT CONVEYED BY DEED, ADAMS TO PARELLA, WITH THE WESTERLY R/W FENCE OF THE OAKLAND, ANTIOCH AND

EASTERN RAILROAD, BEARS SOUTH 89 DEGREES, 53' WEST, 108.87 FEET, AND RUNNING THENCE ALONG THE EASTERLY PROLONGATION OF THE FENCE MARKING THE SAID NORTH LINE OF THE S.L.S. 275, NORTH 89 DEGREES, 53' EAST, 480.29 FEET, TO A SIMILAR IRON PIPE; THENCE SOUTH 0 DEGREES, 59' EAST, 93.40 FEET, MORE OR LESS, TO A SIMILAR IRON PIPE LOCATED AT THE SOUTHWEST CORNER OF S.L.S. 571; THENCE ALONG THE LINE OF OLD FENCE WHICH MARKS THE DIVISION LINE COMMON TO PROPERTY NOW OR FORMERLY OWNED BY VAN TASSELL ON THE NORTH AND PROPERTY FORMERLY OWNED BY ETHEL FARIS ADAMS ON THE SOUTH AND THE BOUNDARY LINE COMMON TO SAID S.L.S. 571 AND S.L.S. 275, SOUTH 80 DEGREES, 27' EAST, 507.38 FEET TO THE TRUE POINT OF BEGINNING; THENCE FROM SAID POINT OF BEGINNING, SOUTH 80 DEGREES, 27' EAST, 2,450.06 FEET TO A SIMILAR IRON PIPE AND CONTINUING ALONG SAID BOUNDARY LINE SOUTH 80 DEGREES, 27' EAST, 193.94 FEET, MAKING 2,644 FEET IN ALL TO THE SACRAMENTO RIVER AND THE EASTERLY BOUNDARY OF S.L.S. 275 FROM THE POINT OF BEGINNING OF HEREIN DESCRIBED TRACT OF LAND; THENCE FOLLOWING THE MEANDERINGS OF THE SAID RIVER AND SAID EASTERLY BOUNDARY DOWNSTREAM SOUTH 17 DEGREES, 51' 30" EAST, 1,018 FEET, TO A POINT ON THE LINE PARALLEL WITH AND 30 FEET NORTHERLY FROM AND MEASURED AT A R/A TO THE POWER POLES EXTENDING SOUTHWESTERLY FROM THE SACRAMENTO LEVEE ALONG THE NORTH SIDE OF THE MAIN FARM ROAD; THENCE ALONG SAID LINE, SOUTH 82 DEGREES, 02' WEST, 2,700 FEET, TO A POINT; THENCE NORTH 7 DEGREES, 58' WEST, 1,840 FEET, MORE OR LESS, TO THE POINT OF BEGINNING.

ASSESSOR'S PARCEL NUMBER: 046-010-011

**EXHIBIT F-1**

**RESTRICTIVE COVENANTS**



Yolo Recorder's Office  
Freddie Oakley, County Recorder  
DOC- 2011-0006724-00

Acct 117-West Sac - NC  
Monday, MAR 07, 2011 13:20:00  
Ttl Pd \$0.00 Nbr-0000918954  
VRB/R6/1-32

**OFFICIAL BUSINESS:**

Document entitled to free recording  
Per Government Code section 27383

**Recording Requested By and  
When Recorded Return To:**

The Redevelopment Agency of  
the City of West Sacramento  
1110 West Capitol Avenue  
West Sacramento, CA 95691  
*ATTN: CITY CLERK*

[SPACE ABOVE THIS LINE FOR RECORDER'S USE ONLY]

APNS: 067-180-001; 067-108-002; 067-180-003; 067-180-004; 067-180-007; -67-180-008; 067-180-024; 067-180-036; 046-010-007;  
046-010-008; 046-010-011

**DECLARATION OF RESTRICTIVE COVENANTS**

This Declaration of Restrictive Covenants ("Declaration") is made as of the 7<sup>th</sup> day of March, 2011, by **The Redevelopment Agency of the City of West Sacramento** ("RDA" and/or "Owner").

A. The RDA is the owner of that certain real property located within the City of West Sacramento ("City"), County of Yolo, State of California, as described on **Exhibit A**, attached hereto (the "Property").

B. The purpose of the RDA is to rehabilitate and revitalize neighborhoods and business districts within the boundaries of the RDA and the City by eliminating blight, providing affordable housing development, and generally improving community facilities and infrastructure.

C. Given the purposes of the RDA, the RDA desires that the Property be developed consistent with the redevelopment purpose for which the Property was originally acquired, and consistent with the overall redevelopment purposes of the RDA and the City.

**COVENANTS**

1. The Owner hereby covenants, agrees and declares that the Property shall be used pursuant to, and shall be subject to, the restrictive covenants (the "Covenants") set forth in **Exhibit B**, attached hereto and incorporated herein, which are consistent with the overall redevelopment purposes of the RDA.

2. The terms of this Declaration are for the benefit of all parcels of land owned by the RDA and the City that are located within the boundaries of the RDA and the City, including the Property.

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successor owners, assigns and transferees to the Property, and all persons claiming an interest in the Property, or claiming an interest by and through any of the foregoing of the Property, for the benefit of each parcel of property owned by the RDA and the City.


4. The City is a beneficiary of this Declaration and no amendment, modification, or rescission of any provision of this Declaration may be enacted or enforced except with the prior written consent of the City. If the RDA or City brings an action to enforce this Declaration or any of the Covenants, the prevailing party shall be entitled to recover attorneys fees and costs incurred in such action.

5. If any provision of this Agreement or any of the Covenants set forth in **Exhibit B** shall be determined to be invalid or unenforceable, the remainder of this Agreement and the remaining Covenants shall not be affected thereby, and each provision of this Agreement and each of the remaining Covenants shall be valid and enforced to the full extent permitted by law.

IN WITNESS WHEREOF, the Owner has executed this Declaration as of the date first above written.

OWNER:


**The Redevelopment Agency  
of the City of West Sacramento**

By:   
Toby Ross, Executive Director

ATTEST:

By:   
Stephanie H Chaney, deputy  
Kryss Rankin, City Clerk

APPROVED AS TO FORM:

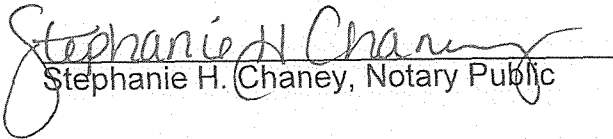
By:   
Name: Jeremy Mitchell  
City Attorney

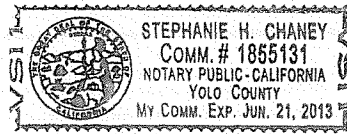
State of California }  
County of Yolo }

On March 7, 2011 before me, Stephanie H. Chaney, Notary Public, personally appeared Toby Ross, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

Witness my hand and official seal.

  
Stephanie H. Chaney, Notary Public



## Exhibit A

(See Attached Legal Description of Property)

Being a portion of those deeds recorded in Book 301 Pages 185 and 189 described as follows:

Beginning at a point at the center to Swamp Land Surveys Nos. 261, 275, and 797, Yolo County Surveys, From which said point of beginning an old granite monument marking the Southwest Corner of Swamp Land Survey No. 261, Yolo County Surveys bears South 89° 49' 10" West 996.38 feet; Thence from said point of beginning South 09° 13' 00" West 38.09 feet; thence South 89° 38' 11" West 1546.68 feet to the Easterly Right of Way Line of Lake Washington Boulevard; Thence along the Easterly Right of Way Line, North 08° 21' 39" East 511.04 feet; Thence South 87° 28' 23" West 54.90 feet; Thence along a curve to the left having a radius of 1314.50 feet, a delta of 07° 17' 26" an arc length of 167.26 feet, said curve being subtended by a chord bearing North 03° 25' 57" West to a point on the centerline of the Sacramento-Yolo Port District Barge Canal as defined in Book 545 Page 427 Official Records; Thence along said centerline, North 89° 38' 08" East 421.67 feet; thence leaving said centerline, South 00° 03' 00" West 638.70 feet; Thence North 89° 49' 10" East 1120.59 feet to the Point of Beginning.

A portion of APN 067-180-24.

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Being a portion of that deed recorded in Book 301, Page 320 Described as follows:

Beginning at a granite monument marking the southwest corner of Swamp Land Survey No. 261, Yolo County Surveys, and running thence from said point of beginning South 89° 49' 10" West 124.91 feet; Thence North 00° 03' 00" East 638.70 feet to the centerline of the Sacramento-Yolo Port District Barge Canal as defined in Book 545, Page 427 official records; Thence along said centerline, North 89° 38' 08" East 2464.33 feet to the Westerly right of way line of the Sacramento Northern R.R.; Thence along said westerly right of way line, South 23° 04' 40" West 703.80 feet; Thence leaving said Westerly right of way line South 89° 49' 10" West 2064.78 feet to the point of beginning.

APN: 067-180-36

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Beginning at a point at the center common to Swamp Land Surveys Nos. 261, 275 and 797, Yolo County Surveys, from which said point of beginning an old granite monument marking the southwest corner of Swamp Land Survey No. 261, Yolo County Surveys bears South 89 degrees 49' 10" West 996.38 feet, and running thence from said point of beginning along the boundary common to said Swamp Land Survey Nos. 261 and 275, Yolo County Surveys, North 89 Degrees 49' 10" East 1068.39 feet to an intersection with the westerly right of way line of the Sacramento Northern R.R.; Thence following the said westerly right of way line of the Sacramento Northern R.R. South 23 degrees 04' 40" West 26.47 feet; Thence leaving the said westerly right of way line of the Sacramento Northern R.R. and running south 89 degrees 38' 10" West 1062.52 feet to a point in the boundary line common to Swamp Land Surveys Nos. 275 and 797, Yolo County Surveys; Thence along said boundary line common to Swamp Land Survey Nos. 275 and 797, Yolo County Surveys, North 9 degrees 13' East 28.09 feet to the point of beginning.

APN 046-010-08

TRACT 101E-2

All those certain pieces, parcels or tracts of land, lying and being in the County of Yolo, State of California, and being more particularly described as follows (basis of bearings is California State Coordinate System for Zone II):

Commencing at a granite monument marking the south-west corner of Swamp Land Survey No. 261, Yolo County Surveys; thence North  $89^{\circ} 31' 11''$  East 2209.00 feet to a point on the east line of the right of way of the Sacramento Northern Railway; thence along the said Railway right of way line North  $22^{\circ} 46' 41''$  East 72.12 feet to the TRUE POINT OF BEGINNING; thence from said true point of beginning and along the east line of the right of way of the Sacramento Northern Railway, North  $22^{\circ} 46' 41''$  East 1002.76 feet to the northwest corner of that certain property deeded to the Sacramento-Yolo Port District by Charles Parella, et al., and being recorded November 21, 1949 in Volume 311, Official Records, at page 86, Yolo County Records; thence North  $89^{\circ} 20' 11''$  East 1584.50 feet; thence North  $00^{\circ} 39' 49''$  West 500.00 feet; thence North  $89^{\circ} 20' 11''$  East 222.00 feet to the mean high water line on the right bank of the Sacramento River; thence downstream along said mean high water line and following the meanderings thereof the following seven courses and distances:

South  $28^{\circ} 41' 59''$  East 193.00 feet;  
South  $32^{\circ} 31' 59''$  East 305.00 feet;  
South  $38^{\circ} 47' 59''$  East 295.00 feet;  
South  $45^{\circ} 58' 44''$  East 127.68 feet;  
South  $38^{\circ} 20' 09''$  East 778.34 feet;  
North  $80^{\circ} 23' 26''$  West 22.45 feet  
South  $11^{\circ} 26' 49''$  East 149.12 feet

thence leaving said mean high water line North  $75^{\circ} 39' 49''$  West 346.74 feet; thence South  $89^{\circ} 20' 11''$  West 2876.63 feet to the point of beginning; containing an area of 61.226 acres, more or less.

APNs 067-180-001, 067-180-003, 067-180-004

TRACT 101E-3

All that certain piece, parcel or tract of land, lying and being in the County of Yolo, State of California, and being more particularly described as follows (basis of bearings is California State Coordinate System for Zone II):

Beginning at a point on the southerly line of the property of the Sacramento-Yolo Port District; said point of beginning being also on the southerly line of that certain parcel of land deeded to the Sacramento-Yolo Port District by O. E. Van Tassel, et al, and being recorded July 22, 1949 in Volume 303, Official Records, at page 114, Yolo County Records; said point of beginning bearing South  $80^{\circ} 41' 14''$  East 20.83 feet along said southerly line from an iron pipe



monument marked RE 53; coordinates of said point of beginning being North 324,956.32, East 2,138,347.96; thence from said point of beginning along said southerly property line of said Port District North 80° 41' 14" West 2,977.61 feet to a corner in said southerly property line of the said Port District; thence North 01° 14' 59" West 160.05 feet to a point on the southerly line of that certain parcel of land conveyed in easement to the United States of America by the Sacramento-Yolo Port District and being recorded July 2, 1958 in Volume 545, Official Records, at page 432, Yolo County Records; thence along said southerly line North 89° 20' 11" East 2,461.15 feet; thence continuing along said southerly line South 75° 39' 49" East 201.00 feet; thence leaving said southerly line along a curve of 543.69 feet radius and curving to the right an arc distance of 96.75 feet, said arc being subtended by a chord bearing South 44° 47' 41" East 96.63 feet; thence South 65° 15' 00" West 137.90 feet; thence South 24° 45' 00" East 92.50 feet; thence North 65° 15' 00" East 154.20 feet; thence along a curve of 543.69 feet radius and curving to the right an arc distance of 114.44 feet, said arc being subtended by a chord bearing South 23° 46' 07" East 114.21 feet; thence South 17° 44' 19" East 388.84 feet to the point of beginning; containing an area of 25.853 acres, more or less.

APN: 067-180-002

#### TRACT 101E-4

All that certain piece, parcel, or tract of land lying and being in the County of Yolo, State of California, and being more particularly described as follows (basis of bearings and coordinates is California State Coordinate System for Zone II):

Beginning at a point on the westerly right of way line of the Sacramento Northern Railway; said point bears South 22° 46' 41" West 368.88 feet from the northeast corner of that certain property described in the Deed from Manuel P. Silva, et al. to Sacramento-Yolo Port District, recorded June 27, 1949 in Volume 301, Official Records, page 320 in the Office of the County Recorder of Yolo County; coordinates of said point of beginning being North 326,516.28, East 2,135,234.48; thence from said point of beginning and along the westerly line of the Sacramento Northern Railway right of way, South 22° 46' 41" West 477.80 feet; thence leaving the said railway right of way line, South 67° 13' 19" East 50.00 feet; thence North 22° 46' 41" East 499.48 feet; thence South 89° 20' 11" West 54.50 feet to the point of beginning.

References Jefferson Widening Parcel

#### TRACT 101E-5

All that certain piece, parcel, or tract of land lying and being in the County of Yolo, State of California, and being more particularly described as follows (basis of bearings and coordinates is California State Coordinate System for Zone II):

Beginning at a point which lies on a line parallel with and 320 feet northerly of the center line of the Barge Canal of the Sacramento Deep Water Ship Channel Project, said point of beginning being North 52° 36' 36" West 1,555.97 feet from a Granite Monument which marks the Southwest Corner of Swamp Land Survey No. 261; coordinates of said point of beginning being North 326,453.26, East 2,131,517.62; thence along a curve of 604.00 feet radius and curving to the right an arc distance of 214.00 feet, said arc being subtended by a chord bearing

South 80° 30' 49" East 212.88 feet; thence South 70° 21' 49" East 211.67 feet; thence along a curve of 596.00 feet radius and curving to the left an arc distance of 211.16 feet, said arc being subtended by a chord bearing South 80° 30' 49" East 210.06 feet; thence along a line which is parallel with and 172 feet northerly of the center line of said Barge Canal, North 89° 20' 11" East 3,029.67 feet to a point on the west line of the right-of-way of the Sacramento Northern Railway; thence along the said Railway right-of-way line North 22° 46' 41" East 16.35 feet; thence leaving the said right-of-way line and along a line which is parallel with and 187.00 feet northerly of the center line of the Barge Canal, South 89° 20' 11" West 3,065.43 feet; thence North 69° 58' 56" West 376.60 feet; thence South 89° 20' 11" West 233.26 feet to the point of beginning; containing an area of 1.458 acres, more or less.

APN: Portion of 067-180-041

TRACT 101E-24

Said real property is situated in the County of Yolo, State of California, and is described as follows:

That portion of that certain parcel of land deeded to the Sacramento-Yolo Port District by Orrin Elbert Van Tassel, et al, and being recorded July 22, 1949 in Volume 303, Official Records, at page 114, Yolo County Records, lying between the mean high water line of the right bank of the Sacramento River and a line that is parallel and concentric to and 30 feet easterly of the center line of the Yolo County road known as the South River Road.

APN: 067-180-002

TRACT 101E-25

Said real property is situated in the County of Yolo, State of California, and is described as follows:

A parcel of land 5 feet in width beginning at a point in the centerline of the 80 foot wide County Road known as the South River Road said point being the southwesterly corner of the of the property deeded to Sunland Refining Corporation by Arthur F. Turner, et ux by deed dated August 10, 1961 and recorded in Book 645 of Official Records of Yolo County on August 11, 1961 file #8385, thence from said point of beginning South 82° 54' 35" East 754.25 feet to the property line described in that certain deed recorded in Book 145 Official Records of Yolo County at Page 242; thence South 17° 23' West 5.00 feet; thence North 82° 54' 35" West 754.25 feet to the center line of River Road; thence along center line 5.00 feet more or less to the point of beginning.

APN: 067-180-007

TRACT 102E-1

All that certain piece, parcel or tract of land, lying and being in the County of Yolo, State of California, and being more particularly described as follows (basis of bearings is California State Coordinate System for Zone II):

Beginning at a point on the northerly boundary of that certain parcel of land conveyed in easement to the United States of America by the Sacramento-Yolo Port District and being recorded July 2, 1958 in Volume 545, Official Records, at page 432, Yolo County Records; said point also being on the southerly boundary of the property of the West Sacramento Sanitary District, as said property now exists; said point of beginning bearing South 89° 20' 11" West 5.97 feet from the southeasterly property corner of the said Sanitary District, said corner also being common to the aforesaid parcel conveyed to the United States of America; coordinates of said point of beginning being North 326,536.24, East 2,136,957.30; thence from said point of beginning along the aforesaid common boundary line South 89° 20' 11" West 120.16 feet; thence leaving said boundary line along a curve of 550 feet radius and curving to the left an arc distance of 141.17 feet, said arc being subtended by a chord bearing North 62° 58' 17" East 140.78 feet to a point on the easterly boundary line of the property of the aforesaid Sanitary District, said line also being common to the aforesaid parcel conveyed to the United States of America; thence along said common boundary line South 0° 39' 49" East 59.04 feet; thence along a curve of 600 feet radius and curving to the right an arc distance of 6.91 feet, said arc being subtended by a chord bearing South 59° 04' 49" West 6.91 feet to the point of beginning; containing an area of 0.081 acres, more or less.

APN: 067-180-001

TRACT 102E-2

All that certain piece, parcel or tract of land lying and being in the County of Yolo, State of California, and being more particularly described as follows (basis of bearings is California State Coordinate System for Zone II):

Beginning at a point that is a corner of that certain parcel of land conveyed in easement to the United States of America by the Sacramento-Yolo Port District and being recorded July 2, 1958 in Volume 545, Official Records, at page 432, Yolo County Records; said point also being the southeasterly corner of the property of the West Sacramento Sanitary District, as said property now exists; coordinates of said point of beginning being North 326,536.31, East 2,136,963.27; thence from said point of beginning along a boundary line common to the aforesaid two parcels of land North 0° 39' 49" West 3.48 feet; thence leaving said common boundary line along a curve of 600 feet radius and curving to the right an arc distance of 6.91 feet, said arc being subtended by a chord bearing South 59° 04' 49" West 6.91 feet to a point on a boundary line common to the aforesaid two parcels of land; thence along said common boundary line North 89° 20' 11" East 5.97 feet to the point of beginning; containing an area of 10 square feet, more or less.

APN: 067-180-001

TRACT 100

A portion of that certain 82.5-foot strip of land conveyed by Westside Railroad Company to the Sacramento Northern Railway as recorded January 28, 1931, in Volume 21 of Official Records of Yolo County, page 404, said portion being more particularly described as follows:

Commencing at a granite monument marking the southwest corner of the Swamp Lands Survey No. 261, said monument being at California State Coordinates Y = 325,508.41 and X = 2,132,753.87; thence from said point of commencement North 89° 31' 11" East, a distance of 2119.19 feet, to a point on the northwestern line of said 82.5-foot strip of land conveyed to the Sacramento Northern Railway, said point being the point of beginning of the parcel of land to be described; thence from said point of beginning North 22° 46' 41" East along said northwestern line, a distance of 1074.57 feet; thence North 89° 20' 11" East, a distance of 89.92 feet, to a point on the southeastern line of said 82.5-foot strip of land; thence South 22° 46' 41" West along said southeastern line, a distance of 1074.88 feet; thence South 89° 31' 11" West, a distance of 89.80 feet, to the point of beginning; containing an area of 2.04 acres, more or less.

#### TRACT A-100

Said real property is situated in the County of Yolo, State of California. All that portion of S. L. S. No. 275 described as follows:

Beginning at a 1 ½-inch iron pipe capped and marked with a copper disc inscribed "R. E. 53," which pipe is located on the Northerly boundary of S. L. S. 275 where the same is intersected by the Easterly R/W line of the Oakland, Antioch and Eastern Railroad and from which point the 6 x 6 post set at the intersection of the fence line marking the North boundary of S. L. S. 275 and the North line of that certain 42.06 acre tract conveyed by deed, Adams to Parella, with the Westerly R/W fence of the Oakland, Antioch and Eastern Railroad, bears South 89° 53' West, 108.87 feet, and running thence along the Easterly prolongation of the fence marking the said North line of the S. L. S. 275, North 89° 53' East, 480.29 feet, to a similar iron pipe; thence South 0° 59' East, 93.40 feet to a similar iron pipe located at the Southwest corner of S. L. S. 571; thence along the line of old fence which marks the division line common to property now or formerly owned by Van Tassell on the North and property formerly owned by Ethel Faris Adams on the South and the boundary line common to said S. L. S. 571 and S. L. S. 275, South 80° 27' East, 507.38 feet to the true point of beginning; thence from said point of beginning South 80° 27' East, 2,450.06 feet to a similar iron pipe and continuing along said boundary line South 80° 27' East, 193.94 feet, making 2,644 feet in all, to the Sacramento River and the Easterly boundary of S. L. S. 275 from the point of beginning of herein described tract of land; thence following the meanderings of the said river and said Easterly boundary downstream South 17° 51' 30" East, 1,018 feet, to a point on the line parallel to and 30 feet Northerly from and measured at a R/A to the row of power poles extending Southwesterly from the Sacramento Levee along the North side of the main farm road; thence along said line, South 82° 02' West, 2,700 feet, to a point; thence North 7° 58' West, 1,840 feet, more or less, to the point of beginning; containing an area of 82.7 acres, more or less.

APN: 046-001-011

## Exhibit B

### COVENANTS

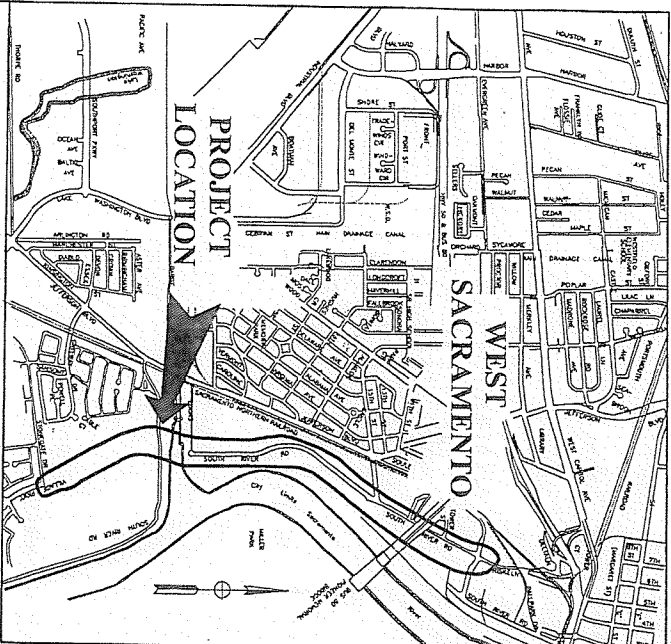
- 1) Development of the Property shall be consistent with the then existing City of West Sacramento General Plan land use designation.
- 2) Development of the Property shall be consistent with any then existing applicable specific plans and/or planned developments.
- 3) Development of the Property shall be consistent with the then existing zoning classification for the Property.
- 4) If the development of the Property contains a residential component, the development shall comply with the City of West Sacramento Municipal Code Chapter 15.10 or 15.40, as applicable, concerning the production of housing affordable to low and moderate income households.
- 5) Development of the Property shall be compliant with the then current FEMA designation for the Property.
- 6) Development of the Property shall be consistent with the City's tree preservation ordinance as contained in the City of West Sacramento Municipal Code Chapter 8.24 or any successor ordinance.
- 7) No structure shall be constructed on the approximately 1,400 feet of the northern portion of the Property outlined on Attachment "A" attached hereto and incorporated herein.
- 8) The following covenant applies to Tract 101E-2: At the City's request or prior to obtaining a building permit or any land use entitlement, whichever comes first, the Property owner shall dedicate, in fee, at no cost and at no reimbursement, the Property area outlined in Attachment "A" to the City for the purposes of constructing the South River Road Bridge, as approved by the City Council on April 20, 2005.
- 9) The following covenant applies to Tracts 101E-3 and A-100: No structure shall be constructed on the planned section of Village Parkway that runs between the existing terminus and the approved South River Road Bridge portion of the Property outlined on Attachment "B" attached hereto and incorporated herein.
- 10) The following covenant applies to Tracts 101E-3 and A-100: At the City's request or prior to obtaining a building permit or any land use entitlement, whichever comes first, the Property owner shall dedicate, in fee, at no cost and at no reimbursement, the Property area outlined in Attachment "B" to the City for the purposes of constructing curbs, gutters, and sidewalks as required per the Southport Framework Plan.
- 11) The following covenant applies to Tracts 101E-3 and A-100: The Sacramento-Yolo Port District entered into a license for an underground 8-inch pipeline with Standard Oil for the purpose of transporting petroleum product, which license is applicable to successors. The

approximate location of the pipeline is identified in Attachment "C" attached hereto and incorporated herein. No structures shall be constructed within 150 feet of the centerline of the pipeline is currently located or subsequently relocated.

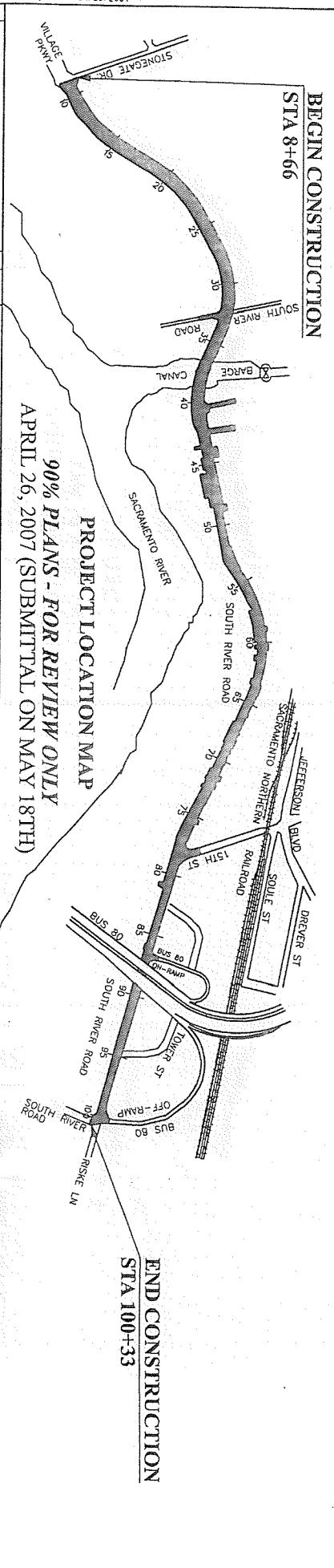
- 12) The following covenant applies to Tracts 101E-2, 101E-24, and APNs 67-180-24, 67-180-36: At the City's request or prior to obtaining a building permit or any land use entitlement, whichever comes first, the Property owner shall grant to the City an easement at no cost to the City for the purposes of constructing and maintaining a 30 foot wide open space recreational corridor for public use, pursuant to the Southport Framework Plan as amended on August 5, 1998, and conforming with the Parks Master Plan adopted by the City Council in September, 2003, in the general area outlined in Attachment "D", attached hereto and incorporated herein.
- 13) The following covenant applies to APN # 067-180-024: An Inline Booster Pump Station, which is located on the southeast corner of APN 067-180-024-000, was approved by the City Council on February 6, 2008 after the City of West Sacramento Water Master Plan identified the need for installation of the pump station to boost water pressures in Southport.
  - a) No structure shall be constructed on the southeast corner of the APN 067-180-024-000 outlined on Attachment "E" attached hereto and incorporated herein.
  - b) At the City's request or prior to obtaining a building permit or land use entitlement, whichever comes first, the Property owner shall grant the City an easement over the area outlined in Attachment "E" at no cost to the City, that allows the City access to maintain and operate the Inline Booster Pump Station.
- 14) The following covenant applies to Tracts 101E-2, 101E-24, and APNs 67-180-24, 67-180-36: The City has constructed levee improvements near or on the Property. In order to meet the 200 year flood level protection as required by the General Plan, there shall be no construction or development on the Property within 150 feet of the levee centerline.
- 15) The following covenant applies to Tracts 101E-2, 101E-24, and APNs 67-180-24, 67-180-36: At the City's request or prior to obtaining a building permit, whichever comes first, the Property owner shall grant a flood easement, at no cost, to the Sacramento/San Joaquin Drainage District for the construction and maintenance of flood control works on the Property, as shown in the general area on Attachment "E" attached hereto and incorporated herein.
- 16) The following covenant applies to Tracts 101E-2 and 101E-24: In 2005, the United States Corps of Engineers entered into a land exchange transferring ownership of the William G. Stone Lock to the Port and City Redevelopment Agency and requiring the City Redevelopment Agency to assume responsibility for the Lock and the bascule bridge. The owner of the Property and Lock shall assume flood control responsibility for installing stop logs into the east gate lock gate at certain flood stages of the Sacramento River in compliance with all regulations and manuals regarding the same. The owner of the Property and the Lock shall maintain and repair the Lock, and the Lock shall not be demolished or

altered without the approval of the United States Corps of Engineers, Department of Water Resources and responsible regulatory agencies.

- 17) The following covenant applies to all Tracts and Parcels: In accordance with the River Park and Yarbrough development agreements that were approved by the City Council in June 2008, the owner of the Property shall pay or advance all of its fair share fees and costs for the design, development and construction of the South River Road Bridge as identified in Attachment "B", attached hereto and incorporated herein, at least eighteen (18) months before the issuance of the two thousandth (2,000<sup>th</sup>) building permit in the Southport area, or as more particularly described in the Comprehensive Financing Agreement required by the development agreements. The Comprehensive Bridge Financing Agreement shall identify with specificity the timing of Landowner's obligations toward financing the South River Road Bridge and Landowner's proportionate share of costs.
- 18) The following covenant applies to all Tracts and Parcels: The Property is suspected to or is known to contain the presence of a hazardous substance, pollutant, or contaminant. Prior to obtaining any building permits or obtaining any land use entitlements, the owner or applicant must demonstrate that the project or development of the Property is not impacted by environmental contamination by providing the City with a no further action letter issued by the California Water Quality Control Board or the California Department of Toxic Substances Control.
- 19) The following covenant applies to APN # 067-180-036: On November 15, 2006, City Council approved plans for recreational access improvements along the South Bank of the Barge Canal, located between the Palamidessi Bridge and Jefferson Boulevard Bridge as identified in Attachment "F". These improvements to the Property include minimum access improvements to the south bank of the Barge Canal and a minimum encroachment and intersection improvements at the intersection of Jefferson Boulevard and South River Road. The owner of the Property will continue to provide public access to the Property, and assume full responsibility for maintaining and operating the park that is consistent with the approved plan.



VICINITY MAP



**90% PLANS - FOR REVIEW ONLY**  
 APRIL 26, 2007 (SUBMITTAL ON MAY 18TH)

# CITY OF WEST SACRAMENTO

## PUBLIC WORKS AND COMMUNITY DEVELOPMENT DEPARTMENT

### PLANS FOR THE CONSTRUCTION OF: SOUTH RIVER ROAD BARGE CANAL CROSSING & VILLAGE PARKWAY EXTENSION PROJECT

CITY WORK ORDER NO. 1530

ACCEPTED BY: CAROLINE L. QUINN, R.C.E., 38735  
 ASSISTANT DIRECTOR OF PUBLIC WORKS AND COMMUNITY DEVELOPMENT

DATE: \_\_\_\_\_

AGENCY REPRESENTATIVES

| SP. IDENTIFICATION NUMBER | NAME              | PHONE          |
|---------------------------|-------------------|----------------|
| 001                       | LEONARD LUCIFRELL | (916) 517-4414 |
| 002                       | JAM ELLIOTT       | (916) 517-4400 |
| 003                       | DAVID J. HAN      | (916) 517-4400 |
| 004                       | JOE WOOD          | (916) 517-4400 |
| 005                       | OTR THE OPERATOR  | (916) 517-4400 |
| 006                       | OTR THE OPERATOR  | (916) 517-4400 |
| 007                       | OTR THE OPERATOR  | (916) 517-4400 |
| 008                       | OTR THE OPERATOR  | (916) 517-4400 |
| 009                       | OTR THE OPERATOR  | (916) 517-4400 |
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| 027                       | OTR THE OPERATOR  | (916) 517-4400 |
| 028                       | OTR THE OPERATOR  | (916) 517-4400 |
| 029                       | OTR THE OPERATOR  | (916) 517-4400 |
| 030                       | OTR THE OPERATOR  | (916) 517-4400 |

EMERGENCY PHONE NUMBERS

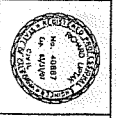
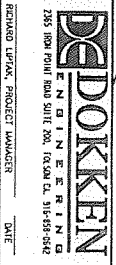
|     |               |                |
|-----|---------------|----------------|
| 911 | EMERGENCY     | (916) 372-4474 |
| 912 | NON-EMERGENCY | (916) 372-4474 |
| 913 | NON-EMERGENCY | (916) 372-4474 |
| 914 | NON-EMERGENCY | (916) 372-4474 |
| 915 | NON-EMERGENCY | (916) 372-4474 |
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| 922 | NON-EMERGENCY | (916) 372-4474 |
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| 929 | NON-EMERGENCY | (916) 372-4474 |
| 930 | NON-EMERGENCY | (916) 372-4474 |

SHEET INDEX

| SHT. NO. | DESCRIPTION                     |
|----------|---------------------------------|
| 1-1      | TITLE SHEET                     |
| 1-2      | NOTES, LEGEND AND ABBREVIATIONS |
| 1-3      | TYPICAL SECTIONS                |
| 1-4      | PLAN AND PROFILE PLANS          |
| 1-5      | CONSTRUCTION DETAILS            |
| 1-6      | CONSTRUCTION PLANS              |
| 1-7      | CONSTRUCTION PLANS              |
| 1-8      | CONSTRUCTION PLANS              |
| 1-9      | CONSTRUCTION PLANS              |
| 1-10     | CONSTRUCTION PLANS              |
| 1-11     | CONSTRUCTION PLANS              |
| 1-12     | CONSTRUCTION PLANS              |
| 1-13     | CONSTRUCTION PLANS              |
| 1-14     | CONSTRUCTION PLANS              |
| 1-15     | CONSTRUCTION PLANS              |
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| 1-25     | CONSTRUCTION PLANS              |
| 1-26     | CONSTRUCTION PLANS              |
| 1-27     | CONSTRUCTION PLANS              |
| 1-28     | CONSTRUCTION PLANS              |
| 1-29     | CONSTRUCTION PLANS              |
| 1-30     | CONSTRUCTION PLANS              |

**BENCH MARK**  
 COORDINATE STATE PLATE COORDINATE SYSTEM ZONE 2 BASED ON THE NATIONAL ADJUSTED DATUM AND ADJUSTMENT AND THE 1922 DATUM/STATE PLATE COORDINATE SYSTEM. THE BENCH MARK IS MONUMENT 23, BASED ON MONUMENT C17-02 (13) HAS 627.4 3 1/4 INCH BARS SET IN A STANDARD 4 INCH DIAMETER CONCRETE CEMENT SURVEY MONUMENT. THE BENCH MARK IS LOCATED AT THE NORTHWEST CORNER OF THE AND 10TH STREET.

|     |          |      |                       |                        |                           |
|-----|----------|------|-----------------------|------------------------|---------------------------|
| NO. | REVISION | DATE | DESIGNED: JAVAN NAJOS | RECORD DRAWING DATE    | CITY OF WEST SACRAMENTO   |
|     |          |      | DRAWN: DANIEL KEMNER  | SCALE: HORIZ: N/A      | ENGINEERING DIVISION      |
|     |          |      | CHECKED: MATI GRIGGS  | VERT: N/A              | 1110 WEST CAPITOL AVENUE  |
|     |          |      |                       | PROJECT NO. 1530       | WEST SACRAMENTO, CA 95691 |
|     |          |      |                       | CD FILE: 151_1_201.dgn |                           |





SOUTH RIVER ROAD BARGE CANAL CROSSING &  
 VILLAGE PARKWAY EXTENSION PROJECT

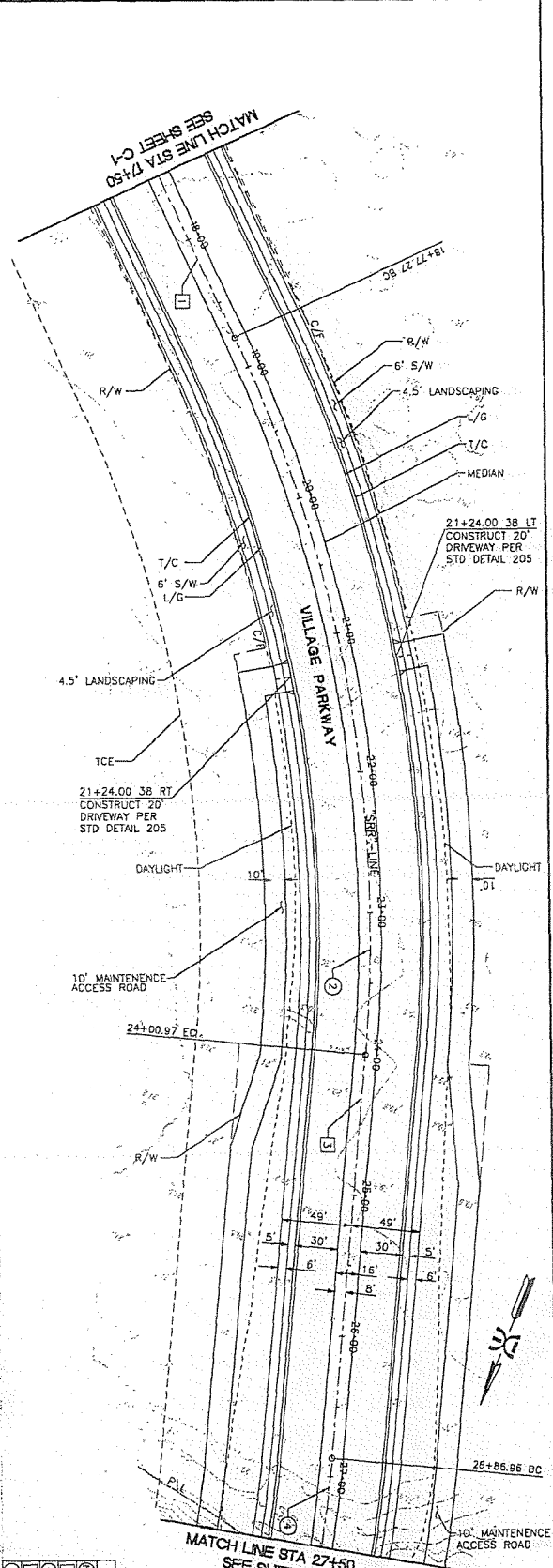
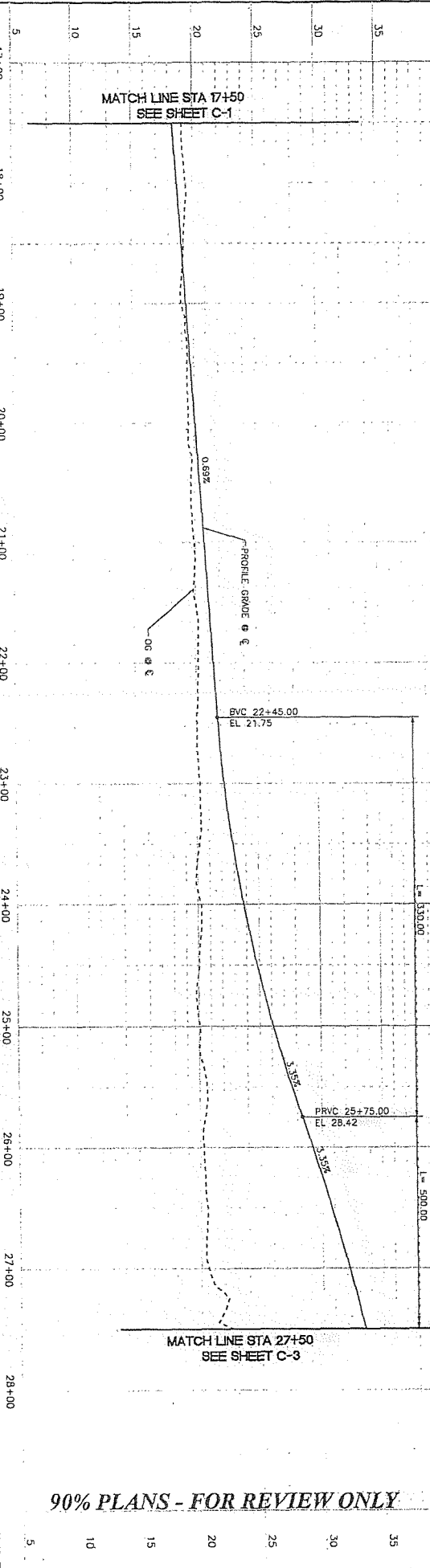
TITLE SHEET

1 of 1  
 T-1  
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|   |                      |    |      |                      |
|   | DESIGNED: JUAN RAMOS |    |      |                      |
|   | DRAWN: DANIEL KEMNER |    |      |                      |
|   | CHECKED: MATT GARDIS |    |      |                      |
|   | PROJECT NO. 1550     |    |      |                      |
|   | CD # 15131-10249     |    |      |                      |
| CITY OF WEST SACRAMENTO<br>ENGINEERING DIVISION<br>1110 WEST CAPITOL AVENUE<br>WEST SACRAMENTO, CA 95831                                    |                      |    |      |                      |
|    |                      |    |      |                      |
| <b>DADOKKEN</b><br>ENGINEERING<br>285 HORN POINT ROAD SUITE 200, FOLSOM, CA 95630-1642<br>JUAN RAMOS, PROJECT ENGINEER                      |                      |    |      |                      |
|    |                      |    |      |                      |
| SOUTH RIVER ROAD BARGE CANAL CROSSING &<br>VILLAGE PARKWAY EXTENSION PROJECT<br>PLAN & PROFILE<br>VILLAGE PARKWAY<br>STA 17+50 TO STA 27+50 |                      |    |      |                      |
| DATE: 07-01-AG  |                      |    |      |                      |



SBR - LINE CURVE DATA

| STATION | R      | Δ           | T      | L      |
|---------|--------|-------------|--------|--------|
| 17+50   | 000.00 | 30° 00' 22" | 268.01 | 337.57 |
| 21+50   | 117.08 | 55° W       | 285.99 |        |
| 24+00   | 800.00 | 52° 36' 15" | 395.42 | 734.49 |

- NOTES:**
- FOR MEDIAN DETAILS SEE CONSTRUCTION DETAIL PLANS.
  - FOR LANDSCAPING DETAILS SEE LANDSCAPE PLANS.
  - FOR DRIVEWAY DETAILS SEE STD DETAIL 205.

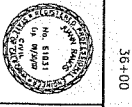
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| NO. | REVISION | BY | DATE |
|     |          |    |      |
|     |          |    |      |
|     |          |    |      |
|     |          |    |      |

DESIGNED: JOHNN RAMOS  
 DRAWN: DANIEL KEIFER  
 CHECKED: WALT BRIGGS

RECORD DRAWING DATE: \_\_\_\_\_  
 SCALE: \_\_\_\_\_  
 HORIZ: 1" = 40'  
 VERT: 1" = 4'

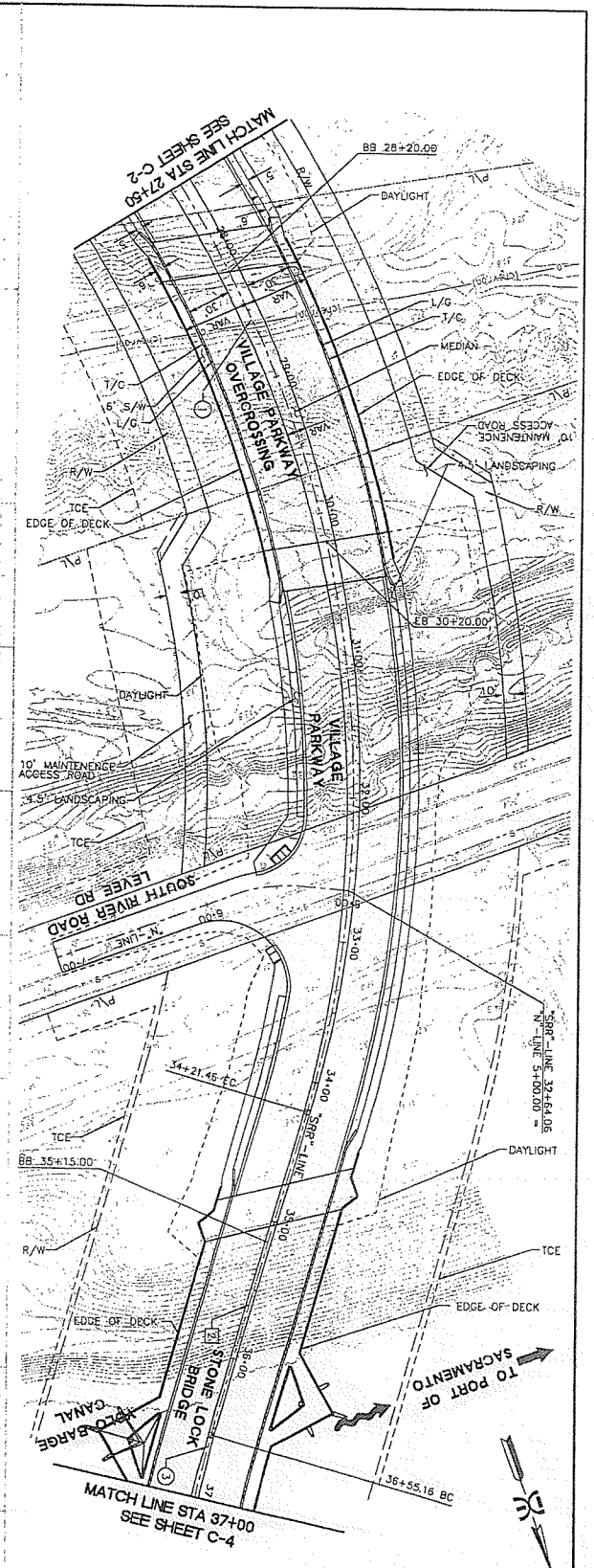
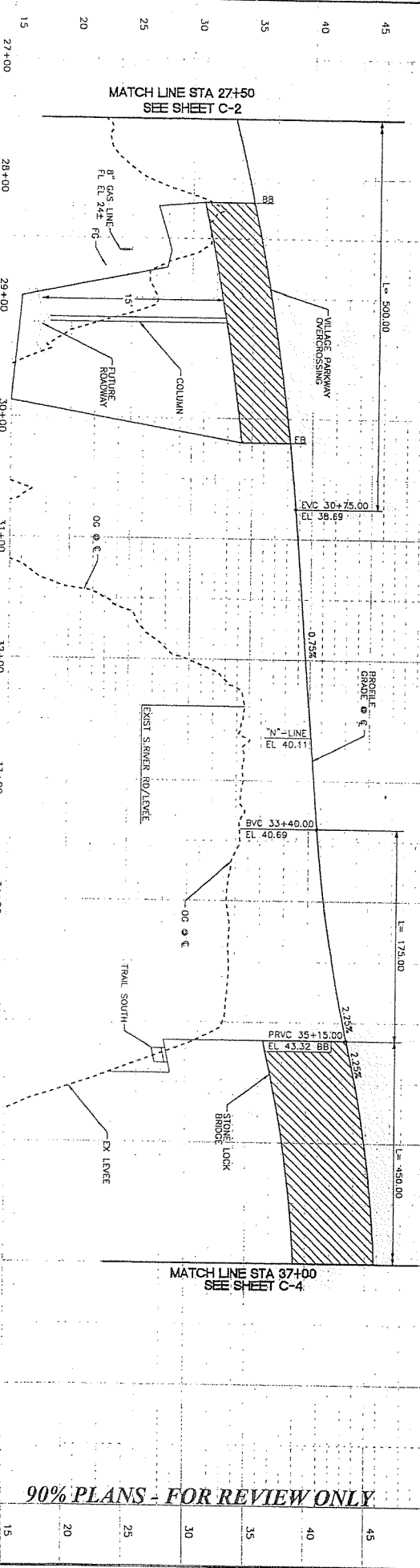
CITY OF WEST SACRAMENTO  
 ENGINEERING DIVISION  
 1110 WEST CAPITOL AVENUE  
 WEST SACRAMENTO, CA 95831

**DEDDOKKEN**  
 CONSULTING ENGINEERS  
 2355 180th ROAD SUITE 200, FISSA, WA 98540-9400  
 JOHNN RAMOS, PROJECT ENGINEER



SOUTH RIVER ROAD BARGE CANAL CROSSING & VILLAGE PARKWAY EXTENSION PROJECT  
 PLAN & PROFILE  
 VILLAGE PARKWAY  
 STA 27+50 TO STA 37+00

8 OF 8  
 C-3  
 PER 07-01-AH



SURT - LINE CURVE DATA

| NO. | R      | Δ         | T      | L      |
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| 1   | 800.00 | 52°36'15" | 395.42 | 734.49 |
| 2   | 135.27 | 21°15'00" | 233.71 | 233.71 |
| 3   | 800.00 | 36°16'34" | 282.07 | 506.51 |

- NOTES:
- FOR SURT-LINE CURVE DATA AND DETAILS SEE SHEET C-11.
  - FOR MEDIAN AND CURB RAMP DETAILS SEE CONSTRUCTION DETAIL PLAN SHEETS CD-1 AND CD-2.
  - FOR BRIDGE DETAILS SEE BRIDGE PLANS.
  - FOR LANDSCAPING DETAILS SEE LANDSCAPE PLANS.

|     |          |    |      |                      |                       |
|-----|----------|----|------|----------------------|-----------------------|
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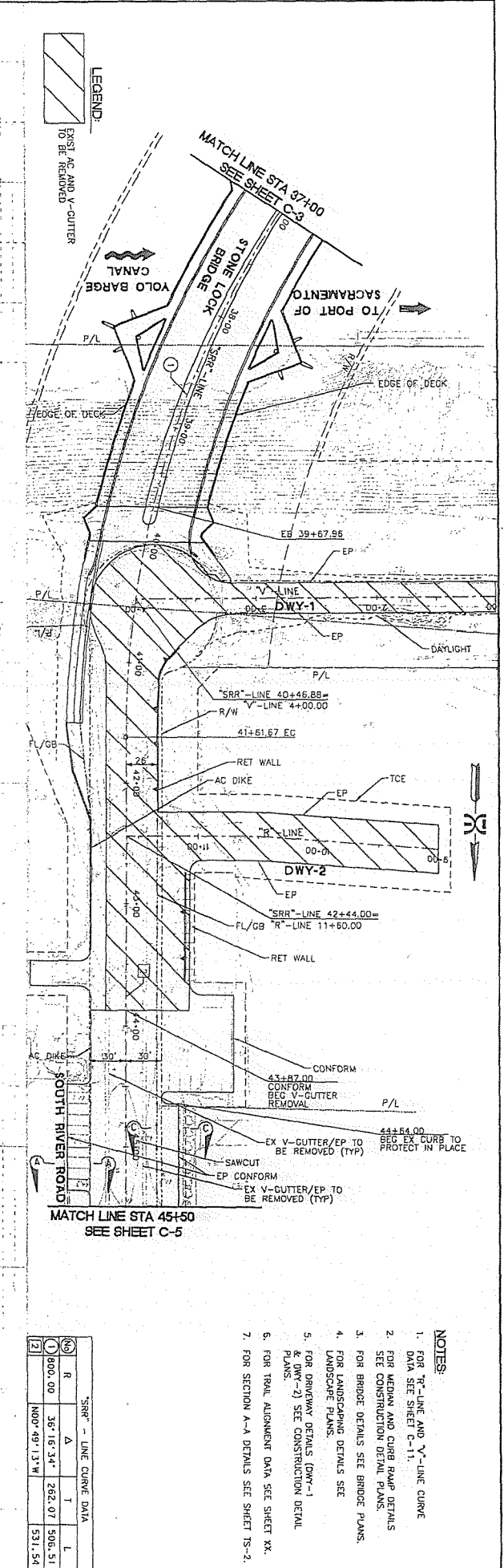
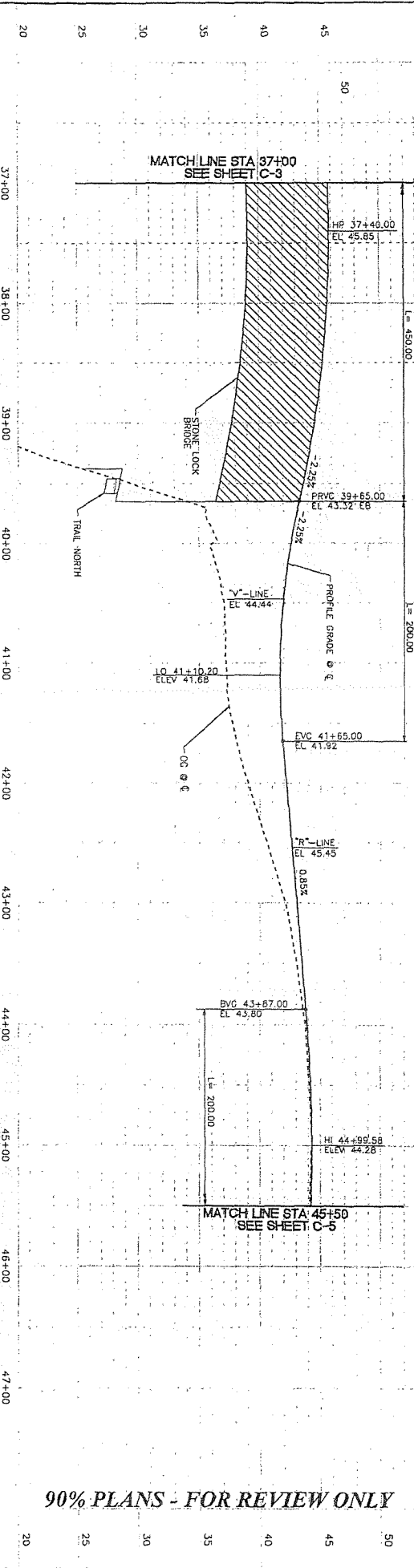
**CITY OF WEST SACRAMENTO**  
ENGINEERING DIVISION  
1110 WEST CAPITOL AVENUE  
WEST SACRAMENTO, CA 95691

**JUAN BAOS, PROJECT ENGINEER**

**DEDOKKEN**  
236 18th FLOOR, SAN FRANCISCO, CA 94103  
415.774.4444

**SOUTH RIVER ROAD BARBER CANAL CROSSING & VILLAGE PARKWAY EXTENSION PROJECT**  
PLAN & PROFILE  
STA 37+00 TO STA 45+50

9  
C-4  
Dec 07-01-AM

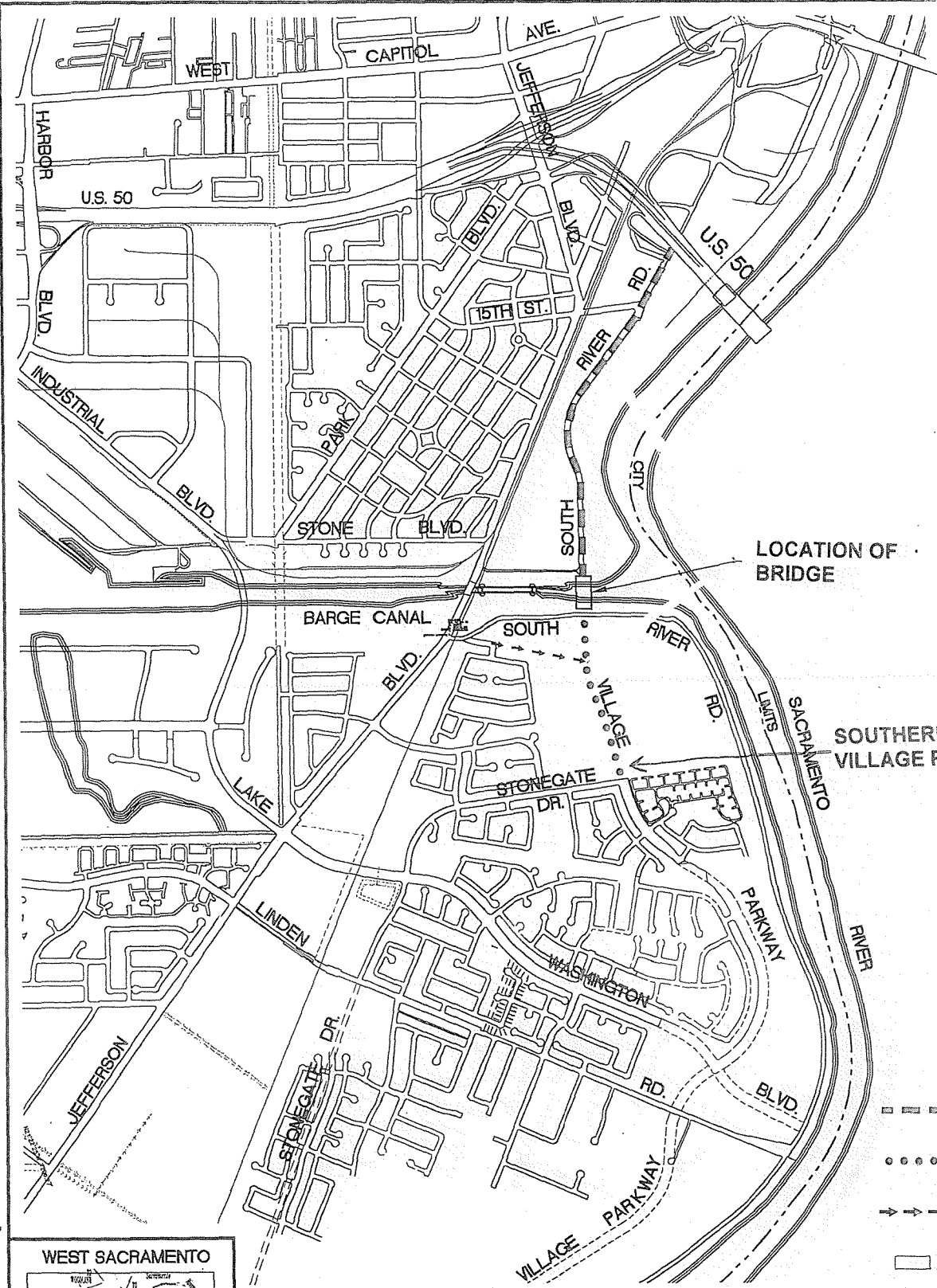
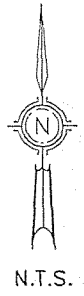


SRR - LINE CURVE DATA

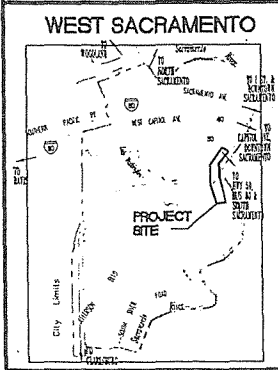
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|-----|---------|-----------|--------|--------|
| 1   | 800.00  | 36°16'34" | 262.07 | 506.51 |
| 2   | 1000.00 | 49°13'13" | 531.54 |        |

- NOTES:**
- FOR "R"-LINE AND "V"-LINE CURVE DATA SEE SHEET C-11.
  - FOR MEDIAN AND CURB RAMP DETAILS SEE CONSTRUCTION DETAIL PLANS.
  - FOR BRIDGE DETAILS SEE BRIDGE PLANS.
  - FOR LANDSCAPING DETAILS SEE LANDSCAPE PLANS.
  - FOR DRIVEWAY DETAILS (DWY-1 & DWY-2) SEE CONSTRUCTION DETAIL PLANS.
  - FOR TRAIL ALIGNMENT DATA SEE SHEET XX.
  - FOR SECTION A-A DETAILS SEE SHEET TS-2.

90% PLANS - FOR REVIEW ONLY



- LEGEND**
- SOUTH RIVER ROAD WIDENING
  - VILLAGE PARKWAY EXTENSION
  - SOUTH RIVER ROAD EXTENSION
  - PROPOSED BRIDGE CROSSING



DATE: 4-15-05  
 SCALE: N.T.S.  
 DRAWN BY: J.G.  
 CHECKED BY: J.D.  
 W.O. #: 1530  
 SHEET 1 OF 1

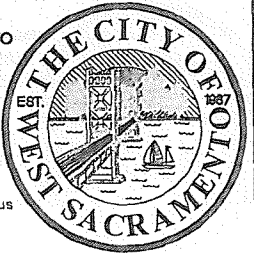
TITLE:  
**LOCATION MAP**

PROJECT:  
**SOUTH RIVER ROAD  
 BRIDGE CROSSING OVER  
 THE YOLO BARGE CANAL**

CITY OF WEST SACRAMENTO  
 ENGINEERING DIVISION  
 1110 W. CAPITOL AVE  
 WEST SACRAMENTO, CA 95691

PHONE: (916) 617-4645  
 FAX: (916) 371-0845

EMAIL:  
 comdev@ci.west-sacramento.ca.us



## ATTACHMENT C

### South River Road Bridge Project

The South River Road Barge Canal Crossing and Village Parkway Extension Project (the "South River Road Bridge") include the following, in addition to the right-of-way for each:

- Construction of a four (4) lane bridge over the Yolo Barge Canal (approximately 460 feet long).
- Extension of the four (4) lane Village Parkway from Stonegate Boulevard to the new canal crossing.
- Widening South River Road to three (3) lanes (north of Barge Canal to the US-50 highway off-ramp).
- Lineal footage of the roads (+/- 7,200).

The widening of South River Road to three lanes north of the Barge Canal is considered interim due to existing right-of-way constraints along this segment, enabling earlier implementation of the project. As the South River Road industrial area redevelops, the ultimate widening of South River Road to four lanes will be required. Additionally, the project will include a two-way left-turn lane, median islands, bike lanes, traffic signals, curb, gutter, sidewalk, storm drainage, and landscaping.

LICENSE FOR UNDERGROUND PIPE LINE

THIS LICENSE made this 15<sup>th</sup> day of June, 1965, between SACRAMENTO-YOLO PORT DISTRICT, a California river port district (hereinafter called PORT DISTRICT), and STANDARD OIL COMPANY OF CALIFORNIA, a California corporation (hereinafter called STANDARD OIL),

## WITNESSETH:

1. Subject to the terms and conditions hereinafter set forth, PORT DISTRICT licenses STANDARD OIL to construct and maintain an eight-inch (8") pipe line to be used for the transportation of petroleum products upon two parcels of real property as described herein and in strict accordance with the plans and specifications set forth in the schematic diagrams attached hereto as Exhibits A and B. The first location of said pipe line crosses a portion of the Barge Canal Spoil Area of property owned by PORT DISTRICT in Yolo County, California, as more specifically set forth in Exhibit A attached. The second location of said pipe line crosses the Sacramento Deep Water Ship Channel at M. P. 38.1<sup>+</sup>, the alignment and location of which is as shown in Exhibit B attached.

2. The crossing shall be constructed to the depth and in the manner required by the regulations of the United States Army Corps of Engineers, and the plans of construction and the materials used shall conform with the requirements of such regulations. It shall be constructed and thereafter, at all times, operated, maintained, and repaired in a manner satisfactory to PORT DISTRICT. If necessary, excavated material may be placed on the spoil area adjacent to the west levee of the ship channel. Such material shall be left

SPLC140406

in a reasonably smooth condition, sloped to drain toward the channel, with no depressions left to pond water. Material shall be placed to no higher elevation than the crown of the west levee of the ship channel.

3. All permits and franchises (federal, state, county, or municipal) which may be necessary to be obtained for the construction, maintenance, and operation of the said pipe line shall be obtained by STANDARD OIL, and STANDARD OIL hereby agrees not to construct, operate, or maintain the said pipe line in violation of any law, statute, or ordinance or in violation of the rights of PORT DISTRICT in the use or enjoyment of its property. It is expressly understood that this agreement shall operate to give STANDARD OIL the rights herein provided only insofar as PORT DISTRICT may do so under and by virtue of the rights that it has in the said property.

4. Whenever PORT DISTRICT shall direct that the location of STANDARD OIL's facilities shall be changed or that any change be made in the installation, maintenance, use, or operation of the same, STANDARD OIL shall, upon sixty (60) days' written notice from PORT DISTRICT, make such changes to the full satisfaction of PORT DISTRICT at STANDARD OIL's sole expense. Whenever PORT DISTRICT shall elect to revoke this license or any of the privileges hereby conferred, STANDARD OIL shall, upon sixty (60) days' written notice from PORT DISTRICT, remove its facilities from the property of PORT DISTRICT. STANDARD OIL shall acquire no easement or property right in or to the property of PORT DISTRICT by virtue of this license.

SPLC140407



5. Should PORT DISTRICT's use of its property be impaired or made dangerous by STANDARD OIL's facilities or the operation thereof, PORT DISTRICT shall have the right to require STANDARD OIL immediately to correct the cause of such impairment or danger, and, should STANDARD OIL fail to do so immediately, PORT DISTRICT shall have the right to remove said facilities or any part thereof which is impairing or endangering PORT DISTRICT's operation, and the cost of so doing shall be paid to PORT DISTRICT by STANDARD OIL.

6. STANDARD OIL shall indemnify PORT DISTRICT and save it harmless from any and all loss, damage, expense, claims, and demands of whatsoever character, direct or consequential, including injuries to employees or to third persons, damage to property belonging to or in the custody or possession of PORT DISTRICT or any company or person using said property, or third persons, whether on the property or right of way of PORT DISTRICT, or elsewhere, caused directly or indirectly by the construction, repair, operation, maintenance, or replacement of such pipe line, its adjuncts, or appurtenances.

7. STANDARD OIL hereby assumes all risk of damage to its said pipe line and its appurtenances and to any other property belonging to or in its control or custody while upon the property or right of way of PORT DISTRICT, or in proximity thereto, caused or contributed to in any way by the construction, operation, or maintenance of the ship channel or other Port facilities. STANDARD OIL hereby releases and agrees to indemnify PORT DISTRICT and to save it harmless from and against any and all liability for injuries or deaths suffered by the employees, agents, or representatives of

SPLC140408

STANDARD OIL or any any other person or persons while engaged in the construction, maintenance, operation, repair, or replacement of STANDARD OIL's pipe line, or its appurtenances, caused or contributed to in any way by the construction, operation, or maintenance of PORT DISTRICT facilities or caused in any other manner whatsoever.

8. STANDARD OIL shall conduct its construction and future maintenance operations in the channel with regard to ship traffic in the channel in accordance with Title 33, Code of Federal Regulations, Chapters I and II.

9. STANDARD OIL shall be responsible for and promptly pay any and all taxes levied on or assessed against the facilities it constructs and maintains pursuant to this license.

10. Upon the failure of STANDARD OIL to conform to any of the covenants and conditions hereinbefore specified, the license hereby conferred shall at the option of PORT DISTRICT cease and terminate, and PORT DISTRICT shall have the right forthwith to remove the said pipe line, its adjuncts, and appurtenances from the right of way and property of PORT DISTRICT, and thereupon STANDARD OIL shall pay PORT DISTRICT all costs and expenses in connection with such removal.

11. The covenants and conditions herein contained shall inure to the benefit of the successors and assigns of PORT DISTRICT.

12. The license hereby granted is personal to the licensee, and STANDARD OIL shall not assign the privileges hereby conferred or any part thereof without the written consent of the PORT DISTRICT.

SPLC140409

13. The terms and conditions hereof apply equally to each of the two locations under which a license is hereby granted, and the violation of any term or condition hereof with respect to one location may, at the option of PORT DISTRICT, be considered a breach as to that location alone or as to both locations.

IN WITNESS WHEREOF, the parties hereto have caused these presents to be duly executed the day and year first above written.

SACRAMENTO-YOLO PORT DISTRICT

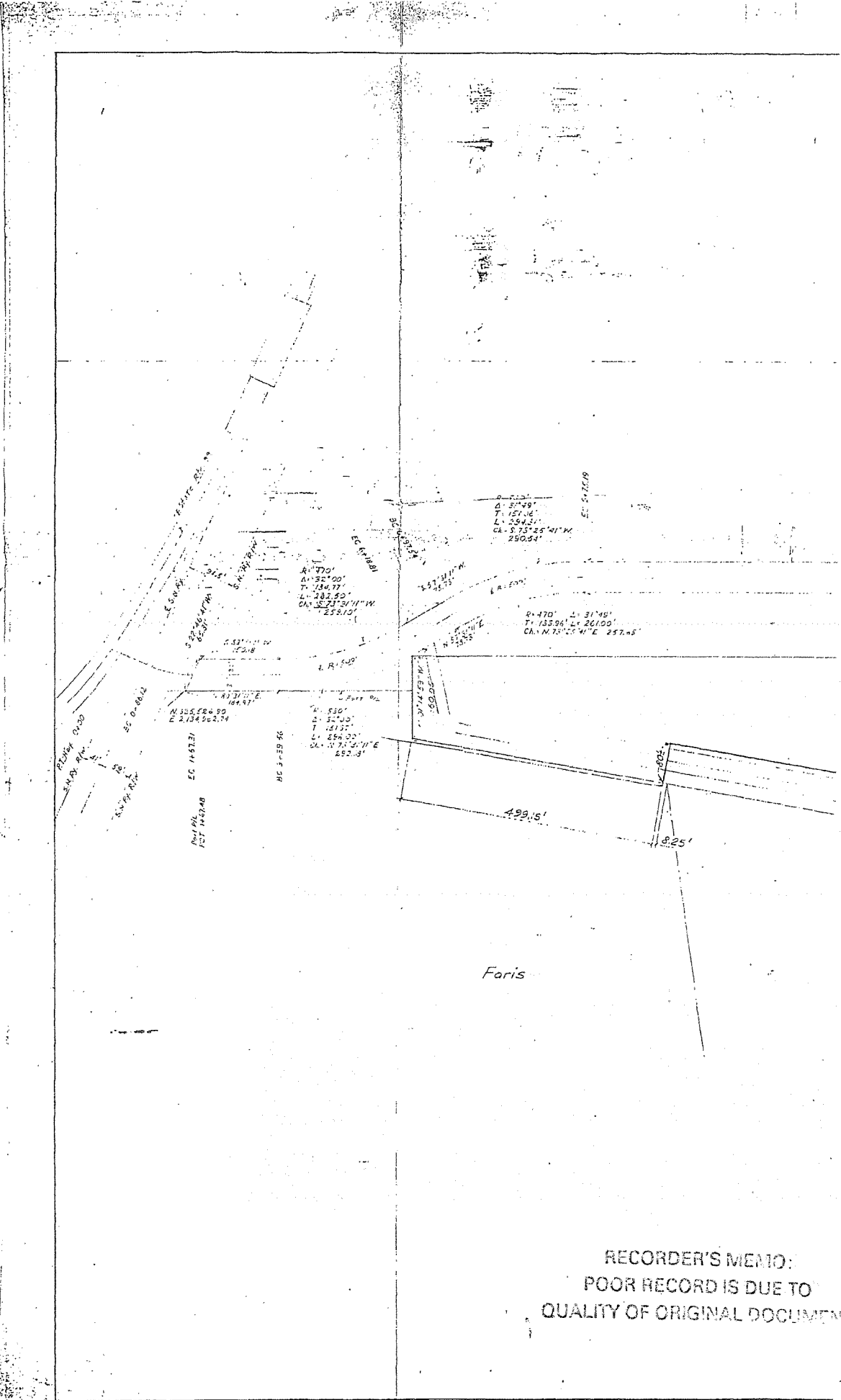
By *Bill Crowell*  
Chairman, Port District Commission

By *Don [Signature]*  
Secretary, Port District Commission

STANDARD OIL COMPANY OF CALIFORNIA

By *A. B. Shulte*  
Manager, Real Estate and Right of Way,  
Land Department, Standard Oil Company  
By California Western Operations, Inc.,  
a division of said company

SPLC140410



$\Delta = 51^{\circ}29'$   
 $T = 127.46'$   
 $L = 254.55'$   
 $CA = S. 73^{\circ}25'41'' W$   
 $290.54'$

$R = 770'$   
 $\Delta = 52^{\circ}00'$   
 $T = 134.77'$   
 $L = 282.50'$   
 $CA = S. 21^{\circ}21'' W$   
 $253.10'$

$\Delta = 470'$   $L = 31^{\circ}40'$   
 $T = 153.94'$   $L = 261.00'$   
 $CA = N. 72^{\circ}25' W E. 257.45'$

$N. 325.78 \pm 80$   
 $E. 2,134.5 \pm 2.74$

$R = 530'$   
 $\Delta = 34^{\circ}00'$   
 $T = 413.77'$   
 $L = 254.00'$   
 $CA = N. 72^{\circ}25' W E. 257.45'$

499.5'

8.25'

Foris

RECORDER'S MEMO:  
 POOR RECORD IS DUE TO  
 QUALITY OF ORIGINAL DOCUMENT

E. Barge Canal  
N 49° 23' 00" E

BC 27-1234  
R: 830' Δ: 42'  
T: 52.18' L: 1.18  
CA: N 83° 19' 34"  
163.55  
E. Levee

S 69° 20' 11" W  
1,732.75'  
Yolo County Highway R/W  
2,387 Ac.  
N 49° 23' 00" E  
1,732.75'

R: 170' Δ: 12' 46"  
T: 65.52' L: 1.170  
CA: S 64° 19' 34"  
163.55

N 89° 20' 11" E  
2,461.15'

Barge Canal Spoil Area  
25,853 Ac.

Proposed Pipe Lin

80'

S 80° 21' 14" E - 2500'

70'

Theor. toe of levee

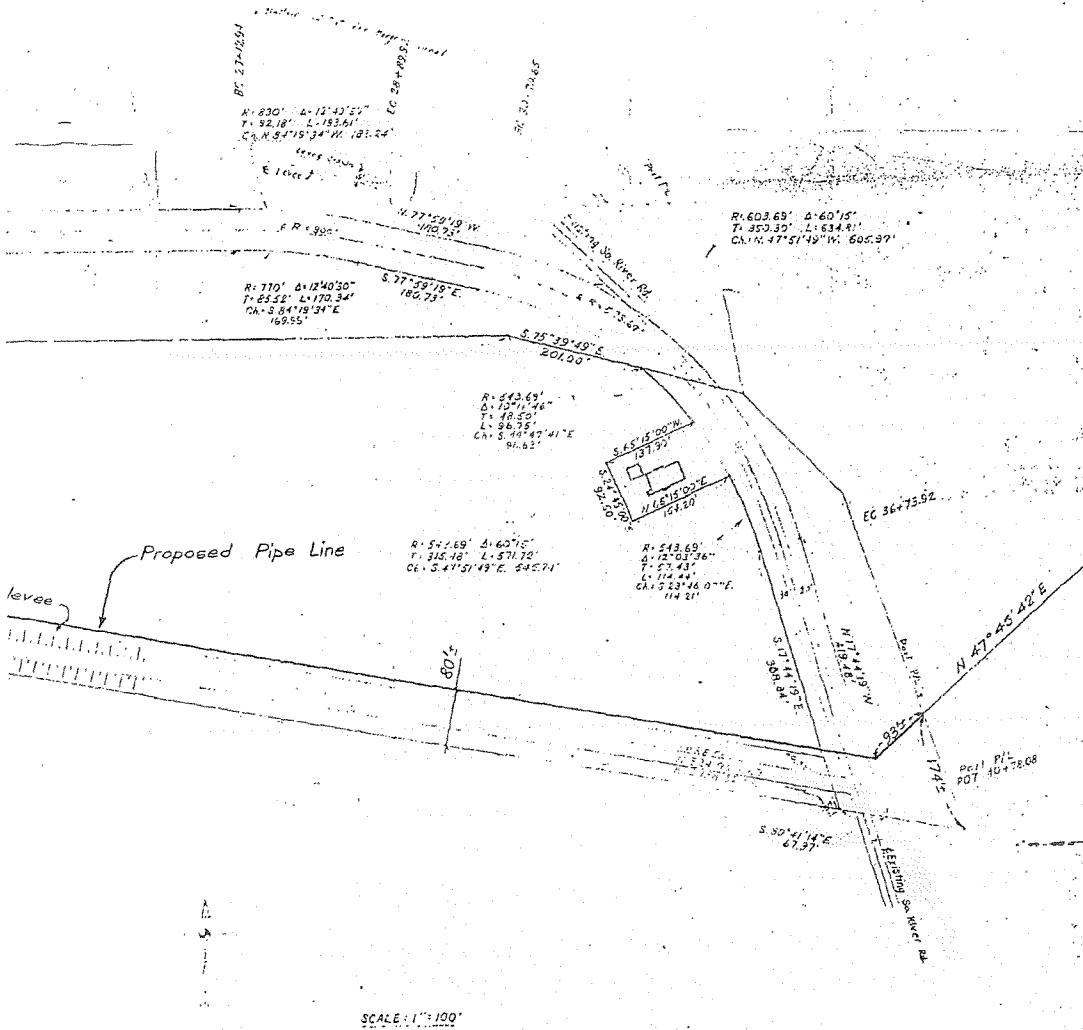
Levee

N 80° 41' 14" W  
2,907.61'

U.S.A.

RECORDER'S MEMO:  
POOR RECORD IS DUE TO  
QUALITY OF ORIGINAL DOCUMENT

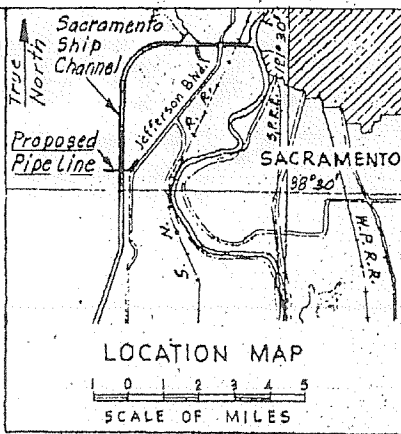
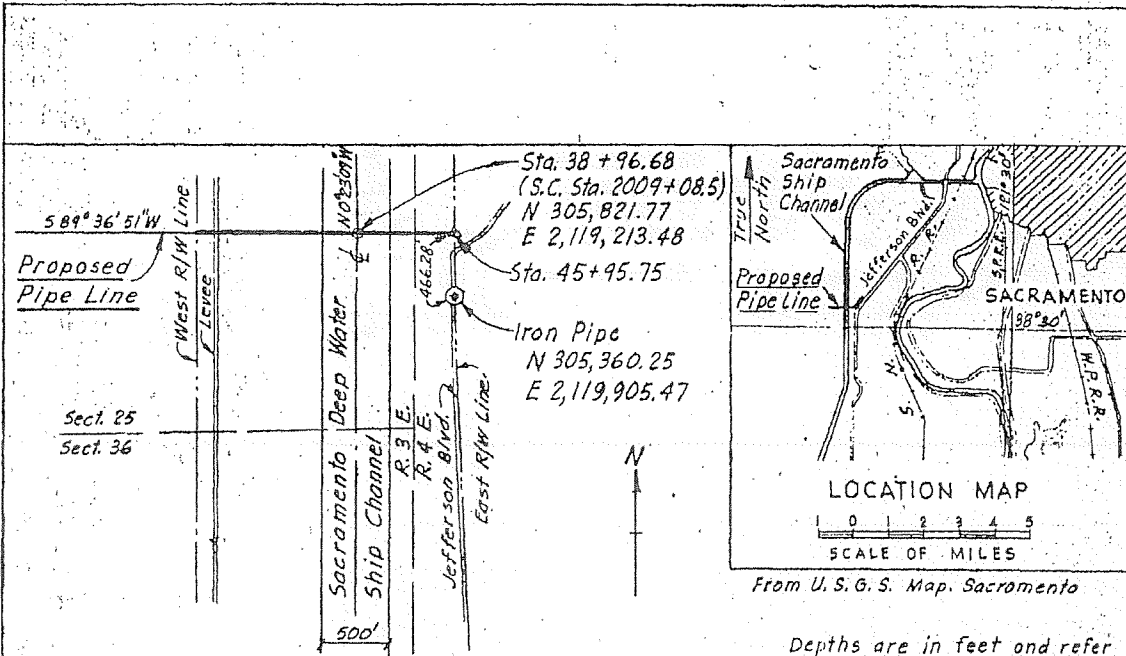
STA. 50+56.73 "B"  
 STA. 0+00 L. Barge Canal



SCALE: 1"=100'

|  |  |  |  |
|--|--|--|--|
| STANDARD OIL COMPANY OF CALIFORNIA,<br>WESTERN OPERATIONS, INC.<br><small>ENGINEERING DEPARTMENT</small> |  | PORT OF SACRAMENTO<br>SACRAMENTO - YOLO PORT DISTRICT  |  |
| PROPOSED PIPE LINE RIGHT OF WAY<br>CROSSING LANDS OF SACRAMENTO-YOLO<br>PORT DISTRICT NEAR SACRAMENTO    |  | SOUTH RIVER ROAD CONNECTION R/W<br>& BARGE CANAL SPILL EASEMENT  |  |
| DATE: 3-8-65<br>SCALE: 1"=100'   |  | DRAWN: J.G.<br>CHECKED: _____<br>PORT ENGINEER, LICENSE NO. 2701<br>PORT DIRECTOR: _____<br>SHEET: 7 OF 7<br>DATE: 2-2-67<br>DRAWING FILE NO.<br>10-56 |  |
| PL-A-10837-0   |  | SPLC140112   |  |

RECORDER'S MEMO:  
 POOR RECORD IS DUE TO  
 QUALITY OF ORIGINAL DOCUMENT

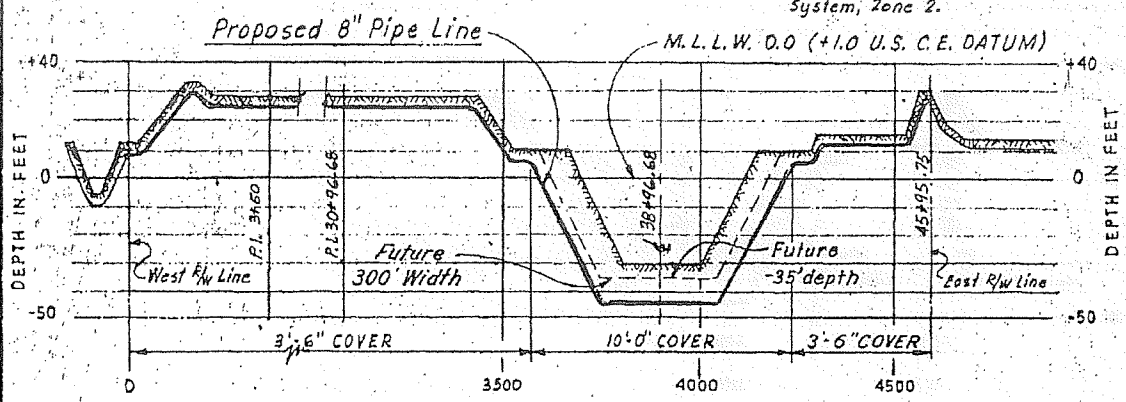


From U. S. G. S. Map, Sacramento

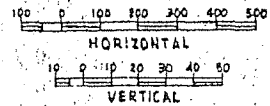
Depths are in feet and refer to mean lower low water.

Proposed Pipe Line is for transporting petroleum products. Bearings, distances & coordinates are based on California Coordinate System, Zone 2.

PLAN  
SCALE OF FEET



PROFILE  
(From Sacramento Deep Water Ship Channel Project Dwg. File No 52-3-161)  
SCALES OF FEET



**PROPOSED PIPE LINE**  
 across Sacramento Deep Water Ship Channel at M.P. 38.1 ±  
 County of Yolo, State of California  
 Application by Standard Oil Company of California  
Feb. 12, 1965 Date

SPLC140414

RECORDER'S MEMO:  
POOR RECORD IS DUE TO  
QUALITY OF ORIGINAL DOCUMENT

LICENSE FOR UNDERGROUND  
PIPE LINE

SACRAMENTO-YOLO PORT DIST.  
TO  
STANDARD OIL COMPANY  
OF CALIFORNIA

Dated: \_\_\_\_\_, 1965

DOWNEY, BRAND, SEYMOUR  
AND ROHWER  
ATTORNEYS  
100 GEORGE GUTZENBACH BUILDING  
SACRAMENTO, CALIFORNIA

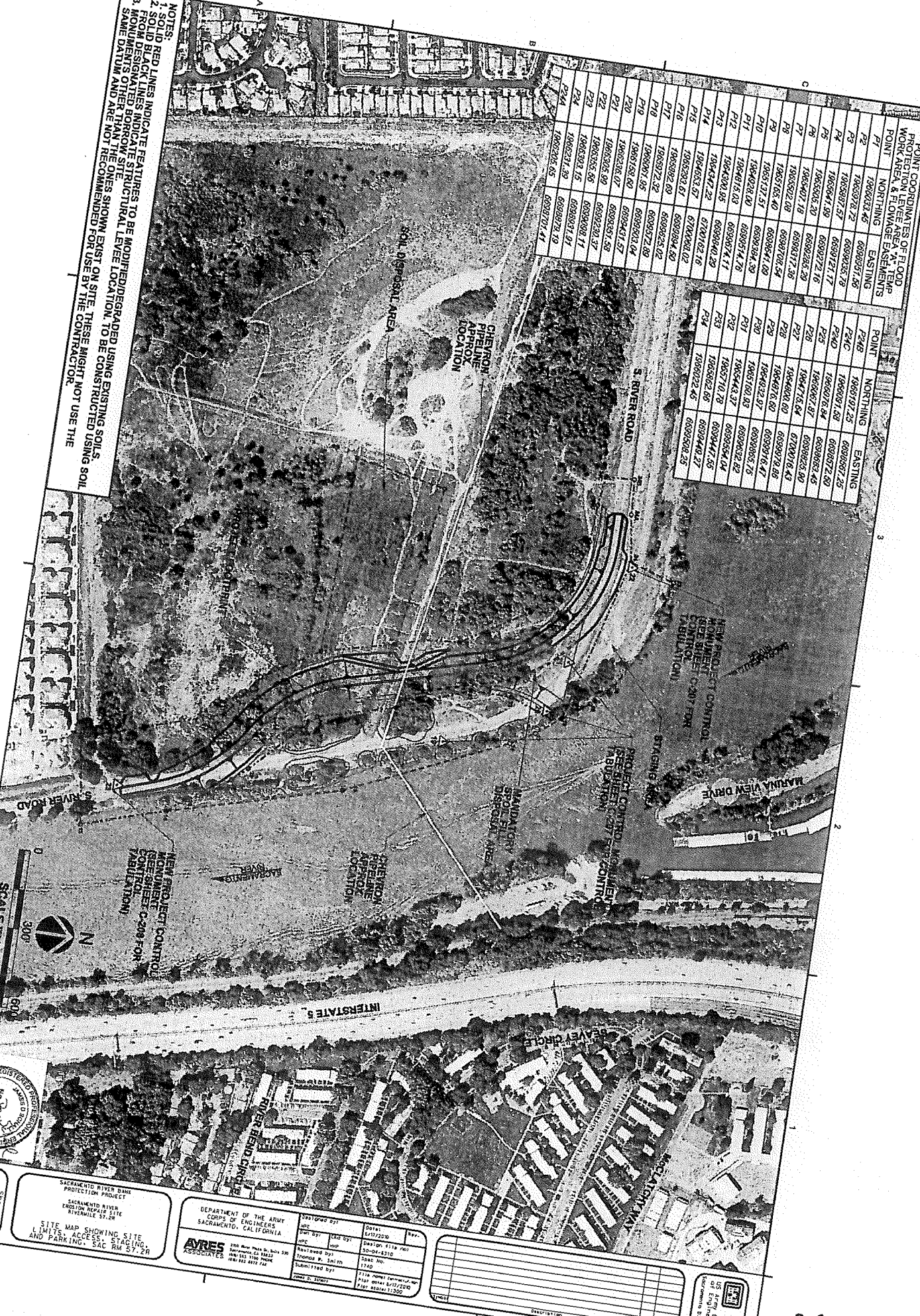
SPUC140416



NOTES:  
 1. SOLID RED LINES INDICATE FEATURES TO BE MODIFIED/DEGRADED USING EXISTING SOILS.  
 2. SOLID BLACK LINES INDICATE STRUCTURAL LEVEL LOCATION, TO BE CONSTRUCTED USING SOIL SAME DATUM AND ARE NOT RECOMMENDED FOR USE BY THE CONTRACTOR.  
 3. DIMENSIONS OTHER THAN THE ONES SHOWN, EXIST ON SITE. THESE MIGHT NOT USE THE SAME DATUM AND ARE NOT RECOMMENDED FOR USE BY THE CONTRACTOR.

| POINT COORDINATES OF FLOOD PROTECTION LEVEE AREA "A" FLOOD WORK AREA, & FLOOD EASEMENTS |            |            |  |
|---|------------|------------|--|
| POINT   | NORTHING   | EASTING    |  |
| P1  | 1082033.45 | 6089971.86 |  |
| P2  | 1083070.72 | 6089978.78 |  |
| P3  | 1083587.57 | 6089972.17 |  |
| P4  | 1083587.57 | 6089972.16 |  |
| P5  | 1083587.57 | 6089972.16 |  |
| P6  | 1083587.57 | 6089972.16 |  |
| P7  | 1083587.57 | 6089972.16 |  |
| P8  | 1083587.57 | 6089972.16 |  |
| P9  | 1083587.57 | 6089972.16 |  |
| P10   | 1083587.57 | 6089972.16 |  |
| P11   | 1083587.57 | 6089972.16 |  |
| P12   | 1083587.57 | 6089972.16 |  |
| P13   | 1083587.57 | 6089972.16 |  |
| P14   | 1083587.57 | 6089972.16 |  |
| P15   | 1083587.57 | 6089972.16 |  |
| P16   | 1083587.57 | 6089972.16 |  |
| P17   | 1083587.57 | 6089972.16 |  |
| P18   | 1083587.57 | 6089972.16 |  |
| P19   | 1083587.57 | 6089972.16 |  |
| P20   | 1083587.57 | 6089972.16 |  |
| P21   | 1083587.57 | 6089972.16 |  |
| P22   | 1083587.57 | 6089972.16 |  |
| P23   | 1083587.57 | 6089972.16 |  |
| P24   | 1083587.57 | 6089972.16 |  |

| POINT | NORTHING   | EASTING    |
|-------|------------|------------|
| P24a  | 1083070.72 | 6089978.78 |
| P24b  | 1083070.72 | 6089978.78 |
| P25   | 1083587.57 | 6089972.16 |
| P26   | 1083587.57 | 6089972.16 |
| P27   | 1083587.57 | 6089972.16 |
| P28   | 1083587.57 | 6089972.16 |
| P29   | 1083587.57 | 6089972.16 |
| P30   | 1083587.57 | 6089972.16 |
| P31   | 1083587.57 | 6089972.16 |
| P32   | 1083587.57 | 6089972.16 |
| P33   | 1083587.57 | 6089972.16 |
| P34   | 1083587.57 | 6089972.16 |

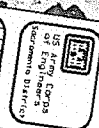


SACRAMENTO RIVER BANK PROTECTION PROJECT  
 SACRAMENTO RIVER EROSION REPAIR SITE  
 SITE MAP SHOWING SITE LIMITS, ACCESS, STAGING AND PARKING. SAC RM 57.2R

DEPARTMENT OF THE ARMY  
 CORPS OF ENGINEERS  
 SACRAMENTO, CALIFORNIA

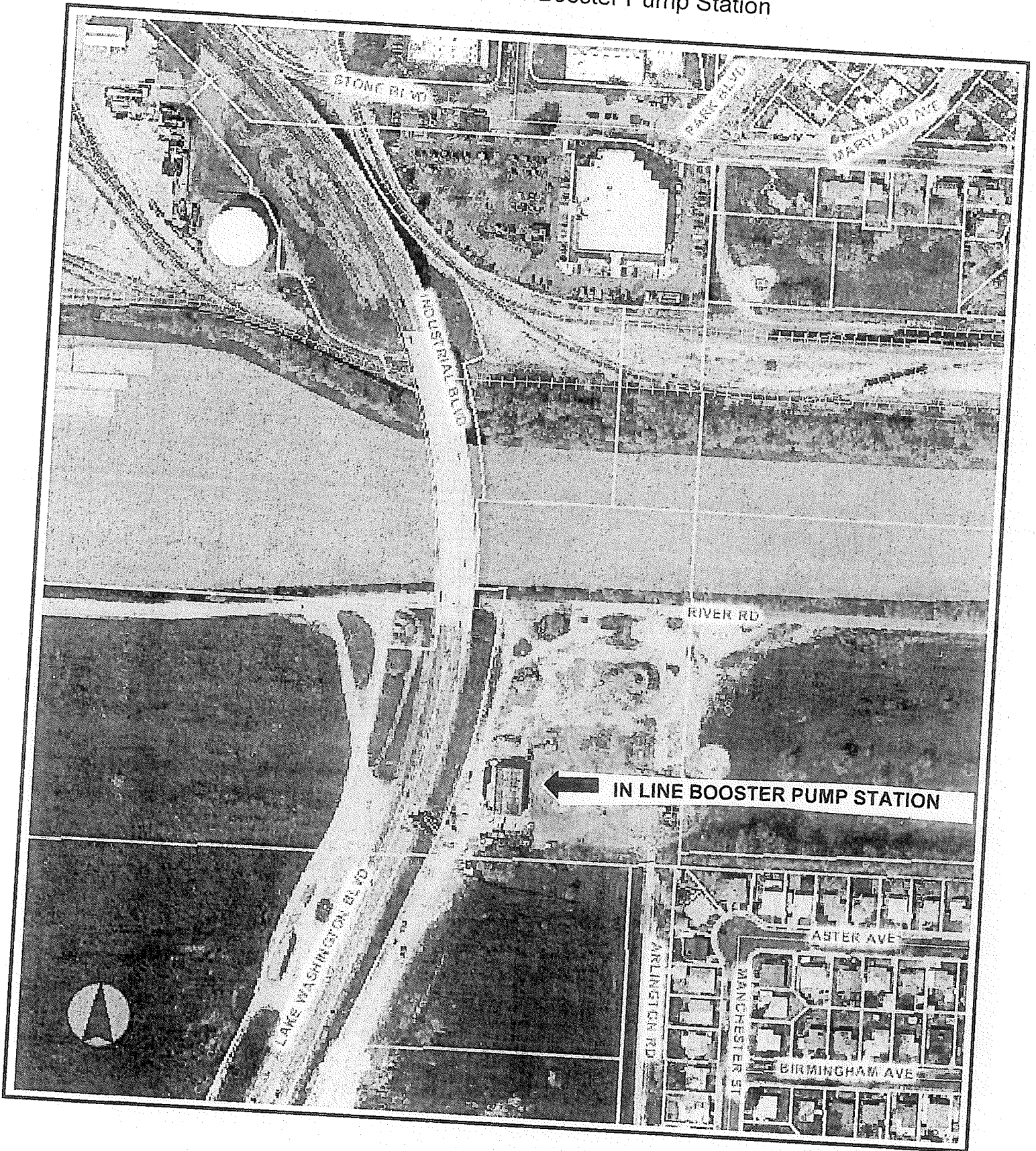
AYRES ASSOCIATES  
 100 West 10th St, Suite 100  
 Sacramento, CA 95811  
 Tel: 916 441 7000  
 Fax: 916 441 7001

|         |                |
|---------|----------------|
| DATE    | 10/17/2008     |
| BY      | DAVID L. JONES |
| FOR     | 30-04-4310     |
| PROJECT | SAC RM 57.2R   |
| SCALE   | AS SHOWN       |
| TITLE   | SITE MAP       |
| DATE    | 10/17/2008     |
| BY      | DAVID L. JONES |
| FOR     | 30-04-4310     |



# Attachment E

## Location of In Line Booster Pump Station



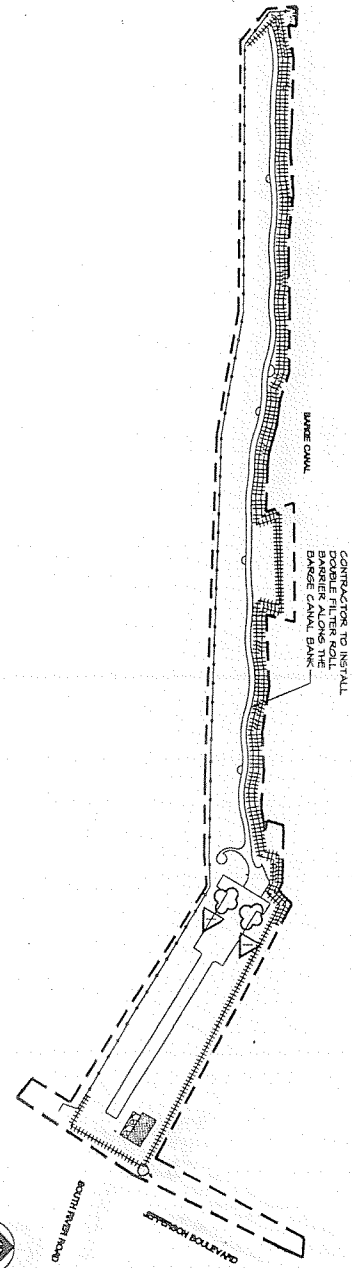


**EROSION CONTROL LEGEND**

- ① INLET FILTER BAGS IV GRAVEL BAGS
- ② LOCATION FOR STABILIZED CONSTRUCTION ENTRANCE
- ③ FILTER ROLL BARRIER
- ④ CONSTRUCTION STAGING AREA
- LIMIT OF WORK
- TEMPORARY CONSTRUCTION FENCE PER SPEC.

**EROSION AND SEDIMENT CONTROL NOTES**

1. CONTRACTOR MUST ENSURE THAT THE CONSTRUCTION SITE IS PREPARED PRIOR TO THE ONSET OF ANY STORM. CONTRACTOR SHALL HAVE ALL EROSION AND SEDIMENT CONTROL MEASURES IN PLACE FOR THE ENTIRE DURATION PRIOR TO CONCRETE POUR.
2. ALL EROSION AND SEDIMENT CONTROL MEASURES SHALL BE MAINTAINED UNTIL DISTURBED AREAS ARE STABILIZED. CHANGES TO THIS EROSION AND SEDIMENT CONTROL PLAN SHALL BE MADE TO REFLECT CONDITIONS DUE TO THE APPROVAL OF OR AT THE DISCRETION OF THE CITY REPRESENTATIVE.
3. THIS PLAN MAY NOT COVER ALL THE SITUATIONS THAT ARISE DURING CONSTRUCTION DUE TO UNANTICIPATED FIELD CONDITIONS.
4. ALL EROSION AND SEDIMENT CONTROL MEASURES SHALL BE CHECKED BEFORE AND AFTER ALL STORMS TO ENSURE MEASURES ARE FUNCTIONING PROPERLY.
5. CONTRACTOR SHALL MAINTAIN A LOG AT THE SITE OF ALL INSPECTIONS OR MAINTENANCE OF BMP'S, AS WELL AS, ANY CORRECTIVE CHANGES TO THE BMP'S OR EROSION AND SEDIMENT CONTROL PLAN.
6. IN AREAS WHERE SOIL IS EXPOSED PROMPT REVEGETATION WITH NATIVE COMPATIBLE DROUGHT-RESISTANT VEGETATION SHALL BE PERFORMED. NO AREAS WILL BE LEFT EXPOSED OVER THE WINTER SEASON.
7. THE CONTRACTOR SHALL INSTALL THE STABILIZED CONSTRUCTION ENTRANCE PRIOR TO COMMENCEMENT OF GRADING. LOCATION OF THE ENTRANCE MAY BE ADJUSTED BY THE CONTRACTOR TO SMALL REVISIONS IN GRADING. THE STABILIZED CONSTRUCTION ENTRANCE SHALL BE ADJUSTED TO THE PAVED ROAD RIGHT OF WAY. THE STABILIZED CONSTRUCTION ENTRANCE SHALL BE ADJUSTED TO THE PAVED ROAD RIGHT OF WAY. THE STABILIZED CONSTRUCTION ENTRANCE SHALL BE ADJUSTED TO THE PAVED ROAD RIGHT OF WAY.
8. ALL SEDIMENT DEPOSITED ON PAVED ROADWAYS SHALL BE SWEEP AT THE END OF EACH WORKING DAY.
9. CONTRACTOR SHALL IMPLEMENT HOUSEKEEPING PRACTICES AS FOLLOWS:
  - A. SOLID WASTE MANAGEMENT: PROVIDE DESIGNATED WASTE COLLECTION AREAS AND CONTAINERS. ARRANGE FOR REGULAR REMOVAL AND DISPOSAL. CLEAR SITE OF TRASH INCLUDING ORGANIC DEBRIS, PACKAGING MATERIALS, SCRAP OR SURPLUS BUILDING MATERIALS AND DOMESTIC WASTE DAILY.
  - B. MATERIAL DELIVERY AND STORAGE: PROVIDE A DESIGNATED MATERIAL STORAGE AREA WITH SECONDARY CONTAINMENT SUCH AS BERMS, STOPS, MATERIAL ON PALLETS AND PROVIDE COVERING FOR SOLUBLE MATERIALS. RELOCATE STORAGE AREA INTO BUILDING SHELL, WHEN POSSIBLE. INSPECT AREA DAILY.
  - C. CONCRETE WASTE: PROVIDE A DESIGNATED AREA FOR A TEMPORARY PIT TO BE USED FOR CONCRETE TRUCK WASH-OFF. DISPOSE OF HARDENED CONCRETE OFF-SITE. AT NO TIME SHALL A CONCRETE TRUCK DUMP ITS WASTE AND CLEAN ITS TRUCK INTO THE CITY STORM DRAINS VIA CURB AND GUTTER. INSPECT DAILY TO CONTROL RUNOFF, AND WEEKLY FOR REMOVAL OF HARDENED CONCRETE.
  - D. PAINT AND PAINTING SUPPLIES: PROVIDE INSTRUCTION TO EMPLOYEES AND SUBCONTRACTORS REGARDING REDUCTION OF POLLUTANTS INCLUDING MATERIAL STORAGE, USE, AND CLEAN UP. INSPECT SITE WEEKLY FOR EVIDENCE OF IMPROPER DISPOSAL.
  - E. VEHICLE OILING AND MAINTENANCE AND CLEANING: PROVIDE A DESIGNATED OILING AREA WITH SECONDARY CONTAINMENT SUCH AS BERMS. DO NOT ALLOW MOBILE OILING OF EQUIPMENT. PROVIDE EQUIPMENT WITH DRAIN PANS. RESTRICT OILING MAINTENANCE AND CLEANING OF EQUIPMENT TO A MINIMUM. INSPECT AREA DAILY.
  - F. HAZARDOUS WASTE MANAGEMENT: PREVENT THE DISCHARGE OF POLLUTANTS FROM HAZARDOUS WASTES TO THE DRAINAGE SYSTEM THROUGH PROPER PRACTICES. HAZARDOUS WASTE PRODUCTS COMMONLY FOUND ON-SITE INCLUDE BUT ARE NOT LIMITED TO PAINTS, SOLVENTS, OILS, GREASES, FERTILIZERS, PESTICIDES, SOLIDIFICATION/STABILIZATION PRODUCTS, ASPHALT PRODUCTS AND CONCRETE CURING PRODUCTS.



RECORD DOCUMENT SET

**EROSION & SEDIMENT CONTROL PLAN**

**BARGE CANAL ACCESS IMPROVEMENTS**

City of West Sacramento, California



|             |                             |
|-------------|-----------------------------|
| Sheet No.   | 2                           |
| Project No. | 00000                       |
| Client      | The City of West Sacramento |
| Scale       | AS SHOWN                    |
| Drawn       | AS SHOWN                    |
| Checked     | AS SHOWN                    |
| Project No. | 00000                       |
| Client      | The City of West Sacramento |



|        |      |
|--------|------|
| RECORD | DATE |
| 13-05  |      |

|   |
|---|
|   |
| California Association<br>of Professional Engineers<br>2015 Capitol Mall, Suite 100<br>Sacramento, CA 95814<br>Phone: 916.441.1111<br>Fax: 916.441.1112<br>Email: info@capeer.org |

EXHIBIT F-2

IRREVOCABLE OFFER OF DEDICATION



Yolo Recorder's Office  
Freddie Oakley, County Recorder  
DOC- 2011-0006725-00

Acct 117-West Sac - NC  
Monday, MAR 07, 2011 13:20:00  
Ttl Pd \$0.00 Nbr-0000918955  
VRB/R6/1-11

NO FEE DOCUMENT

When Recorded Return To:

City of West Sacramento  
1110 West Capitol Avenue  
West Sacramento, CA 95691  
ATTN: City Clerk

THIS SPACE FOR RECORDER'S USE ONLY

IRREVOCABLE OFFER OF DEDICATION

THIS IRREVOCABLE OFFER OF DEDICATION is dated and effective as of March 7<sup>th</sup>, 2011, and made by the **Redevelopment Agency of the City of West Sacramento**, a California redevelopment Agency ("Agency") to the **City of West Sacramento**, a municipal corporation ("City") (hereinafter Agency and City are collectively referred to as "the Parties").

RECITALS

WHEREAS, Agency holds fee title to certain real property in the City of West Sacramento, County of Yolo, State of California, as legally described in Exhibit A, attached hereto and incorporated herein by reference ("Property"); and

WHEREAS, Agency adopted Resolution 05-109 approving a Park Relocation Agreement and partial assignment of an Option Agreement, for the purposes of relocating an existing 3.8 acres site from the southern area of the Sacramento-Yolo Port District's Crescent Property to an area adjacent to the Sacramento Deep Water Channel, as generally depicted in Exhibit B, attached hereto and incorporated herein; and

WHEREAS, Agency desires to make an offer to dedicate, irrevocably, to the City, the portion of the Property adjacent to the barge canal, as generally depicted in Exhibit B, attached hereto and incorporated herein, in fee for public park purposes, subject to the terms set forth herein;

NOW, THEREFORE, the Parties agree as follows:

AGREEMENT

1. Dedication. Agency does hereby irrevocably offer to dedicate to the City in fee for public park purposes the portion of the Property generally depicted in Exhibit B.
2. Acceptance. Prior to acceptance of this dedication, the City shall prepare a legal description in recordable form for the areas of the Property depicted in Exhibit B. The legal acceptance of this offer to dedicate the Property shall be deemed to occur as of the date a Grant Deed, in the form attached hereto and incorporated herein by reference as Exhibit C, is accepted by the City and is recorded with the Yolo County Clerk-Recorder.
3. Successors and Assigns. This instrument shall bind and inure to the benefit of the respective heirs, executors, administrators, personal representatives, successors and assigns of the Parties.




IN WITNESS WHEREOF, the Parties have executed this offer to dedicate on the day and year first above written.

AGENCY:

**The City of West Sacramento  
Redevelopment Agency,**  
a California redevelopment agency

By:

  
Toby Ross, Executive Director

CITY:


**The City of West Sacramento,**  
a municipal corporation

By:

  
Toby Ross, City Manager

APPROVED AS TO FORM

By:

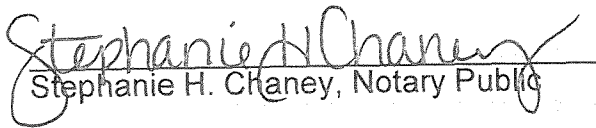
  
Jeffrey A. Mitchell, Legal Counsel

State of California }  
County of Yolo }

On March 7, 2011 before me, Stephanie H. Chaney, Notary Public, personally appeared Toby Ross, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

Witness my hand and official seal.

  
Stephanie H. Chaney, Notary Public

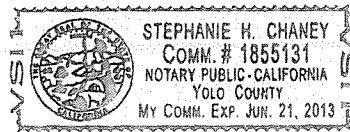


Exhibit A

(See Attached Legal Description of Property)

Being a portion of those deeds recorded in Book 301 Pages 185 and 189 described as follows:

Beginning at a point at the center to Swamp Land Surveys Nos. 261, 275, and 797, Yolo County Surveys, From which said point of beginning an old granite monument marking the Southwest Corner of Swamp Land Survey No. 261, Yolo County Surveys bears South 89° 49' 10" West 996.38 feet; Thence from said point of beginning South 09° 13' 00" West 38.09 feet; thence South 89° 38' 11" West 1546.68 feet to the Easterly Right of Way Line of Lake Washington Boulevard; Thence along the Easterly Right of Way Line, North 08° 21' 39" East 511.04 feet; Thence South 87° 28' 23" West 54.90 feet; Thence along a curve to the left having a radius of 1314.50 feet, a delta of 07° 17' 26" an arc length of 167.26 feet, said curve being subtended by a chord bearing North 03° 25' 57" West to a point on the centerline of the Sacramento-Yolo Port District Barge Canal as defined in Book 545 Page 427 Official Records; Thence along said centerline, North 89° 38' 08" East 421.67 feet; thence leaving said centerline, South 00° 03' 00" West 638.70 feet; Thence North 89° 49' 10" East 1120.59 feet to the Point of Beginning.

A portion of APN 067-180-24.

Being a portion of that deed recorded in Book 301, Page 320 Described as follows:

Beginning at a granite monument marking the southwest corner of Swamp Land Survey No. 261, Yolo County Surveys, and running thence from said point of beginning South 89° 49' 10" West 124.91 feet; Thence North 00° 03' 00" East 638.70 feet to the centerline of the Sacramento-Yolo Port District Barge Canal as defined in Book 545, Page 427 official records; Thence along said centerline, North 89° 38' 08" East 2464.33 feet to the Westerly right of way line of the Sacramento Northern R.R.; Thence along said westerly right of way line, South 23° 04' 40" West 703.80 feet; Thence leaving said Westerly right of way line South 89° 49' 10" West 2064.78 feet to the point of beginning.

APN: 067-180-36 , 07

BEGINNING AT A POINT AT THE CENTER COMMON TO SWAMP LAND SURVEYS NOS. 261, 275 AND 797, YOLO COUNTY SURVEYS, FROM WHICH SAID POINT OF BEGINNING AN OLD GRANITE MONUMENT MARKING THE SOUTHWEST CORNER OF SWAMP LAND SURVEY NO. 261, YOLO COUNTY SURVEYS BEARS SOUTH 89 DEGREES 49' 10" WEST 996.38 FEET, AND RUNNING THENCE FROM SAID POINT OF BEGINNING ALONG THE BOUNDARY COMMON TO SAID SWAMP LAND SURVEY NOS. 261 AND 275, YOLO COUNTY SURVEYS, NORTH 89 DEGREES 49' 10" EAST 1068.39 FEET TO AN INTERSECTION WITH THE WESTERLY RIGHT OF WAY LINE OF THE SACRAMENTO NORTHERN R.R.; THENCE FOLLOWING THE SAID WESTERLY RIGHT OF WAY LINE OF THE SACRAMENTO NORTHERN R.R. SOUTH 23 DEGREES 04' 40" WEST 26.47 FEET; THENCE LEAVING THE SAID WESTERLY RIGHT OF WAY LINE OF THE SACRAMENTO NORTHERN R.R. AND RUNNING SOUTH 89 DEGREES 38' 10" WEST 1062.52 FEET TO A POINT IN THE BOUNDARY LINE COMMON TO SWAMP LAND SURVEYS NOS. 275 AND 797, YOLO COUNTY SURVEYS; THENCE ALONG SAID BOUNDARY LINE COMMON TO SWAMP LAND SURVEY NOS. 275 AND 797, YOLO COUNTY SURVEYS, NORTH 9 DEGREES 13' EAST 28.09 FEET TO THE POINT OF BEGINNING.

APN: 067-180-08



+/- 30 AC. Waterfront Property

Agency-Owned Property  
(APNs 067-180-036, 007, 008, 024)

3.8 AC. Alternative Park Site  
(Waterfront Property)

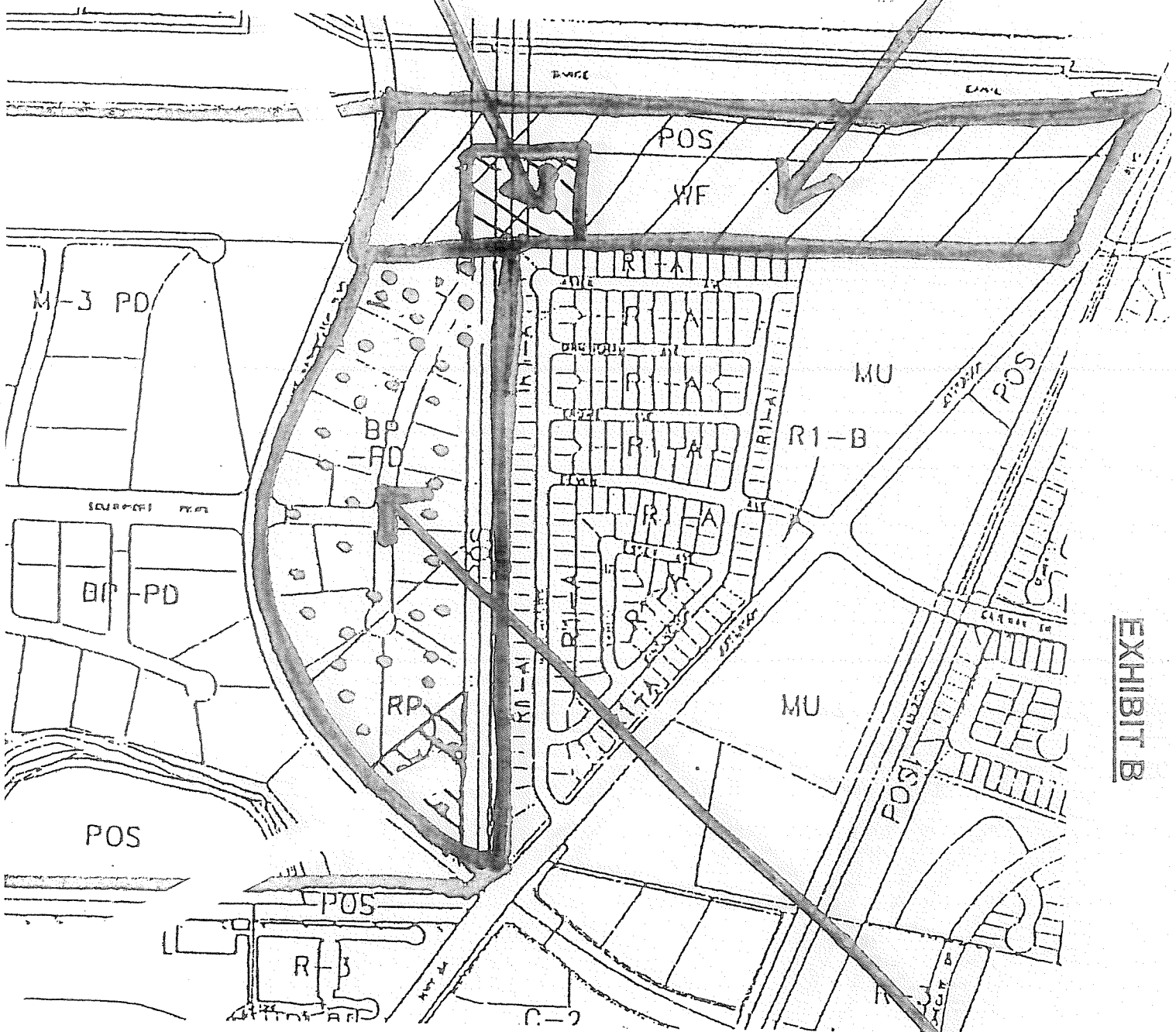


EXHIBIT B

+/- 35 AC. Crescent Property

5

Exhibit C

(See Attached Grant Deed)

NO FEE DOCUMENT  
GOVERNMENT CODE SECTION 27383

Recording Requested By and  
When Recorded Mail To:

City of West Sacramento  
1110 West Capitol Ave., 3<sup>rd</sup> Floor  
West Sacramento, CA 95691  
Attn: City Clerk

The Above Space For Recorder's Use Only

THIS TRANSACTION IS EXEMPT FROM CALIFORNIA DOCUMENTARY TRANSFER TAX  
PURSUANT TO SECTION 11922 OF THE CALIFORNIA REVENUE AND TAXATION CODE.  
THIS DOCUMENT IS EXEMPT FROM RECORDING FEES PURSUANT TO SECTION 27383  
OF THE CALIFORNIA GOVERNMENT CODE.

**GRANT DEED**

FOR VALUABLE CONSIDERATION, the receipt and sufficiency of which is hereby  
acknowledged,

**The Redevelopment Agency of the City of West Sacramento**, a California Redevelopment  
Agency ("Grantor")

hereby grants to

**The City of West Sacramento**, a municipal corporation ("Grantee"),

the Real Property located in the City of West Sacramento, County of Yolo, State of California  
legally described on Exhibit A and depicted on Exhibit B, attached hereto and made a part  
hereof.

Executed this \_\_\_\_\_ day of \_\_\_\_\_, 201\_.

GRANTOR:

**Redevelopment Agency of the City of West  
Sacramento**, a California redevelopment agency

By:

\_\_\_\_\_  
**Toby Ross**, Executive Director

CERTIFICATE OF ACCEPTANCE

This is to certify that the interest in real property conveyed by the grant deed dated \_\_\_\_\_, 201\_ from the Redevelopment Agency of the City of West Sacramento, a California redevelopment corporation, to the City of West Sacramento, a municipal corporation, is hereby accepted by the undersigned officer or agent on behalf of the West Sacramento City Council pursuant to authority conferred by Resolution 03-19 adopted March 5, 2003 by the City Council of the City of West Sacramento, and the Grantee consents to recordation thereof by its duly authorized officer.

Dated: \_\_\_\_\_, 20\_\_

By: \_\_\_\_\_  
\_\_\_\_\_, City Clerk



ACKNOWLEDGEMENT

STATE OF CALIFORNIA            )  
  )  
COUNTY OF \_\_\_\_\_)

On \_\_\_\_\_, 20\_\_, before me, \_\_\_\_\_, Notary Public, personally appeared \_\_\_\_\_, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature on the instrument, the person(s) or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

Witness my hand and official seal.

\_\_\_\_\_  
Notary Public

STATE OF CALIFORNIA            )  
  )  
COUNTY OF \_\_\_\_\_)

On \_\_\_\_\_, 20\_\_, before me, \_\_\_\_\_, Notary Public, personally appeared \_\_\_\_\_, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature on the instrument, the person(s) or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

Witness my hand and official seal.

\_\_\_\_\_  
Notary Public

Exhibit A

(See attached Legal Description)

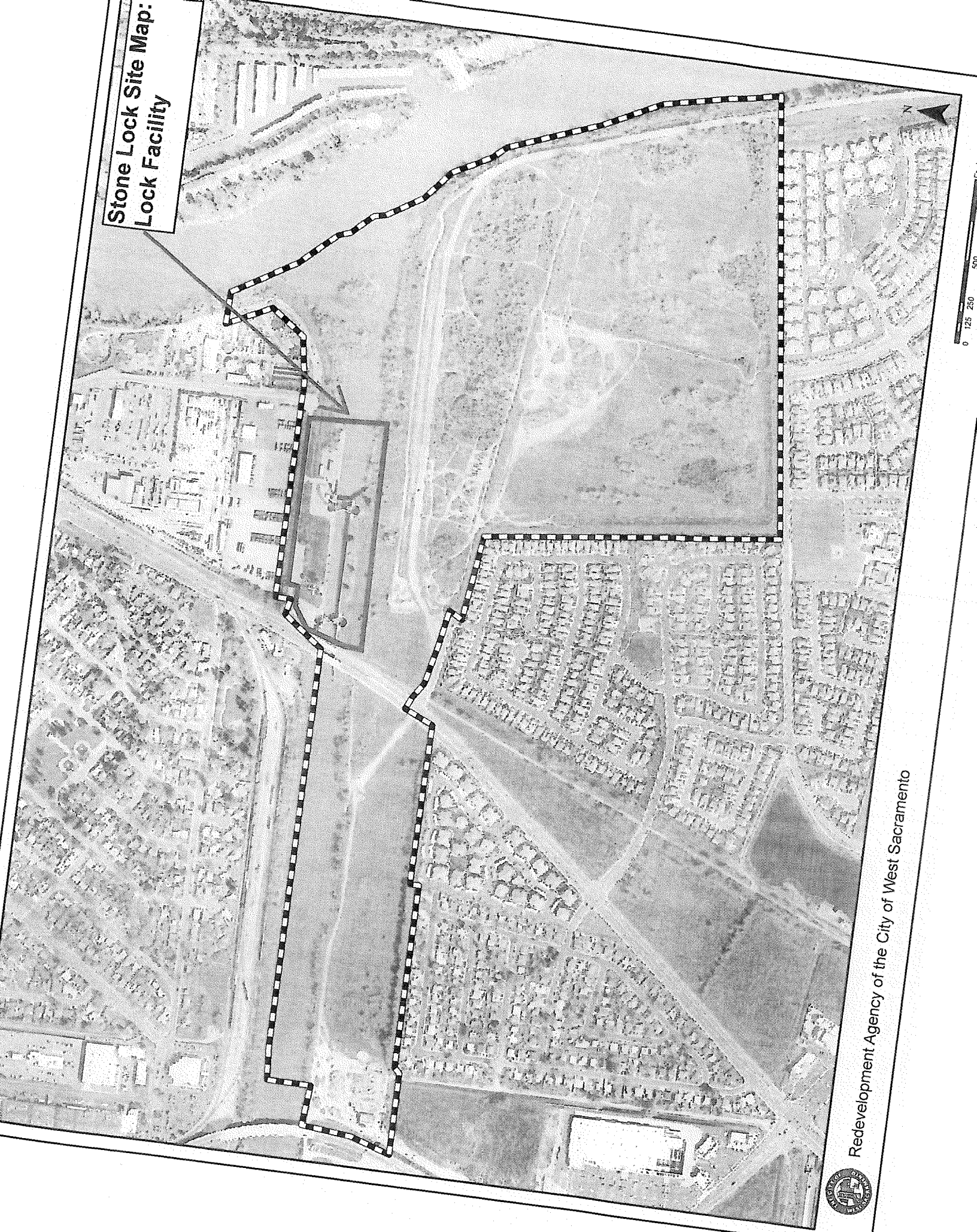
**Exhibit B**

(See attached Property Depiction)

**EXHIBIT G**  
**DEPICTION OF PROPOSED LOCK PARCEL**



Stone Lock Site Map:  
Lock Facility



0 125 250 500



Redevelopment Agency of the City of West Sacramento



Yolo Recorder's Office  
 Freddie Oakley, County Recorder  
**DOC- 2011-0014127-00**

Acct 117-West Sac - NC

Friday, MAY 20, 2011 11:18:00

Ttl Pd \$0.00

Nbr-0000929735

FRT/R6/1-12

RECORDING REQUESTED BY AND  
 WHEN RECORDED MAIL TO:

Sacramento-Yolo Port District  
 1110 West Capitol Avenue  
 West Sacramento, CA  
 Attention: City Clerk

*(Space Above This Line For Recorder's Use)*

**SHORT FORM GRANT OF OPTION**

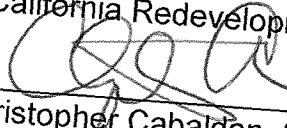
FOR VALUABLE CONSIDERATION, the Redevelopment Agency of the City of West Sacramento, a public body, corporate and politic ("Agency"), hereby grants to Sacramento-Yolo Port District, a California river port district ("Port"), on the terms and conditions contained in that certain unrecorded Option Agreement between the parties hereto dated as of March 23, 2011, an option (the "Option") to purchase the real property described in Exhibit A attached hereto and incorporated herein by reference, on the terms set forth in the Option Agreement. The term of the Option shall commence on the March 23, 2011, and shall expire on September 22, 2018, subject to four (4) extensions of four(4) years each. In any event, if Port has not recorded an effective notice of exercise of the Option for any portion of the Property by September 22, 2018 (as such may be extended), the Option Agreement and this Short Form Grant of Option shall automatically be of no further force and effect as to any portion of the Property which has not been conveyed by Agency to Port, or is not then the subject of a Option Notice, without the need for any additional documentation by the parties hereto.

IN WITNESS WHEREOF, the undersigned have executed this document as of the date set forth below.

Dated: March 23, 2011

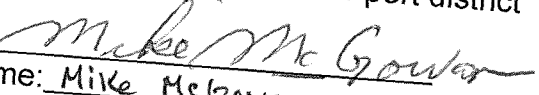
**AGENCY:**

THE REDEVELOPMENT AGENCY OF  
THE CITY OF WEST SACRAMENTO,  
a California Redevelopment Agency

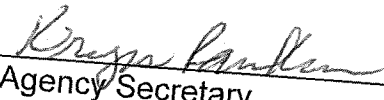
By:   
Christopher Cabaldon, Chairperson

**PORT:**


SACRAMENTO-YOLO PORT  
DISTRICT, a California river port district

By:   
Name: Mike McBowen  
Its: Chairperson

**ATTEST:**

By:   
Agency Secretary

**APPROVED AS TO FORM:**

By:   
Agency Counsel

[Appropriate Acknowledgments to be attached.]

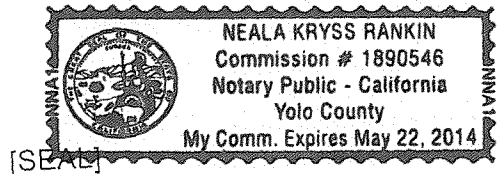
STATE OF CALIFORNIA )  
 ) ss.  
COUNTY OF Yolo )

On May 12, 2011 before me, Neala Kryss Rankin,  
Notary Public, personally appeared Mike McGowan, who  
proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are  
subscribed to the within instrument and acknowledged to me that he/she/they executed the  
same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the  
instrument, the person(s) or the entity upon behalf of which the person(s) acted, executed the  
instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California  
that the foregoing paragraph is true and correct.

Witness my hand and official seal.

Neala Kryss Rankin  
Notary Public



STATE OF CALIFORNIA )  
 ) ss.  
COUNTY OF Yolo )

On May 18, 2011 before me, Neala Kryss Rankin,  
Notary Public, personally appeared Christopher L. Cabaldon, who  
proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are  
subscribed to the within instrument and acknowledged to me that he/she/they executed the  
same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the  
instrument, the person(s) or the entity upon behalf of which the person(s) acted, executed the  
instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California  
that the foregoing paragraph is true and correct.

Witness my hand and official seal.

Neala Kryss Rankin  
Notary Public

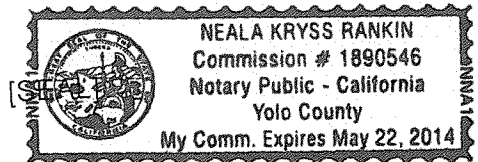


Exhibit A to Short Form Grant of Option

Legal Description of Property

EXHIBIT A

WEST OF JEFFERSON BLVD:

THE LAND DESCRIBED HEREIN IS SITUATED IN THE STATE OF CALIFORNIA, COUNTY OF YOLO, CITY OF WEST SACRAMENTO, AND IS DESCRIBED AS FOLLOWS:

PARCEL ONE:

BEGINNING AT A POINT AT THE CENTER COMMON TO SWAMP LAND SURVEYS NOS. 261, 275 AND 797, YOLO COUNTY SURVEYS, FROM WHICH SAID POINT OF BEGINNING AN OLD GRANITE MONUMENT MARKING THE SOUTHWEST CORNER OF SWAMP LAND SURVEY NO. 261, YOLO COUNTY SURVEYS BEARS SOUTH 89 DEGREES 49' 10" WEST 996.38 FEET, AND RUNNING THENCE FROM SAID POINT OF BEGINNING ALONG THE BOUNDARY COMMON TO SAID SWAMP LAND SURVEY NOS. 261 AND 275, YOLO COUNTY SURVEYS, NORTH 89 DEGREES 49' 10" EAST 1068.39 FEET TO AN INTERSECTION WITH THE WESTERLY RIGHT OF WAY LINE OF THE SACRAMENTO NORTHERN R.R.; THENCE FOLLOWING THE SAID WESTERLY RIGHT OF WAY LINE OF THE SACRAMENTO NORTHERN R.R. SOUTH 23 DEGREES 04' 40" WEST 26.47 FEET; THENCE LEAVING THE SAID WESTERLY RIGHT OF WAY LINE OF THE SACRAMENTO NORTHERN R.R. AND RUNNING SOUTH 89 DEGREES 38' 10" WEST 1062.52 FEET TO A POINT IN THE BOUNDARY LINE COMMON TO SWAMP LAND SURVEYS NOS. 275 AND 797, YOLO COUNTY SURVEYS; THENCE ALONG SAID BOUNDARY LINE COMMON TO SWAMP LAND SURVEY NOS. 275 AND 797, YOLO COUNTY SURVEYS, NORTH 9 DEGREES 13' EAST 28.09 FEET TO THE POINT OF BEGINNING.

ASSESSOR'S PARCEL NUMBER: 046-010-008

PARCEL TWO:

BEING A PORTION OF THAT DEED RECORDED IN BOOK 301, PAGE 320 DESCRIBED AS FOLLOWS:

BEGINNING AT A GRANITE MONUMENT MARKING THE SOUTHWEST CORNER OF SWAMP LAND SURVEY NO. 261, YOLO COUNTY SURVEYS, AND RUNNING THENCE FROM SAID POINT OF BEGINNING SOUTH 89 DEGREES, 49' 10" WEST 124.91 FEET; THENCE NORTH 00 DEGREES, 03' 00" EAST 638.70 FEET TO THE CENTERLINE OF THE SACRAMENTO-YOLO PORT DISTRICT BARGE CANAL AS DEFINED IN BOOK 545, PAGE 427 OFFICIAL RECORDS; THENCE ALONG SAID CENTERLINE, NORTH 89 DEGREES, 38' 08" EAST 2464.33 FEET TO THE WESTERLY RIGHT OF WAY LINE OF THE SACRAMENTO NORTHERN R.R.; THENCE ALONG SAID WESTERLY RIGHT OF WAY LINE, SOUTH 23 DEGREES, 04' 40" WEST 703.80 FEET; THENCE LEAVING SAID WESTERLY RIGHT OF WAY LINE, SOUTH 89 DEGREES, 49' 10" WEST 2064.78 FEET TO THE POINT OF BEGINNING.

EXCEPTING THEREFROM THAT PORTION CONVEYED TO THE CITY OF WEST SACRAMENTO IN THE GRANT DEED RECORDED ON JULY 25, 2003, AS INSTRUMENT NO. 2003-0044071, OFFICIAL RECORDS.

ASSESSOR'S PARCEL NUMBER: 067-180-036

PARCEL THREE:

BEING A PORTION OF THOSE DEEDS RECORDED IN BOOK 301, PAGE 185 AND 189,

DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT AT THE CENTER COMMON TO SWAMP LAND SURVEYS NOS. 261, 275 AND 797, YOLO COUNTY SURVEYS, FROM WHICH SAID POINT OF BEGINNING AN OLD GRANITE MONUMENT MARKING THE SOUTHWEST CORNER OF SWAMP LAND SURVEY NO. 261, YOLO COUNTY SURVEYS BEARS SOUTH 89 DEGREES, 49' 10" WEST 996.38 FEET; THENCE FROM SAID POINT OF BEGINNING SOUTH 09 DEGREES, 13' 00" WEST 38.09 FEET; THENCE SOUTH 89 DEGREES, 38' 11" WEST 1546.68 FEET TO THE EASTERLY RIGHT OF WAY LINE OF LAKE WASHINGTON BOULEVARD; THENCE ALONG SAID EASTERLY RIGHT OF WAY LINE NORTH 08 DEGREES, 21' 39" EAST 511.04 FEET; THENCE SOUTH 87 DEGREES, 28' 23" WEST 54.90 FEET; THENCE ALONG A CURVE TO THE LEFT HAVING A RADIUS OF 1314.50 FEET, A DELTA OF 07 DEGREES, 17' 26" AN ARC LENGTH OF 167.26 FEET, SAID CURVE BEING SUBTENDED BY A CHORD BEARING NORTH 03 DEGREES, 25' 57" WEST TO A POINT ON THE CENTERLINE OF THE SACRAMENTO-YOLO PORT DISTRICT BARGE CANAL AS DEFINED IN BOOK 545, PAGE 427 OFFICIAL RECORDS; THENCE ALONG SAID CENTERLINE, NORTH 89 DEGREES, 38' 08" EAST 421.67 FEET; THENCE LEAVING SAID CENTERLINE, SOUTH 00 DEGREES, 03' 00" WEST 638.70 FEET; THENCE NORTH 89 DEGREES, 49' 10" EAST 1120.59 FEET TO THE POINT OF BEGINNING.

ASSESSOR'S PARCEL NUMBER: 067-180-007, 008 AND 024

EAST OF JEFFERSON BLVD

THE LAND DESCRIBED HEREIN IS SITUATED IN THE STATE OF CALIFORNIA, COUNTY OF YOLO, CITY OF WEST SACRAMENTO, AND IS DESCRIBED AS FOLLOWS:

PARCEL ONE:

PORTION OF THE SOUTHWEST ONE QUARTER OF SECTION 3 AND THE NORTHWEST ONE QUARTER OF SECTION 10, T. 8 N., R. 4 E., M.D.B. & M., AND BEING BOUNDED AND MORE PARTICULARLY DESCRIBED AS FOLLOWS, TO WIT:

BEGINNING AT A POINT ON THE WESTERLY BANK OF THE SACRAMENTO RIVER, FROM WHICH SAID POINT OF BEGINNING AN IRON PIPE MARKED "R. E. 53", MARKING THE SOUTHEAST CORNER OF SWAMP LAND SURVEY NO. 571, YOLO COUNTY SURVEYS, BEARS S. 11 DEGREES 08' 50" E. 92.71 FEET AND S. 11 DEGREES 53' 50" E. 501.60 FEET AND RUNNING THENCE FROM SAID POINT OF BEGINNING N. 75 DEGREES 21' 50" W. 346.74 FEET; THENCE S. 89 DEGREES 38' 10" W. 2160.52 FEET TO A POINT IN A NORTHERLY AND SOUTHERLY FENCE LINE; THENCE FOLLOWING SAID NORTHERLY AND SOUTHERLY FENCE LINE N. 25 DEGREES 12' 23" E. 514.11 FEET TO A FENCE CORNER; THENCE FOLLOWING AN EASTERLY AND WESTERLY FENCE LINE AND THE PROLONGATION EASTERLY THEREOF, S. 80 DEGREES 05' 27" E. 2282.24 FEET TO A POINT ON THE WESTERLY BANK OF THE SACRAMENTO RIVER; THENCE FOLLOWING THE SAID WESTERLY BANK OF THE SACRAMENTO RIVER DOWNSTREAM, S. 11 DEGREES 08' 50" E. 149.12 FEET TO THE POINT OF BEGINNING.

ASSESSOR'S PARCEL NUMBER: PORTION OF 067-180-003

PARCEL TWO:

A PORTION OF PROJECTED SECTIONS 3 AND 10, TOWNSHIP 8 NORTH, RANGE 4 EAST, M.D.B. & M., DESCRIBED AS FOLLOWS:

BEGINNING AT AN IRON PIPE MONUMENT SET IN A FENCE CORNER AND STAMPED RE 1168, FROM WHICH AN OLD GRANITE MONUMENT MARKING THE SOUTHWEST CORNER OF SWAMP LAND SURVEY NO. 261 BEARS NORTH 80 DEGREES 23' 15" WEST 208.33 FEET; THENCE NORTH 00 DEGREES 56' 50" WEST 92.45 FEET AND THENCE SOUTH 89 DEGREES 49' 10" WEST 2653.87 FEET; THENCE FROM SAID POINT OF BEGINNING NORTH 25 DEGREES 12' 23" EAST 217.44 FEET ALONG A FENCE LINE; THENCE NORTH 89 DEGREES 38' 10" EAST 2160.52 FEET; THENCE SOUTH 75 DEGREES 21' 50" EAST 346.74 FEET TO A POINT ON THE MEAN HIGH WATER LINE ON THE RIGHT BANK OF THE SACRAMENT RIVER; THENCE DOWNSTREAM ALONG SAID MEAN HIGH WATER LINE, FOLLOWING THE MENADERINGS THEREOF, TWO COURSES AND DISTANCES AS FOLLOWS: SOUTH 45 DEGREES 29' 20" EAST 198.35 FEET AND SOUTH 19 DEGREES 48' EAST 505.00 FEET; THENCE LEAVING SAID MEAN HIGH WATER LINE NORTH 80 DEGREES 23' 15" WEST 193.94 FEET TO AN IRON PIPE MONUMENT MARKED RE 53 AND SET IN A FENCE LINE; THENCE CONTINUING NORTH 80 DEGREES 23' 15" WEST 2748.49 FEET ALONG A FENCE LINE TO THE POINT OF BEGINNING.

ASSESSOR'S PARCEL NUMBER: A PORTION OF 067-180-002 AND 003



PARCEL THREE:

A PORTION OF THE SOUTHWEST ONE QUARTER OF SECTION 3, THE SOUTHEAST ONE QUARTER OF SECTION 4, AND THE NORTHWEST ONE QUARTER OF SECTION 10, T. 8N., R. 4 E., M.D.B. & M., AND BEING BOUNDED AND MORE PARTICULARLY DESCRIBED AS FOLLOWS, TO WIT:

BEGINNING AT AN OIL IRON PIPE MARKING THE CORNER COMMON TO THE HEREIN DESCRIBED PROPERTY AND THE PROPERTY NOW OR FORMERLY OWNED BY A.F. TURNER, FROM WHICH SAID POINT OF BEGINNING AN OLD GRANITE MONUMENT MARKING THE SOUTHWEST CORNER OF SWAMP LAND SURVEY NO. 261, YOLO COUNTY SURVEYS, BEARS S. 72 DEGREES 10' 15" W. 2879.60 FEET, AND RUNNING THENCE FROM SAID POINT OF BEGINNING ALONG THE BOUNDARY LINE COMMON TO THE HEREIN DESCRIBED PROPERTY AND THE SAID PROPERTY OF A.F. TURNER, S. 86 DEGREES 51' 04" E. 2225.00 FEET TO A POINT ON THE WESTERLY BANK OF THE SACRAMENTO RIVER; THENCE FOLLOWING THE SAID WESTERLY BANK OF THE SACRAMENTO RIVER DOWNSTREAM, S. 38 DEGREES 02' 10" E. 778.34 FEET; THENCE FOLLOWING A FENCE LINE AND THE PROLONGATION EASTERLY AND WESTERLY THEREOF, N. 80 DEGREES 05' 27" W. 2733.02 FEET; THENCE S. 02 DEGREES 08' 50" E. 721.99 FEET; THENCE N. 80 DEGREES 23' 15" W. 123.80 FEET; THENCE E. 0 DEGREES 56' 50" W. 92.45 FEET; THENCE S. 89 DEGREES 49' 10" W. 444.87 FEET TO A POINT IN THE EASTERLY RIGHT OF WAY LINE OF THE SACRAMENTO NORTHERN RAILROAD; THENCE FOLLOWING THE SAID EASTERLY RIGHT OF WAY LINE OF THE SACRAMENTO NORTHERN RAILROAD, N. 23 DEGREES 04' 40" E. 1074.89 FEET; THENCE N. 89 DEGREES 38' 10" E. 105.89 FEET; THENCE ALONG THE BOUNDARY LINE COMMON TO THE HEREIN DESCRIBED PROPERTY AND THE AFORESAID PROPERTY OF A. F. TURNER, S. 2 DEGREES 36' 15" E. 114.95 FEET TO THE POINT OF BEGINNING.

ASSESSOR'S PARCEL NUMBER: A PORTION OF 067-180-003 AND 004

PARCEL FOUR:

A PORTION OF THE SOUTHWEST ONE-QUARTER OF SECTION 3, AND THE NORTHWEST ONE-QUARTER OF SECTION 10, TOWNSHIP 8 NORTH, RANGE 4 EAST, M.D.B. & M., AND BEING BOUNDED AND MORE PARTICULARLY DESCRIBED AS FOLLOWS, TO WIT:

BEGINNING AT A POINT AT THE CORNER COMMON TO THE HEREIN DESCRIBED PROPERTY AND THE PROPERTY NOW OR FORMERLY OWNED BY LAUREN E. VAN TASSEL, ET AL, FROM WHICH SAID POINT OF BEGINNING AN IRON PIPE MARKED "R. E. 53", MARKING THE SOUTHEAST CORNER OF SWAMP LAND SURVEY NO. 571, YOLO COUNTY SURVYES, BEARS SOUTH 80 DEGREES 23' 15" EAST, 2748.49 FEET, AND RUNNING THENCE FROM SAID POINT OF BEGINNING NORTH 80 DEGREES 23' 15" WEST, 84.53 FEET; THENCE NORTH 02 DEGREES 08' 05" WEST, 721.99 FEET; THENCE SOUTH 80 DEGREES 05' 27" EAST, 428.33 FEET TO A POINT AT A FENCE CORNER; THENCE FOLLOWING A NORTHERLY AND SOUTHERLY FENCE LINE SOUTH 25 DEGREES 12' 23" WEST, 731.55 FEET TO THE POINT OF BEGINNING.

ALL AS MODIFIED BY THE BOUNDARY LINE AGREEMENT EXECUTED BY SACRAMENTO-YOLO PORT DISTRICT AND BETWEEN GEORGE P. PARIS, RECORDED MARCH 13, 1950, IN BOOK 315, PAGE 344, OFFICIAL RECORDS.

EXCEPTING THEREFROM THAT PORTION CONVEYED TO THE CITY OF WEST SACRAMENTO BY

DOCUMENT RECORDED NOVEMBER 17, 2003, AS INSTRUMENT NO. 2003-0069853, OFFICIAL RECORDS.

ASSESSOR'S PARCEL NUMBER: A PORTION OF 067-180-002 AND 003

PARCEL FIVE:

BEING A PORTION OF THE SOUTHWEST ONE QUARTER OF SECTION 3, TOWNSHIP 8 NORTH, RANGE 4 EAST, M.D.B. & M., AND BEING BOUNDED AND MORE PARTICULARLY DESCRIBED AS FOLLOWS, TO-WIT:

BEGINNING AT AN OLD IRON PIPE MARKING THE CORNER COMMON TO THE HEREIN DESCRIBED PROPERTY AND THE PROPERTY NOW OR FORMERLY OWNED BY CHARLES PARELLA, FROM WHICH SAID POINT OF BEGINNING AN OLD GRANITE MONUMENT MARKING THE SOUTHWEST CORNER OF SWAMP LAND SURVEY NO. 261, BEARS SOUTH 72 DEGREES, 10' 15" WEST, 2879.60 FEET; THENCE FROM SAID POINT OF BEGINNING NORTH 02 DEGREES, 36' 15" WEST 114.95 FEET ALONG THE BOUNDARY LINE OF THE HEREIN DESCRIBED PROPERTY AND THE PROPERTY NOW OR FORMERLY OWNED BY CHARLES PARELLA; THENCE NORTH 89 DEGREES, 38' 10" EAST 1,478.61 FEET; THENCE NORTH 00 DEGREES, 21' 50" WEST 500.00 FEET; THENCE NORTH 89 DEGREES, 38' 10" EAST 222.00 FEET TO THE MEAN HIGH WATER LINE ON THE RIGHT BANK OF THE SACRAMENTO RIVER; THENCE DOWNSTREAM ALONG SAID MEAN HIGH WATER LINE, FOLLOWING THE MEANDERINGS THEREOF, FOUR COURSES AND DISTANCES AS FOLLOWS:

SOUTH 28 DEGREES, 24' EAST 193.00 FEET, SOUTH 32 DEGREES, 14' EAST 305.00 FEET, SOUTH 38 DEGREES, 30' EAST 295.00 FEET AND SOUTH 45 DEGREES, 40' 45" EAST 127.68 FEET; THENCE, LEAVING SAID MEAN HIGH WATER LINE, NORTH 86 DEGREES, 51' 04" WEST, 2,225.00 FEET TO THE POINT OF BEGINNING.

EXCEPTING FROM PARCEL FIVE, THE FOLLOWING 4 PARCELS:

PARCEL 1:

BEGINNING AT AN IRON PIPE MONUMENT MARKING THE NORTHWESTERLY CORNER OF THE WEST SACRAMENTO SANITARY DISTRICT TREATMENT PLANT SITE AS OCCUPIED, SAID POINT OF BEGINNING BEING SITUATE NORTH 89 DEGREES 33'05" EAST, 1305.45 FEET; AND THENCE NORTH 0 DEGREE 21'50" WEST 164.20 FEET FROM THE POINT OF INTERSECTION OF THE CENTERLINE OF STATE STREET PRODUCED EASTERLY TO THE POINT OF INTERSECTION WITH THE EASTERLY LINE OF THE RIGHT OF WAY OF THE SACRAMENTO NORTHERN RAILWAY COMPANY, AS SAID STATE STREET AND RIGHT OF WAY APPEAR OF RECORD IN THE OFFICE OF THE RECORDER OF YOLO COUNTY, CALIFORNIA, ON THE "MAP OF WEST SACRAMENTO CITY- UNIT ONE" FILED IN MAP BOOK 3 PAGES 8 TO 14 INCLUSIVE, YOLO COUNTY RECORDS; AND EXTENDING THENCE FROM SAID POINT OF BEGINNING SOUTH 0 DEGREE 21'50" EAST ALONG THE WESTERLY LINE OF SAID WEST SACRAMENTO SANITARY DISTRICT TREATMENT PLANT SITE AS FENCED AND OCCUPIED A DISTANCE OF 520.00 FEET TO AN IRON PIPE MONUMENT MARKING THE SOUTHWESTERLY CORNER OF SAID TREATMENT PLANT SITE AS NOW OCCUPIED; THENCE SOUTH 89 DEGREES 38'10" WEST ALONG THE NORTHERLY BOUNDARY OF THE SACRAMENTO YOLO PORT DISTRICT PROPERTY A DISTANCE OF 167.54 FEET; THENCE NORTH 0 DEGREES 21'50" WEST ALONG A LINE PARALLEL WITH THE FIRST MENTIONED COURSE OF THE DESCRIPTION A DISTANCE OF

520.00 FEET; THENCE NORTH 89 DEGREES 38'10" EAST 167.54 FEET TO THE POINT OF BEGINNING.

PARCEL 2:

THAT PORTION OF YOLO COUNTY SWAMP AND OVERFLOW LAND SURVEY #571 DESCRIBED AS FOLLOWS:

BEGINNING AT AN IRON PIPE MONUMENT MARKED R.E. 1168 AND BEING SITUATE NORTH 89 DEGREES 33'05" EAST 1467.10 FEET; THENCE NORTH 0 DEGREE 21'50" WEST, 144.20 FEET FROM THE POINT OF INTERSECTION OF THE CENTER LINE OF STATE STREET PRODUCED EASTERLY TO THE POINT OF INTERSECTION WITH THE EASTERLY LINE OF THE RIGHT OF WAY OF THE SACRAMENTO NORTHERN RAILWAY COMPANY AS SAID STATE STREET AND RIGHT OF WAY APPEAR OF RECORD IN THE OFFICE OF THE RECORDER OF YOLO COUNTY, CALIFORNIA, ON THE "MAP OF WEST SACRAMENTO CITY UNIT ONE", FILED IN MAP BOOK 3, PAGES 8 TO 14, INCLUSIVE YOLO COUNTY RECORDS, AND EXTENDING THENCE NORTH 89 DEGREES 38'10" EAST ALONG THE NORTHERLY BOUNDARY LINE OF THE TRACT REQUIRED BY THE SACRAMENTO-YOLO PORT DISTRICT; A DISTANCE OF 153.00 FEET TO AN IRON PIPE MONUMENT MARKED R.E. 1168 AND SET IN THE WESTERLY HIGH BANK LINE OF THE SACRAMENTO RIVER; THENCE NORTH 27 DEGREES 10' WEST UP AND ALONG THE SAID WEST BANK OF THE SAID SACRAMENTO RIVER A DISTANCE OF 22.41 FEET; THENCE SOUTH 89 DEGREES 38'10" WEST A DISTANCE OF 304.55 FEET; THENCE SOUTH 0 DEGREE 21'50" EAST 520.00 FEET TO A POINT IN THE NORTHERLY LINE OF THE TRACT REQUIRED BY THE SACRAMENTO-YOLO PORT DISTRICT; THENCE NORTH 89 DEGREES 38'10" EAST ALONG THE SAID BOUNDARY LINE A DISTANCE OF 161.65 FEET TO AN IRON PIPE MONUMENT MARKED R.E. 1168; THENCE UP AND ALONG THE BOUNDARY LINE OF THE SAID TRACT REQUIRED BY THE SAID PORT DISTRICT NORTH 0 DEGREES 21'50" WEST 500.00 FEET TO THE POINT OF BEGINNING.

PARCEL 3:

BEGINNING AT A POINT ON THE NORTHERLY BOUNDARY LINE OF THAT CERTAIN PARCEL OF LAND CONVEYED IN EASEMENT TO THE UNITED STATES OF AMERICA, RECORDED JULY 2, 1958, IN BOOK 545, OFFICIAL RECORDS, PAGE 432, YOLO COUNTY RECORDS; SAID POINT ALSO BEING ON THE SOUTHERLY BOUNDARY OF THE PROPERTY OF THE WEST SACRAMENTO SANITARY DISTRICT, AS SAID PROPERTY NOW EXISTS; SAID POINT OF BEGINNING BEARING SOUTH 89 DEGREES 20'11" WEST 126.13 FEET FROM THE SOUTHEASTERLY PROPERTY CORNER OF THE SAID SANITARY DISTRICT; SAID CORNER ALSO BEING COMMON TO THE AFOREMENTIONED PARCEL CONVEYED TO THE UNITED STATES OF AMERICA; COORDINATES OF SAID POINT OF BEGINNING BEING NORTH 326,534.85 EAST, 2,136,837.15; THENCE FROM SAID POINT OF BEGINNING SOUTH 89 DEGREES 20'11" WEST 201.17 FEET; THENCE SOUTH 0 DEGREE 39'49" WEST 201.17 FEET; THENCE NORTH 89 DEGREES 20'11" EAST, 22.00 FEET; THENCE ALONG A CURVE OF 550 FEET RADIUS AND CURVING TO THE LEFT AN ARC DISTANCE OF 182.50 FEET; SAID ARC BEING SUBTENDED BY A CHORD BEARING NORTH 79 DEGREE 49'49" EAST 181.67 FEET TO THE POINT OF BEGINNING.

PARCEL 4:

BEGINNING AT A POINT ON THE BOUNDARY LINE OF THAT CERTAIN PARCEL OF LAND

CONVEYED IN EASEMENT TO THE UNITED STATES OF AMERICA BY THE SACRAMENTO-YOLO PORT DISTRICT, RECORDED JULY 2, 1958, IN BOOK 545 OF OFFICIAL RECORDS PAGE 432, YOLO COUNTY RECORDS; SAID POINT ALSO BEING ON THE EASTERLY BOUNDARY OF THE PROPERTY OF THE WEST SACRAMENTO SANITARY DISTRICT, AS SAID PROPERTY NOW EXISTS; SAID POINT OF BEGINNING BEARS NORTH 0 DEGREE 39'49" WEST 62.52 FEET FROM THE SOUTHEASTERLY PROPERTY CORNER OF THE SAID SANITARY DISTRICT; SAID CORNER ALSO BEING COMMON TO THE AFOREMENTIONED PARCEL CONVEYED TO THE UNITED STATES OF AMERICA; COORDINATES OF SAID POINT OF BEGINNING BEING NORTH 326,598.83; EAST 2,136,962.55; THENCE FROM SAID POINT OF BEGINNING NORTH 0 DEGREE 39'49" WEST 437.48 FEET; THENCE SOUTH 33 DEGREE 10'08" EAST 310.62 FEET; THENCE ALONG A CURVE OF 550 FEET RADIUS AND CURVING TO THE RIGHT AN ARC DISTANCE OF 244.22 FEET; SAID ARC BEING SUBTENDED BY A CHORD BEARING SOUTH 42 DEGREES 53'51" WEST, 242.00 FEET TO THE POINT OF BEGINNING.

ASSESSOR'S PARCEL NUMBER: A PORTION OF 067-180-001 AND 004

PARCEL SIX:

A PORTION OF THAT CERTAIN 82.5 FOOT STRIP OF LAND CONVEYED BY WESTSIDE RAILROAD COMPANY TO THE SACRAMENTO NORTHERN RAILWAY AS RECORDED JANUARY 28, 1931 IN BOOK 21 OF OFFICIAL RECORDS AT PAGE 404, YOLO COUNTY RECORDS, SAID PORTION BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT A GRANITE MONUMENT MARKING THE SOUTHWEST CORNER OF THE SWAMP LAND SURVEY NO. 261, SAID MONUMENT BEING AT CALIFORNIA STATE COORDINATES Y=325,508.41 AND X= 2,132,753.87; THENCE FROM SAID POINT OF COMMENCEMENT NORTH 89 DEGREES 31 MINUTES 11 SECONDS EAST, A DISTANCE OF 2119.19 FEET, TO A POINT ON THE NORTHWESTERN LINE OF SAID 82.5 FOOT STRIP OF LAND CONVEYED TO THE SACRAMENTO NORTHERN RAILWAY, SAID POINT BEING THE POINT OF BEGINNING OF THE PARCEL OF LAND TO BE DESCRIBED; THENCE FROM SAID POINT OF BEGINNING NORTH 22 DEGREES 46 MINUTES 41 SECONDS EAST ALONG SAID NORTHWESTERN LINE, A DISTANCE OF 1074.57 FEET; THENCE NORTH 89 DEGREES 20 MINUTES 11 SECONDS EAST, A DISTANCE OF 89.92 FEET, TO A POINT ON THE SOUTHEASTERN LINE OF SAID 82.5 FOOT STRIP OF LAND; THENCE SOUTH 22 DEGREES 46 MINUTES 41 SECONDS WEST ALONG SAID SOUTHEASTERN LINE, A DISTANCE OF 1074.88 FEET; THENCE SOUTH 89 DEGREES 31 MINUTES 11 SECONDS WEST, A DISTANCE OF 89.80 FEET, TO THE POINT OF BEGINNING.

ASSESSOR'S PARCEL NUMBER: 067-180-005

PARCEL SEVEN:

ALL THAT PORTION OF S.L.S. NO. 275 DESCRIBED AS FOLLOWS:

BEGINNING AT A 1-1/2 INCH IRON PIPE CAPPED AND MARKED WITH A COPPER DISC INSCRIBED "R.E. 53," WHICH PIPE IS LOCATED ON THE NORTHERLY BOUNDARY OF S. L.S. 275 WHERE THE SAME IS INTERSECTED BY THE EASTERLY R/W LINE OF THE OAKLAND, ANTIOCH AND EASTERN RAILROAD AND FROM WHICH POINT THE 6 X 6 POST SET AT THE INTERSECTION OF THE FENCE LINE MARKING THE NORTH BOUNDARY OF S. L.S. 275 AND THE NORTH LINE OF THAT CERTAIN 42.06 ACRE TRACT CONVEYED BY DEED, ADAMS TO PARELLA, WITH THE WESTERLY R/W FENCE OF THE OAKLAND, ANTIOCH AND

EASTERN RAILROAD, BEARS SOUTH 89 DEGREES, 53' WEST, 108.87 FEET, AND RUNNING THENCE ALONG THE EASTERLY PROLONGATION OF THE FENCE MARKING THE SAID NORTH LINE OF THE S.L.S. 275, NORTH 89 DEGREES, 53' EAST, 480.29 FEET, TO A SIMILAR IRON PIPE; THENCE SOUTH 0 DEGREES, 59' EAST, 93.40 FEET, MORE OR LESS, TO A SIMILAR IRON PIPE LOCATED AT THE SOUTHWEST CORNER OF S.L.S. 571; THENCE ALONG THE LINE OF OLD FENCE WHICH MARKS THE DIVISION LINE COMMON TO PROPERTY NOW OR FORMERLY OWNED BY VAN TASSELL ON THE NORTH AND PROPERTY FORMERLY OWNED BY ETHEL FARIS ADAMS ON THE SOUTH AND THE BOUNDARY LINE COMMON TO SAID S.L.S. 571 AND S.L.S. 275, SOUTH 80 DEGREES, 27' EAST, 507.38 FEET TO THE TRUE POINT OF BEGINNING; THENCE FROM SAID POINT OF BEGINNING, SOUTH 80 DEGREES, 27' EAST, 2,450.06 FEET TO A SIMILAR IRON PIPE AND CONTINUING ALONG SAID BOUNDARY LINE SOUTH 80 DEGREES, 27' EAST, 193.94 FEET, MAKING 2,644 FEET IN ALL TO THE SACRAMENTO RIVER AND THE EASTERLY BOUNDARY OF S.L.S. 275 FROM THE POINT OF BEGINNING OF HEREIN DESCRIBED TRACT OF LAND; THENCE FOLLOWING THE MEANDERINGS OF THE SAID RIVER AND SAID EASTERLY BOUNDARY DOWNSTREAM SOUTH 17 DEGREES, 51' 30" EAST, 1,018 FEET, TO A POINT ON THE LINE PARALLEL WITH AND 30 FEET NORTHERLY FROM AND MEASURED AT A R/A TO THE POWER POLES EXTENDING SOUTHWESTERLY FROM THE SACRAMENTO LEVEE ALONG THE NORTH SIDE OF THE MAIN FARM ROAD; THENCE ALONG SAID LINE, SOUTH 82 DEGREES, 02' WEST, 2,700 FEET, TO A POINT; THENCE NORTH 7 DEGREES, 58' WEST, 1,840 FEET, MORE OR LESS, TO THE POINT OF BEGINNING.

ASSESSOR'S PARCEL NUMBER: 046-010-011



Yolo Recorder's Office  
Freddie Oakley, County Recorder  
**DOC- 2012-0004288-00**

Acct 121-City of West Sacramento  
Thursday, FEB 09, 2012 13:47:00  
Ttl Pd \$68.00 Nbr-0000967277  
VRB/R6/1-19

RECORDING REQUESTED BY:

WHEN RECORDED RETURN TO:

City of West Sacramento  
1110 West Capitol Ave, 3rd Fl  
West Sacramento, CA 95691

\*FROM THIS POINT AND ABOVE IS FOR RECORDERS

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## Assignment And Assumption of Option Agreement

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## **ASSIGNMENT AND ASSUMPTION OF OPTION AGREEMENT**

This ASSIGNMENT AND ASSUMPTION OF OPTION AGREEMENT ("Assignment"), effective January ~~16~~<sup>17</sup>, 2012 (the "Effective Date"), is by and between the **Sacramento-Yolo Port District ("Assignor")**, and **Stone Lock District Holdings LLC**, a Maryland Limited Liability Company ("**Assignee**").

### **RECITALS**

A. Pursuant to that certain Option Agreement dated March 23, 2011, by and between the Redevelopment Agency of the City of West Sacramento, a California redevelopment agency ("Owner"), and Assignor (the "Option Agreement"), Assignor holds an exclusive option (the "Option") to purchase from Owner certain real property located in the City of West Sacramento, County of Yolo, State of California, and more particularly described in the Option Agreement (the "Property"). In accordance with the Option Agreement, a Memorandum of Option was recorded on May 20, 2011 in the Official Records of Yolo County, California, as Document No. 2011-0014127-00.

B. In accordance with Section 3.1 of the Option Agreement, Assignor has previously paid to Owner option consideration in the amount of Five Hundred Dollars (\$500.00) which shall be credited toward the Purchase Price (as defined in the Option Agreement) of the Property (the "Paid Option Consideration").

C. Assignor desires to assign to Assignee all of Assignor's right, title and interest in and to the Option Agreement, and Assignee desires to assume all of Assignor's obligations under the Option Agreement, on the terms and conditions of this Assignment.

D. Assignee is an affiliate of The Cordish Company and is wholly controlled and actively managed by the principals of The Cordish Company. The Stone Lock developer team is made up of David Cordish, Jon Cordish, Blake Cordish, Reed Cordish, Joe Weinberg, Charles Jacobs, Zed Smith, and Jess Port Telles (together, the "Developer Team").

### **AGREEMENTS**

NOW, THEREFORE, in consideration of the foregoing recitals which are specifically incorporated into the body of this Assignment, the mutual promises contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

1. **Assignment.** Subject to the terms and conditions contained in this Assignment, and effective as of the Effective Date, Assignor hereby assigns, sells, conveys, transfers and delivers to Assignee all of Assignor's right, title and interest in and to the Option Agreement (including, without limitation, all rights with respect to the Paid Option Consideration), and delegates to Assignee all of Assignor's obligations as contained in the Option Agreement.

2. **Assumption.** Subject to the terms and conditions contained in this Assignment, Assignee hereby accepts all of Assignor's right, title and interest in and to the Option Agreement, and shall pay, perform and observe each and every obligation, covenant, agreement and condition to be paid, performed, or observed by the Assignor under the Option Agreement, from and after the Effective Date; provided, however, Assignee's obligations under

Section 7.2.3. of the Option Agreement shall only relate to such matters or claims that arise from events occurring on or after the Effective Date.

3. **Assignment Consideration and Obligations.** In addition to Assignee's acceptance and assumption of the Option Agreement as provided in Section 2 above, as further consideration for the assignment of the Option as provided herein, on the Effective Date, Assignee agrees as follows:

(a) **Payment.** Assignee will pay to Assignor \$448,900 ("Assignment Payment") upon approval of the Development Agreement between Assignee and the City of West Sacramento described in Section 4(e) below, which approval is identified as a condition precedent to exercise of the Option in Section 1.5.2 of the Option Agreement.

(b) **Reimbursement for Annual Option Payments.** Pursuant to Section 1.3.1 of the Option Agreement, the Assignor has paid the first Annual Option Payment, which was due September 19, 2011, and shall make the second Annual Option Payment, due September 19, 2012. Assignee agrees that it shall reimburse Assignor for the payment of the first and second Annual Option Payments paid by Assignor in accordance with Section 1.3.1. of the Option Agreement on or before October 19, 2013. Notwithstanding the foregoing, so long as Assignee shall have complied with its obligation under Section 4(b) of this Assignment, if Assignee fails to pay to Owner the Annual Option Payment that is due on September 19, 2013, Assignee shall not be liable for the payment of any Annual Option Payment.

(c) **Appraisal.** Assignee agrees to make all reasonable efforts to complete its obligations in connection with the appraisal process specified in Option Agreement by December 15, 2011. Provided Assignee has diligently and in good faith pursued completion of the appraisal, the failure to satisfy this schedule for completion of the appraisal process by such date shall not constitute a default under this Assignment.

(d) **Preferred Development Plan.** Prior to submitting an application for a Development Agreement, Assignee will present a preferred development plan and term sheet for a Development Agreement to the City of West Sacramento for consideration by the City Council.

(e) **Development Agreement.** Within two years of the Effective Date of this Agreement, assignee will complete all required environmental documentation and present to the West Sacramento City Council for final action a Development Agreement for the optioned property in compliance with Section 1.5.2 of the Option Agreement. Within 30 days following execution of a Development Agreement by Assignee and City, Assignee will pay to Assignor the Assignment Payment. Subject to the following sentence, if a Development Agreement is not executed by Assignee and City within two years following the Effective Date of this Agreement, or such longer period as the parties to this Agreement may mutually agree in writing, Assignee will immediately reassign the Option to the Assignor at no cost and all rights and liabilities under the Option Agreement shall re-vest to Assignor. Notwithstanding anything to the contrary contained in the previous sentence, if Assignee is working diligently and in good faith to complete the environmental documentation required for the City to consider approval of the Development Agreement for the Optioned Property and is making reasonable progress toward its completion, but a Development Agreement is not entered into within two years of the Effective Date, this Assignment shall be extended for a period of one year without any further action by the parties, provided Assignee is continuing to make progress toward the completion of the above-mentioned environmental work.



**4. Right for Re-Assignment of Option; Defense of Option and Assignment.**

(a) The parties acknowledge that the Option Agreement is a legally authorized agreement between the Owner and Assignor, which was in full force and effect prior to the effective date of Chapters 5 and 6, Statutes of 2011-12, First Extraordinary Session (the "State Legislation"). As a result, the parties and their respective counsel believe that this Assignment shall be effective as of the execution of the attached Acknowledgement and Consent of Owner. Assignee shall have the right to re-assign the Option and its accompanying obligations to Assignor, for any reason, until two (2) years after the Effective Date.

(b) Prior to exercising any right under the Option that would result in the termination of the Option, or taking or failing to take any action which would, with the passage of time, constitute a default under the Option, Assignee shall provide Assignor with timely notice and, subject to the below time periods, the opportunity to direct that Assignee assign the Option back to Assignor, which notice period shall not be less than six (6) months if the action/failure to act at issue is exercise of the Option (Option § 1.5.1); or sixty (60) days for failure to make an Annual Option Payment required of the Assignee (Option §1.3.1; see this Agreement §3(b)), or terminating the Option (Option §1.4). After Assignee gives the above notice, provided Assignee does not take the action necessary to prevent the termination of the Option, Assignor may direct Assignee to assign the Option back to Assignor no sooner than thirty (30) days prior to the noticed event.

(c) Any re-assignment of the Option pursuant to this Section will be at no cost to Assignor or Assignee.

(d) In the event of a legal challenge to the Option or Owner's authority to approve the Option or consent to this Assignment, the Parties agree to cooperate in the defense of the Option and/or Assignment. Neither Party, however, shall be obligated to undertake a defense of either the Option or this Assignment, nor shall either Party be obligated to contribute to the cost of such defense if undertaken by the other Party.

(e) In the event Owner's consent to this Assignment is challenged in a court of competent jurisdiction, following consultation by the parties, the Assignee may request, and Assignor shall agree, to enter into an agreement pursuant to which Assignee shall carryout, as agent for Assignor, Assignor's obligations under the Option Agreement. This agreement shall be in a form reasonably approved by the parties and shall contain terms and conditions, where applicable, similar to this Agreement. Neither Assignor nor Assignee shall be entitled to additional consideration for entering into this agreement, except for \$250 paid from Assignee to Assignor. Subject to the provision below, Assignee shall be solely responsible for all costs incurred in connection with carrying out the obligations under the Option Agreement, which shall include reimbursing Assignor for any direct costs for staff services, third party legal services, and third party consultants. Upon approval of a Development Agreement by the City, as provided in the Option Agreement, Assignor shall promptly take such actions as provided in the Option Agreement in order to acquire all or such portion of the Optioned Property as determined by Assignee, provided that Assignee shall first have deposited into an escrow account the full cost of completing such acquisition. Assignor shall use the funds deposited into escrow by Assignee to acquire the Optioned Property from Owner. Simultaneous with the purchase of said Property by Assignor, Assignee shall be obligated to acquire the Optioned Property from Assignor and Assignor shall be obligated to sell to Assignee at the same purchase price and under the same terms and conditions, and Assignee shall indemnify and defend Assignor against any claims related to the transfer of title from Owner to Assignor and then to Assignee.

Assignee shall get a credit against the purchase price of the Optioned Property for the full amount of money deposited into escrow by Assignee.

5. **Representations and Warranties.** Assignor represents and warrants to Assignee as follows:

(a) **No Default.** Assignor acknowledges that as of the Effective Date: (i) there exists no breach, uncured default, or event or condition that, with the giving of notice or the passage of time or both, would constitute a breach or default under the Option Agreement; and (ii) there are no existing claims, defenses or payments to become due under the Option Agreement except for those contained in the Option Agreement. Notwithstanding the foregoing, Assignee acknowledges that the appraisal of the Property described in Section 2.2.1 of the Option Agreement has not yet occurred and accepts responsibility for completion of that appraisal process.

(b) **Right to Transfer.** Assignor holds all rights and interest in the Option Agreement and it has the right to transfer and assign the Option Agreement without the consent of a third party except for the Owner as the optionor of the Option Agreement.

(c) **Full Force and Effect.** Assignor acknowledges that the Option Agreement is in full force and effect and has not been amended, modified, or supplemented, and constitutes the entire agreement between the optionor and optionee of the Option Agreement.

(d) **Reaffirmation of Representations and Warranties Under Option Agreement.** All of the representations and warranties of Assignor set forth in the Option Agreement, are true and correct in all material respects as of the date hereof as though such representations and warranties were made on and as of the date hereof, except as contemplated or permitted by the Option Agreement and except to the extent that any such representation or warranty is made as of a specified date, in which case such representation or warranty shall have been true and correct as of such date.

(e) **Delivery of Documents; Review.** Within five (5) days of the Effective Date, Assignor shall deliver to Assignee all of the documents delivered to Assignor under Section 4.1. of the Option Agreement and the Title Report mentioned in Section 5.1.2. of the Option Agreement. Assignor represents and warrants that it has not provided any notice to Owner of the commencement of its election to obtain Studies of the Property in accordance with Section 4.2. of the Option Agreement.

(f) **Effect of State Legislation.** Assignor and Assignee acknowledge the legal implications of the State Legislation and the legal challenges thereto on the operation and effect of the Option and this Assignment are unknown as of the Effective Date.

6. **Memorandum of Assignment.** Concurrently with the signing of the Agreement, the parties shall execute and cause to be recorded in the Official Records of Yolo County, California, a memorandum of this Assignment, substantially in the form attached hereto as Exhibit A, and incorporated herein by this reference.

7. **Further Assurances.** Assignor and Assignee agree to take such additional actions and execute such additional documents as may be reasonable and necessary to carry out the provisions of this Assignment.

8. **Binding on Successors**. This Assignment shall be binding on and shall inure to the benefit of the parties hereto, their successors in interest and permitted assigns.

9. **Governing Law**. This Assignment shall be governed by and construed in accordance with the laws of the State of California.

10. **Entire Agreement**. This Assignment contains the entire agreement of the parties relating to the Option Agreement and expressly supersedes in their entirety all prior negotiations and agreements (oral or written) between Assignor and Assignee.

11. **Counterparts**. This Assignment may be executed in counterparts, each of which shall be deemed an original (including copies sent to a party by facsimile transmission or in portable document format (pdf)) as against the party signing such counterpart, but which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have executed this Assignment effective as of the Effective Date.

**ASSIGNOR:**

SACRAMENTO-YOLO PORT DISTRICT

By: Toby Ross

Name: Toby Ross

Title: Chief Executive Officer

**ASSIGNEE:**

STONE LOCK DISTRICT HOLDINGS, LLC

By: Blake L. Cordish

Name: Blake L. Cordish

Title: Authorized Member

**Exhibits:**

A - Form of Memorandum of Assignment

**ACKNOWLEDGEMENT AND CONSENT OF OWNER**

With respect to the foregoing Assignment and Assumption of Option Agreement (the "Assignment"):

(a) Owner represents and warrants to Assignee as follows:

(1) Except as noted below, to the best of Owner's knowledge, as of the date hereof: (i) there exists no breach, uncured default, or event or condition that, with the giving of notice or the passage of time or both, would constitute a breach or default under the Option Agreement; and (ii) there are no existing claims, defenses or payments to become due under the Option Agreement except for those contained in the Option Agreement;

(2) The Option Agreement is in full force and effect and has not been otherwise amended, modified, or supplemented, and constitutes the entire agreement between the optionor and optionee of the Option Agreement.

(3) Owner and Assignee acknowledge the legal implications of the State Legislation and the legal challenges thereto on the operation and effect of the Option and this Assignment are unknown as of the Effective Date.

(b) The appraisal process described in Section 2.2.1 of the Option Agreement has not yet occurred.

(c) Owner hereby approves and consents to the assignment by Assignor of all of Assignor's interest in the Option Agreement, the corresponding acceptance thereof and the assumption by Assignee of Assignor's duties, obligations and liabilities to Owner under the Option Agreement, and Assignee's right to re-assign the Option pursuant to Section 4(a) of the Assignment.

All capitalized terms used in this Acknowledgment and Consent but not expressly defined herein shall have the meanings ascribed to them in the Assignment.

**OWNER:**

REDEVELOPMENT AGENCY OF THE CITY OF  
WEST SACRAMENTO, a California  
Redevelopment Agency

By: 

Name: Toby Ross

Title: Executive Director

Dated: January 16, 2012

Exhibit A to Assignment Agreement  
**(See Attached Memorandum of Assignment)**

Recording Requested By and  
When Recorded Return To:

Sacramento-Yolo Port District  
1110 West Capitol Ave  
West Sacramento, CA 95691  
Attn: City Clerk

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SPACE ABOVE THIS LINE FOR RECORDER'S USE

MEMORANDUM OF ASSIGNMENT OF OPTION

THIS is a memorandum of that certain unrecorded Assignment and Assumption Agreement effective January 16<sup>th</sup>, 2012 (the "Assignment Agreement") by and between the **Sacramento-Yolo Port District, a California River Port District** ("Assignor"), and **Stone Lock District Holdings LLC, a Maryland Limited Liability Company** ("Assignee").

1. The Assignment Agreement assigns to Assignee the right to exercise that certain Option Agreement by and between Assignor and the Redevelopment Agency of the City of West Sacramento, a California Redevelopment Agency (the "Agency"), a memorandum of which Option Agreement was recorded on May 20, 2011 in the Official Records of Yolo County, California, as Document No. 2011-0014127-00 (the "Option Agreement"). The Option Agreement gives to the holder of the option the exclusive right to purchase from the Agency certain real property located in the City of West Sacramento, County of Yolo, State of California, and more particularly described as follows (the "Property"):

[See Exhibit A]

2. This Memorandum shall not be deemed to modify, alter or amend the provisions of the Assignment Agreement. In the event any conflict exists between the terms of the Assignment Agreement and this Memorandum, the terms of the Assignment Agreement shall for all purposes govern and determine the relationship between the Assignor and Assignee and their respective rights and duties.

**ASSIGNOR:**

SACRAMENTO-YOLO PORT DISTRICT

By: Toby Ross

Name: Toby Ross

Title: Chief Executive Officer

**ASSIGNEE:**

STONE LOCK DISTRICT HOLDINGS, LLC

By: Blake L. Cordish

Name: Blake L. Cordish

Title: Authorized Member

STATE OF CALIFORNIA )  
 ) ss.  
COUNTY OF Yolo )

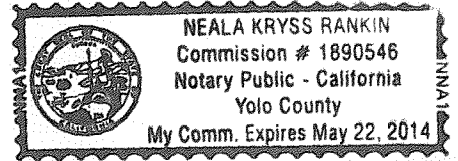
On Jan. 23, 2012 before me, Neala Kryss Rankin, Notary Public, personally appeared Toby Ross, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument, the person(s) or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

Witness my hand and official seal.

Neala Kryss Rankin  
Notary Public

[SEAL]



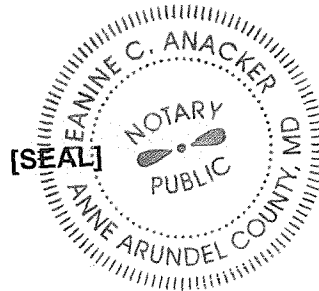
Maryland  
STATE OF CALIFORNIA )  
 ) ss.  
COUNTY OF Baltimore )

On Jan. 16, 2012 before me, Jeanine C. Anacker, Notary Public, personally appeared Blake L. Cordish, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument, the person(s) or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of Maryland that the foregoing paragraph is true and correct.

Witness my hand and official seal.

Jeanine C. Anacker  
Notary Public



Expires: 2/12/2016

Exhibit A to Memorandum of Assignment  
**(See Attached Legal Description of Property)**



EXHIBIT A

WEST OF JEFFERSON BLVD:

THE LAND DESCRIBED HEREIN IS SITUATED IN THE STATE OF CALIFORNIA, COUNTY OF YOLO, CITY OF WEST SACRAMENTO, AND IS DESCRIBED AS FOLLOWS:

PARCEL ONE:

BEGINNING AT A POINT AT THE CENTER COMMON TO SWAMP LAND SURVEYS NOS. 261, 275 AND 797, YOLO COUNTY SURVEYS, FROM WHICH SAID POINT OF BEGINNING AN OLD GRANITE MONUMENT MARKING THE SOUTHWEST CORNER OF SWAMP LAND SURVEY NO. 261, YOLO COUNTY SURVEYS BEARS SOUTH 89 DEGREES 49' 10" WEST 996.38 FEET, AND RUNNING THENCE FROM SAID POINT OF BEGINNING ALONG THE BOUNDARY COMMON TO SAID SWAMP LAND SURVEY NOS. 261 AND 275, YOLO COUNTY SURVEYS, NORTH 89 DEGREES 49' 10" EAST 1068.39 FEET TO AN INTERSECTION WITH THE WESTERLY RIGHT OF WAY LINE OF THE SACRAMENTO NORTHERN R.R.; THENCE FOLLOWING THE SAID WESTERLY RIGHT OF WAY LINE OF THE SACRAMENTO NORTHERN R.R. SOUTH 23 DEGREES 04' 40" WEST 26.47 FEET; THENCE LEAVING THE SAID WESTERLY RIGHT OF WAY LINE OF THE SACRAMENTO NORTHERN R.R. AND RUNNING SOUTH 89 DEGREES 38' 10" WEST 1062.52 FEET TO A POINT IN THE BOUNDARY LINE COMMON TO SWAMP LAND SURVEYS NOS. 275 AND 797, YOLO COUNTY SURVEYS; THENCE ALONG SAID BOUNDARY LINE COMMON TO SWAMP LAND SURVEY NOS. 275 AND 797, YOLO COUNTY SURVEYS, NORTH 9 DEGREES 13' EAST 28.09 FEET TO THE POINT OF BEGINNING.

ASSESSOR'S PARCEL NUMBER: 046-010-008

PARCEL TWO:

BEING A PORTION OF THAT DEED RECORDED IN BOOK 301, PAGE 320 DESCRIBED AS FOLLOWS:

BEGINNING AT A GRANITE MONUMENT MARKING THE SOUTHWEST CORNER OF SWAMP LAND SURVEY NO. 261, YOLO COUNTY SURVEYS, AND RUNNING THENCE FROM SAID POINT OF BEGINNING SOUTH 89 DEGREES, 49' 10" WEST 121.91 FEET; THENCE NORTH 00 DEGREES, 03' 00" EAST 638.70 FEET TO THE CENTERLINE OF THE SACRAMENTO-YOLO PORT DISTRICT BARGE CANAL AS DEFINED IN BOOK 545, PAGE 427 OFFICIAL RECORDS; THENCE ALONG SAID CENTERLINE, NORTH 89 DEGREES, 38' 08" EAST 2464.33 FEET TO THE WESTERLY RIGHT OF WAY LINE OF THE SACRAMENTO NORTHERN R.R.; THENCE ALONG SAID WESTERLY RIGHT OF WAY LINE, SOUTH 23 DEGREES, 04' 40" WEST 703.80 FEET; THENCE LEAVING SAID WESTERLY RIGHT OF WAY LINE, SOUTH 89 DEGREES, 49' 10" WEST 2064.78 FEET TO THE POINT OF BEGINNING.

EXCEPTING THEREFROM THAT PORTION CONVEYED TO THE CITY OF WEST SACRAMENTO IN THE GRANT DEED RECORDED ON JULY 25, 2003, AS INSTRUMENT NO. 2003-0044071, OFFICIAL RECORDS.

ASSESSOR'S PARCEL NUMBER: 067-180-036

PARCEL THREE:

BEING A PORTION OF THOSE DEEDS RECORDED IN BOOK 301, PAGE 185 AND 189,

page 1 of 8

DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT AT THE CENTER COMMON TO SWAMP LAND SURVEYS NOS. 261, 275 AND 797, YOLO COUNTY SURVEYS, FROM WHICH SAID POINT OF BEGINNING AN OLD GRANITE MONUMENT MARKING THE SOUTHWEST CORNER OF SWAMP LAND SURVEY NO. 261, YOLO COUNTY SURVEYS BEARS SOUTH 89 DEGREES, 49' 10" WEST 996.38 FEET; THENCE FROM SAID POINT OF BEGINNING SOUTH 09 DEGREES, 13' 00" WEST 38.09 FEET; THENCE SOUTH 89 DEGREES, 38' 11" WEST 1546.68 FEET TO THE EASTERLY RIGHT OF WAY LINE OF LAKE WASHINGTON BOULEVARD; THENCE ALONG SAID EASTERLY RIGHT OF WAY LINE NORTH 08 DEGREES, 21' 39" EAST 511.04 FEET; THENCE SOUTH 87 DEGREES, 28' 23" WEST 54.90 FEET; THENCE ALONG A CURVE TO THE LEFT HAVING A RADIUS OF 1314.50 FEET, A DELTA OF 07 DEGREES, 17' 26" AN ARC LENGTH OF 167.26 FEET, SAID CURVE BEING SUBTENDED BY A CHORD BEARING NORTH 03 DEGREES, 25' 57" WEST TO A POINT ON THE CENTERLINE OF THE SACRAMENTO-YOLO PORT DISTRICT BARGE CANAL AS DEFINED IN BOOK 545, PAGE 427 OFFICIAL RECORDS; THENCE ALONG SAID CENTERLINE, NORTH 89 DEGREES, 38' 08" EAST 421.67 FEET; THENCE LEAVING SAID CENTERLINE, SOUTH 00 DEGREES, 03' 00" WEST 638.70 FEET; THENCE NORTH 89 DEGREES, 49' 10" EAST 1120.59 FEET TO THE POINT OF BEGINNING.

ASSESSOR'S PARCEL NUMBER: 067-180-007, 008 AND 024

EAST OF JEFFERSON BLVD

THE LAND DESCRIBED HEREIN IS SITUATED IN THE STATE OF CALIFORNIA, COUNTY OF YOLO, CITY OF WEST SACRAMENTO, AND IS DESCRIBED AS FOLLOWS:

PARCEL ONE:

PORTION OF THE SOUTHWEST ONE QUARTER OF SECTION 3 AND THE NORTHWEST ONE QUARTER OF SECTION 10, T. 8 N., R. 4 E., M.D.B. & M., AND BEING BOUNDED AND MORE PARTICULARLY DESCRIBED AS FOLLOWS, TO WIT:

BEGINNING AT A POINT ON THE WESTERLY BANK OF THE SACRAMENTO RIVER, FROM WHICH SAID POINT OF BEGINNING AN IRON PIPE MARKED "R. E. 53", MARKING THE SOUTHEAST CORNER OF SWAMP LAND SURVEY NO. 571, YOLO COUNTY SURVEYS, BEARS S. 11 DEGREES 08' 50" E. 92.71 FEET AND S. 11 DEGREES 53' 50" E. 501.60 FEET AND RUNNING THENCE FROM SAID POINT OF BEGINNING N. 75 DEGREES 21' 50" W. 346.74 FEET; THENCE S. 89 DEGREES 38' 10" W. 2160.52 FEET TO A POINT IN A NORTHERLY AND SOUTHERLY FENCE LINE; THENCE FOLLOWING SAID NORTHERLY AND SOUTHERLY FENCE LINE N. 25 DEGREES 12' 23" E. 514.11 FEET TO A FENCE CORNER; THENCE FOLLOWING AN EASTERLY AND WESTERLY FENCE LINE AND THE PROLONGATION EASTERLY THEREOF, S. 80 DEGREES 05' 27" E. 2282.24 FEET TO A POINT ON THE WESTERLY BANK OF THE SACRAMENTO RIVER; THENCE FOLLOWING THE SAID WESTERLY BANK OF THE SACRAMENTO RIVER DOWNSTREAM, S. 11 DEGREES 08' 50" E. 149.12 FEET TO THE POINT OF BEGINNING.

ASSESSOR'S PARCEL NUMBER: PORTION OF 067-180-003

PARCEL TWO:

A PORTION OF PROJECTED SECTIONS 3 AND 10, TOWNSHIP 8 NORTH, RANGE 4 EAST, M.D.B. & M., DESCRIBED AS FOLLOWS:

BEGINNING AT AN IRON PIPE MONUMENT SET IN A FENCE CORNER AND STAMPED RE 1168, FROM WHICH AN OLD GRANITE MONUMENT MARKING THE SOUTHWEST CORNER OF SWAMP LAND SURVEY NO. 261 BEARS NORTH 80 DEGREES 23' 15" WEST 208.33 FEET; THENCE NORTH 00 DEGREES 56' 50" WEST 92.45 FEET AND THENCE SOUTH 89 DEGREES 49' 10" WEST 2653.87 FEET; THENCE FROM SAID POINT OF BEGINNING NORTH 25 DEGREES 12' 23" EAST 217.44 FEET ALONG A FENCE LINE; THENCE NORTH 89 DEGREES 38' 10" EAST 2160.52 FEET; THENCE SOUTH 75 DEGREES 21' 50" EAST 346.74 FEET TO A POINT ON THE MEAN HIGH WATER LINE ON THE RIGHT BANK OF THE SACRAMENTO RIVER; THENCE DOWNSTREAM ALONG SAID MEAN HIGH WATER LINE, FOLLOWING THE MEANDERINGS THEREOF, TWO COURSES AND DISTANCES AS FOLLOWS: SOUTH 45 DEGREES 29' 20" EAST 198.35 FEET AND SOUTH 19 DEGREES 48' EAST 505.00 FEET; THENCE LEAVING SAID MEAN HIGH WATER LINE NORTH 80 DEGREES 23' 15" WEST 193.94 FEET TO AN IRON PIPE MONUMENT MARKED RE 53 AND SET IN A FENCE LINE; THENCE CONTINUING NORTH 80 DEGREES 23' 15" WEST 2748.49 FEET ALONG A FENCE LINE TO THE POINT OF BEGINNING.

ASSESSOR'S PARCEL NUMBER: A PORTION OF 067-180-002 AND 003

PARCEL THREE:

A PORTION OF THE SOUTHWEST ONE QUARTER OF SECTION 3, THE SOUTHEAST ONE QUARTER OF SECTION 4, AND THE NORTHWEST ONE QUARTER OF SECTION 10, T. 8N., R. 4 E., M.D.B. & M., AND BEING BOUNDED AND MORE PARTICULARLY DESCRIBED AS FOLLOWS, TO WIT:

BEGINNING AT AN OIL IRON PIPE MARKING THE CORNER COMMON TO THE HEREIN DESCRIBED PROPERTY AND THE PROPERTY NOW OR FORMERLY OWNED BY A.F. TURNER, FROM WHICH SAID POINT OF BEGINNING AN OLD GRANITE MONUMENT MARKING THE SOUTHWEST CORNER OF SWAMP LAND SURVEY NO. 261, YOLO COUNTY SURVEYS, BEARS S. 72 DEGREES 10' 15" W. 2879.60 FEET, AND RUNNING THENCE FROM SAID POINT OF BEGINNING ALONG THE BOUNDARY LINE COMMON TO THE HEREIN DESCRIBED PROPERTY AND THE SAID PROPERTY OF A.F. TURNER, S. 86 DEGREES 51' 04" E. 2225.00 FEET TO A POINT ON THE WESTERLY BANK OF THE SACRAMENTO RIVER; THENCE FOLLOWING THE SAID WESTERLY BANK OF THE SACRAMENTO RIVER DOWNSTREAM, S. 38 DEGREES 02' 10" E. 778.34 FEET; THENCE FOLLOWING A FENCE LINE AND THE PROLONGATION EASTERLY AND WESTERLY THEREOF, N. 80 DEGREES 05' 27" W. 2733.02 FEET; THENCE S. 02 DEGREES 08' 50" E. 721.99 FEET; THENCE NO. 80 DEGREES 23' 15" W. 123.80 FEET; THENCE E. 0 DEGREES 56' 50" W. 92.45 FEET; THENCE S. 89 DEGREES 49' 10" W. 444.87 FEET TO A POINT IN THE EASTERLY RIGHT OF WAY LINE OF THE SACRAMENTO NORTHERN RAILROAD; THENCE FOLLOWING THE SAID EASTERLY RIGHT OF WAY LINE OF THE SACRAMENTO NORTHERN RAILROAD, N. 23 DEGREES 04' 40" E. 1074.89 FEET; THENCE N. 89 DEGREES 38' 10" E. 105.89 FEET; THENCE ALONG THE BOUNDARY LINE COMMON TO THE HEREIN DESCRIBED PROPERTY AND THE AFORESAID PROPERTY OF A. F. TURNER, S. 2 DEGREES 36' 15" E. 114.95 FEET TO THE POINT OF BEGINNING.

ASSESSOR'S PARCEL NUMBER: A PORTION OF 067-180-003 AND 004

PARCEL FOUR:

A PORTION OF THE SOUTHWEST ONE-QUARTER OF SECTION 3, AND THE NORTHWEST ONE-QUARTER OF SECTION 10, TOWNSHIP 8 NORTH, RANGE 4 EAST, M.D.B. & M., AND BEING BOUNDED AND MORE PARTICULARLY DESCRIBED AS FOLLOWS, TO WIT:

BEGINNING AT A POINT AT THE CORNER COMMON TO THE HEREIN DESCRIBED PROPERTY AND THE PROPERTY NOW OR FORMERLY OWNED BY LAUREN E. VAN TASSEL, ET AL, FROM WHICH SAID POINT OF BEGINNING AN IRON PIPE MARKED "R. E. 53", MARKING THE SOUTHEAST CORNER OF SWAMP LAND SURVEY NO. 571, YOLO COUNTY SURVYES, BEARS SOUTH 80 DEGREES 23' 15" EAST, 2748.49 FEET, AND RUNNING THENCE FROM SAID POINT OF BEGINNING NORTH 80 DEGREES 23' 15" WEST, 84.53 FEET; THENCE NORTH 02 DEGREES 08' 05" WEST, 721.99 FEET; THENCE SOUTH 80 DEGREES 05' 27" EAST, 428.33 FEET TO A POINT AT A FENCE CORNER; THENCE FOLLOWING A NORTHERLY AND SOUTHERLY FENCE LINE SOUTH 25 DEGREES 12' 23" WEST, 731.55 FEET TO THE POINT OF BEGINNING.

ALL AS MODIFIED BY THE BOUNDARY LINE AGREEMENT EXECUTED BY SACRAMENTO-YOLO PORT DISTRICT AND BETWEEN GEORGE P. PARIS, RECORDED MARCH 13, 1950, IN BOOK 315, PAGE 344, OFFICIAL RECORDS.

EXCEPTING THEREFROM THAT PORTION CONVEYED TO THE CITY OF WEST SACRAMENTO BY

DOCUMENT RECORDED NOVEMBER 17, 2003, AS INSTRUMENT NO. 2003-0069853, OFFICIAL RECORDS.

ASSESSOR'S PARCEL NUMBER: A PORTION OF 067-180-002 AND 003

PARCEL FIVE:

BEING A PORTION OF THE SOUTHWEST ONE QUARTER OF SECTION 3, TOWNSHIP 8 NORTH, RANGE 4 EAST, M.D.B. & M., AND BEING BOUNDED AND MORE PARTICULARLY DESCRIBED AS FOLLOWS, TO-WIT:

BEGINNING AT AN OLD IRON PIPE MARKING THE CORNER COMMON TO THE HEREIN DESCRIBED PROPERTY AND THE PROPERTY NOW OR FORMERLY OWNED BY CHARLES PARELLA, FROM WHICH SAID POINT OF BEGINNING AN OLD GRANITE MONUMENT MARKING THE SOUTHWEST CORNER OF SWAMP LAND SURVEY NO. 261, BEARS SOUTH 72 DEGREES, 10' 15" WEST, 2879.60 FEET; THENCE FROM SAID POINT OF BEGINNING NORTH 02 DEGREES, 36' 15" WEST 114.95 FEET ALONG THE BOUNDARY LINE OF THE HEREIN DESCRIBED PROPERTY AND THE PROPERTY NOW OR FORMERLY OWNED BY CHARLES PARELLA; THENCE NORTH 89 DEGREES, 38' 10" EAST 1,478.61 FEET; THENCE NORTH 00 DEGREES, 21' 50" WEST 500.00 FEET; THENCE NORTH 89 DEGREES, 38' 10" EAST 222.00 FEET TO THE MEAN HIGH WATER LINE ON THE RIGHT BANK OF THE SACRAMENTO RIVER; THENCE DOWNSTREAM ALONG SAID MEAN HIGH WATER LINE, FOLLOWING THE MEANDERINGS THEREOF, FOUR COURSES AND DISTANCES AS FOLLOWS:

SOUTH 28 DEGREES, 24' EAST 193.00 FEET, SOUTH 32 DEGREES, 14' EAST 305.00 FEET, SOUTH 38 DEGREES, 30' EAST 295.00 FEET AND SOUTH 45 DEGREES, 40' 45" EAST 127.68 FEET; THENCE, LEAVING SAID MEAN HIGH WATER LINE, NORTH 86 DEGREES, 51' 04" WEST, 2,225.00 FEET TO THE POINT OF BEGINNING.

EXCEPTING FROM PARCEL FIVE, THE FOLLOWING 4 PARCELS:

PARCEL 1:

BEGINNING AT AN IRON PIPE MONUMENT MARKING THE NORTHWESTERLY CORNER OF THE WEST SACRAMENTO SANITARY DISTRICT TREATMENT PLANT SITE AS OCCUPIED, SAID POINT OF BEGINNING BEING SITUATE NORTH 89 DEGREES 33'05" EAST, 1305.45 FEET; AND THENCE NORTH 0 DEGREE 21'50" WEST 164.20 FEET FROM THE POINT OF INTERSECTION OF THE CENTERLINE OF STATE STREET PRODUCED EASTERLY TO THE POINT OF INTERSECTION WITH THE EASTERLY LINE OF THE RIGHT OF WAY OF THE SACRAMENTO NORTHERN RAILWAY COMPANY, AS SAID STATE STREET AND RIGHT OF WAY APPEAR OF RECORD IN THE OFFICE OF THE RECORDER OF YOLO COUNTY, CALIFORNIA, ON THE "MAP OF WEST SACRAMENTO CITY- UNIT ONE" FILED IN MAP BOOK 3 PAGES 8 TO 14 INCLUSIVE, YOLO COUNTY RECORDS; AND EXTENDING THENCE FROM SAID POINT OF BEGINNING SOUTH 0 DEGREE 21'50" EAST ALONG THE WESTERLY LINE OF SAID WEST SACRAMENTO SANITARY DISTRICT TREATMENT PLANT SITE AS FENCED AND OCCUPIED A DISTANCE OF 520.00 FEET TO AN IRON PIPE MONUMENT MARKING THE SOUTHWESTERLY CORNER OF SAID TREATMENT PLANT SITE AS NOW OCCUPIED; THENCE SOUTH 89 DEGREES 38'10" WEST ALONG THE NORTHERLY BOUNDARY OF THE SACRAMENTO YOLO PORT DISTRICT PROPERTY A DISTANCE OF 167.54 FEET; THENCE NORTH 0 DEGREES 21'50" WEST ALONG A LINE PARALLEL WITH THE FIRST MENTIONED COURSE OF THE DESCRIPTION A DISTANCE OF

520.00 FEET; THENCE NORTH 89 DEGREES 38'10" EAST 167.54 FEET TO THE POINT OF BEGINNING.

PARCEL 2:

THAT PORTION OF YOLO COUNTY SWAMP AND OVERFLOW LAND SURVEY #571 DESCRIBED AS FOLLOWS:

BEGINNING AT AN IRON PIPE MONUMENT MARKED R.E. 1168 AND BEING SITUATE NORTH 89 DEGREES 33'05" EAST 1467.10 FEET; THENCE NORTH 0 DEGREE 21'50" WEST, 144.20 FEET FROM THE POINT OF INTERSECTION OF THE CENTER LINE OF STATE STREET PRODUCED EASTERLY TO THE POINT OF INTERSECTION WITH THE EASTERLY LINE OF THE RIGHT OF WAY OF THE SACRAMENTO NORTHERN RAILWAY COMPANY AS SAID STATE STREET AND RIGHT OF WAY APPEAR OF RECORD IN THE OFFICE OF THE RECORDER OF YOLO COUNTY, CALIFORNIA, ON THE "MAP OF WEST SACRAMENTO CITY UNIT ONE", FILED IN MAP BOOK 3, PAGES 8 TO 14, INCLUSIVE YOLO COUNTY RECORDS, AND EXTENDING THENCE NORTH 89 DEGREES 38'10" EAST ALONG THE NORTHERLY BOUNDARY LINE OF THE TRACT REQUIRED BY THE SACRAMENTO-YOLO PORT DISTRICT; A DISTANCE OF 153.00 FEET TO AN IRON PIPE MONUMENT MARKED R.E. 1168 AND SET IN THE WESTERLY HIGH BANK LINE OF THE SACRAMENTO RIVER; THENCE NORTH 27 DEGREES 10' WEST UP AND ALONG THE SAID WEST BANK OF THE SAID SACRAMENTO RIVER A DISTANCE OF 22.41 FEET; THENCE SOUTH 89 DEGREES 38'10" WEST A DISTANCE OF 304.55 FEET; THENCE SOUTH 0 DEGREE 21'50" EAST 520.00 FEET TO A POINT IN THE NORTHERLY LINE OF THE TRACT REQUIRED BY THE SACRAMENTO-YOLO PORT DISTRICT; THENCE NORTH 89 DEGREES 38'10" EAST ALONG THE SAID BOUNDARY LINE A DISTANCE OF 161.65 FEET TO AN IRON PIPE MONUMENT MARKED R.E. 1168; THENCE UP AND ALONG THE BOUNDARY LINE OF THE SAID TRACT REQUIRED BY THE SAID PORT DISTRICT NORTH 0 DEGREES 21'50" WEST 500.00 FEET TO THE POINT OF BEGINNING.

PARCEL 3:

BEGINNING AT A POINT ON THE NORTHERLY BOUNDARY LINE OF THAT CERTAIN PARCEL OF LAND CONVEYED IN EASEMENT TO THE UNITED STATES OF AMERICA, RECORDED JULY 2, 1958, IN BOOK 545, OFFICIAL RECORDS, PAGE 432, YOLO COUNTY RECORDS; SAID POINT ALSO BEING ON THE SOUTHERLY BOUNDARY OF THE PROPERTY OF THE WEST SACRAMENTO SANITARY DISTRICT, AS SAID PROPERTY NOW EXISTS; SAID POINT OF BEGINNING BEARING SOUTH 89 DEGREES 20'11" WEST 126.13 FEET FROM THE SOUTHEASTERLY PROPERTY CORNER OF THE SAID SANITARY DISTRICT; SAID CORNER ALSO BEING COMMON TO THE AFOREMENTIONED PARCEL CONVEYED TO THE UNITED STATES OF AMERICA; COORDINATES OF SAID POINT OF BEGINNING BEING NORTH 326,534.85 EAST, 2,136,837.15; THENCE FROM SAID POINT OF BEGINNING SOUTH 89 DEGREES 20'11" WEST 201.17 FEET; THENCE SOUTH 0 DEGREE 39'49" WEST 201.17 FEET; THENCE NORTH 89 DEGREES 20'11" EAST, 22.00 FEET; THENCE ALONG A CURVE OF 550 FEET RADIUS AND CURVING TO THE LEFT AN ARC DISTANCE OF 182.50 FEET; SAID ARC BEING SUBTENDED BY A CHORD BEARING NORTH 79 DEGREE 49'49" EAST 181.67 FEET TO THE POINT OF BEGINNING.

PARCEL 4:

BEGINNING AT A POINT ON THE BOUNDARY LINE OF THAT CERTAIN PARCEL OF LAND

CONVEYED IN EASEMENT TO THE UNITED STATES OF AMERICA BY THE SACRAMENTO YOLO PORT DISTRICT, RECORDED JULY 2, 1958, IN BOOK 545 OF OFFICIAL RECORDS PAGE 432, YOLO COUNTY RECORDS; SAID POINT ALSO BEING ON THE EASTERLY BOUNDARY OF THE PROPERTY OF THE WEST SACRAMENTO SANITARY DISTRICT, AS SAID PROPERTY NOW EXISTS; SAID POINT OF BEGINNING BEARS NORTH 0 DEGREE 39'49" WEST 62.52 FEET FROM THE SOUTHEASTERLY PROPERTY CORNER OF THE SAID SANITARY DISTRICT; SAID CORNER ALSO BEING COMMON TO THE AFOREMENTIONED PARCEL CONVEYED TO THE UNITED STATES OF AMERICA; COORDINATES OF SAID POINT OF BEGINNING BEING NORTH 326,598.83; EAST 2,136,962.53; THENCE FROM SAID POINT OF BEGINNING NORTH 0 DEGREE 39'49" WEST 437.48 FEET; THENCE SOUTH 33 DEGREE 10'08" EAST 310.62 FEET; THENCE ALONG A CURVE OF 550 FEET RADIUS AND CURVING TO THE RIGHT AN ARC DISTANCE OF 244.22 FEET; SAID ARC BEING SUBTENDED BY A CHORD BEARING SOUTH 42 DEGREES 53'51" WEST, 242.00 FEET TO THE POINT OF BEGINNING.

ASSESSOR'S PARCEL NUMBER. A PORTION OF 067-180-001 AND 004

PARCEL SIX:

A PORTION OF THAT CERTAIN 82.5 FOOT STRIP OF LAND CONVEYED BY WESTSIDE RAILROAD COMPANY TO THE SACRAMENTO NORTHERN RAILWAY AS RECORDED JANUARY 28, 1931 IN BOOK 21 OF OFFICIAL RECORDS AT PAGE 404, YOLO COUNTY RECORDS, SAID PORTION BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT A GRANITE MONUMENT MARKING THE SOUTHWEST CORNER OF THE SWAMP LAND SURVEY NO. 261, SAID MONUMENT BEING AT CALIFORNIA STATE COORDINATES Y=325,508.41 AND X= 2,132,753.87; THENCE FROM SAID POINT OF COMMENCEMENT NORTH 89 DEGREES 31 MINUTES 11 SECONDS EAST, A DISTANCE OF 2119.19 FEET, TO A POINT ON THE NORTHWESTERN LINE OF SAID 82.5 FOOT STRIP OF LAND CONVEYED TO THE SACRAMENTO NORTHERN RAILWAY, SAID POINT BEING THE POINT OF BEGINNING OF THE PARCEL OF LAND TO BE DESCRIBED; THENCE FROM SAID POINT OF BEGINNING NORTH 22 DEGREES 46 MINUTES 41 SECONDS EAST ALONG SAID NORTHWESTERN LINE, A DISTANCE OF 1074.57 FEET; THENCE NORTH 89 DEGREES 20 MINUTES 11 SECONDS EAST, A DISTANCE OF 89.92 FEET, TO A POINT ON THE SOUTHEASTERN LINE OF SAID 82.5 FOOT STRIP OF LAND; THENCE SOUTH 22 DEGREES 46 MINUTES 41 SECONDS WEST ALONG SAID SOUTHEASTERN LINE, A DISTANCE OF 1074.88 FEET; THENCE SOUTH 89 DEGREES 31 MINUTES 11 SECONDS WEST, A DISTANCE OF 89.80 FEET, TO THE POINT OF BEGINNING.

ASSESSOR'S PARCEL NUMBER: 067-180-005

PARCEL SEVEN:

ALL THAT PORTION OF S.L.S. NO. 275 DESCRIBED AS FOLLOWS:

BEGINNING AT A 1-1/2 INCH IRON PIPE CAPPED AND MARKED WITH A COPPER DISC INSCRIBED "R.E. 53," WHICH PIPE IS LOCATED ON THE NORTHERLY BOUNDARY OF S. L.S. 275 WHERE THE SAME IS INTERSECTED BY THE EASTERLY R/W LINE OF THE OAKLAND, ANTIOCH AND EASTERN RAILROAD AND FROM WHICH POINT THE 6 X 6 POST SET AT THE INTERSECTION OF THE FENCE LINE MARKING THE NORTH BOUNDARY OF S. L.S. 275 AND THE NORTH LINE OF THAT CERTAIN 42.06 ACRE TRACT CONVEYED BY DEED, ADAMS TO PARELLA, WITH THE WESTERLY R/W FENCE OF THE OAKLAND, ANTIOCH AND

EASTERN RAILROAD, BEARS SOUTH 89 DEGREES, 53' WEST, 108.87 FEET, AND RUNNING THENCE ALONG THE EASTERLY PROLONGATION OF THE FENCE MARKING THE SAID NORTH LINE OF THE S.L.S. 275, NORTH 89 DEGREES, 53' EAST, 480.29 FEET, TO A SIMILAR IRON PIPE; THENCE SOUTH 0 DEGREES, 59' EAST, 93.40 FEET, MORE OR LESS, TO A SIMILAR IRON PIPE LOCATED AT THE SOUTHWEST CORNER OF S.L.S. 571; THENCE ALONG THE LINE OF OLD FENCE WHICH MARKS THE DIVISION LINE COMMON TO PROPERTY NOW OR FORMERLY OWNED BY VAN TASSELL ON THE NORTH AND PROPERTY FORMERLY OWNED BY ETHEL FARIS ADAMS ON THE SOUTH AND THE BOUNDARY LINE COMMON TO SAID S.L.S. 571 AND S.L.S. 275, SOUTH 80 DEGREES, 27' EAST, 507.38 FEET TO THE TRUE POINT OF BEGINNING; THENCE FROM SAID POINT OF BEGINNING, SOUTH 80 DEGREES, 27' EAST, 2,450.06 FEET TO A SIMILAR IRON PIPE AND CONTINUING ALONG SAID BOUNDARY LINE SOUTH 80 DEGREES, 27' EAST, 193.94 FEET, MAKING 2,644 FEET IN ALL TO THE SACRAMENTO RIVER AND THE EASTERLY BOUNDARY OF S.L.S. 275 FROM THE POINT OF BEGINNING OF HEREIN DESCRIBED TRACT OF LAND; THENCE FOLLOWING THE MEANDERINGS OF THE SAID RIVER AND SAID EASTERLY BOUNDARY DOWNSTREAM SOUTH 17 DEGREES, 51' 30" EAST, 1,018 FEET, TO A POINT ON THE LINE PARALLEL WITH AND 30 FEET NORTHERLY FROM AND MEASURED AT A R/A TO THE POWER POLES EXTENDING SOUTHWESTERLY FROM THE SACRAMENTO LEVEE ALONG THE NORTH SIDE OF THE MAIN FARM ROAD; THENCE ALONG SAID LINE, SOUTH 82 DEGREES, 02' WEST, 2,700 FEET, TO A POINT; THENCE NORTH 7 DEGREES, 58' WEST, 1,840 FEET, MORE OR LESS, TO THE POINT OF BEGINNING.

ASSESSOR'S PARCEL NUMBER: 046 010 011

page 8 of 8

Exhibit A to Memorandum of Assignment

982196.10

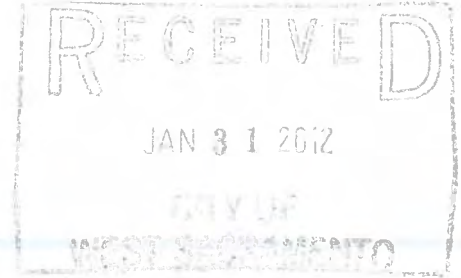
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19





The Power Plant  
601 East Pratt Street, 6th Floor  
Baltimore, Maryland 21202  
(410) 752-5444  
(410) 659-9491 (Fax)



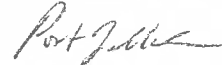
January 31, 2012

Mr. Toby Ross  
Executive Director  
Redevelopment Agency, City of West Sacramento  
1110 West Capital Ave.  
West Sacramento, CA 95691

Dear Mr. Ross:

This letter is to notify the Redevelopment Agency of the City of West Sacramento that the appraisal and its subsequent review, pursuant to the January 16, 2012 agreement entitled, Assignment and Assumption of Option Agreement, between Stone Lock District Holdings LLC and the Sacramento-Yolo Port District, and the March 23, 2011 agreement entitled Option Agreement, between the Redevelopment Agency of the City of West Sacramento and the Sacramento-Yolo Port District, is complete. Copies of the appraisal and its review are attached. Each has been performed pursuant to the agreed upon Uniform Standards of Professional Appraisal Practice.

Best regards,

  
Port Telles  
Development Director  
Stone Lock District Holdings LLC

Cc: Jeffrey Mitchell  
Blake Cordish  
Charles Jacobs

## Summary Appraisal Report

### Stone Lock Property West Sacramento, CA



**Date of Report:** January 31, 2012

**Prepared For:**

Ms. Andrea Matarazzo  
Pioneer Law Group  
431 I Street, Suite 201  
Sacramento, CA 95814

**Prepared By:**

Kevin K. Ziegenmeyer, Appraiser  
Jarrod E. Hodgson, Appraiser



January 31, 2012

Ms. Andrea Matarazzo  
Pioneer Law Group  
431 I Street, Suite 201  
Sacramento, CA 95814

RE: Stone Lock Property  
West Sacramento, CA

Dear Ms. Matarazzo:

At your request and authorization, Seevers • Jordan • Ziegenmeyer has prepared an appraisal of the above-captioned real property. The attached Summary Appraisal Report was prepared in compliance with the reporting requirements set forth under Standards Rule 2-2(b) of the Uniform Standards of Professional Appraisal Practice (USPAP).

The subject property is identified as the Stone Lock property in the Southport area of the city of West Sacramento, Yolo County, California. The property contains 210.99 gross acres and is primarily located along South River Road, south of the Deep Water Ship Channel and west of the Sacramento River. As of the date of inspection, the property consisted of vacant land and improvements for public facilities. Accounting for parcel areas beneath the Sacramento River (22.9 acres), the levee (41.8 acres) and levee setback areas (8.0 acres), we estimate the subject contains 138.29 developable acres. The developable acres are encumbered by various easements and include areas planned for an extension of Village Parkway. The parcels comprising the subject are owned by the Redevelopment Agency of the City of West Sacramento. The property is more closely described within the attached report.

As part of a national effort to update all Flood Insurance Rate Maps, the Federal Emergency Management Agency (FEMA) is in the process of re-evaluating the level of protection provided by all existing flood protection systems in the country. The federal and state safety guidelines have recently changed, with the new criteria affecting communities protected by levees. If West Sacramento is remapped into a flood zone as a result of new federal guidelines, flood insurance would become mandatory for all property owners with federally guaranteed mortgage loans. Such a remapping possibly would suspend all homebuilding until levee improvements are completed. Please refer to the attached report for additional information.

As a result of our analysis, it is our opinion the market value of the subject property as of the date of value, January 11, 2012, and in accordance with the extraordinary assumptions, hypothetical conditions, significant factors, general assumptions and limiting conditions set forth in the attached document (please refer to pages 9 through 11), is ...

**TWO MILLION ONE HUNDRED TEN THOUSAND DOLLARS**

**\$2,110,000**

Ms. Andrea Matarazzo  
January 31, 2012  
Page 2

The estimate of market value provided assumes a transfer would reflect a cash transaction or terms considered to be equivalent to cash. The estimate is also premised on an assumed sale after reasonable exposure in a competitive market under all conditions requisite to a fair sale, with buyer and seller each acting prudently, knowledgeably, for their own self interest and assuming neither is under duress.

We hereby certify the property has been inspected and have impartially considered all data collected in the investigation. Further, we have no past, present or anticipated future interest in the property.

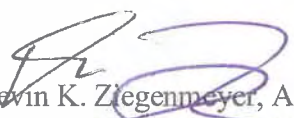
This letter must remain attached to the report, which contains 79 pages, plus related exhibits and Addenda, in order for the value opinions set forth herein to be considered valid.


The subject property does not have any significant natural, cultural, recreational or scientific value. The appraisers certify this appraisal assignment was not based on a requested minimum valuation, a specific valuation or the approval of a loan.

This appraisal has been performed in accordance with the 2012/2013 edition of the Uniform Standards of Professional Appraisal Practice (USPAP), the Financial Institution's Reform, Recovery and Enforcement Act (FIRREA) Guidelines and the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.

Thank you for the opportunity to work with your office on this assignment.

Sincerely,

  
Kevin K. Ziegenmeyer, Appraiser  
State Certification No.: AG013567  
Expiration Date: June 4, 2013

  
Jarrod E. Hodgson, Appraiser  
State Certification No.: AG040480  
Expiration Date: June 8, 2014

/jab

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**SUMMARY OF IMPORTANT FACTS AND CONCLUSIONS**

**Property Type:** Transitional land

**Location:** The subject property is located primarily along South River Road, south of the Deep Water Ship Channel and east of the Sacramento River, with the city of West Sacramento, Yolo County, California.

**Assessor Parcel Numbers, Gross Acres and Ownership:**

| <u>Assessor Parcel Number</u> | <u>Gross Acres</u> | <u>Ownership</u>                                    |
|-------------------------------|--------------------|---|
| 046-010-011                   | 82.70              | Redevelopment Agency of the City of West Sacramento |
| 067-180-001                   | 5.80               | Redevelopment Agency of the City of West Sacramento |
| 067-180-002                   | 23.91              | Redevelopment Agency of the City of West Sacramento |
| 067-180-003                   | 40.66              | Redevelopment Agency of the City of West Sacramento |
| 067-180-004                   | 17.20              | Redevelopment Agency of the City of West Sacramento |
| 067-180-005                   | 2.04               | Redevelopment Agency of the City of West Sacramento |
| 067-180-024                   | 4.18               | Redevelopment Agency of the City of West Sacramento |
| 067-180-054                   | <u>34.50</u>       | Redevelopment Agency of the City of West Sacramento |
| Total:                        | 210.99             |   |

**Developable Acres:** Accounting for parcel areas beneath the Sacramento River (22.9 acres), the levee (41.8 acres) and levee setback areas (8.0 acres), we estimate the subject contains 138.29 developable acres.

**Property Rights Appraised:** Fee simple estate

**Zoning:** Zoning is summarized as follows:

| <u>Acres</u>         | <u>Zoning</u>                    | <u>Southport Framework Plan</u> | <u>General Plan</u>             |
|----------------------|----------------------------------|---------------------------------|---------------------------------|
| 15.20                | R2 - Residential                 | MR - Medium Density Residential | MR - Medium Density Residential |
| 17.10                | R3 - Multiple Family Residential | HR - High Density Residential   | HR - High Density Residential   |
| 68.45                | WF - Waterfront                  | RMU - Mixed Use                 | RMU - River Mixed Use           |
| 14.34                | WF - Waterfront                  | N/A                             | RMU - River Mixed Use           |
| 8.20                 | C1 - Commercial/Neighborhood     | NC - Neighborhood Commercial    | NC - Neighborhood Commercial    |
| 5.40                 | CW - Commercial/Water Related    | WRC - Water Related Commercial  | WRC - Water Related Commercial  |
| 29.90                | RP - Recreation/Parks            | CP - Community Park             | RP - Recreation and Parks       |
| 2.80                 | RP - Recreation/Parks            | NP - Neighborhood Park          | RP - Recreation and Parks       |
| <u>26.70</u>         | POS - Public Open Space          | OS - Open Space                 | OS - Open Space                 |
| net of water: 188.09 |                                  |                                 |                                 |
| water: <u>22.90</u>  |                                  |                                 |                                 |
| total: 210.99        |                                  |                                 |                                 |

While zoned for urban development, future land uses are uncertain. The City has expressed a desire to increase the overall project density, which will require a General Plan Amendment and a reconfiguration of land uses. The Developer has not specified what mix of land uses it envisions for the project, but has indicated its proposed project will vary from mix as currently zoned.

**Flood Zone:** The subject is located primarily within Zone X500 – areas inundated by 500-year flood but outside the 100-year floodplain, but there are parts of the subject within Zone A – areas of 100-year flood. It is believed the Zone A areas may, at some point, be developed as the site is graded and further flood studies are completed.

As part of a national effort to update all Flood Insurance



Rate Maps, the Federal Emergency Management Agency (FEMA) is in the process of re-evaluating the level of protection provided by all existing flood protection systems in the country. The Federal and State safety guidelines have recently changed, with the new criteria affecting communities protected by levees.

FEMA has not released preliminary revised flood zones for the city of West Sacramento. FEMA recently indicated they have suspended releasing revised flood maps until they formulate a new model for developing better flood protection. As a result, the City of West Sacramento does not expect any preliminary revised flood mapping for the City for 2 ½ to 3 years at the earliest, with new flood zones not becoming effective another 12 to 18 months after. While the City awaits the release of revised Floor Insurance Rate Maps, it continues to evaluate needed improvements and sources of funding.

In 2009, the City indicated a A99 or AR zone was probable (these zones allow development to continue with flood insurance). At this time, the City has no indication which zone will ultimately be applied to West Sacramento. Note that the Flood Control website for City of West Sacramento indicated (in 2010) a Zone A designation (areas within the 100-year flood plain) “would not be surprising.”

**Please refer to the *Property Description and History* section for details regarding flood re-mapping and levee improvements.**

**Earthquake Zone:**

Zone 3 – Moderate seismic activity (not located in a Fault-Rupture Hazard Zone)

**Current Use:**

Vacant land with public facilities

**Highest and Best Use:**

Hold for future development

**Exposure Time & Marketing Time:**

12 months

**Date of Inspection:**

January 11, 2012

**Date of Value:**

January 11, 2012

**Date of Report:**

January 30, 2012

**Conclusion of Value:**

\$2,110,000

The market value noted is subject to the extraordinary assumptions, significant factors, general assumptions and limiting conditions referenced on pages 9 through 11 of this report.

## INTRODUCTION

### **Property Description and History**

The subject property is identified as the Stone Lock property in the Southport area of the city of West Sacramento, Yolo County, California. The property contains 210.99 gross acres and is primarily located along South River Road, south of the Deep Water Ship Channel and west of the Sacramento River. As of the date of inspection, the property consisted of vacant land and improvements for public facilities. Accounting for parcel areas beneath the Sacramento River (22.9 acres), the levee (41.8 acres) and levee setback areas (8.0 acres), we estimate the subject contains 138.29 developable acres. The developable acres are encumbered by various easements and include areas planned for an extension of Village Parkway. The parcels comprising the subject are owned by the Redevelopment Agency of the City of West Sacramento.

The subject property is commonly known as the Stone Lock property because of the two “locks” or gates that separate the Deep Water Ship Channel from the Sacramento River. The locks are located just east of the Bascule Bridge, which provides access to the Southport area. The property was once associated with William G. Stone and became known as the Stone Lock. Historically, the Sacramento River would flow at an elevation higher than the Deep Water Ship Channel, but this was not always the case, so the gates are designed to open in both directions. While in use, the Army Corps of Engineers, a prior owner of the subject, utilized the subject property as the location to remove dredged material and soil from the barge canal and lock area. Access through the locks has been closed since 1987. Since lock closure, soil build up (shoaling and siltation) has occurred just east of the eastern gate, making access through the locks seemingly impassable.

In it's as-is condition, the subject property represents land transitioning to urban use. While the subject has been zoned for urban use, the subject has characteristics that preclude development in the near term, including:

- Development Agreement not in pace;
- Mix of future land uses not certain; potential for additional environmental analysis (Environmental Impact Report)
- Potential for hazardous chemicals
- Various easements, including standard oil pipeline license and public facilities, as well as easements pertaining to its historic use that may require removal;
- Former dredge pile sites within Flood Zone A that require further study and flood rezone;
- City-wide levee improvements and potential for flood rezoning;
- Ongoing market declines



Unimproved, entitled properties with comparable locations in the Sacramento region generally have a three to five year development horizon based on current market conditions. Near term development is often not financially feasible at current price levels, with the cost of development often exceeding the value as improved. Given the subject's site characteristics above, we estimate a five to ten year development timeline for the subject. In the long term, we anticipate the subject's proximity to the Central Business District and its waterfront open space will contribute to overall project viability.

Regarding levee improvements, as part of a national effort to update all Flood Insurance Rate Maps, the Federal Emergency Management Agency (FEMA) is in the process of re-evaluating the level of protection provided by all existing flood protection systems in the country. The Federal and State safety guidelines have recently changed, with the new criteria affecting communities protected by levees. If West Sacramento is remapped into an adverse flood zone as a result of new Federal guidelines, as expected, flood insurance would become mandatory for all property owners with federally guaranteed mortgage loans. Such a remapping could suspend all homebuilding until levee improvements are completed.

FEMA has not released preliminary revised flood zones for the city of West Sacramento. FEMA recently indicated they have suspended releasing revised flood maps until they formulate a new model for developing better flood protection. As a result, the City of West Sacramento does not expect any preliminary revised flood mapping for the City for 2 ½ to 3 years at the earliest, with new flood zones not becoming effective another 12 to 18 months after. While the City awaits the release of revised Flood Insurance Rate Maps, it continues to evaluate needed improvements and sources of funding.

In early 2009 the West Sacramento Area Flood Control Agency (WSAFCA) entered into a partnership agreement with the Army Corps of Engineers (Corps) to study further flood protection improvements in a West Sacramento General Reevaluation Report (GRR). The primary objective of the GRR is to determine the extent of Federal interest in reducing the flood risk within the study area while concurrently exploring opportunities to enhance recreation and the ecosystem along the Sacramento River within the study area. The total duration of the GRR study is approximately three years (June 2012 anticipated completion). WSAFCA has initiated a thorough State and locally-funded review of its flood risk management system. WSAFCA is proactively working towards additional levee improvements, with City residents voting to assess themselves for up to \$40 million of the needed matching local funds. The City and WSAFCA have incurred more than \$8 million on levee improvement projects since 2006 and continues to implement Early Implementation Projects (EIP) while waiting for Federal appropriations. In total, levee improvements are projected to range between \$400 and \$500 million and will cover 52 miles of area levees. The City expects the project will qualify for Federal and State aid of 79% of the total project cost.

According to the City of West Sacramento, the levee improvements will take several years to complete. Presently the City estimates completion between 2020 and 2025. A more specific timeline is not yet available due to the large number of unknowns. Levee completion is linked to access to government funds. According to the City, the first federal appropriations are expected in 2015, but this date is an estimate that is subject to change. Available local monies are being used for improvements before this date, including a 2013 EIP levee improvement project in Southport. The City also indicates that in 2012, a levee improvement fee program should be identified that will indicate pro-rata developer costs for future projects (anticipated to be paid through building permit fees, as a source of re-payment for levee improvements completed by other local monies before homes are built). There is presently an existing levee fee program in place for existing projects, which includes a fee paid at building permit.

On March 7, 2011, the Redevelopment Agency of the City of West Sacramento recorded a Declaration of Restrictive Covenants (Document Number 2001-0006724) that placed numerous encumbrances on the subject, including the obligation to maintain the "locks" on the Deep Water Ship Channel and the obligation to pay its pro-rata share of future bridge construction costs at South River Road prior to issuance of its 2,000 building permit. The Option Agreement (dated March 23, 2011) states the locks and affixed land are not part of the property to be sold, and that these areas are to be subdivided so that the Redevelopment Agency and Port can provide maintenance. The bridge cost is expected to be in the range of \$10 to \$15 million, which will be pro-rated amongst new development projects in Southport. Also, future development will require obtaining a no further action letter from the California Water Quality Board because the property is suspected to contain hazardous materials. The extent of hazardous materials onsite is unclear.

In addition, the Developer indicates that the City may require the future property owner to construct a 2 million gallon water storage tank onsite before development occurs. The Developer anticipates this to cost up to \$4 million.

The Sacramento-Yolo Port District entered into an Option Agreement (dated March 23, 2011) to acquire the subject property from the Redevelopment Agency of the City of Sacramento. The Option Agreement included an initial option payment of \$500 near the date of agreement, plus \$75,000 per year beginning on September 19, 2011 (Initial Option Term) until the option is terminated or the property has been acquired. The option payments are non-refundable and shall not be credited toward the purchase price. The agreement provides for the option to be partially exercised, where parcels are acquired in phases and the annual option payment is reduced in proportion to the number of parcels acquired. The option term is seven years. The purchase price shall be determined by an appraisal, which is the intended use of this report. The Option Agreement includes a condition that the buyer must procure an approved Development Agreement with the City of West Sacramento prior to exercising the option. A Development Agreement has not yet been negotiated.

The Option Agreement states the property does not include the lock improvements and accompanying land on Assessor parcels 067-180-03, -04 and -05. These improvements are planned to be assigned separate parcel numbers so that a public agency can provide maintenance. This information conflicts with the Declaration of Restrictive Covenants (which pre-dates the Option Agreement). It is believed the inconsistency is an administrative error. It is unlikely a non-public agency would be required to maintain and repair the locks, but this remains an uncertainty that must be explored and resolved by the property owner. It is an extraordinary assumption of the report that any future property owner (non-public) would not be required to main the locks.

The Sacramento-Yolo Port District is negotiated an Assignment Agreement with Stone Lock District Holdings LLC, which was reportedly executed in early January 2012 (executed copy not provided). That agreement stipulates the Sacramento-Yolo Port District will make the first two option payments (September 19, 2011 and September 19, 2012), but will be reimbursed by Stone Lock District Holdings LLC on or before October 19, 2013. In addition, Stone Lock District Holdings LLC will pay \$448,900 to the assignor upon approval of the Development Agreement between the assignee and the City of West Sacramento. The Development Agreement must be procured within two years of the Assignment Agreements effective date, with a provision for a one year extension with entitlement progress.

There have been no other transfers of the subject within three years of the date of value. Besides the afore-discussed option and assignment, the subject is not being marketed for sale.

### **Type and Definition of Value**

The purpose of this appraisal is to estimate the market value (fee simple estate) of the subject property of the date of inspection, January 11, 2012. Market value is defined as follows:

*Market value:* The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- (1) Buyer and seller are typically motivated;
- (2) Both parties are well informed or well advised, and acting in what they consider their own best interests;
- (3) A reasonable time is allowed for exposure in the open market;
- (4) Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and

- (5) The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.<sup>1</sup>

Please refer to the *Glossary of Terms* in the Addenda to this report for a definition of *value as is*.

### **Client, Intended User and Intended Use of the Appraisal**

The client of this report is Pioneer Law Group. The intended user of this appraisal report is the client, Stone Lock District Holdings LLC and the Redevelopment Agency of the City of West Sacramento. The appraisal is intended to assist with determining a purchase price, consistent with the provisions of the Option and Assignment Agreements provided.

### **Property Rights Appraised**

The value estimated herein is for the fee simple estate, defined as follows:

*Fee Simple Estate:* absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.<sup>2</sup>

The rights appraised are also subject to the extraordinary assumptions, hypothetical conditions significant factors, general assumptions and limiting conditions contained in this report, as well as any exceptions, encroachments, easements and rights-of-way recorded.

### **Appraisal Report Format**

This report is a Summary Appraisal Report, which is intended to comply with the reporting requirements set forth under Standards Rule 2-2(b) of the Uniform Standards of Professional Appraisal Practice (USPAP).

### **Dates of Inspection, Value and Report**

An inspection of the subject property was completed on January 11, 2012, which represents the effective date of value. This appraisal report was completed and assembled on January 31, 2012.

### **Scope of Work**

This appraisal report has been prepared in accordance with the Uniform Standards of Professional Appraisal Practice (USPAP). This analysis is intended to be an "appraisal assignment," as defined by USPAP; the intention is the appraisal service be performed in such a manner that the result of the analysis, opinions, or conclusion be that of a disinterested third party.

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<sup>1</sup> Code of Federal Regulations, Title 12, Section 34.42 (55 Federal Register 34696, Aug. 24, 1990; as amended at 57 Federal Register 12202, Apr. 9, 1992; 59 Federal Register 29499, June 7, 1994).

<sup>2</sup> The Dictionary of Real Estate Appraisal, 5<sup>th</sup> ed. (Chicago: Appraisal Institute, 2010), 78.



We researched and documented several legal and physical aspects of the subject property. A physical inspection of the property was completed and serves as the basis for the site description contained in this report. Port Telles, a representative of Stone Lock District Holdings LLC, provided copies of the Option and Assignment Agreements, as well as title report information. Zoning and entitlement information was obtained from the City of West Sacramento Community Development Department. The subject's earthquake zone, flood zone and utilities were verified with the applicable public agencies. Property tax information for the current tax year was based on information provided by the Yolo County Tax Collector's Office.

We analyzed and documented data relating to the subject's neighborhood and surrounding market areas. This information was obtained through personal inspections of portions of the neighborhood and market areas, newspaper articles, real estate conferences and interviews with various market participants, including property owners, property managers, brokers, developers and local government agencies.

In this appraisal, we determined the highest and best use of the subject property as though vacant based on the four standard tests (legal permissibility, physical possibility, financial feasibility and maximum productivity). As will be shown in the *Highest and Best Use Analysis* section, the highest and best use is to hold for future development.

In the valuation of the subject property, we utilized the sales comparison approach, where the prices of comparables were adjusted based on relative differences compared to the subject. Our analysis excluded a typical income capitalization approach, since the subject property represents vacant land with limited extended income potential. The cost approach was also not applicable.

The individuals involved in the preparation of this appraisal include Kevin K. Ziegenmeyer and Jarrod E. Hodgson, Appraisers. Jarrod Hodgson inspected the subject property; collected and confirmed data related to the subject property, comparables and the neighborhood/market area; analyzed market data; and prepared a draft report with a preliminary estimate of value. Kevin Ziegenmeyer inspected the subject property, offered professional guidance and instruction, reviewed the draft report and made necessary revisions.

**EXTRAORDINARY ASSUMPTIONS, HYPOTHETICAL CONDITIONS  
AND SIGNIFICANT FACTORS**

It is noted the use of an extraordinary assumption or hypothetical condition may have affected the results of the appraisal.

**Extraordinary Assumptions**

1. The Option Agreement states the property does not include the lock improvements and accompanying land on Assessor parcels 067-180-03, -04 and -05. These improvements are planned to be assigned separate parcel numbers so that a public agency can provide maintenance. This information conflicts with the Declaration of Restrictive Covenants (which pre-dates the Option Agreement). It is believed the inconsistency is an administrative error. It is unlikely a non-public agency would be required to maintain and repair the locks, but this remains an uncertainty that must be explored and resolved by the property owner. It is an extraordinary assumption of the report that any future property owner (non-public) would not be required to main the locks.

**Hypothetical Conditions**

None

**Significant Factors**

1. The values estimated herein are based on a combination of maps, including Assessor parcel maps and exhibits (appended hereto).
2. At the time of inspection, the appraiser did not observe the existence of hazardous material, which may or may not be present on the properties. The appraiser has no knowledge of the existence of such materials on the properties. However, the appraiser is not qualified to detect such substances. The presence of potentially hazardous materials could affect the value of the properties.

According to the Declaration of Restrictive Covenants, (Document No. 2011-006724), the subject property is suspected to or is known to contain the presence of a hazardous substance, pollutant, or contaminant. Prior to obtaining any building permits or obtaining any land use entitlements, the owner or applicant must demonstrate the project or development of the property is not impacted by environmental contamination by providing the City with a no further action letter issued by the California Water Quality Board or the California Department of Toxic Substances Control.

No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in the field if desired.

The subject property represents transitional land with numerous unknowns. The value estimated herein reflects the risk associated with potential hazardous substances. If, at some future date, items are discovered that are determined to have a detrimental impact on value, the appraiser reserves the right to amend the opinion of value stated herein.

## GENERAL ASSUMPTIONS AND LIMITING CONDITONS

This appraisal report is subject to the following general assumptions and limiting conditions:

1. No responsibility is assumed for the legal description provided or for matters pertaining to legal or title considerations. Title to the property is assumed to be good and marketable unless otherwise stated.
2. No responsibility is assumed for matters of law or legal interpretation.
3. The property is appraised free and clear of any or all liens or encumbrances unless otherwise stated.
4. The information and data furnished by others in preparation of this report is believed to be reliable, but no warranty is given for its accuracy.
5. It is assumed there are no hidden or unapparent conditions of the property, subsoil, or structures that render it more or less valuable. No responsibility is assumed for such conditions or for obtaining the engineering studies that may be required to discover them.
6. It is assumed the property is in full compliance with all applicable federal, state, and local environmental regulations and laws unless the lack of compliance is stated, described, and considered in the appraisal report.
7. It is assumed the property conforms to all applicable zoning and use regulations and restrictions unless nonconformity has been identified, described and considered in the appraisal report.
8. It is assumed all required licenses, certificates of occupancy, consents, and other legislative or administrative authority from any local, state, or national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.
9. It is assumed the use of the land and improvements is confined within the boundaries or property lines of the property described and there is no encroachment or trespass unless noted in the report.
10. Unless otherwise stated in this report, the existence of hazardous materials, which may or may not be present on the property, was not observed by the appraiser. The appraiser has no knowledge of the existence of such materials on or in the property. The appraiser, however, is not qualified to detect such substances. The presence of substances such as asbestos, urea-formaldehyde foam insulation and other potentially hazardous materials may affect the value of the property. The value estimated is predicated on the assumption there is no such material on or in the property that would cause a loss in value. No responsibility is assumed for such conditions or for any expertise or engineering knowledge required to discover them. The intended user of this report is urged to retain an expert in this field, if desired.
11. The Americans with Disabilities Act (ADA) became effective January 26, 1992. I (we) have not made a specific survey or analysis of this property to determine whether the physical aspects of the improvements meet the ADA accessibility guidelines. Since compliance matches each owner's financial ability with the cost-to cure the property's potential physical characteristics, the real estate appraiser cannot comment on compliance with ADA. A brief summary of the subject's physical aspects is included in this report. It in no way suggests ADA compliance by

the current owner. Given that compliance can change with each owner's financial ability to cure non-accessibility, the value of the subject does not consider possible non-compliance. Specific study of both the owner's financial ability and the cost-to-cure any deficiencies would be needed for the Department of Justice to determine compliance.


12. The appraisal is to be considered in its entirety and use of only a portion thereof will render the appraisal invalid.
13. Possession of this report or a copy thereof does not carry with it the right of publication nor may it be used for any purpose by anyone other than the client without the previous written consent of Seevers • Jordan • Ziegenmeyer.
14. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraiser, or the firm with which the appraiser is connected) shall be disseminated to the public through advertising, public relations, news, sales, or any other media without the prior written consent and approval of Seevers • Jordan • Ziegenmeyer.
15. The liability of Seevers • Jordan • Ziegenmeyer and its employees/subcontractors for errors/omissions, if any, in this work is limited to the amount of its compensation for the work performed in this assignment.
16. Acceptance and/or use of the appraisal report constitutes acceptance of all assumptions and limiting conditions stated in this report.
17. An inspection of the subject property revealed no apparent adverse easements, encroachments or other conditions, which currently impact the subject. However, the exact locations of typical roadway and utility easements, or any additional easements, which would be referenced in a preliminary title report, were not provided to the appraiser. The appraiser is not a surveyor nor qualified to determine the exact location of easements. It is assumed typical easements do not have an impact on the opinion (s) of value as provided in this report. If, at some future date, these easements are determined to have a detrimental impact on value, the appraiser reserves the right to amend the opinion (s) of value.
18. This appraisal report is prepared for the exclusive use of the appraiser's client. No third parties are authorized to rely upon this report without the express consent of the appraiser.
19. The appraiser is not qualified to determine the existence of mold, the cause of mold, the type of mold or whether mold might pose any risk to the property or its inhabitants. Additional inspection by a qualified professional is recommended.



## CERTIFICATION STATEMENT

I certify that, to the best of my knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- I have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment;
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics & Standards of Professional Appraisal Practice of the Appraisal Institute.
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- I have made a personal inspection of the property that is the subject of this report.
- Jarrod Hodgson, Appraiser, inspected the subject property and provided significant real property appraisal assistance in the preparation of this report. This assistance included the collection and confirmation of data, and the analyses necessary to prepare a draft report with a preliminary estimate of value.
- I certify that my State of California general real estate appraiser license has never been revoked, suspended, cancelled, or restricted.
- I have the knowledge and experience to complete this appraisal assignment and have appraised similar properties in the past. Please see the Qualifications of Appraiser portion of the Addenda to this report for additional information.

  
KEVIN K. ZIEGENMEYER, APPRAISER  
State Certification No. AG013867 (June 4, 2013)

DATE: January 31, 2012

## CERTIFICATION STATEMENT

I certify that, to the best of my knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- I have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment;
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics & Standards of Professional Appraisal Practice of the Appraisal Institute.
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- I have made a personal inspection of the property that is the subject of this report.
- Kevin Ziegenmeyer reviewed this report.
- I certify that my State of California general real estate appraiser license has never been revoked, suspended, cancelled, or restricted.
- I have the knowledge and experience to complete this appraisal assignment and have appraised similar properties in the past. Please see the Qualifications of Appraiser portion of the Addenda to this report for additional information.



JARROD E. HODGSON, APPRAISER  
State Certification No.: AG040480 (June 8, 2014)

DATE: January 31, 2012



city of Sacramento is located approximately 385 miles north of Los Angeles, 500 miles south of Oregon, 85 miles northeast of San Francisco, 105 miles west of South Lake Tahoe, and 135 miles southwest of Reno, Nevada.

## **Geography & Climate**

The geography, climate and seismic conditions in the region play an important role in the quality of life. The topography of the region is mostly flat, with foothills in southern Placer County and western El Dorado County. The American and Sacramento Rivers are the two major waterways in the region. The American River flows west along the southern part of the Sacramento Area, joining the Sacramento River just northwest of Sacramento's Central Business District. The Sacramento River traverses south along the western side of the city of Sacramento.

The region's climate is fairly mild, with moderate rainfall in winter, virtually none in summer, and a relatively comfortable temperature range year-round. However, temperatures can reach over 100°F in the summer on the valley floor, and heavy rain can occur during winter months. Sacramento's climate is warm and dry in the summer with an average daytime high temperature of 93°F, and a comfortable 58° at night. During Sacramento's winter, daytime high temperatures are typically between 53° and 60°. During the rainy season from November through April, an accumulation of about 18 inches of rain is normal.

The region has relatively stable seismic conditions, especially compared to the San Francisco Bay Area and Southern California. Sacramento and adjoining cities rank among the lowest in the state for the probability of a major earthquake. Most of the region is not located within an Alquist-Priolo Earthquake Fault Zone. Yolo County is the only county with an Earthquake Fault Zone, located in a small portion of the northwest part of the county known as Jericho Valley. The Dunnigan Hills fault, located 19 miles northwest of the city of Sacramento, is the closest known active fault mapped by the California Division of Mines and Geology. The closest branches of the seismically active San Andreas Fault system are the Antioch fault (42 miles southwest) and the Green Valley/Concord fault (45 miles southwest).

## **Recreation & Culture**

The Sacramento Area appeals to a diverse range of interests, offering innumerable recreational and cultural opportunities. The American River Parkway offers 5,000 acres of recreation area along both sides of the river for 30 miles. Some of the destinations along the parkway are Discovery Park, Goethe Park, Nimbus Fish Hatchery, CSUS Aquatic Center, and Folsom Lake State Recreation Area. The parkway includes walking, biking and horseback riding trails, as well as picnic and beach areas. The Sacramento-San Joaquin Delta has over 1,000 miles of waterways. The rivers and lakes



within the Sacramento Area offer boating, fishing and water-skiing opportunities. In addition, numerous parks and golf courses are located throughout the region.

Other recreational opportunities are available within a few hours drive of the Sacramento Area. To the west are the San Francisco Bay Area, the Napa Valley wine country, the coastal redwood forests, and the beaches of the Pacific Ocean. To the east are Lake Tahoe and the Sierra Nevada Mountains, which are home to more than a dozen snow-skiing resorts. Legalized casino gambling is available in Nevada, as well as several Indian casinos in the Sacramento region.

Cultural attractions in the region include the Old Sacramento Historic District, California State Railroad Museum, Towe Auto Museum, Crocker Art Museum, Historic Governor’s Mansion, Sutter’s Fort State Historic Park and Sacramento Zoo. Sacramento is home to the Sacramento Opera Association, Sacramento Ballet, Sacramento Theatre Company, Sacramento Philharmonic Orchestra and Sacramento Traditional Jazz Society. Annual events in Sacramento include the California State Fair, the Music Circus and the Sacramento Jazz Jubilee.

In terms of sports entertainment, the region is home to three professional athletic teams and numerous college teams. Sacramento acquired a National Basketball Association (NBA) franchise, the Kings, in 1985. The Kings play their home games in the 17,300-seat Arco Arena. The region is also home to the Sacramento River Cats, a triple-A minor league baseball team. The area often hosts regional, national and even international sporting events.

## Population

The Sacramento Area is among the fastest-growing metropolitan areas in the United States, with growth of about 20% between 1990 and 2000. The following table shows recent population growth in the six-county region.

| POPULATION TRENDS |                  |                  |                  |                  |                  |                  |             |
|-------------------|------------------|------------------|------------------|------------------|------------------|------------------|-------------|
| County            | 2006             | 2007             | 2008             | 2009             | 2010             | 2011             | %/Yr        |
| Sacramento        | 1,365,214        | 1,380,172        | 1,394,510        | 1,406,168        | 1,417,259        | 1,428,355        | 0.9%        |
| Placer            | 317,437          | 325,985          | 333,805          | 340,995          | 347,133          | 352,380          | 2.2%        |
| El Dorado         | 174,218          | 176,226          | 177,897          | 179,150          | 180,682          | 182,498          | 1.0%        |
| Yolo              | 189,078          | 192,826          | 196,219          | 198,642          | 200,484          | 201,759          | 1.3%        |
| Yuba              | 68,464           | 69,719           | 70,820           | 71,609           | 72,083           | 72,479           | 1.2%        |
| Sutter            | 89,364           | 91,563           | 92,983           | 93,918           | 94,765           | 95,800           | 1.4%        |
| <b>Total</b>      | <b>2,203,775</b> | <b>2,236,491</b> | <b>2,266,234</b> | <b>2,290,482</b> | <b>2,312,406</b> | <b>2,333,271</b> | <b>1.2%</b> |

Source: California Department of Finance

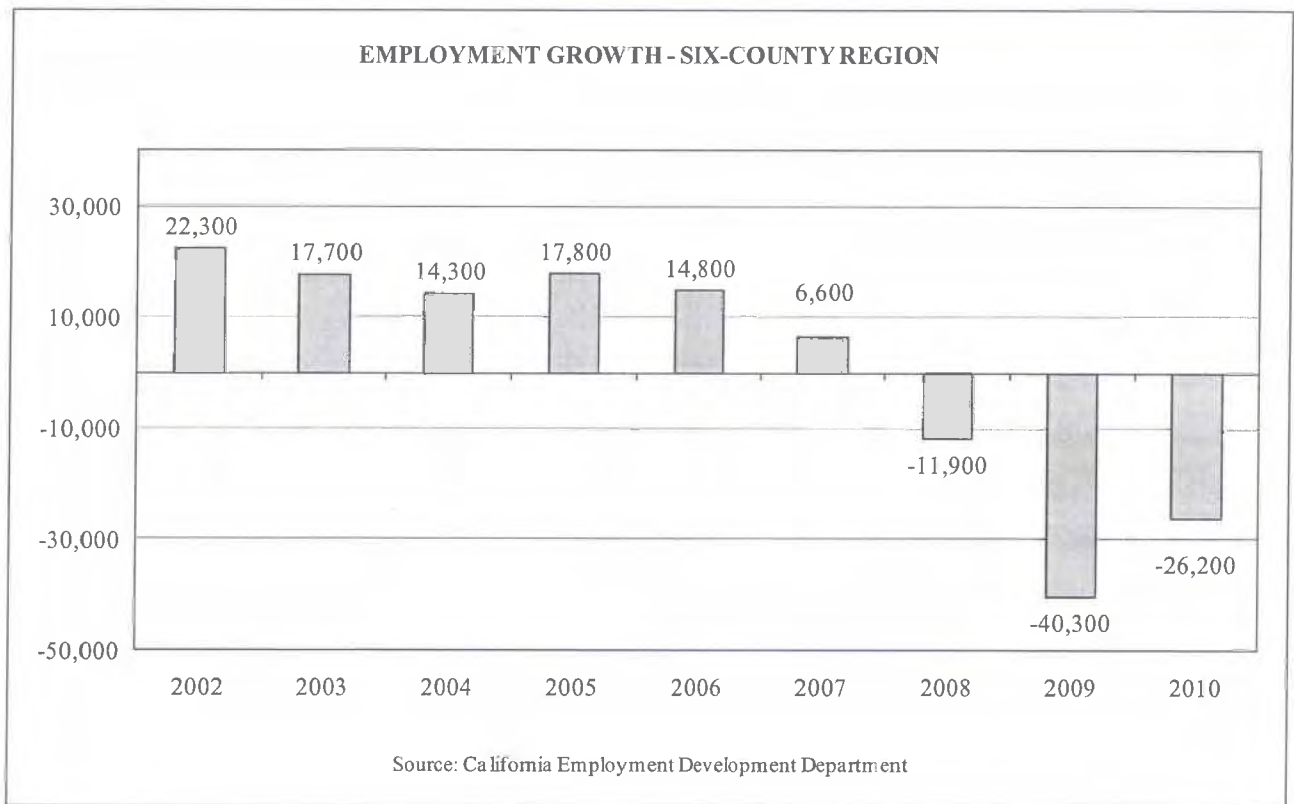
The region’s population grew by an average annual rate of 1.2% between 2006 and 2011. Placer County has led the region with growth of 2.2% per year. Most of this growth has occurred in the

cities of Roseville, Rocklin and Lincoln. Much of the region's growth is attributed to in-migration of residents from other California and U.S. areas.

The population in the region is expected to continue growing. According to the California Department of Finance, the population in the Sacramento Area is projected to increase to about 3 million people by 2020. The region's growth is expected to outpace the growth of nearly all other metropolitan areas in California, as well as the state as a whole.

### Employment Growth

Historically, the Sacramento Area has been one of the more stable employment centers in California, with a significant number of jobs in State government. However, employment has declined over the past couple of years in both the private and public sectors. The following chart exhibits annual employment changes in the region over the past several years.



Job growth in the region was relatively steady in the years 2002 through 2006, with slower growth seen in 2007. In years 2008 through 2010, the region experienced a net loss in the number of jobs. The recent weak performance is being driven by declines in housing-related sectors (such as construction, finance and insurance), retail trade and State government.

The unemployment rate in the six-county Sacramento region was 11.7% in October 2011, compared

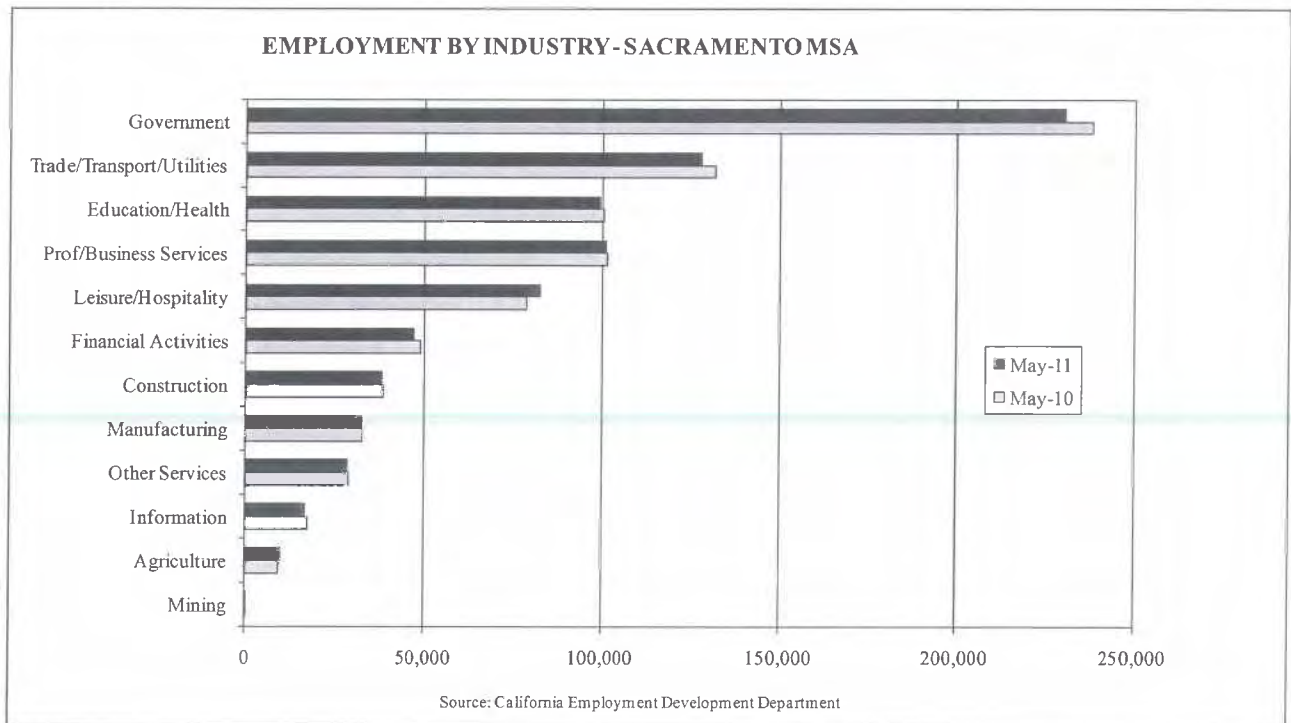
to 11.7% for the state of California and 9.0% for the nation. Most areas within the state and nation, including Sacramento, saw rising unemployment rates in 2001 and 2002, stabilization in 2003, declines in 2004 through 2006, and increases from 2007 to 2010. It is noted Sutter and Yuba Counties had relatively high unemployment rates of 16.4% and 17.0%, respectively, as of October 2011. Among the other four counties, the range was 10.4% to 11.8%.

The Center for Strategic Economic Research publishes the Sacramento Region Business Forecast on a quarterly basis. The latest forecast predicts the six-county region will begin to see sustained positive job growth, albeit modest, by the end of 2011. Job growth over the 12 month period ending in September 2012 is forecast to be about 0.8%, reflecting a gain of approximately 6,400 jobs. This would be a considerable improvement from the past year, which saw job losses around 2%. In the coming year, strong job growth is expected in the education and health sector and the leisure and hospitality sector.

### **Employment by Industry**

The local economy has transitioned from a government and agricultural center to a more diverse economy, where the business services and trade sectors comprise nearly half of regional employment. Growing industries in the region include healthcare, technology, clean energy and life sciences. The region is a western hub for data processing, customer call centers and other corporate back office support activities.

The following shows the region's employment by industry as of May 2011 and one year prior. Nearly all industries experienced job losses over this one year period; the only gains were in Agriculture and Leisure/Hospitality.



Government continues to be a significant employer in the Sacramento region. In fact, government entities, including universities and school districts, account for about 28% of total employment in the region. This percentage has remained fairly constant for many years – government employment was about 30% of the total in 1990. The largest government employers are the State of California and Sacramento County. The region’s 10 largest employers are listed in the following table.

| <b>LARGEST EMPLOYERS</b> |                                   |                 |                  |
|--------------------------|-----------------------------------|-----------------|------------------|
|                          | <b>Company</b>                    | <b>Industry</b> | <b>Employees</b> |
| 1                        | State of California               | Government      | 70,937           |
| 2                        | University of California Davis    | University      | 11,704           |
| 3                        | Sacramento County                 | Government      | 11,300           |
| 4                        | Kaiser Permanente                 | Healthcare      | 9,932            |
| 5                        | Sutter Health                     | Healthcare      | 9,609            |
| 6                        | UC Davis Health System            | Healthcare      | 8,580            |
| 7                        | Mercy/Catholic Healthcare West    | Healthcare      | 7,107            |
| 8                        | Intel Corp.                       | Semiconductors  | 6,147            |
| 9                        | Elk Grove Unified School District | K-12 education  | 5,619            |
| 10                       | San Juan Unified School District  | K-12 education  | 4,600            |

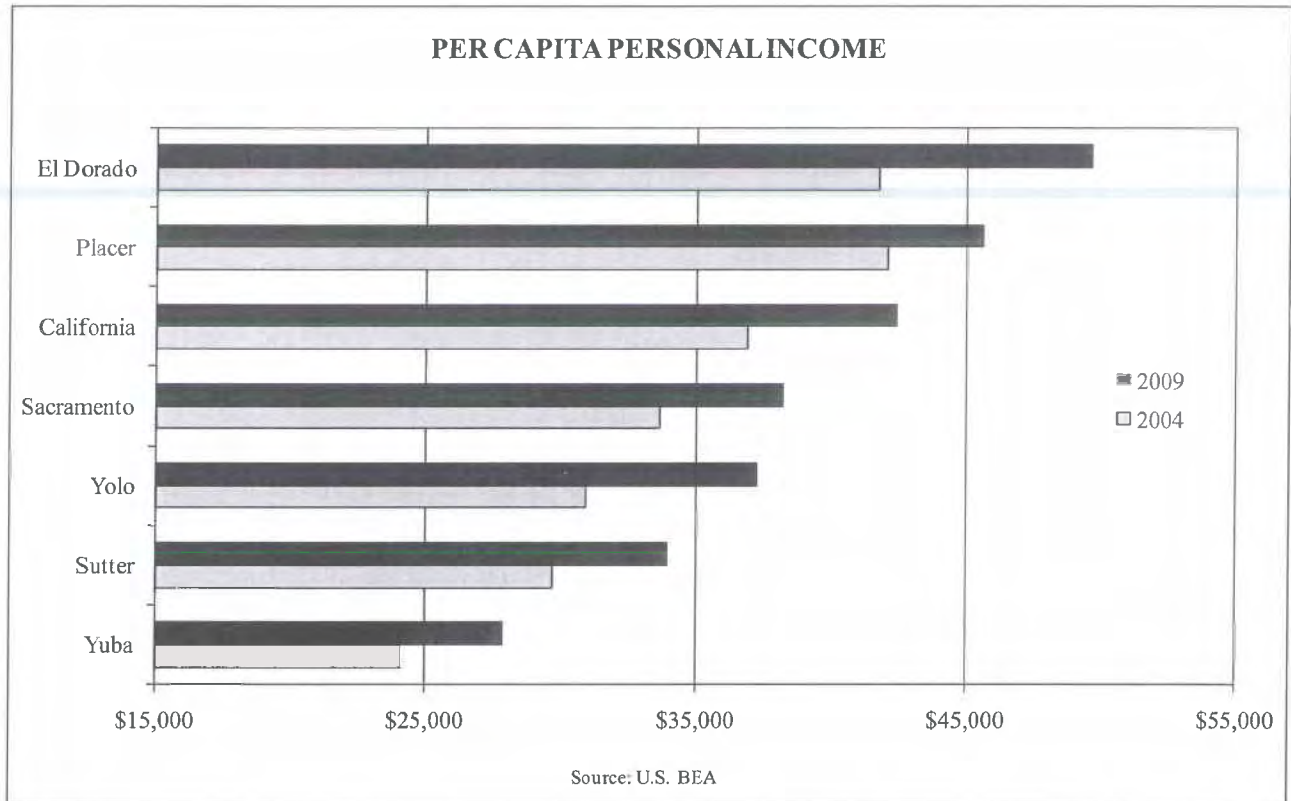
Source: Sacramento Business Journal, Book of Lists 2011

Other large private sector employers include Hewlett-Packard, Wells Fargo, Health Net, Cache Creek Casino Resort, Pacific Gas & Electric, Thunder Valley Casino Resort, and Union Pacific Railroad.



## Personal Income

The following chart shows per capita personal income trends by county for the six counties within the Sacramento region, as well as the state of California. Year 2009 data is the most recent available.



As indicated in the chart above, El Dorado and Placer Counties exhibit the highest personal income levels in the region. This is attributed in part to the large degree of high-tech employment in those areas, and a significant amount of in-migration of high-income households from the Bay Area. Personal incomes in these counties trail those in only four other counties in the state: Marin, San Mateo, Contra Costa and Santa Clara. Sutter and Yuba Counties have the lowest incomes in the Sacramento region, related to significant agricultural employment in these areas.

## Education & Healthcare

The educational institutions in the region produce a well-educated community and stable work force. The Sacramento region offers a number of alternatives in terms of higher education. Two large universities, the University of California Davis and Sacramento State University, are located in the region and are recognized throughout the nation. Seven community colleges are located within the greater Sacramento region, including Sierra College, American River, Cosumnes River, Folsom Lake, Sacramento City, Woodland Community College and Yuba College. Several private colleges

are located in the area, as well as satellite campuses of colleges headquartered elsewhere. The region also contains numerous vocational schools.

The Sacramento region has become a hub for general and specialized healthcare in Northern California and the Central Valley. There are currently 28 major medical centers within the six-county region, operated by providers such as Kaiser Permanente, UC Davis Health System, Shriners, Mercy/Catholic Healthcare West and Sutter Health System. Several of the larger medical organizations are expanding their facilities or have plans to do so. Kaiser is constructing a new women and children's health center in Roseville. Sutter is also completing a large expansion at its Roseville facility. The UC Davis Medical Center in Sacramento recently completed a \$40 million education building for medical students.

### **Transportation**

A significant strategic advantage of the Sacramento region is its proximity to large markets and its transportation accessibility to these markets provided by extensive highway, rail, water and air systems.

The Sacramento region has over 800 miles of maintained state highways. The hub of freeways in the region makes the Sacramento Area a good center for freight distribution. U.S. Highway 50, Interstate 80, and the Capital City Freeway are the principal routes for commuters living in the densely populated eastern suburbs. Commuters from the north and south of Sacramento travel on Interstate 5 and State Highway 99. State Highways 65 and 70 link Yuba and Sutter Counties with the rest of the Sacramento Area. Interstate 5 provides a direct route to Redding, Oregon and Washington to the north and Los Angeles to the south. Interstate 80 permits travel to Nevada and Utah to the east and the San Francisco Bay Area to the west. Lake Tahoe and Nevada are reachable within a couple hours on U.S. Highway 50, which originates in Sacramento. State Highway 99 provides access to the San Joaquin and upper Sacramento Valleys.

Traffic congestion has intensified throughout the region in recent years along with population growth and the development of new suburban communities. Funding has been a challenge on both the State and Federal levels; however, several projects are proposed in the coming years. One major project completed in 2005 involved improving and reconfiguring the Douglas Boulevard/Sunrise Avenue interchange on Interstate 80 in Roseville. Another project in the planning pipeline is the 15-mile Placer Parkway, which would provide a new east-west route between State Highway 99/70 in Sutter County and State Highway 65 in Roseville. A bypass of State Highway 65 around the city of Lincoln is also planned.

The main public transit system in the Sacramento Area is operated by Sacramento Regional Transit (RT), with additional service provided by other local public and private transit operators. Regional

Transit covers a 418-square mile service area that is serviced by 258 buses and 76 light rail vehicles, transporting over 27 million passengers annually. Light Rail began operation in 1987 along a two-pronged route linking Downtown Sacramento with populous suburbs to the east and north. In 2003 and 2004, RT completed extensions to the Meadowview area in South Sacramento and Sunrise Boulevard in Rancho Cordova to the east. In 2005, an eastward extension to the city of Folsom was completed. This route added seven new light rail stations and four park-and-ride lots, providing a viable transportation alternative for commuters on the Highway 50 corridor. During the next 20 years, RT plans to extend toward Elk Grove to the south, Natomas and the Sacramento International Airport to the north, Roseville to the east and Davis to the west.

The Sacramento region has access to a number of railroads. The north-south and east-west main lines of the Union Pacific Railroad intersect in Sacramento and, as a result of the merger of Union Pacific and Southern Pacific in 1996, Sacramento has access to the Burlington Northern Santa Fe Railway. Union Pacific's major freight classification facility for Northern California, Nevada and Oregon is located in Roseville. A \$140 million upgrade to handle additional traffic volume was completed over the past few years. Amtrak provides daily passenger service in all directions from Sacramento. The Capital Corridor system provides high-speed commuter rail service from Roseville to San Jose.

Water transport is also available in the region. The Port of Sacramento is a deep-water port located 79 miles northeast of San Francisco in the city of West Sacramento, serving ocean-going vessels handling a variety of cargo types. The 30-foot depth of the channel, along with extensive rail and truck cargo handling facilities, make the Port highly productive for long distance shipping. The Port is equipped for handling bulk cargo and a number of agricultural and forest products. The Port has experienced shrinking revenue and net losses for several years; however, two cement companies will be adding operations at the Port, which should help offset declining revenue.

Finally, the region includes several air transport facilities. Most notably, Sacramento International Airport is served by 14 carriers – Alaska, Aloha, America West, American, Continental, Delta, Frontier, Hawaiian, Horizon, JetBlue, Mexicana, Northwest, Southwest and United/United Express. In 2004, Sacramento International opened a multi-story, 5,300-stall parking garage, and another major renovation/expansion project is currently underway. Each year, over 10 million passengers travel through Sacramento International Airport. Besides the International Airport, the region is also served by Sacramento Executive Airport, Lincoln Regional Airport, McClellan Airfield, and Mather Airport (the latter two being former Air Force Bases). Smaller airports and airfields are located in Rio Linda, Elk Grove, Davis, Galt, Rancho Murieta, Cameron Park, Yolo County, Woodland, Auburn, Yuba County and Sutter County.

## Environment

As development in the region expands, various environmental issues exist, including water supply, air quality, flood control, endangered habitat/species, and open space preservation. Numerous environmental organizations are constantly addressing these issues as they pertain to the Sacramento region, and land developers face increasing time and costs due to environmental constraints.

The Sacramento Area benefits from abundant water resources. Purveyors draw surface water from the American, Sacramento and Feather Rivers, and pump groundwater from underground sources in the Sacramento Valley. The Sierra Nevada snowfields, about 70 miles east of Sacramento, normally provide a plentiful water supply during the dry summer months. According to the California Department of Water Resource's California Water Plan, approximately 30% of the Sacramento River Region is irrigated with groundwater. Nevertheless, water supply and quality issues continue to be environmental concerns in the area. The significant rate of growth that has occurred over the last decade has notably increased the demand for water, and the delivery of water to southern portions of the state continues to be a hot political and environmental issue. The future impact on all users depends on the natural replenishment of the water sources by geological factors, as no new dams are anticipated in the near future.

Air quality continues to be a concern in the Sacramento Valley. The region is designated a severe ozone "non-attainment area" by the U.S. Environmental Protection Agency (EPA). This non-attainment area includes all of Sacramento County and parts of El Dorado, Placer, Solano, Sutter and Yolo Counties. During the summer, the region fails to meet both the State and Federal health standards for ozone on a number of days. Because the Sacramento Valley is shaped like a bowl, smog presents a critical problem in the summer, when an inversion layer traps pollutants close to the ground, causing unhealthy air quality levels. However, in the past decade, air quality has improved in the Sacramento region. Factors contributing to the improvement include cleaner cars, smog check requirements, vapor recovery nozzles on gas dispensers, reformed gas, statewide regulation on the amount of solvents in consumer products, and Federal regulations on solvents contained in painting products. In addition, policymakers have taken steps to improve and expand public transportation systems in the region.

Another environmental concern in the area is flooding, in light of Sacramento's location along two major rivers with several creeks and tributaries. Major floods occurred in multiple areas in 1986 and 1997. Most flood-prone areas are concentrated in western Sacramento County and eastern Yolo County, where the American and Sacramento Rivers converge. The Sacramento Area Flood Control Agency (SAFCA) was established in 1989 to coordinate a regional effort to finance, implement and maintain facilities necessary to provide flood protection. Many proposed improvements were approved and funded by the SAFCA Assessment District, established in June 1996. A large portion of these improvements was completed in 1998, which resulted in a new flood designation outside the



100-year flood zone for most areas in northern Sacramento County. As a result of significant improvements to river and creek levees, in early 2005 the Federal Emergency Management Agency (FEMA) revised flood maps to designate the American River floodplain outside the 100-year flood zone. This area includes most of eastern and central Sacramento County. As a result, property owners in these areas are no longer required to maintain flood insurance. In 2006, another new map declared neighborhoods in the southern portion of the county out of the 100-year floodplain as well.

Despite the above improvements, the region continues to face flood concerns. In early 2007, FEMA announced it would revise its flood-risk maps to show North Natomas (northern Sacramento County) as a Special Flood Hazard Area. The action came in response to a ruling in 2006 by the U.S. Army Corps of Engineers, which found that Natomas levees no longer meet a minimal 100-year flood protection standard. FEMA has also designated that no new growth will be approved for the Natomas area until further levee repairs are made. Flood insurance is currently required for properties in Natomas with federally backed mortgages or home-equity loans. SAFCA and the U.S. Army Corps of Engineers are working on several construction projects to improve Natomas levees. According to an October 2009 update from the City of Sacramento, 100-year flood protection for Natomas is expected to be reached in the 2014 time frame.

Ongoing and future flood control projects include raising Folsom Dam by seven feet; installing new gates on Folsom Dam; constructing a new bridge over the American River just below Folsom Dam; and completing major levee-strengthening work already under way. The remaining work involving Folsom Dam will likely take more than a decade to complete, but will result in SAFCA's ultimate goal of 200-year flood protection for the entire region.

With rapid increases in development in the past few years, there has been growing concern regarding the protection of endangered habitats and species and the conservation of open space. Most development projects in the region, particularly in Placer and Yolo Counties, face opposition from various special interest groups. With regard to endangered habitats and species, development in the region is subject to Federal and State laws concerning this issue. The region contains an extensive list of endangered species and a significant amount of environmentally sensitive land, including vernal pools, wetlands, woodlands and grasslands. In 2002, the U.S. Fish and Wildlife Service proposed designating 154,000 acres in Sacramento and Placer counties as critical habitat for endangered species living in vernal pools. However, in August 2005, the Federal government issued a revised rule exempting large portions of both counties where developers intend to build. As a result, only 37,098 acres in Sacramento County were designated as critical habitat. Most of this acreage is in the county's rural, southeastern corner, which is not currently planned for development. Placer County, meanwhile, was largely removed from the critical habitat category, with only 2,580 acres affected.

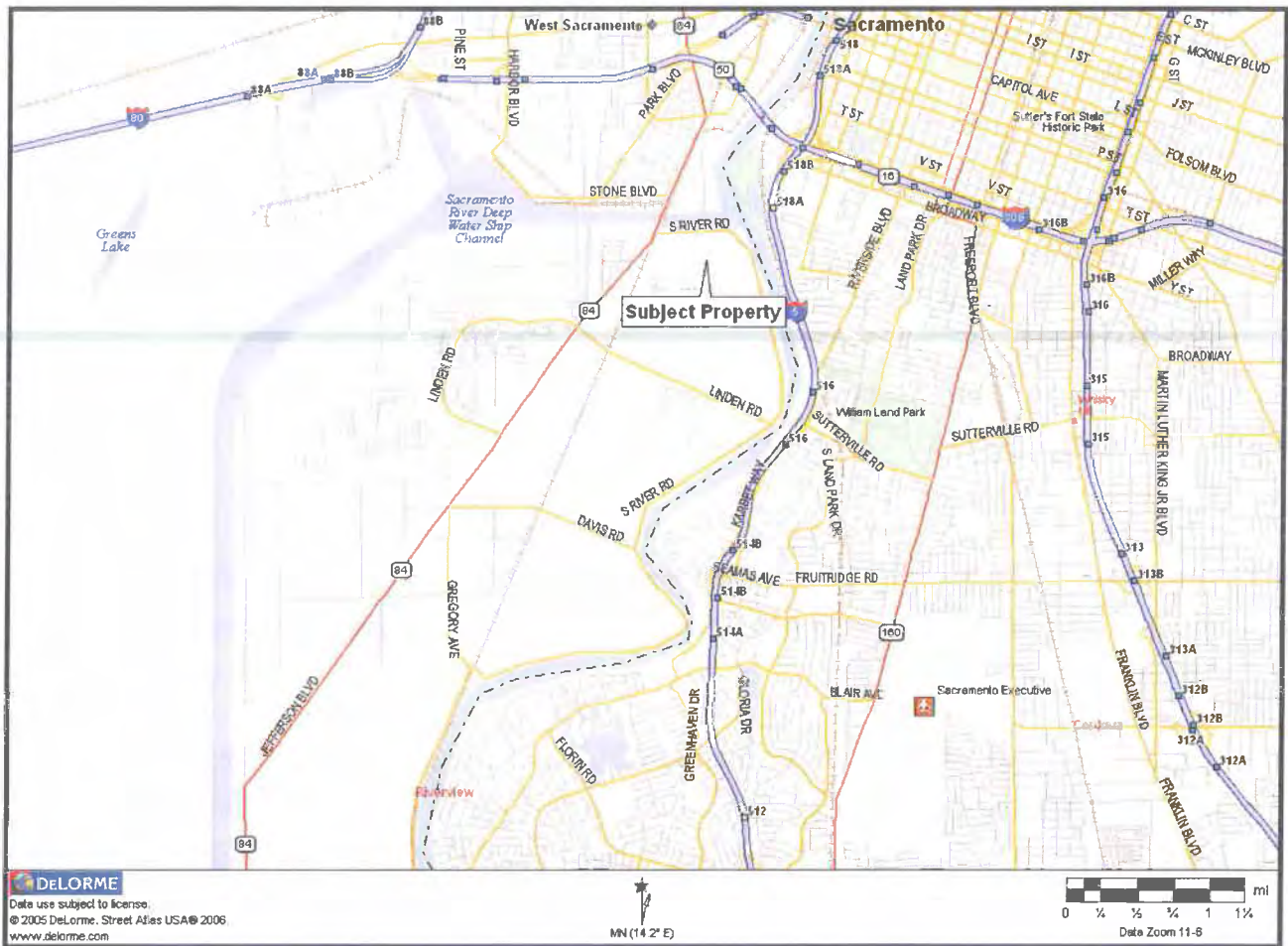
## Summary

The Sacramento region is an integral part of California and the U.S. in terms of population, employment, government and economic productivity. The region has established itself as one of the more stable economies in the state. Several geographical, social and economic advantages have induced businesses and residents to relocate to the Sacramento region from other parts of the state and nation.

Between 2004 and 2006, the local economy expanded with large gains in the housing market and relatively strong job growth. However, the housing market began a rapid decline in late 2005, and most sectors of the commercial real estate market began to deteriorate in 2007. Like most metropolitan areas in the state and nation, the Sacramento region has been severely affected by the recent recession and financial crisis. Job growth was negative in years 2008, 2009 and 2010, and the region's unemployment rate remains high (11.7% as of October 2011). The local Center for Strategic Economic Research expects the region will begin to see sustained positive job growth, albeit modest, by the end of 2011. Job growth over the 12 month period ending in September 2012 is forecast to be about 0.8%.

Despite recent market conditions, the long-term outlook for the region is good. Characterized by a diverse economy, mild climate, seismic stability, good water supply, ample recreational and cultural opportunities and expansive transportation systems, Sacramento has secured a locational advantage over similar sized markets. Further, the region remains relatively affordable compared to the Bay Area and Southern California. The combination of these resources and advantages provides a productive environment for business and a satisfying living environment for residents.

## NEIGHBORHOOD OVERVIEW



### Introduction

This section of the report provides an analysis of the observable data that indicate patterns of growth, structure and/or change that may enhance or detract from property values. For the purpose of this analysis, a neighborhood is defined as “a group of complementary land uses; a congruous grouping of inhabitants, buildings or business enterprises.”<sup>3</sup>

### Neighborhood Boundaries

The boundaries of a neighborhood identify the physical area that influences the value of the subject property. These boundaries may coincide with observable changes in prevailing land use or occupant characteristics. Physical features such as the type of development, street patterns, terrain, vegetation and parcel size tend to identify neighborhoods. Roadways, waterways and changing elevations can also create neighborhood boundaries.

<sup>3</sup> *The Dictionary of Real Estate Appraisal*, 5<sup>th</sup> ed. (Chicago: Appraisal Institute, 2010), 133.

The subject property is located within a portion of West Sacramento known as Southport. The neighborhood boundaries can generally be described as the Deep Water Ship Channel to the west and north, the Sacramento River to the east, and the city limits of West Sacramento to the south.

**Demographics**

Demographic information is based on projections made by Site To Do Business Online, which makes projections from Census, Department of Finance and other data sources. According to Site To Do Business Online, in 2010 the Southport area of West Sacramento contained 20,299 people and 7,615 households, which equates to an average household size of 2.67. The median age is 41.1 years. The three primary age groups are 45 to 54 years (19.3% of total), 25 to 34 (14.4% of total) and 55 to 64 years (14.0% of total). The median household income is \$64,264.

As reported in the 2000 Census, of the population at least 25 years of age, 89.1% have at least a high school diploma or equivalent, and 22.4% have a Bachelor’s degree or higher. The average travel time to work is approximately 19 minutes, and 90% of the commuting workforce has a commute of 34 minutes or less.

Of the total housing units, 77.2% are detached, 22.1% are attached and 0.7% are mobile homes. Also, owners occupy 74.2 % of the units and renters occupy 22.5%. The remaining units (3.3%) stand vacant or are not primary residences. Housing units in the neighborhood by year built are summarized below. The median year built is between the years 2000 and 2010.

| <b>Year Built</b>     | <b>Number</b> | <b>Percentage of Total</b> |
|-----------------------|---------------|----------------------------|
| Pre-1970              | 620           | 7.9%                       |
| 1970 - 1979           | 581           | 7.4%                       |
| 1980- 1989            | 616           | 7.8%                       |
| 1990 - 2000 Census    | 402           | 5.1%                       |
| 2000 Census Thru 2010 | <u>5,660</u>  | 71.8%                      |
| <b>Total</b>          | 7,879         | 100.0%                     |

Source: STDB Online; 2000 Census



## Land Uses



The city of West Sacramento can generally be divided into two distinct areas of growth and development. The area north of the deep-water channel is comprised primarily of older residential, commercial and industrial uses, while the area south of the channel (Southport) is made up mostly of newer residential housing and large tracts of vacant agricultural land. The City of West Sacramento, in conjunction with local area landowners, has targeted the majority of the land south of the deep-water channel as an area of future growth. Land previously used for agricultural purposes is being developed for mixed uses including single-family residential, commercial and light industrial.

The subject's immediate neighborhood consists of primarily low and medium density single-family residential development (to the south) and industrial development to the north.

Nearby subdivisions include projects developed by Taylor Morrison Homes, K. Hovnanian, Pacific Mountain Partners, Reynen and Bardis, and Seeno Homes. Seeno Homes continues to market homes for sale at Newport Estates, and has an inventory of finished and unimproved lots. Seeno Homes has been developing this project for several years and it is approximately 75% developed. Taylor Morrison and K. Hovnanian have sold out. Pacific Mountain Partners has developed projects in the subject's vicinity for several years, but in recent months has endured financial difficulties. It's

inventory of finished lots were sold to an investor/builder (Dave Romo/Sterling Homes). On the former Pacific Mountain Partner lots, Sterling Communities has built around ten homes since 2010. In 2011 a principal of Sterling Communities encountered legal problems. Subsequently, the models and inventory are now for sale on MLS and the project is on hold. After building several homes in Parlin Ranch, Reynen and Bardis partnered with United Community Homes and offered additional homes. This arrangement has ended. United Community Partners has acquired the remaining lots in Parlin Ranch and has partnered with Premier Homes, forming United Premier Homes. Model home construction for a new project, Stone Harbor, is under way.

One of the most prominent land uses in the neighborhood is the Southport Town Center at the northeast corner of Jefferson Boulevard and Linden Road. This 275,000 square foot neighborhood shopping center is anchored by a Nugget Market grocery store and includes Target, Safe Credit Union, restaurants and neighborhood services, as well as general retail services.

There are a number of significant developments within Southport, including the Southport Industrial/Residential Project. It is predicted that the 672-acre Southport Business Park will attract biotech, technology, and research and development operations. Currently 1,394,000 square feet of warehouse buildings have been constructed in the Southport Industrial Park. A 66,000 square foot office building has also been constructed. Several other uses including a mini-storage, glass company, produce warehouse and trailer storage occupy the development.

The 7,000-acre Southport riverfront area includes the Bridgeway Island Project, built-out with 1,378 single-family units ranging in lot size from 4,050 to 10,000 square feet, which opened October 2000. Also, the Bridge District (aka Triangle) master plan area, a 155-acre development bounded by the Sacramento River, Interstate 80 and West Capitol Avenue is to include high-density, mixed-use development with a riverfront emphasis.

West Sacramento has also become a key area for investment and other economic activity, triggered by the opening of Raley Field, home of the Sacramento River Cats. The combination of Raley Field, the Tower Bridge and the former Money Store building has given West Sacramento a city skyline, long sought by civic leaders. The former Money Store Building has been leased to the Department of General Services (DGS), with over 1,200 state employees now located in the West Sacramento Area. DGS is the first major state agency to locate in West Sacramento. In addition, West Sacramento has been chosen as the home of the California Fuel Cell Partnership. The partnership includes top auto manufacturers, energy providers, and government agencies. The facility employs approximately 100 people and provides a fleet of 70 fuel cell passenger cars and buses.

Noteworthy commercial development in the area includes 700,000 square feet of planned retail space at Reed Avenue and Interstate 80, with a portion already completed. This development currently includes IKEA (a Swedish furniture store), a Wal-Mart Super Center and Home Depot.



## Transportation

The subject property is situated east and west of Jefferson Boulevard. West of Jefferson Boulevard, its access is limited to its Jefferson Boulevard frontage. East of Jefferson Boulevard, access is provided primarily by South River Road, which extends east along the Deep Water Ship Channel and bends south along the Sacramento River. The subject is located on the north and south sides of South River Road. North of the Deep Water Ship Channel, the subject has limited frontage along Jefferson Boulevard, but additional access is provided by the southern terminus of South River Road. There have been planning discussions about constructing a bridge over the Deep Water Ship Channel at South River Road to enhance access to the area.

Jefferson Boulevard is a major north-south arterial through the city of West Sacramento that leads north to U.S. Highway 50/Business 80. To the south, Jefferson Boulevard leads across the Bascule Bridge into the Southport area. Jefferson is one of two north-south linkages connecting Southport with the northern area of West Sacramento. The second link to Southport is the Palamidessi Bridge, located between Industrial Boulevard and Lake Washington Boulevard. Other major thoroughfares in the neighborhood include West Capitol Avenue, Southport Parkway, Harbor Boulevard, and Reed Avenue. The subject property is situated less than two miles south of Downtown Sacramento, and the city of Davis is located within a 10-mile freeway commute.

Freeway access to and from the subject property is considered to be above average when compared to other submarkets in the region, as West Sacramento is located at the convergence of Interstate 80, Interstate 5, Business Route 80, and U.S. Highway 50. Interstate 80 provides access to the San Francisco Bay Area and Reno, while U.S. Highway 50 connects the Sacramento area to various foothills communities and Lake Tahoe. Interstate 5 provides a direct link to Redding to the north and Stockton to the south. Business Route 80 (Capitol City Freeway) passes through the heart of Sacramento and links to U.S. Highway 50 and Interstate 80 north of Sacramento.

Airline travel is easily accessible from West Sacramento, as the Sacramento International, San Francisco International, and Oakland International airports are all within 90 miles. Of these airports listed, Sacramento International, at a distance of about eight miles, is closest to the subject property. A smaller community airport, Sacramento Executive Airport, is located in South Sacramento and provides small charter planes and houses privately owned planes on site. Access to rail lines for public use is provided by Amtrak, which is located in Downtown Sacramento. Union Pacific, South Pacific Main Line, and Yolo Shortline are utilized as commercial transportation systems within West Sacramento. Public transit in the area is provided by Sacramento Regional Transit District's bus system.

## **Community Uses**

The Southport area has developed community uses mixed throughout residential areas. North of the Deep Water Ship Channel, community uses are somewhat limited due to the strong industrial presence that remains in West Sacramento, but this is starting to change as residential development continues. Raley Field is the most notable community landmark (north of Southport). The Sacramento River, including the new River Walk Park and Promenade, is another prominent spot for recreational activities.

West Sacramento is served by the Washington Unified School District, with a total of 13 schools, including one high school, River City High School (which opened in January 2009 after relocating from an older facility in West Sacramento).

Two major public universities, University of California, Davis and California State University, Sacramento, are located within 15 miles of the subject property. In addition, the Sacramento area offers four community colleges.

## **Future Development**

River Park and Yarborough are the two most significant approved projects in the city of West Sacramento that have not yet been developed. River Park is located one mile south of the subject and contains approximately 450 acres planned for a mix of urban uses (2,284 residential units). River has entitlement approvals for development, which were obtained by Richland Communities. Ultimately Richland Communities relinquished ownership of River Park in a foreclosure process. Subsequently, in 2011 Central Pacific Bank sold the property to a land investment company from Southern California, which is holding the property for future development.

The Yarbrough master planned community is planned for the development of 3,004 residential dwelling units, as well as other urban uses and an 18-hole public golf course. The owners of Yarbrough are holding for future development.

South of the city is a project identified as Vina Del Lago, which is planned for 1,503 residential units and other urban uses. Since this project is not located within the city limits and has not yet developed a financing plan for its needed levee improvements, most market participants do not see this project being developed within this next 10 to 15 years.

## **Levee Improvements**

Surrounded by levees on all sides, the city of West Sacramento has a long history living with flood risk. The city, the West Sacramento Area Flood Control Agency (WSAFCA), and the California

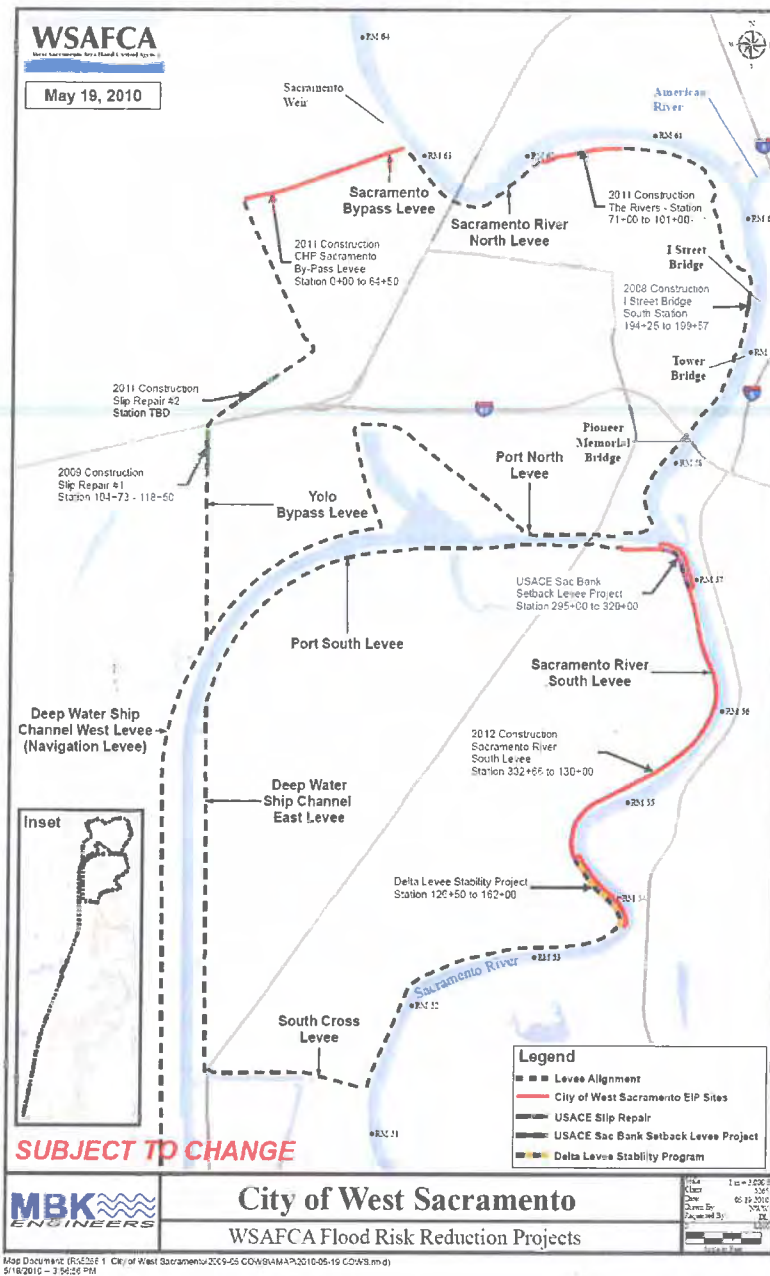
Department of Water Resources have undertaken an extensive effort to further analyze the condition of the levees that protect the city's 47,000 residents. Using new evaluation techniques developed after flood events along the gulf coast, the city has identified problems, with seepage, stability, and erosion. These are common forms of levee deficiencies throughout the Central Valley and may threaten public safety if left unchecked.

The city and WSAFCA are undertaking an effort to improve all of its levees to current standards. The federal government has a major interest in the delivery of appropriate flood protection to West Sacramento. The project will:

- Reduce the risk of a Katrina-like disaster to this community, protecting the safety of 47,000 residents and over \$3 billion in property value.
- Preserve the previous federal investment by addressing deficiencies that remain in the still-active congressionally-authorized West Sacramento Project.
- Protect facilities of regional and national significance, including the Union Pacific main railroad line, US-50, I-80, the regional USPS mail processing center, the regional Department of Water Resources flood fight facility, the California Highway Patrol Academy (a key facility in state emergencies), and the Port of West Sacramento.

Based on the newest federal standards, certain important deficiencies have been found in the federal levee system that protects the city. The total estimated cost for needed improvements is over \$460 million. The city and WSAFCA have moved proactively to address this challenge, with city residents recently voting to assess themselves for up to \$40 million of the needed funds. The balance is expected to come from private, state and federal sources.

On the following page is map that identifies the proposed levee improvements needed for 200-year flood protection. At this time, levee improvements are expected to be completed sometime in the next five to nine years. Timing of completion is connected to access of federal appropriations, the earliest of which will be received in 2015. Until that time, local monies are being used for Early Implementation Projects (EIP).



## Conclusion

In summary, the Southport area of the city of West Sacramento has changed dramatically in recent years, with agricultural land being developed with suburban uses. Southport is a convenient commute (10 to 15 minutes) for downward Sacramento workers. The immediate area surrounding the subject property consists of residential and community uses, with supporting commercial development nearby. Given the subject's proximity to downtown Sacramento and its position relative to other planned residential projects, the development potential of the subject is good for single-family development.



## MACROECONOMIC OVERVIEW

### **Introduction**

The U.S. economy has been sluggish, with ups and downs seen over the past several quarters. There were some signs of possible recovery in late 2010, but the economy slowed again in the first half of 2011, fueling concerns about a possible double-dip recession. However, improvement was seen again in the third quarter of this year. The broadest measure of the economy, the gross domestic product (GDP), grew at an annual rate of 0.4% in the first quarter of 2011, 1.3% in the second quarter, and 2.5% in the third quarter (based on preliminary data). The weak first-half performance was a setback to an economy still struggling to recover from the worst recession in decades. The recovery already had been hindered by a weak housing market, and recent months have brought a surge in gas and grocery prices – which has hurt consumer confidence – as well as a wave of cutbacks by state governments struggling to balance their budgets. The employment situation has also been relatively stagnant. The U.S. unemployment rate was 9.0% in October 2011, compared to 9.1% the previous month and 9.7% a year ago. As of mid-2011, the nation had 7 million fewer jobs than it did at the end of 2007 when the recession began.

Most economists and analysts are expecting to see some improvement in economic and employment conditions over the next 12 months. Although job growth has been slower than expected, businesses are stepping up investment in things like equipment and software, and consumer spending is also on the rise. In early November 2011, Federal Reserve Chairman Ben Bernanke stated that growth is likely to be “frustratingly slow,” after the Fed lowered its economic projections for the next two years. The Fed now says the economy will likely expand no more than 1.7% for all of 2011, and it predicts growth of only 2.5% to 2.9% for 2012. The Fed said it does not expect the unemployment rate to go any lower this year, and it sees unemployment averaging 8.6% by the end of 2012.

In late 2008 and much of 2009, the nation experienced the largest financial crisis in decades. The crisis stemmed mainly from subprime mortgage lending practices and the subsequent decline in the housing market. The events of 2008-2009 are widely known and documented, including housing market declines, property foreclosures, bank failures, Federal bailouts, stimulus spending, etc. Bank lending was very limited in the early months of the crisis, but many banks have resumed lending at this point, albeit with much tighter restrictions. Many of the nation’s largest financial institutions are now repaying Federal bailouts, but access to the capital markets remains difficult as bank balance sheets continue to be clogged with troubled loans and other assets.

## Employment Conditions

The national unemployment rate rose above 10% in 2009, marking the first time the unemployment rate reached double-digits in 26 years. Payrolls fell throughout 2009, bringing the total number of unemployed persons to nearly 15 million. Job growth has been slightly positive in 2011, but unemployment remains relatively high at 9.0% as of October 2011.

In California, the unemployment rate was 11.9% in September 2011, down slightly from 12.1% in the previous month and down from 12.5% a year ago (September 2010). The state's unemployment rate has remained relatively stable for the past several months. Future job growth is difficult to forecast, but most experts do not expect the state to see significant employment growth for several years. California's budget deficit is a factor in the jobs outlook. Even with the passing of a budget in the fall of 2010 aimed at alleviating the ballooning deficit, the State has remained in a budget deficit since 2009, when the Governor declared a fiscal "state of emergency" affecting both state and local governments. State government employees, who comprise a substantial portion of workers in the Sacramento region, were forced to take several unpaid furlough days each month in order to help improve the budget deficit. However, much of the savings from the mandatory furlough will be offset by reduced revenue and increased costs to the state general fund in future years. Thus, the budget deficit is not expected to improve significantly in the near term, which could prolong recovery in the local economy.

## Outlook for Commercial Real Estate

Generally speaking, commercial real estate conditions have improved slightly in 2010-2011 compared to the preceding couple of years. However, stabilization has been shaky and recovery is expected to be protracted. *The Kiplinger Letter* for November 2010 described the outlook for commercial real estate as "still ugly, though less so than a year ago." In *Emerging Trends in Real Estate 2011*, published in late 2010 by the Urban Land Institute and PricewaterhouseCoopers, market conditions were summarized as follows: "After three years of dislocation and delaying unprecedented losses, the U.S. real estate industry finally sees some hopeful signs in 2011 of tempered improvement – across all markets and all property sectors." In most metropolitan areas, market activity (sales and leasing) is increasing and buyers and sellers are moving closer on pricing. But while new financing is now available, strict lending practices continue to make it difficult for potential buyers to obtain loans in the current market.

Another challenge comes from real estate loans coming due that were made during the peak expansion years. For example, 5-year loans made in 2006-2007 will become due in 2011-2012, with many borrowers unable to pay or refinance. This means additional commercial foreclosures are likely to hit the market. However, compared to the residential sector, which has seen big waves of significant foreclosure activity, the commercial sector should see a longer and slower correction.



This is because of “pretend and extend” practices, an increase in note sales, the return of the commercial mortgage backed-securities market, and an increase in refinancing and loan workouts. Some troubled assets will still return to the marketplace, but on a more limited and gradual basis than was once expected. While commercial real estate values may see further declines, they should not be as significant as those seen in the 2007-2009 period. On a national basis, commercial properties have seen declines of 30 to 50 percent, on average, from the peak in 2007.

The *PwC Real Estate Investor Survey* for Second Quarter 2011 summarized current market conditions for commercial real estate as follows: “The disappointing labor report for May, as well as other weak economic reports released over the past month, has dissuaded very few investors from eagerly acquiring assets and seeking opportunities across all sectors. In fact, many investors are aggressively pursuing deals as they continue to see signs that the industry’s overall fundamentals are stabilizing and even improving in certain sectors and regions. So, while the labor market’s inability to gain momentum could lengthen the industry’s recovery time, investor sentiment with regard to the performance of the commercial real estate industry remains fairly upbeat with a few surveyed investors understandably describing their optimism as ‘cautious’ or ‘guarded.’” In PwC’s Third Quarter report, it was noted many investors view the commercial real estate industry as a bright spot in an otherwise gloomy investment environment. Although the industry has certain issues and risks, it offers more transparency and predictability than other investment alternatives in the current economy.

Capitalization rates and yield rates increased significantly in 2008-2009 as lenders and equity investors perceived greater risk in real estate investments. On average, rates stabilized in 2010, although there continue to be many differences among locations and property types. According to *Emerging Trends in Real Estate 2011*, “Expected cap rate moves through year-end 2011 indicate an overall stable to downward shift as demand strengthens across most property sectors in a slow recovery.” According to the most recent *PwC Real Estate Investor Survey*, in the third quarter of 2011, average cap rates declined in 26 of the survey markets, increased in three, and held steady in two.

With respect to land, many developers that hold title to unimproved properties are holding for development until market conditions show more solid improvement. Many improved properties are transferring for less than replacement cost, indicating the infeasibility of new construction in the current market. By most accounts, the market for vacant land continues to be limited, except for speculators willing to hold the land for a number of years, or properties for which build-to-suit arrangements have been made. Recovery in the land market is not expected until the commercial sector reaches a point where new construction is feasible.

## **Conclusion**

After market conditions declined rapidly in 2008-2009 amid turmoil in the financial markets and great uncertainty about the economy, the years 2010-2011 have brought some stabilization for the overall economy and also for commercial real estate markets. Nevertheless, credit remains tight, employment gains have been meager, and vacancy remains high for most commercial property markets. Given current and recent conditions in the economy, employment and credit markets, the expectation is that job growth will be sluggish for several years and the recovery for commercial real estate will be long and slow.

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## RESIDENTIAL MARKET OVERVIEW

### Market Definition

The subject property is located in the Southport area of the city of West Sacramento. This is an expanding suburban area to the south of industrial development. The location is a good residential location given its proximity to the Sacramento CBD. Home demand consists of a mix of buyer types, including first time and move up households. Product types in Southport have ranged from high-density single-family to estate-sized (acreage) custom homes, with all types generally well received. Most buyers are local to the Sacramento area, and many work in downtown Sacramento.

### Median Prices – New and Resale Prices Combined

Shown below are median prices (new and resale combined) for West Sacramento. The table below is followed by a chart comparing median prices in West Sacramento with the nearby county of Sacramento. Note that West Sacramento is located just within Yolo County, which is largely rural. For this reason, we have included Sacramento County instead of Yolo County.

| Month                                    | Prior 13 to 24 Months |                | 12 Month          |             |
|--|-----------------------|----------------|-------------------|-------------|
|  | (Historical)          | Last 12 Months | Percentage Change | (per month) |
| December                                 | \$230,000             | \$215,000      | -6.5%             | -0.5%       |
| January                                  | \$210,000             | \$211,500      | 0.7%              | 0.1%        |
| February                                 | \$210,000             | \$205,000      | -2.4%             | -0.2%       |
| March                                    | \$251,750             | \$200,000      | -20.6%            | -1.7%       |
| April                                    | \$225,000             | \$225,000      | 0.0%              | 0.0%        |
| May                                      | \$235,000             | \$192,000      | -18.3%            | -1.5%       |
| June                                     | \$246,500             | \$200,000      | -18.9%            | -1.6%       |
| July                                     | \$217,500             | \$172,500      | -20.7%            | -1.7%       |
| August                                   | \$227,000             | \$178,500      | -21.4%            | -1.8%       |
| September                                | \$180,000             | \$176,000      | -2.2%             | -0.2%       |
| October                                  | \$197,000             | \$181,000      | -8.1%             | -0.7%       |
| November                                 | \$226,500             | \$172,000      | -24.1%            | -2.0%       |
| 6-Month Percentage Change<br>(per month) | -3.6%                 | -10.4%         |                   | -1.7%       |

Source: DataQuick

The median price in November 2011 was 24.1% lower than November 2010. Over the last six months, the median price has decreased 10.4%. The median price, year-over-year, has been down 10 of the last 12 months.

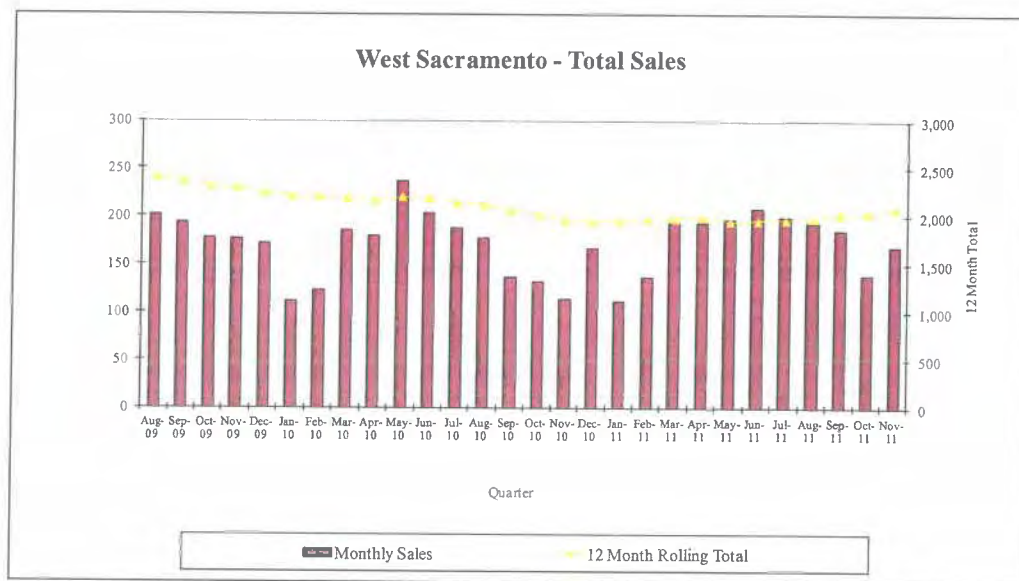
Median prices in West Sacramento have fluctuated, but the overall trend is downward, as reflected by the chart below. West Sacramento prices below are compared with Sacramento County, which is more similar to West Sacramento and is located just east of the City. Yolo County is more rural and less comparable.



Source: Dataquick

### Total Sales

Total sales in West Sacramento are charted below.



Source: Dataquick

The number of sales each month has been steady, with foreclosures/short sales comprising a large percentage of all sales.

## New Home Projects

### Project and Pricing Analysis

#### Historical Pricing

A table and chart depicting the pricing behavior of active detached single-family residential projects in the Southport area of West Sacramento since the First Quarter of 2005 are provided below and on the following page. The data indicated in the table—like much of the data presented in this section of the report—was collected by The Gregory Group, a firm that publishes new home prices and absorption statistics for areas of California.

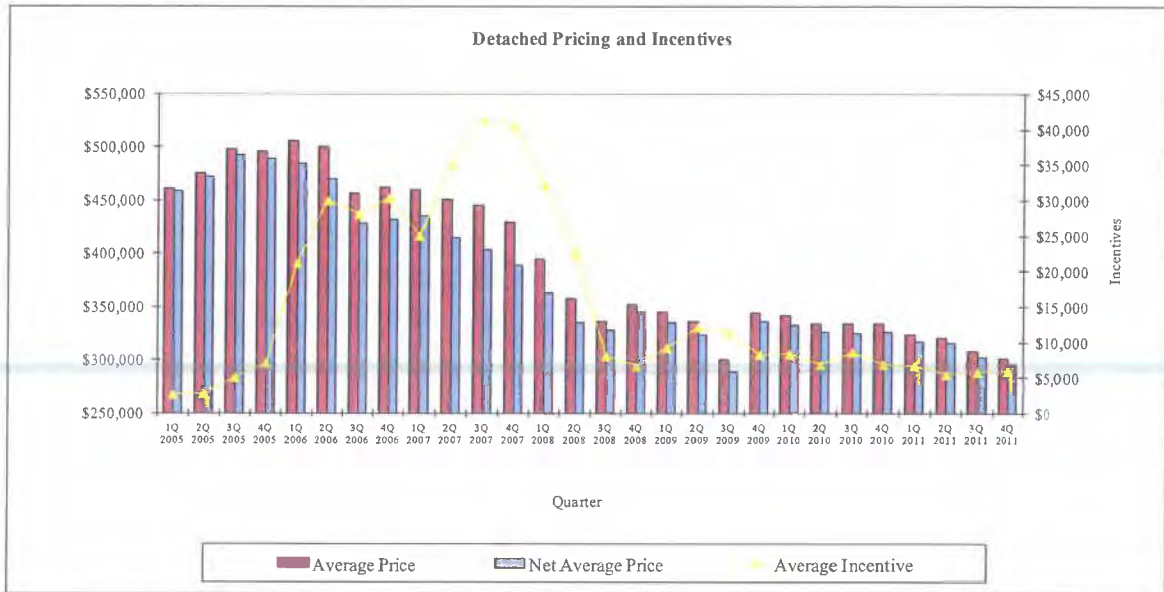
#### SOUTHPORT

| <u>Quarter</u> | <u>Average Price</u> | <u>Net</u>           |                          | <u>% Change Net Average Price</u> | <u>% Change Net Average Price - 12 Month Moving Average</u> |                  | <u>Number of Projects</u> |
|----------------|----------------------|----------------------|--------------------------|-----------------------------------|---|------------------|---------------------------|
|                |                      | <u>Average Price</u> | <u>Average Incentive</u> |                                   | <u>Average</u>  | <u>Home Size</u> |                           |
| 1Q 2005        | \$461,658            | \$458,962            | \$2,696                  | 6.1%                              | -   | 2,603            | 11                        |
| 2Q 2005        | \$475,908            | \$472,978            | \$2,930                  | 3.1%                              | -   | 2,546            | 14                        |
| 3Q 2005        | \$497,943            | \$492,818            | \$5,125                  | 4.2%                              | -   | 2,582            | 12                        |
| 4Q 2005        | \$496,086            | \$489,013            | \$7,073                  | -0.8%                             | 3.1%  | 2,576            | 12                        |
| 1Q 2006        | \$506,193            | \$484,997            | \$21,196                 | -0.8%                             | 1.4%  | 2,559            | 13                        |
| 2Q 2006        | \$500,063            | \$470,071            | \$29,992                 | -3.1%                             | -0.1%   | 2,567            | 15                        |
| 3Q 2006        | \$457,043            | \$428,924            | \$28,119                 | -8.8%                             | -3.4%   | 2,494            | 16                        |
| 4Q 2006        | \$462,108            | \$431,784            | \$30,324                 | 0.7%                              | -3.0%   | 2,479            | 16                        |
| 1Q 2007        | \$460,294            | \$435,222            | \$25,072                 | 0.8%                              | -2.6%   | 2,466            | 16                        |
| 2Q 2007        | \$450,745            | \$415,622            | \$35,123                 | -4.5%                             | -2.9%   | 2,404            | 16                        |
| 3Q 2007        | \$445,694            | \$404,469            | \$41,225                 | -2.7%                             | -1.4%   | 2,394            | 16                        |
| 4Q 2007        | \$429,989            | \$389,412            | \$40,577                 | -3.7%                             | -2.5%   | 2,447            | 13                        |
| 1Q 2008        | \$395,150            | \$363,002            | \$32,148                 | -6.8%                             | -4.4%   | 2,378            | 12                        |
| 2Q 2008        | \$357,739            | \$335,262            | \$22,477                 | -7.6%                             | -5.2%   | 2,271            | 8                         |
| 3Q 2008        | \$336,244            | \$328,164            | \$8,080                  | -2.1%                             | -5.1%   | 2,324            | 6                         |
| 4Q 2008        | \$352,119            | \$345,438            | \$6,681                  | 5.3%                              | -2.8%   | 2,496            | 6                         |
| 1Q 2009        | \$344,940            | \$335,688            | \$9,252                  | -2.8%                             | -1.8%   | 2,506            | 5                         |
| 2Q 2009        | \$336,225            | \$324,017            | \$12,208                 | -3.5%                             | -0.8%   | 2,382            | 3                         |
| 3Q 2009        | \$300,497            | \$289,032            | \$11,465                 | -10.8%                            | -3.0%   | 2,321            | 2                         |
| 4Q 2009        | \$344,353            | \$336,029            | \$8,324                  | 16.3%                             | -0.2%   | 2,611            | 3                         |
| 1Q 2010        | \$341,781            | \$333,414            | \$8,367                  | -0.8%                             | 0.3%  | 2,623            | 3                         |
| 2Q 2010        | \$333,694            | \$326,803            | \$6,891                  | -2.0%                             | 0.7%  | 2,543            | 4                         |
| 3Q 2010        | \$333,694            | \$325,038            | \$8,656                  | -0.5%                             | 3.2%  | 2,543            | 4                         |
| 4Q 2010        | \$333,694            | \$326,803            | \$6,891                  | 0.5%                              | -0.7%   | 2,543            | 4                         |
| 1Q 2011        | \$324,292            | \$317,522            | \$6,770                  | -2.8%                             | -1.2%   | 2,448            | 3                         |
| 2Q 2011        | \$321,284            | \$315,784            | \$5,500                  | -0.5%                             | -0.8%   | 2,434            | 4                         |
| 3Q 2011        | \$308,961            | \$303,112            | \$5,849                  | -4.0%                             | -1.7%   | 2,446            | 3                         |
| 4Q 2011        | \$301,940            | \$295,901            | \$6,039                  | -2.4%                             | -2.4%   | 2,432            | 1                         |

Source: The Gregory Group



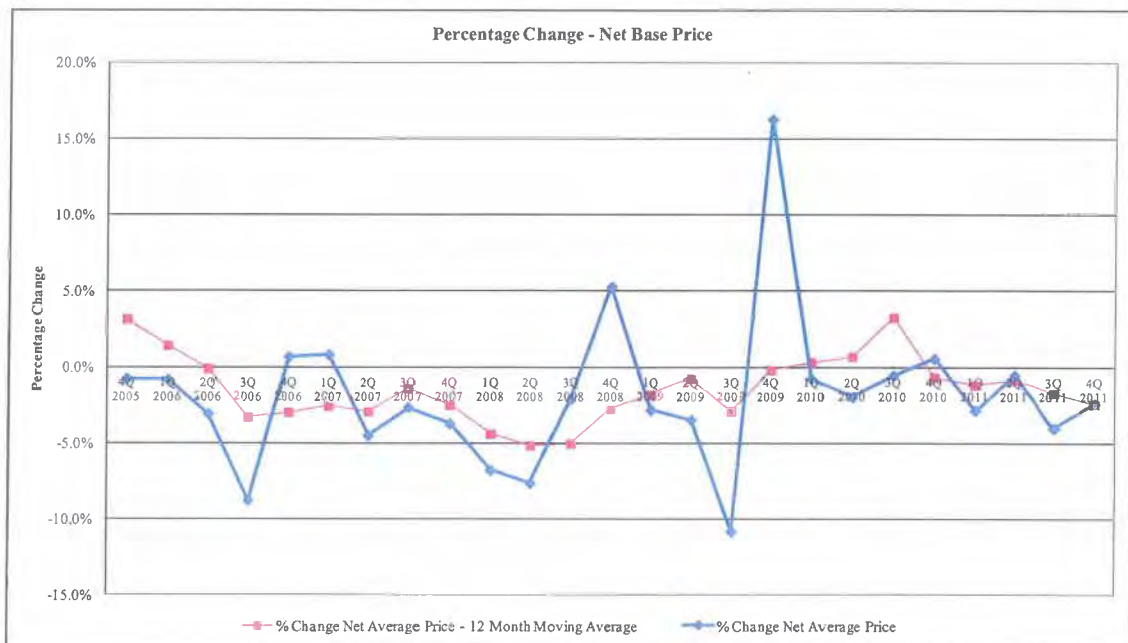
## SOUTHPORT



Source: The Gregory Group

As shown, since the Third Quarter of 2005, the average net base price in Southport has declined approximately 40%, from \$492,818 to \$295,901. However, prices have declined at lesser rates in recent quarters, with price fluctuation. The chart below shows the percentage change in the net base price since the Fourth Quarter of 2005.

## SOUTHPORT



Source: The Gregory Group

For Southport, the 12-month moving net average price (percentage change) has been negative for five consecutive quarters.

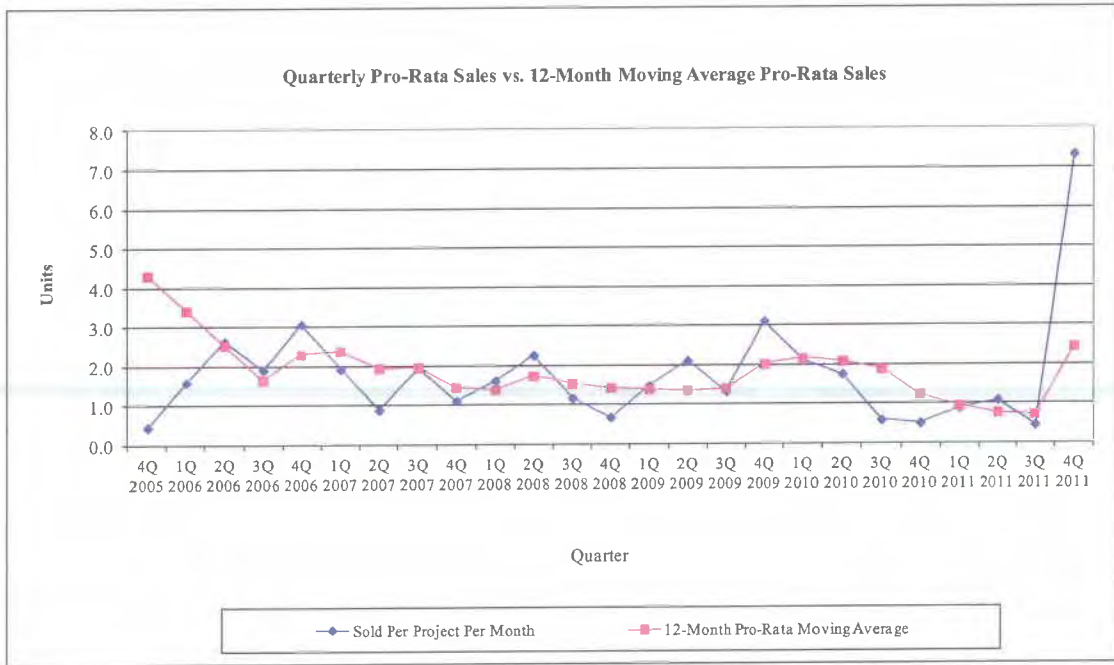
As another indication of market conditions, the pro-rata absorption rate per project (total sales divided by total number of projects), which assumes each project captures its fair share of units, has declined significantly since 2005, as shown below and on the following page.

### SOUTHPORT

| <u>Quarter</u> | <u>Quarter Sold</u> | <u>Number of Projects</u> | <u>Sold Per</u>    | <u>Sold Per</u>    | <u>12-Month Pro-</u> |
|----------------|---------------------|---------------------------|--------------------|--------------------|----------------------|
|                |                     |                           | <u>Project Per</u> | <u>Project Per</u> | <u>Rata Moving</u>   |
|                |                     |                           | <u>Quarter</u>     | <u>Month</u>       | <u>Average</u>       |
| 1Q 2005        | 171                 | 11                        | 15.5               | 5.2                | -                    |
| 2Q 2005        | 258                 | 14                        | 18.4               | 6.1                | -                    |
| 3Q 2005        | 196                 | 12                        | 16.3               | 5.4                | -                    |
| 4Q 2005        | 16                  | 12                        | 1.3                | 0.4                | 4.3                  |
| 1Q 2006        | 62                  | 13                        | 4.8                | 1.6                | 3.4                  |
| 2Q 2006        | 118                 | 15                        | 7.9                | 2.6                | 2.5                  |
| 3Q 2006        | 91                  | 16                        | 5.7                | 1.9                | 1.6                  |
| 4Q 2006        | 147                 | 16                        | 9.2                | 3.1                | 2.3                  |
| 1Q 2007        | 92                  | 16                        | 5.8                | 1.9                | 2.4                  |
| 2Q 2007        | 42                  | 16                        | 2.6                | 0.9                | 1.9                  |
| 3Q 2007        | 93                  | 16                        | 5.8                | 1.9                | 1.9                  |
| 4Q 2007        | 43                  | 13                        | 3.3                | 1.1                | 1.5                  |
| 1Q 2008        | 58                  | 12                        | 4.8                | 1.6                | 1.4                  |
| 2Q 2008        | 54                  | 8                         | 6.8                | 2.3                | 1.7                  |
| 3Q 2008        | 21                  | 6                         | 3.5                | 1.2                | 1.5                  |
| 4Q 2008        | 12                  | 6                         | 2.0                | 0.7                | 1.4                  |
| 1Q 2009        | 22                  | 5                         | 4.4                | 1.5                | 1.4                  |
| 2Q 2009        | 19                  | 3                         | 6.3                | 2.1                | 1.4                  |
| 3Q 2009        | 8                   | 2                         | 4.0                | 1.3                | 1.4                  |
| 4Q 2009        | 28                  | 3                         | 9.3                | 3.1                | 2.0                  |
| 1Q 2010        | 19                  | 3                         | 6.3                | 2.1                | 2.2                  |
| 2Q 2010        | 21                  | 4                         | 5.3                | 1.8                | 2.1                  |
| 3Q 2010        | 7                   | 4                         | 1.8                | 0.6                | 1.9                  |
| 4Q 2010        | 6                   | 4                         | 1.5                | 0.5                | 1.2                  |
| 1Q 2011        | 8                   | 3                         | 2.7                | 0.9                | 0.9                  |
| 2Q 2011        | 13                  | 4                         | 3.3                | 1.1                | 0.8                  |
| 3Q 2011        | 4                   | 3                         | 1.3                | 0.4                | 0.7                  |
| 4Q 2011        | 22                  | 1                         | 22.0               | 7.3                | 2.4                  |

Source: The Gregory Group

## SOUTHPORT



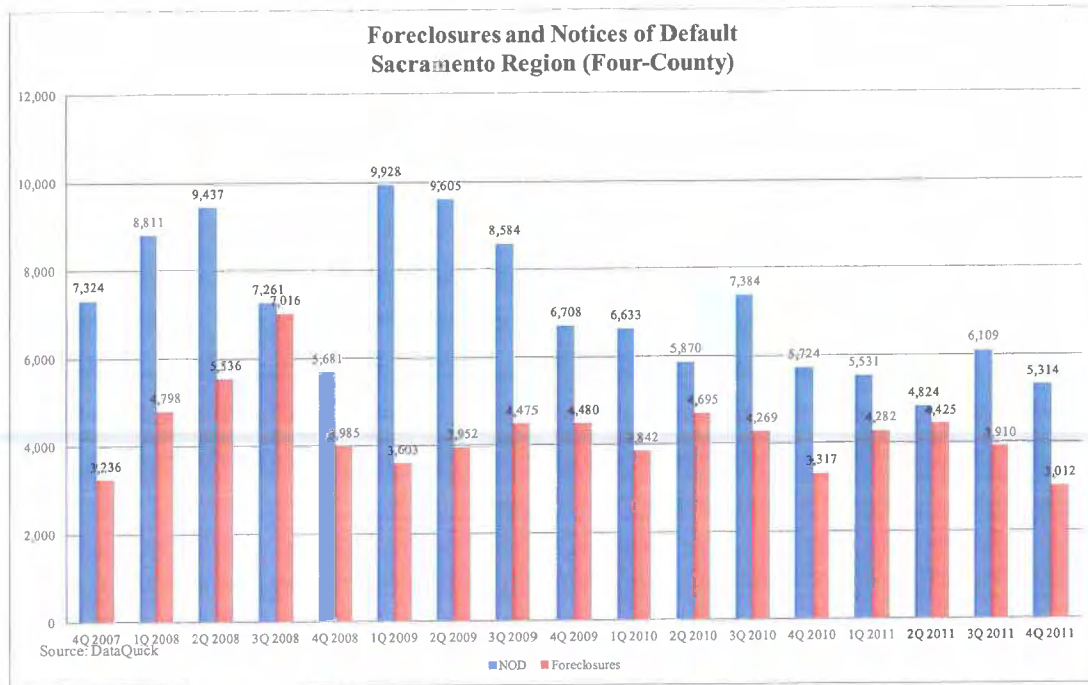
Source: The Gregory Group

As shown, the pro-rata absorption rate in during the Fourth Quarter of 2011 was 7.3 units per month, and the 12-month moving average absorption rate had decreased for five consecutive quarters and was 2.4 unit per month. During the Fourth Quarter, there was just one active project in Southport; thus, its unclear whether an upward trend is emerging or whether the data is fluctuating due to a limited number of data points. As stated previously, however, prices have continued to decline in recent months.

### Notices of Default/Foreclosures

Dataquick has released the following information for notices of default and foreclosures for the four county Sacramento area (Sacramento, Placer, El Dorado, Yolo):





Mirroring the state-wide trend, notices of defaults and foreclosures decreased during the Fourth Quarter of 2011. According to Dataquick president John Walsh regarding foreclosure trends, "We are certainly seeing a lower level of foreclosure activity than a year or two ago. The question is, how much of that decline is due to market conditions, and how much is due to policy changes that try to address economic distress and lower home values. Five years ago almost all mortgage payment delinquencies would have triggered a default notice after a certain amount of time. Strategies now include short sales, refinances, interest rate changes, principal reduction as well as just plain waiting longer. It will be interesting to see how this plays out as the economy improves and the housing market finds its footing."

While most of the loans that went into default last quarter were originated during the 2005-2007 period, the median origination quarter for defaulted loans remained third-quarter 2006. That has been the case for three years, indicating that weak underwriting standards peaked around this time.

### Market Participant Interviews

In late 2011 we interviewed two knowledgeable and well known land brokers and one land acquisition agent with a home builder regarding lot demand in the Sacramento region. Their identities are retained in our work file and not shown here so they can protect their business relationships in the region. Each broker stated builder demand for finished lots in the Sacramento region is down from 2010. In fact, demand is limited. One broker cited that for the entire four-County Sacramento region (El Dorado, Placer, Sacramento and Yolo), there have been just three finished lot bulk sales in 2011 that were new deals and not part of prior agreements. Two acquisitions involved Standard Pacific Homes in El Dorado Hills (a move-up buyer community), and

the other involved JMC Homes in Roseville. There have not been any sales of finished lots in West Sacramento, Sacramento or Elk Grove in 2011. Builder demand surged in late 2009 and 2010. With home demand receding in 2010, many of these builders are still building on inventory acquired two years ago. Eventually these builders will work through their existing lot inventory and will acquire lots again if they are priced to reflect the home and land price declines that occurred from 2010 to 2011. One broker with knowledge of the Southport area estimated lot values in the low \$40,000s, but this broker was uncertain where prices in West Sacramento were presently hovering. He was assuming home pricing in the mid \$200,000s. The other broker indicated he recently spoke with an investor that has the option to purchase finished lots from Sterling Communities (where home construction is suspended). The investor was seeking information about the market, but the lots are not formally be marketed for sale at this point in time.

The land acquisition agent interviewed had knowledge of West Sacramento from a prior project. He indicated that for a \$260,000, 2,000 SF unit with permits and fees of \$42,000, he would pay around \$40,000/finished lot. The agent indicated he would have reservations about acquiring additional lots in the Sacramento region, however, unless it was in Roseville. The agent believed foreclosures would possibly rise again, and with limited to no employment growth, Sacramento is a high-risk market. In fact, he said the builder was falling short of profit expectations by about 5% on its latest communities. This builder had acquired finished lots in the Sacramento region in mid-2011, and he indicated that just a couple of months later, he would have closed at a lower price given continued declines and growing uncertainty. For these reasons he was focusing his latest land acquisition efforts in Bay Area submarkets. Finally, the agent indicated the direct construction costs are running around \$50/SF for a 2,000 SF at their active projects in the Sacramento region.





### **Conclusion**

Absorption and prices over the next 12 months is expected to be similar to the last 12 months. It is unclear at this time whether home demand will increase in 2012 relative to 2011. Across the region, most market participants are expecting “more of the same” in the near term, which means level new home pricing and slow sales. Successful projects in this down market will benefit from good locations, such as upper income markets like South Placer County (Roseville/Rocklin) or projects with proximity to employment centers Elk Grove.

Overall, Southport is considered a “B” market location. While Southport benefits from its proximity to the Sacramento CBD, it has below average linkages to other submarkets such as Elk Grove and Rancho Cordova, which, in terms of time traveled, represent extended commutes. Further, Southport is mostly suburban without major non-retail employers in the immediate vicinity. Southport home demand depends heavily on downtown economic growth. Another factor to consider is many downtown Sacramento workers are employed by the State of California, which has a myriad of budget problems. Additional layoffs to State workers in Sacramento are expected in 2012.

## RESIDENTIAL LAND OVERVIEW

There was little positive news to report in 2011. From late 2009 through mid-2010, builder demand surged in primary market areas amid apparent new home price stabilization and reduced lot inventories. With lots acquired below replacement cost, most builders began constructing modest-quality homes designed to maximize affordability and directly compete with the resale market, which remains dominated by real estate owned (REO) and short sales.

| LAND PRICE TRENDS: PRIMARY MARKET AREAS |   |               |             |        |
|---|---|---------------|-------------|--------|
| Type                                    | Trend   | Location      | Price       | Date   |
| Finished                                |  | Clovis        | \$72K/Lot   | Nov-10 |
|   |   | Roseville     | \$95K/Lot   | Dec-10 |
|   |   | Stockton      | \$35K/Lot   | Oct-10 |
|   |   | Napa          | \$100K/Lot  | Dec-10 |
|   |   | Redding       | \$72K/Lot   | Feb-10 |
|   |   | Sacramento    | \$55K/Lot   | Jul-10 |
| Unimproved w/<br>Infrastructure         |  | Roseville     | \$40K/Lot   | Jul-10 |
|   |   | Fresno        | \$17K/Lot   | Feb-10 |
|   |   | Sacramento    | \$8K/Lot    | Jun-10 |
| Unimproved w/o<br>Infrastructure        |  | Roseville     | \$28K/Acre  | Aug-10 |
|   |   | Woodland      | \$41K/Acre  | Jun-10 |
| Speculative Land                        |  | Placer County | \$15K/Acre  | Dec-10 |
|   |   | Placer County | \$25K+/Acre | Aug-10 |

Note: Prices are approximated

But then new home prices began to slide, again, for a combination of reasons. The new home buyer tax credit expired. The initial on-the-fence pent-up demand was quickly absorbed. Resale distressed inventories did not subside. Builders found themselves fighting for a pie that could only be divided so many ways. Making things worse, some national (or public) builders opened projects on lots acquired in 2009 that, up until recently, had performed well enough to not qualify for land impairments (method of writing down land value for accounting purposes). Recent declines may lead to future land write-downs by these builders, leaving another round of home price declines on the horizon that many regional builders will not be able to match.

The recent price declines are difficult to measure because so few transactions are occurring. In markets where builders have acquired lots, the limited data available and broker interviews suggest year-over-year finished lot values are down 15% to 25% in the Sacramento region and 10% to 15% in eastern and northern Bay Area commuter submarkets. In the Central Valley, builder lot prices have held steady in Fresno, Clovis and Visalia. The strongest housing markets in California are located in Southern California (namely Orange County and San Diego) and the San Francisco/Oakland Bay Area. Despite the recent declines, builders cautiously remain interested in buying lots in primary markets.

Tertiary Markets - Land

Investors continue to drive demand for lots in secondary and tertiary markets. Year over year finished lot prices in rural towns like Lemoore, Dinuba and Madera have held steady, and some areas have experienced slight increases due to dwindling investment supply. Current prices, however, remain substantially less than replacement costs.

| LAND PRICE TRENDS: SECONDARY/TERTIARY MARKET AREAS |       |             |            |        |
|--|-------|-------------|------------|--------|
| Type   | Trend | Location    | Price      | Date   |
| Finished   |       | Coalinga    | \$13K/Lot  | Jul-10 |
|  |       | S. Stockton | \$12K/Lot  | Jul-10 |
|  |       | Oroville    | \$10K/Lot  | Dec-10 |
|  |       | Arbuckle    | \$12K/Lot  | May-10 |
|  |       | Dinuba      | \$18K/Lot  | May-10 |
|  |       | Hanford     | \$15K/Lot  | Dec-10 |
|  |       | Lindsay     | \$22K/Lot  | Jan-10 |
|  |       | Livingston  | \$16K/Lot  | Apr-10 |
| Unimproved w/<br>Infrastructure                    |       | Merced      | \$23K/Acre | Sep-10 |
| Unimproved w/o<br>Infrastructure                   |       | Tulare      | \$15K/Acre | Jul-10 |
|  |       | Porterville | \$13K/Acre | Jun-10 |
|  |       | Dinuba      | \$7K/Acre  | May-10 |
|  |       | Hanford     | \$15K/Acre | Dec-10 |
|  |       | Red Bluff   | \$8K/Acre  | Jan-11 |
| Speculative Land                                   |       | Colusa      | \$7K/Acre  | Mar-10 |

Note: Prices are approximated

Some investors have also acquired unimproved lots in tertiary markets with the intent to generate interim income from agricultural uses, with the hope to resell 5 to 10 or 10 to 15 years into the future as speculative land. For certain agricultural property types, land values have increased slightly due to growing investment demand and rising commodity prices.

In unique situations builders have entered into tertiary markets and acquired finished lots at investor pricing. These situations may include builders looking to offer homes eligible for USDA financing (such as Bennett Homes with projects in Northern California) or builders simply looking to capitalize in markets with limited new home competition (such as Florsheim Homes, Wathen-Castanos and Lennar in the Central Valley).



## PROPERTY IDENTIFICATION AND LEGAL DATA

### Location

The subject property is located primarily along South River Road, south of the Deep Water Ship Channel and east of the Sacramento River, with the city of West Sacramento, Yolo County, California.

### Assessor Parcel Numbers, Gross Acres and Ownership:

| <u>Assessor Parcel Number</u> | <u>Gross Acres</u> | <u>Ownership</u>                                    |
|-------------------------------|--------------------|---|
| 046-010-011                   | 82.70              | Redevelopment Agency of the City of West Sacramento |
| 067-180-001                   | 5.80               | Redevelopment Agency of the City of West Sacramento |
| 067-180-002                   | 23.91              | Redevelopment Agency of the City of West Sacramento |
| 067-180-003                   | 40.66              | Redevelopment Agency of the City of West Sacramento |
| 067-180-004                   | 17.20              | Redevelopment Agency of the City of West Sacramento |
| 067-180-005                   | 2.04               | Redevelopment Agency of the City of West Sacramento |
| 067-180-024                   | 4.18               | Redevelopment Agency of the City of West Sacramento |
| 067-180-054                   | <u>34.50</u>       | Redevelopment Agency of the City of West Sacramento |
| Total:                        | 210.99             |   |

### Legal Description

A legal description of the subject property is included in the preliminary title report appended hereto.

### Conditions of Title

While the appraiser has reviewed the title report and has not observed any adverse factors, the appraiser assumes no negative title restrictions affect the subject property. The appraiser accepts no responsibility for matters pertaining to title.

### Property Taxes

The property tax system in California was amended in 1978 by Article XIII to the State Constitution, commonly referred to as Proposition 13. It provides for a limitation on property taxes and for a procedure to establish the current taxable value of real property by reference to a base year value, which is then modified annually to reflect inflation (if any). Annual increases cannot exceed 2% per year.

The base year was set at 1975-76 or any year thereafter in which the property is substantially improved or changes ownership. When either of these two conditions occurs, the property is to be re-appraised at market value, which becomes the new base year assessed value. Proposition 13 also limits the maximum tax rate to 1% of the value of the property, exclusive of bonds and supplemental assessments. Bonded indebtedness approved prior to 1978, and any bonds subsequently approved by a two-thirds vote of the district in which the property is located, can be added to the 1% tax rate.

The subject property is owned by public entities and is not taxed. Other properties in the area are generally taxed at approximately 1.07%, plus nominal direct levies and any Special Taxes that may apply. Based on a market sale, it is assumed the subject would be taxed similar to surrounding properties.

### Zoning and Entitlements

Zoning is summarized as follows:

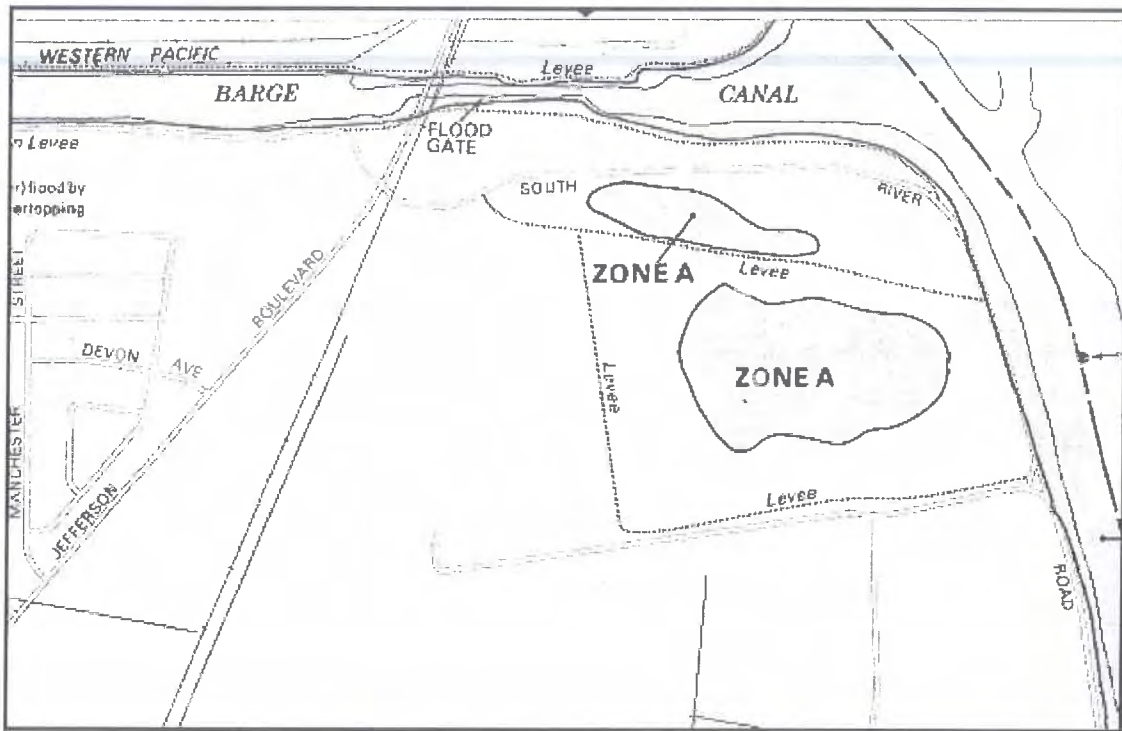
| <u>Acres</u>         | <u>Zoning</u>                    | <u>Southport Framework Plan</u> | <u>General Plan</u>             |
|----------------------|----------------------------------|---------------------------------|---------------------------------|
| 15.20                | R2 - Residential                 | MR - Medium Density Residential | MR - Medium Density Residential |
| 17.10                | R3 - Multiple Family Residential | HR - High Density Residential   | HR - High Density Residential   |
| 68.45                | WF - Waterfront                  | RMU - Mixed Use                 | RMU - River Mixed Use           |
| 14.34                | WF - Waterfront                  | N/A                             | RMU - River Mixed Use           |
| 8.20                 | C1 - Commercial/Neighborhood     | NC - Neighborhood Commercial    | NC - Neighborhood Commercial    |
| 5.40                 | CW - Commercial/Water Related    | WRC - Water Related Commercial  | WRC - Water Related Commercial  |
| 29.90                | RP - Recreation/Parks            | CP - Community Park             | RP - Recreation and Parks       |
| 2.80                 | RP - Recreation/Parks            | NP - Neighborhood Park          | RP - Recreation and Parks       |
| <u>26.70</u>         | POS - Public Open Space          | OS - Open Space                 | OS - Open Space                 |
| net of water: 188.09 |                                  |                                 |                                 |
| water: <u>22.90</u>  |                                  |                                 |                                 |
| total: 210.99        |                                  |                                 |                                 |

While zoned for urban development, future land uses are uncertain. The City has expressed a desire to increase the overall project density, which will require a General Plan Amendment and a reconfiguration of land uses. The Developer has not specified what mix of land uses it envisions for the project, but has indicated its proposed project will vary from mix as currently zoned.

Besides urban zoning, the subject property has no development entitlements in place. Before development may occur, the project would need various approvals, including a Development Agreement, infrastructure improvement plans and tentative subdivision maps. The property is currently assigned zones consistent with the Southport Framework Plan and General Plan. If zoning is altered, additional environmental analysis may be needed, such as a supplemental or new Environmental Impact Report. Given the property's transitional state with market forces expect to change in the coming years, it is possible the City and future property owners may desire a different zoning mix for the subject in the long term.

## Flood Zone

An excerpt from the Federal Emergency Management Agency (FEMA) flood map for the subject is copied below. As shown, there are two Zone A areas on the subject property. These properties are designated as areas of 100-year flood. Historically these areas were utilized as dump sites for Sacramento River dredgings. As the site is development, a Letter of Map Revision (LOMR) will be needed; otherwise flood insurance would be required in these areas.



Source: FEMA Flood Map 060728-0010B

Source: Digital Media Services ([www.floodmaps.com](http://www.floodmaps.com))

Flood Zone: Zone X500 - Areas inundated by 500-year flooding, but outside of the 100-year floodplain.

Zone A – Areas of 100-year flood; no base flood elevations determined.

Map Panel: 060728-0010B

Panel Date: January 19, 1995

Other: The subject property is located mainly within X500, but there are parts of the subject within Zone A. It is believed the Zone A areas may, at some point, be developable, as the site is developed and further flood analysis is completed.

However, as part of a national effort to update all Flood Insurance Rate Maps, the Federal Emergency Management Agency (FEMA) is in the process of re-

evaluating the level of protection provided by all existing flood protection systems in the country. The Federal and State safety guidelines have recently changed, with the new criteria affecting communities protected by levees. If West Sacramento is remapped into an adverse flood zone as a result of new Federal guidelines, as expected, flood insurance would become mandatory for all property owners with federally guaranteed mortgage loans. Such a remapping could suspend all homebuilding until levee improvements are completed.

Please refer the *Property Description and History* section (page 3) for more information regarding potential flood zone remapping and levee improvements.

### **Earthquake Zone**

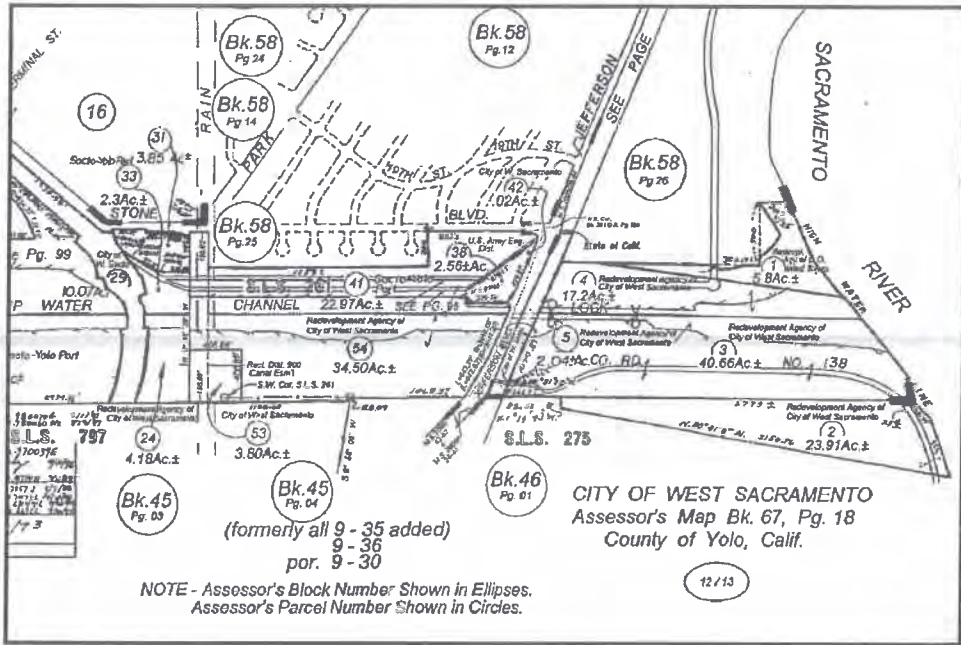
According to the Seismic Safety Commission, the subject site is located within Zone 3, which is considered to be the lowest risk zone in California. There are only two zones in California: Zone 4, which is assigned to areas near major faults; and Zone 3, which is assigned to all other areas of more moderate seismic activity. In addition, the subject is not located in a Fault-Rupture Hazard Zone (formerly referred to as an Alquist-Priolo Special Study Zone), as defined by Special Publication 42 (revised January 1994) of the California Department of Conservation, Division of Mines and Geology.

### **Easements**

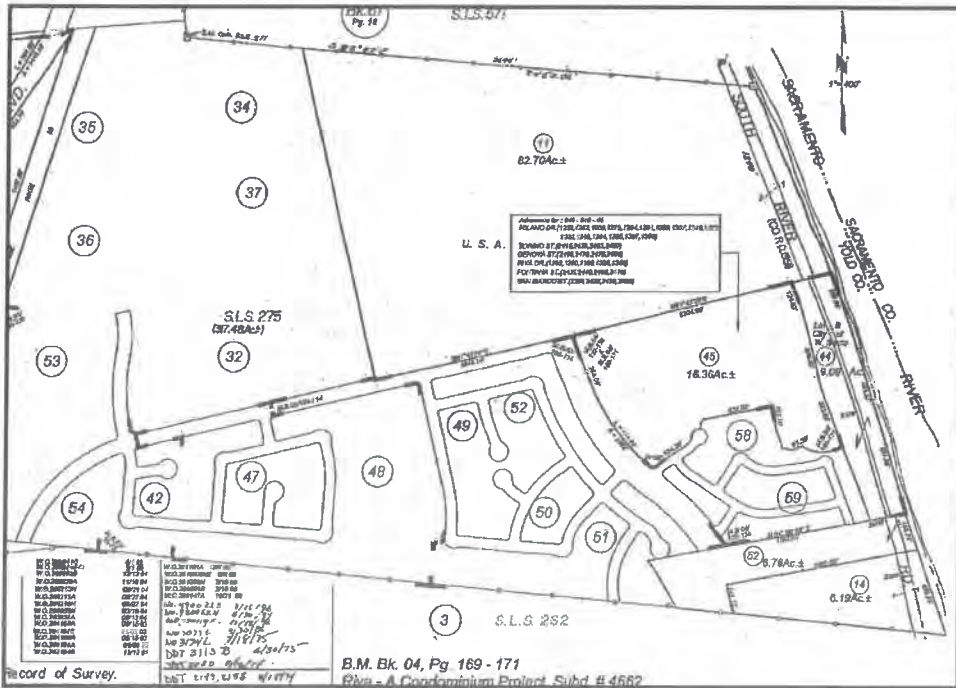
The subject property is encumbered by numerous easements. Our inspection revealed public facilities (City of West Sacramento water pump station). A review of the preliminary title reports revealed various other easements. Of note, there is an underground oil pipeline that extends east-west across the subject. This license has setback requirements that any development plan must take into account. There are various other easements pertaining to the subject's historic use, including dredging and Stone Lock operations. The (William G.) Stone Lock at the Deep Water Ship Channel, which would connect the Deep Water Ship Channel with the Sacramento River, is no longer in use. As the property transitions to urban use, many of these easements possibly can be removed or amended to allow for development. Besides the afore-discussed easements that we have considered in our analysis, we assume other easements are typical and do not have an impact on the opinion(s) of value contained in this report. If, at some future date, any easements are determined to have a detrimental impact on value, the appraiser reserves the right to amend the opinion(s) of value contained herein.



Assessor Parcel Maps



Yolo County Assessor Book 67, Page 18



Yolo County Assessor Book 46, Page 10

Aerial Photo



Note: Subject boundaries approximated. City park site (3.8 acres) not shown. South River Road is not part of the subject property.



## SITE DESCRIPTION

The subject property is identified as the Stone Lock property in the Southport area of the city of West Sacramento, Yolo County, California. The property contains 210.99 gross acres and is primarily located along South River Road, south of the Deep Water Ship Channel and west of the Sacramento River. As of the date of inspection, the property consisted of vacant land and improvements for public facilities. A complete site description of the subject property begins below.

### **Land Area:**

| <u>Assessor Parcel Number</u> | <u>Gross Acres</u> | <u>Ownership</u>                                    |
|-------------------------------|--------------------|---|
| 046-010-011                   | 82.70              | Redevelopment Agency of the City of West Sacramento |
| 067-180-001                   | 5.80               | Redevelopment Agency of the City of West Sacramento |
| 067-180-002                   | 23.91              | Redevelopment Agency of the City of West Sacramento |
| 067-180-003                   | 40.66              | Redevelopment Agency of the City of West Sacramento |
| 067-180-004                   | 17.20              | Redevelopment Agency of the City of West Sacramento |
| 067-180-005                   | 2.04               | Redevelopment Agency of the City of West Sacramento |
| 067-180-024                   | 4.18               | Redevelopment Agency of the City of West Sacramento |
| 067-180-054                   | <u>34.50</u>       | Redevelopment Agency of the City of West Sacramento |
| Total:                        |                    | 210.99  |

Accounting for parcel areas beneath the Sacramento River (22.9 acres), the levee (41.8 acres) and levee setback areas (8.0 acres), we estimate the subject contains 138.29 developable acres.

### **Topography:**

The topography of the subject varies from level to undulating. Levee areas along the Deep Water Ship Channel and Sacramento River slope downward toward the water. For other areas, land west of Jefferson Boulevard is generally level. East of Jefferson Boulevard, the land is level to undulating. Undulating areas include dredge pilings from the Sacramento River. These areas are apt to require grading as the site is developed.

### **Views:**

While the site river frontage, areas along the river are downward sloping and are planned as open space. Developable areas generally exist behind levees, affording minimal views.

### **Soils:**

The appraiser has not been provided a soils report to determine the load bearing capacity of the subject property. Historically the subject has been used as a removal site for dredged soils from the Sacramento River. It is unclear if the subject has compaction or other soil issues. Besides this characteristic, the soils appear to be similar to other local parcels that, to the best of our knowledge, have been improved with no adverse effects.

### **Drainage:**

It is assumed the subject property will have adequate

drainage as the site is development. Drainage infrastructure is not in place.

**Adjacent Uses:**

North  
South  
East  
West

Industrial development  
Single-family residential development  
Sacramento River  
Palamidessi Bridge/vacant industrial land

**Utilities:**

Public utilities, including electricity, water, sewer and telephone service, are available at the parcel boundaries. Natural gas is not adjacent to parcel boundaries but is nearby. Extensions of these utilities onto the subject will be required as the property is developed.

**Environmental Issues:**

At the time of inspection, the appraiser did not observe the existence of hazardous material, which may or may not be present on the properties. The appraiser has no knowledge of the existence of such materials on the properties. However, the appraiser is not qualified to detect such substances. The presence of potentially hazardous materials could affect the value of the properties.

According to the Declaration of Restrictive Covenants, (Document No. 2011-006724), the subject property is suspected to or is known to contain the presence of a hazardous substance, pollutant, or contaminant. Prior to obtaining any building permits or obtaining any land use entitlements, the owner or applicant must demonstrate the project or development of the property is not impacted by environmental contamination by providing the City with a no further action letter issued by the California Water Quality Board or the California Department of Toxic Substances Control.

No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in the field if desired.

The subject property represents transitional land with numerous unknowns. The value estimated herein reflects the risk associated with potential hazardous substances.

**Onsite Improvements:**

The subject property contains a gated/fenced City of West Sacramento water pump station that occupies

approximately one half acre of the subject property. Also, the subject parcels include the “locks” for the Deep Water Ship Channel. While these improvements are onsite, it is believed these improvements and the land to which they are affixed are not part of the subject. Reportedly it is the obligation of the property to maintain the locks; however, historically the property has been owned by a public agency. It is possible that the obligation to maintain the locks may be transferred to a public agency should the subject property be sold to a non-public entity. It is an extraordinary assumption of the report that any future property owner (non-public) would not be required to main the locks.

**Site Utility:**

The land area north of the Deep Water Ship Channel has limited site utility due to its narrow shape and frontage along the channel. This area could be assembled with developed industrial uses to the north to provide for excess land (note the excess land is not zoned for industrial development). More likely, the area will be incorporated as open space as part of a larger development project. Subject parcels south of the Deep Water Ship Channel appear functional in terms of their size, topography, shape and overall location.

**Conclusion:**

The configuration and size of the subject property are considered adequate for development. The subject’s developable area is substantially less than its gross acreage due to water, levees and levee setbacks.



SUBJECT PHOTOGRAPHS



Looking west along South River Road at APN 067-180-003



Looking east across APN 067-180-003



Looking east along South River Road across APN 067-180-003



Northerly view of APN 046-010-011



Looking southeast at development from APN 046-010-011



View of westerly Stone Lock



SUBJECT PHOTOGRAPHS



Looking south along Jefferson Boulevard at Bascule Bridge



Looking west across APN 067-180-004



Looking east across APN 067-180-001



View of Palamidessi Bridge from APN 067-180-036



Looking west across 067-180-036



View of City of West Sacramento Water Booster Pump Station on APN 067-180-024

## HIGHEST AND BEST USE ANALYSIS

The term “highest and best use,” as used in this report, is defined as follows:

The reasonably probable and legal use of vacant land or an improved property that is physically possible, appropriately supported, financially feasible, and that results in the highest value. The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity. Alternatively, the probable use of land or improved property – specific with respect to the user and timing of the use – that is adequately supported and results in the highest present value.<sup>4</sup>

Two analyses are typically required for highest and best use. The first analysis is highest and best use of the land as though vacant, and the second analysis is the highest and best use as improved (not applicable). Definitions of these terms are provided in the *Glossary of Terms* in the Addenda to this report.

### Highest and Best Use – As Vacant

In accordance with the definition of highest and best use, it is appropriate to analyze the subject property as though vacant as it relates to legal permissibility, physical possibility, financial feasibility and maximum productivity. The subject property is zoned for a mix of residential, commercial and community uses. These uses are the legally permissible uses of the subject. While zoned for development, the subject requires a significant number of entitlement approvals before development may occur (as previously discussed). In addition, the City of West Sacramento estimates it will be several years before ongoing levee improvements provide 200-year flood protection. Development is unlikely to occur if there is a risk of a rezone to an adverse flood zone. Outside of water and setback areas, and accounting for easements, development is physically possible. Given the subject consists of multiple parcels, assemblage of these parcels into a single project is a viable alternative. However, market declines are ongoing and in many instances, finished single-family lots are transferring with prices below the cost of installing infrastructure and site improvements. Recent interviews with real estate brokers cite finished lot values of approximately \$40,000 in Southport for low density residential lots. The subject’s residential component is expected to consist primarily of medium and high density lots, which would have values below this range and below the cost of installing infrastructure and in-tract development. Thus, it is not financially feasible to develop the residential components of the subject property. Further, as a mixed project, commercial uses as zoned would likely not be feasible until residential components are developed first (to provide demand for the neighborhood and village commercial uses). Thus, as vacant, the highest and best use of the subject is to assemble the subject parcels and hold for future development. While holding for market conditions to stabilize and levee improvements to be completed, entitlements for development should be procured. Overall, we estimate a five to ten year development timeline for the subject property. The probable buyer is an investor or land speculator.

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<sup>4</sup> The Dictionary of Real Estate Appraisal, 5<sup>th</sup> ed. (Chicago: Appraisal Institute, 2010), 93.



## APPROACHES TO VALUE

The valuation process is a systematic procedure used in the valuation of real property.<sup>5</sup> This process involves the investigation, organization and analysis of pertinent market data and other related factors that affect the market value of real estate. The market data is analyzed in terms of any one or all of the three traditional approaches to estimating real estate value. These are the cost, sales comparison and income capitalization approaches. Each approach to value is briefly discussed and defined as follows:

### **Cost Approach**

The cost approach is based on the premise that no prudent buyer would pay more for a particular property than the cost to acquire a similar site and construct improvements of equivalent desirability and utility. Thus, this approach to value relates directly to the economic principle of substitution, as well as supply and demand. The cost approach is most applicable when valuing properties where the improvements are new or suffer only a minor amount of accrued depreciation, and is especially persuasive when the site value is well supported. The cost approach is also highly relevant when valuing special-purpose or specialty properties and other properties that are not frequently exchanged in the market.

The definition of the cost approach is offered as follows:

A set of procedures through which a value indication is derived for the fee simple interest in a property by estimating the current cost to construct a reproduction of (or replacement for) the existing structure, including an entrepreneurial incentive, deducting depreciation from the total cost, and adding the estimated land value. Adjustments may then be made to the indicated fee simple value of the subject property to reflect the value of the property interest being appraised.<sup>6</sup>

### **Sales Comparison Approach**

The sales comparison approach is based on the premise that the value of a property is directly related to the prices being generated for comparable, competitive properties in the marketplace. Similar to the cost approach, the economic principles of substitution, as well as supply and demand are basic to the sales comparison approach. This approach has broad applicability and is particularly persuasive when there has been an adequate volume of recent, reliable transactions of similar properties that indicate value patterns or trends in the market. When sufficient data are available, this approach is the most direct and systematic approach to value estimation. Typically, the sales comparison approach is most pertinent when valuing land, single-family homes and small, owner-occupied commercial and office properties.

The definition of the sales comparison approach is offered as follows:

The process of deriving a value indication for the subject property by comparing market information for

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<sup>5</sup> The Dictionary of Real Estate Appraisal, 5<sup>th</sup> ed. (Chicago: Appraisal Institute, 2010), 205.

<sup>6</sup> The Dictionary of Real Estate Appraisal, 47.

similar properties with the property being appraised, identifying appropriate units of comparison, and making qualitative comparisons with or quantitative adjustments to the sale prices (or unit prices, as appropriate) of the comparable properties based on relevant, market-derived elements of comparison.<sup>7</sup>

### **Income Capitalization Approach**

The income capitalization approach is based on the premise that income-producing real estate is typically purchased as an investment. From an investor's point of view, the potential earning power of a property is the critical element affecting value. The concepts of anticipation and change, as they relate to supply and demand issues and substitution, are fundamental to this valuation approach. These concepts are important because the value of income-producing real estate is created by the expectation of benefits (income) to be derived in the future, which is subject to changes in market conditions. Value may be defined as the present worth of the rights to these future benefits. The validity of the income capitalization approach hinges upon the accuracy of which the income expectancy of a property can be measured.

Within the income capitalization approach there are two basic techniques that can be utilized to estimate market value. These techniques of valuation are direct capitalization and yield capitalization.

*Direct Capitalization:* A method used to convert an estimate of a single year's income expectancy into an indication of value in one direct step, either by dividing the net income estimate by an appropriate capitalization rate or by multiplying the income estimate by an appropriate factor. Direct capitalization employs capitalization rates and multipliers extracted or developed from market data. Only a single year's income is used. Yield and value changes are implied but not identified.<sup>8</sup>

*Yield Capitalization:* A method used to convert future benefits into present value by 1) discounting each future benefit at an appropriate yield rate, or 2) developing an overall rate that explicitly reflects the investment's income pattern, holding period, value change, and yield rate.<sup>9</sup>

The definition of the income capitalization approach is offered as follows:

A set of procedures through which an appraiser derives a value indication for an income-producing property by converting its anticipated benefits (cash flows and reversion) into property value. This conversion can be accomplished in two ways. One year's income expectancy can be capitalized at a market-derived capitalization rate or at a capitalization rate that reflects a specified income pattern, return on investment, and change in the value of the investment. Alternatively, the annual cash flows for the holding period and the reversion can be discounted at a specified yield rate.<sup>10</sup>

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<sup>7</sup> The Dictionary of Real Estate Appraisal, 5<sup>th</sup> ed. (Chicago: Appraisal Institute, 2010), 175.

<sup>8</sup> The Dictionary of Real Estate Appraisal, 58.

<sup>9</sup> The Dictionary of Real Estate Appraisal, 211.

<sup>10</sup> The Dictionary of Real Estate Appraisal, 99.

## APPRAISAL METHODOLOGY

In the valuation of the subject property, we utilize the sales comparison approach, where we adjust the prices of comparables based on relative differences compared to the subject. Our analysis excludes a typical income capitalization approach, since the subject property represents vacant land with limited extended income potential. Also, as vacant land, the cost approach is not applicable.

## SALES COMPARISON APPROACH

By employing the sales comparison approach, the market value of the subject property will be estimated by a comparison to similar properties that have recently sold, are listed for sale or are under contract. The underlying premise of the sales comparison approach is the market value of a property is directly related to the price of comparable, competitive properties in the marketplace.

This approach is based on the economic principle of substitution. According to The Appraisal of Real Estate, 13<sup>th</sup> Edition (Chicago: Appraisal Institute, 2008), *“The principle of substitution holds that the value of property tends to be set by the price that would be paid to acquire a substitute property of similar utility and desirability within a reasonable amount of time. The principle implies that the reliability of the sales comparison approach is diminished if substitute properties are not available in the market”* (p. 298).

On the following pages, we present and analyze several comparable sales located throughout the region. In order to assemble the comparable sales, we searched public records and other data sources for leads, then confirmed the raw data obtained with parties directly related to the transactions (primarily brokers, buyers and sellers). The comparable transactions represent transitional land sales that are planned for urbanization.

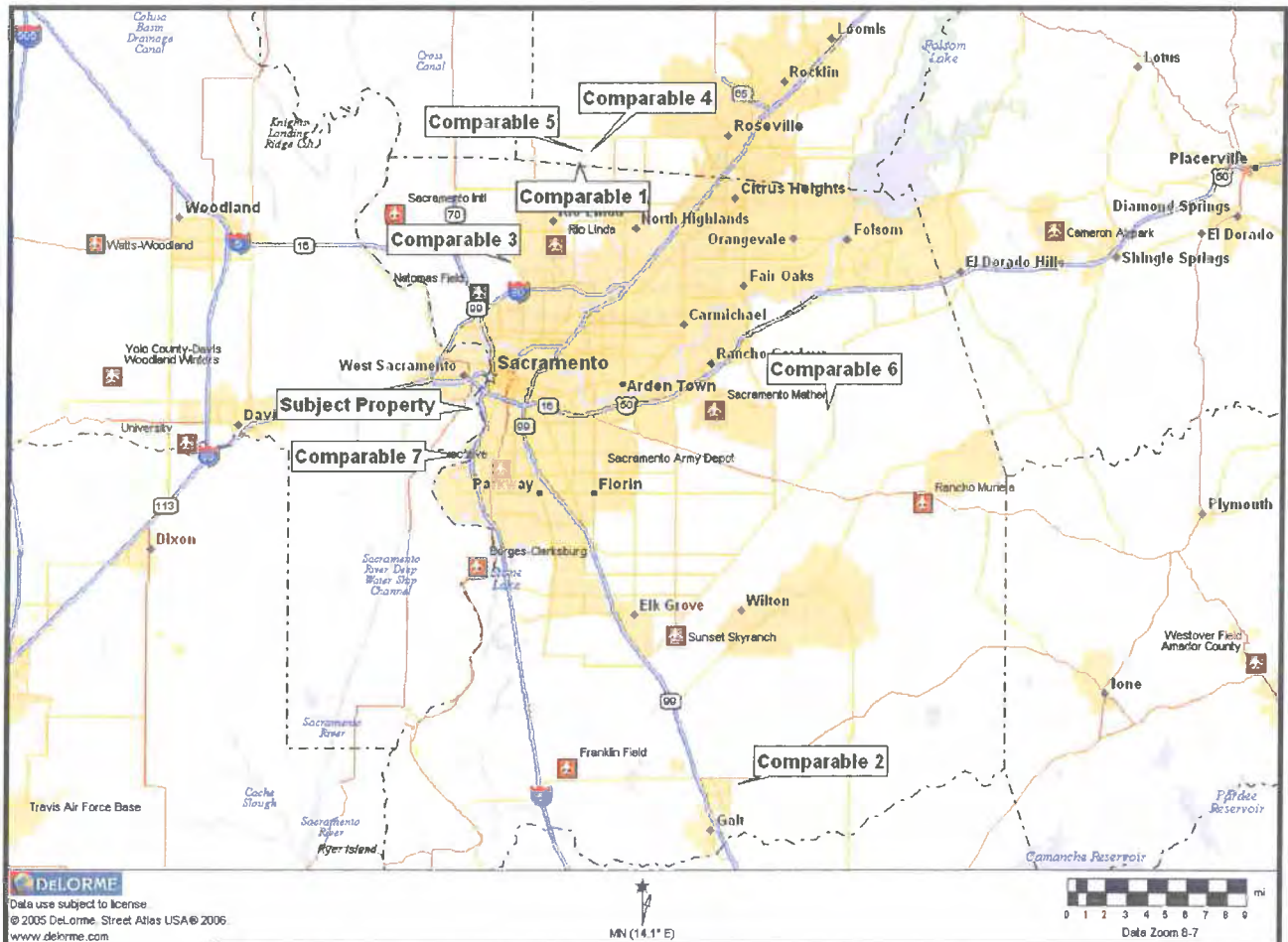
We begin by presenting a summary tabulation and location map, followed by detailed sales sheets, a discussion of adjustments and our conclusion of market value via this approach. The sales utilized in our analysis are the most recent transactions considered reasonably similar to the subject property.



## COMPARABLES SUMMARY

| No. | Location   | Sale Date / Close Date | Sale Price                           | Gross Acres      | Price per Gross Acre | Comments                |
|-----|--|------------------------|--------------------------------------|------------------|----------------------|-------------------------|
| 1   | South side of Dyer Lane, east of Palladay Road<br>Placer Vineyards Specific Plan, Placer County<br>APN: 023-010-006 et al                  | Dec-11                 | \$500,000                            | 94.00<br>(est.)  | \$5,319              | Placer Vineyards        |
| 2   | East side of Marengo Road, south of Twin Cities Road and West of Cherokee Lane<br>Galt (SOI), Sacramento County<br>APN: 148-0090-059 et al | Jan-11                 | \$3,600,000                          | 358.19           | \$10,051             | Galt SOI                |
| 3   | West side of Sorento Road, north of Del Paso Road<br>Sacramento (SOI), Sacramento County<br>APN: 225-0050-020 et al                        | Feb-11                 | \$560,500                            | 39.83            | \$14,072             | Northern Panhandle Area |
| 4   | North side of Dyer Lane, east of Palladay Road<br>Placer County<br>APN: 023-200-009  | Pending                | \$3,630,000                          | 242.00<br>(est.) | \$15,000             | Placer Vineyards        |
| 5   | North side of Dyer Lane, east of Palladay Road<br>Placer County<br>APN: 023-200-068  | Mar-11                 | \$1,825,000<br>(total consideration) | 102.00<br>(est.) | \$17,892             | Placer Vineyards        |
| 6   | Southwest corner of Douglas Road and Grant Line Road<br>Rancho Cordova, Sacramento County<br>APN: 067-0040-021 et al                       | Jul-11                 | \$2,000,000                          | 105.10<br>(est.) | \$19,029             | Sunridge Specific Plan  |
| 7   | Southwest quadrant of South River Road and Davis Road<br>West Sacramento, Yolo County<br>APN: 046-250-001 et al                            | Apr-11                 | \$8,315,000                          | 371.68           | \$22,371             | River Park              |

## COMPARABLES MAP

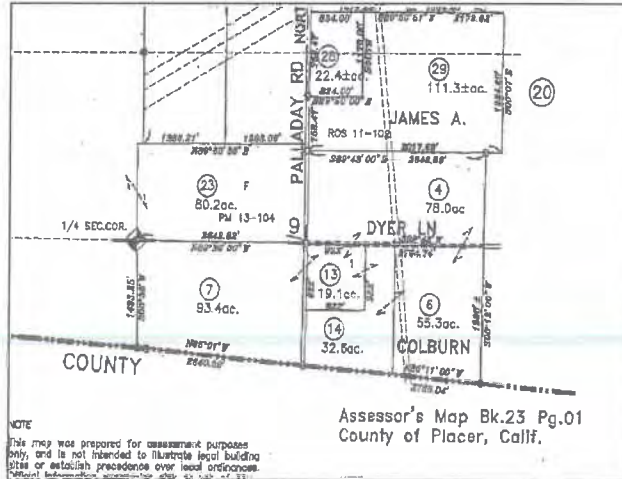


**Property Identification**  
Agricultural/Rural Land

South side of Dyer Lane, east of Palladay Road  
Placer County, CA

APN: 023-010-006 & -014

**COMPARABLE 1**



**Sale Data**

|                      |                              |
|----------------------|------------------------------|
| Grantor              | Sterling Savings Bank        |
| Grantee              | Placer Vineyards Dev Grp LLC |
| Sale Date            | 12/12/2011                   |
| Deed Book Page       | 98905                        |
| Property Rights      | Fee Simple                   |
| Conditions of Sale   | See Remarks                  |
| Financing Terms      | Cash Equivalent              |
| Sale Price           | \$500,000                    |
| Annual Bond Payments | \$0                          |

**Land Data**

|                       |                                      |
|-----------------------|--------------------------------------|
| Land Area (SF)        | 4,094,640                            |
| Land Area (Acres)     | 94.00                                |
| Zoning                | SPL-PVSP, See Remarks                |
| Shape                 | Irregular                            |
| Corner Orientation    | No                                   |
| Street Frontage       | Palladay Road and Dyer Lane          |
| Topography            | Level to rolling                     |
| Off-Site Improvements | Paved access, electricity, telephone |
| On-Site Improvements  | None                                 |

**Indicators**

|                               |         |
|-------------------------------|---------|
| Sale Price per Acre           | \$5,319 |
| Annual Bond Payments per Acre | \$0     |

**Remarks**

This property includes 43 acres of 151 low density units, 20 acres of 121 medium density units, 5.5 acres of estate residential and 16 acres of open space, as well as additional acreage for neighborhood parks and roads. The open space area contains wetlands that is not developable. The buyer is a conglomerate of owners with properties located elsewhere in the Placer Vineyards Specific Plan. The buyers plan to use this property primarily for mitigation purposes. The property went to auction in October 2011 but did not sell. With additional marketing, there were two buyers, and both had offers in the \$5K to \$6K/acre range. This property is located at the southern boundary of the Specific Plan, just north of the Sacramento County/Placer County boundary. As such it would be one of the last properties developed in the Specific Plan. Assessor maps indicate this property contains 87.9 acres; however, Specific Plan documents, which reflect more current engineering analysis, show the property contains 94.0 acres.

**COMPARABLE 2**

**Property Identification**  
Agricultural/Rural Land

East side of Marengo Road, south of Twin Cities Road and west of Cherokee Lane  
Galt, CA  
Sacramento County

Map Grid:  
APN: 148-0090-059 et al



**Sale Data**

|                      |                     |
|----------------------|---------------------|
| Grantor              | First Bank          |
| Grantee              | JD Land Fund LLC II |
| Sale Date            | 01/03/2011          |
| Deed Book Page       | 110103-201          |
| Property Rights      | Fee Simple          |
| Conditions of Sale   | See Remarks         |
| Financing Terms      | Cash Equivalent     |
| Sale Price           | \$3,600,000         |
| Annual Bond Payments | \$0                 |

**Land Data**

|                       |  |
|-----------------------|--|
| Land Area (Acres)     | 358.19   |
| Zoning                | AG-80; Various SFR urban densities by Galt GP, |
| Shape                 | Rectangular                                    |
| Corner Orientation    |  |
| Street Frontage       | Twin Cities Road                               |
| Topography            | Generally level                                |
| Off-Site Improvements | Paved access, electricity, telephone           |
| On-Site Improvements  | None   |

**Indicators**

|                               |          |
|-------------------------------|----------|
| Sale Price per Acre           | \$10,051 |
| Annual Bond Payments Per Acre | \$0      |

**Remarks**

This property is located in the sphere of influence of Galt and was proposed for a master planned community by YCH Development LP (which does business as Young California Homes). This developer encountered financial difficulties and its lender, First Bank, foreclosed. The property was marketed for sale over one year and sold to an affiliate of SunCal Development. Under the 2030 Galt General Plan, the parcels are designated for residential estates (0-1 units/acre), low density residential (0-6 units/acre), medium density residential (5-8 units/acre), medium-high density residential (8-14 units/acre), high density residential (14-24 units/acre), a minor commercial component, open space, parks and a school site. The property is not entitled for development and at the time of sale there were no active applications to entitle, annex or rezone the property. Further, no environmental or feasibility studies had been completed.

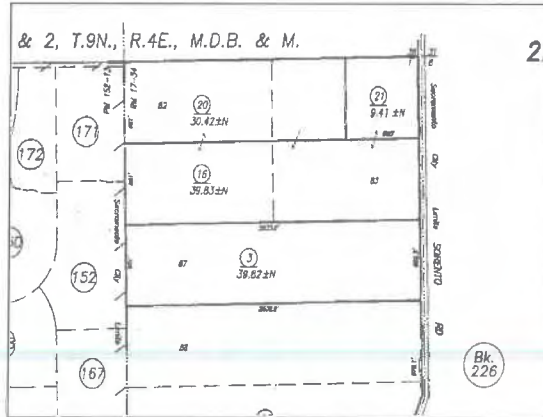


**Property Identification**  
Agricultural/Rural Land

West side of Sorento Road, north of Del Paso Road  
Sacramento, CA  
Sacramento County

APN: 225-0050-020 & -021

**COMPARABLE 3**



**Sale Data**

|                    |                                       |
|--------------------|---------------------------------------|
| Grantor            | Comerica Bank                         |
| Grantee            | Richter J. Rise Trust/Rappaport Trust |
| Sale Date          | 02/09/2011                            |
| Deed Book Page     | 110209-145                            |
| Property Rights    | Fee Simple                            |
| Conditions of Sale | See Remarks                           |
| Financing Terms    | Cash Equivalent                       |
| Sale Price         | \$560,500                             |
| PV of Bonds        | \$0                                   |

**Land Data**

|                       |                                      |
|-----------------------|--------------------------------------|
| Land Area (SF)        | 1,734,995                            |
| Land Area (Acres)     | 39.83                                |
| Zoning                | AG-80, See Remarks                   |
| Shape                 | Rectangular                          |
| Corner Orientation    | No                                   |
| Street Frontage       | Sorento Road                         |
| Topography            | Generally level                      |
| Off-Site Improvements | Paved access, electricity, telephone |
| On-Site Improvements  | Cell phone tower                     |

**Indicators**

|                                  |                        |
|----------------------------------|------------------------|
| Sale Price per Acre              | \$14,072               |
| Sale Price per Acre net of lease | \$12,549 (see remarks) |
| Annual Bond Payments per Acre    | \$0                    |

**Remarks**

This property represents a 39.83-acre portion of the 594.7-acre Northern Panhandle Area of Sacramento County, which is planned for annexation and had various entitlements in process before the project was placed on hold. The highest and best use of this property includes assemblage with other properties in the Northern Panhandle Area. The 594.7-acre area is proposed for 3,075 residential units. Specifically, the property is planned for 257.4 acres of low density residential, 70.8 acres of medium density residential, 24.1 acres of high density residential, 24.3 acres of commercial development, and 217.1 other acres for schools, parks, open space and infrastructure. There is a planned 46.6-acre open space parkway beneath the overhead high-voltage power lines, and a planned 20.8-acre detention basin. These areas (67.4 total acres) are not developable. This specific 39.83-acre portion is planned for a mix of low, medium and high density (multifamily) residential, with a park site and approximately 20% of the property proposed for a planned detention basin and open space corridor. The seller was a lender than had foreclosed on the previous owner (Dunmore Communities). According to the seller, there were two interested parties. The buyer was a nearby property owner and was motivated. The seller indicates the sale price was above market as a result. The property has a cell phone tower onsite that generates \$14,400 per year. Assuming a 6% discount (safe) rate and a five year holding period, the cell phone tower contributes to value approximately \$60,658, or \$1,523 per acre. Net of the tower, the price per acre equates to \$12,549 per acre, which is utilized in our analysis. A building moratorium due to needed levee improvements was ongoing at the time of sale.

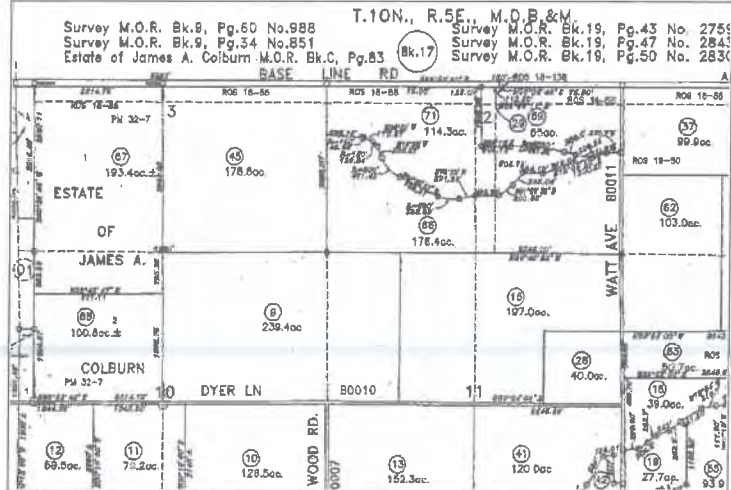
**Property Identification**  
Agricultural/Rural Land

North side of Dyer Lane, east of Palladay Road

Placer County, CA

APN: 003-200-009

**COMPARABLE 4**



**Sale Data**

|                      |                                 |
|----------------------|---------------------------------|
| Grantor              | John Manikas et al              |
| Grantee              | Not Disclosed                   |
| Sale Date            | January 2012 contract (pending) |
| Deed Book Page       | Not applicable                  |
| Property Rights      | Fee Simple                      |
| Conditions of Sale   | See Remarks                     |
| Financing Terms      | Cash Equivalent                 |
| Sale Price           | \$3,630,000                     |
| Annual Bond Payments | \$0                             |

**Land Data**

|                       |  |
|-----------------------|--|
| Land Area (Acres)     | 242.0                                    |
| Zoning                | SPL-PVSP, Placer Vineyards Specific Plan |
| Shape                 | Irregular                                |
| Corner Orientation    | No                                       |
| Street Frontage       | Dyer Lane                                |
| Topography            | Level to undulating                      |
| Off-Site Improvements | Paved access, electricity, telephone     |
| On-Site Improvements  | None                                     |

**Indicators**

|                               |          |
|-------------------------------|----------|
| Sale Price per Acre           | \$15,000 |
| Annual Bond Payments per Acre | \$0      |

**Remarks**

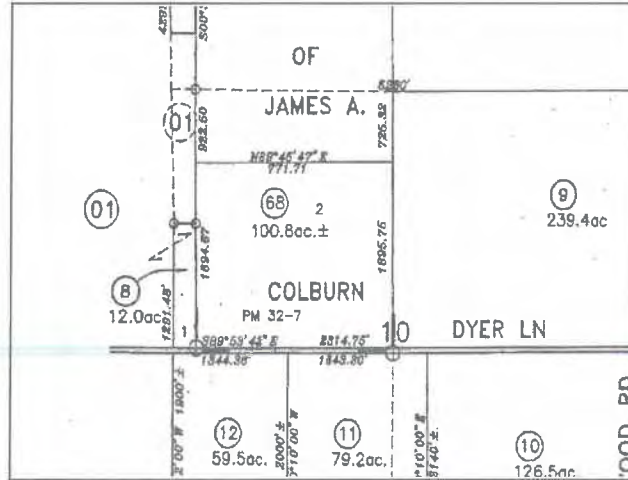
This comparable represents a pending short sale. The property is planned for 148.0 acres of medium density land (819 units), 10.5 acres of high density land (158 units), 30.0 acres of open space, as well as land for public facilities, schools, parks and infrastructure. The open space land contains wetlands and is not developable. This property is located near the middle of the Placer Vineyards Specific Plan and will depend on infrastructure improvements being extended to this property by adjacent owners. Assessor maps indicate this property contains 239.4 acres; however, Specific Plan documents, which reflect more current engineering analysis, show the property contains 242.0 acres.

**COMPARABLE 5**

**Property Identification**  
Agricultural/Rural Land

North side of Dyer Lane, east of Palladay Road  
Placer County, CA

APN: 023-200-068



**Sale Data**

|                    |                  |
|--------------------|------------------|
| Grantor            | BBC Tan Wood LLC |
| Grantee            | Place 102 LLC    |
| Sale Date          | 03/31/2011       |
| Deed Book Page     | 25820            |
| Property Rights    | Fee Simple       |
| Conditions of Sale | See Remarks      |
| Financing Terms    | Cash Equivalent  |
| Sale Price         | \$1,825,000      |
| PV of Bonds        | \$0              |

**Land Data**

|                       |                                      |
|-----------------------|--------------------------------------|
| Land Area (SF)        | 4,443,120                            |
| Land Area (Acres)     | 102.00                               |
| Zoning                | SPL-PVSP, See Remarks                |
| Shape                 | Rectangular                          |
| Corner Orientation    | No                                   |
| Street Frontage       | Dyer Lane                            |
| Topography            | Level to rolling                     |
| Off-Site Improvements | Paved access, electricity, telephone |
| On-Site Improvements  | None                                 |

**Indicators**

|                               |          |
|-------------------------------|----------|
| Sale Price per Acre           | \$17,892 |
| Annual Bond Payments per Acre | \$0      |

**Remarks**

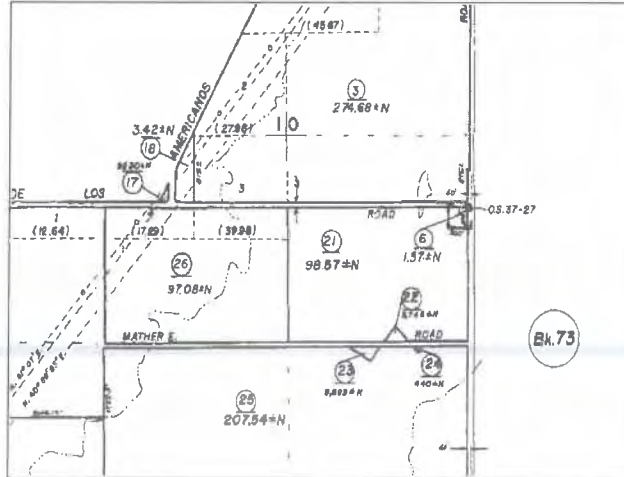
This comparable was a short sale. The price above reflects the total consideration paid, which includes \$100,000 paid by the buyer for unpaid Placer Vineyards owners group fees. The property is planned for 64.0 acres of medium density land (342 units), 3.0 acres of commercial land (with 38 units), 6.5 acres of open space, as well as land for public facilities, schools, parks and infrastructure. The open space land contains wetlands and is not developable. This property is located near the middle of the Placer Vineyards Specific Plan and will depend on infrastructure improvements being extended to this property by adjacent owners. Assessor maps indicate this property contains 100.8 acres; however, Specific Plan documents, which reflect more current engineering analysis, show the property contains 102.0 acres.

**Property Identification**  
Agricultural/Rural Land

Southwest corner of Douglas Road and Grant  
Line Road  
Rancho Cordova, CA  
Sacramento County

APN: 067-0040-021

**COMPARABLE 6**



**Sale Data**

|                    |                             |
|--------------------|-----------------------------|
| Grantor            | BBC Rancho Cordova Land LLC |
| Grantee            | Douglas Road 105 LLC        |
| Sale Date          | 07/29/2011                  |
| Deed Book Page     | 110729-725                  |
| Property Rights    | Fee Simple                  |
| Conditions of Sale | See Remarks                 |
| Financing Terms    | Cash Equivalent             |
| Sale Price         | \$2,000,000                 |
| PV of Bonds        | \$0                         |

**Land Data**

|                       |                                      |
|-----------------------|--------------------------------------|
| Land Area (SF)        | 4,573,800                            |
| Land Area (Acres)     | 105.10                               |
| Zoning                | Various, See Remarks                 |
| Shape                 | Rectangular                          |
| Corner Orientation    | Yes                                  |
| Street Frontage       | Douglas Road and Grant Line Road     |
| Topography            | Level to rolling                     |
| Off-Site Improvements | Paved access, electricity, telephone |
| On-Site Improvements  | None                                 |

**Indicators**

|                               |          |
|-------------------------------|----------|
| Sale Price per Acre           | \$19,029 |
| Annual Bond Payments per Acre | \$0      |

**Remarks**

This comparable represents a short sale. The property is planned for 693 residential units (typical lot sizes ranging from 2,100 to 5,460 SF) and 12.1 acres of neighborhood parks. There are also 7.6 acres of planned open space, but this area is ordinary and not environmentally sensitive. Thus, the property is 100% developable. Assessor maps show this property contains 99.3 acres; however, the Specific Plan, which includes more recent engineering analysis, reflects 105.1 acres.

**Property Identification**  
Transitional Land

Southwest quadrant of South River Road and  
Davis Road  
West Sacramento, CA  
Yolo County

APN: 046-250-001 et al

**COMPARBLE 7**



**Sale Data**

|                      |                      |
|----------------------|----------------------|
| Grantor              | Central Pacific Bank |
| Grantee              | Sun M Capital LLC    |
| Sale Date            | 04/26/2011           |
| Deed Book Page       | 11549                |
| Property Rights      | Fee Simple           |
| Conditions of Sale   | REO/Market           |
| Financing Terms      | Seller Financing     |
| Sale Price           | \$8,315,000          |
| Annual Bond Payments | \$0                  |

**Land Data**

|                       |  |
|-----------------------|--|
| Land Area (Acres)     | 371.68                                     |
| Zoning                | R1B, R2, RP, PQP, C1, POS, Mixed           |
| Shape                 | Irregular                                  |
| Corner Orientation    | No   |
| Street Frontage       | South River Road                           |
| Topography            | Generally level                            |
| Off-Site Improvements | Paved access and electricity and telephone |
| On-Site Improvements  | None                                       |

**Indicators**

|                               |          |
|-------------------------------|----------|
| Sale Price per Acre           | \$22,371 |
| Annual Bond Payments per Acre | \$0      |

**Remarks**

Central Pacific Bank foreclosed on this property from Richland Communities and subsequently sold the property to an investment group. In 2008 Richland Communities had procured entitlement approvals from the City for 2,284 residential units and 8.4 acres of commercial development land for the 452.50-acre project known as River Park. This sale represents a portion of that project. Entitlements approved include a Development Agreement (DA), planned development permit and Environmental Impact Report (EIR). Small lot tentative maps and improvement plans are needed. Central Pacific Bank retained ownership of a 26-acre parcel (not included in this sale) because it had environmental hazards from former agricultural use. Other properties in River Park have different ownerships. The buyer of this property is an investment company from Southern California. Reportedly the buyer utilized equity investors from China. The River Park project overall contains 72.8 acres of undevelopable open space acreage. We estimate this portion of the larger project contains approximately 60 acres of open space. At the time of sale, the City estimates it would be approximately seven years before levee improvements are completed to provide 200-year flood protection in the Southport area, which coincides with the 5 to 10 year development timeline for this project.



## **Consideration for Adjustments**

The comparable transactions are adjusted based on the profile of the subject property with regard to categories that affect market value. If a comparable has an attribute considered superior to that of the subject, it is adjusted downward to negate the effect the item has on the price of the comparable. The opposite is true of categories considered inferior to the subject.

Percentage or dollar adjustments are considered appropriate in order to isolate and quantify the adjustments on the comparable sales data. At a minimum, the appraiser considers the need to make adjustments for the following items:

- Expenditures after Sale (i.e. bond holding costs)
- Property rights conveyed
- Financing terms
- Conditions of sale (motivation)
- Market conditions (time)
- Location
- Physical features

A paired sales analysis is performed in a meaningful way when the quantity and quality of data are available. However, many of the adjustments require the appraiser's experience and knowledge of the market and information obtained from those knowledgeable and active in the marketplace.

As stated, present market conditions are distressed. While many institutional investors analyze lot prices and trends closely, other lesser sophisticated buyers do not rely heavily on quantitative adjustments. This analysis relies on qualitative adjustments. Quantitative adjustments are made by percentage adjustments. Qualitative adjustments are classified as vastly superior/inferior.

A discussion involving the adjustment factors is presented below.

### **Expenditures After Sale/Bonds**

Regarding expenditures after sale (for bonds and atypical carrying costs), the subject and comparables do not have any expenditures after sale and are not encumbered by bonds. Adjustments for expenditures after sale do not apply. Note the terms of the subject's option and assignment agreements have no influence on the fee simple value.

Note Comparable 3 has a cell phone tower that we estimate contributed \$1,523/acre to the total sale price. The estimated contributory value of the cell tower has been deducted from the sale price. The price shown in the adjustment grid is net of the lease.

## **Property Rights Conveyed**

In transactions of real property, the rights being conveyed vary widely and have a significant impact on the sales price. As previously noted, the opinion of value in this report is based on a fee simple estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat; as well as non-detrimental easements, community facility districts, and conditions, covenants and restrictions (CC&Rs). The subject property and all the comparables represent fee simple estate transactions; therefore, adjustments for this factor are not necessary.

## **Financing Terms**

In analyzing the comparables, it is necessary to adjust for financing terms that differ from market terms. Typically, if the buyer retained third party financing (other than the seller) for the purpose of purchasing the property, a cash price is presumed and no adjustment is required. However, in instances where by the seller provides financing as a debt instrument, a premium may have been paid by the buyer for below market financing terms or a discount may have been demanded by the buyer if the financing terms were above market. The premium or discounted price must then be adjusted to a cash equivalent basis. All of the comparable sales were cash to the seller transactions. Adjustments for this factor do not apply.

## **Conditions of Sale**

Adverse conditions of sale can account for a significant discrepancy from the sales price actually paid compared to that of the market. This discrepancy in price is generally attributed to the motivations of the buyer and the seller. Certain conditions of sale are considered to be non-market and may include the following:

- a seller acting under duress,
- a lack of exposure to the open market,
- an inter-family or inter-business transaction for the sake of family or business interest,
- an unusual tax consideration,
- a premium paid for site assemblage,
- a sale at legal auction, or
- an eminent domain proceeding.

All of the comparables were seller-motivated in that they were short sale or REO transactions. However, market conditions overall are distressed, and considering that the comparables were adequately marketed for sale, most do not require adjustments for conditions of sale. The exceptions are Comparables 3 and 7, which both involved buyer motivation that resulted in above market prices. These comparables require downward adjustments.



## **Market Conditions**

Market conditions generally change over time, but the date of value is for a specific point in time. Therefore, in an unstable economy, one that is undergoing changes in the value of the dollar, interest rates and economic growth or decline, extra attention needs to be paid to assess changing market conditions. Significant monthly changes in price levels can occur in several areas of a municipality, while prices in other areas remain relatively stable. Although the adjustment for market conditions is often referred to as a time adjustment, time is not the cause of the adjustment.

The comparables represent 2011 or later (pending) transactions. Between 2011 and the date of value, market conditions for mid to long term transitional properties have held steady. Adjustments for market conditions are not applicable.

## **Physical Characteristics**

The physical characteristics of a property can impact the selling price. Those that may impact value are discussed on the following pages.

### Location

The subject is located in the Southport area of West Sacramento. Comparables 1, 3, 4 and 5 are located in expanding suburban areas of Sacramento or Placer Counties, which are inferior to the subject. These comparables receive consideration for upward adjustments. Comparables 2 and 6 also have inferior locations. Comparable 2 is located in Galt, which is a commuter destination, and Comparable 6 is located in Rancho Cordova, which has significantly higher development impact fees (that downwardly affect land values). These comparables receive greater consideration for upward adjustments. Comparable 7 is located in the Southport area of West Sacramento like the subject and does not require adjustment.

### Entitlements

Entitlements for development are major hurdles to development in the current market, given growth limitations and the litigious nature of land development in California. Procurement and approval of an EIR and subsequent development agreement can often take several years, depending on the complexity of the project, location and sensitivity to surrounding land uses. Conversations with land developers, brokers and market participants, coupled with indications in the market, suggest there is a substantial enhancement to value of land when major entitlement obstacles are overcome, which may include an EIR, Financing Plan and development agreement. Benefits of the development agreement will often include an agreement for applicable permits and impact fees due for a proposed project. Properties with partially completed entitlements do not typically transfer in the market, since there entitlement approvals, once obtained, generally enhance value. In some instances—namely, if

development is not financially feasible—entitlement approvals may offer limited to no contributory value.

As noted throughout this report, the subject has urban zoning in place but requires significant additional approvals, including a Development Agreement and other items previously discussed. Comparables 1, 4, 5, 6 and 7 had most development entitlements in place. Of these, Comparables 4, 5, 6 and 7 have 5 to 10 year development horizons like the subject; these comparables receive no upward adjustments. Comparable 1 is approved but is not located in the immediate path of growth. Based on current supply and demand conditions, this property has a 10 to 15 year development timeline. For properties with long term development timelines, entitlements offer limited to no contributory value. An adjustment to Comparable 1 for entitlements is not warranted. Note, however, that a separate adjustment will be applied for its inferior development timeline.

Comparables 2 and 3 do not have completed entitlement approvals. These comparables do not require adjustment.

#### Land Area

Generally, there is an inverse relationship between parcel size and price per acre, such that larger parcels tend to sell for a lower price per acre than smaller parcels, all else being equal. The subject property and comparables are analyzed on a gross acre basis. The subject contains 210.99 gross acres. Comparables 1, 5 and 6 range from 94.00 to 105.10 acres and require downward adjustments. In contrast, Comparables 2, 3 and 7 range from 358.19 to 594.70 acres. These comparables receive upward adjustments. Note Comparable 3 contains just 39.83 acres, but its highest and best use is assemblage with other properties in its immediate plan area, which contains 594.70 acres. Comparable 4 contains 242.00 acres and is similar in size to the subject.

#### Developable Area

The subject property contains 22.9 acres of water, 41.8 acres of levees and 8.0 acres of levee setback areas. These areas are not developable. Thus, the subject, with 138.29 developable acres (210.99 - 22.9 - 41.8 - 8.0), is approximately 65% developable. Other areas onsite for streets, common area landscaping are ordinary and are considered developable. We've considered the developable areas of the comparables relative to the subject. While the comparables are not affected by water and levee setbacks like the subject, many are affected by undevelopable wetlands and/or canal areas. The developable percentages of the comparables range from 85% to 100%. Each comparable is superior to the subject and downward adjustments are applied accordingly.

#### Development Timeline

The subject property has an estimated 5 to 10 year development timeline, which is a function of broad economic declines as well as supply and demand influences. Institutional investors acquiring

lots under present market conditions typically expect an annual return between 15% to 40%, depending on lot type, market area and holding period. However, market evidence suggest that lesser sophisticated investors will accept a lesser return, with sale prices just above agricultural pricing. In consideration of expected land investor returns, Comparable 1, which has a 10 to 15 year development timeline, is significantly inferior. A significant upward adjustment is required. Comparables 2 through 7 have development timelines similar to the subject (5 to 10 years) and do not require adjustments.

#### Long Term Development Use/Zoning

The developable areas of the subject property, as assembled, are zoned for a mix of residential, commercial and community uses. Specific land uses are not definite, since there is a potential that the mix of uses as currently zoned on the subject may change before the property is ultimately developed. Given the extended holding periods of the subject and comparables, specific residential or commercial land uses seem to have limited influence on property values. For instance, properties with higher residential densities typically achieve a premium over residential projects of lesser densities. However, with improving affordability, market participants suggest that many high-density residential projects, especially those in commuter submarkets, will possibly be re-mapped to lower densities; otherwise, they may face market resistance. In light of the extended holding periods of the subject and comparables, coupled with market unknowns and risks prevalent, adjustments for specific future land uses do not apply.

#### Other – Levee Improvements

The subject property is located in an area where there is a possibility the area will be placed in an adverse flood plain. Even though the subject has a five to ten year development horizon and levee improvements are expected to be completed in this time frame, the fact that levee improvements are needed increases the project risk. Any delays to the levee improvement schedule could delay the subject's development timeline. Comparables 2, 4, 5 and 6 are not affected by similar development risk like the subject and require downward adjustments. Comparable 1 also is not affected, but since this property has a 10 to 15 year development horizon, an adjustment for this factor is not warranted. Comparable 2 is located in an area where a moratorium is in effect due to needed levee repairs (which are ongoing), and Comparable 7 is located in the vicinity of the subject in the Southport area. These comparables are similar to the subject and do not require adjustments.

#### **Adjustment Grid**

The grid on the following page reflects the afore-discussed adjustments.

**ADJUSTMENT GRID**

| Elements of Comparison:                             |               | Comparable 1                  | Comparable 2                 | Comparable 3                         | Comparable 4                               | Comparable 5                               | Comparable 6                                     | Comparable 7                         |
|---|---------------|-------------------------------|------------------------------|--------------------------------------|--|--|--|--------------------------------------|
| Price per Acre (Unadjusted)                         |               | \$5,319                       | \$10,051                     | \$12,549                             | \$15,000                                   | \$17,892                                   | \$19,048   | \$22,371                             |
| PV of Bonds per Acre Over Holding Period Adjustment | None          | Similar                       | Similar                      | Similar                              | Similar                                    | Similar                                    | Similar  | Similar                              |
| Atypical Expenditures After Sale Adjustment         | None          | Similar                       | Similar                      | Similar                              | Similar                                    | Similar                                    | Similar  | Similar                              |
| Property Rights Adjustment                          | Fee Simple    | Fee Simple                    | Fee Simple                   | Fee Simple                           | Fee Simple                                 | Fee Simple                                 | Fee Simple                                       | Fee Simple                           |
| Financing Terms Adjustment                          | Cash Equip.   | Similar                       | Similar                      | Similar                              | Similar                                    | Similar                                    | Similar  | Similar                              |
| Conditions of Sale Adjustment                       | Market        | REO/Market                    | REO/Market                   | REO/Buyer Motivation (Sig. Downward) | Short Sale/Market                          | Short Sale/Market                          | Short Sale/Market                                | REO/Buyer Motivation (Sig. Downward) |
| Market Conditions Adjustment                        | Jan-12        | Dec-11                        | Jan-11                       | Feb-11                               | Pending                                    | Mar-11                                     | Jul-11   | Apr-11                               |
| <b>Physical Characteristics:</b>                    |               |                               |                              |                                      |  |  |  |                                      |
| Location  | Southport     | Placer County (Upward)        | Calif (Sig. Upward) Proposed | Sacramento County (Upward) Proposed  | Placer County (Upward) Approved (Downward) | Placer County (Upward) Approved (Downward) | Rancho Cordova (Sig. Upward) Approved (Downward) | West Sacramento                      |
| Entitlements Adjustment                             | Limited       | Approved/N/A                  | Proposed                     | Proposed                             | Approved (Downward)                        | Approved (Downward)                        | Approved (Downward)                              | Approved (Downward)                  |
| Land Area (Gross Acres) Adjustment                  | 210.99        | 94.00 (Downward)              | 358.19 (Upward)              | 594.70 (Upward)                      | 242.00                                     | 102.00 (Downward)                          | 105.10 (Downward)                                | 371.68 (Upward)                      |
| Developable Area Adjustment                         | 65%           | 85% Superior (Sig. Downward)  | 90% Superior (Sig. Downward) | 90% Superior (Sig. Downward)         | 90% Superior (Sig. Downward)               | 95% Superior (Sig. Downward)               | 100% Superior (Sig. Downward)                    | 85% Superior (Sig. Downward)         |
| Development Timeline Adjustment                     | 5 to 10 years | 10 to 15 years (Vasdy Upward) | 5 to 10 years                | 5 to 10 years                        | 5 to 10 years                              | 5 to 10 years                              | 5 to 10 years                                    | 5 to 10 years                        |
| Zoning Adjustment                                   | Mixed Use     | LDR and MDR                   | Primarily SFR w/ lim. Com    | Primarily SFR w/ lim. Com            | MDR w/ lim. HDR                            | Primarily MDR w/ lim. Com                  | MDR and HDR                                      | Primarily SFR w/ lim. Com            |
| Other - Levee Risk Adjustment                       | Yes           | N/A                           | Superior (Downward)          | Similar                              | Superior (Downward)                        | Superior (Downward)                        | Superior (Downward)                              | Similar                              |
| Net Adjustment                                      |               | Upward -> \$5,319             | Similar = \$10,051           | Sig. Downward < \$12,549             | Sig. Downward < \$15,000                   | Sig. Downward < \$17,892                   | Sig. Downward < \$19,048                         | Sig. Downward < \$22,371             |



## **Discussion and Conclusion**

The data set reflects an unadjusted range of \$5,319 to \$22,371/acre. Overall we conclude an estimate of \$10,000/acre for the subject. Comparable 1, with an unadjusted value of \$5,310/acre, had an inferior development timeline and represented the low end of the range. Comparables 2 through 7 had 5 to 10 year development timelines like the subject. While these comparables had values between \$10,051 and \$22,371/acre, these comparables had developable percentages (85% to 100%) significantly higher than the subject (65%). In light of this fact, and with consideration to other adjustments, a conclusion toward the low end of range indicated by Comparables 2 through 7, and higher than Comparable 1, is considered reasonable. Extending this figure to 210.99 gross acres within the subject ( $\$10,000/\text{acre} \times 210.99 \text{ acres}$ ), the as-is market value of the subject equates to \$2,109,900, or **\$2,110,000 (rounded)**.

## CONCLUSION OF VALUE

As a result of our analysis, it is our opinion the market value of the subject property, as of the date of inspection, January 11, 2012, and in accordance with the extraordinary assumptions, significant factors, general assumptions and limiting conditions set forth on pages 9 through 11 of the attached document, is:

**TWO MILLION ONE HUNDRED TEN THOUSAND DOLLARS**

**\$2,110,000**

### Exposure Time

Exposure time is the period a property interest would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal. For a complete definition of exposure time, please reference the *Glossary of Terms* in the Addenda.

In attempting to estimate a reasonable exposure time for the subject property, we looked at both the historical exposure times of a number of sales, as well as current and past economic conditions. The residential market has weakened in recent months and is approaching a new cycle. With competitive pricing, transfers of residential properties in the region are typically occurring within 6 to 12 months of exposure. It is estimated the exposure time for the subject property would be within **12 months** on a wholesale (bulk) basis.

# ENGAGEMENT DOCUMENTATION





Seevers  
Jordan  
Ziegenmeyer

Real Estate Appraisal & Consultation

January 11, 2012

Mr. Port Telles, Development Director  
The Cordish Company  
1550 Harbor Boulevard, Suite 203  
West Sacramento, CA 95691

% Ms. Andrea Matarazzo  
Pioneer Law Group  
431 I Street, Suite 201  
Sacramento, CA 95814

Dear Ms. Matarazzo:

Thank you for considering Seevers Jordan Ziegenmeyer for your real estate valuation needs.

Enclosed is our Agreement for Appraisal Services. If you would like to proceed with this engagement, please return a signed copy of the Agreement to our office at your earliest convenience. Once we receive the signed Agreement we will expedite this assignment.

If you have any questions, please do not hesitate to contact me. I can be reached at (916) 435-3883, or by e-mail at [kevin@seevers.com](mailto:kevin@seevers.com).

Sincerely,

A handwritten signature in black ink, appearing to read 'K. Ziegenmeyer', written in a cursive style.

Kevin K. Ziegenmeyer, Partner

Enclosure

**INTENDED USE**

- To assist Client in making a lending decision
- To assist Client in negotiating a purchase price
- To assist Client in establishing an asking price
- To assist Client in determining just compensation
- To assist Client in tax planning or tax reporting
- To assist Client in asset monitoring
- Other – See Intended User noted above. Appraisal will be used by review appraiser.

**Note:**

No other use is intended by Appraiser. The intended use as stated shall be used by Appraiser in determining the appropriate scope of work for the assignment.

**TYPE OF VALUE**

- Market value as defined by the Federal Register
- Use value defined by \_\_\_\_\_
- Investment value as defined by \_\_\_\_\_
- Replacement cost new \_\_\_\_\_
- Other \_\_\_\_\_

**DATE OF VALUE**

- Current inspection date
- Retrospective date
- Prospective date \_\_\_\_\_

**HYPOTHETICAL CONDITIONS, EXTRAORDINARY ASSUMPTIONS**

Described as follows:

- N/A
- See appendix
- None anticipated

**INSPECTION OF PROPERTY**

- Interior and exterior observation of improved properties
- Exterior observation only
- None

**VALUATION APPROACHES**

- Cost approach
- Sales Comparison approach
- Income capitalization

**APPRAISAL REPORT FORMAT**

- Self-Contained Appraisal Report
- Summary Appraisal Report
- Restricted Use Appraisal Report

**CONTACT FOR PROPERTY ACCESS, IF APPLICABLE**

**Name:** Port Telles  
**Phone:** 916.371.3462 (direct)

**PROPOSED IMPROVEMENTS**

If the property appraised consists of proposed improvements, Client shall provide to Appraiser: (1) plans, specifications or other documentation sufficient to identify the extent and character of the proposed improvements, (2) itemized construction cost budget, and (3) anticipated construction timeline.

**ADDITIONAL DOCUMENTATION**

Client agrees to provide Appraiser with the documentation as indicated below.

- Preliminary title report (if available)
- Lease agreements and/or rent roll covering any existing leases (if available)
- 3-year operating expense history (taxes, insurance, utilities, maintenance/repairs)
- Purchase agreement or offers (if within 3 years)
- Other (any other information the Client may believe to be germane to the valuation analysis)

**ASSIGNMENT DELIVERY DATE**

Provided that Client has performed Client's obligations set forth in this Agreement within **2** days of the Date of Agreement, Appraiser shall deliver the assignment results by **January 31, 2012 (or earlier)**. To the extent Client or Client's contractors or agents are delayed in completing Client's obligations set forth in this Agreement, the foregoing Delivery Date shall be adjusted accordingly. The foregoing Delivery Date shall not constitute Appraiser's guarantee that the assignment will be completed within such time period; provided, however, that Appraiser will use commercially reasonable efforts to complete the assignment on or before the Delivery Date. In the event Appraiser is unable to complete the assignment within the time set forth herein, Appraiser shall provide Client with reasonable notice of any anticipated delays, and Appraiser and Client shall in good faith agree upon an alternative Delivery Date or completion schedule.

**DELIVERY METHOD**

- Overnight Courier
- Hand Delivery
- Other \_\_\_\_\_
- Email (Andrea@pioneerlawgroup.net)

### **TESTIMONY AT COURT OR OTHER PROCEEDINGS**

Unless otherwise stated in this Agreement, Client agrees that Appraiser's assignment pursuant to this Agreement shall not include Appraiser's participation in or preparation for, whether voluntarily or pursuant to subpoena, any oral or written discovery; sworn testimony in a judicial, arbitration or administrative proceeding; or attendance at any judicial arbitration or administrative proceeding relating to this assignment.

### **CHANGES TO AGREEMENT**

Any changes to the assignment as outlined in this Agreement shall necessitate an amendment or a new agreement. The client, intended users, intended use, date of value, type of value, or property appraised cannot be changed without a new agreement.

### **CANCELLATION**

Client may cancel this Agreement at any time prior to Appraiser's completion of the assignment pursuant to this Agreement upon written notice delivered to Appraiser at Appraiser's address specified herein. Unless otherwise agreed by Appraiser and Client in writing, Client shall be obligated to pay Appraiser for all work completed prior to Appraiser's receipt of Client's cancellation notice, together with all out-of-pocket expenses incurred by Appraiser, at Appraiser's hourly rates specified in this Agreement, or, if the parties have not specified Appraiser's hourly rates in this Agreement, at Appraiser's regular hourly rates in effect at the time the work was performed.

### **GOVERNING LAW AND JURISDICTION**

This Agreement shall be governed by the laws of the state of California. The parties agree that any legal proceeding brought by either party to interpret or enforce this Agreement, or to enforce an arbitration award entered pursuant to this Agreement, shall be brought in a state or federal court having jurisdiction over the location of Appraiser's office as specified in this Agreement, and the parties hereby waive any objections to the personal jurisdiction of said court.

### **APPRAISER INDEPENDENCE**

Appraiser cannot agree to provide a value opinion that is contingent on a predetermined result. Appraiser cannot guarantee the outcome of the assignment in advance. Appraiser cannot ensure that the opinion of value developed as a result of this assignment will serve to facilitate any specific objective of Client or others or advance any particular cause. Appraiser's opinion of value will be developed competently and with independence, impartially and objectively.

### **NOTICES**

Any notice or request required or permitted to be given to any party shall be given in writing and shall be delivered to the receiving party by: a) registered or certified mail, postage prepaid; (b) overnight courier, such as Federal Express, United Parcel Service or equivalent; or (c) hand delivery. The address for delivery of any notice shall be the address for the party as specified in this Agreement or at such other address as party may designate by written notice to the other party in conformance with this paragraph. Unless otherwise specified herein, notice shall be effective the date it is postmarked or given to a third party, whether or not the receiving party signs for or accepts delivery of such notice.

### **NO THIRD-PARTY BENEFICIARIES**

Nothing in this Agreement shall create a contractual relationship between Appraiser or Client and any third party, or any cause of action in favor of any third party. This Agreement shall not be construed to render any person or entity a third party beneficiary of this Agreement, including, but not limited to, any third parties identified herein.



### **OWNERSHIP OF WORK PRODUCT**

The possession of the Appraisal Report, or any copy or portion thereof, by Client or any third party does not include or confer any rights of publication or redistribution of the Appraisal Report other than to such persons or entities identified in this Agreement who shall be advised in writing of Appraiser's rights under this Agreement prior to their receipt of the Appraisal Report. All rights, title and interest in (1) any data gathered by Appraiser in the course of preparing the Appraisal Report (excluding any data furnished by or on behalf of Client) and (2) the content of the Appraisal Report prepared pursuant to this Agreement shall be vested in Appraiser. Subject to the foregoing, Client shall have the right to possess a copy of the Appraisal Report and to disclose the report to Client's attorneys, accountants or other professional advisors in the court of Client's business affairs relating to the property that is the subject of the Appraisal Report, provided that such attorneys, accountants or advisors are advised in writing of Appraiser's rights under this Agreement prior to receipt of such Appraisal Report.

### **MEDIATION & ARBITRATION**

In the event of a dispute concerning the subject matter of this Agreement, the parties shall in good faith attempt to resolve such dispute by negotiation between the parties' principals, or, if such negotiation is unsuccessful, by mediation conducted by a third-party mediator. If such mediation results in an impasse, the parties shall submit their dispute to binding arbitration. Such mediation or, if necessary, binding arbitration shall be conducted pursuant to the mediation procedures or the commercial arbitration rules of the American Arbitration Association. Any arbitration shall be conducted in the city in which Appraiser's office as specified herein is located. The parties shall share equally the costs of any mediation. In the event of binding arbitration, the arbitrators shall, in addition to any relief appropriate to be awarded to the prevailing party, enter an award in favor of the prevailing party for that party's costs of the arbitration, including the party's reasonable attorneys' fees and arbitration expenses incurred in prosecuting or defending the arbitration proceeding. Subject to the right of the prevailing party to recover its share of the costs of the arbitration services pursuant to the arbitrator's award, the costs of the arbitration services shall be borne equally by the parties. If the prevailing party seeks judicial confirmation of any arbitration award entered pursuant to this Agreement, the court shall, in addition to any other appropriate relief, enter an award to the prevailing party in such confirmation proceeding for its reasonable attorneys' fees and litigation expenses incurred in confirming or successfully opposing the confirmation of such an award.

### **SPECIAL OR CONSEQUENTIAL DAMAGES**

Neither party shall under any circumstances be liable to the other party for special, exemplary, punitive or consequential damages, including, without limitation, loss of profits or damages proximately caused by loss of use of any property, whether arising from either party's negligence, breach of the Agreement or otherwise, whether or not a party was advised, or knew of the possibility of such damages, or such possibility was foreseeable by that party. In no event shall Appraiser be liable to Client for any amount that exceeds the fees paid by Client to Appraiser pursuant to this Agreement.

**ASSIGNMENT**

Neither party may assign this Agreement to a third party without the express written consent of the other party, which the non-assigning party may withhold in its sole discretion. In the event this Agreement is assigned by mutual consent of the parties, it shall become binding on the assigning party's permitted assigns.

**SEVERABILITY**

In the event any provision of this Agreement shall be determined to be void or unenforceable by any court of competent jurisdiction, then such determination shall not affect any other provision of this Agreement and all such other provisions shall remain in full force and effect.

**CLIENT'S DUTY TO INDEMNIFY APPRAISER**

Client agrees to defend, indemnify and hold harmless Appraiser from any damages, losses or expenses, including attorneys' fees and litigation expenses at trial or on appeal, arising from allegations asserted against Appraiser by any third party that if proven to be true would constitute a breach by Client of any of Client's obligations, representations or warranties made in this Agreement, or any violation by Client of any federal, state or local law, ordinance or regulation, or common law (a "Claim"). In the event of a Claim, Appraiser shall promptly notify Client of such Claim, and shall cooperate with Client in the defense or settlement of any Claim. Client shall have the right to select legal counsel to defend any Claim, provided that Appraiser shall have the right to engage independent counsel at Appraiser's expense to monitor the defense or settlement of any Claim. Client shall have the right to settle any Claim, provided that Appraiser shall have the right to approve any settlement that results in any modification of Appraiser's rights under this agreement, which approval will not be unreasonably withheld, delayed or conditioned.

**CLIENT'S REPRESENTATIONS AND WARRANTIES**

Client represents and warrants to Appraiser that (1) Client has all right, power and authority to enter into this Agreement; (2) Client's duties and obligations under this Agreement do not conflict with any other duties or obligations assumed by Client under any agreement between Client and any other party; and (3) Client has not engaged Appraiser, nor will Client use Appraiser's Appraisal Report, for any purposes that violate any federal, state or local law, regulation or ordinance or common law.

**EXTENT OF AGREEMENT**

This Agreement represents the entire and integrated agreement between the Client and Appraiser and supersedes all prior negotiations, presentations or agreements, either written or oral. This Agreement may be amended only by a written amendment signed by both Client and Appraiser. This Agreement includes the following Appendices, which are incorporated into, and made a part of this Agreement:

- None
- Specify:
  - Fee Schedule
  - Certification Statement (COPY)
  - General Assumptions and Limiting Conditions
  - Definition of Market Value
  - Privacy Notice

**EXPIRATION OF AGREEMENT**

This Agreement is valid only if signed by both Appraiser and Client within 2 days of the Date of Agreement specified.

**By Appraiser:**

  
\_\_\_\_\_  
(Signature)

Kevin K. Ziegenmeyer  
\_\_\_\_\_  
(Printed Name)

January 11, 2012  
\_\_\_\_\_  
(Date)

**By Client:**

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Printed Name)

\_\_\_\_\_  
(Date)



## CERTIFICATION STATEMENT

I certify that, to the best of my knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- I have not performed any service with respect to the subject property during the three years prior to the date of value noted in this report.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics & Standards of Professional Appraisal Practice of the Appraisal Institute.
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- I have made a personal inspection of the property that is the subject of this report.
- \_\_\_\_\_, Appraiser, also inspected the subject property and provided significant real property appraisal assistance in the preparation of this report. This assistance included the collection and confirmation of data, and the analyses necessary to prepare a draft report with a preliminary estimate of value.
- I certify that my State of California general real estate appraiser license has never been revoked, suspended, cancelled, or restricted.
- I have the knowledge and experience to complete this appraisal assignment and have appraised similar properties in the past. Please see the Qualifications of Appraiser portion of the Addenda to this report for additional information.

**COPY**

\_\_\_\_\_  
Kevin K. Ziegenmeyer  
State Certification No.: AG013567 (Expires June 4, 2013)

\_\_\_\_\_  
DATE

## GENERAL ASSUMPTIONS AND LIMITING CONDITIONS

This appraisal report is subject to the following general assumptions and limiting conditions:

1. No responsibility is assumed for the legal description provided or for matters pertaining to legal or title considerations. Title to the property is assumed to be good and marketable unless otherwise stated.
2. No responsibility is assumed for matters of law or legal interpretation.
3. The property is appraised free and clear of any or all liens or encumbrances unless otherwise stated.
4. The information and data furnished by others in preparation of this report is believed to be reliable, but no warranty is given for its accuracy.
5. It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures that render it more or less valuable. No responsibility is assumed for such conditions or for obtaining the engineering studies that may be required to discover them.
6. It is assumed that the property is in full compliance with all applicable federal, state, and local environmental regulations and laws unless the lack of compliance is stated, described, and considered in the appraisal report.
7. It is assumed that the property conforms to all applicable zoning and use regulations and restrictions unless nonconformity has been identified, described and considered in the appraisal report.
8. It is assumed that all required licenses, certificates of occupancy, consents, and other legislative or administrative authority from any local, state, or national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.
9. It is assumed that the use of the land and improvements is confined within the boundaries or property lines of the property described and that there is no encroachment or trespass unless noted in the report.
10. Unless otherwise stated in this report, the existence of hazardous materials, which may or may not be present on the property, was not observed by the appraiser. The appraiser has no knowledge of the existence of such materials on or in the property. The appraiser, however, is not qualified to detect such substances. The presence of substances such as asbestos, urea-formaldehyde foam insulation and other potentially hazardous materials may affect the value of the property. The value estimated is predicated on the assumption that there is no such material on or in the property that would cause a loss in value. No responsibility is assumed for such conditions or for any expertise or engineering knowledge required to discover them. The intended user of this report is urged to retain an expert in this field, if desired.

11. The Americans with Disabilities Act (ADA) became effective January 26, 1992. I (we) have not made a specific survey or analysis of this property to determine whether the physical aspects of the improvements meet the ADA accessibility guidelines. Since compliance matches each owner's financial ability with the cost-to cure the property's potential physical characteristics, the real estate appraiser cannot comment on compliance with ADA. A brief summary of the subject's physical aspects is included in this report. It in no way suggests ADA compliance by the current owner. Given that compliance can change with each owner's financial ability to cure non-accessibility, the value of the subject does not consider possible non-compliance. Specific study of both the owner's financial ability and the cost-to-cure any deficiencies would be needed for the Department of Justice to determine compliance.
12. The appraisal is to be considered in its entirety and use of only a portion thereof will render the appraisal invalid.
13. Possession of this report or a copy thereof does not carry with it the right of publication nor may it be used for any purpose by anyone other than the client without the previous written consent of Seevers Jordan Ziegenmeyer.
14. The liability of Seevers Jordan Ziegenmeyer and its employees for errors and omissions, if any, in this work is limited to the amount of its compensation for the work performed in this assignment.
15. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraiser, or the firm with which the appraiser is connected) shall be disseminated to the public through advertising, public relations, news, sales, or any other media without the prior written consent and approval of Seevers Jordan Ziegenmeyer.
16. Acceptance and/or use of the appraisal report constitute acceptance of all assumptions and limiting conditions stated in this report.
17. An inspection of the subject property revealed no apparent adverse easements, encroachments or other conditions, which currently impact the subject. However, the exact locations of typical roadway and utility easements, or any additional easements, which would be referenced in a preliminary title report, were not provided to the appraiser. The appraiser is not a surveyor nor qualified to determine the exact location of easements. It is assumed typical easements do not have an impact on the opinion (s) of value as provided in this report. If, at some future date, these easements are determined to have a detrimental impact on value, the appraiser reserves the right to amend the opinion (s) of value.
18. This appraisal report is prepared for the exclusive use of the appraiser's client. No third parties are authorized to rely upon this report without the express consent of the appraiser.
19. The appraiser is not qualified to determine the existence of mold, the cause of the mold, the type of mold or whether the mold might pose any risk to the property or its inhabitants. Additional inspection by a qualified professional is recommended.

## DEFINITION OF MARKET VALUE

The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- (1) Buyer and seller are typically motivated;
- (2) Both parties are well informed or well advised, and acting in what they consider their own best interests;
- (3) A reasonable time is allowed for exposure in the open market;
- (4) Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
- (5) The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.<sup>1</sup>

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<sup>1</sup> Code of Federal Regulations, Title 12, Section 34.42 (55 Federal Register 34696, Aug. 24, 1990; as amended at 57 Federal Register 12202, Apr. 9, 1992; 59 Federal Register 29499, June 7, 1994).

## PRIVACY NOTICE

**Our privacy principles:** Seevers Jordan Ziegenmeyer is committed to protecting our clients and their financial information. This privacy statement addresses what nonpublic personal information we collect, what we do with it, and how we protect it.

**What information we collect:** We may collect and maintain several types of personal information in the course of providing you with appraisal services, such as:

- Information we receive from you on letters of engagement, tax forms, correspondence, or conversations, including, but not limited to, your name, address, phone number, and social security number
- Information about your transactions with us, including, but not limited to, parties to transactions and other financial information relating to your property.

**What information we may disclose:** We may disclose the nonpublic personal information about you described above, primarily to provide you with the appraisal services you seek from us. We may sometimes disclose nonpublic information about clients or former clients as required or permitted by law

**Who we share the information with:** Unless you tell us not to, we may disclose nonpublic personal information about you to the following types of third parties:

- Financial service providers, such as banks and lending institutions.
- Non-financial companies such as data services.



# PLACER TITLE COMPANY

## Preliminary Report

Issued By:

Order No. 306-6954.1  
UPDATE  
Version 3

PLACER TITLE COMPANY  
30 WEST MAIN STREET  
SUITE A

WOODLAND, CA 95695

Escrow Officer: Eric Seastrom

Phone: 530-666-1214

Fax: 530-668-0896

Escrow Officer Email: [eseastrom@placertitle.com](mailto:eseastrom@placertitle.com)

Email Loan Docs To: N/A

Customer Reference:

Property Address: "SOUTHWESTERN PORT CANAL AREA", WEST SACRAMENTO, CA 95691

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In response to the above referenced application for a policy of title insurance, PLACER TITLE COMPANY hereby reports that it is prepared to issue, or cause to be issued, through one of its authorized underwriters, as of the date hereof, a Policy or Policies of Title Insurance describing the land and the estate or interest therein hereinafter set forth, insuring against loss which may be sustained by reason of any defect, lien or encumbrance not shown or referred to as an Exception below or not excluded from coverage pursuant to the printed Schedules, Conditions and Stipulations of said Policy forms.

The printed Exceptions and Exclusions from the coverage and Limitations on Covered Risks of said Policy or Policies are set forth in the attached. The policy to be issued may contain an arbitration clause. When the Amount of Insurance is less than that set forth in the arbitration clause, all arbitrable matters shall be arbitrated at the option of either the Company or the Insured as the exclusive remedy of the parties. Limitations on Covered Risks applicable to the CLTA and ALTA Homeowner's Policies of Title Insurance which establish a Deductible Amount and a Maximum Dollar Limit of Liability for certain coverages are also set forth in the attached. Copies of the Policy forms should be read. They are available from the office which issued this report.

PLEASE READ THE EXCEPTIONS SHOWN OR REFERRED TO BELOW AND THE EXCEPTIONS AND EXCLUSIONS SET FORTH IN THE ATTACHED CAREFULLY. THE EXCEPTIONS AND EXCLUSIONS ARE MEANT TO PROVIDE YOU WITH NOTICE OF MATTERS WHICH ARE NOT COVERED UNDER THE TERMS OF TITLE INSURANCE POLICY AND SHOULD BE CAREFULLY CONSIDERED.

IT IS IMPORTANT TO NOTE THAT THIS PRELIMINARY REPORT IS NOT A WRITTEN REPRESENTATION AS TO THE CONDITION OF TITLE AND MAY NOT LIST ALL LIENS, DEFECTS AND ENCUMBRANCES AFFECTING TITLE TO THE LAND.

This report (and any supplements or amendments hereto) is issued solely for the purpose of facilitating the issuance of a policy of title insurance and no liability is assumed hereby. If it is desired that liability be assumed prior to the issuance of a policy of title insurance, a Binder or Commitment should be requested.

Dated as of November 28, 2011 at 7:30 a.m.

Title Officer: Eric Seastrom

Order No. 306-6954.1  
UPDATE  
Version 3

The form of policy of title insurance contemplated by this report is:  
CLTA Standard Coverage Policy

The estate or interest in the land hereinafter described or referred to covered by this Report is:

A FEE SIMPLE

Title to said estate or interest at the date hereof is vested in:

THE REDEVELOPMENT AGENCY OF THE CITY OF WEST SACRAMENTO, A CALIFORNIA  
REDEVELOPMENT AGENCY

The land referred to herein is described as follows:

SEE EXHIBIT "A" ATTACHED



EXHIBIT "A"  
LEGAL DESCRIPTION

THE LAND DESCRIBED HEREIN IS SITUATED IN THE STATE OF CALIFORNIA, COUNTY OF YOLO, CITY OF WEST SACRAMENTO, AND IS DESCRIBED AS FOLLOWS:

PARCEL ONE:

BEGINNING AT A POINT AT THE CENTER COMMON TO SWAMP LAND SURVEYS NOS. 261, 275 AND 797, YOLO COUNTY SURVEYS, FROM WHICH SAID POINT OF BEGINNING AN OLD GRANITE MONUMENT MARKING THE SOUTHWEST CORNER OF SWAMP LAND SURVEY NO. 261, YOLO COUNTY SURVEYS BEARS SOUTH 89 DEGREES 49' 10" WEST 996.38 FEET, AND RUNNING THENCE FROM SAID POINT OF BEGINNING ALONG THE BOUNDARY COMMON TO SAID SWAMP LAND SURVEY NOS. 261 AND 275, YOLO COUNTY SURVEYS, NORTH 89 DEGREES 49' 10" EAST 1068.39 FEET TO AN INTERSECTION WITH THE WESTERLY RIGHT OF WAY LINE OF THE SACRAMENTO NORTHERN R.R.; THENCE FOLLOWING THE SAID WESTERLY RIGHT OF WAY LINE OF THE SACRAMENTO NORTHERN R.R. SOUTH 23 DEGREES 04' 40" WEST 26.47 FEET; THENCE LEAVING THE SAID WESTERLY RIGHT OF WAY LINE OF THE SACRAMENTO NORTHERN R.R. AND RUNNING SOUTH 89 DEGREES 38' 10" WEST 1062.52 FEET TO A POINT IN THE BOUNDARY LINE COMMON TO SWAMP LAND SURVEYS NOS. 275 AND 797, YOLO COUNTY SURVEYS; THENCE ALONG SAID BOUNDARY LINE COMMON TO SWAMP LAND SURVEY NOS. 275 AND 797, YOLO COUNTY SURVEYS, NORTH 9 DEGREES 13' EAST 28.09 FEET TO THE POINT OF BEGINNING.

ASSESSOR'S PARCEL NUMBER: 046-010-008

PARCEL TWO:

BEING A PORTION OF THAT DEED RECORDED IN BOOK 301, PAGE 320 DESCRIBED AS FOLLOWS:

BEGINNING AT A GRANITE MONUMENT MARKING THE SOUTHWEST CORNER OF SWAMP LAND SURVEY NO. 261, YOLO COUNTY SURVEYS, AND RUNNING THENCE FROM SAID POINT OF BEGINNING SOUTH 89 DEGREES, 49' 10" WEST 124.91 FEET; THENCE NORTH 00 DEGREES, 03' 00" EAST 638.70 FEET TO THE CENTERLINE OF THE SACRAMENTO-YOLO PORT DISTRICT BARGE CANAL AS DEFINED IN BOOK 545, PAGE 427 OFFICIAL RECORDS; THENCE ALONG SAID CENTERLINE, NORTH 89 DEGREES, 38' 08" EAST 2464.33 FEET TO THE WESTERLY RIGHT OF WAY LINE OF THE SACRAMENTO NORTHERN R.R.; THENCE ALONG SAID WESTERLY RIGHT OF WAY LINE, SOUTH 23 DEGREES, 04' 40" WEST 703.80 FEET; THENCE LEAVING SAID WESTERLY RIGHT OF WAY LINE, SOUTH 89 DEGREES, 49' 10" WEST 2064.78 FEET TO THE POINT OF BEGINNING.

EXCEPTING THEREFROM THAT PORTION CONVEYED TO THE CITY OF WEST SACRAMENTO IN THE GRANT DEED RECORDED ON JULY 25, 2003, AS INSTRUMENT NO. 2003-0044071, OFFICIAL RECORDS.

FURTHER EXCEPTING THEREFROM THAT PORTION CONVEYED TO THE CITY OF WEST SACRAMENTO IN THE GRANT DEED RECORDED MAY 20, 2011, INSTRUMENT NO. 2011-0014130, OFFICIAL RECORDS.

ASSESSOR'S PARCEL NUMBER: A PORTION OF 067-180-054

EXHIBIT "A"  
LEGAL DESCRIPTION continued

PARCEL THREE:

BEING A PORTION OF THOSE DEEDS RECORDED IN BOOK 301, PAGE 185 AND 189,  
DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT AT THE CENTER COMMON TO SWAMP LAND SURVEYS NOS. 261, 275 AND 797, YOLO COUNTY SURVEYS, FROM WHICH SAID POINT OF BEGINNING AN OLD GRANITE MONUMENT MARKING THE SOUTHWEST CORNER OF SWAMP LAND SURVEY NO. 261, YOLO COUNTY SURVEYS BEARS SOUTH 89 DEGREES, 49' 10" WEST 996.38 FEET; THENCE FROM SAID POINT OF BEGINNING SOUTH 09 DEGREES, 13' 00" WEST 38.09 FEET; THENCE SOUTH 89 DEGREES, 38' 11" WEST 1546.68 FEET TO THE EASTERLY RIGHT OF WAY LINE OF LAKE WASHINGTON BOULEVARD; THENCE ALONG SAID EASTERLY RIGHT OF WAY LINE NORTH 08 DEGREES, 21' 39" EAST 511.04 FEET; THENCE SOUTH 87 DEGREES, 28' 23" WEST 54.90 FEET; THENCE ALONG A CURVE TO THE LEFT HAVING A RADIUS OF 1314.50 FEET, A DELTA OF 07 DEGREES, 17' 26" AN ARC LENGTH OF 167.26 FEET, SAID CURVE BEING SUBTENDED BY A CHORD BEARING NORTH 03 DEGREES, 25' 57" WEST TO A POINT ON THE CENTERLINE OF THE SACRAMENTO-YOLO PORT DISTRICT BARGE CANAL AS DEFINED IN BOOK 545, PAGE 427 OFFICIAL RECORDS; THENCE ALONG SAID CENTERLINE, NORTH 89 DEGREES, 38' 08" EAST 421.67 FEET; THENCE LEAVING SAID CENTERLINE, SOUTH 00 DEGREES, 03' 00" WEST 638.70 FEET; THENCE NORTH 89 DEGREES, 49' 10" EAST 1120.59 FEET TO THE POINT OF BEGINNING.

EXCEPTING THEREFROM THAT PORTION THEREOF GRANTED TO THE CITY OF WEST SACRAMENTO IN THE GRANT DEED RECORDED MAY 20, 2011, INSTRUMENT NO. 2011-0014130, OFFICIAL RECORDS.

ASSESSOR'S PARCEL NUMBER: 067-180-024 AND A PORTION OF 067-180-054

EXCEPTIONS

At the date hereof exceptions to coverage in addition to the printed Exceptions and Exclusions in said policy form would be as follows:

1. TAXES, SPECIAL AND GENERAL, ASSESSMENT DISTRICTS AND SERVICE AREAS FOR THE FISCAL YEAR 2012-2013, A LIEN, NOT YET DUE OR PAYABLE.
2. THE LIEN OF SUPPLEMENTAL TAXES, IF ANY, ASSESSED PURSUANT TO THE PROVISIONS OF CHAPTER 3.5, (COMMENCING WITH SECTION 75) OF THE REVENUE AND TAXATION CODE, OF THE STATE OF CALIFORNIA.
3. THE HEREIN DESCRIBED LAND LIES WITHIN THE BOUNDARIES OF THE SACRAMENTO AND SAN JOAQUIN DRAINAGE DISTRICT, AND IS SUBJECT TO ALL TAXES, ASSESSMENTS AND OBLIGATIONS THEREOF. THE DISTRICT PRESENTLY DOES NOT LEVY ANY ASSESSMENTS.
4. ANY UNPAID ASSESSMENT AND ITS PROPORTION OF ANY GENERAL OUTSTANDING INDEBTEDNESS OF RECLAMATION DISTRICT NO. 900, FOR THE FISCAL YEAR 2011-2012.
5. RIGHTS OF THE PUBLIC, THE STATE OF CALIFORNIA, OR ANY POLITICAL SUBDIVISION THEREOF, OR OF THE UNITED STATES OF AMERICA IN OR TO ANY PORTION OF THE LAND LYING BELOW THE HIGH WATER LINE OF THE SACTO-YOLO DEEP WATER CHANNEL AS IT EXISTS NOW OR AS IT HAS EXISTED IN THE STATE OF NATURE.
6. RIGHTS AND EASEMENTS, INCLUDING BUT NOT LIMITED TO, RECREATION, NAVIGATION AND FISHERIES, WHICH MAY EXIST OVER THAT PORTION OF SAID LAND LYING BENEATH THE WATERS OF SACTO-YOLO DEEP WATER CHANNEL.
7. AN EASEMENT OVER SAID LAND FOR MAIN DRAINAGE CANAL AND INCIDENTAL PURPOSES, AS GRANTED TO RECLAMATION DISTRICT NO. 900, IN DEED RECORDED OCTOBER 14, 1912, BOOK 80, OF DEEDS PAGE 407.

AFFECTS: THE WEST 62.5 FEET OF PARCEL TWO

NO REPRESENTATION IS MADE AS TO THE CURRENT OWNERSHIP OF SAID EASEMENT.

8. AN EASEMENT OVER SAID LAND FOR ROAD AND INCIDENTAL PURPOSES, AS GRANTED TO COUNTY OF YOLO, IN DEED RECORDED DECEMBER 22, 1950, AS BOOK 337, PAGE 142, OFFICIAL RECORDS.

AFFECTS: THE NORTH PORTION OF THE EAST 924.18 FEET OF PARCEL TWO

NO REPRESENTATION IS MADE AS TO THE CURRENT OWNERSHIP OF SAID EASEMENT.

EXCEPTIONS  
(Continued)

9. AN EASEMENT OVER SAID LAND FOR THE CONSTRUCTION, OPERATION AND MAINTENANCE OF A SHIP CHANNEL, TURNING BASIN, BARGE CANAL AND BASCULE BRIDGE FOR PUBLIC USE AND OF A PATROL ROAD AND ROADS AND INCIDENTAL PURPOSES, AS GRANTED TO UNITED STATES OF AMERICA, IN DEED RECORDED JULY 02, 1958, BOOK 545, PAGE 427, OFFICIAL RECORDS.

AFFECTS: A PORTION OF SAID PROPERTY

NO REPRESENTATION IS MADE AS TO THE CURRENT OWNERSHIP OF SAID EASEMENT.

10. THE TERMS, CONDITIONS AND PROVISIONS AS CONTAINED IN THE DOCUMENT ENTITLED "RESOLUTION NO. 62-54", BY AND BETWEEN COUNTY OF YOLO, AND SACRAMENTO-YOLO PORT DISTRICT, DATED APRIL 26, 1962, RECORDED APRIL 26, 1962, IN BOOK 673, PAGE 101, OFFICIAL RECORDS.
11. THE TERMS, CONDITIONS AND PROVISIONS AS CONTAINED IN THE DOCUMENT ENTITLED "AGREEMENT ADJUSTING RIGHT OF WAY", BY AND BETWEEN PACIFIC GAS AND ELECTRIC COMPANY, AND SACRAMENTO-YOLO PORT DISTRICT, DATED JULY 11, 1962, RECORDED AUGUST 23, 1962, AS BOOK 686, PAGE 125, OFFICIAL RECORDS.

AND MODIFIED BY DOCUMENT RECORDED FEBRUARY 1, 1963, IN BOOK 702, PAGE 49, OFFICIAL RECORDS.

12. AN EASEMENT OVER SAID LAND FOR SEWER MAIN LINE AND INCIDENTAL PURPOSES, AS GRANTED TO WEST SACRAMENTO SANITARY DISTRICT, IN DEED RECORDED JUNE 30, 1972, AS BOOK 1023, PAGE 526, OFFICIAL RECORDS.

AFFECTS: A PORTION OF SAID PROPERTY

NO REPRESENTATION IS MADE AS TO THE CURRENT OWNERSHIP OF SAID EASEMENT.

13. AN EASEMENT OVER SAID LAND FOR WATERLINE AND INCIDENTAL PURPOSES, AS GRANTED TO CITY OF WEST SACRAMENTO, IN DEED RECORDED SEPTEMBER 10, 1987, AS BOOK 1888, PAGE 236, OFFICIAL RECORDS.

AFFECTS: A PORTION OF SAID PROPERTY

NO REPRESENTATION IS MADE AS TO THE CURRENT OWNERSHIP OF SAID EASEMENT.

14. AN UNRECORDED AGREEMENT EXECUTED BY AND BETWEEN SACRAMENTO-YOLO PORT DISTRICT AND CITY OF WEST SACRAMENTO, AS DISCLOSED BY MEMORANDUM OF AGREEMENT, RECORDED SEPTEMBER 04, 1996, AS INSTRUMENT NO. 96-0021470, OFFICIAL RECORDS, AND ON THE TERMS AND PROVISIONS CONTAINED IN SAID



EXCEPTIONS  
(Continued)

AGREEMENT.

15. AN UNRECORDED AGREEMENT EXECUTED BY AND BETWEEN SACRAMENTO-YOLO PORT DISTRICT AND CITY OF WEST SACRAMENTO, AS DISCLOSED BY MEMORANDUM OF AGREEMENT, RECORDED SEPTEMBER 04, 1996, AS INSTRUMENT NO. 96-0021471, OFFICIAL RECORDS, AND ON THE TERMS AND PROVISIONS CONTAINED IN SAID AGREEMENT.

16. AN EASEMENT OVER SAID LAND FOR INSTALLATION AND MAINTENANCE OF WATER PIPES AND INCIDENTAL PURPOSES, AS GRANTED TO CITY OF WEST SACRAMENTO, IN DEED RECORDED JUNE 22, 1999, AS INSTRUMENT NO. 99-0019261, OFFICIAL RECORDS.

AFFECTS: A PORTION OF SAID PROPERTY

NO REPRESENTATION IS MADE AS TO THE CURRENT OWNERSHIP OF SAID EASEMENT.

17. AN EASEMENT OVER SAID LAND FOR SEWER PURPOSES AND INCIDENTAL PURPOSES, AS GRANTED TO CITY OF WEST SACRAMENTO, IN DEED RECORDED JULY 03, 2000, AS INSTRUMENT NO. 2000-0016204, OFFICIAL RECORDS.

AFFECTS: A PORTION OF SAID PROPERTY

NO REPRESENTATION IS MADE AS TO THE CURRENT OWNERSHIP OF SAID EASEMENT.

18. AN EASEMENT OVER SAID LAND FOR DRAINAGE AND INCIDENTAL PURPOSES, AS GRANTED TO CITY OF WEST SACRAMENTO, IN DEED RECORDED OCTOBER 27, 2000, AS INSTRUMENT NO. 2000-0027550, OFFICIAL RECORDS.

AFFECTS: A PORTION OF SAID PROPERTY

NO REPRESENTATION IS MADE AS TO THE CURRENT OWNERSHIP OF SAID EASEMENT.

19. AN INSTRUMENT ENTITLED "MEMORANDUM OF OPTION", DATED JUNE 18, 2004, BETWEEN REDEVELOPMENT AGENCY OF THE CITY OF WEST SACRAMENTO, AS OPTIONOR, AND SACRAMENTO-YOLO PORT DISTRICT, AS OPTIONEE, AND ON THE TERMS AND CONDITIONS AS CONTAINED THEREIN, RECORDED JULY 12, 2004, AS INSTRUMENT NO. 2004-0030806, OFFICIAL RECORDS.

FIRST AMENDMENT TO THE OPTION TO PURCHASE AGREEMENT BETWEEN THE REDEVELOPMENT AGENCY OF THE CITY OF WEST SACRAMENTO AND SACRAMENTO-YOLO PORT DISTRICT DATED DECEMBER 6, 2006, RECORDED JANUARY 11, 2007, INSTRUMENT NO. 2007-0001398, OFFICIAL RECORDS.

20. AN EASEMENT OVER SAID LAND FOR SEWER AND INCIDENTAL PURPOSES, AS GRANTED

EXCEPTIONS  
(Continued)

TO SACRAMENTO-YOLO PORT DISTRICT, IN DEED RECORDED JULY 12, 2004, AS INSTRUMENT NO. 2004-0030808, OFFICIAL RECORDS.

AFFECTS: SEE RECORDED DOCUMENT FOR FULL PARTICULARS

NO REPRESENTATION IS MADE AS TO THE CURRENT OWNERSHIP OF SAID EASEMENT.

21. AN EASEMENT OVER SAID LAND FOR SEWER AND INCIDENTAL PURPOSES, AS GRANTED TO SACRAMENTO-YOLO PORT DISTRICT, IN DEED RECORDED JULY 12, 2004, AS INSTRUMENT NO. 2004-0030810, OFFICIAL RECORDS.

AFFECTS: SEE RECORDED DOCUMENT FOR FULL PARTICULARS

NO REPRESENTATION IS MADE AS TO THE CURRENT OWNERSHIP OF SAID EASEMENT.

22. AN EASEMENT OVER SAID LAND FOR SEWER AND INCIDENTAL PURPOSES, AS GRANTED TO SACRAMENTO REGIONAL COUNTY SANITATION DISTRICT, IN DEED RECORDED JULY 20, 2004, AS INSTRUMENT NO. 2004-0032332, OFFICIAL RECORDS.

AFFECTS: SEE RECORDED DOCUMENT FOR FULL PARTICULARS

NO REPRESENTATION IS MADE AS TO THE CURRENT OWNERSHIP OF SAID EASEMENT.

23. AN EASEMENT OVER SAID LAND FOR SEWER AND INCIDENTAL PURPOSES, AS GRANTED TO SACRAMENTO REGIONAL COUNTY SANITATION DISTRICT, IN DEED RECORDED JULY 20, 2004, AS INSTRUMENT NO. 2004-0032333, OFFICIAL RECORDS.

AFFECTS: SEE RECORDED DOCUMENT FOR FULL PARTICULARS

NO REPRESENTATION IS MADE AS TO THE CURRENT OWNERSHIP OF SAID EASEMENT.

24. THE TERMS, CONDITIONS AND PROVISIONS AS CONTAINED IN THE DOCUMENT ENTITLED "AGREEMENT REGARDING RESOLUTION OF EXISTING ISSUES", BY AND BETWEEN SACRAMENTO-YOLO PORT DISTRICT, AND CITY OF WEST SACRAMENTO, DATED MAY 25, 2005, RECORDED JUNE 21, 2005, AS INSTRUMENT NO. 2005-0029329, OFFICIAL RECORDS.

25. AN UNRECORDED AGREEMENT EXECUTED BY AND BETWEEN THE SACRAMENTO-YOLO PORT DISTRICT, 24TH FLORIN ASSOCIATES, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY, STOCKTON/BROADWAY PARTNERS, L.P., A CALIFORNIA LIMITED PARTNERSHIP, THE REDEVELOPMENT AGENCY OF THE CITY OF WEST SACRAMENTO AND THE CITY OF WEST SACRAMENTO, AS DISCLOSED BY MEMORANDUM OF CONSENT AND PARTIAL ASSIGNMENT OF OPTION AGREEMENT, RECORDED FEBRUARY 06, 2006, AS INSTRUMENT NO. 2006-0005017, OFFICIAL RECORDS, AND ON THE TERMS AND PROVISIONS CONTAINED IN SAID AGREEMENT.

EXCEPTIONS  
(Continued)

26. AN UNRECORDED AGREEMENT EXECUTED BY AND BETWEEN THE SACRAMENTO-YOLO PORT DISTRICT, 24TH FLORIN ASSOCIATES, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY AND STOCKTON/BROADWAY PARTNERS, L.P., A CALIFORNIA LIMITED PARTNERSHIP, AS DISCLOSED BY MEMORANDUM OF DEVELOPMENT COOPERATION AGREEMENT, RECORDED FEBRUARY 06, 2006, AS INSTRUMENT NO. 2006-0005019, OFFICIAL RECORDS, AND ON THE TERMS AND PROVISIONS CONTAINED IN SAID AGREEMENT.
27. AN UNRECORDED AGREEMENT EXECUTED BY AND BETWEEN 24TH FLORIN ASSOCIATES, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY, STOCKTON/BROADWAY PARTNERS, L.P., A CALIFORNIA LIMITED PARTNERSHIP, THE SACRAMENTO-YOLO PORT DISTRICT AND THE CITY OF WEST SACRAMENTO, AS DISCLOSED BY MEMORANDUM OF AGREEMENT REGARDING PARK RELOCATION, RECORDED FEBRUARY 06, 2006, AS INSTRUMENT NO. 2006-0005020, OFFICIAL RECORDS, AND ON THE TERMS AND PROVISIONS CONTAINED IN SAID AGREEMENT.
28. THE TERMS, CONDITIONS AND PROVISIONS AS CONTAINED IN THE DOCUMENT ENTITLED "SHARED USE OF EASEMENT AGREEMENT", BY AND BETWEEN SACRAMENTO REGIONAL COUNTY SANITATION DISTRICT, AND CITY OF WEST SACRAMENTO, DATED DECEMBER 11, 2009, RECORDED DECEMBER 31, 2009, AS INSTRUMENT NO. 2009-0040543, OFFICIAL RECORDS.
29. TERMS, PROVISIONS, COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS, PROVIDED IN THE DECLARATION OF RESTRICTIVE COVENANTS, BUT OMITTING ANY COVENANT, CONDITION OR RESTRICTION, IF ANY, BASED ON RACE, COLOR, RELIGION, SEX, HANDICAP, FAMILIAL STATUS OR NATIONAL ORIGIN UNLESS AND ONLY TO THE EXTENT THAT THE COVENANT, CONDITION OR RESTRICTION (A) IS EXEMPT UNDER TITLE 42 OF THE UNITED STATES CODE, OR (B) RELATES TO HANDICAP, BUT DOES NOT DISCRIMINATE AGAINST HANDICAPPED PERSONS, IN DOCUMENT RECORDED MARCH 07, 2011, AS INSTRUMENT NO. 2011-0006724, OFFICIAL RECORDS.

NOTE: SECTION 12956.1 OF THE GOVERNMENT CODE PROVIDES THE FOLLOWING:  
"IF THIS DOCUMENT CONTAINS ANY RESTRICTION BASED ON RACE, COLOR, RELIGION, SEX, SEXUAL ORIENTATION, FAMILIAL STATUS, MARITAL STATUS, DISABILITY, NATIONAL ORIGIN, SOURCE OF INCOME AS DEFINED IN SUBDIVISION (P) OF SECTION 12955, OR ANCESTRY, THAT RESTRICTION VIOLATES STATE AND FEDERAL FAIR HOUSING LAWS AND IS VOID, AND MAY BE REMOVED PURSUANT TO SECTION 12956.2 OF THE GOVERNMENT CODE. LAWFUL RESTRICTIONS UNDER STATE AND FEDERAL LAW ON THE AGE OF OCCUPANTS IN SENIOR HOUSING OR HOUSING FOR OLDER PERSONS SHALL NOT BE CONSTRUED AS RESTRICTIONS BASED ON FAMILIAL STATUS."

30. AN INSTRUMENT ENTITLED "SHORT FORM GRANT OF OPTION", DATED MARCH 23,



EXCEPTIONS  
(Continued)

2011, BETWEEN THE REDEVELOPMENT AGENCY OF THE CITY OF WEST SACRAMENTO, AS OPTIONOR, AND SACRAMENTO-YOLO PORT DISTRICT, AS OPTIONEE, AND ON THE TERMS AND CONDITIONS AS CONTAINED THEREIN, RECORDED MAY 20, 2011, AS INSTRUMENT NO. 2011-0014127, OFFICIAL RECORDS.

SAID MATTER AFFECTS THIS AND OTHER PROPERTY.

SAID OPTION AGREEMENT WAS SUBORDINATED TO THE IRREVOCABLE OFFER OF DEDICATION IN EXCEPTION NO. 31, BY INSTRUMENT RECORDED JULY 14, 2011, AS INSTRUMENT NO. 2011-0018955, OFFICIAL RECORDS.

SAID OPTION AGREEMENT WAS SUBORDINATED TO THE IRREVOCABLE OFFER OF DEDICATION IN EXCEPTION NO. 32, BY INSTRUMENT RECORDED JULY 14, 2011, AS INSTRUMENT NO. 2011-0018956, OFFICIAL RECORDS.

31. AN "IRREVOCABLE OFFER TO DEDICATE" AFFECTING A PORTION OF SAID LAND FOR PUBLIC ACCESS AND RECREATION AND INCIDENTAL PURPOSES, IN FAVOR OF CITY OF WEST SACRAMENTO, IN A DOCUMENT RECORDED JUNE 13, 2011, AS INSTRUMENT NO. 2011-0016040, OFFICIAL RECORDS.

AFFECTS: A PORTION OF PARCEL TWO AS DISCLOSED IN SAID INSTRUMENT

32. AN "IRREVOCABLE OFFER TO DEDICATE" AFFECTING A PORTION OF SAID LAND FOR PUBLIC UTILITIES AND INCIDENTAL PURPOSES, IN FAVOR OF CITY OF WEST SACRAMENTO, IN A DOCUMENT RECORDED JUNE 13, 2011, AS INSTRUMENT NO. 2011-0016042, OFFICIAL RECORDS.

AFFECTS: A PORTION OF PARCEL THREE AS DISCLOSED IN SAID INSTRUMENT

\*\*\*\*\* SPECIAL INFORMATION \*\*\*\*\*

\*\*\* CHAIN OF TITLE REPORT:

ACCORDING TO THE PUBLIC RECORDS, NO DEEDS CONVEYING THE PROPERTY DESCRIBED IN THIS REPORT HAVE BEEN RECORDED WITHIN A PERIOD OF 2 YEARS PRIOR TO THE DATE OF THIS REPORT, EXCEPT AS SHOWN HEREIN: NONE

\*\*\* NOTICE REGARDING FUNDS DEPOSITED IN ESCROW:

CALIFORNIA INSURANCE CODE SECTION 12413.1 REGULATES THE DISBURSEMENT OF ESCROW AND SUB-ESCROW FUNDS BY TITLE COMPANIES. OF THE LAW REQUIRES THAT FUNDS BE DEPOSITED IN THE TITLE COMPANY ESCROW ACCOUNT AND AVAILABLE FOR WITHDRAWAL PRIOR TO DISBURSEMENT. FUNDS DEPOSITED WITH THE COMPANY BY WIRE TRANSFER MAY BE DISBURSED UPON RECEIPT. FUNDS

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**EXCEPTIONS**  
(Continued)

DEPOSITED WITH THE COMPANY VIA CASHIER'S OR TELLER'S CHECKS DRAWN ON A CALIFORNIA BASED BANK MAY BE DISBURSED THE NEXT BUSINESS DAY AFTER THE DAY OF DEPOSIT. IF FUNDS ARE DEPOSITED WITH THE COMPANY BY OTHER METHODS, RECORDING AND/OR DISBURSEMENT MAY BE DELAYED.

NOTE: AUTOMATED CLEARING HOUSE (ACH) TRANSFERS ARE NOT ACCEPTED IN LIEU OF WIRED FUNDS AND WILL BE REJECTED, EXCEPT WHEN RECEIVED FROM A GOVERNMENTAL AGENCY.

\*\*\* MONUMENT SURVEY FEE:

EFFECTIVE SEPTEMBER 1, 2001, IN ADDITION TO ANY OTHER FEES REQUIRED BY LAW, A MONUMENT SURVEY PRESERVATION FUND FEE OF \$10.00 WILL BE CHARGED ON DEEDS RECORDED CONVEYING REAL PROPERTY WHICH ARE SUBJECT TO DOCUMENTARY TRANSFER TAX. THIS FEE WILL BE COLLECTED BY THE YOLO COUNTY CLERK/RECORDER.

\*\*\* TRANSFER TAX INFORMATION:

THE ONLY CITIES THAT ARE SUBJECT TO A CITY TRANSFER TAX ARE AS FOLLOWS, ALL OTHERS ARE SUBJECT ONLY TO THE COUNTY TRANSFER TAX OF \$1.10 PER THOUSAND:

THE CITY OF WOODLAND HAS A \$1.10 PER THOUSAND CITY TRANSFER TAX IN ADDITION TO THE COUNTY TRANSFER TAX. \*\*\* CANCELLATION NOTE:

THIS REPORT IS SUBJECT TO A MINIMUM CANCELLATION CHARGE OF \$400.00 AS REQUIRED BY SECTION 12404 OF INSURANCE CODE AND RULE BULLETIN NO. NS-35E.

\*\*\* NOTE: THE FOLLOWING UNDERWRITER HAS BEEN SELECTED FOR THIS TRANSACTION:

STEWART TITLE GUARANTY COMPANY

DISCLOSURE OF DISCOUNTS:

You may be entitled to a discount on your title premiums and/or escrow fees if you meet any of the following conditions:

1. You are an employee of the title insurer or Placer Title and the property is your primary residence; or
2. The transaction is a loan, the purpose of which is to rebuild the improvements on the property as a result of a governmentally declared disaster; or
3. The property is being purchased or encumbered by a religious, charitable or nonprofit organization for its use within the normal activities for which such entity was intended.

Please advise the company if you believe any of the above discounts apply.

LENDER'S NOTE:

APPROVAL FOR THE ISSUANCE OF THE 1970 ALTA LENDER'S POLICY FORM MUST BE REQUESTED AND APPROVED PRIOR TO CLOSE OF ESCROW. ALL OTHER FORMS OF FULL COVERAGE LOAN POLICIES THAT ARE AUTHORIZED TO BE ISSUED ARE THE 1992 AND 2006 POLICIES.

BUYER'S NOTE:

If an ALTA Residential Owner's Policy is requested and if the property described herein is determined to be eligible for this policy, the following Exceptions From Coverage will appear in the policy:

1. Taxes or assessments which are not shown as liens by the public records or by the records of any taxing authority.
2. (a) Water rights, claims or title to water; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) unpatented mining claims; whether or not the matters excepted under (a), (b) or (c) are shown by the public records.
3. Any rights, interests or claims of parties in possession of the land which are not shown by the public records.
4. Any easements or liens not shown by the public records. This exception does not limit the lien coverage in Item 8 of the Covered Title Risks.
5. Any facts about the land which a correct survey would disclose and which are not shown by the public records. This exception does not limit the forced removal coverage in Item 12 of the Covered Title Risks.

**CLTA PRELIMINARY REPORT FORM**  
**Exhibit A (Revised 6-3-11)**  
**CALIFORNIA LAND TITLE ASSOCIATION STANDARD COVERAGE POLICY - 1990**

**EXCLUSIONS FROM COVERAGE**

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance or governmental regulation (including but not limited to building or zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien, or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.  
(b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.
3. Defects, liens, encumbrances, adverse claims or other matters:
  - (a) whether or not recorded in the public records at Date of Policy, but created, suffered, assumed or agreed to by the insured claimant;
  - (b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy;
  - (c) resulting in no loss or damage to the insured claimant;
  - (d) attaching or created subsequent to Date of Policy; or
  - (e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the insured mortgage or for the estate or interest insured by this policy.
4. Unenforceability of the lien of the insured mortgage because of the inability or failure of the insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness, to comply with the applicable doing business laws of the state in which the land is situated.
5. Invalidity or unenforceability of the lien of the insured mortgage, or claim thereof, which arises out of the transaction evidenced by the insured mortgage and is based upon usury or any consumer credit protection or truth in lending law.
6. Any claim, which arises out of the transaction vesting in the insured the estate or interest insured by this policy or the transaction creating the interest of the insured lender, by reason of the operation of federal bankruptcy, state insolvency or similar creditors' rights laws.

**EXCEPTIONS FROM COVERAGE - SCHEDULE B, PART I**

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of:

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records.  
Proceedings by a public agency which may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the public records.
2. Any facts, rights, interests, or claims which are not shown by the public records but which could be ascertained by an inspection of the land or which may be asserted by persons in possession thereof.
3. Easements, liens or encumbrances, or claims thereof, not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the public records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b) or (c) are shown by the public records.
6. Any lien or right to a lien for services, labor or material not shown by the public records.



CLTA HOMEOWNER'S POLICY OF TITLE INSURANCE (02-03-10)  
ALTA HOMEOWNER'S POLICY OF TITLE INSURANCE

EXCLUSIONS

In addition to the Exceptions in Schedule B, You are not insured against loss, costs, attorneys' fees, and expenses resulting from:

1. Governmental police power, and the existence or violation of those portions of any law or government regulation concerning: a. building; b. zoning; c. land use; d. improvements on the Land; e. land division; and f. environmental protection. This Exclusion does not limit the coverage described in Covered Risk 8.a., 14, 15, 16, 18, 19, 20, 23 or 27.
2. The failure of Your existing structures, or any part of them, to be constructed in accordance with applicable building codes. This Exclusion does not limit the coverage described in Covered Risk 14 or 15.
3. The right to take the Land by condemning it. This Exclusion does not limit the coverage described in Covered Risk 17.
4. Risks: a. that are created, allowed, or agreed to by You, whether or not they are recorded in the Public Records; b. that are Known to You at the Policy Date, but not to Us, unless they are recorded in the Public Records at the Policy Date; c. that result in no loss to You; or d. that first occur after the Policy Date - this does not limit the coverage described in Covered Risk 7, 8.e., 25, 26, 27 or 28.
5. Failure to pay value for Your Title.
6. Lack of a right: a. to any Land outside the area specifically described and referred to in paragraph 3 of Schedule A; and b. in streets, alleys, or waterways that touch the Land. This Exclusion does not limit the coverage described in Covered Risk 11 or 21.
7. The transfer of the Title to You is invalid as preferential transfer or as a fraudulent transfer or conveyance under federal bankruptcy, state insolvency, or similar creditors' rights laws.

LIMITATIONS ON COVERED RISKS

Your insurance for the following Covered Risks is limited on the Owner's Coverage Statement as follows:

- \* For Covered Risk 16, 18, 19, and 21 Your Deductible Amount and Our Maximum Dollar Limit of Liability shown in Schedule A.

The deductible amounts and maximum dollar limits shown on Schedule A are as follows:

|                  | Your Deductible Amount                                 | Our Maximum Dollar Limit of Liability |
|------------------|--|---------------------------------------|
| Covered Risk 16: | 1% of Policy Amount or \$ _____<br>(whichever is less) | \$ _____                              |
| Covered Risk 18: | 1% of Policy Amount or \$ _____<br>(whichever is less) | \$ _____                              |
| Covered Risk 19: | 1% of Policy Amount or \$ _____<br>(whichever is less) | \$ _____                              |
| Covered Risk 21: | 1% of Policy Amount or \$ _____<br>(whichever is less) | \$ _____                              |

AMERICAN LAND TITLE ASSOCIATION  
RESIDENTIAL TITLE INSURANCE POLICY (6-1-87)

EXCLUSIONS

In addition to the Exceptions in Schedule B, you are not insured against loss, costs, attorneys' fees, and expenses resulting from:

1. Governmental police power, and the existence or violation of any law or government regulation. This includes building and zoning ordinances and also laws and regulations concerning:

- \* Land use
- \* Improvements on the land
- \* Land division
- \* Environmental protection

This exclusion does not apply to violations or the enforcement of these matters which appear in the public records at Policy Date.

This exclusion does not limit the zoning coverage described in Items 12 and 13 of Covered Title Risks.

2. The right to take the land by condemning it, unless:

- \* a notice of exercising the right appears in the public records
- \* on the Policy Date
- \* the taking happened prior to the Policy Date and is binding on you if you bought the land without knowing of the taking

3. Title Risks:

- \* that are created, allowed, or agreed to by you
- \* that are known to you, but not to us, on the Policy Date -- unless they appeared in the public records
- \* that result in no loss to you
- \* that first affect your title after the Policy Date -- this does not limit the labor and material lien coverage in Item 8 of Covered Title Risks

4. Failure to pay value for your title.

5. Lack of a right:

- \* to any land outside the area specifically described and referred to in Item 3 of Schedule A
- OR
- \* in streets, alleys, or waterways that touch your land

This exclusion does not limit the access coverage in Item 5 of Covered Title Risks.

2006 ALTA LOAN POLICY (06/17/06)

EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
  - (i) the occupancy, use, or enjoyment of the Land;
  - (ii) the character, dimensions, or location of any improvement erected on the Land;
  - (iii) the subdivision of land; or
  - (iv) environmental protection;or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.  
(b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
  - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
  - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
  - (c) resulting in no loss or damage to the Insured Claimant;
  - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 11, 13, or 14); or
  - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.
4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of an Insured to comply with applicable doing-business laws of the state where the Land is situated.
5. Invalidity or unenforceability in whole or in part of the lien of the Insured Mortgage that arises out of the transaction evidenced by the Insured Mortgage and is based upon usury or any consumer credit protection or truth-in-lending law.
6. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction creating the lien of the Insured Mortgage, is
  - (a) a fraudulent conveyance or fraudulent transfer, or
  - (b) a preferential transfer for any reason not stated in Covered Risk 13(b) of this policy.
7. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the Insured Mortgage in the Public Records. This Exclusion does not modify or limit the coverage provided under Covered Risk 11(b).

The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) that arise by reason of:

1. (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
2. Any facts, rights, interests, or claims that are not shown by the Public Records but that could be ascertained by an inspection of the Land or that may be asserted by persons in possession of the Land.
3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.
4. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and not shown by the Public Records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the Public Records.
6. Any lien or right to a lien for services, labor or material not shown by the public records.



ALTA EXPANDED COVERAGE RESIDENTIAL LOAN POLICY (7-26-10)

EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
  - (i) the occupancy, use, or enjoyment of the Land;
  - (ii) the character, dimensions, or location of any improvement erected on the Land;
  - (iii) the subdivision of land; or
  - (iv) environmental protection;or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5, 6, 13(c), 13(d), 14 or 16.  
(b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 5, 6, 13(c), 13(d), 14 or 16.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
  - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
  - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
  - (c) resulting in no loss or damage to the Insured Claimant;
  - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 11, 16, 17, 18, 19, 20, 21, 22, 23, 24, 27 or 28); or
  - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.
4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of an Insured to comply with applicable doing-business laws of the state where the Land is situated.
5. Invalidity or unenforceability in whole or in part of the lien of the Insured Mortgage that arises out of the transaction evidenced by the Insured Mortgage and is based upon usury, or any consumer credit protection or truth-in-lending law. This Exclusion does not modify or limit the coverage provided in Covered Risk 26.
6. Any claim of invalidity, unenforceability or lack of priority of the lien of the Insured Mortgage as to Advances or modifications made after the Insured has Knowledge that the vestee shown in Schedule A is no longer the owner of the estate or interest covered by this policy. This Exclusion does not modify or limit the coverage provided in Covered Risk 11.
7. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching subsequent to Date of Policy. This Exclusion does not modify or limit the coverage provided in Covered Risk 11(b) or 25.
8. The failure of the residential structure, or any portion of it, to have been constructed before, on or after Date of Policy in accordance with applicable building codes. This Exclusion does not modify or limit the coverage provided in Covered Risk 5 or 6.
9. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction creating the lien of the Insured Mortgage, is
  - (a) a fraudulent conveyance or fraudulent transfer, or
  - (b) a preferential transfer for any reason not stated in Covered Risk 27(b) of this policy.

## PRIVACY POLICY NOTICE

### Purpose Of This Notice

Title V of the Gramm-Leach-Bliley Act (GLBA) generally prohibits any financial institution, directly or through its affiliates, from sharing nonpublic personal information about you with a nonaffiliated third party unless the institution provides you with a notice of its privacy policies and practices, such as the type of information that it collects about you and the categories of a persons or entities to whom it may be disclosed. In compliance with the GLBA, we are providing you with this document, which notifies you of the privacy policies and practices of:

Commonwealth Land Title Insurance Company  
Fidelity National Title Insurance Company  
First American Title Insurance Company  
First American Title Insurance Company of New York  
Lawyers Title Insurance Corporation  
Montana Title and Escrow Company  
National Closing Solutions  
National Closing Solutions of Alabama, LLC  
NCS Exchange Professionals  
North Idaho Title Insurance Company  
Old Republic National Title Insurance Company

Placer Title Company  
Placer Title Insurance Agency of Utah  
Stewart Title Guaranty Company  
Stewart Title Insurance Company  
Targhee National Title  
American General Title Insurance Company  
Ticor Title Insurance Company  
Transnation Title Insurance Company  
United General Title Insurance Company  
Westcor Land Title Insurance Company  
Wyoming Title and Escrow Company

We may collect nonpublic personal information about you from the following sources:

- \* Information we receive from you, such as on applications or other forms.
- \* Information about your transactions we secure from our files, of from our affiliates or others.
- \* Information we receive from a consumer reporting agency.
- \* Information we receive from others involved in your transaction, such as the real estate agent or lender.

Unless it is specifically stated otherwise in an amended Privacy Policy Notice, no additional nonpublic personal information will be collected about you.

We may disclose any of the above information that we collect about our customers or former customers to our affiliates or to nonaffiliated third parties as permitted by law.

We also may disclose this information about our customers or former customers to the following types of nonaffiliated companies that perform marketing services on our behalf or with whom we have joint marketing agreements:

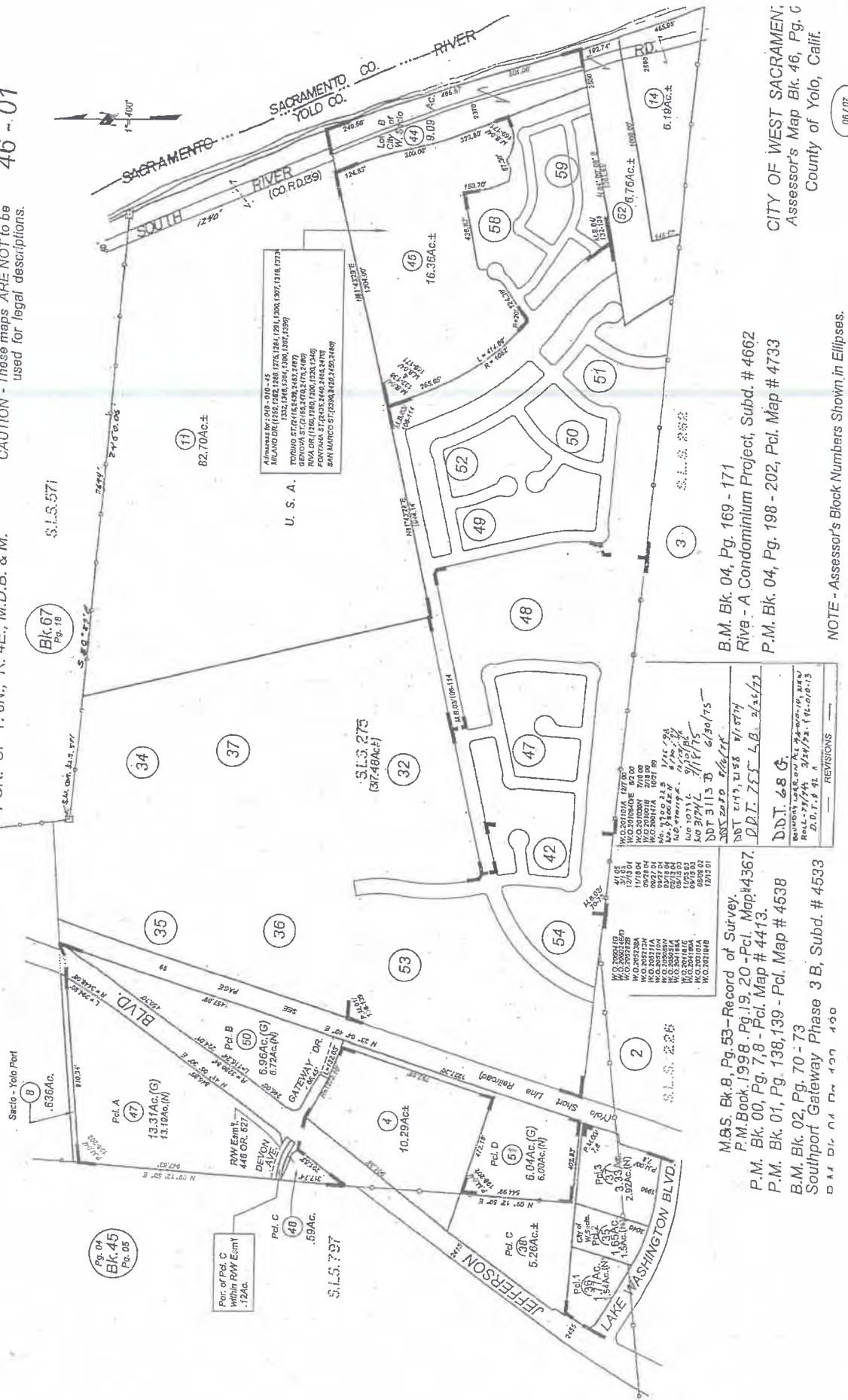
- \* Financial service providers such as companies engaged in banking, consumer finances, securities and insurance.
- \* Nonfinancial companies such as envelope stuffers and other fulfillment service providers.

**WE DO NOT DISCLOSE ANY NONPUBLIC PERSONAL INFORMATION ABOUT YOU WITH ANYONE FOR ANY PURPOSE THAT IS NOT SPECIFICALLY PERMITTED BY LAW.**

We restrict access to nonpublic personal information about you to those employees who need to know that information in order to provide products or services to you. We maintain physical, electronic and procedural safeguards that comply with federal regulations to guard your nonpublic personal information.

CAUTION - These maps ARE NOT to be used for legal descriptions.

POR. OF T. 8N., R. 4E., M.D.B. & M.



U. S. A.  
 Address: 109-210-45  
 MILANO DR (1255, 1282, 1286, 1275, 1284, 1291, 1300, 1307, 1318, 1323)  
 TRONDIS ST (1332, 1346, 1354, 1366, 1367, 1357, 1339)  
 GENOVA ST (1345, 1353, 1365, 1377, 1389)  
 RIVA DR (1246, 1260, 1265, 1250, 1230, 1240)  
 PONTIANA ST (2495, 2490, 2460, 2463, 2470)  
 SAN MARCO ST (2338A, 2420, 2450, 2460)

|             |         |
|-------------|---------|
| W.C. 20100A | 1277 67 |
| W.C. 20100B | 52 50   |
| W.C. 20100C | 718 59  |
| W.C. 20100D | 718 59  |
| W.C. 20100E | 718 59  |
| W.C. 20100F | 718 59  |
| W.C. 20100G | 718 59  |
| W.C. 20100H | 718 59  |
| W.C. 20100I | 718 59  |
| W.C. 20100J | 718 59  |
| W.C. 20100K | 718 59  |
| W.C. 20100L | 718 59  |
| W.C. 20100M | 718 59  |
| W.C. 20100N | 718 59  |
| W.C. 20100O | 718 59  |
| W.C. 20100P | 718 59  |
| W.C. 20100Q | 718 59  |
| W.C. 20100R | 718 59  |
| W.C. 20100S | 718 59  |
| W.C. 20100T | 718 59  |
| W.C. 20100U | 718 59  |
| W.C. 20100V | 718 59  |
| W.C. 20100W | 718 59  |
| W.C. 20100X | 718 59  |
| W.C. 20100Y | 718 59  |
| W.C. 20100Z | 718 59  |

M.B.S. Bk. 8, Pg. 53 - Record of Survey.  
 P.M. Book 1998, Pg. 19, 20 - Pcl. Map # 4367.  
 P.M. Bk. 00, Pg. 7, 8 - Pcl. Map # 4413.  
 P.M. Bk. 01, Pg. 138, 139 - Pcl. Map # 4538  
 B.M. Bk. 02, Pg. 70 - 73  
 Southport Gateway Phase 3 B, Subd. # 4533

B.M. Bk. 04, Pg. 169 - 171  
 Riva - A Condominium Project, Subd. # 4662  
 P.M. Bk. 04, Pg. 198 - 202, Pcl. Map # 4733

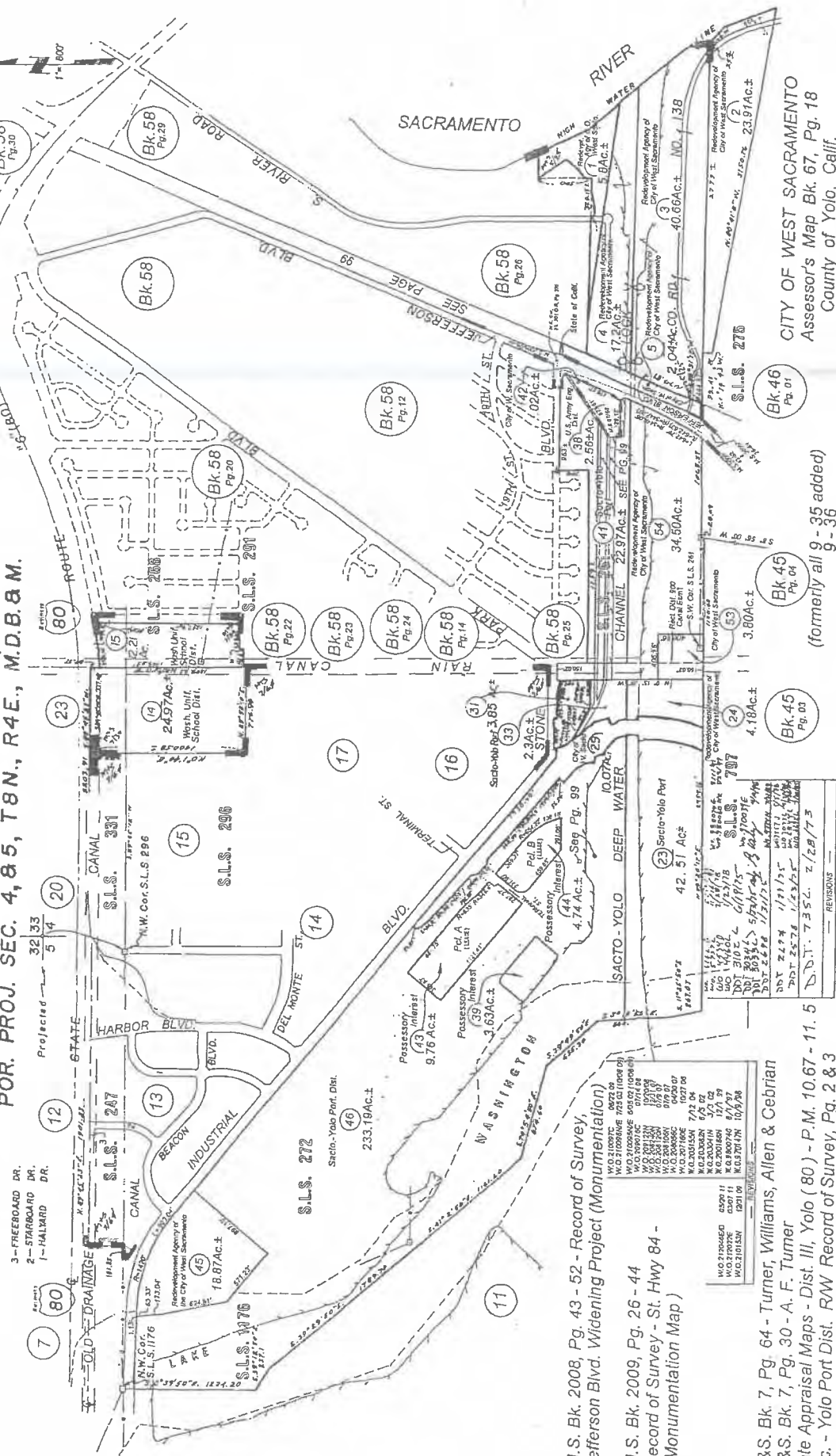
CITY OF WEST SACRAMENTO,  
 Assessor's Map Bk. 46, Pg. G  
 County of Yolo, Calif.

NOTE - Assessor's Block Numbers Shown in Ellipses.



CAUTION - These Maps ARE NOT to be used for legal descriptions.

S.L.S. 1176, 272, 296, 261, & POR. 247, 331, 797.  
 POR. PROJ. SEC. 32 & 33, T.9N., R.4E., M.D.B.&M.  
 POR. PROJ. SEC. 4, & 5, T.8N., R.4E., M.D.B.&M.



CITY OF WEST SACRAMENTO  
 Assessor's Map Bk. 67, Pg. 18  
 County of Yolo, Calif.

12/13

(formerly all 9, 35 added)  
 9-36  
 par. 9-30

NOTE - Assessor's Block Number Shown in Ellipses.  
 Assessor's Parcel Number Shown in Circles.

M.S. Bk. 2008, Pg. 43 - 52 - Record of Survey,  
 Jefferson Blvd. Widening Project (Monumentation)  
 M.S. Bk. 2009, Pg. 26 - 44  
 Record of Survey - St. Hwy 84 -  
 (Monumentation Map)

|              |                |
|--------------|----------------|
| W.O. 2100276 | 0622 04        |
| W.O. 2100286 | 775 02 1108 01 |
| W.O. 2100306 | 051 07 1008 01 |
| W.O. 2100316 | 117 03         |
| W.O. 2100326 | 015 07         |
| W.O. 2100336 | 062 07         |
| W.O. 2100346 | 1027 06        |
| W.O. 2100356 | 771 04         |
| W.O. 2100366 | 471 02         |
| W.O. 2100376 | 1771 79        |
| W.O. 2100386 | 1077 06        |
| W.O. 2100396 | 1077 06        |

|              |         |
|--------------|---------|
| W.O. 2100406 | 0507 01 |
| W.O. 2100416 | 0507 01 |
| W.O. 2100426 | 0507 01 |
| W.O. 2100436 | 0507 01 |
| W.O. 2100446 | 0507 01 |
| W.O. 2100456 | 0507 01 |
| W.O. 2100466 | 0507 01 |
| W.O. 2100476 | 0507 01 |
| W.O. 2100486 | 0507 01 |
| W.O. 2100496 | 0507 01 |

M.&S. Bk. 7, Pg. 64 - Turner, Williams, Allen & Gebrin  
 M.&S. Bk. 7, Pg. 30 - A. F. Turner  
 State Appraisal Maps - Dist. III, Yolo (80) - P.M. 10.67 - 11. 5  
 Sac. - Yolo Port Dist. RAW Record of Survey, Pg. 2 & 3  
 M.&S. Bk. 5, Pg. 25 - Shell Oil Co. & Arthur F. Turner Tracts  
 M.S. Bk. 07, Pg. 60 - Record of Survey

|              |         |
|--------------|---------|
| W.O. 2100506 | 1171 79 |
| W.O. 2100516 | 1171 79 |
| W.O. 2100526 | 1171 79 |
| W.O. 2100536 | 1171 79 |
| W.O. 2100546 | 1171 79 |
| W.O. 2100556 | 1171 79 |
| W.O. 2100566 | 1171 79 |
| W.O. 2100576 | 1171 79 |
| W.O. 2100586 | 1171 79 |
| W.O. 2100596 | 1171 79 |

# PLACER TITLE COMPANY

## Preliminary Report

Issued By:

Order No. 306-6954.2  
UPDATE  
Version 3

PLACER TITLE COMPANY  
30 WEST MAIN STREET  
SUITE A

WOODLAND, CA 95695

Escrow Officer: Eric Seastrom

Phone: 530-666-1214

Fax: 530-668-0896

Escrow Officer Email: [eseastrom@placertitle.com](mailto:eseastrom@placertitle.com)

Email Loan Docs To: N/A

Customer Reference:

Property Address: "SOUTHEASTERN PORT CANAL AREA", WEST SACRAMENTO, CA 95691

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In response to the above referenced application for a policy of title insurance, PLACER TITLE COMPANY hereby reports that it is prepared to issue, or cause to be issued, through one of its authorized underwriters, as of the date hereof, a Policy or Policies of Title Insurance describing the land and the estate or interest therein hereinafter set forth, insuring against loss which may be sustained by reason of any defect, lien or encumbrance not shown or referred to as an Exception below or not excluded from coverage pursuant to the printed Schedules, Conditions and Stipulations of said Policy forms.

The printed Exceptions and Exclusions from the coverage and Limitations on Covered Risks of said Policy or Policies are set forth in the attached. The policy to be issued may contain an arbitration clause. When the Amount of Insurance is less than that set forth in the arbitration clause, all arbitrable matters shall be arbitrated at the option of either the Company or the Insured as the exclusive remedy of the parties. Limitations on Covered Risks applicable to the CLTA and ALTA Homeowner's Policies of Title Insurance which establish a Deductible Amount and a Maximum Dollar Limit of Liability for certain coverages are also set forth in the attached. Copies of the Policy forms should be read. They are available from the office which issued this report.

PLEASE READ THE EXCEPTIONS SHOWN OR REFERRED TO BELOW AND THE EXCEPTIONS AND EXCLUSIONS SET FORTH IN THE ATTACHED CAREFULLY. THE EXCEPTIONS AND EXCLUSIONS ARE MEANT TO PROVIDE YOU WITH NOTICE OF MATTERS WHICH ARE NOT COVERED UNDER THE TERMS OF TITLE INSURANCE POLICY AND SHOULD BE CAREFULLY CONSIDERED.

IT IS IMPORTANT TO NOTE THAT THIS PRELIMINARY REPORT IS NOT A WRITTEN REPRESENTATION AS TO THE CONDITION OF TITLE AND MAY NOT LIST ALL LIENS, DEFECTS AND ENCUMBRANCES AFFECTING TITLE TO THE LAND.

This report (and any supplements or amendments hereto) is issued solely for the purpose of facilitating the issuance of a policy of title insurance and no liability is assumed hereby. If it is desired that liability be assumed prior to the issuance of a policy of title insurance, a Binder or Commitment should be requested.

Dated as of November 28, 2011 at 7:30 a.m.

Title Officer: Eric Seastrom

Order No. 306-6954.2  
UPDATE  
Version 3

The form of policy of title insurance contemplated by this report is:  
**CLTA Standard Coverage Policy**

The estate or interest in the land hereinafter described or referred to covered by this Report is:

**A FEE SIMPLE**

Title to said estate or interest at the date hereof is vested in:

**THE REDEVELOPMENT AGENCY OF THE CITY OF WEST SACRAMENTO, A CALIFORNIA  
REDEVELOPMENT AGENCY**

The land referred to herein is described as follows:

**SEE EXHIBIT "A" ATTACHED**

EXHIBIT "A"  
LEGAL DESCRIPTION

THE LAND DESCRIBED HEREIN IS SITUATED IN THE STATE OF CALIFORNIA, COUNTY OF YOLO, CITY OF WEST SACRAMENTO, AND IS DESCRIBED AS FOLLOWS:

PARCEL ONE:

PORTION OF THE SOUTHWEST ONE QUARTER OF SECTION 3 AND THE NORTHWEST ONE QUARTER OF SECTION 10, T. 8 N., R. 4 E., M.D.B. & M., AND BEING BOUNDED AND MORE PARTICULARLY DESCRIBED AS FOLLOWS, TO WIT:

BEGINNING AT A POINT ON THE WESTERLY BANK OF THE SACRAMENTO RIVER, FROM WHICH SAID POINT OF BEGINNING AN IRON PIPE MARKED "R. E. 53", MARKING THE SOUTHEAST CORNER OF SWAMP LAND SURVEY NO. 571, YOLO COUNTY SURVEYS, BEARS S. 11 ° 08' 50" E. 92.71 FEET AND S. 11 ° 53' 50" E. 501.60 FEET AND RUNNING THENCE FROM SAID POINT OF BEGINNING N. 75 ° 21' 50" W. 346.74 FEET; THENCE S. 89 ° 38' 10" W. 2160.52 FEET TO A POINT IN A NORTHERLY AND SOUTHERLY FENCE LINE; THENCE FOLLOWING SAID NORTHERLY AND SOUTHERLY FENCE LINE N. 25 ° 12' 23" E. 514.11 FEET TO A FENCE CORNER; THENCE FOLLOWING AN EASTERLY AND WESTERLY FENCE LINE AND THE PROLONGATION EASTERLY THEREOF, S. 80 ° 05' 27" E. 2282.24 FEET TO A POINT ON THE WESTERLY BANK OF THE SACRAMENTO RIVER; THENCE FOLLOWING THE SAID WESTERLY BANK OF THE SACRAMENTO RIVER DOWNSTREAM, S. 11 ° 08' 50" E. 149.12 FEET TO THE POINT OF BEGINNING.

ASSESSOR'S PARCEL NUMBER: PORTION OF 067-180-003

PARCEL TWO:

A PORTION OF PROJECTED SECTIONS 3 AND 10, TOWNSHIP 8 NORTH, RANGE 4 EAST, M.D.B. & M., DESCRIBED AS FOLLOWS:

BEGINNING AT AN IRON PIPE MONUMENT SET IN A FENCE CORNER AND STAMPED RE 1168, FROM WHICH AN OLD GRANITE MONUMENT MARKING THE SOUTHWEST CORNER OF SWAMP LAND SURVEY NO. 261 BEARS NORTH 80 ° 23' 15" WEST 208.33 FEET; THENCE NORTH 00 ° 56' 50" WEST 92.45 FEET AND THENCE SOUTH 89 ° 49' 10" WEST 2653.87 FEET; THENCE FROM SAID POINT OF BEGINNING NORTH 25 ° 12' 23" EAST 217.44 FEET ALONG A FENCE LINE; THENCE NORTH 89 ° 38' 10" EAST 2160.52 FEET; THENCE SOUTH 75 ° 21' 50" EAST 346.74 FEET TO A POINT ON THE MEAN HIGH WATER LINE ON THE RIGHT BANK OF THE SACRAMENT RIVER; THENCE DOWNSTREAM ALONG SAID MEAN HIGH WATER LINE, FOLLOWING THE MENADERINGS THEREOF, TWO COURSES AND DISTANCES AS FOLLOWS: SOUTH 45 ° 29' 20" EAST 198.35 FEET AND SOUTH 19 ° 48' EAST 505.00 FEET; THENCE LEAVING SAID MEAN HIGH WATER LINE NORTH 80 ° 23' 15" WEST 193.94 FEET TO AN IRON PIPE MONUMENT MARKED RE 53 AND SET IN A FENCE LINE; THENCE CONTINUING NORTH 80 ° 23' 15" WEST 2748.49 FEET ALONG A FENCE LINE TO THE POINT OF BEGINNING.

ASSESSOR'S PARCEL NUMBER: A PORTION OF 067-180-002 AND 003

PARCEL THREE:



EXHIBIT "A"  
LEGAL DESCRIPTION continued

ASSESSOR'S PARCEL NUMBER: A PORTION OF 067-180-002 AND 003

PARCEL FIVE:

BEING A PORTION OF THE SOUTHWEST ONE QUARTER OF SECTION 3, TOWNSHIP 8 NORTH, RANGE 4 EAST, M.D.B. & M., AND BEING BOUNDED AND MORE PARTICULARLY DESCRIBED AS FOLLOWS, TO-WIT:

BEGINNING AT AN OLD IRON PIPE MARKING THE CORNER COMMON TO THE HEREIN DESCRIBED PROPERTY AND THE PROPERTY NOW OR FORMERLY OWNED BY CHARLES PARELLA, FROM WHICH SAID POINT OF BEGINNING AN OLD GRANITE MONUMENT MARKING THE SOUTHWEST CORNER OF SWAMP LAND SURVEY NO. 261, BEARS SOUTH 72 DEGREES, 10' 15" WEST, 2879.60 FEET; THENCE FROM SAID POINT OF BEGINNING NORTH 02 DEGREES, 36' 15" WEST 114.95 FEET ALONG THE BOUNDARY LINE OF THE HEREIN DESCRIBED PROPERTY AND THE PROPERTY NOW OR FORMERLY OWNED BY CHARLES PARELLA; THENCE NORTH 89 DEGREES, 38' 10" EAST 1,478.61 FEET; THENCE NORTH 00 DEGREES, 21' 50" WEST 500.00 FEET; THENCE NORTH 89 DEGREES, 38' 10" EAST 222.00 FEET TO THE MEAN HIGH WATER LINE ON THE RIGHT BANK OF THE SACRAMENTO RIVER; THENCE DOWNSTREAM ALONG SAID MEAN HIGH WATER LINE, FOLLOWING THE MEANDERINGS THEREOF, FOUR COURSES AND DISTANCES AS FOLLOWS:

SOUTH 28 DEGREES, 24' EAST 193.00 FEET, SOUTH 32 DEGREES, 14' EAST 305.00 FEET, SOUTH 38 DEGREES, 30' EAST 295.00 FEET AND SOUTH 45 DEGREES, 40' 45" EAST 127.68 FEET; THENCE, LEAVING SAID MEAN HIGH WATER LINE, NORTH 86 DEGREES, 51' 04" WEST, 2,225.00 FEET TO THE POINT OF BEGINNING.

EXCEPTING FROM PARCEL FIVE, THE FOLLOWING 4 PARCELS:

PARCEL 1:

BEGINNING AT AN IRON PIPE MONUMENT MARKING THE NORTHWESTERLY CORNER OF THE WEST SACRAMENTO SANITARY DISTRICT TREATMENT PLANT SITE AS OCCUPIED, SAID POINT OF BEGINNING BEING SITUATE NORTH 89 DEGREES 33'05" EAST, 1305.45 FEET; AND THENCE NORTH 0 DEGREE 21'50" WEST 164.20 FEET FROM THE POINT OF INTERSECTION OF THE CENTERLINE OF STATE STREET PRODUCED EASTERLY TO THE POINT OF INTERSECTION WITH THE EASTERLY LINE OF THE RIGHT OF WAY OF THE SACRAMENTO NORTHERN RAILWAY COMPANY, AS SAID STATE STREET AND RIGHT OF WAY APPEAR OF RECORD IN THE OFFICE OF THE RECORDER OF YOLO COUNTY, CALIFORNIA, ON THE "MAP OF WEST SACRAMENTO CITY- UNIT ONE" FILED IN MAP BOOK 3 PAGES 8 TO 14 INCLUSIVE, YOLO COUNTY RECORDS; AND EXTENDING THENCE FROM SAID POINT OF BEGINNING SOUTH 0 DEGREE 21'50" EAST ALONG THE WESTERLY LINE OF SAID WEST SACRAMENTO SANITARY DISTRICT TREATMENT PLANT SITE AS FENCED AND OCCUPIED A DISTANCE OF 520.00 FEET TO AN IRON PIPE MONUMENT MARKING THE SOUTHWESTERLY CORNER OF SAID TREATMENT PLANT SITE AS NOW OCCUPIED; THENCE SOUTH 89 DEGREES 38'10" WEST ALONG THE NORTHERLY BOUNDARY OF THE SACRAMENTO YOLO PORT DISTRICT PROPERTY A DISTANCE OF 167.54 FEET; THENCE NORTH 0 DEGREES 21'50" WEST ALONG A LINE PARALLEL WITH THE FIRST MENTIONED COURSE OF THE DESCRIPTION A DISTANCE OF 520.00 FEET; THENCE NORTH 89 DEGREES 38'10" EAST 167.54 FEET TO THE POINT OF BEGINNING.

EXHIBIT "A"  
LEGAL DESCRIPTION continued

PARCEL 2:

THAT PORTION OF YOLO COUNTY SWAMP AND OVERFLOW LAND SURVEY #571 DESCRIBED AS FOLLOWS:

BEGINNING AT AN IRON PIPE MONUMENT MARKED R.E. 1168 AND BEING SITUATE NORTH 89 DEGREES 33'05" EAST 1467.10 FEET; THENCE NORTH 0 DEGREE 21'50" WEST, 144.20 FEET FROM THE POINT OF INTERSECTION OF THE CENTER LINE OF STATE STREET PRODUCED EASTERLY TO THE POINT OF INTERSECTION WITH THE EASTERLY LINE OF THE RIGHT OF WAY OF THE SACRAMENTO NORTHERN RAILWAY COMPANY AS SAID STATE STREET AND RIGHT OF WAY APPEAR OF RECORD IN THE OFFICE OF THE RECORDER OF YOLO COUNTY, CALIFORNIA, ON THE "MAP OF WEST SACRAMENTO CITY UNIT ONE", FILED IN MAP BOOK 3, PAGES 8 TO 14, INCLUSIVE YOLO COUNTY RECORDS, AND EXTENDING THENCE NORTH 89 DEGREES 38'10" EAST ALONG THE NORTHERLY BOUNDARY LINE OF THE TRACT REQUIRED BY THE SACRAMENTO-YOLO PORT DISTRICT; A DISTANCE OF 153.00 FEET TO AN IRON PIPE MONUMENT MARKED R.E. 1168 AND SET IN THE WESTERLY HIGH BANK LINE OF THE SACRAMENTO RIVER; THENCE NORTH 27 DEGREES 10' WEST UP AND ALONG THE SAID WEST BANK OF THE SAID SACRAMENTO RIVER A DISTANCE OF 22.41 FEET; THENCE SOUTH 89 DEGREES 38'10" WEST A DISTANCE OF 304.55 FEET; THENCE SOUTH 0 DEGREE 21'50" EAST 520.00 FEET TO A POINT IN THE NORTHERLY LINE OF THE TRACT REQUIRED BY THE SACRAMENTO-YOLO PORT DISTRICT; THENCE NORTH 89 DEGREES 38'10" EAST ALONG THE SAID BOUNDARY LINE A DISTANCE OF 161.65 FEET TO AN IRON PIPE MONUMENT MARKED R.E. 1168; THENCE UP AND ALONG THE BOUNDARY LINE OF THE SAID TRACT REQUIRED BY THE SAID PORT DISTRICT NORTH 0 DEGREES 21'50" WEST 500.00 FEET TO THE POINT OF BEGINNING.

PARCEL 3:

BEGINNING AT A POINT ON THE NORTHERLY BOUNDARY LINE OF THAT CERTAIN PARCEL OF LAND CONVEYED IN EASEMENT TO THE UNITED STATES OF AMERICA, RECORDED JULY 2, 1958, IN BOOK 545, OFFICIAL RECORDS, PAGE 432, YOLO COUNTY RECORDS; SAID POINT ALSO BEING ON THE SOUTHERLY BOUNDARY OF THE PROPERTY OF THE WEST SACRAMENTO SANITARY DISTRICT, AS SAID PROPERTY NOW EXISTS; SAID POINT OF BEGINNING BEARING SOUTH 89 DEGREES 20'11" WEST 126.13 FEET FROM THE SOUTHEASTERLY PROPERTY CORNER OF THE SAID SANITARY DISTRICT; SAID CORNER ALSO BEING COMMON TO THE AFOREMENTIONED PARCEL CONVEYED TO THE UNITED STATES OF AMERICA; COORDINATES OF SAID POINT OF BEGINNING BEING NORTH 326,534.85 EAST, 2,136,837.15; THENCE FROM SAID POINT OF BEGINNING SOUTH 89 DEGREES 20'11" WEST 201.17 FEET; THENCE SOUTH 0 DEGREE 39'49" WEST 201.17 FEET; THENCE NORTH 89 DEGREES 20'11" EAST, 22.00 FEET; THENCE ALONG A CURVE OF 550 FEET RADIUS AND CURVING TO THE LEFT AN ARC DISTANCE OF 182.50 FEET; SAID ARC BEING SUBTENDED BY A CHORD BEARING NORTH 79 DEGREE 49'49" EAST 181.67 FEET TO THE POINT OF BEGINNING.

PARCEL 4:

BEGINNING AT A POINT ON THE BOUNDARY LINE OF THAT CERTAIN PARCEL OF LAND CONVEYED IN EASEMENT TO THE UNITED STATES OF AMERICA BY THE SACRAMENTO-YOLO PORT DISTRICT, RECORDED JULY 2, 1958, IN BOOK 545 OF OFFICIAL RECORDS PAGE

EXHIBIT "A"  
LEGAL DESCRIPTION continued

432, YOLO COUNTY RECORDS; SAID POINT ALSO BEING ON THE EASTERLY BOUNDARY OF THE PROPERTY OF THE WEST SACRAMENTO SANITARY DISTRICT, AS SAID PROPERTY NOW EXISTS; SAID POINT OF BEGINNING BEARS NORTH 0 DEGREE 39'49" WEST 62.52 FEET FROM THE SOUTHEASTERLY PROPERTY CORNER OF THE SAID SANITARY DISTRICT; SAID CORNER ALSO BEING COMMON TO THE AFOREMENTIONED PARCEL CONVEYED TO THE UNITED STATES OF AMERICA; COORDINATES OF SAID POINT OF BEGINNING BEING NORTH 326,598.83; EAST 2,136,962.55; THENCE FROM SAID POINT OF BEGINNING NORTH 0 DEGREE 39'49" WEST 437.48 FEET; THENCE SOUTH 33 DEGREE 10'08" EAST 310.62 FEET; THENCE ALONG A CURVE OF 550 FEET RADIUS AND CURVING TO THE RIGHT AN ARC DISTANCE OF 244.22 FEET; SAID ARC BEING SUBTENDED BY A CHORD BEARING SOUTH 42 DEGREES 53'51" WEST, 242.00 FEET TO THE POINT OF BEGINNING.

ASSESSOR'S PARCEL NUMBER: A PORTION OF 067-180-001 AND 004

PARCEL SIX:

A PORTION OF THAT CERTAIN 82.5 FOOT STRIP OF LAND CONVEYED BY WESTSIDE RAILROAD COMPANY TO THE SACRAMENTO NORTHERN RAILWAY AS RECORDED JANUARY 28, 1931 IN BOOK 21 OF OFFICIAL RECORDS AT PAGE 404, YOLO COUNTY RECORDS, SAID PORTION BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT A GRANITE MONUMENT MARKING THE SOUTHWEST CORNER OF THE SWAMP LAND SURVEY NO. 261, SAID MONUMENT BEING AT CALIFORNIA STATE COORDINATES Y=325,508.41 AND X= 2,132,753.87; THENCE FROM SAID POINT OF COMMENCEMENT NORTH 89 DEGREES 31 MINUTES 11 SECONDS EAST, A DISTANCE OF 2119.19 FEET, TO A POINT ON THE NORTHWESTERN LINE OF SAID 82.5 FOOT STRIP OF LAND CONVEYED TO THE SACRAMENTO NORTHERN RAILWAY, SAID POINT BEING THE POINT OF BEGINNING OF THE PARCEL OF LAND TO BE DESCRIBED; THENCE FROM SAID POINT OF BEGINNING NORTH 22 DEGREES 46 MINUTES 41 SECONDS EAST ALONG SAID NORTHWESTERN LINE, A DISTANCE OF 1074.57 FEET; THENCE NORTH 89 DEGREES 20 MINUTES 11 SECONDS EAST, A DISTANCE OF 89.92 FEET, TO A POINT ON THE SOUTHEASTERN LINE OF SAID 82.5 FOOT STRIP OF LAND; THENCE SOUTH 22 DEGREES 46 MINUTES 41 SECONDS WEST ALONG SAID SOUTHEASTERN LINE, A DISTANCE OF 1074.88 FEET; THENCE SOUTH 89 DEGREES 31 MINUTES 11 SECONDS WEST, A DISTANCE OF 89.80 FEET, TO THE POINT OF BEGINNING.

ASSESSOR'S PARCEL NUMBER: 067-180-005

PARCEL SEVEN:

ALL THAT PORTION OF S.L.S. NO. 275 DESCRIBED AS FOLLOWS:

BEGINNING AT A 1-1/2 INCH IRON PIPE CAPPED AND MARKED WITH A COPPER DISC INSCRIBED "R.E. 53," WHICH PIPE IS LOCATED ON THE NORTHERLY BOUNDARY OF S. L.S. 275 WHERE THE SAME IS INTERSECTED BY THE EASTERLY R/W LINE OF THE OAKLAND, ANTIOCH AND EASTERN RAILROAD AND FROM WHICH POINT THE 6 X 6 POST SET AT THE INTERSECTION OF THE FENCE LINE MARKING THE NORTH BOUNDARY OF S. L.S. 275 AND THE NORTH LINE OF THAT CERTAIN 42.06 ACRE TRACT CONVEYED BY DEED, ADAMS TO PARELLA, WITH THE WESTERLY R/W FENCE OF THE OAKLAND, ANTIOCH AND EASTERN RAILROAD, BEARS SOUTH 89 DEGREES, 53' WEST, 108.87 FEET, AND RUNNING THENCE ALONG THE EASTERLY PROLONGATION OF THE FENCE MARKING THE SAID NORTH

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EXHIBIT "A"  
LEGAL DESCRIPTION continued

LINE OF THE S.L.S. 275, NORTH 89 DEGREES, 53' EAST, 480.29 FEET, TO A SIMILAR IRON PIPE; THENCE SOUTH 0 DEGREES, 59' EAST, 93.40 FEET, MORE OR LESS, TO A SIMILAR IRON PIPE LOCATED AT THE SOUTHWEST CORNER OF S.L.S. 571; THENCE ALONG THE LINE OF OLD FENCE WHICH MARKS THE DIVISION LINE COMMON TO PROPERTY NOW OR FORMERLY OWNED BY VAN TASSELL ON THE NORTH AND PROPERTY FORMERLY OWNED BY ETHEL FARIS ADAMS ON THE SOUTH AND THE BOUNDARY LINE COMMON TO SAID S.L.S. 571 AND S.L.S. 275, SOUTH 80 DEGREES, 27' EAST, 507.38 FEET TO THE TRUE POINT OF BEGINNING; THENCE FROM SAID POINT OF BEGINNING, SOUTH 80 DEGREES, 27' EAST, 2,450.06 FEET TO A SIMILAR IRON PIPE AND CONTINUING ALONG SAID BOUNDARY LINE SOUTH 80 DEGREES, 27' EAST, 193.94 FEET, MAKING 2,644 FEET IN ALL TO THE SACRAMENTO RIVER AND THE EASTERLY BOUNDARY OF S.L.S. 275 FROM THE POINT OF BEGINNING OF HEREIN DESCRIBED TRACT OF LAND; THENCE FOLLOWING THE MEANDERINGS OF THE SAID RIVER AND SAID EASTERLY BOUNDARY DOWNSTREAM SOUTH 17 DEGREES, 51' 30" EAST, 1,018 FEET, TO A POINT ON THE LINE PARALLEL WITH AND 30 FEET NORTHERLY FROM AND MEASURED AT A R/A TO THE POWER POLES EXTENDING SOUTHWESTERLY FROM THE SACRAMENTO LEVEE ALONG THE NORTH SIDE OF THE MAIN FARM ROAD; THENCE ALONG SAID LINE, SOUTH 82 DEGREES, 02' WEST, 2,700 FEET, TO A POINT; THENCE NORTH 7 DEGREES, 58' WEST, 1,840 FEET, MORE OR LESS, TO THE POINT OF BEGINNING.

ASSESSOR'S PARCEL NUMBER: 046-010-011

EXCEPTIONS

At the date hereof exceptions to coverage in addition to the printed Exceptions and Exclusions in said policy form would be as follows:

1. TAXES, SPECIAL AND GENERAL, ASSESSMENT DISTRICTS AND SERVICE AREAS FOR THE FISCAL YEAR 2012-2013, A LIEN, NOT YET DUE OR PAYABLE.
2. THE LIEN OF SUPPLEMENTAL TAXES, IF ANY, ASSESSED PURSUANT TO THE PROVISIONS OF CHAPTER 3.5, (COMMENCING WITH SECTION 75) OF THE REVENUE AND TAXATION CODE, OF THE STATE OF CALIFORNIA.
3. THE HEREIN DESCRIBED LAND LIES WITHIN THE BOUNDARIES OF THE SACRAMENTO AND SAN JOAQUIN DRAINAGE DISTRICT, AND IS SUBJECT TO ALL TAXES, ASSESSMENTS AND OBLIGATIONS THEREOF. THE DISTRICT PRESENTLY DOES NOT LEVY ANY ASSESSMENTS.
4. ANY UNPAID ASSESSMENT AND ITS PROPORTION OF ANY GENERAL OUTSTANDING INDEBTEDNESS OF RECLAMATION DISTRICT NO. 900, FOR THE FISCAL YEAR 2011-2012.
5. RIGHTS OF THE PUBLIC, THE STATE OF CALIFORNIA, OR ANY POLITICAL SUBDIVISION THEREOF, OR OF THE UNITED STATES OF AMERICA IN OR TO ANY PORTION OF THE LAND LYING BELOW THE HIGH WATER LINE OF THE SACTO-YOLO DEEP WATER CHANNEL AND THE SACRAMENTO RIVER AS IT EXISTS NOW OR AS IT HAS EXISTED IN THE STATE OF NATURE.
6. ANY ADVERSE CLAIM BASED UPON THE ASSERTION THAT: (A) SOME PORTION OF SAID LAND HAS BEEN CREATED BY ARTIFICIAL MEANS, OR HAS ACCRETED TO SUCH PORTION SO CREATED. (B) SOME PORTION OF SAID LAND HAS BEEN BROUGHT WITHIN THE BOUNDARIES THEREOF BY AN AVULSIVE MOVEMENT OF SACRAMENTO RIVER AND SACTO-YOLO DEEP WATER CHANNEL, OR HAS BEEN FORMED BY ACCRETION TO ANY SUCH PORTION.
7. RIGHTS AND EASEMENTS, INCLUDING BUT NOT LIMITED TO, RECREATION, NAVIGATION AND FISHERIES, WHICH MAY EXIST OVER THAT PORTION OF SAID LAND LYING BENEATH THE WATERS OF SACRAMENTO RIVER AND SACTO-YOLO DEEP WATER CHANNEL.
8. RIGHTS OF THE PUBLIC AND OF THE CITY OF WEST SACRAMENTO, AS TO THAT PORTION OF THE HEREIN DESCRIBED PROPERTY LYING WITHIN SOUTH RIVER ROAD, A PUBLIC ROAD.
9. AN EASEMENT OVER SAID LAND FOR CONSTRUCTION, OPERATION AND MAINTENANCE OF A COUNTY ROAD OVER, ALONG AND UPON AND INCIDENTAL PURPOSES, AS GRANTED TO COUNTY OF YOLO, IN DEED RECORDED APRIL 26, 1962, AS BOOK

EXCEPTIONS  
(Continued)

672, PAGE 600, OFFICIAL RECORDS.

AFFECTS: THAT PORTION WITHIN SOUTH RIVER ROAD

NO REPRESENTATION IS MADE AS TO THE CURRENT OWNERSHIP OF SAID EASEMENT.

10. THE TERMS, CONDITIONS AND PROVISIONS AS CONTAINED IN THE DOCUMENT ENTITLED "RESOLUTION NO. 62-54", BY AND BETWEEN COUNTY OF YOLO, AND SACRAMENTO-YOLO PORT DISTRICT, DATED APRIL 26, 1962, RECORDED APRIL 26, 1962, IN BOOK 673, PAGE 101, OFFICIAL RECORDS.

11. THE TERMS, CONDITIONS, PROVISIONS AND EASEMENTS AS CONTAINED IN THE DOCUMENT ENTITLED "AGREEMENT ADJUSTING RIGHT OF WAY", BY AND BETWEEN PACIFIC GAS AND ELECTRIC COMPANY, AND SACRAMENTO-YOLO PORT DISTRICT, DATED JULY 11, 1962, RECORDED AUGUST 23, 1962, IN BOOK 686, PAGE 125, OFFICIAL RECORDS.

AFFECTS A PORTION OF PARCELS THREE AND FOUR

MODIFIED BY DOCUMENT RECORDED FEBRUARY 1, 1963, IN BOOK 702, PAGE 49, OFFICIAL RECORDS.

12. THE TERMS, CONDITIONS AND PROVISIONS AS CONTAINED IN THE DOCUMENT ENTITLED "INSTRUMENT", BY AND BETWEEN SACRAMENTO NORTHERN RAILWAY, AND UNITED STATES OF AMERICA, DATED JANUARY 07, 1963, RECORDED FEBRUARY 01, 1963, AS BOOK 702, PAGE 40, OFFICIAL RECORDS.

AFFECTS PARCEL SIX

13. AN EASEMENT OVER SAID LAND FOR CONSTRUCTION, OPERATION AND MAINTENANCE OF SANITATION FACILITIES AND INCIDENTAL PURPOSES, AS GRANTED TO WEST SACRAMENTO SANITARY DISTRICT, IN DEED RECORDED FEBRUARY 22, 1963, AS BOOK 714, PAGE 393, OFFICIAL RECORDS.

AFFECTS: A PORTION OF PARCEL FIVE

NO REPRESENTATION IS MADE AS TO THE CURRENT OWNERSHIP OF SAID EASEMENT.

14. AN EASEMENT OVER SAID LAND FOR INSTALLING, CONSTRUCTING, COMPLETING, REPAIRING, MAINTAINING, OPERATING, REPLACING AND RECONSTRUCTING A SEWAGE FORCE MAIN LINE AND INCIDENTAL PURPOSES, AS GRANTED TO EAST YOLO COMMUNITY SERVICES DISTRICT, IN DEED RECORDED FEBRUARY 14, 1978, AS BOOK 1291, PAGE 405, OFFICIAL RECORDS.

AFFECTS: A PORTION OF PARCELS ONE, THREE, FOUR AND FIVE

EXCEPTIONS  
(Continued)

NO REPRESENTATION IS MADE AS TO THE CURRENT OWNERSHIP OF SAID EASEMENT.

15. AN EASEMENT OVER SAID LAND FOR PRESENT OR FUTURE FLOOD CONTROL OR WATER DEVELOPMENT AND INCIDENTAL PURPOSES, AS GRANTED TO SACRAMENTO AND SAN JOAQUIN DRAINAGE DISTRICT, IN DEED RECORDED JANUARY 23, 1981, AS BOOK 1458, PAGE 219, OFFICIAL RECORDS.

AFFECTS: A PORTION OF PARCEL FIVE

NO REPRESENTATION IS MADE AS TO THE CURRENT OWNERSHIP OF SAID EASEMENT.

16. AN EASEMENT OVER SAID LAND FOR UNDERGROUND PIPELINE AND INCIDENTAL PURPOSES, AS GRANTED TO EAST YOLO COMMUNITY SERVICES DISTRICT, IN DEED RECORDED SEPTEMBER 13, 1985, AS BOOK 1724, PAGE 513, OFFICIAL RECORDS.

AFFECTS: A PORTION OF PARCEL FIVE

NO REPRESENTATION IS MADE AS TO THE CURRENT OWNERSHIP OF SAID EASEMENT.

17. THE TERMS, CONDITIONS AND PROVISIONS AS CONTAINED IN THE DOCUMENT ENTITLED "JOINT USE AGREEMENT", BY AND BETWEEN RECLAMATION DISTRICT NO. 900, AND SACRAMENTO AND SAN JOAQUIN DRAINAGE DISTRICT, DATED APRIL 26, 1991, RECORDED NOVEMBER 04, 1993, AS BOOK 2566, PAGE 367, OFFICIAL RECORDS.

18. AN "IRREVOCABLE OFFER TO DEDICATE" AFFECTING A PORTION OF SAID LAND FOR FOR ANY PUBLIC PURPOSE AND INCIDENTAL PURPOSES, IN FAVOR OF CITY OF WEST SACRAMENTO, IN A DOCUMENT RECORDED SEPTEMBER 10, 2001, AS INSTRUMENT NO. 2001-0032526, OFFICIAL RECORDS.

AFFECTS: A PORTION OF PARCEL THREE

19. AN EASEMENT OVER SAID LAND FOR RIGHT OF WAY FOR PUBLIC AND PRIVATE ROADS AND INCIDENTAL PURPOSES, AS GRANTED TO CITY OF WEST SACRAMENTO, IN DEED RECORDED MARCH 05, 2004, AS INSTRUMENT NO. 2004-0008650, OFFICIAL RECORDS.

AFFECTS: A PORTION OF PARCEL SIX

NO REPRESENTATION IS MADE AS TO THE CURRENT OWNERSHIP OF SAID EASEMENT.

20. AN INSTRUMENT ENTITLED "MEMORANDUM OF OPTION", DATED JUNE 18, 2004, BETWEEN REDEVELOPMENT AGENCY OF THE CITY OF WEST SACRAMENTO, AS OPTIONOR, AND SACRAMENTO-YOLO PORT DISTRICT, AS OPTIONEE, AND ON THE



EXCEPTIONS  
(Continued)

TERMS AND CONDITIONS AS CONTAINED THEREIN, RECORDED JULY 12, 2004,  
INSTRUMENT NO. 2004-0030806, OFFICIAL RECORDS.

FIRST AMENDMENT TO THE OPTION TO PURCHASE AGREEMENT BETWEEN THE  
REDEVELOPMENT AGENCY OF THE CITY OF WEST SACRAMENTO AND SACRAMENTO-YOLO  
PORT DISTRICT DATED DECEMBER 6, 2006, RECORDED JANUARY 11, 2007,  
INSTRUMENT NO. 2007-0001398, OFFICIAL RECORDS.

21. COVENANTS, CONDITIONS AND RESTRICTIONS AS CONTAINED IN THE QUITCLAIM  
DEED FROM UNITED STATES OF AMERICA, RECORDED JULY 09, 2007, INSTRUMENT  
NO. 2007-0024253, OFFICIAL RECORDS.

NOTE: SECTION 12956.1 OF THE GOVERNMENT CODE PROVIDES THE FOLLOWING:  
"IF THIS DOCUMENT CONTAINS ANY RESTRICTION BASED ON RACE, COLOR,  
RELIGION, SEX, SEXUAL ORIENTATION, FAMILIAL STATUS, MARITAL STATUS,  
DISABILITY, NATIONAL ORIGIN, SOURCE OF INCOME AS DEFINED IN SUBDIVISION  
(P) OF SECTION 12955, OR ANCESTRY, THAT RESTRICTION VIOLATES STATE AND  
FEDERAL FAIR HOUSING LAWS AND IS VOID, AND MAY BE REMOVED PURSUANT TO  
SECTION 12956.2 OF THE GOVERNMENT CODE. LAWFUL RESTRICTIONS UNDER STATE  
AND FEDERAL LAW ON THE AGE OF OCCUPANTS IN SENIOR HOUSING OR HOUSING  
FOR OLDER PERSONS SHALL NOT BE CONSTRUED AS RESTRICTIONS BASED ON  
FAMILIAL STATUS."

AFFECTS PARCELS SIX AND SEVEN

22. TERMS, PROVISIONS, COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS,  
PROVIDED IN THE DECLARATION OF RESTRICTIVE COVENANTS, BUT OMITTING ANY  
COVENANT, CONDITION OR RESTRICTION, IF ANY, BASED ON RACE, COLOR,  
RELIGION, SEX, HANDICAP, FAMILIAL STATUS OR NATIONAL ORIGIN UNLESS AND  
ONLY TO THE EXTENT THAT THE COVENANT, CONDITION OR RESTRICTION (A) IS  
EXEMPT UNDER TITLE 42 OF THE UNITED STATES CODE, OR (B) RELATES TO  
HANDICAP, BUT DOES NOT DISCRIMINATE AGAINST HANDICAPPED PERSONS, IN  
DOCUMENT RECORDED MARCH 07, 2011, AS INSTRUMENT NO. 2011-0006724,  
OFFICIAL RECORDS.

NOTE: SECTION 12956.1 OF THE GOVERNMENT CODE PROVIDES THE FOLLOWING:  
"IF THIS DOCUMENT CONTAINS ANY RESTRICTION BASED ON RACE, COLOR,  
RELIGION, SEX, SEXUAL ORIENTATION, FAMILIAL STATUS, MARITAL STATUS,  
DISABILITY, NATIONAL ORIGIN, SOURCE OF INCOME AS DEFINED IN SUBDIVISION  
(P) OF SECTION 12955, OR ANCESTRY, THAT RESTRICTION VIOLATES STATE AND  
FEDERAL FAIR HOUSING LAWS AND IS VOID, AND MAY BE REMOVED PURSUANT TO  
SECTION 12956.2 OF THE GOVERNMENT CODE. LAWFUL RESTRICTIONS UNDER STATE  
AND FEDERAL LAW ON THE AGE OF OCCUPANTS IN SENIOR HOUSING OR HOUSING  
FOR OLDER PERSONS SHALL NOT BE CONSTRUED AS RESTRICTIONS BASED ON  
FAMILIAL STATUS."

EXCEPTIONS  
(Continued)

23. AN INSTRUMENT ENTITLED "SHORT FORM GRANT OF OPTION", DATED MARCH 23, 2011, BETWEEN THE REDEVELOPMENT AGENCY OF THE CITY OF WEST SACRAMENTO, AS OPTIONOR, AND SACRAMENTO-YOLO PORT DISTRICT, AS OPTIONEE, AND ON THE TERMS AND CONDITIONS AS CONTAINED THEREIN, RECORDED MAY 20, 2011, AS INSTRUMENT NO. 2011-0014127, OFFICIAL RECORDS.

SAID MATTER AFFECTS THIS AND OTHER PROPERTY.

SAID OPTION AGREEMENT WAS SUBORDINATED TO THE IRREVOCABLE OFFER OF DEDICATION IN EXCEPTION NO. 24 AND 25, BY INSTRUMENT RECORDED JULY 14, 2011, AS INSTRUMENT NO. 2011-0018953, OFFICIAL RECORDS.

SAID OPTION AGREEMENT WAS SUBORDINATED TO THE IRREVOCABLE OFFER OF DEDICATION IN EXCEPTION NO. 24, BY INSTRUMENT RECORDED JULY 14, 2011, AS INSTRUMENT NO. 2011-0018954, OFFICIAL RECORDS.

SAID OPTION AGREEMENT WAS SUBORDINATED TO THE IRREVOCABLE OFFER OF DEDICATION IN EXCEPTION NO. 25, BY INSTRUMENT RECORDED JULY 14, 2011, AS INSTRUMENT NO. 2011-0018955, OFFICIAL RECORDS.

SAID OPTION AGREEMENT WAS SUBORDINATED TO THE IRREVOCABLE OFFER OF DEDICATION IN EXCEPTION NO. 25, BY INSTRUMENT RECORDED JULY 14, 2011, AS INSTRUMENT NO. 2011-0018956, OFFICIAL RECORDS.

24. AN "IRREVOCABLE OFFER TO DEDICATE" AFFECTING A PORTION OF SAID LAND FOR FLOOD PROTECTION AND INCIDENTAL PURPOSES, IN FAVOR OF CITY OF WEST SACRAMENTO, IN A DOCUMENT RECORDED JUNE 13, 2011, AS INSTRUMENT NO. 2011-0016041, OFFICIAL RECORDS.

AFFECTS: A PORTION OF SAID PROPERTY AS DISCLOSED IN SAID INSTRUMENT

25. AN "IRREVOCABLE OFFER TO DEDICATE" AFFECTING A PORTION OF SAID LAND FOR PUBLIC PURPOSES AND INCIDENTAL PURPOSES, IN FAVOR OF CITY OF WEST SACRAMENTO, IN A DOCUMENT RECORDED JUNE 14, 2011, AS INSTRUMENT NO. 2011-0016292, OFFICIAL RECORDS.

AFFECTS: A PORTION OF SAID PROPERTY AS DISCLOSED IN SAID INSTRUMENT

\*\*\*\*\* SPECIAL INFORMATION \*\*\*\*\*

\*\*\* CHAIN OF TITLE REPORT:

ACCORDING TO THE PUBLIC RECORDS, NO DEEDS CONVEYING THE PROPERTY DESCRIBED IN THIS REPORT HAVE BEEN RECORDED WITHIN A PERIOD OF 2 YEARS

EXCEPTIONS  
(Continued)

PRIOR TO THE DATE OF THIS REPORT, EXCEPT AS SHOWN HEREIN: NONE

\*\*\* NOTICE REGARDING FUNDS DEPOSITED IN ESCROW:

CALIFORNIA INSURANCE CODE SECTION 12413.1 REGULATES THE DISBURSEMENT OF ESCROW AND SUB-ESCROW FUNDS BY TITLE COMPANIES. OF THE LAW REQUIRES THAT FUNDS BE DEPOSITED IN THE TITLE COMPANY ESCROW ACCOUNT AND AVAILABLE FOR WITHDRAWAL PRIOR TO DISBURSEMENT. FUNDS DEPOSITED WITH THE COMPANY BY WIRE TRANSFER MAY BE DISBURSED UPON RECEIPT. FUNDS DEPOSITED WITH THE COMPANY VIA CASHIER'S OR TELLER'S CHECKS DRAWN ON A CALIFORNIA BASED BANK MAY BE DISBURSED THE NEXT BUSINESS DAY AFTER THE DAY OF DEPOSIT. IF FUNDS ARE DEPOSITED WITH THE COMPANY BY OTHER METHODS, RECORDING AND/OR DISBURSEMENT MAY BE DELAYED.

NOTE: AUTOMATED CLEARING HOUSE (ACH) TRANSFERS ARE NOT ACCEPTED IN LIEU OF WIRED FUNDS AND WILL BE REJECTED, EXCEPT WHEN RECEIVED FROM A GOVERNMENTAL AGENCY.

\*\*\* MONUMENT SURVEY FEE:

EFFECTIVE SEPTEMBER 1, 2001, IN ADDITION TO ANY OTHER FEES REQUIRED BY LAW, A MONUMENT SURVEY PRESERVATION FUND FEE OF \$10.00 WILL BE CHARGED ON DEEDS RECORDED CONVEYING REAL PROPERTY WHICH ARE SUBJECT TO DOCUMENTARY TRANSFER TAX. THIS FEE WILL BE COLLECTED BY THE |YOLO COUNTY CLERK/RECORDER.

\*\*\* TRANSFER TAX INFORMATION:

THE ONLY CITIES THAT ARE SUBJECT TO A CITY TRANSFER TAX ARE AS FOLLOWS, ALL OTHERS ARE SUBJECT ONLY TO THE COUNTY TRANSFER TAX OF \$1.10 PER THOUSAND:

THE CITY OF WOODLAND HAS A \$1.10 PER THOUSAND CITY TRANSFER TAX IN ADDITION TO THE COUNTY TRANSFER TAX. \*\*\* CANCELLATION NOTE:

THIS REPORT IS SUBJECT TO A MINIMUM CANCELLATION CHARGE OF \$400.00 AS REQUIRED BY SECTION 12404 OF INSURANCE CODE AND RULE BULLETIN NO. NS-35E.

\*\*\* NOTE: THE FOLLOWING UNDERWRITER HAS BEEN SELECTED FOR THIS TRANSACTION:

STEWART TITLE GUARANTY COMPANY

DISCLOSURE OF DISCOUNTS:

You may be entitled to a discount on your title premiums and/or escrow fees if you meet any of the following conditions:

1. You are an employee of the title insurer or Placer Title and the property is your primary residence; or
2. The transactions is a loan, the purpose of which is to rebuild the improvements on the property as a result of a governmentally declared disaster; or
3. The property is being purchased or encumbered by a religious, charitable or nonprofit organization for its use within the normal activities for which such entity was intended.

Please advise the company if you believe any of the above discounts apply.

LENDER'S NOTE:

APPROVAL FOR THE ISSUANCE OF THE 1970 ALTA LENDER'S POLICY FORM MUST BE REQUESTED AND APPROVED PRIOR TO CLOSE OF ESCROW. ALL OTHER FORMS OF FULL COVERAGE LOAN POLICIES THAT ARE AUTHORIZED TO BE ISSUED ARE THE 1992 AND 2006 POLICIES.

BUYER'S NOTE:

If an ALTA Residential Owner's Policy is requested and if the property described herein is determined to be eligible for this policy, the following Exceptions From Coverage will appear in the policy:

1. Taxes or assessments which are not shown as liens by the public records or by the records of any taxing authority.
2. (a) Water rights, claims or title to water; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) unpatented mining claims; whether or not the matters excepted under (a), (b) or (c) are shown by the public records.
3. Any rights, interests or claims of parties in possession of the land which are not shown by the public records.
4. Any easements or liens not shown by the public records. This exception does not limit the lien coverage in Item 8 of the Covered Title Risks.
5. Any facts about the land which a correct survey would disclose and which are not shown by the public records. This exception does not limit the forced removal coverage in Item 12 of the Covered Title Risks.



CLTA PRELIMINARY REPORT FORM  
Exhibit A (Revised 6-3-11)  
CALIFORNIA LAND TITLE ASSOCIATION STANDARD COVERAGE POLICY - 1990

EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance or governmental regulation (including but not limited to building or zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien, or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.  
(b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.
3. Defects, liens, encumbrances, adverse claims or other matters:
  - (a) whether or not recorded in the public records at Date of Policy, but created, suffered, assumed or agreed to by the insured claimant;
  - (b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy;
  - (c) resulting in no loss or damage to the insured claimant;
  - (d) attaching or created subsequent to Date of Policy; or
  - (e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the insured mortgage or for the estate or interest insured by this policy.
4. Unenforceability of the lien of the insured mortgage because of the inability or failure of the insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness, to comply with the applicable doing business laws of the state in which the land is situated.
5. Invalidity or unenforceability of the lien of the insured mortgage, or claim thereof, which arises out of the transaction evidenced by the insured mortgage and is based upon usury or any consumer credit protection or truth in lending law.
6. Any claim, which arises out of the transaction vesting in the insured the estate of interest insured by this policy or the transaction creating the interest of the insured lender, by reason of the operation of federal bankruptcy, state insolvency or similar creditors' rights laws.

EXCEPTIONS FROM COVERAGE - SCHEDULE B, PART I

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of:

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records.  
Proceedings by a public agency which may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the public records.
2. Any facts, rights, interests, or claims which are not shown by the public records but which could be ascertained by an inspection of the land or which may be asserted by persons in possession thereof.
3. Easements, liens or encumbrances, or claims thereof, not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the public records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b) or (c) are shown by the public records.
6. Any lien or right to a lien for services, labor or material not shown by the public records.

CLTA HOMEOWNER'S POLICY OF TITLE INSURANCE (02-03-10)  
ALTA HOMEOWNER'S POLICY OF TITLE INSURANCE

EXCLUSIONS

In addition to the Exceptions in Schedule B, You are not insured against loss, costs, attorneys' fees, and expenses resulting from:

1. Governmental police power, and the existence or violation of those portions of any law or government regulation concerning: a. building; b. zoning; c. land use; d. improvements on the Land; e. land division; and f. environmental protection. This Exclusion does not limit the coverage described in Covered Risk 8.a., 14, 15, 16, 18, 19, 20, 23 or 27.
2. The failure of Your existing structures, or any part of them, to be constructed in accordance with applicable building codes. This Exclusion does not limit the coverage described in Covered Risk 14 or 15.
3. The right to take the Land by condemning it. This Exclusion does not limit the coverage described in Covered Risk 17.
4. Risks: a. that are created, allowed, or agreed to by You, whether or not they are recorded in the Public Records; b. that are Known to You at the Policy Date, but not to Us, unless they are recorded in the Public Records at the Policy Date; c. that result in no loss to You; or d. that first occur after the Policy Date - this does not limit the coverage described in Covered Risk 7, 8.e., 25, 26, 27 or 28.
5. Failure to pay value for Your Title.
6. Lack of a right: a. to any Land outside the area specifically described and referred to in paragraph 3 of Schedule A; and b. in streets, alleys, or waterways that touch the Land. This Exclusion does not limit the coverage described in Covered Risk 11 or 21.
7. The transfer of the Title to You is invalid as preferential transfer or as a fraudulent transfer or conveyance under federal bankruptcy, state insolvency, or similar creditors' rights laws.

LIMITATIONS ON COVERED RISKS

Your insurance for the following Covered Risks is limited on the Owner's Coverage Statement as follows:

- \* For Covered Risk 16, 18, 19, and 21 Your Deductible Amount and Our Maximum Dollar Limit of Liability shown in Schedule A.

The deductible amounts and maximum dollar limits shown on Schedule A are as follows:

|                  | Your Deductible Amount                                 | Our Maximum Dollar Limit of Liability |
|------------------|--|---------------------------------------|
| Covered Risk 16: | 1% of Policy Amount or \$ _____<br>(whichever is less) | \$ _____                              |
| Covered Risk 18: | 1% of Policy Amount or \$ _____<br>(whichever is less) | \$ _____                              |
| Covered Risk 19: | 1% of Policy Amount or \$ _____<br>(whichever is less) | \$ _____                              |
| Covered Risk 21: | 1% of Policy Amount or \$ _____<br>(whichever is less) | \$ _____                              |

AMERICAN LAND TITLE ASSOCIATION  
RESIDENTIAL TITLE INSURANCE POLICY (6-1-87)

EXCLUSIONS

In addition to the Exceptions in Schedule B, you are not insured against loss, costs, attorneys' fees, and expenses resulting from:

1. Governmental police power, and the existence or violation of any law or government regulation. This includes building and zoning ordinances and also laws and regulations concerning:

- \* Land use
- \* Improvements on the land
- \* Land division
- \* Environmental protection

This exclusion does not apply to violations or the enforcement of these matters which appear in the public records at Policy Date.

This exclusion does not limit the zoning coverage described in Items 12 and 13 of Covered Title Risks.

2. The right to take the land by condemning it, unless:

- \* a notice of exercising the right appears in the public records
- \* on the Policy Date
- \* the taking happened prior to the Policy Date and is binding on you if you bought the land without knowing of the taking

3. Title Risks:

- \* that are created, allowed, or agreed to by you
- \* that are known to you, but not to us, on the Policy Date -- unless they appeared in the public records
- \* that result in no loss to you
- \* that first affect your title after the Policy Date -- this does not limit the labor and material lien coverage in Item 8 of Covered Title Risks

4. Failure to pay value for your title.

5. Lack of a right:

- \* to any land outside the area specifically described and referred to in Item 3 of Schedule A
- OR
- \* in streets, alleys, or waterways that touch your land

This exclusion does not limit the access coverage in Item 5 of Covered Title Risks.



2006 ALTA LOAN POLICY (06/17/06)

EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
  - (i) the occupancy, use, or enjoyment of the Land;
  - (ii) the character, dimensions, or location of any improvement erected on the Land;
  - (iii) the subdivision of land; or
  - (iv) environmental protection;or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.  
(b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
  - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
  - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
  - (c) resulting in no loss or damage to the Insured Claimant;
  - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 11, 13, or 14); or
  - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.
4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of an Insured to comply with applicable doing-business laws of the state where the Land is situated.
5. Invalidity or unenforceability in whole or in part of the lien of the Insured Mortgage that arises out of the transaction evidenced by the Insured Mortgage and is based upon usury or any consumer credit protection or truth-in-lending law.
6. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction creating the lien of the Insured Mortgage, is
  - (a) a fraudulent conveyance or fraudulent transfer, or
  - (b) a preferential transfer for any reason not stated in Covered Risk 13(b) of this policy.
7. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the Insured Mortgage in the Public Records. This Exclusion does not modify or limit the coverage provided under Covered Risk 11(b).

The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) that arise by reason of:

1. (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
2. Any facts, rights, interests, or claims that are not shown by the Public Records but that could be ascertained by an inspection of the Land or that may be asserted by persons in possession of the Land.
3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.
4. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and not shown by the Public Records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the Public Records.
6. Any lien or right to a lien for services, labor or material not shown by the public records.

**2006 ALTA OWNER'S POLICY (06/17/06)**  
**EXCLUSIONS FROM COVERAGE**

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
  - (i) the occupancy, use, or enjoyment of the Land;
  - (ii) the character, dimensions, or location of any improvement erected on the Land;
  - (iii) the subdivision of land; or
  - (iv) environmental protection;or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.  
(b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.
3. Defects, liens, encumbrances, adverse claims, or other matters
  - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
  - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
  - (c) resulting in no loss or damage to the Insured Claimant;
  - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 9 and 10); or
  - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Title.
4. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction vesting the Title as shown in Schedule A, is
  - (a) a fraudulent conveyance or fraudulent transfer; or
  - (b) a preferential transfer for any reason not stated in Covered Risk 9 of this policy.
5. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the deed or other instrument of transfer in the Public Records that vests Title as shown in Schedule A.

The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

**EXCEPTIONS FROM COVERAGE**

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) that arise by reason of:

1. (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
2. Any facts, rights, interests, or claims that are not shown in the Public Records but that could be ascertained by an inspection of the Land or that may be asserted by persons in possession of the Land.
3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.
4. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and that are not shown by the Public Records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the Public Records.
6. Any lien or right to a lien for services, labor or material not shown by the public records.

ALTA EXPANDED COVERAGE RESIDENTIAL LOAN POLICY (7-26-10)

EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
  - (i) the occupancy, use, or enjoyment of the Land;
  - (ii) the character, dimensions, or location of any improvement erected on the Land;
  - (iii) the subdivision of land; or
  - (iv) environmental protection;or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5, 6, 13(c), 13(d), 14 or 16.  
(b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 5, 6, 13(c), 13(d), 14 or 16.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
  - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
  - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
  - (c) resulting in no loss or damage to the Insured Claimant;
  - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 11, 16, 17, 18, 19, 20, 21, 22, 23, 24, 27 or 28); or
  - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.
4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of an Insured to comply with applicable doing-business laws of the state where the Land is situated.
5. Invalidity or unenforceability in whole or in part of the lien of the Insured Mortgage that arises out of the transaction evidenced by the Insured Mortgage and is based upon usury, or any consumer credit protection or truth-in-lending law. This Exclusion does not modify or limit the coverage provided in Covered Risk 26.
6. Any claim of invalidity, unenforceability or lack of priority of the lien of the Insured Mortgage as to Advances or modifications made after the Insured has Knowledge that the vestee shown in Schedule A is no longer the owner of the estate or interest covered by this policy. This Exclusion does not modify or limit the coverage provided in Covered Risk 11.
7. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching subsequent to Date of Policy. This Exclusion does not modify or limit the coverage provided in Covered Risk 11(b) or 25.
8. The failure of the residential structure, or any portion of it, to have been constructed before, on or after Date of Policy in accordance with applicable building codes. This Exclusion does not modify or limit the coverage provided in Covered Risk 5 or 6.
9. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction creating the lien of the Insured Mortgage, is
  - (a) a fraudulent conveyance or fraudulent transfer, or
  - (b) a preferential transfer for any reason not stated in Covered Risk 27(b) of this policy.



**NOTICE  
FEDERAL FOREIGN INVESTMENT IN REAL PROPERTY TAX ACT OF 1980 (FIRPTA)**

Upon the sale of United States real property, by a non-resident alien, foreign corporation, partnership or trust, the Foreign Investment in Real Property Tax Act of 1980 (FIRPTA), and as revised by the Tax Reform Act of 1984 (26 USCA 897 (C)(1)(A)(1) and 26 USCA 1445) requires the transferee (Buyer) of real property to withhold Internal Revenue Service income taxes in an amount equal to ten (10%) percent of the sale price from seller's proceeds, if ANY of the following conditions are met:

- (1) The selling price is greater than \$300,000.00
- (2) The selling price is less than \$300,000 AND the purchaser does not intend to occupy the property as his residence for at least 50% of the time of the first two 12 month periods following the date of transfer.

Withholding is not required if both of the following conditions are met:

- (1) The selling price is less than \$300,000  
and
- (2) The Buyer is acquiring the property as his residence, and the buyer or other qualifying family member will occupy the property for at least 50% of the time during each of the first 12-month periods following transfer of title to the buyer.

If the purchaser who is required to withhold income tax from the seller fails to do so, the purchaser is subject to fines and penalties as provided under Internal Revenue Code Section 1445. The seller may request a waiver or a reduced withholding amount by submitting a written request for a "qualifying statement" or "withholding certificate" (Form 8288-B) to:

Director, Internal Revenue Service  
Philadelphia Service Center  
P.O. Box 21086  
Philadelphia, PA 19114-0586

Escrow Holder will, upon written instructions from the purchaser, withhold Federal Income Tax from the seller and will deposit said tax with the Internal Revenue Service, together with IRS Forms 8288 and 8288-A. The fee charged for this service is \$25.00 payable to the escrow holder.

**CALIFORNIA WITHHOLDING**

In accordance with Sections 18662 and 18668 of the Revenue and Taxation Code, a transferee (Buyer) may be required to withhold an amount equal to 3 1/3 percent of the sales price or an alternative withholding amount certified to by the seller in the case of a disposition of California real property interest by either:

1. A seller who is an individual or when the disbursement instructions authorize the proceeds to be sent to a financial intermediary or the seller, OR
2. A corporate seller that has no permanent place of business in California.

The buyer may become subject to penalty for failure to withhold an amount equal to the greater of 10 percent of the amount required to be withheld or five hundred dollars (\$500).

However, notwithstanding any other provision included in the California statutes referenced above, no buyer will be required to withhold any amount or be subject to penalty for failure to withhold if:

1. The sales price of the California real property conveyed does not exceed one hundred thousand dollars (\$100,000.00), OR
2. The seller executes a written certificate, under the penalty of perjury, of any of the following:
  - A. The property qualifies as the seller's (or decedent's, if being sold by the decedent's estate) principal residence within the meaning of Internal Revenue Code (IRC) Section 121; or
  - B. The seller is (or decedent, if being sold by the decedent's estate) last used the property as the seller's (decedent's) principal residence within the meaning of IRC Section 121 without regard to the two-year time period; or
  - C. The seller has a loss or zero gain for California income tax purposes on this sale; or
  - D. The property is being compulsorily or involuntarily converted and the seller intends to acquire property that is similar or related in service or use to qualify for non-recognition of gain for California income tax purposes under IRC Section 1033; or
  - E. If the transfer qualifies for non-recognition treatment under IRC Section 351 (transfer to a corporation controlled by the transferor) or IRC Section 721 (contribution to a partnership in exchange for a partnership interest); or
  - F. The seller is a corporation (or an LLC classified as a corporation for federal and California income tax purposes that is either qualified through the California Secretary of State or has a permanent place of Business in California; or
  - G. The seller is a partnership (or an LLC that is not a disregarded single member LLC and is classified as a partnership for federal and California income tax purposes) with recorded title to the property in the name of the partnership of LLC; or
  - H. The seller is a tax-exempt entity under either California or federal law; or
  - I. The seller is an insurance company, individual retirement account, qualified pension/profit sharing plan, or charitable remainder trust; or
  - J. The transfer qualifies as a simultaneous like-kind exchange within the meaning of IRC Section 1031; or
  - K. The transfer qualifies as a deferred like-kind exchange within the meaning of IRC Section 1031; or
  - L. The transfer of this property will be an installment sale that you will report as such for California tax purposes and the buyer has agreed to withhold on each principal payment instead of withholding the full amount at the time of transfer.

The Seller is subject to penalty for knowingly filing a fraudulent certificate for the purpose of avoiding the withholding requirement.

NOTICE  
DEPOSIT OF FUNDS AND DISBURSEMENT DISCLOSURE

Unless you elect otherwise (as described below), all funds received by PLACER TITLE COMPANY (the "Company") in escrow will be deposited with other escrow funds in one or more non-interest bearing escrow accounts of the Company in a financial institution selected by the Company. The depositor acknowledges that the deposit of funds in a non-interest bearing demand account by Escrow Holder may result in said company receiving a range of economic benefits from the bank in the form of services, credits, considerations, or other things of value. The depositor hereby specifically waives any claim to such economic benefits payable to Escrow Holder resulting from non-interest bearing deposits. Unless you direct the Company to open an interest-bearing account (as described below), the Company shall have no obligation to account to you in any manner for the value of, or to compensate any party for, any benefit received by the Company and/or its affiliated company. Any such benefits shall be deemed additional compensation of the Company for its services in connection with the escrow.

If you elect, funds deposited by you prior to the close of escrow may be placed in an individual interest-bearing account arrangement that the Company has established with one of its financial institutions. You do not have an opportunity to earn interest on the funds deposited by a lender. If you elect to earn interest through this special account arrangement, the Company will charge you an additional fee of \$50.00 for the establishment and maintenance of the account. This fee compensates the Company for the costs associated with opening and managing the interest-bearing account, preparing correspondence/documentation, transferring funds, maintaining appropriate records for audit/reconciliation purposes, and filing any required tax withholding statements. It is important that you consider this cost in your decision since the cost may exceed the interest you earn.

Funds deposited in an interest-bearing account will be withdrawn from such account and deposited in the Company's general escrow trust account approximately two business days prior to the scheduled close of escrow or other disbursement of such funds. **If you wish to have your funds placed in an interest bearing account (with an accompanying charge of \$50.00), please mark below, sign and return this form to your escrow officer.** In addition, you must complete and return IRS Form W-9. If you do not want to have your funds deposited in an interest-bearing account, you do not need to sign or return this notice and the Company will understand you to have elected to have your funds deposited in a non-interest bearing account. If you change your mind and later wish to have your funds placed in an interest-bearing account, please contact your escrow officer.

The funds you deposit are insured only to the limit provided by the Federal Deposit Insurance Corporation.

PLEASE CONSIDER THIS MY/OUR INSTRUCTION TO PLACE MY/OUR DEPOSIT(S) IN A SEGREGATED, INTEREST-BEARING ACCOUNT. I/WE UNDERSTAND THAT AN ADDITIONAL FEE OF \$50.00 WILL BE CHARGED FOR THIS SERVICE. I/WE HAVE READ AND UNDERSTAND ALL OF THE ABOVE INFORMATION.

\_\_\_\_\_  
Signature

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Social Security Number

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Date

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Signature

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## PRIVACY POLICY NOTICE

### Purpose Of This Notice

Title V of the Gramm-Leach-Bliley Act (GLBA) generally prohibits any financial institution, directly or through its affiliates, from sharing nonpublic personal information about you with a nonaffiliated third party unless the institution provides you with a notice of its privacy policies and practices, such as the type of information that it collects about you and the categories of a persons or entities to whom it may be disclosed. In compliance with the GLBA, we are providing you with this document, which notifies you of the privacy policies and practices of:

Commonwealth Land Title Insurance Company  
Fidelity National Title Insurance Company  
First American Title Insurance Company  
First American Title Insurance Company of New York  
Lawyers Title Insurance Corporation  
Montana Title and Escrow Company  
National Closing Solutions  
National Closing Solutions of Alabama, LLC  
NCS Exchange Professionals  
North Idaho Title Insurance Company  
Old Republic National Title Insurance Company

Placer Title Company  
Placer Title Insurance Agency of Utah  
Stewart Title Guaranty Company  
Stewart Title Insurance Company  
Targhee National Title  
American General Title Insurance Company  
Ticor Title Insurance Company  
Transnation Title Insurance Company  
United General Title Insurance Company  
Westcor Land Title Insurance Company  
Wyoming Title and Escrow Company

We may collect nonpublic personal information about you from the following sources:

- \* Information we receive from you, such as on applications or other forms.
- \* Information about your transactions we secure from our files, or from our affiliates or others.
- \* Information we receive from a consumer reporting agency.
- \* Information we receive from others involved in your transaction, such as the real estate agent or lender.

Unless it is specifically stated otherwise in an amended Privacy Policy Notice, no additional nonpublic personal information will be collected about you.

We may disclose any of the above information that we collect about our customers or former customers to our affiliates or to nonaffiliated third parties as permitted by law.

We also may disclose this information about our customers or former customers to the following types of nonaffiliated companies that perform marketing services on our behalf or with whom we have joint marketing agreements:

- \* Financial service providers such as companies engaged in banking, consumer finances, securities and insurance.
- \* Nonfinancial companies such as envelope stuffers and other fulfillment service providers.

**WE DO NOT DISCLOSE ANY NONPUBLIC PERSONAL INFORMATION ABOUT YOU WITH ANYONE FOR ANY PURPOSE THAT IS NOT SPECIFICALLY PERMITTED BY LAW.**

We restrict access to nonpublic personal information about you to those employees who need to know that information in order to provide products or services to you. We maintain physical, electronic and procedural safeguards that comply with federal regulations to guard your nonpublic personal information.

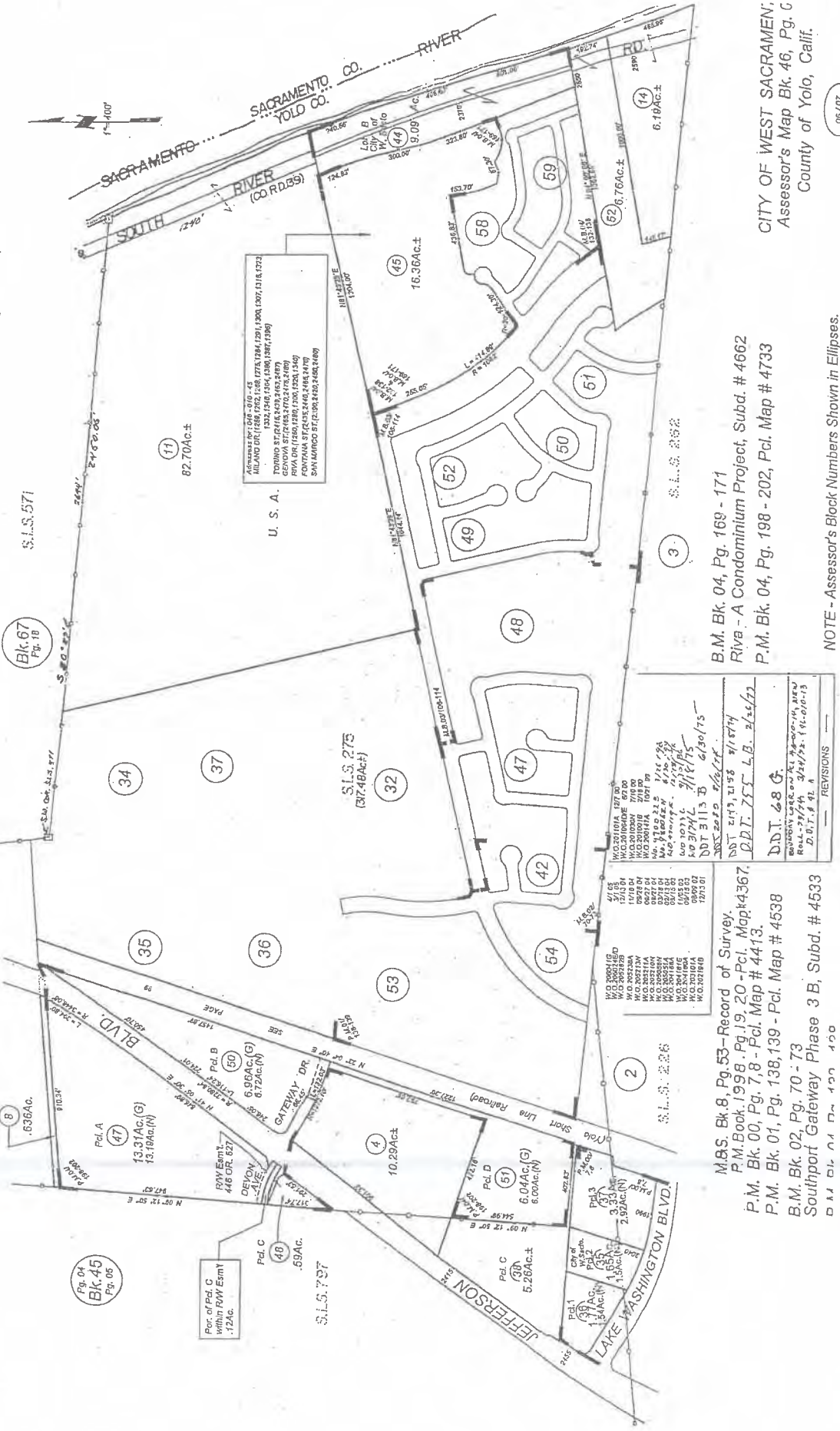


POR. OF T. 8N., R. 4E., M.D.B. & M.

CAUTION - These maps ARE NOT to be used for legal descriptions.

46 - 01

Sec'd - Yolo Port



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 (11)  
 U.S.A.  
 (12)  
 16.36Ac.±  
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 6.76Ac.±  
 (52)

ALVARADO ST. 1228.5156  
 ALVARADO DR. 1228.5156  
 TORONTO ST. 1228.5156  
 ROSA DR. 1228.5156  
 FONTANA ST. 1228.5156  
 SAN MARINO ST. 1228.5156

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B.M. Bk. 04, Pg. 169 - 171  
 Riva - A Condominium Project, Subd. # 4662  
 P.M. Bk. 04, Pg. 198 - 202, Pcl. Map # 4733

M.B. Bk. 8, Pg. 53 - Record of Survey  
 P.M. Book 1998, Pg. 19, 20 - Pcl. Map # 4367  
 P.M. Bk. 00, Pg. 7, 8 - Pcl. Map # 4413  
 P.M. Bk. 01, Pg. 138, 139 - Pcl. Map # 4538  
 B.M. Bk. 02, Pg. 70 - 73  
 Southport Gateway Phase 3 B, Subd. # 4533

NOTE - Assessor's Block Numbers Shown in Ellipses.

CITY OF WEST SACRAMENT  
 Assessor's Map Bk. 46, Pg. C  
 County of Yolo, Calif.

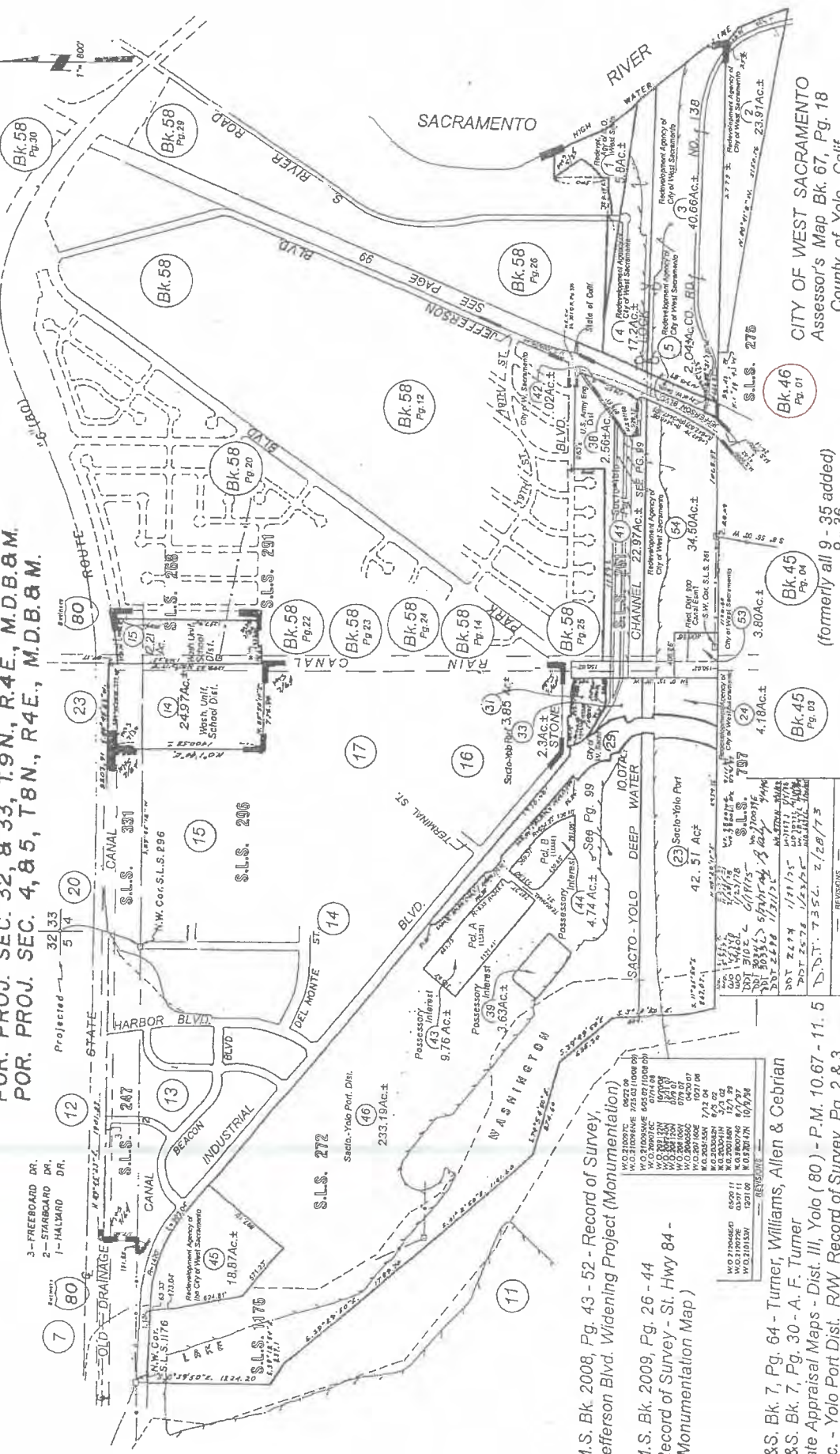
(06/07)



S.L.S. 1176, 272, 296, 261, & POR. 247, 331, 797.  
 POR. PROJ. SEC. 32 & 33, T.9N., R.4E., M.D.B.&M.  
 POR. PROJ. SEC. 4, 8, 5, T.8N., R.4E., M.D.B.&M.

CAUTION - These Maps ARE NOT to be used for legal descriptions.

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CITY OF WEST SACRAMENTO  
 Assessor's Map Bk. 67, Pg. 18  
 County of Yolo, Calif.

(formerly all 9 - 35 added)  
 por. 9 - 30

NOTE - Assessor's Block Number Shown in Ellipses.  
 Assessor's Parcel Number Shown in Circles

12 / 13

M.S. Bk. 2008, Pg. 43 - 52 - Record of Survey,  
 Jefferson Blvd. Widening Project (Monumentation)  
 M.S. Bk. 2009, Pg. 26 - 44  
 Record of Survey - St. Hwy 84 -  
 (Monumentation Map)

| Parcel No. | Area (Ac.) | Owner           | Acquirement Date |
|------------|------------|-----------------|------------------|
| 11         | 10.07      | Sacto-Yolo Port | 1/21/75          |
| 12         | 4.21       | Sacto-Yolo Port | 1/21/75          |
| 13         | 18.87      | Sacto-Yolo Port | 1/21/75          |
| 14         | 4.74       | Sacto-Yolo Port | 1/21/75          |
| 15         | 24.97      | Sacto-Yolo Port | 1/21/75          |
| 16         | 2.34       | Sacto-Yolo Port | 1/21/75          |
| 17         | 3.63       | Sacto-Yolo Port | 1/21/75          |
| 18         | 3.63       | Sacto-Yolo Port | 1/21/75          |
| 19         | 9.76       | Sacto-Yolo Port | 1/21/75          |
| 20         | 3.33       | Sacto-Yolo Port | 1/21/75          |
| 21         | 3.33       | Sacto-Yolo Port | 1/21/75          |
| 22         | 3.33       | Sacto-Yolo Port | 1/21/75          |
| 23         | 4.18       | Sacto-Yolo Port | 1/21/75          |
| 24         | 4.18       | Sacto-Yolo Port | 1/21/75          |
| 25         | 3.80       | Sacto-Yolo Port | 1/21/75          |
| 26         | 3.80       | Sacto-Yolo Port | 1/21/75          |
| 27         | 3.80       | Sacto-Yolo Port | 1/21/75          |
| 28         | 3.80       | Sacto-Yolo Port | 1/21/75          |
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| 54         | 3.80       | Sacto-Yolo Port | 1/21/75          |
| 55         | 3.80       | Sacto-Yolo Port | 1/21/75          |
| 56         | 3.80       | Sacto-Yolo Port | 1/21/75          |
| 57         | 3.80       | Sacto-Yolo Port | 1/21/75          |
| 58         | 3.80       | Sacto-Yolo Port | 1/21/75          |
| 59         | 3.80       | Sacto-Yolo Port | 1/21/75          |
| 60         | 3.80       | Sacto-Yolo Port | 1/21/75          |

M.&S. Bk. 7, Pg. 64 - Turner, Williams, Allen & Cebran  
 M.&S. Bk. 7, Pg. 30 - A. F. Turner  
 State Appraisal Maps - Dist. III, Yolo ( 80 ) - P.M. 10.67 - 11.5  
 Sac. - Yolo Port Dist. RW Record of Survey, Pg. 2 & 3  
 M & S. Bk. 5, Pg. 25 - Shell Oil Co. & Arthur F. Turner Tracts  
 M.S. Bk. 07, Pg. 60 - Record of Survey

**READDRESSING / REASSIGNING APPRAISAL  
REPORTS**



### Readdressing/Reassigning Appraisal Reports

Seevers Jordan Ziegenmeyer adheres to the requirements of the 2008-2009 Edition of the Uniform Standards of Professional Appraisal Practice (USPAP). This edition is effective January 1, 2008 through December 31, 2009. The following excerpts pertain to readdressing/reassigning appraisal reports:

#### **Advisory Opinion 26, Page A-90:**

Once a report has been prepared for a named client(s) and any other identified intended users and for an identified intended use, the appraiser cannot “readdress” (transfer) the report to another party.

#### **Advisory Opinion 27, Page A-92:**

Situations often arise in which appraisers who have previously appraised a property are asked by a different party to appraise the same property.... Accepting the assignment from the second potential client is not prohibited by USPAP, assuming any existing confidential information is handled properly.... If there is a new potential client, valuation services performed for that new client would constitute a new assignment and the assignment results would be specific to that new assignment.

#### **Frequently Asked Questions, Page F-36:**

It is never permissible to “readdress” a report by simply changing the client’s name on a completed report, regardless of whether the first client gave a release. The request from Lender B must be treated as a new assignment.

## **GLOSSARY OF TERMS**

## GLOSSARY OF TERMS

Unless otherwise noted, the following definitions are from The Dictionary of Real Estate Appraisal, 5th ed. (Chicago: Appraisal Institute, 2010).

**Aggregate of Retail Values (ARV):** The sum of the separate and distinct market value opinions for each of the units in a condominium, subdivision development, or portfolio of properties, as of the date of valuation. The aggregate of retail values does not represent an opinion of value; it is simply the total of multiple market value conclusions.

**As Is Market Value:** The estimate of the market value of real property in its current physical condition, use, and zoning as of the appraisal date.

**Band of Investment:** A technique in which the capitalization rates attributable to components of a capital investment are weighted and combined to derive a weighted-average rate attributable to the total investment.

**Bulk (Discounted) Value:** The most probable price, in a sale of all parcels within a tract or development project, to a single purchaser or sales to multiple buyers, over a reasonable absorption period discounted to present value, as of a specified date, in cash, or in terms equivalent to cash, for which the property rights should sell after reasonable exposure, in a competitive market under all conditions requisite to a fair sale, with buyer and seller each acting prudently, knowledgeably, and for self-interest, and assuming that neither is under stress. (Appraisal Standards For Land-Secured Financing, California Department Advisory Commission, 1994)

**Comparative-Unit Method:** A method used to derive a cost estimate in terms of dollars per unit of area or volume based on known costs of similar structures that are adjusted for time and physical differences; usually applied to total building area.

**Cost Approach:** A set of procedures through which a value indication is derived for the fee simple interest in a property by estimating the current cost to construct a reproduction of (or replacement for) the existing structure, including an entrepreneurial incentive, deducting depreciation from the total cost, and adding the estimated land value. Adjustments may then be made to the indicated fee simple value of the subject property to reflect the value of the property interest being appraised.

**Depreciation:** In appraising, a loss in property value from any cause; the difference between the cost of an improvement on the effective date of the appraisal and the market value of the improvement on the same date.

**Direct Capitalization:** A method used to convert an estimate of a single year's income expectancy into an indication of value in one direct step, either by dividing the net income estimate by an appropriate capitalization rate or by multiplying the income estimate by an appropriate factor. Direct capitalization employs capitalization rates and multipliers extracted or developed from market data. Only a single year's income is used. Yield and value changes are implied but not identified.

**Discounted Cash Flow (DCF) Analysis:** The procedure in which a discount rate is applied to a set of projected income streams and a reversion. The analyst specifies the quantity, variability, timing, and duration of the income streams and the quantity and timing of the reversion, and discounts each to its present value at a specified yield rate.

**Discount Rate:** A yield rate used to convert future payments or receipts into present value; usually considered to be a synonym for *yield rate*.



legal permissibility, physical possibility, financial feasibility, and maximum productivity. Alternatively, the probable use of land or improved property – specific with respect to the user and timing of the use – that is adequately supported and results in the highest present value.

**Highest and Best Use of Property as**

**Improved:** The use that should be made of a property as it exists. An existing improvement should be renovated or retained as is so long as it continues to contribute to the total market value of the property, or until the return from a new improvement would more than offset the cost of demolishing the existing building and constructing a new one.

**Highest and Best Use of Land or a Site as though Vacant:** Among all reasonable, alternative uses, the use that yields the highest present land value, after payments are made for labor, capital, and coordination. The use of a property based on the assumption that the parcel of land is vacant or can be made vacant by demolishing any improvements.

**Hypothetical Condition:** That which is contrary to what exists but is supposed for the purpose of analysis. Hypothetical conditions assume conditions contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis.

**Income Capitalization Approach:** A set of procedures through which an appraiser derives a value indication for an income-producing property by converting its anticipated benefits (cash flows and reversion) into property value. This conversion can be accomplished in two ways. One year's income expectancy can be capitalized at a market-derived capitalization rate or at a capitalization rate that reflects a specified income pattern, return on investment, and change in the value of the investment. Alternatively, the annual cash

flows for the holding period and the reversion can be discounted at a specified yield rate.

**Leased Fee Interest:** A freehold (ownership interest) where the possessory interest has been granted to another party by creation of a contractual landlord-tenant relationship.

**Leasehold Interest:** The tenant's possessory interest created by a lease. (Negative leasehold: A lease situation in which the market rent is less than the contract rent. Positive leasehold: A lease situation in which the market rent is greater than the contract rent.)

**Liquidation Value:** See *Disposition Value*.

**Market Value:** The most probable price that a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby: buyer and seller are typically motivated; both parties are well informed or well advised, and acting in what they consider their best interests; a reasonable time is allowed for exposure in the open market; payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale. (Code of Federal Regulations, Title 12, Part 34, Section 34.42)

**Marketing Time:** An opinion of the amount of time it might take to sell a real or personal property interest at the concluded market value level during the period immediately after the effective date of an appraisal. Marketing time differs from exposure time, which is always presumed to precede the effective date of an appraisal.

**Neighborhood:** A group of complementary land uses; a congruous grouping of inhabitants, buildings, or business enterprises.

**Obsolescence:** One cause of depreciation; an impairment of desirability and usefulness caused by new inventions, changes in design, improved processes for production, or external factors that make a property less desirable and valuable for a continued use; may be either functional or external.

**Prospective Opinion of Value:** A value opinion effective as of a specified future date. The term does not define a type of value. Instead, it identifies a value opinion as being effective at some specific future date. An opinion of value as of a prospective date is frequently sought in connection with projects that are proposed, under construction, or under conversion to a new use, or those that have not yet achieved sellout or a stabilized level of long-term occupancy.

**Quantity Survey Method:** A cost-estimating method in which the quantity and quality of all materials used and all categories of labor required are estimated and unit cost figures are applied to arrive at a total cost estimate for labor and materials.

**Replacement Cost:** The estimated cost to construct, at current prices as of the effective appraisal date, a substitute for the building being appraised, using modern materials and current standards, design, and layout.

**Reproduction Cost:** The estimated cost to construct, at current prices as of the effective date of the appraisal, an exact duplicate or replica of the building being appraised, using the same materials, construction standards, design, layout, and quality of workmanship and embodying all the deficiencies, superadequacies, and obsolescence of the subject building.

**Sales Comparison Approach:** The process of deriving a value indication for the subject property by comparing market information for similar properties with the property being appraised, identifying appropriate units of comparison, and making qualitative comparisons with or quantitative adjustments to the sale prices (or unit prices, as appropriate) of the comparable properties based on relevant, market-derived elements of comparison.

**Site Coverage Ratio:** The gross area of the building footprint divided by the site area.

**Stabilized Occupancy:** An expression of the expected occupancy of a property in its particular market considering current and forecasted supply and demand, assuming it is priced at market rent.

**Subdivision Development Method:** A method of estimating land value when subdivision development is the highest and best use of the parcel of land being appraised. When all direct and indirect costs and entrepreneurial incentive are deducted from an estimate of the anticipated gross sales price of the finished lots (or residences), the resultant net sales proceeds are then discounted to present value at a market-derived rate over the development and absorption period to indicate the value of the land.

**Superadequacy:** An excess in the capacity or quality of a structure or structural component; determined by market standards.

**Unit-In-Place Method:** A cost-estimating method in which total building cost is estimated by adding together the unit costs for the various building components as installed; also called the *segregated cost method*.

**Yield Capitalization:** A method used to convert future benefits into present value by 1) discounting each future benefit at an appropriate yield rate, or 2) developing an overall rate that explicitly reflects the



investment's income pattern, holding period, value change, and yield rate.

**Yield Rate:** A rate of return on capital, usually expressed as a compound annual percentage rate. A yield rate considers all expected property benefits, including the proceeds from sale at the termination of the investment.

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## QUALIFICATIONS OF APPRAISER(S)



## Kevin K. Ziegenmeyer, Partner

### Introduction

Mr. Ziegenmeyer is a partner with Seevers Jordan Ziegenmeyer, a real estate appraisal firm that engages in a wide variety of real estate valuation and consultation assignments. In 1989, Mr. Ziegenmeyer began his career in real estate as a controller for a commercial and residential real estate development corporation. In 1991 he began appraising and continued to be involved in appraisal assignments covering a wide variety of properties, including office, retail, industrial, income residential and subdivisions throughout the Central Valley area of California, Northern Nevada, and within the Sacramento Metropolitan Area. Mr. Ziegenmeyer has developed the expertise and background necessary to deal with complex assignments covering a wide range of property types. Over the past several years, Mr. Ziegenmeyer has been handling many of the firm's master-planned property appraisals.

### Professional Affiliations

Associate Member (General) - Appraisal Institute  
Certified General Real Estate Appraiser - State of California (No. AG013567)

### Education

#### *Academic:*

Bachelor of Science in Accounting, Azusa Pacific University, California

### Appraisal and Real Estate Courses:

Standards of Professional Practice, Parts A, B & C  
Basic Valuation Procedures  
Real Estate Appraisal Principles  
Capitalization Theory and Techniques, Part A  
Advanced Income Capitalization  
Report Writing and Valuation Analysis  
Advanced Applications  
IRS Valuation Summit I & II  
2008, 2009, 2010 & 2011 Economic Forecast  
Business Practices and Ethics  
Contemporary Appraisal Issues with Small Business Administration Financing  
General Demonstration Appraisal Report Writing Seminar  
7-Hour National USPAP Update Course  
Valuation of Easements and Other Partial Interests  
2009 Summer Conference  
Uniform Appraisal Standards for Federal Land Acquisitions  
2008 Economic Update  
Valuation of Conservation Easements  
Subdivision Valuation  
(continued on next page.....)



Seevers  
Jordan  
Ziegenmeyer

Real Estate Appraisal & Consultation

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3825 Atherton Road, Suite 500  
Rocklin, California 95765

P: (916) 435-3883 F: (916) 435-4774

*(.....continued from previous page)*

2005 Annual Fall Conference  
General Comprehensive Exam Module I, II, III & IV  
Advanced Income Capitalization  
Advanced Sales Comparison & Cost Approaches  
2004 Central CA Market Update  
Computer-Enhanced Cash Flow Modeling  
Forecast 2000, 2001, 2002, 2003 & 2004  
Land Valuation Assignments  
Land Valuation Adjustment Procedures  
Highest & Best Use and Market Analysis  
Entitlements, Land Subdivision & Valuation  
Real Estate Value Cycles  
El Dorado Hills Housing Symposium  
Federal Land Exchanges  
M & S Computer Cost-Estimating, Nonresidential

### **Appraisal Experience**

*General-purpose:*

Offices  
Retail  
Industrial  
Apartments  
Subdivisions  
Land

*Special-purpose:*

Athletic Clubs  
Churches  
Educational Facilities  
Restaurants  
Assisted-living Facilities  
Auto Sales and Service  
Lodging Facilities



## Sample of Appraisal Experience

City of Sacramento Development Fee Financing  
Community Facilities District No. 95-01  
Annexation No. 2 (Meadowview Estates)  
Sacramento, Sacramento County, California

The hypothetical market valuation of partially completed residential subdivision that included 163 improved single-family homes, six model homes, 167 improved single-family residential lots and 183 partially improved single-family residential lots. The appraisal was used for bond underwriting purposes and was prepared for the City of Sacramento.

Bickford Ranch Community Facilities District No.  
2003-1  
Placer County, California

The hypothetical market valuation of a proposed master planned community that will include 847.2 acres of land designated for 1,783 residential lots and a 9.7-acre commercial component. The appraisal will be used for bond underwriting purposes and was prepared for the County of Placer.

El Dorado Hills Community Facilities District No. 1992-  
1 (portion)  
El Dorado County, California

This assignment involved the hypothetical cumulative or aggregate, valuation of a sizeable portion of the existing Serrano master planned community. The appraisal included 1,597 single-family residential lots, 382 custom single-family residential lots, 33.05 acres of commercial land and 344 existing single-family residences. The appraisal will be used for bond underwriting purposes and was prepared for the County of El Dorado.

Community Facilities District No. 16  
West Sacramento, California

This project involved the valuation of Bridgeway Lakes, a high-end 609-lot single-family residential community located in the Southport area of West Sacramento. Lot densities within the project varied from low and medium density to rural estate lots. This report was prepared for the City of West Sacramento.

Community Facilities District No. 17  
West Sacramento, California

This assignment concerned the valuation of 252 single-family lots and 252 proposed multifamily units comprising the Parella residential community in the Southport area of West Sacramento. This report was prepared for the City of West Sacramento.



### Sample of Appraisal Experience (continued)

Diablo Grande Community Facilities District No. 1  
(Series 2002)  
Stanislaus County, California

The appraisal involved the valuation of a partially improved resort and master planned community offering 1,410 residential lots, multifamily land, commercial land, a hotel site, vineyards and two 18-hole championship golf courses. The appraisal was used for bond underwriting purposes and was prepared for Western Hills Water District.

Plumas Lake Community Facilities District No. 2002-1  
Yuba County, California

This appraisal included the valuation of a portion of the proposed, and partially improved, Plumas Lake Specific Plan area, and comprised 3,314 detached single-family residential lots. The appraisal was used for bond underwriting purposes and was prepared for the Olivehurst Public Utility District.

Brentwood Assessment District No. 2003-1  
Brentwood, Contra Costa County, California

This assignment involved the valuation of an assessment district containing commercial and residential components comprising 5.66 acres of commercial land, 882 single-family residential lots and 15.8 acres of multifamily land. The appraisal was used for bond underwriting purposes and was prepared for the City of Brentwood.

Patterson Gardens & Keystone Pacific Business Park  
Patterson, Stanislaus County, California

This appraisal involved the valuation of a 985-lot single-family residential master planned community that included residential, commercial and public use components, and a non-contingent 224-acre industrial park. This report was prepared for Bank of America.

Syrah Condominiums  
Sacramento, Sacramento County, California

Syrah is a proposed 245-unit residential condominium development with dual phase valuations. This report was prepared for KeyBank.





STATE OF CALIFORNIA

Business, Transportation & Housing Agency

# OFFICE OF REAL ESTATE APPRAISERS REAL ESTATE APPRAISER LICENSE

**KEVIN K. ZIEGENMEYER**

has successfully met the requirements for a license as a general real estate appraiser in the State of California and is, therefore, entitled to use the title "Certified General Real Estate Appraiser".

This license has been issued in accordance with the provisions of the Real Estate Appraisers' Licensing and Certification Law.

OREA APPRAISER IDENTIFICATION NUMBER **AG013567**

Date Issued: June 5, 2011

Date Expires: June 4, 2013

*Bob Clark*

Director, OREA

Audit No. 132152

THIS DOCUMENT CONTAINS A TRUE WATERMARK. HOLD UP TO LIGHT TO SEE "SAFE" AND "VERIFY FIRST".





## Jarrold Hodgson, Appraiser

### Background

Since joining the firm in April 2003, Mr. Hodgson has focused on the valuation of land, speculative or transitional land, residential subdivisions and master planned communities. Many appraisal assignments pertain to Assessment or Community Facilities Districts, where local governments sell bonds to assist with the financing of infrastructure. Mr. Hodgson authors the annual SJZ Residential Market Newsletter.

While a graduate student at UC Davis, Mr. Hodgson was a teaching assistant for real estate economics, linear regression analysis, linear programming, personal finance and agricultural marketing. He also was employed by the Institute of Governmental Affairs, where he developed linear regression models to quantify the impact of Mexican government subsidies on migrant-worker remittances in the United States.

Mr. Hodgson was named "Outstanding Senior" while finishing his undergraduate degree, which is awarded to the individual with the strongest potential to contribute to his or her field of study (Agricultural Economics). Also, Mr. Hodgson received a full tuition scholarship from UC Davis for academic achievement during his junior year.

### Professional Affiliations

Associate Member – Appraisal Institute

Certified General Real Estate Appraiser - State of California (No. AG040480)

### Education

#### *Academic:*

Master of Science in Agricultural and Resource Economics, University of California, Davis

Bachelor of Science in Managerial Economics, University of California, Davis

#### *Appraisal and Real Estate Courses:*

Uniform Standards of Professional Appraisal Practice

Appraisal Principles

Appraisal Procedures

Basic Income Capitalization

General Applications

Real Estate Investment & Income Capitalization

Highest & Best Use and Market Analysis

Advanced Sales Comparison & Cost Approaches

Advanced Income Capitalization

Advanced Applications

Report Writing and Valuation Analysis

Uniform Appraisal Standards for Federal Land Acquisitions

Easement Valuation



### Sample of Appraisal Experience

Winchester Subdivision  
Meadow Vista, California

The subject property was a 136-lot portion of a 409-lot single-family residential subdivision identified as Winchester, an upscale single-family residential community anchored by a private golf course and country club. The subject property was located in the unincorporated area of Meadow Vista, Placer County, which is approximately 20 miles northeast of the city of Roseville and 40 miles northeast of the Sacramento Central Business District. The area is largely rural and features rolling topography. The Developer had completed site development in Phases 1 through 3; Phase 4 was paved and largely complete with minor improvements remaining; and Phases 5 and 6 were largely unimproved. The subject property contained lots located in Phases 2 through 6, with the majority of the lots located in Phases 4, 5 and 6. The subject lots ranged in size from one to six acres.

California Statewide Communities Development  
Authority (CSCDA) Community Facilities District  
(CFD) No. 2007-01 (Orinda Wilder)  
Orinda, California

CSCDA CFD No. 2007-01 contained approximately 1,572 gross acres planned for 245 high-end single-family lots, as well as public land use areas such as playfields, roadways and hiking trails. Bond proceeds were used for local and regional infrastructure improvements

County of El Dorado Community Facilities District  
(CFD) No. 2001-1 (The Promontory), Series 2005  
El Dorado Hills, California

CFD No. 2001-1 contained approximately 965.7 gross acres of land designated for residential, commercial and supporting public-use developments. The residential component contained 1,070 planned dwelling units—947 low-density and 123 high-density—that were at various stages of development, and the commercial component contained seven acres of land designated for up to 103,670 square feet of commercial/office development. With various merchant builders developing projects within the subject properties, several single-family residences had been completed and had transferred to individual homebuyers, while other lots—primarily those retained by the master developer, AKT Development—were unimproved.

Community Facilities District (CFD) No. 16  
West Sacramento, California

CFD No. 16 was the Bridgeway Lakes project located in the Southport area of West Sacramento. The CFD contained 609-lots located about a network of man-made lakes. Lot densities within the project varied from low and medium density to rural estate lots.



Mosher Assessment District (AD) 2003-02  
Stockton, California

AD 2003-02 represented a master planned community in the North Stockton area of San Joaquin County. With four developers spearheading development, the community encompassed 1,372 single-family residential lots, as well as 21.98 and 14.90 acres proposed for multifamily and commercial development, respectively.

160 Acres of Vacant Land  
Woodland, California

This project involved valuing 160 acres of agricultural land in a transitional state of development. According to the development agreement, the property would be annexed into the City of Woodland upon assignment of value. The General Plan for the City designated the property for industrial use. This appraisal was prepared for the property owner and the City of Woodland.

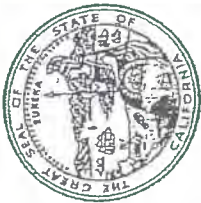
South Lincoln Regional Sewer Assessment District  
(Proposed)  
Lincoln, California

The subject properties comprised approximately 1,100 gross acres of various vacant land areas located within the Sunset Industrial Plan Area of Placer County, adjacent to the Thunder Valley Indian Gaming Casino. The proposed district was generally located between the city limits of Lincoln to the north, Rocklin to the east, and Roseville to the south. The subject properties had paved access with water and electricity available, but did not have sewer access. The City of Lincoln considered selling Bonds secured by properties in the proposed District to assist with the financing of sewer system improvements.

Village on the Delta  
Isleton, California

The subject property was a partially completed, 331-unit single-family residential subdivision identified as Village on the Delta, located in the city of Isleton, Sacramento County, California. Isleton is a rural agricultural town located in the Andrus Island area of the Sacramento-San Joaquin River Delta. The Developer had completed site development for 87 lots and has commenced home construction of 18 three-story production homes, including four models. The three-story design was required due to historical flooding. Home construction was suspended as a result of financial difficulty. The balance of the subject property contained 213 unimproved lots and 1.67 commercial/residential (up to 31 loft units) with tentative map approval.





STATE OF CALIFORNIA

Business, Transportation & Housing Agency

**OFFICE OF REAL ESTATE APPRAISERS**  
**REAL ESTATE APPRAISER LICENSE**

OREA APPRAISER IDENTIFICATION NUMBER AG040480

**JARROD E. HODGSON**

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OFFICE OF REAL ESTATE APPRAISERS

*Bob Clark*

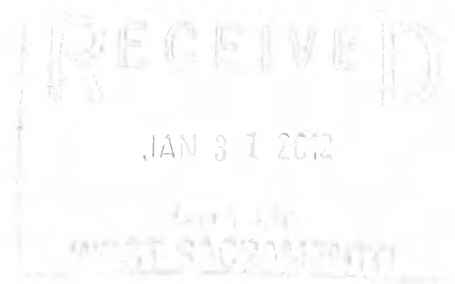
Date Issued: June 9, 2010

Date Expires: June 8, 2012

Audit No. 126003

THIS DOCUMENT CONTAINS A TRUE WATERMARK. HOLD UP TO LIGHT TO SEE. SAFE AND VERIFY FIRST.

R.S. WECK  
&  
ASSOCIATES



**MEMORANDUM OF APPRAISAL REVIEW**

**DATE:** January 31, 2012

**TO:** **Ms. Andrea Matarazzo**  
Pioneer Law Group, LLP  
431 I Street, Suite 201  
Sacramento, California 95814

**FROM:** Robin S. Weck, MAI  
R.S. Weck & Associates, Inc.

**SUBJECT:** **Stone Lock Property**  
West Sacramento, California

**REFERENCE:** Appraisal prepared by:  
**Kevin K. Ziegenmeyer**  
**Jarrold E. Hodgson**  
Seevers Jordan Ziegenmeyer  
3825 Atherton Road, Suite 500  
Rocklin, California 95765

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**INTRODUCTION**

This Technical Review is intended solely for the use of Pioneer Law Group, LLP in its role as coordinator or facilitator in the proposed purchase by Stone Lock District Holdings, LLC and for purposes of meeting the requirements contained in the documents entitled option agreement between the Redevelopment Agency of the City of West Sacramento and the Sacramento Yolo Port District, dated March 23, 2011, and assignment agreement between the Sacramento Yolo Port District and Stone Lock Holdings District, LLC dated January 16, 2012. It is intended that this memorandum be in conformance with the requirements of the *Uniform Standards of Professional Appraisal Practice (USPAP)* relating to the appraisal review process.

The appraisal has been submitted to R.S. Weck & Associates, Inc. by Andrea Matarazzo with the Pioneer Law Group, LLP for review in connection with facilitating the assignment of an option to purchase the Stone Lock property. It is our understanding that the appraisal prepared by Seevers Jordan Ziegenmeyer, dated January 11, 2012, will be used to establish the fair market value of the property and the basis for the purchase option.

### PURPOSE OF THE REVIEW

The purpose of this review is to concur or not concur with the value conclusion reported in the appraisal report. Concurrence means that the value reported is reasonably supported and is not speculative. Concurrence does not mean the reviewer specifically agrees with all aspects of the appraisal. When disagreement occurs, a separate conclusion of value may be developed in accordance with the guidelines established by the 2012-2013 *Uniform Standards of Professional Appraisal Practice (USPAP)*, Standard 3. This review is intended to be consistent with the scope of work under which the valuation was conducted.

### SCOPE OF THE REVIEW

The scope of the review focused on the overall reliability of the data as well as the appropriateness of the analyses and conclusions related to the real estate valuation opinion that is rendered in the appraisal report. Specifically, the scope of this review is summarized on the following chart.

| SCOPE OF THE APPRAISAL REVIEW PROJECTS  |     |
|---|-----|
| The Reviewer read the entire appraisal report.  | Yes |
| The Reviewer interviewed the author of the appraisal report.  | Yes |
| Selected sections of the appraisal report related to the improvements were not read.  | No  |
| All mathematical calculations related to the valuation were checked for accuracy.   | Yes |
| The primary and most significant mathematical calculations pertaining to the approach to value for the land that was given primary weight were reviewed for accuracy. | Yes |
| The reasonableness and accuracy of the DCF analysis and the appropriateness of the application was reviewed.  | N/A |
| The reviewer personally inspected the property appraised.   | No  |
| The reviewer personally inspected the market data presented in the appraisal report.  | No  |
| The reviewer personally verified the details relating to the market data and the other data presented in the appraisal.   | No  |
| Additional market data were researched and analyzed by the reviewer.  | No  |
| All known relevant information was considered in the reporting of the findings regarding the value stated in this appraisal review.                                   | Yes |
| An amended value opinion was required.  | No  |



**SUMMARY OF VALUE CONCLUSIONS**

The valuation scenario, effective date, property rights appraised, and the concluded value acceptable for our client, Pioneer Law Group, LLP are as follows:

| Valuation Scenario  | Date of Value    | Property Rights | Appraiser's Value Conclusion | Reviewers amended value* |
|---|------------------|-----------------|------------------------------|--------------------------|
| <b>As-Is Value</b>  | January 11, 2012 | Fee Simple      | \$2,110,000                  | N/A                      |
| * If the reviewer amends the appraisal to a different value conclusion, the reviewer must adhere to the requirements of Standard 1, 7 or 9 of the USPAP, which ever applies. The reader should refer to the "Reviewer's Comments" section for an explanation of the analysis leading to the amended opinion(s). |                  |                 |                              |                          |
| Was personal property or other non-realty components included in the Appraiser's market value opinion(s)?   |                  |                 |                              | No                       |
| Was personal property or other non-realty components included in the Appraiser's market value opinion assuming conversion is completed and assuming the sell-out of the project?  |                  |                 |                              | N/A                      |

**APPRAISAL AND REVIEW CONTINGENCIES**

The appraisal and this review are not subject to contingencies. The appraisal provided for review states in the Letter of Transmittal that it is presented in a report pursuant to Uniform Standards of Professional Appraisal Practice 2-2b.

**ASSUMPTIONS AND LIMITING CONDITIONS**

- This review is subject to the assumptions and limiting conditions presented in the appraisal report. The conclusions offered in this Memorandum are based exclusively of the appraisal provided for review. If at a later date additional relevant information is made available that is not included in the appraisal reviewed, the reviewer reserves the right to consider such data and amend the conclusion contained herein if warranted.
- An environmental study was not available during the preparation of the appraisal or during the review process. If it is later determined and disclosed that there are negative environmental conditions, adjustment to the values rendered would most likely be warranted.
- The reviewer, during the course of the review, relied solely upon information provided by the appraiser. Other than as specified in this memorandum, the reviewer is unable to prove the reliability of such data and, by reference, accepts no responsibility for its accuracy.



**SUMMARY OF FINDINGS**

| APPRAISAL REVIEW FINDINGS   |     |
|---|-----|
| The completeness of the appraisal report is consistent with the stated Scope of Work.                                   | Yes |
| The apparent adequacy and relevance of the data and the propriety of the adjustments to the data is acceptable.         | Yes |
| The appropriateness of the appraisal methods and techniques used are acceptable.  | Yes |
| The analyses, opinions and conclusions in the work under review are appropriate and reasonable to an acceptable degree. | Yes |

**REVIEWER'S COMMENTS**

The appraisal that has been presented for review is in a narrative report format dated January 11, 2012, which presents data and analysis, resulting in a credible opinion of value for the 210.99 acres of land located along South River Road, south of the Deep Water Ship Channel and west of the Sacramento River within the City of West Sacramento.

The appraiser has identified the appraisal problem and has successfully compiled market data that has been employed in the appraisal that ultimately allows for the formulation of the opinion of values stated herein. This report also contains sufficient analysis and support to be considered in conformity to the minimum standards as set forth in USPAP. The analysis demonstrates and/or concludes that the Highest and Best Use for the property is to hold for future development.

The property appraised is very complex and as a result requires a sophisticated level of experience in order for a proper valuation to be achieved. For the fact that no identical property could be found for direct comparison, it is incumbent upon the appraiser to understand the nuances between the comparable sales and the subject in order to make a credible opinion of value. Based on the information presented for both the subject and the comparable sales, it is the reviewer's opinion that the physical attributes for each of the properties as well their individual development characteristics and potential constraints have been adequately addressed given the information available to the appraiser as of the date of the appraisal.

Based on the comparable data presented weighed against the complexities of the subject it is the reviewer's opinion that the concluded value, while reasonable and acceptable, appears to be towards the upper-end of the adjusted value range, yet no amended value conclusion is recommended.

**CERTIFICATION**

I certify that, to the best of my knowledge and belief:

1. The facts and data reported by the reviewer and used in the technical desk review process are true and correct.
2. The analyses, opinions, and conclusions in this review report are limited only by the assumptions and limiting conditions stated in this review report, and are my personal, unbiased professional analyses, opinions, and conclusions.
3. I have no present or prospective interest in the property that is the subject of this report and I have no personal interest or bias with respect to the parties involved.
4. My involvement in this assignment was not contingent upon developing or reporting predetermined results.
5. My compensation is not contingent on an action or event resulting from the analyses, opinions, or conclusions in this review or from its use.
6. My analyses, opinions, and conclusions were developed and this review report has been prepared in conformity with the *Uniform Standards of Professional Practice (USPAP)*, Standard 3, 2012-2013 Edition.
7. I did not personally inspect the subject property of the appraisal report under review nor did I personally inspect the data properties presented in the appraisal. No one provided me with real or personal property appraisal or appraisal review assistance.
8. Based upon my appraisal experience and education, I am competent to perform this appraisal review assignment in a reliable manner.
9. I am licensed by the State of California Office of Real Estate Appraisers as a "Certified General Real Estate Appraiser," OREA Number AG007101, expiration date January 27, 2014.
10. The Appraisal Institute conducts a program of continuing education for its designated members. As of the date of this review, Robin S. Weck, MAI, has completed the requirements of the continuing education program of the Appraisal Institute.
11. The reported analyses, opinions, and conclusions were developed, and this review has been prepared, in conformity with the requirements of the *Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute*.
12. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized members.

*Robin S. Weck*

Date: January 31, 2012

Robin S. Weck, MAI  
CA Certificate No: AG007101  
Expires 1/27/2014

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**ADDENDA**

## **ENGAGEMENT LETTER**

R.S. WECK  
&  
ASSOCIATES

January 19, 2012

Ms. Andrea Matarazzo  
Pioneer Law Group, LLP  
431 I Street, Suite 201  
Sacramento, CA 95814

Re: *Appraisal review of report prepared by Seevers, Jordan, Ziegenmeyer on ±200 acres of undeveloped land located in the Southport area of the City of West Sacramento, California*

Dear Ms. Matarazzo:

R. S. Weck & Associates, Inc. agrees to provide professional services for the purpose of completing a review of the aforementioned property. The appraisal will be prepared in accordance with the Uniform Standards of Professional Appraisal Practice (USPAP). R.S. Weck & Associates agrees to provide appraisal services under the following terms and conditions:

- The review will be completed in a summary format.
- The fee for the appraisal services will be \$1,250.00 (U.S. Dollars). Fee to be paid upon completion of the assignment.
- In order to complete the appraisal I will need the following:
  - Electronic copy of the appraisal report.
- The appraisal review will be completed within 48 hours of receipt of the appraisal report. Acceptance of the terms and conditions of this agreement and authorization to proceed on the assignment shall be evidence by returning a signed copy of this memorandum.

If the above stated terms and conditions meet with your approval, please sign as indicated below, and return a copy via FAX or U.S. Mail to our offices. Upon receipt of authorization and the document listed above, R.S. Weck & Associates, Inc., will commence the appraisal process on your behalf. We appreciate the opportunity to be of service to you, and look forward to the successful completion of this assignment.

Respectfully,

*Robin S. Weck*

Robin S. Weck, MAI

Agreed and Accepted:

*Andrea Matarazzo*  
Date *1/26/12*

---

**APPRAISER'S QUALIFICATIONS**

# Qualifications

## ROBIN S. WECK, MAI

I have been actively engaged as a Commercial Real Estate Appraiser and Consultant in the Greater Sacramento Area since 1986.

### EDUCATION

B.S. Degree in Business Administration/Marketing from California State University Fresno.

### PROFESSIONAL DESIGNATION/MEMBERSHIPS

- MAI designated member Appraisal Institute
- Certified General Real Estate Appraiser, California State License No. AG007101
- Prior Board Member - Sacramento Sierra Chapter Appraisal Institute
- Licensed California Real Estate Broker, License No. 00976923

### COURT RECOGNITION

Qualified as an expert witness in U.S. Bankruptcy Court, Sacramento, California

### EXPERT WITNESS EXPERIENCE

#### **Meegan, Hanschu & Kassenbrock**

Case No: **34-2009-00036134-CU-MC-GDS** Case Init. Date: 03/03/2009

Case Title: First Horizon Home Loans a division of First Tennessee Bank NA vs. STL Company, LLC

Date: 7/9/2010

Defendant's analysis is more convincing. Weck dec., exh A. Its comparables are located in the same geographic area as the subject property. **Weck provides a more comprehensive** assessment of the comparables as they relate to the subject property by deducting the future roadway obligation cost from each comparable and making other appropriate adjustments when necessary. Pullen dec., exh. B, page 31. Because Weck deducts the future roadway obligation cost from each comparable, **his selected properties appear to be more accurate and persuasive comparables to value the subject property.** Detling admittedly does not make these deductions and does not sufficiently justify his failure to do so. Pullen dec., exh. A, page 7-8. Additionally, **Weck's analysis more accurately reflects the court's definition of "fair market value"** which is "the highest price a willing buyer would pay." San Paolo U.S. Holding Co. v. 816 S. Figueroa Co. (1998) 62 Cal.App.4th 1010, 1026. **Weck correctly concludes that a buyer would recognize the City's improvements** for what they are, improvements, and would thus willingly accept the future roadway obligation in addition to paying the purchase price.

#### **Boutin Gibson Di Gusto Hodell, Inc.**

Case No: **08-33290-C-11**

Case Title: **Blue Lake Rancheria vs. California Motocross, LLC**

Date: 11/25/2008

**Mr. Weck's interviews with representatives of the Placer County Planning Department evidenced that the Debtor did not provide needed information or pay required fees to proceed with the initial studies necessary for development of the property. Mr. Weck's investigation showed that there are limited utility and infrastructure services available to the Property** suggesting that any development beyond a low-intensity use would not be physically possible without extensive monetary investment in off-site improvements. In direct contradiction to the O'Malley appraisal, Mr. Weck states that there is no sewer infrastructure available to the property at the present time and that the proposed sewer line extension had been halted indefinitely. Motion for relief from stay was granted to movant.



I have successfully completed the following courses and seminars offered by the Appraisal Institute:

- ✓ Introduction to Green Buildings
- ✓ Valuation of Detrimental Conditions
- ✓ Federal & State Laws & Regulations
- ✓ Introduction to Appraising Real Property
- ✓ Highest & Best Use
- ✓ Residential Subdivision Analysis
- ✓ Capitalization Theory and Techniques
- ✓ Land Valuation Assignments
- ✓ Appraisal of Retail Properties
- ✓ Appraisal of Nursing Facilities
- ✓ Basic Appraisal Principles
- ✓ Residential Sales Comparison Approach
- ✓ Litigation Skills for the Appraiser
- ✓ Standards of Professional Practice
- ✓ Business Practices & Ethics
- ✓ Case Studies
- ✓ Report Writing and Valuation Analysis
- ✓ Feasibility, Market Value, Investment Timing
- ✓ Principles of Income Property Appraisal
- ✓ Land Valuation Adjustment Procedures
- ✓ Basic Valuation Procedures
- ✓ Real Estate Disclosure
- ✓ Real Estate Appraisal Principles
- ✓ FHA and the Appraisal Process

### **NOTABLE ASSIGNMENTS AND ACHIEVEMENTS**

- Appraised of Nine Mill Ranch, a 3,320 acre master-planned retirement community located along Interstate 5 in Tehama County. Development plans included an 18-hole championship golf course, 3,552 single-family residential dwellings, 148 custom residential lots, 200-acres of community, neighborhood and highway commercial land, assisted living, skilled nursing and medical office zoned land and 1,900 acres of undisturbed open space.
- Was instrumental in bringing Carefree Senior Living™, a provider of high-quality senior housing, to the Greater Sacramento market area. Carefree constructed 500-units of market-rate and affordable housing on a 20-acre site in North Natomas.
- Performed market study, feasibility and site selection analysis for senior housing developers from California to Chicago, successfully negotiating the purchase of numerous sites and buildings.

### **APPRAISAL AND CONSULTING SERVICES PROVIDED**

|                                   |  |
|-----------------------------------|--|
| COMMERCIAL/INDUSTRIAL/RESIDENTIAL | Over 20 years of experience in appraising hundreds of existing and proposed office buildings, shopping centers, industrial warehouse, residential and commercial condominiums, apartments, residential subdivisions, planned unit developments and master-planned communities. |
| SPECIAL PURPOSE                   | Over 10 years of experience in performing appraisals for Low-Income Housing Tax Credit (LIHTC) properties throughout the State of California, in addition to senior-oriented housing including senior apartments, assisted living and skilled nursing facilities.              |
| MARKET STUDIES                    | Collaborated with developers and municipalities in the completion of market studies for a variety of proposed mixed-use, market-rate, low-income and senior housing developments.  |
| Litigation Support                | Testified as an expert in both State and Federal courts in matters relating to the valuation of complex properties.  |
| TAX APPEAL AND ESTATE PLANNING    | Worked on behalf of individuals and developers seeking tax reductions on sizeable residential and commercial properties holdings, and have also provided partial interest valuations and estate planning services.   |





STATE OF CALIFORNIA

Business, Transportation & Housing Agency

**OFFICE OF REAL ESTATE APPRAISERS  
REAL ESTATE APPRAISER LICENSE**

**ROBIN S. WECK**

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OREA APPRAISER IDENTIFICATION NUMBER

AG007101

Date Issued: January 28, 2012

Date Expires: January 27, 2014

Director, OREA

Audit No. 136659

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## REDEVELOPMENT SUCCESSOR AGENCY OVERSIGHT BOARD

## AGENDA REPORT

MEETING DATE: June 13, 2013

ITEM # 5

**SUBJECT:**


**CONSIDERATION OF OB RESOLUTION 13-7 OF THE WEST SACRAMENTO REDEVELOPMENT SUCCESSOR AGENCY OVERSIGHT BOARD ACKNOWLEDGING THE AUTHORITY GRANTED TO THE REDEVELOPMENT AGENCY EXECUTIVE DIRECTOR BY JOINT RESOLUTION 11-34, AFFIRMING THE VALIDITY OF THE OPTION AGREEMENT WITH STONE LOCK HOLDINGS, LLC AND DIRECTING THE SUCCESSOR AGENCY TO RETURN AT A FUTURE DATE WITH A REPORT TO FACILITATE BOARD CONSIDERATION OF THE OPTION TERMS**

**INITIATED OR REQUESTED BY:**

Oversight Board       Staff  
 Other

**REPORT COORDINATED OR PREPARED BY:**

Jon Robinson, Housing and Community Investment Manager  
Katie Yancey, Senior Analyst

  
Martin Tuttle, Executive Director  
West Sacramento Redevelopment Successor Agency

**ATTACHMENT**     Yes     No                       Information     Direction                       Action

**OBJECTIVE**

The objective of this report is to request that the Oversight Board adopt OB Resolution 13-7 affirming the validity of the Successor Agency's option agreement with Stone Lock Holdings, LLC (Option) for the sale of the 215-acre Stone Lock Property and direct Successor Agency staff to return at future date with a report to facilitate the Board's separate consideration of the terms of the Option pursuant to Health and Safety Code Section 34181(e).

**RECOMMENDED ACTION**

Staff respectfully recommends that the Oversight Board approve OB Resolution 13-7, which is included as Attachment 1 to this staff report.

**BACKGROUND**

The Stone Lock property is a Successor Agency-owned site consisting of approximately 215 acres of undeveloped land located as shown in Attachment 2. Situated east of Jefferson Boulevard, on the north and south sides of the Barge Canal and immediately north of existing residential neighborhoods, the Stone Lock property has substantial potential as an infill development site. In 2007, after a nationwide competitive selection process, the West Sacramento Redevelopment Agency ("Agency") selected The Cordish Company ("Cordish") to purchase and develop the Stone Lock site. Between 2007 and 2011, the Agency negotiated exclusively with Cordish on sale terms for the site, while Cordish worked on refining its development concept and preparing the associated studies and analyses.

By 2011, progress had been made towards completion of a mutually acceptable disposition and development agreement; however, several key business points remained unresolved. With the potential dissolution of redevelopment looming, on March 29, 2011 the Agency and City approved Joint Resolution 11-34, which authorized the Executive Director of the Redevelopment Agency to execute an option agreement with the Sacramento-Yolo Port District ("Port"). (See Attachment 3.) The Port subsequently assigned the Option to Cordish, executing an Assignment and Assumption Agreement with Cordish's development entity, Stone Lock District Holdings, LLC ("SLDH") on January 16, 2012. As part of its performance under that agreement, Cordish procured an appraisal placing the value of the Stone Lock property at \$2.11 million as of January 11, 2012.

The efforts to move the Stone Lock transaction forward have occurred against the backdrop of a rapidly-evolving post-redevelopment environment. Pursuant to AB x1 26, redevelopment agencies were officially dissolved as of February 1, 2012. In June 2012, a cleanup bill, AB 1484, was signed by the Governor. However, the new bill answered some questions related to AB x1 26, while creating others. State-wide, innumerable real estate transactions have been complicated or even made impossible by uncertainty associated with the implementation of the redevelopment dissolution bills. For example, a lack of clarity about the effect of AB x1 26 and AB 1484 has resulted in title companies and lenders making inconsistent and sometimes impossible-to-meet demands for the establishment of clean title for properties that were previously



owned by redevelopment agencies. Likewise, successor agencies themselves have been uncertain about how to comply with the new laws, slowing the disposition of former redevelopment properties.

Proceeding with the acquisition and development of the Stone Lock site will require Cordish to make substantial expenditures on predevelopment and other expenses. Cordish has expressed concern about making these investments without greater assurance that its right to acquire the property pursuant to the Option is not subject to rescission by the Department of Finance ("DOF"). To that end, Cordish has submitted a letter requesting that staff present a resolution for Oversight Board consideration that would give the Oversight Board the opportunity to affirm the legitimacy of the Option, and facilitate the review of the Option by the DOF. The letter, which was written by Cordish's legal counsel and enumerates their argument for the legitimacy of the Option Agreement, is included as Attachment 4. This report and the attached resolution are intended to effectuate Cordish's request.

## **ANALYSIS**

Staff agrees with the conclusion of Cordish's legal counsel that the Option is a valid agreement between the Successor Agency and SLDH. As Cordish's letter notes, the original Option was permissible at the time it was entered into, and the assignment of the Option by the Port to SLDH did not alter the terms of the transaction, but rather shifted the obligations owed to the Agency from the Port to SLDH. Further, the assignment of the Option to Cordish occurred prior to the operative date of the section of AB x1 26 that dissolved redevelopment agencies, and resulted in an agreement between the Agency and a private third party. While these facts point to the legitimacy of the Option, there is reason to anticipate that DOF could still invalidate the agreement since the DOF has consistently taken the position that all agreements between the Agency and the Port executed after January 1, 2011 are invalid. Section 34171(d)(2) of AB x1 26 specifically excludes from the definition of "enforceable obligation" agreements between redevelopment agencies and the cities that formed them. The original Option was executed by the Port, which is a separate legal entity, the existence of which preceded the City of West Sacramento's incorporation by decades. While this would suggest a sharp distinction between the Option and the kind of city/agency agreement disallowed by AB x1 26, the language found in AB 1484, and the Successor Agency's experience with DOF on another Port-Redevelopment Agency transaction, suggest that DOF may not share staff's view on the distinction between the City and the Port.

In 2009, the City and the Port entered into an agreement called the Capital Reserve Funding Agreement (CRFA), under which the Agency made tax increment payments to the Port for mutually agreed infrastructure improvements. DOF demanded the reversal of payments that had been made under the CRFA based on an assertion that the Port is a component unit of the City by virtue of sharing governing board members and staff resources. While this conclusion was poorly supported by AB x1 26, Section 34167.10 of AB 1484 added language that appears specifically designed to assure that entities like the Port are considered part of the "city" for purposes of invalidating certain transactions pursuant to Section 34167.5 of AB x1 26. (The Port Commission is studying whether to litigate the DOF's decision on the CRFA.) Based on the same logic it applied to disallow the CRFA transaction, DOF could determine that the Option Agreement between the Successor Agency and SLDH is illegitimate because the original agreement between the Redevelopment Agency and the Port was itself an impermissible agreement between the Redevelopment Agency and a component unit of the City.

Separate from the DOF's analysis of the legitimacy of the Option, the Oversight Board has a fiduciary responsibility to assure that the Option serves the interests of the taxing entities represented by its Board members. Health and Safety Code Section 34181(e) authorizes the Oversight Board to direct the Successor Agency to renegotiate or terminate agreements between the Successor Agency and other parties if such actions are found to be in the best interests of the taxing entities. To fulfill the intent of Section 34181(e), staff intends to provide the Board with an opportunity to review the Option at a future date (assuming the DOF deems the option to be valid) and determine whether it wishes to direct the Successor Agency to make any changes to maximize benefit to the taxing entities.

This analysis, as well as the negotiations to effectuate any new terms the Board may wish to implement, will require both Cordish and the Successor Agency to incur costs. The expenses incurred by the Successor Agency and Cordish to effectuate the current option and/or renegotiate the terms of the Option as directed by the Oversight Board would be wasted if DOF subsequently invalidated the agreement. To avoid this potential problem, staff has concluded that the most prudent approach is to separate the Oversight Board's consideration of the Option into two approvals: one for the legitimacy of the Option itself (presented in this staff report) and the other for the business terms of the Option. Under this approach, the Board's approval of OB Resolution 13-7, and the statutorily-required submittal of the Board's decision to DOF for review, serves as a

validation action, allowing the Board and Cordish to test DOF's position on the legal standing of the Option before incurring further costs to effectuate or modify it.

If approved, OB Resolution 13-7 would document the Oversight Board's conclusion that the Option is a valid agreement between the Successor Agency and SLDH. Health and Safety Code Section 34179 (e) requires that all actions taken by the Oversight Board be adopted by resolution, after which time the DOF has five days to review the action. If the DOF requests a review of the action, the DOF has 40 days to either approve the action, or return it to the Oversight Board for its reconsideration. If the Board approves OB Resolution 13-7 and DOF does not reverse the Board's action, the Successor Agency and Cordish can proceed with much greater confidence that the agreement will not be undermined by a future DOF review. Conversely, if DOF overturns the Board's approval of OB Resolution 13-7, the Successor Agency and Cordish can determine how to proceed from that point without having incurred potentially unnecessary costs to refine the terms of the agreement. Board approval of OB Resolution 13-7 affirms the Board's position that the Option is an enforceable obligation of the Successor Agency, but does not constitute its endorsement of the terms of the Option. If OB Resolution 13-7 is not challenged by DOF within the statutory review period, the resolution directs that the Option terms be brought back separately for review and discussion by the Board. Only after this second review would the Option proceed to implementation.

#### Alternatives

The Oversight Board's primary alternatives are summarized below:

1. Approve OB Resolution 13-7;
2. Approve OB Resolution 13-7, subject to specific changes directed by the Board;
3. Direct that OB Resolution 13-7 be modified and brought back for consideration at a future date;
4. Decline to approve OB Resolution 13-7 and provide staff with direction for next steps.

Alternative 1 is staff's recommended action. Staff is prepared to implement any of the other alternatives at the Board's direction.

#### Coordination and Review

This report was prepared with input from the Administrative Services Department, the City Attorney, and outside legal counsel Meyers Nave.

#### Budget/Cost Impact

N/A

#### ATTACHMENT(S)

1. OB Resolution 13-7
2. Location Map
3. Joint Resolution 11-34
4. Cordish Letter

**OB RESOLUTION 13-7****A RESOLUTION OF THE OVERSIGHT BOARD OF THE WEST SACRAMENTO REDEVELOPMENT SUCCESSOR AGENCY ACKNOWLEDGING AND RATIFYING THE AUTHORITY DELEGATED TO THE REDEVELOPMENT AGENCY EXECUTIVE DIRECTOR BY JOINT RESOLUTION 11-34 TO EFFECTUATE THE SALE OF THE STONE LOCK PROPERTY, AND DIRECTING THE SUCCESSOR AGENCY TO EFFECTUATE THE TRANSACTION**

**WHEREAS**, The Oversight Board of the West Sacramento Redevelopment Successor Agency ("Oversight Board") has a fiduciary responsibility to the taxing entities that benefit from the distribution of revenues pursuant to Section 34188 of AB 1X26; and

**WHEREAS**, Health and Safety Code Sections 34177(h) and 34177(i) direct that the West Sacramento Redevelopment Successor Agency ("Successor Agency") expeditiously wind down the affairs of the former West Sacramento Redevelopment Agency ("Agency") and that the Successor Agency continue to oversee development of properties until completion or until the contractual obligations of the Agency can be transferred to other parties; and

**WHEREAS**, Pursuant to the requirements of AB 1X26 and AB 1484, the Successor Agency is responsible for the disposition of the Stone Lock Property, which consists of approximately 215 acres of undeveloped land located on Assessor Parcel Numbers 046-010-11, 067-180-01 through 04, 067-180-07 through 08, 067-180-24 and 067-180-36; and

**WHEREAS**, On March 29, 2011 the West Sacramento City Council ("City") and the Agency adopted Joint Resolution 11-34, which approved the execution of an option agreement ("Option Agreement") between the Agency and the Sacramento-Yolo Port District ("Port") for the Stone Lock Property and made findings and approvals pursuant to California Redevelopment Law; and

**WHEREAS**, Section 2(b) of Joint Resolution 11-34 authorized the Chair of the Agency and the Agency's Executive Director to execute and deliver any and all documents, to do any and all things and to take any and all actions that may be necessary and advisable, in their discretion, in order to consummate the sale of the Stone Lock property pursuant to Resolution 11-34 and the Option Agreement; and

**WHEREAS**, The Option, dated March 23, 2011 for reference purposes, was executed by authorized representatives of the Agency and the Port; and

**WHEREAS**, On November 16, 2011 the Port Commission authorized the execution of an Assignment and Assumption of Option Agreement ("Assignment Agreement") with Stone Lock District Holdings, LLC ("SLDH") and authorized the Port's Chief Executive Officer to consummate the transaction contemplated in the Assignment Agreement; and

**WHEREAS**, On January 16, 2012 the Port executed the Assignment Agreement with SLDH; and

**WHEREAS**, the Option by express terms was assignable with the consent of the Agency, which consent could not be unreasonably withheld; and

**WHEREAS**, the Agency's Executive Director consented to the assignment of the Option to SLDH on January 16, 2012; and



**WHEREAS,** The Assignment Agreement did not alter the Redevelopment Agency's commitment under the Option Agreement or create a new obligation; and

**WHEREAS,** Health and Safety Code section 34178 declares that on the operative date of Part 1.85, all agreements between the RDA and the City are invalid; and

**WHEREAS,** Pursuant to Health and Safety Code section 34170(a), the operative date of Part 1.85 was February 1, 2012 ("Operative Date") and

**WHEREAS,** The Option was assigned to SLDH prior to the Operative Date, removing any involvement of the Port in the transaction and assigning all rights and interests in the Option to SLDH, a private, non-City related entity; and

**WHEREAS,** Pursuant to the Option Agreement and the Assignment Agreement, an appraisal was submitted to the Executive Director of the Agency on January 31, 2012 establishing the market value of the Stone Lock Property as two million, one hundred ten thousand dollars (\$2,110,000) as of January 11, 2012; and

**WHEREAS,** SLDH has represented that uncertainty related to the potential effect of the redevelopment dissolution legislation on its rights under the Option have complicated its efforts to perform its obligations under the Option; and

**WHEREAS,** SLDH has requested that the Successor Agency seek Oversight Board ratification of the validity of the Option Agreement as a means to reduce uncertainty and facilitate its continued effort to consummate the purchase of the Stone Lock site from the Successor Agency pursuant to the terms of the Option.

**NOW, THEREFORE, BE IT RESOLVED** that the Oversight Board of the West Sacramento Redevelopment Successor Agency:

1. Acknowledges and ratifies the authority granted to the Executive Director of the Agency pursuant to Joint Resolution 11-34, and ratifies the actions taken by the Executive Director pursuant to Joint Resolution 11-34, including approval of the Option and approval of the Port's assignment of the Option to SLDH;
2. Finds that the Option as assigned by the Port SLDH represents a valid agreement between the Successor Agency and SLDH;
3. Finds that the disposition of the Stone Lock Property pursuant to the Option is consistent with the Oversight Board's mandate pursuant to Health and Safety Code Sections 34177(h) and (i);
4. Directs that Successor Agency staff return to the Oversight Board with a report on the terms of the proposed option to allow the Oversight Board to consider whether any amendments shall be directed pursuant to Health and Safety Code Section 34181(e).

**PASSED AND ADOPTED** this 13th day of June, 2013 by the following vote:

**AYES:**

**NOES:**

**ABSENT:**

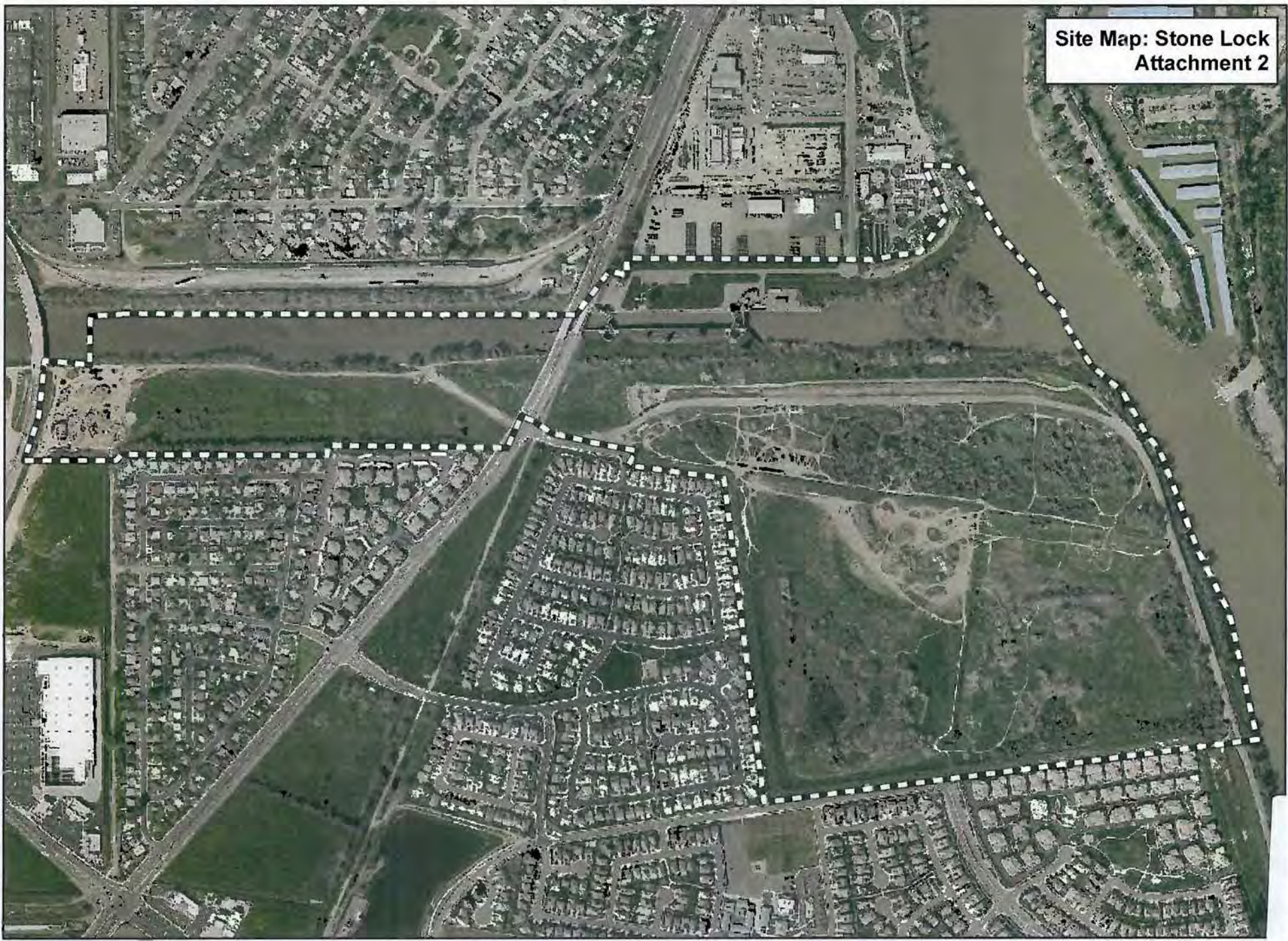
\_\_\_\_\_  
Christopher Ledesma, Chairperson

**ATTEST:**

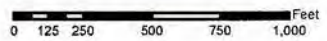
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Kryss Rankin, City Clerk



Site Map: Stone Lock  
Attachment 2



Redevelopment Agency of the City of West Sacramento





## RESOLUTION 11-34

**JOINT RESOLUTION OF THE CITY OF WEST SACRAMENTO AND THE  
REDEVELOPMENT AGENCY OF THE CITY OF WEST SACRAMENTO APPROVING THE  
EXECUTION OF AN OPTION AGREEMENT BETWEEN THE AGENCY AND THE  
SACRAMENTO – YOLO PORT DISTRICT FOR THE STONE LOCK DISTRICT PROPERTY,  
AND MAKING FINDINGS AND APPROVALS PURSUANT TO THE CALIFORNIA  
COMMUNITY REDEVELOPMENT LAW**

**WHEREAS**, the Redevelopment Agency of the City of West Sacramento (the "Agency") is the fee title owner of that certain unimproved real property, Yolo County APNs 046-010-11, 067-180-01 through 04, 067-180-07 through 08, 067-180-24, 067-180-36 containing 215 acres of land commonly known as the Stone Lock District Property in West Sacramento, California (the "Property"); and

**WHEREAS**, the Property is within a Redevelopment Project Area, as defined in California Health and Safety Code section 33320.1, and is subject to the City of West Sacramento Redevelopment (the "Redevelopment Plan") Plan; and

**WHEREAS**, the Agency has expressed interest in selling all or portions of the Site approved for private development and consistent with the Redevelopment Plan for Project Area No. 1, as adopted and amended by the City and the planning requirements of the City; and

**WHEREAS**, the Property will be developed as a mixed-use, mixed-density, transit-oriented waterfront neighborhood, all of which will also further major Redevelopment Plan goals and objectives by eliminating blight and redeveloping a major underutilized site in the Project Area; and

**WHEREAS**, Sacramento – Yolo Port District desires the exclusive right to acquire the Property pursuant to the terms and subject to the conditions set forth in the Option Agreement (the "Agreement"); and

**WHEREAS**, the City Council and Agency Board have conducted a public hearing pursuant to California Health and Safety Code Sections 33431 and 33433 and find that the Agreement are in the best interest of the City and the Agency, and with the covenants and conditions set forth in the Agreement, the Project offers great benefits to the citizens of West Sacramento, furthers policy and planning objectives for the riverfront and barge canal, and is consistent with the implementation of the Redevelopment Plan; and

**WHEREAS**, the report required by Health and Safety Code Section 33433 (the "33433 Report") evaluating the terms and conditions of the proposed exchange of real property interests under the Option Agreement has been prepared and, together with the Option Agreement, has been made available for public inspection, and the required public hearing has been duly noticed and held, and the City and Agency have duly considered the 33433 Report and the terms and conditions for the conveyances described herein; and

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of West Sacramento and the Redevelopment Agency of the City of West Sacramento that:

**Section 1:** The City Council and Redevelopment Agency Board find that:

- a. The recitals set forth above are true and correct and incorporated herein by reference;
- b. The sale of the Property will assist in the elimination of blight for the reasons stated herein and in the 33433 Report;

c. The proposed sale of the Property is consistent with the Agency's most recent five-year implementation plan; and

d. The consideration to be received for the Property is not less than the fair market value of the Property at its highest and best use.

**Section 2:** The City Council and Board further find that the environmental impacts of the transaction, described and approved herein, have been fully analyzed in the Southport Framework Plan Environmental Impact Report certified by the City Council on May 10, 1995, and amended on August 5, 1998.

**Section 3:** The Chair of the Agency and the Agency's Executive Director (the "Designated Officers") are hereby authorized and directed, for and in the name of and on behalf of the Agency, to:

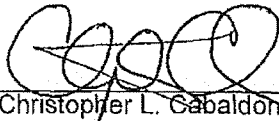
a. Approve, execute, and deliver the Option Agreement in substantially the form presented to this meeting, which Option Agreement is hereby approved, with such changes, insertions, revisions, corrections, or amendments as shall be approved by the Designated Officers; and

b. execute and deliver any and all documents, to do any and all things and take any and all actions that may be necessary or advisable, in their discretion, in order to consummate the above transaction and implement the sale of the Property pursuant to this resolution and the Option Agreement; and

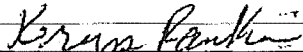
c. execute and deliver a development agreement between Sacramento - Yolo Port District and the Agency prior to the first exercise of the Option Agreement.

**PASSED AND ADOPTED** by the City Council of the City of West Sacramento and the Board of the Redevelopment Agency of the City of West Sacramento this 29<sup>th</sup> day of March in the year 2011 by the following vote:

**AYES:** Johannessen, Kristoff, Ledesma, Villegas, Cabaldon  
**NOES:** None  
**ABSENT:** None

  
Christopher L. Cabaldon, Mayor and Chair

**ATTEST:**

  
Kryss Rankin, City Clerk



**BEST BEST & KRIEGER**  
ATTORNEYS AT LAW

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**Ethan J. Walsh**  
(916) 551-2825  
ethan.walsh@bbklaw.com  
File No. 82443.00001

May 7, 2013

**VIA E-MAIL AND REGULAR MAIL**

Paul Blumberg  
Public Finance Manager  
City of West Sacramento  
1110 West Capitol Ave., 3rd Floor  
West Sacramento, California 95691

Re: Cordish Company Option Agreement  
City of West Sacramento and Port of West Sacramento

Dear Mr. Blumberg:

I am writing this letter on behalf of The Cordish Company and at the request of City of West Sacramento ("City") staff. As you know, City and Port of West Sacramento ("Port") staff have held several meetings with Cordish over the past year regarding the Option Agreement ("Option") originally entered into between the Redevelopment Agency of the City of West Sacramento ("RDA") and the Port on March 23, 2011 for the acquisition of the Stone Lock Property (the "Property"). The Option was subsequently assigned on January 16, 2012 by the Port to Stone Lock Holdings, LLC, an affiliate of Cordish, pursuant to an Assignment and Assumption of Option Agreement (the "Assignment").

Cordish desires to take steps necessary to exercise its option and acquire the Property from the successor agency to the RDA (the "Successor Agency"), which now holds title to the Property. The RDA wind down process currently underway pursuant to AB 1X 26 and AB 1484 has cast a cloud over any real property transactions involving former redevelopment agency properties. As a result, Cordish is unable to seek entitlements or close on any portion of the Property without further confirmation that the Option is a valid, enforceable agreement between the Successor Agency and Cordish.

Cordish would like to proceed with the acquisition and development of the Property as contemplated in the Option and the Assignment. However, until Cordish has some assurance that it will be able to secure title insurance and actually close on the Property, it is difficult for Cordish to take the steps necessary to complete the entitlements and environmental review contemplated in the Option and Assignment. Cordish and City staff agree the most efficient process to confirm the validity of the Option and Assignment is to collaboratively seek



**BEST BEST & KRIEGER**  
ATTORNEYS AT LAW

Paul Blumberg  
May 7, 2013  
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confirmation from the Oversight Board and the Department of Finance regarding the validity of each agreement. This would be the beginning of a longer process involving further discussions between Cordish, City and Port staff, and leadership from the City and Port.

To that end, Cordish is requesting that the Successor Agency take the following steps:

1. That the Successor Agency (i.e., the City Council) adopt a resolution confirming that the Option Agreement is a valid enforceable obligation between the Successor Agency and Cordish.
2. That the Successor Agency request that the Oversight Board adopt a similar resolution confirming the validity of the Option.
3. The Oversight Board resolution would then be submitted to the Department of Finance as required pursuant to Health & Safety Code section 34179(h). The Oversight Board action becomes effective 5 business days after notice of the resolution is submitted to Department of Finance, unless Department of Finance requests a review, in which case it has 40 days to conduct its review and either confirm the Oversight Board action or return it to the Oversight Board for reconsideration. (Health & Safety Code sec. 34179(h).) Depending on the review conducted by Department of Finance and the needs of Cordish's title insurer, we may need to request that Department of Finance expressly confirm the validity of the Option.

**Rationale for Approval**

The Option is an enforceable obligation between the Successor Agency and Stone Lock District Holdings, LLC, and should be confirmed by the Oversight Board and Department of Finance. First, the Option was entirely legal and permitted at the time that the RDA and the Port entered into the agreement. RDAs were officially dissolved as of February 1, 2012 after a period of litigation that upheld AB 1X 26. AB 1X 26 prohibited redevelopment agencies from incurring new indebtedness, entering into new contracts, or modifying existing contracts. The law also directed redevelopment agencies to make all scheduled payments for enforceable obligations and take all reasonable measures to avoid triggering a default under existing contracts. (Health & Safety Code sec. 34169(b), (f).) The RDA consented to the Assignment to Cordish (which consent could not be unreasonably withheld under the terms of the Option) on January 16, 2012, and while the Assignment included additional provisions agreed to between the Port and Cordish, it did not alter the RDA's commitments under the Option Agreement in any way. The RDA's consent to the Assignment did not modify the RDA's existing commitment or create a new obligation. It simply shifted the obligations owed to the RDA from the Port to Stone Lock District Holdings, LLC.





**BEST BEST & KRIEGER**  
ATTORNEYS AT LAW

Paul Blumberg  
May 7, 2013  
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Health & Safety Code section 34178 declares that on the operative date of Part 1.85 (the portion of AB 1X 26 that dissolved redevelopment agencies and established the successor agencies), all agreements between the RDA and the City are invalid. The operative date of Part 1.85 was February 1, 2012 (Health & Safety Code sec. 34170(a)). The Department of Finance's recent ruling that agreements between the Port and City are invalid has no bearing on the validity of the Option. The Option remains valid because it was assigned to Cordish prior to February 1, 2012. The Port was no longer involved in the Option on the operative date; all its rights and interest in the Option were assigned to Cordish, a private, non-City related entity before the operative date. The Successor Agency and Cordish should therefore implement the Option in accordance with its terms.

In addition, Department of Finance ("DOF") should accept the Option Agreement because it is entirely consistent with the goals and intent of AB 1X 26 and AB 1484. The legislation directs successor agencies to wind down the operations of redevelopment agencies and encourages the successor agencies to obtain a return on the disposition of redevelopment agency assets. Cordish has agreed, through the Option Agreement, to pay fair market value for the Property. DOF should not be concerned with this transaction because: (1) it does not require the RDA to utilize any future property taxes; and, (2) it secures a fair market return on the former RDA property.

Finally, you requested a timeline of the obligations in place under the Option and the Assignment. Those obligations are listed below.

**Stone Lock - Option Agreement and Assignment Agreement Deadlines**

Between 9/23/11 and 9/28/11 - \$500 Paid by Port to Redevelopment Agency as option consideration (see Option Agreement)

9/19/11 and annually thereafter - \$75,000 (non-refundable) option payment (payments are not applicable to purchase price of property) (see Option Agreement)

3/23/11 thru 3/22/18 – Option term unless extended pursuant to Option Agreement Sec. 1.5 (see Option Agreement Sec. 1.4). The right to exercise the option is conditioned upon Cordish and City entering into a development agreement.

9/23/11 (following the Effective Date but prior to close of escrow) – Create lock parcel (see Option Agreement Sec. 1.7.1)

9/23/11 (following the Effective Date but prior to close of escrow) – Subdivision of property (see Option Agreement 1.7.2)



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ATTORNEYS AT LAW

Paul Blumberg  
May 7, 2013  
Page 4

9/23/11 – 10/23/11 – Appraisal of property (see Option Agreement 2.1) – appraisal and third party review of appraisal is complete

9/23/11 – 10/23/11 – Agency delivery of docs to Port (see Option Agreement Sec. 4.1)

1/16/12 – Effective date of Assignment Agreement

9/19/13 – 3rd Option payment due, paid by Cordish

10/19/13 – Cordish reimbursement of \$150K paid by to Port to Successor Agency (reimbursement for 1st and 2nd option payments)

1/16/14 – Cordish will complete all required environmental requirements and enter into a development agreement (see Assignment Agreement Sec. 3(e)) . Cordish to pay \$448,900 to Port upon the execution of a development agreement with the City.

1/16/15 – An extension to the 1/16/14 deadline will occur if Cordish is continuing to make progress toward completion of the environmental work and development agreement (see Assignment Agreement Sec. 3(e))

Thank you for your consideration of this letter. If you have any questions, please contact me.

Sincerely,

Ethan J. Walsh  
of BEST BEST & KRIEGER LLP

EJW:jl

cc: Charline Hamilton,  
Director of Community Development



October 2, 2013

Mr. Martin Tuttle, City Manager  
City of West Sacramento Successor Agency  
1110 West Capitol Avenue  
West Sacramento, CA 95691

Dear Mr. Tuttle:

Subject: Objection of Oversight Board Action

The City of West Sacramento Successor Agency (Agency) notified the California Department of Finance (Finance) of its June 13, 2013 Oversight Board (OB) Resolution on June 17, 2013. 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, the Agency's OB Resolution 13-7 acknowledging and ratifying the authority delegated to the Redevelopment Agency (RDA) Executive Director by Joint Resolution 11-34 to effectuate the sale of the Stone Lock Property, and directing the Agency to effectuate the transaction, is not approved. Upon review of OB Resolution 13-7, the following facts were noted:

- On March 29, 2011, a Joint Resolution 11-34 between the City of West Sacramento (City) and the former RDA approved the execution of an Option Agreement dated March 23, 2011 between the former RDA and the Sacramento-Yolo Port District (Port) for the purchase of Stone Lock District Property. The property consists of approximately 215 acres of undeveloped land located on Assessor Parcel Numbers 046-010-11, 067-180-01 through 04, 067-180-07 through 08, 067-180-24, and 067-180-36.
- On January 16, 2012, the Assignment and Assumption of Option Agreement between the Port and Stone Lock District Holdings, LLC (SLDH) was executed assigning the Option Agreement to SLDH. The Agency contends that the Option Agreement is a valid contract that was assigned to a private, non-City related entity, prior to the Operative Date as defined in HSC section 34170 (a), and therefore the property sale should be considered a valid enforceable obligation.

During the Other Funds and Accounts Due Diligence Meet and Confer process, Finance concluded in its determination letter dated May 1, 2013 that the Port is a component unit of the City. Pursuant to HSC section 34167.10 (a), the definition of "city" includes, but is not limited to, any reporting entity of the city for purposes of its comprehensive annual financial report (CAFR), any component unit of the city, or any entity controlled by the city or for which the city is financially responsible or accountable. The Port is included in the City's CAFR and is identified as a component unit of the City in the CAFR. Although the Port is a separate legal entity from

the City, HSC section 34167.10 (c) states that it shall not be relevant that the entity is formed as a separate legal entity.

HSC section 34171 (d) (2) states that contracts and agreements between the former RDA and the City which created the RDA are not enforceable obligations. The Option Agreement is between the former RDA and the Port, a component unit of the City. Therefore, the Option Agreement and the subsequent Assignment and Assumption of Option Agreement are not enforceable obligations.

As authorized by HSC section 34179 (h), Finance is returning your OB action to the board for reconsideration.

Please direct inquiries to Wendy Griffe, Supervisor, or Medy Lamorena, Lead Analyst at (916) 445-1546.

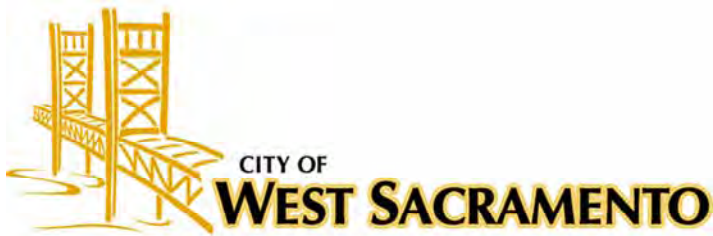
Sincerely,



STEVE SZALAY  
Local Government Consultant

cc: Mr. Paul Blumberg, Public Finance Manager, City of West Sacramento  
Mr. Howard Newens, Auditor-Controller, County of Yolo  
Mr. Steven Mar, Bureau Chief, Local Government Audit Bureau, California State  
Controller's Office  
California State Controller's Office

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**CITY HALL**  
1110 West Capitol Avenue  
West Sacramento, CA 95691

**City Council**  
**City Manager**  
**City Clerk**  
**Information Technology**  
(916) 617-4500

**Economic Development**  
(916) 617-4535

**Community Development**  
**Planning/**  
**Development Engineering**  
(916) 617-4645  
**Building**  
(916) 617-4683  
**Housing & Community**  
**Investment**  
(916) 617-4555  
**Code Enforcement**  
(916) 617-4925

**Public Works**  
**Administration**  
**Engineering**  
**Flood Protection**  
(916) 617-4850  
**Port of West Sacramento**  
(916) 371-8000  
**Refuse & Recycling**  
(916) 617-4590  
**Utility Billing**  
(916) 617-4589

**Administrative Services**  
**Administration**  
**Finance**  
(916) 617-4575  
**Human Resources**  
(916) 617-4567

**Parks & Recreation**  
**Administration**  
(916) 617-4620  
**Recreation Center**  
(916) 617-4770  
**Community Center**  
(916) 617-5320

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**FIRE**  
2040 Lake Washington Blvd.  
West Sacramento, CA 95691  
(916) 617-4600  
Fax (916) 371-5017

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**POLICE**  
550 Jefferson Boulevard  
West Sacramento, CA 95605  
(916) 617-4900

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**PUBLIC WORKS**  
**Operations**  
1951 South River Road  
West Sacramento, CA 95691  
(916) 617-4850

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August 9, 2013

Yolo County Superior Court  
Civil Division  
725 Court St., Room 103  
Woodland, CA 95695

Greetings:

As part of its efforts to comply with AB1X26 and AB 1484, the City is conducting research on properties formerly owned by the West Sacramento Redevelopment Agency.

I am writing to request background documentation from the Court, as follows:

**2600 West Capitol Avenue, West Sacramento, CA**

This property was involved in litigation prior to acquisition by the Redevelopment Agency, and an encumbrance on the property is listed as the Final Judgment pursuant to Stipulation in case number 67221, in the Superior Court of the State of California, County of Yolo. I have been asked to obtain a copy of the Final Judgment to include with our inventory findings. I have attached a copy of the Final Escrow Instructions, which lists additional information about the court case.

**721 Tower Court, West Sacramento, CA**

I am requesting a copy of the file for Consolidated Case No. 69723, Redevelopment Agency of the City of West Sacramento vs. Eva J. Walker; Donald C. Scott; Howard Michael Cohen; Janet Ellen Cohen; Don Warnecke; Wanda A. Warnecke; Ben's Books dba Goldie's; East Community Services District; DOES 1-10, inclusive (and consolidated action Case No. 68013). I am attempting to determine the final settlement terms, and nothing in the City's possession provides that level of detail.

Thank you for your anticipated assistance in this matter.

Sincerely,

Erin Rivas  
Construction Administration Specialist  
(916) 617-4537 or [erinr@cityofwestsacramento.org](mailto:erinr@cityofwestsacramento.org)

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# Long Range Property Management Plan: Section 8

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## **Successor Agency's Approach to the Disposition of Assets**

### HOUSING ASSETS

- Attachment 1- July 26, 2012 Item #4 Staff Report
- Attachment 2-September 27, 2012 Item #4 Staff Report
- Attachment 3-October 15, 2012 Item #3 Staff Report
- Attachment 4-October 15, 2012 Item #4 Staff Report
- Attachment 5- January 10, 2013 Item #4 Staff Report

### PUBLIC USE TRANSFERS

- Attachment 6- June 14, 2012 Item#4 Staff Report
- Attachment 7- August 16, 2012 Item #6 Staff Report
- Attachment 8- December 13, 2012 Item #3 Staff Report
- Attachment 9- January 10, 2013 Item #3 Staff Report
- Attachment 10- September 12, 2013 Item #3 Staff Report

### LRPMP PROCESS

- Attachment 11- August 16, 2012 Item #5 Staff Report
- Attachment 12- March 14, 2013 Item #3 Staff Report
- Attachment 13- August 8, 2013 Item #3 Staff Report
- Attachment 14- September 12, 2013 # 4 Staff Report
- Attachment 15- October 10, 2013 (rescheduled to October 23, 2013) #3 Staff Report

## Long Range Property Management Plan: Section 8

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REDEVELOPMENT SUCCESSOR AGENCY OVERSIGHT BOARD

MEETING DATE: July 26, 2012

ITEM # 4

SUBJECT:

NOTIFICATION OF THE REQUIREMENT TO TRANSMIT TO THE STATE DEPARTMENT OF FINANCE THE INVENTORY OF HOUSING ASSETS TRANSFERRED TO THE CITY OF WEST SACRAMENTO, ACTING AS THE HOUSING SUCCESSOR AGENCY, AS OF FEBRUARY 1, 2012, PURSUANT TO HEALTH AND SAFETY CODE 34176 (E)

INITIATED OR REQUESTED BY:

- Oversight Board       Staff  
 Other

REPORT COORDINATED OR PREPARED BY:

Paul Blumberg, Public Finance Manager  
Aaron Laurel, Revenue and Grants Manager



Martin Tuttle, Executive Director  
West Sacramento Redevelopment Successor Agency

ATTACHMENT  Yes     No       Information     Direction     Action

**OBJECTIVE**

The purpose of this report is notify the Oversight Board of the newly established requirement, pursuant to Assembly Bill 1484 ("AB1484"), to transmit an inventory of the Housing Successor Agency housing assets to the Department of Finance by August 1, 2012.

**RECOMMENDED ACTION**

The report is for informational purposes only.

**BACKGROUND**

Pursuant to AB1x26, the City of West Sacramento elected to become the Housing Successor Agency to the Redevelopment Agency, and the City Council of the City of West Sacramento approved this election on January 11, 2012. The legislation allowed that housing assets be transferred from the Redevelopment Agency to the City, acting as Housing Successor Agency. With dissolution of the Redevelopment Agency, these housing assets automatically transferred to the Housing Successor Agency on February 1, 2012.

Other than two properties committed to the Delta Lane Housing Project (listed on previous ROPS as enforceable obligations) the housing assets consist of a loan portfolio of affordable housing loans made by the former Redevelopment Agency. The former Redevelopment Agency's loan portfolio includes an outstanding principal balance of approximately \$39.9 million. While many of these loans will not mature for 40-50 years, this portfolio represents a substantial source of potential future revenue that would be paid back to the Housing Successor Agency over a long period of time.

The Successor Agency previously provided the Oversight Board with a list of those transferred assets on June 14, 2012. At that time, it was reported that a transfer of assets did not include any extraordinary requirements, other than those noted in Section 34175 of AB1x 26, which stated that, "the entity assuming the housing functions formerly performed by the redevelopment agency may enforce affordability covenants as provided formerly in Community Redevelopment Law", which is essentially ensuring that the projects funded with these loans continue to maintain their affordability covenants. The future use of housing assets has continued to be subject to change. Subsequent to the passage of AB1x 26, a number of bills have been introduced in the legislature which would add new requirements and/or procedures regarding the future use of the housing assets. However, the recent state budget trailer bill has been the only piece of legislation enacted that actually imposes new requirements.

On July 27, 2012, the legislature passed AB1484, as a part of the state's 2012-13 budget package (a separate agenda report has been prepared which discusses the bill, and will be presented to the Board at its July 26<sup>th</sup> meeting). AB1484 included specific requirements associated with the affordable housing assets, as follows:

1. A new definition of housing assets;
2. New procedures with respect to the transfer of housing assets that must be completed by August 1, 2012;
3. Greater flexibility with regards to the use of housing bond proceeds;
4. The requirement for the establishment of a new Low and Moderate Income Housing Asset Fund to be administered by the Housing Successor Agency; and
5. Requirements that no future deposits are required to be made into the LMIHF.

A key, immediate action requires the transmittal of the housing inventory of assets which transferred to the Housing Successor Agency as of February 1, 2012. The inventory must be provided in a specific format provided by the DOF on July 19, 2012.

Attached is a copy of those portions of the DOF form that apply to the housing asset inventory, including Exhibit "A" Real Property, Exhibit "C" Low/Mod Encumbrances, and Exhibit "D" Loans/Grants Receivables.

**Exhibit "A" Real Property:** The real property housing assets are limited to two parcels which have been committed to the Delta Lane Housing Project. This 3.01 acre Delta Lane Housing development site is encumbered by covenants required by the Prop 1C.

**Exhibit "C" Low Mod Encumbrances:** The only encumbrances remaining are the commitment to fund the Delta Housing Project loan in the amount of \$11,700,000 and the remaining balance of the BRIDGE Housing Project loan. The Delta Lane item is included on the current ROPS and will continue to be shown as enforceable obligation until the commitment is met.

**Exhibit "D" Loans/Grants Receivable:** The portfolio of 39 loans with an original principal amount of \$45.7 million, with an outstanding principal balance owed of \$39.9 million.

#### **ANALYSIS**

A list of housing assets transferred to the Housing Successor Agency is being provided for the Board's information (included as an attachment to this report). No action is being requested relative to housing assets. However, the following comments on the inventory are provided for the Board's information:

By October 1, 2012, the Successor Agency must complete a "due diligence" audit of the housing inventory. The Oversight Board will be required to approve the finding of this public audit at either its regularly scheduled September meeting, or special meeting prior to October 1<sup>st</sup>.

In the future, staff anticipates that the Oversight Board will be asked to approve expenditures associated with the Delta Lane Housing Project. There is an existing loan agreement with the West Sacramento Housing Development Corporation in the amount of \$11.7 million. While some funding has been previously allocated to the project on previous ROPS, additional funding commitments will be required under the loan agreement.

In addition, staff anticipates requesting at the Oversight Board's September meeting approval to modify provisions in the existing Delta Lane Project Loan Agreement to reflect the planned construction phasing of the project.

AB1484 includes new requirements that any expenditure of unencumbered housing bond funds be approved by the Oversight Board. Since the Successor Agency has no unencumbered housing bond proceeds, there would be no requirement to comply with this provision of the bill.

While AB1484 includes new requirements that any expenditure of unencumbered housing bond funds be approved by the Oversight Board, this provision does not apply to the Housing Asset Inventory. Since the Successor Agency has no unencumbered housing bond proceeds, there would be no requirement to comply with this provision of the bill.

Alternatives

Since no action is being requested, no alternatives have been outlined in this report.

Budget/Cost Impact

There are no budget implications associated with this report.

**ATTACHMENT**

State Department of Finance Housing Asset Inventory Form

DEPARTMENT OF FINANCE  
HOUSING ASSETS LIST  
ASSEMBLY BILL X1 26 AND ASSEMBLY BILL 1484  
(Health and Safety Code Section 34176)

Former Redevelopment Agency: Redevelopment Agency of the City of West Sacramento

Successor Agency to the Former Redevelopment Agency: City of West Sacramento

Entity Assuming the Housing Functions of the former Redevelopment Agency: City of West Sacramento

Entity Assuming the Housing Functions Contact Name: Martin Tuttle Title City Manager Phone 916-617-4500

Entity Assuming the Housing Functions Contact Name: Paul Blumberg E-Mail Address martint@cityofwestsacramento.org Title Public Finance Manager Phone 916-617-4575

E-Mail Address paulb@cityofwestsacramento.org

All assets transferred to the entity assuming the housing functions between February 1, 2012 and the date the exhibits were created are included in this housing assets list. The following Exhibits noted with an X in the box are included as part of this inventory of housing assets:

|                                      |   |
|--------------------------------------|---|
| Exhibit A - Real Property            | X |
| Exhibit B- Personal Property         |   |
| Exhibit C - Low-Mod Encumbrances     | X |
| Exhibit D - Loans/Grants Receivables | X |
| Exhibit E - Rents/Operations         |   |
| Exhibit F - Rents                    |   |
| Exhibit G - Deferrals                |   |

Prepared By: Aaron Laurel

Date Prepared: 7/19/2012

Exhibit A - Real Property

City of West Sacramento  
Inventory of Assets Received Pursuant to Health and Safety Code section 34176 (a) (2)

| Item # | Type of Asset a/                           | Legal Title and Description        | Carrying Value of Asset | Total square footage | Square footage reserved for low-mod housing | Is the property encumbered by a low-mod housing covenant? | Source of low-mod housing covenant b/            | Date of transfer to Housing Successor Agency | Construction cost funded with Low-Mod Housing Fund monies | Construction or acquisition costs funded with other RDA funds | Construction or acquisition costs funded with non-RDA funds | Date of construction or acquisition by the former RDA | Interest in real property (option to purchase, easement, etc.) |
|--------|--|------------------------------------|-------------------------|----------------------|---|---|--|--|---|---|---|---|--|
| 1      | mixed-income housing                       | 801 Risko Lane<br>APN: 067-330-018 | \$0.00                  | 39,204               | 39,204                                      | yes   | Prop 1C Grant<br>Covenant (Doc#<br>2010-0007984) | 2/1/2012                                     | acquisition: \$0.00<br>construction: \$0.00               | acquisition:<br>\$342,000<br>construction:<br>\$11.7M         | acquisition: \$0.00<br>construction: \$0.00                 | acquisition:<br>4/20/2001<br>construction:<br>12/2018 | fee title  |
| 2      | mixed-income housing with commercial space | 825 Della Lane<br>APN: 067-330-024 | \$342,639.00            | 91,911               | 91,911                                      | yes   | Prop 1C Grant<br>Covenant (Doc#<br>2010-0005714) | 2/1/2012                                     | acquisition: \$0.00<br>construction: \$0.00               | acquisition: \$0.00<br>construction:<br>\$11.7M               | acquisition: \$1.00<br>construction: \$0.00                 | acquisition:<br>6/14/2010<br>construction:<br>12/2018 | fee title  |
| 3      |  |                                    |                         |                      |   |   |  |  |   |   |   |   |  |
| 4      |  |                                    |                         |                      |   |   |  |  |   |   |   |   |  |
| 5      |  |                                    |                         |                      |   |   |  |  |   |   |   |   |  |
| 6      |  |                                    |                         |                      |   |   |  |  |   |   |   |   |  |
| 7      |  |                                    |                         |                      |   |   |  |  |   |   |   |   |  |
| 8      |  |                                    |                         |                      |   |   |  |  |   |   |   |   |  |
| 9      |  |                                    |                         |                      |   |   |  |  |   |   |   |   |  |
| 10     |  |                                    |                         |                      |   |   |  |  |   |   |   |   |  |
| 11     |  |                                    |                         |                      |   |   |  |  |   |   |   |   |  |
| 12     |  |                                    |                         |                      |   |   |  |  |   |   |   |   |  |
| 13     |  |                                    |                         |                      |   |   |  |  |   |   |   |   |  |
| 14     |  |                                    |                         |                      |   |   |  |  |   |   |   |   |  |
| 15     |  |                                    |                         |                      |   |   |  |  |   |   |   |   |  |
| 16     |  |                                    |                         |                      |   |   |  |  |   |   |   |   |  |
| 17     |  |                                    |                         |                      |   |   |  |  |   |   |   |   |  |
| 18     |  |                                    |                         |                      |   |   |  |  |   |   |   |   |  |
| 19     |  |                                    |                         |                      |   |   |  |  |   |   |   |   |  |
| 20     |  |                                    |                         |                      |   |   |  |  |   |   |   |   |  |

The information listed above are unaudited numbers and staff's best estimate at the current time

a/ Asset types may include low-mod housing, mixed-income housing, low-income housing, low-mod housing with commercial space, mixed-income housing with commercial space.

b/ May include California Redevelopment Law, tax credits, state bond indentures, and federal funds requirements.



City of West Sacramento  
Inventory of Assets Received Pursuant to Health and Safety Code section 34176 (a) (2)

| Item # | Type of housing built or acquired with enforceably obligated funds a/ | Date contract for Enforceable Obligation was executed | Contractual counterparty                        | Total amount currently owed for the Enforceable Obligation | Is the property encumbered by a low-mod housing covenant? | Source of low-mod housing covenant b/ | Current owner of the property | Construction or acquisition cost funded with Low-Mod Housing Fund monies | Construction or acquisition costs funded with other RDA funds | Construction or acquisition costs funded with non-RDA funds | Date of construction or acquisition of the property |
|--------|---|---|---|--|---|---------------------------------------|-------------------------------|--|---|---|---|
| 1      | mixed-income housing with commercial space                            | 6/22/2011   | West Sacramento Housing Development Corporation | \$11,700,000.00  | yes   | Prop IC Grant Covenants               | Successor Agency              | \$11,700,000   | \$0   | \$0   | 12/2018 (completion)                                |
| 2      | low-mod housing   | 3/2/2011  | BRIDGE Triangle LLC                             | \$6,528,330.00   | yes   | Prop IC Grant Covenant                | BRIDGE Triangle LLC           | \$7,525,000  | \$0   | \$0   | 12/2018 (completion)                                |
| 3      |   |   |   |  |   |                                       |                               |  |   |   |   |
| 4      |   |   |   |  |   |                                       |                               |  |   |   |   |
| 5      |   |   |   |  |   |                                       |                               |  |   |   |   |
| 6      |   |   |   |  |   |                                       |                               |  |   |   |   |
| 7      |   |   |   |  |   |                                       |                               |  |   |   |   |
| 8      |   |   |   |  |   |                                       |                               |  |   |   |   |
| 9      |   |   |   |  |   |                                       |                               |  |   |   |   |
| 10     |   |   |   |  |   |                                       |                               |  |   |   |   |
| 11     |   |   |   |  |   |                                       |                               |  |   |   |   |
| 12     |   |   |   |  |   |                                       |                               |  |   |   |   |
| 13     |   |   |   |  |   |                                       |                               |  |   |   |   |
| 14     |   |   |   |  |   |                                       |                               |  |   |   |   |
| 15     |   |   |   |  |   |                                       |                               |  |   |   |   |
| 16     |   |   |   |  |   |                                       |                               |  |   |   |   |
| 17     |   |   |   |  |   |                                       |                               |  |   |   |   |
| 18     |   |   |   |  |   |                                       |                               |  |   |   |   |
| 19     |   |   |   |  |   |                                       |                               |  |   |   |   |
| 20     |   |   |   |  |   |                                       |                               |  |   |   |   |

The information listed above are unaudited numbers and staff's best estimate at the current time

a/ May include low-mod housing, mixed-income housing, low-mod housing with commercial space, mixed-income housing with commercial space.

b/ May include California Redevelopment Law, tax credits, state bond indentures, and federal funds requirements.

City of West Sacramento  
Inventory of Assets Received Pursuant to Health and Safety Code section 34176 (a) (2)

| Item # | Was the Low-Mid Housing Fund amount issued for a loan or a grant? | Amount of the loan or grant | Date the loan or grant was issued | Person or entity to whom the loan or grant was issued | Purpose for which the funds were loaned or granted | Are there contractual requirements specifying the purposes for which the funds may be used? | Repayment date, if the funds are for a loan | Interest rate of loan | Current outstanding loan balance |
|--------|---|-----------------------------|-----------------------------------|---|--|---|---|-----------------------|----------------------------------|
| 1      | loan  | \$50,950.00                 | 2/23/1993                         | Rajeshwar Kumar & Roshini Narayan                     | mortgage assistance                                | Yes   | due upon sale of home                       | equity sharing        | \$50,950.00                      |
| 2      | loan  | \$69,058.75                 | 3/3/1993                          | Vijay & Anjulla Kumar                                 | mortgage assistance                                | Yes   | due upon sale of home                       | equity sharing        | \$69,058.75                      |
| 3      | loan  | \$46,100.00                 | 4/1/1993                          | Mary Rodriguez  | mortgage assistance                                | Yes   | due upon sale of home                       | equity sharing        | \$46,100.00                      |
| 4      | loan  | \$76,141.00                 | 4/9/1993                          | Susan Kempton   | mortgage assistance                                | Yes   | due upon sale of home                       | equity sharing        | \$76,141.00                      |
| 5      | loan  | \$104,400.00                | 5/28/1993                         | Joshua Fitzgerald & Joy Almandariz                    | mortgage assistance                                | Yes   | due upon sale of home                       | equity sharing        | \$104,400.00                     |
| 6      | loan  | \$47,200.00                 | 6/25/1993                         | Vishwa & Pragash Sundar                               | mortgage assistance                                | Yes   | due upon sale of home                       | equity sharing        | \$47,200.00                      |
| 7      | loan  | \$63,000.00                 | 7/26/1993                         | Ida Flores  | mortgage assistance                                | Yes   | due upon sale of home                       | equity sharing        | \$63,000.00                      |
| 8      | loan  | \$80,459.00                 | 8/23/1993                         | Mary & Adam Ganz                                      | mortgage assistance                                | Yes   | due upon sale of home                       | equity sharing        | \$80,459.00                      |
| 9      | loan  | \$69,102.00                 | 10/28/1993                        | Nancy Coe-Hobbs                                       | mortgage assistance                                | Yes   | due upon sale of home                       | equity sharing        | \$69,102.00                      |
| 10     | loan  | \$65,985.00                 | 11/8/1993                         | Rueben Lopez  | mortgage assistance                                | Yes   | due upon sale of home                       | equity sharing        | \$65,985.00                      |
| 11     | loan  | \$82,859.00                 | 11/24/1993                        | Kim Chhay   | mortgage assistance                                | Yes   | due upon sale of home                       | equity sharing        | \$82,859.00                      |
| 12     | loan  | \$67,508.00                 | 4/11/1994                         | Annabel Hernandez                                     | mortgage assistance                                | Yes   | due upon sale of home                       | equity sharing        | \$67,508.00                      |
| 13     | loan  | \$60,410.00                 | 11/7/1994                         | Lyudmila & Anatoliy Ishchuk                           | mortgage assistance                                | Yes   | due upon sale of home                       | equity sharing        | \$60,410.00                      |
| 14     | loan  | \$990,000.00                | 4/19/1996                         | West Capitol Courtyard LP                             | new construction                                   | Yes   | 4/19/2051                                   | 3%                    | \$990,000.00                     |
| 15     | loan  | \$2,256,943.00              | 4/19/1996                         | West Capitol Courtyard LP                             | new construction                                   | Yes   | 4/19/2051                                   | 3%                    | \$2,256,943.00                   |
| 16     | loan  | \$4,990,400.00              | 7/15/1996                         | Holly Courts LP                                       | new construction                                   | Yes   | 4/10/2041                                   | 3%                    | \$2,263,176.24                   |
| 17     | loan  | \$10,000.00                 | 7/17/1996                         | Yuri & Natalya Bulgakova                              | mortgage assistance                                | Yes   | due upon sale of home                       | equity sharing        | \$10,000.00                      |
| 18     | loan  | \$112,307.17                | 9/1/1997                          | West Capitol Courtyard LP                             | new construction                                   | Yes   | 6/1/2019                                    | 7.3%                  | \$55,988.51                      |
| 19     | loan  | \$2,732,187.47              | 1/21/1998                         | West Capitol Courtyard LP                             | new construction                                   | Yes   | 4/30/2055                                   | 3%                    | \$2,741,871.47                   |
| 20     | loan  | \$29,050.00                 | 4/24/1998                         | Bill Resendez & Theodora Nacional                     | mortgage assistance                                | Yes   | due upon sale of home                       | equity sharing        | \$29,050.00                      |
| 21     | loan  | \$25,700.00                 | 11/19/1988                        | Erma Hall   | mortgage assistance                                | Yes   | due upon sale of home                       | equity sharing        | \$25,700.00                      |
| 22     | loan  | \$688,527.66                | 2/3/1999                          | Margaret McDowell Association Inc.                    | new construction                                   | Yes   | 9/30/2054                                   | 3%                    | \$650,446.41                     |
| 23     | loan  | \$21,800.00                 | 5/17/1999                         | Victor, Venera, & Yurey Bulayev                       | mortgage assistance                                | Yes   | due upon sale of home                       | equity sharing        | \$21,800.00                      |
| 24     | loan  | \$73,376.00                 | 3/2/2000                          | West Capitol Courtyard LP                             | new construction                                   | Yes   | 3/2/2030                                    | 5%                    | \$60,000.00                      |
| 25     | loan  | \$625,000.00                | 12/22/2000                        | West Capitol Courtyard LP                             | new construction                                   | Yes   | 4/30/2055                                   | 3%                    | \$625,000.00                     |
| 26     | loan  | \$90,000.00                 | 7/12/2001                         | W. Sac. Housing Development Corp.                     | new construction                                   | Yes   | 7/12/2015                                   | 3%                    | \$33,351.47                      |
| 27     | loan  | \$65,000.00                 | 4/2/2002                          | Melissa & Nathan Sage                                 | mortgage assistance                                | Yes   | due upon sale of home                       | equity sharing        | \$65,000.00                      |
| 28     | loan  | \$90,000.00                 | 10/28/2002                        | Bill & Michelle Tate                                  | mortgage assistance                                | Yes   | due upon sale of home                       | equity sharing        | \$90,000.00                      |
| 29     | loan  | \$1,000,000.00              | 12/1/2003                         | Westwood Vistas LP                                    | new construction                                   | Yes   | 12/1/2058                                   | 3%                    | \$1,000,000.00                   |
| 30     | loan  | \$30,000.00                 | 11/14/2004                        | Oswaldo & Teresa Quezada                              | mortgage assistance                                | Yes   | due upon sale of home                       | equity sharing        | \$30,000.00                      |
| 31     | loan  | \$103,909.00                | 4/12/2005                         | Im Chhay, Chana Sath, & Kheam May                     | mortgage assistance                                | Yes   | due upon sale of home                       | equity sharing        | \$103,909.00                     |
| 32     | loan  | \$146,250.00                | 2/27/2007                         | Karen A. Laudenschlager                               | mortgage assistance                                | Yes   | due upon sale of home                       | equity sharing        | \$146,250.00                     |
| 33     | loan  | \$2,500,000.00              | 4/5/2007                          | Evergreen Circle Investors                            | acquisition/rehab                                  | Yes   | 4/25/2027                                   | 3%                    | \$2,500,000.00                   |
| 34     | loan  | \$137,700.00                | 9/13/2007                         | Alfonso & Guadalupe Ochoa                             | mortgage assistance                                | Yes   | due upon sale of home                       | equity sharing        | \$137,700.00                     |
| 35     | loan  | \$2,010,000.00              | 4/28/2008                         | Patios and River Rose Associates                      | acquisition/rehab                                  | Yes   | 4/28/2063                                   | 3%                    | \$2,010,000.00                   |
| 36     | loan  | \$1,357,100.00              | 4/28/2008                         | Patios and River Rose Associates                      | acquisition/rehab                                  | Yes   | 4/28/2063                                   | 3%                    | \$1,357,100.00                   |
| 37     | loan  | \$5,500,000.00              | 3/23/2009                         | West Sacramento Pacific Associates                    | new construction                                   | Yes   | 3/23/2064                                   | 3%                    | \$2,600,000.00                   |
| 38     | loan  | \$7,525,000.00              | 3/2/2011                          | BRIDGE Triangle LLC                                   | new construction                                   | Yes   | 3/2/2066                                    | 3%                    | \$7,525,000.00                   |
| 39     | loan  | \$11,700,000.00             | 6/22/2011                         | W. Sac. Housing Development Corp.                     | new construction                                   | Yes   | 6/22/2066                                   | 3%                    | \$11,700,000.00                  |

The information listed above are unaudited numbers and staffs best estimate at the current time

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## REDEVELOPMENT SUCCESSOR AGENCY OVERSIGHT BOARD

## AGENDA REPORT

MEETING DATE: September 27, 2012

ITEM # 4

**SUBJECT:**

**PUBLIC COMMENT SESSION OF THE WEST SACRAMENTO REDEVELOPMENT SUCCESSOR AGENCY OVERSIGHT BOARD TO RECEIVE PUBLIC COMMENT ON THE LOW AND MODERATE INCOME HOUSING ASSET DUE DILIGENCE REVIEW PURSUANT TO HEALTH AND SAFETY CODE 34179.6 (b)**

**INITIATED OR REQUESTED BY:**

Oversight Board       Staff  
 Other

**REPORT COORDINATED OR PREPARED BY:**

Paul Blumberg, Public Finance Manager  
 Nitish Sharma, Budget Manager

  
 Martin Tuttle, Executive Director  
 West Sacramento Redevelopment Successor Agency

**ATTACHMENT**    Yes    No       Information       Direction       Action

**OBJECTIVE**

The purpose of this report is to recommend that the West Sacramento Redevelopment Successor Agency Oversight Board ("Oversight Board") hold a public comment session to receive comments on the Low and Moderate Income Housing Asset Due Diligence Review ("the Review") pursuant to Health and Safety Code 34179.6 (b).

**RECOMMENDED ACTION**

It is respectfully recommended that the Oversight Board receive and accept the Review and hold the "comment session" to receive public input.

**BACKGROUND**

Pursuant to Health and Safety Code 34179.5 a "due diligence" review is required to be prepared for the Low and Moderate Income Housing Assets transferred to the City (acting as housing successor agency) as of February 1, 2012.

By October 1, 2012, the Review is required to be submitted to the Oversight Board, and this document should disclose the amount of cash or cash equivalents that may be available to be returned to the County Auditor-Controller for distribution to the taxing entities. A copy of the Review is included in the Board's agenda packet, and a copy is on file with the City Clerk.

The Review was prepared by the audit firm Richardson & Company, a firm that has a previous history conducting similar reports for the City of West Sacramento. While staff did solicit proposals from other audit firms, Richardson & Company was the only firm that responded with a proposal that would meet the deadlines mandated by Assembly Bill 1484 which had a very short time frame for conducting the audit once guidelines were published by the State Department of Finance. It should be noted that few audit firms appear willing to commit to the schedule, and the Department of Finance has posted a notice on the department's website noting that extensions will not be granted.

Section 34179.6 (b) requires that the Oversight Board schedule a "public comment session" at least five days prior to when the Oversight Board holds an "approval" vote on the Review. Staff has scheduled the item for action at the Board's regularly scheduled October 11<sup>th</sup> meeting.

By October 15<sup>th</sup> the review must be approved by the Oversight Board, and staff shall transmit the review to the Department of Finance and the County Auditor-Controller. The County Auditor-Controller will then determine the amount of cash or cash equivalents available to be distributed to the taxing entities pursuant to the formula provided in Health and Safety Code section 34179.5.

The legislation is not specific as to what type of comments the Oversight Board can make or not make at the public comments session but it is assumed that it would be appropriate for the Board to discuss the report at this time. A representative of Richardson & Company will be attendance at the September 27<sup>th</sup> meeting to answer any questions regarding the Review and its findings.

### **Analysis**

The Review has concluded that the Low and Moderate Income cash and non-cash assets were transferred to the City as the housing successor agency (see Attachment I to this report). There are no remaining balances available to be remitted to the County and for disbursement to the taxing entities. Since this is not a public hearing, there are no guidelines for how the public meeting should be conducted; however, any public comment will be summarized in the meeting minutes for the record.

### **Alternatives**

The Oversight Board is required to hold the public meeting pursuant to legislative requirements (Health and Safety Code 34179.6(b)) contained in Assembly Bill 1484, and so no alternatives are presented for consideration.

### **Budget/Cost Impact**

There are no budgetary impacts to holding the public information session. However, to the extent that either the Board or the public poses issues that have financial implications, staff will provide a written response within the Board's October 11<sup>th</sup> agenda report to approve the review.

### **ATTACHMENTS**

Summary of Balances Available for Allocation to Affected Taxing Entities  
Low and Moderate Income Housing Asset Due-Diligence Review



**SUMMARY OF BALANCES AVAILABLE FOR ALLOCATION TO AFFECTED TAXING ENTITIES**

|  |                    |
|--|--------------------|
| Total amount of assets held by the successor agency as of June 30, 2012 (procedure 5)  | \$ 14,196,027      |
| Add the amount of any assets transferred to the city or other parties for which an enforceable obligation with a third party requiring such transfer and obligating the use of the transferred assets did not exist (procedures 2 and 3) | -                  |
| Less assets legally restricted for uses specified by debt covenants, grant restrictions, or restrictions imposed by other governments (procedure 6)  | (3,191,369)        |
| Less assets that are not cash or cash equivalents (e.g., physical assets) - (procedure 7)  | -                  |
| Less balances that are legally restricted for the funding of an enforceable obligation (net of projected annual revenues available to fund those obligations) - (procedure 8)  | -                  |
| Less balances needed to satisfy ROPS for the 2012-13 fiscal year (procedure 9)   | (8,558,527)        |
| Less the amount of payments made on July 12, 2012 to the County Auditor-Controller as directed by the California Department of Finance   | <u>(2,446,131)</u> |
| Amount to be remitted to county for disbursement to taxing entities  | <u>\$ -</u>        |

*Note that separate computations are required for the Low and Moderate Income Housing Fund held by the Successor Agency and for all other funds held by the Successor Agency.*

NOTES: For each line shown above, an exhibit should be attached showing the composition of the summarized amount.

If the review finds that there are insufficient funds available to provide the full amount due, the cause of the insufficiency should be demonstrated in a separate schedule.

INDEPENDENT ACCOUNTANT'S REPORT  
ON APPLYING AGREED-UPON PROCEDURES

To the Oversight Board of the Successor Agency of  
the Redevelopment Agency of the City of West Sacramento  
West Sacramento, California

We have applied the procedures enumerated below to the documentation of the Successor Agency to the Redevelopment Agency of the City of West Sacramento (the Successor Agency). These procedures, which were agreed to in advance by the Successor Agency, were performed to determine whether the information of the Low and Moderate Income Housing Fund (only) of the Redevelopment Agency of the City of West Sacramento and its Successor Agency as of June 30, 2012 that was reported to the State of California as required by State of California Assembly Bill No. 1484 (AB 1484) agreed to supporting documentation. AB 1484 imposes new requirements on redevelopments agency successor agencies with regard to the submittal of the Recognized Obligation Payment Schedule, the conducting of due diligence review (i.e. agreed-upon procedures) to determine the unobligated balances available for transfer to affected taxing entities and the recovery and subsequent remittance of funds determined to have been transferred absent an enforceable obligation. The City's and Successor Agency's management are responsible for establishing and maintaining internal controls over these activities, including monitoring ongoing activities.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the Successor Agency. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures performed related to the Low and Moderate Income Housing Fund (only) and its Successor Agency and our findings were as follows:

Citation: 34179.5(c)(1) The dollar value of assets transferred from the former redevelopment agency to the successor agency on or about February 1, 2012.

1. Obtain from the Successor Agency a listing of all assets that were transferred from the former redevelopment agency to the Successor Agency on February 1, 2012. Agree the amounts on this listing to account balances established in the accounting records of the Successor Agency. Identify in the Agreed-Upon Procedures (AUP) report the amount of the assets transferred to the Successor Agency as of that date.

Findings: No exceptions were noted as the result of the procedures performed. The amount of assets transferred from the former redevelopment agency to the Successor Agency on February 1, 2012 was \$975,310, which consisted of accounts receivable of \$3,061 and cash and investments transferred from the redevelopment agency debt service funds of \$972,249.



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Citation: 34179.5(c)(2) The dollar value of assets and cash and cash equivalents transferred after January 1, 2011, through June 30, 2012, by the redevelopment agency or the successor agency to the city, county, or city and county that formed the redevelopment agency and the purpose of each transfer. The review shall provide documentation of any enforceable obligation that required the transfer.

2. If the State Controller's Office has completed its review of transfers required under both Sections 34167.5 and 34178.8 and issued its report regarding such review, attach a copy of that report as an exhibit to the AUP report. If this has not yet occurred, perform the following procedures:

- A. Obtain a listing prepared by the Successor Agency of transfers (excluding payments for goods and services) from the former redevelopment agency to the city, county, or city and county that formed the redevelopment agency for the period from January 1, 2011 through January 31, 2012. For each transfer, the Successor Agency should describe the purpose of the transfer and describe in what sense the transfer was required by one of the Agency's enforceable obligations or other legal requirements. Provide this listing as an attachment to the AUP report.

Findings: The required listing of transfers describing the purpose of each transfer from the former redevelopment agency to the City related to the Low and Moderate Income Housing Fund from January 1, 2011 through January 31, 2012 is attached to this report. No other transfers were made to the County or other agencies. All transfers appeared to be required by an enforceable obligation or other requirement.

- B. Obtain a listing prepared by the Successor Agency of transfers (excluding payments for goods and services) from the Successor Agency to the city, county, or city and county that formed the redevelopment agency for the period from February 1, 2012 through June 30, 2012. For each transfer, the Successor Agency should describe the purpose of the transfer and describe in what sense the transfer was required by one of the Agency's enforceable obligations or other legal requirements. Provide this listing as an attachment to the AUP report.

Findings: No transfers related to the Low and Moderate Income Housing Fund were made by the Successor Agency to the City, County or other agencies during the period above except payments for goods and services, which are excluded from reporting as indicated in procedure B above.

- C. For each transfer, obtain the legal document that formed the basis for the enforceable obligation that required any transfer. Note in the AUP report the absence of any such legal document or the absence of language in the document that required the transfer.

Findings: No exceptions were noted as the result of the procedures performed. Transfers appeared to be according to an enforceable obligation.

Citation: 34179.5(c)(3) The dollar value of any cash or cash equivalents transferred after January 1, 2011, through June 30, 2012, by the redevelopment agency or the successor agency to any other public agency or private party and the purpose of each transfer. The review shall provide documentation of any enforceable obligation that required the transfer.

3. If the State Controller's Office has completed its review of transfers required under both Sections 34167.5 and 34178.8 and issued its report regarding such review, attach a copy of that report as an exhibit to the AUP report. If this has not yet occurred, perform the following procedures:

The State Controller's Office has not completed its review of transfers required under both Sections 34167.5 and 34178.8. The following procedures were performed as a result:

- A. Obtain a listing prepared by the Successor Agency of transfers (excluding payments for goods and services) from the former redevelopment agency to any other public agency or to private parties for the period from January 1, 2011 through January 31, 2012. For each transfer, the Successor Agency should describe the purpose of the transfer and describe in what sense the transfer was required by one of the Agency's enforceable obligations or other legal requirements. Provide this listing as an

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attachment to the AUP report.

Findings: The required listing of transfers describing the purpose of each transfer from the former redevelopment agency to any other public agency or private party (excluding payments for goods and services) and in what sense the transfer was required by one of the Agency's enforceable obligations or other legal requirements is attached to this report.

- B. Obtain a listing prepared by the Successor Agency of transfers (excluding payments for goods and services) from the Successor Agency to any other public agency or private parties for the period from February 1, 2012 through June 30, 2012. For each transfer, the Successor Agency should describe the purpose of the transfer and describe in what sense the transfer was required by one of the Agency's enforceable obligations or other legal requirements. Provide this listing as an attachment to the AUP report.

Findings: The required listing describing the purpose of each transfer from the Successor Agency to any other public agency or private parties (excluding payments for goods and services) related to the Low and Moderate Income Housing Fund from February 1, 2012 through June 30, 2012 and in what sense the transfer was required by one of the Agency's enforceable obligations or other legal requirements is attached to this report.

- C. For each transfer, obtain the legal document that formed the basis for the enforceable obligation that required any transfer. Note in the AUP report the absence of any such legal document or the absence of language in the document that required the transfer.

Findings: No exceptions were noted as the result of the procedures performed. The transfers appeared to be according to an enforceable obligation.

Citation: 34179.5(c)(4) The review shall provide expenditure and revenue accounting information and identify transfers and funding sources for the 2010–11 and 2011–12 fiscal years that reconciles balances, assets, and liabilities of the successor agency on June 30, 2012 to those reported to the Controller for the 2009–10 fiscal year.

4. Perform the following procedures:

- A. Obtain from the Successor Agency a summary of the financial transactions of the Redevelopment Agency and the Successor Agency in the format set forth in the attached schedule for the fiscal periods indicated in the schedule. For purposes of this summary, the financial transactions should be presented using the modified accrual basis of accounting. End of year balances for capital assets (in total) and long-term liabilities (in total) should be presented at the bottom of this summary schedule for information purposes.
- B. Ascertain that for each period presented, the total of revenues, expenditures, and transfers accounts fully for the changes in equity from the previous fiscal period.
- C. Compare amounts in the schedule relevant to the fiscal year ended June 30, 2010 to the state controller's report filed for the Redevelopment Agency for that period.
- D. Compare amounts in the schedule for the other fiscal periods presented to account balances in the accounting records or other supporting schedules. Describe in the report the type of support provided for each fiscal period.

Findings: Procedures 4(A), (B), (C) and (D) were not applicable to the Low and Moderate Income Housing Fund according to the general information regarding these procedures.

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Citation: 34179.5(c)(5) A separate accounting for the balance for the Low and Moderate Income Housing Fund for all other funds and accounts combined shall be made as follows: (A) A statement of the total value of each fund as of June 30, 2012.

5. Obtain from the Successor Agency a listing of all assets of the Low and Moderate Income Housing Fund as of June 30, 2012 for the report that is due October 1, 2012 and a listing of all assets of all other funds of the Successor Agency as of June 30, 2012 (excluding the previously reported assets of the Low and Moderate Income Housing Fund) for the report that is due December 15, 2012. When this procedure is applied to the Low and Moderate Income Housing Fund, the schedule attached as an exhibit will include only those assets of the Low and Moderate Income Housing Fund that were held by the Successor Agency as of June 30, 2012 and will exclude all assets held by the entity that assumed the housing function previously performed by the former redevelopment agency. Agree the assets so listed to recorded balances reflected in the accounting records of the Successor Agency. The listings should be attached as an exhibit to the appropriate AUP report.

Findings: No exceptions were noted as a result of our procedures. Assets held by the Low and Moderate Income Housing Fund as of June 30, 2012, excluding the loans and accrued interest receivable transferred to the City fund that assumed the housing function previously performed by the former redevelopment agency, was cash of \$95,718 held for ROPS payments described under procedure 9 and cash of \$231,118 paid to the County of Yolo Auditor-Controller's Office in accordance with H&S 34183.5(b)(2)(A) described under procedure 10.

Citation: 34179.5(c)(5)(B) An itemized statement listing any amounts that are legally restricted as to purpose and cannot be provided to taxing entities. This could include the proceeds of any bonds, grant funds, or funds provided by other governmental entities that place conditions on their use.

6. Obtain from the Successor Agency a listing of asset balances held on June 30, 2012 that are restricted for the following purposes:

A. Unspent bond proceeds:

- i. Obtain the Successor Agency's computation of the restricted balances (e.g., total proceeds less eligible project expenditures, amounts set aside for debt service payments, etc.).
- ii. Trace individual components of this computation to related account balances in the accounting records, or to other supporting documentation (specify in the AUP report a description of such documentation).
- iii. Obtain from the Successor Agency a copy of the legal document that sets forth the restriction pertaining to these balances. Note in the AUP report the absence of language restricting the use of the balances that were identified by the Successor Agency as restricted.

Findings: No assets were held for unspent bond proceeds related to the Low and Moderate Income Housing Fund by the Successor Agency at June 30, 2012. Procedures 6(A)(i), (ii) and (iii) were not applicable.

B. Grant proceeds and program income that are restricted by third parties:

- i. Obtain the Successor Agency's computation of the restricted balances (e.g., total proceeds less eligible project expenditures).
- ii. Trace individual components of this computation to related account balances in the accounting records, or to other supporting documentation (specify in the AUP report a description of such documentation).
- iii. Obtain from the Successor Agency a copy of the grant agreement that sets forth the restriction pertaining to these balances. Note in the AUP report the absence of language restricting the use of

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the balances that were identified by the Successor Agency as restricted.

Findings: No unspent grant proceeds or program income related to the Low and Moderate Income Housing Fund were held by the Successor Agency as of June 30, 2012. Procedures 6(B)(i), (ii) and (iii) were not applicable.

C. Other assets considered to be legally restricted:

- i. Obtain the Successor Agency's computation of the restricted balances (e.g., total proceeds less eligible project expenditures).
- ii. Trace individual components of this computation to related account balances in the accounting records, or to other supporting documentation (specify in the AUP report a description of such documentation).
- iii. Obtain from the Successor Agency a copy of the legal document that sets forth the restriction pertaining to these balances. Note in the AUP report the absence of language restricting the use of the balances that were identified by Successor the Agency as restricted.

Findings: No other assets were held by the Successor Agency related to the Low and Moderate Income Housing Fund that are considered to be legally restricted as of June 30, 2012. Procedures 6(C)(i), (ii), and (iii) were not applicable.

- D. Attach the above mentioned Successor Agency prepared schedule(s) as an exhibit to the AUP report. For each restriction identified on these schedules, indicate in the report the period of time for which the restrictions are in effect. If the restrictions are in effect until the related assets are expended for their intended purpose, this should be indicated in the report.

Findings: No restricted assets were held by the Successor Agency related to the Low and Moderate Income Housing Fund at June 30, 2012. Procedure is not applicable.

Citation: 34179.5(c)(5)(C) An itemized statement of the values of any assets that are not cash or cash equivalents. This may include physical assets, land, records, and equipment. For the purpose of this accounting, physical assets may be valued at purchase cost or at any recently estimated market value. The statement shall list separately housing-related assets.

7. Perform the following procedures:

- A. Obtain from the Successor Agency a listing of assets as of June 30, 2012 that are not liquid or otherwise available for distribution (such as capital assets, land held for resale, long-term receivables, etc.) and ascertain if the values are listed at either purchase cost (based on book value reflected in the accounting records of the Successor Agency) or market value as recently estimated by the Successor Agency.
- B. If the assets listed at 7(A) are listed at purchase cost, trace the amounts to a previously audited financial statement (or to the accounting records of the Successor Agency) and note any differences.
- C. For any differences noted in 7(B), inspect evidence of disposal of the asset and ascertain that the proceeds were deposited into the Successor Agency trust fund. If the differences are due to additions (this generally is not expected to occur), inspect the supporting documentation and note the circumstances.
- D. If the assets listed at 7(A) are listed at recently estimated market value, inspect the evidence (if any) supporting the value and note the methodology used. If no evidence is available to support the value and/or methodology, note the lack of evidence.

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Findings: No illiquid assets related to the Low and Moderate Income Housing Fund were held by the Successor Agency as of June 30, 2012. The only illiquid assets related to the Low and Moderate Income Housing Fund were the loans receivable and accrued interest receivable transferred to the City fund assuming housing activities previously performed by the redevelopment agency. Procedures 7(A), (B), (C) and (D) were not applicable.

Citation: 34179.5(c)(5)(D) An itemized listing of any current balances that are legally or contractually dedicated or restricted for the funding of an enforceable obligation that identifies the nature of the dedication or restriction and the specific enforceable obligation. In addition, the successor agency shall provide a listing of all approved enforceable obligations that includes a projection of annual spending requirements to satisfy each obligation and a projection of annual revenues available to fund those requirements. If a review finds that future revenues together with dedicated or restricted balances are insufficient to fund future obligations and thus retention of current balances is required, it shall identify the amount of current balances necessary for retention. The review shall also detail the projected property tax revenues and other general purpose revenues to be received by the successor agency, together with both the amount and timing of the bond debt service payments of the successor agency, for the period in which the oversight board anticipates the successor agency will have insufficient property tax revenue to pay the specified obligations.

8. Perform the following procedures:

- A. If the Successor Agency believes that asset balances need to be retained to satisfy enforceable obligations, obtain from the Successor Agency an itemized schedule of asset balances (resources) as of June 30, 2012 that are dedicated or restricted for the funding of enforceable obligations and perform the following procedures. The schedule should identify the amount dedicated or restricted, the nature of the dedication or restriction, the specific enforceable obligation to which the dedication or restriction relates, and the language in the legal document that is associated with the enforceable obligation that specifies the dedication of existing asset balances toward payment of that obligation.
  - i. Compare all information on the schedule to the legal documents that form the basis for the dedication or restriction of the resource balance in question.
  - ii. Compare all current balances to the amounts reported in the accounting records of the Successor Agency or to an alternative computation.
  - iii. Compare the specified enforceable obligations to those that were included in the final Recognized Obligation Payment Schedule approved by the California Department of Finance.
  - iv. Attach as an exhibit to the report the listing obtained from the Successor Agency. Identify in the report any listed balances for which the Successor Agency was unable to provide appropriate restricting language in the legal document associated with the enforceable obligation.

Findings: There were no unpaid enforceable obligations (i.e. remaining obligations from the Enforceable Obligation Payment Schedule) related to the Low and Moderate Income Housing Fund at June 30, 2012. Procedures 8(A)(i), (ii), (iii) and (iv) were not applicable

- B. If the Successor Agency believes that future revenues together with balances dedicated or restricted to an enforceable obligation are insufficient to fund future obligation payments and thus retention of current balances is required, obtain from the Successor Agency a schedule of approved enforceable obligations that includes a projection of the annual spending requirements to satisfy each obligation and a projection of the annual revenues available to fund those requirements and perform the following procedures:
  - i. Compare the enforceable obligations to those that were approved by the California Department of Finance. Procedures to accomplish this may include reviewing the letter from the California Department of Finance approving the Recognized Enforceable Obligation Payment Schedules for the six month period from January 1, 2012 through June 30, 2012 and for the six month period July 1, 2012 through December 31, 2012.

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- ii. Compare the forecasted annual spending requirements to the legal document supporting each enforceable obligation.
  - a. Obtain from the Successor Agency its assumptions relating to the forecasted annual spending requirements and disclose in the report major assumptions associated with the projections.
- iii. For the forecasted annual revenues:
  - a. Obtain from the Successor Agency its assumptions for the forecasted annual revenues and disclose in the report major assumptions associated with the projections.

Findings: There were no enforceable obligations (i.e. remaining obligations from the Enforceable Obligation Payment Schedule) related to the Low and Moderate Income Housing Fund as of June 30, 2012. Procedures 8(B)(i), (ii), and (iii) were not applicable.

- C. If the Successor Agency believes that projected property tax revenues and other general purpose revenues to be received by the Successor Agency are insufficient to pay bond debt service payments (considering both the timing and amount of the related cash flows), obtain from the Successor Agency a schedule demonstrating this insufficiency and apply the following procedures to the information reflected in that schedule.
  - i. Compare the timing and amounts of bond debt service payments to the related bond debt service schedules in the bond agreement.
  - ii. Obtain the assumptions for the forecasted property tax revenues and disclose major assumptions associated with the projections.
  - iii. Obtain the assumptions for the forecasted other general purpose revenues and disclose major assumptions associated with the projections.

Findings: There were no enforceable obligations (i.e. remaining obligations from the Enforceable Obligation Payment Schedule) related to the Low and Moderate Income Housing Fund as of June 30, 2012. Procedures 8(C)(i), (ii) and (iii) were not applicable.

- D. If procedures A, B, or C were performed, calculate the amount of current unrestricted balances necessary for retention in order to meet the enforceable obligations by performing the following procedures.
  - i. Combine the amount of identified current dedicated or restricted balances and the amount of forecasted annual revenues to arrive at the amount of total resources available to fund enforceable obligations.
  - ii. Reduce the amount of total resources available by the amount forecasted for the annual spending requirements. A negative result indicates the amount of current unrestricted balances that needs to be retained.
  - iii. Include the calculation in the AUP report.

Findings: There were no enforceable obligations (i.e. remaining obligations from the Enforceable Obligation Payment Schedule) related to the Low and Moderate Income Housing Fund as of June 30, 2012. Procedures 8(D)(i), (ii) and (iii) were not applicable.

Citation: 34179.5(c)(5)(E) An itemized list and analysis of any amounts of current balances that are needed to satisfy obligations that will be placed on the Recognized Obligation Payment Schedules for the current fiscal year.

- 9. If the Successor Agency believes that cash balances as of June 30, 2012 need to be retained to satisfy obligations on the Recognized Obligation Payment Schedule (ROPS) for the period of July 1, 2012 through

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June 30, 2013, obtain a copy of the final ROPS for the period of July 1, 2012 through December 31, 2012 and a copy of the final ROPS for the period January 1, 2013 through June 30, 2013. For each obligation listed on the ROPS, the Successor Agency should add columns identifying (1) any dollar amounts of existing cash that are needed to satisfy that obligation and (2) the Successor Agency's explanation as to why the Successor Agency believes that such balances are needed to satisfy the obligation. Include this schedule as an attachment to the AUP report.

Findings: The report comparing existing cash held by the Successor Agency at June 30, 2012 to each enforceable obligation listed on the ROPS with the Successor Agency's explanation as to why the Successor Agency believes that such balances are needed to satisfy the obligation is attached to the report.

Citation: 34179.5(c)(6) The review shall total the net balances available after deducting the total amounts described in subparagraphs (B) to (E), inclusive, of paragraph (5). The review shall add any amounts that were transferred as identified in paragraphs (2) and (3) of subdivision (c) if an enforceable obligation to make that transfer did not exist. The resulting sum shall be available for allocation to affected taxing entities pursuant to Section 34179.6. It shall be a rebuttable presumption that cash and cash equivalent balances available to the successor agency are available and sufficient to disburse the amount determined in this paragraph to taxing entities. If the review finds that there are insufficient cash balances to transfer or that cash or cash equivalents are specifically obligated to the purposes described in subparagraphs (B), (D), and (E) of paragraph (5) in such amounts that there is insufficient cash to provide the full amount determined pursuant to this paragraph, that amount shall be demonstrated in an additional itemized schedule.

10. Include (or present) a schedule detailing the computation of the Balance Available for Allocation to Affected Taxing Entities. Amounts included in the calculation should agree to the results of the procedures performed in each section above. The schedule should also include a deduction to recognize amounts already paid to the County Auditor-Controller on July 12, 2012 as directed by the California Department of Finance. The amount of this deduction presented should be agreed to evidence of payment. The attached example summary schedule may be considered for this purpose. Separate schedules should be completed for the Low and Moderate Income Housing Fund and for all other funds combined (excluding the Low and Moderate Income Housing Fund).

Findings: No exceptions were noted as a result of our procedures. The schedule detailing the computation of the Balance Available for Allocation to Affected Taxing Entities related to the Low and Moderate Income Housing Fund is attached.

11. Suggested Procedure(s): Obtain a representation letter from Successor Agency management acknowledging their responsibility for the data provided to the practitioner and the data presented in the report or in any attachments to the report. Included in the representations should be an acknowledgment that management is not aware of any transfers (as defined by Section 34179.5) from either the former redevelopment agency or the Successor Agency to other parties for the period from January 1, 2011 through June 30, 2012 that have not been properly identified in the AUP report and its related exhibits. Management's refusal to sign the representation letter should be noted in the AUP report as required by attestation standards.

Findings: A representation letter from the Successor Agency management acknowledging their responsibility for the data provided and data presented in the report or in any attachments to the report was obtained.

We were not engaged to, and did not, conduct an audit, the objective of which would be the expression of an opinion, on whether the City's or Successor Agency's internal controls over supporting documentation for procedures referred to above were functioning correctly. Accordingly, we express no opinion on the aforementioned information. Had we performed additional procedures or had we conducted an audit of the aforementioned information in accordance with generally accepted auditing standards, other matters might have come to our attention that would have been reported to you. This report only relates to the procedures referred to above and does not extend to any financial statements of the City or Successor Agency taken as a whole.



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the Redevelopment Agency of the City of West Sacramento

This report is intended solely for the information of the City, the Successor Agency, the County of Yolo, the California State Controller's Office and California Department of Finance and is not intended to be and should not be used by anyone other than those specified parties.

September 30, 2012

Successor Agency to the Redevelopment Agency of the City of West Sacramento  
 Procedure 2 A - RDA Transfers to the City, County or City and County Forming the RDA from 1/1/2011 to 1/31/2012  
 Low and Moderate Income Housing Fund

Transfer Out - 5950 Redevelopment Housing Fund-291

| NAME/TYPE OF ASSET            | SOURCE FUND | BOOK VALUE     | ref. | DATE TRANSFERRED | TO WHOM IT WAS TRANSFERRED   | Purpose of Transfer   | Legal Document to Support the Transfer            |
|-------------------------------|-------------|----------------|------|------------------|--|---|---|
| RDA Housing General Transfers | 291         | \$213,115.92   | a    | 1/1/2011         | Bond Fund 310 and 312  | Principal and Interest Payment on 1998 and 2007 RDA Bonds                   | Page 56 of the 2010-2011 Budget & Debt Agreements |
| RDA Housing General Transfers | 291         | \$213,115.92   | a    | 2/1/2011         | Bond Fund 310 and 312  | Principal and Interest Payment on 1998 and 2007 RDA Bonds                   | Page 56 of the 2010-2011 Budget & Debt Agreements |
| RDA Housing General Transfers | 291         | \$213,115.92   | a    | 3/1/2011         | Bond Fund 310 and 312  | Principal and Interest Payment on 1998 and 2007 RDA Bonds                   | Page 56 of the 2010-2011 Budget & Debt Agreements |
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| RDA Housing General Transfers | 291         | \$213,115.92   | a    | 5/1/2011         | Bond Fund 310 and 312  | Principal and Interest Payment on 1998 and 2007 RDA Bonds                   | Page 56 of the 2010-2011 Budget & Debt Agreements |
| RDA Housing General Transfers | 291         | \$213,115.92   | a    | 6/1/2011         | Bond Fund 310 and 312  | Principal and Interest Payment on 1998 and 2007 RDA Bonds                   | Page 56 of the 2010-2011 Budget & Debt Agreements |
| RDA Housing 290/291           | 291         | (\$710,289.00) | (1)  | 5/1/2011         | Adj Prior Current Yr Debt Schedule   | Adjustment due to the allocation of debt service to Housing vs. Non Housing | Adjustment to RDA General                         |
| General Support               | 291         | \$17,751.25    |      | 1/1/2011         | General Support Services Fund 104  | Payment for General Support of the Redevelopment Housing Functions/Programs | Page 51 of the 2010-2011 Budget                   |
| General Support               | 291         | \$17,751.25    |      | 2/1/2011         | General Support Services Fund 104  | Payment for General Support of the Redevelopment Housing Functions/Programs | Page 51 of the 2010-2011 Budget                   |
| General Support               | 291         | \$17,751.25    |      | 3/1/2011         | General Support Services Fund 104  | Payment for General Support of the Redevelopment Housing Functions/Programs | Page 51 of the 2010-2011 Budget                   |
| General Support               | 291         | \$17,751.25    |      | 4/1/2011         | General Support Services Fund 104  | Payment for General Support of the Redevelopment Housing Functions/Programs | Page 51 of the 2010-2011 Budget                   |
| General Support               | 291         | \$17,751.25    |      | 5/1/2011         | General Support Services Fund 104  | Payment for General Support of the Redevelopment Housing Functions/Programs | Page 51 of the 2010-2011 Budget                   |
| General Support               | 291         | \$17,751.25    |      | 6/1/2011         | General Support Services Fund 104  | Payment for General Support of the Redevelopment Housing Functions/Programs | Page 51 of the 2010-2011 Budget                   |
| General Support               | 291         | (\$31,525.00)  | (2)  | 6/30/2011        | Year-end T/c close   | True up General Support Allocation/Retain Funds respectively                | Internal Adj.                                     |
| General Support               | 291         | \$15,000.00    | (3)  | 7/1/2011         | City Match 250-9988  | Transfer Funds for a match to the Housing Program                           | City Council Resolution 10-36 and grant agreement |
| General Support               | 291         | \$14,763.83    |      | 7/1/2011         | General Support Services Fund 104  | Payment for General Support of the Redevelopment Housing Functions/Programs | Page 41 of the 2011-2012 Budget                   |
| General Support               | 291         | \$14,763.83    |      | 8/1/2011         | General Support Services Fund 104  | Payment for General Support of the Redevelopment Housing Functions/Programs | Page 41 of the 2011-2012 Budget                   |
| General Support               | 291         | \$14,763.83    |      | 9/1/2011         | General Support Services Fund 104  | Payment for General Support of the Redevelopment Housing Functions/Programs | Page 41 of the 2011-2012 Budget                   |
| General Support               | 291         | \$14,763.83    |      | 10/1/2011        | General Support Services Fund 104  | Payment for General Support of the Redevelopment Housing Functions/Programs | Page 41 of the 2011-2012 Budget                   |
| General Support               | 291         | \$14,763.83    |      | 11/1/2011        | General Support Services Fund 104  | Payment for General Support of the Redevelopment Housing Functions/Programs | Page 41 of the 2011-2012 Budget                   |
| General Support               | 291         | \$14,763.83    |      | 12/1/2011        | General Support Services Fund 104  | Payment for General Support of the Redevelopment Housing Functions/Programs | Page 41 of the 2011-2012 Budget                   |
| General Support               | 291         | \$14,763.83    |      | 1/1/2012         | General Support Services Fund 104  | Payment for General Support of the Redevelopment Housing Functions/Programs | Page 41 of the 2011-2012 Budget                   |
| RDA Housing General Transfers | 291         | \$152,669.25   |      | 7/1/2011         | RDA Bond Funds & Community Development Support Services and Funding positions for Public Info. | Principal and Interest Payment on 1998 and 2007 RDA Bonds                   | Page 57 of the 2011-2012 Budget & Debt Agreement  |
| RDA Housing General Transfers | 291         | \$152,669.25   |      | 8/1/2011         | RDA Bond Funds & Community Development Support Services and Funding positions for Public Info. | Principal and Interest Payment on 1998 and 2007 RDA Bonds                   | Page 57 of the 2011-2012 Budget & Debt Agreement  |
| RDA Housing General Transfers | 291         | \$152,669.25   |      | 9/1/2011         | RDA Bond Funds & Community Development Support Services and Funding positions for Public Info. | Principal and Interest Payment on 1998 and 2007 RDA Bonds                   | Page 57 of the 2011-2012 Budget & Debt Agreement  |
| RDA Housing General Transfers | 291         | \$152,669.25   |      | 10/1/2011        | RDA Bond Funds & Community Development Support Services and Funding positions for Public Info. | Principal and Interest Payment on 1998 and 2007 RDA Bonds                   | Page 57 of the 2011-2012 Budget & Debt Agreement  |
| RDA Housing General Transfers | 291         | \$152,669.25   |      | 11/1/2011        | RDA Bond Funds & Community Development Support Services and Funding positions for Public Info. | Principal and Interest Payment on 1998 and 2007 RDA Bonds                   | Page 57 of the 2011-2012 Budget & Debt Agreement  |
| RDA Housing General Transfers | 291         | \$152,669.25   |      | 12/1/2011        | RDA Bond Funds & Community Development Support Services and Funding positions for Public Info. | Principal and Interest Payment on 1998 and 2007 RDA Bonds                   | Page 57 of the 2011-2012 Budget & Debt Agreement  |
| RDA Housing General Transfers | 291         | \$152,669.25   |      | 1/1/2012         | RDA Bond Funds & Community Development Support Services and Funding positions for Public Info. | Principal and Interest Payment on 1998 and 2007 RDA Bonds                   | Page 57 of the 2011-2012 Budget & Debt Agreement  |
| TOTAL                         |             | \$1,830,420.54 |      |                  |  |   |   |

LIST ALL ABOVE TRANSFERS THAT WERE REVERSED

| NAME/TYPE OF ASSET      | FUND | BOOK VALUE     | DATE TRANSFERRED | TO WHOM IT WAS TRANSFERRED |
|-------------------------|------|----------------|------------------|----------------------------|
| Reverse General Support | 291  | (\$73,819.19)  | 1/31/2012        | Fund 104                   |
| Reverse Debt Transfer   | 291  | (\$763,346.00) | 1/31/2012        | Fund 310 and 312           |
| TOTAL                   |      | (\$837,165.19) |                  |                            |

Transfer In - 4930

| NAME/TYPE OF ASSET   | FUND | BOOK VALUE   | DATE TRANSFERRED | TO WHOM IT WAS TRANSFERRED |
|----------------------|------|--------------|------------------|----------------------------|
| Adj Debt Svs Payment | 291  | \$710,289.00 | 5/1/2011         | Fund 290                   |
| TOTAL                |      | \$710,289.00 |                  |                            |

(1) The split used when transferring funds to the City's debt service fund between the Low and Moderate Income Housing Fund and other Redevelopment Agency funds was not correct prior to May 2011 and was corrected with this entry reducing transfers out and increasing cash in Low and Moderate Income Housing Special Revenue Fund 291 in May 2011.

(2) True-up entry to reduce the General Support Service amount paid by the Low and Moderate Income Housing Fund to the General Fund. Amount is allocated for goods & services and, thus, was excluded from procedures performed per instructions for procedure 2A.

(3) Match for CDBG Grant for Multifamily Rehabilitation Program, First Time Homebuyer Assistance Program and Preschool Scholarship Program.

Successor Agency to the Redevelopment Agency of the City of West Sacramento  
 Procedure 3 A - RDA Transfers from the Former Redevelopment Agency to any Other Public Agency or to Private Parties 1/1/2011 to 1/31/2012  
 Low And Moderate Housing Income Fund

Transfer Out

| NAME/TYPE OF ASSET                        | FUND | BOOK VALUE     | DATE TRANSFERRED | TO WHOM IT WAS TRANSFERRED                      | Legal Document to Support the Transfer |
|---|------|----------------|------------------|---|--|
| Bridge Housing / Bridge Loan Disbursement | 294  | \$52,591.30    | 9/7/2011         | Bridge Triangle, LLC                            | Loan Agreement                         |
| Bridge Housing / Bridge Loan Disbursement | 294  | \$37,464.29    | 9/7/2011         | Bridge Triangle, LLC                            | Loan Agreement                         |
| Bridge Housing / Bridge Loan Disbursement | 294  | \$34,341.27    | 10/11/2011       | Bridge Triangle, LLC                            | Loan Agreement                         |
| Bridge Housing / Bridge Loan Disbursement | 294  | \$99,061.22    | 10/11/2011       | Bridge Triangle, LLC                            | Loan Agreement                         |
| Bridge Housing / Bridge Loan Disbursement | 294  | \$105,156.43   | 12/22/2011       | Bridge Triangle, LLC                            | Loan Agreement                         |
| Bridge Housing / Bridge Loan Disbursement | 294  | \$91,309.26    | 12/22/2011       | Bridge Triangle, LLC                            | Loan Agreement                         |
| Bridge Housing / Bridge Loan Disbursement | 294  | \$5,743,435.47 | 7/31/2011        | Bridge Triangle, LLC                            | Loan Agreement                         |
| Bridge Housing / Bridge Loan Disbursement | 291  | \$1,059,053.00 | 1/31/2012        | Bridge Triangle, LLC                            | Loan Agreement                         |
| Delta Lane / Loan Disbursement            | 291  | \$1,742,337.58 | 1/31/2012        | West Sacramento Housing Development Corporation | Loan Agreement                         |
|   |      |                |                  |   |  |
|   |      |                |                  |   |  |
|   |      |                |                  |   |  |
|   |      |                |                  |   |  |
|   |      |                |                  |   |  |
|   |      |                |                  |   |  |
|   |      |                |                  |   |  |
| TOTAL                                     |      | \$8,964,749.82 |                  |   |  |

LIST ALL ABOVE TRANSFERS THAT WERE REVERSED

| NAME/TYPE OF ASSET | FUND | BOOK VALUE | DATE TRANSFERRED | TO WHOM IT WAS TRANSFERRED |
|--------------------|------|------------|------------------|----------------------------|
|                    |      |            |                  |                            |
|                    |      |            |                  |                            |
|                    |      |            |                  |                            |
|                    |      |            |                  |                            |
| TOTAL              |      | \$0.00     |                  |                            |

Successor Agency to the Redevelopment Agency of the City of West Sacramento  
 Procedure 3 B - Transfers from Successor Agency to any Other Public Agency or Private Party from 2/1/2012 to 6/30/2012  
 Low and Moderate Income Housing Fund

| NAME/TYPE OF ASSET                   | FUND | BOOK VALUE   | Date Transferred | TO WHOM IT WAS TRANSFERRED                | Legal Document to Support the Transfer |
|--------------------------------------|------|--------------|------------------|---|--|
| Delta Lane Project Loan Disbursement | 264  | \$257,662.42 | 4/1/2012         | West Sacramento Housing Development Corp. | ROPS and Debt Agreement                |
| 1998 RDA Debt Interest Expense       | 264  | \$216,373.88 | 3/31/2012        | Union Bank of California                  | ROPS and Debt Agreement                |
| 2007 RDA B Debt Interest Expense     | 264  | \$171,377.63 | 3/31/2012        | Union Bank of California                  | ROPS and Debt Agreement                |
| TOTAL                                |      | \$645,413.93 |                  |   |  |

Name of Redevelopment Agency: West Sacramento Redevelopment Agency  
 Project Area(s): West Sacramento Redevelopment Project Area No. 1  
 Time Period: July 1 - December 31, 2012

RECOGNIZED OBLIGATION PAYMENT SCHEDULE  
 Per AB 26 - Section 34177 (\*)

| Project Name / Debt Obligation   | Contract/Agreement Execution Date | Payee                      | Description               | Total Outstanding Debt or Obligation | Total Due During Fiscal Year 2012-2013** | *** Funding Source | Payable from the Redevelopment Property Tax Trust Fund (RPTTF) |           |            |           |           |           |              | Existing Cash Held to Satisfy Obligation |
|--|-----------------------------------|----------------------------|---------------------------|--------------------------------------|--|--------------------|--|-----------|------------|-----------|-----------|-----------|--------------|--|
|  |                                   |                            |                           |                                      |  |                    | Payments by month  |           |            |           |           |           |              |  |
|  |                                   |                            |                           |                                      |  |                    | July 2012  | Aug. 2012 | Sept. 2012 | Oct. 2012 | Nov. 2012 | Dec. 2012 |              |  |
| 1) Della Lane Housing Loan   | June 22, 2011                     | COWS & Various Contractors | Feasibility Study and ENA | 414,240.00                           | 34,520.00                                | RPTTF              | 6,904.00   | 6,904.00  | 6,904.00   | 6,904.00  | 6,904.00  | 6,904.00  | \$ 41,424.00 |  |
| 2) Bridge Housing Loan   | March 2, 2011                     | COWS & Various Contractors | Feasibility Study and ENA | 325,764.00                           | 45,245.00                                | RPTTF              | 9,049.00   | 9,049.00  | 9,049.00   | 9,049.00  | 9,049.00  | 9,049.00  | \$ 54,294.00 |  |
| Note: The items listed on the ROPS above are projected payments to the City and contractors for administration of the debt agreements. |                                   |                            |                           |                                      |  |                    |  |           |            |           |           |           | \$ 95,718.00 |  |
| ** All totals due during fiscal year and payment amounts are projected.  |                                   |                            |                           |                                      |  |                    |  |           |            |           |           |           |              | \$ 95,718.00                             |
| RPTTF - Redevelopment Property Tax Trust Fund  |                                   |                            |                           |                                      |  |                    |  |           |            |           |           |           |              | \$ 95,718.00                             |

Successor Agency to the Redevelopment Agency of the City of West Sacramento  
 Procedure 10: Balance Available for Allocation to Affected Taxing Entities  
 Low and Moderate Income Housing Fund

V. 8-27-12

SUMMARY OF BALANCES AVAILABLE FOR ALLOCATION TO AFFECTED TAXING ENTITIES

|  |                 |
|--|-----------------|
| Total amount of assets held by the successor agency as of June 30, 2012 (procedure 5)  | \$ 326,836.00   |
| Add the amount of any assets transferred to the city or other parties for which an enforceable obligation with a third party requiring such transfer and obligating the use of the transferred assets did not exist (procedures 2 and 3) | \$ -            |
| Less assets legally restricted for uses specified by debt covenants, grant restrictions, or restrictions imposed by other governments (procedure 6)  | \$ -            |
| Less assets that are not cash or cash equivalents (e.g., physical assets) - (procedure 7)  | \$ -            |
| Less balances that are legally restricted for the funding of an enforceable obligation (net of projected annual revenues available to fund those obligations) - (procedure 8)  | \$ -            |
| Less balances needed to satisfy ROPS for the 2012-13 fiscal year (procedure 9)   | \$ (95,718.00)  |
| Less the amount of payments made on July 12, 2012 to the County Auditor-Controller as directed by the California Department of Finance   | \$ (231,118.00) |
| Amount to be remitted to county for disbursement to taxing entities  | \$ -            |

*Note that separate computations are required for the Low and Moderate Income Housing Fund held by the Successor Agency and for all other funds held by the Successor Agency.*

NOTES: For each line shown above, an exhibit should be attached showing the composition of the summarized amount.

If the review finds that there are insufficient funds available to provide the full amount due, the cause of the insufficiency should be demonstrated in a separate schedule.

Successor Agency to the Redevelopment Agency of the City of West Sacramento  
 Procedure 10 - Support for Summary of Balances Available for Allocation to Affected  
 Taxing Entities

Low and Moderate Income Housing Fund  
**County of Yolo**



www.yolocounty.org

HOWARD H. NEWENS, CIA, CPA

AUDITOR-CONTROLLER and  
 TREASURER-TAX COLLECTOR

AUDITOR-CONTROLLER

PO BOX 1268  
 WOODLAND, CA 95776  
 PHONE: (530) 666-8180  
 FAX: (530) 666-8215

TREASURER-TAX COLLECTOR

PO BOX 1995  
 WOODLAND, CA 95776  
 PHONE: (530) 666-5625  
 FAX: (530) 666-8708

July 9, 2012

West Sacramento Successor Agency  
 C/o City of West Sacramento  
 Finance Department  
 1110 West Capitol Avenue  
 West Sacramento, CA 95691

Attention: Paul Blumberg, Public Finance Manager  
 Nitish Sharma, Budget Manager

**Re: Notice of residual amount owed to taxing entities and demand for said amount**

We have performed the review required by Health & Safety code section 34183.5 (b)(2)(A) and determined that the West Sacramento Successor Agency owes \$2,446,131 to taxing entities in Yolo County, calculated as follows:

| DESCRIPTION  | AMOUNT                   |
|--|--------------------------|
| Gross tax revenues for 1/1/12 - 6/30/12 period     | \$12,974,956             |
| DOF maximum allowed RPTTF obligations (Exhibit 12) | - 8,381,960              |
| Computed debt service set aside                    | - 1,775,000              |
| County administrative cost allowed                 | - 371,865                |
| Amount owed to taxing entities                     | \$2,446,131 <sup>1</sup> |

In accordance with H&S 34183.5 (b)(2)(A), please remit \$2,446,131 by 7/12/2012, made payable to Yolo County Treasurer at the address on this letterhead.

Howard Newens  
 Auditor-Controller and  
 Treasurer-Tax Collector

1 - Payment comprised of both Low & Moderate Income Housing money and all other Redevelopment Agency Fund money. Of this balance, \$231,118 is from Low and Moderate Income Housing Funds.

ASSURANCE OF ACCURACY



## REDEVELOPMENT SUCCESSOR AGENCY OVERSIGHT BOARD

## AGENDA REPORT

|  |  |  |  |  |
|--|--|--|--|--|
| MEETING DATE: October 15, 2012   |  | ITEM # 3   |  |  |
| <b>SUBJECT:</b><br><b>CONSIDERATION OF RESOLUTION 12-13 OF THE WEST SACRAMENTO REDEVELOPMENT SUCCESSOR AGENCY OVERSIGHT BOARD APPROVING THE LOW AND MODERATE INCOME HOUSING ASSET DUE DILIGENCE REVIEW</b> |  |  |  |  |
| <b>INITIATED OR REQUESTED BY:</b><br><input type="checkbox"/> Oversight Board <input checked="" type="checkbox"/> Staff<br><input type="checkbox"/> Other  |  | <b>REPORT COORDINATED OR PREPARED BY:</b><br>Paul Blumberg, Public Finance Manager<br>Nitish Sharma, Budget Manager<br><br>Martin Tuttle, Executive Director<br>West Sacramento Redevelopment Successor Agency |  |  |
| ATTACHMENT <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No   |  | <input type="checkbox"/> Information   |  | <input type="checkbox"/> Direction         |
|  |  |  |  | <input checked="" type="checkbox"/> Action |

**OBJECTIVE**

The purpose of this report is to have the West Sacramento Redevelopment Successor Agency Oversight Board ("Oversight Board") consider approval of the Low and Moderate Income Housing Asset Due Diligence Review ("Housing Asset Review").

**RECOMMENDED ACTION**

It is respectfully recommended that the Oversight Board approve the Housing Asset Review pursuant to Health and Safety Code 34179.6 (c), and direct staff to submit the report to the Yolo County Auditor-Controller, the State Controller's Office, and the State Department of Finance.

**BACKGROUND**

Assembly Bill 1484 provided new procedures for reviewing the available cash assets of the former redevelopment agency in order to return any unencumbered fund balances to the County Auditor-Controller for distribution to the taxing entities. Pursuant to Health and Safety Code 34179.5 a "due diligence" review is required to be prepared for the Low and Moderate Income Housing Assets transferred to the Successor Agency as of February 1, 2012.

By October 1, 2012, the review is required to be submitted to the Oversight Board, and this document should disclose the amount of cash or cash equivalents that may be available to be returned to the County Auditor-Controller for distribution to the taxing entities. A copy of the Housing Asset Review, included as Exhibit "A" to Resolution 12-13, complies with this requirement.

The Housing Asset Review was prepared by the audit firm Richardson & Company, a firm that has a previous history conducting similar reports for the City of West Sacramento. The County Auditor-Controller approved the Successor Agency's use of Richardson & Company.

Pursuant to Section 34179.6 (b) the Oversight Board held a "public comment session" at the Oversight Board's special meeting of September 27, 2012.

At its regularly scheduled meeting on October 11, 2012, the Board will be asked to consider Resolution 12-13, which approves the Housing Asset Review and directs staff to forward the report to the required entities. By October 15<sup>th</sup> the Review must be approved by the Oversight Board and should be transmitted to the Department of Finance, the State Controller's Office, and the County Auditor-Controller. The County Auditor-Controller will then determine the amount of unencumbered cash balances available to be distributed to the taxing entities pursuant to the formula provided in Health and Safety Code section 34179.5.

**ANALYSIS**

The Housing Asset Review has concluded that the low and moderate income fund included no unencumbered cash balances, and the non-cash assets were appropriately transferred to the Successor Agency. The Housing Asset Review stated that there are no remaining balances available to be remitted to the County and for disbursement to the taxing entities. Approval of Resolution 12-13 provides the Oversight Board approval of the report, and provides direction to forward the report to the appropriate entities by the October 15<sup>th</sup> deadline.

Alternatives

The Oversight Board is required to approve the Housing Asset Review pursuant to legislative requirements (Health and Safety Code 34179.6) contained in Assembly Bill 1484; since the document is required to be submitted by the October 15<sup>th</sup> deadline, no alternatives are presented for consideration.

Coordination and Review

This report has been prepared by the Administrative Services Department in coordination with the City Attorney.

Budget/Cost Impact

There are no budgetary impacts to the Successor Agency or the City from approval of Resolution 12-13.

**ATTACHMENTS**

Resolution 12-13

Final Low and Moderate Income Housing Asset Due Diligence Review

**RESOLUTION 12-13**

**A RESOLUTION OF THE OVERSIGHT BOARD OF THE WEST SACRAMENTO REDEVELOPMENT SUCCESSOR AGENCY APPROVING THE LOW AND MODERATE INCOME HOUSING ASSET DUE DILIGENCE REVIEW, PURSUANT TO HEALTH AND SAFETY CODE SECTION 34179.6 (c)**

**WHEREAS**, Health and Safety Code 34179.5 (a) required that the Successor Agency employ a licensed accountant with experience in local government accounting, and approved by the County Auditor-Controller, to conduct a due diligence review of the Low and Moderate Income Housing Fund of the former West Sacramento Redevelopment Agency; and

**WHEREAS**, the stated legislative intent of the due diligence review is to determine whether there are unobligated balances from the Low and Moderate Income Housing Assets available to be returned to the County Auditor-Controller for distribution to the taxing entities; and

**WHEREAS**, the West Sacramento Redevelopment Successor Agency ("Successor Agency"), with the concurrence of the County Auditor-Controller, contracted with the firm Richardson & Company to prepare the Housing Asset Due Diligence Review; and

**WHEREAS**, at the September 27, 2012, special meeting of the Oversight Board, a "public input meeting" was held in accordance with Health and Safety Code 34179.6 (c); and

**WHEREAS**, Health and Safety Code 34179 also required that the Oversight Board approve the Housing Asset Due Diligence Review prior to the Successor Agency's submittal of the report to the County Auditor-Controller, the State Controller's Office, and the State Department of Finance by the deadline of October 15, 2012; and

**WHEREAS**, the Oversight Board now desires to approve the Review;

**NOW, THEREFORE**, the Oversight Board of the Successor Agency to the Redevelopment Agency of the City of West Sacramento hereby resolves that:

1. The Oversight Board hereby finds and determines that the foregoing recitals are true and correct.
2. The Low and Moderate Income Housing Asset Due Diligence Review ("Housing Asset Due Diligence Review"), included as Exhibit "A" to this resolution, is hereby approved.
3. The Executive Director, or his designee, is directed to forward the approved Housing Asset Due Diligence Review to the County Auditor-Controller, the State Controller's Office, and the Department of Finance.

**PASSED AND ADOPTED** by the West Sacramento Redevelopment Successor Agency Oversight Board this 15<sup>th</sup> day of October 2012, by the following vote:

**AYES:**  
**NOES:**  
**ABSENT:**

\_\_\_\_\_  
Christopher Ledesma, Chairperson

ATTEST:

\_\_\_\_\_  
Kryss Rankin, City Clerk

**SUCCESSOR AGENCY OF THE REDEVELOPMENT AGENCY  
OF THE CITY OF WEST SACRAMENTO  
AB 1484 AGREED-UPON PROCEDURES REPORT  
LOW AND MODERATE INCOME HOUSING FUNDS ONLY**

INDEPENDENT ACCOUNTANT'S REPORT  
ON APPLYING AGREED-UPON PROCEDURES

To the Oversight Board of the Successor Agency of  
the Redevelopment Agency of the City of West Sacramento  
West Sacramento, California

We have applied the procedures enumerated below to the documentation of the Successor Agency to the Redevelopment Agency of the City of West Sacramento (the Successor Agency). These procedures, which were agreed to in advance by the Successor Agency, were performed to determine whether the information of the Low and Moderate Income Housing Fund (only) of the Redevelopment Agency of the City of West Sacramento and its Successor Agency as of June 30, 2012 that was reported to the State of California as required by State of California Assembly Bill No. 1484 (AB 1484) agreed to supporting documentation. AB 1484 imposes new requirements on redevelopments agency successor agencies with regard to the submittal of the Recognized Obligation Payment Schedule, the conducting of due diligence review (i.e. agreed-upon procedures) to determine the unobligated balances available for transfer to affected taxing entities and the recovery and subsequent remittance of funds determined to have been transferred absent an enforceable obligation. The City's and Successor Agency's management are responsible for establishing and maintaining internal controls over these activities, including monitoring ongoing activities.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the Successor Agency. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures performed related to the Low and Moderate Income Housing Fund (only) and its Successor Agency and our findings were as follows:

Citation: 34179.5(c)(1) The dollar value of assets transferred from the former redevelopment agency to the successor agency on or about February 1, 2012.

1. Obtain from the Successor Agency a listing of all assets that were transferred from the former redevelopment agency to the Successor Agency on February 1, 2012. Agree the amounts on this listing to account balances established in the accounting records of the Successor Agency. Identify in the Agreed-Upon Procedures (AUP) report the amount of the assets transferred to the Successor Agency as of that date.

Findings: No exceptions were noted as the result of the procedures performed. The amount of assets transferred from the former redevelopment agency to the Successor Agency on February 1, 2012 was \$978,007.01, which consisted of accounts receivable of \$3,061.00 and cash and investments transferred from the redevelopment agency debt service funds and capital projects fund of \$972,249.00 and \$2,697.01, respectively..

To the Oversight Board of the Successor Agency of  
the Redevelopment Agency of the City of West Sacramento

Citation: 34179.5(c)(2) The dollar value of assets and cash and cash equivalents transferred after January 1, 2011, through June 30, 2012, by the redevelopment agency or the successor agency to the city, county, or city and county that formed the redevelopment agency and the purpose of each transfer. The review shall provide documentation of any enforceable obligation that required the transfer.

2. If the State Controller's Office has completed its review of transfers required under both Sections 34167.5 and 34178.8 and issued its report regarding such review, attach a copy of that report as an exhibit to the AUP report. If this has not yet occurred, perform the following procedures:
  - A. Obtain a listing prepared by the Successor Agency of transfers (excluding payments for goods and services) from the former redevelopment agency to the city, county, or city and county that formed the redevelopment agency for the period from January 1, 2011 through January 31, 2012. For each transfer, the Successor Agency should describe the purpose of the transfer and describe in what sense the transfer was required by one of the Agency's enforceable obligations or other legal requirements. Provide this listing as an attachment to the AUP report.

Findings: The required listing of transfers describing the purpose of each transfer from the former redevelopment agency to the City related to the Low and Moderate Income Housing Fund from January 1, 2011 through January 31, 2012 is attached to this report. No other transfers were made to the County or other agencies. All transfers appeared to be required by an enforceable obligation or other requirement.

- B. Obtain a listing prepared by the Successor Agency of transfers (excluding payments for goods and services) from the Successor Agency to the city, county, or city and county that formed the redevelopment agency for the period from February 1, 2012 through June 30, 2012. For each transfer, the Successor Agency should describe the purpose of the transfer and describe in what sense the transfer was required by one of the Agency's enforceable obligations or other legal requirements. Provide this listing as an attachment to the AUP report.

Findings: No transfers related to the Low and Moderate Income Housing Fund were made by the Successor Agency to the City, County or other agencies during the period above except payments for goods and services, which are excluded from reporting as indicated in procedure B above.

- C. For each transfer, obtain the legal document that formed the basis for the enforceable obligation that required any transfer. Note in the AUP report the absence of any such legal document or the absence of language in the document that required the transfer.

Findings: No exceptions were noted as the result of the procedures performed. Transfers appeared to be according to an enforceable obligation.

Citation: 34179.5(c)(3) The dollar value of any cash or cash equivalents transferred after January 1, 2011, through June 30, 2012, by the redevelopment agency or the successor agency to any other public agency or private party and the purpose of each transfer. The review shall provide documentation of any enforceable obligation that required the transfer.

3. If the State Controller's Office has completed its review of transfers required under both Sections 34167.5 and 34178.8 and issued its report regarding such review, attach a copy of that report as an exhibit to the AUP report. If this has not yet occurred, perform the following procedures:

The State Controller's Office has not completed its review of transfers required under both Sections 34167.5 and 34178.8. The following procedures were performed as a result:

- A. Obtain a listing prepared by the Successor Agency of transfers (excluding payments for goods and services) from the former redevelopment agency to any other public agency or to private parties for the period from January 1, 2011 through January 31, 2012. For each transfer, the Successor Agency should describe the purpose of the transfer and describe in what sense the transfer was required by one of the Agency's enforceable obligations or other legal requirements. Provide this listing as an attachment to the AUP report.

To the Oversight Board of the Successor Agency of  
the Redevelopment Agency of the City of West Sacramento

Findings: The required listing of transfers describing the purpose of each transfer from the former redevelopment agency to any other public agency or private party (excluding payments for goods and services) and in what sense the transfer was required by one of the Agency's enforceable obligations or other legal requirements is attached to this report.

- B. Obtain a listing prepared by the Successor Agency of transfers (excluding payments for goods and services) from the Successor Agency to any other public agency or private parties for the period from February 1, 2012 through June 30, 2012. For each transfer, the Successor Agency should describe the purpose of the transfer and describe in what sense the transfer was required by one of the Agency's enforceable obligations or other legal requirements. Provide this listing as an attachment to the AUP report.

Findings: The required listing describing the purpose of each transfer from the Successor Agency to any other public agency or private parties (excluding payments for goods and services) related to the Low and Moderate Income Housing Fund from February 1, 2012 through June 30, 2012 and in what sense the transfer was required by one of the Agency's enforceable obligations or other legal requirements is attached to this report.

- C. For each transfer, obtain the legal document that formed the basis for the enforceable obligation that required any transfer. Note in the AUP report the absence of any such legal document or the absence of language in the document that required the transfer.

Findings: No exceptions were noted as the result of the procedures performed. The transfers appeared to be according to an enforceable obligation.

Citation: 34179.5(c)(4) The review shall provide expenditure and revenue accounting information and identify transfers and funding sources for the 2010-11 and 2011-12 fiscal years that reconciles balances, assets, and liabilities of the successor agency on June 30, 2012 to those reported to the Controller for the 2009-10 fiscal year.

- 4. Perform the following procedures:
  - A. Obtain from the Successor Agency a summary of the financial transactions of the Redevelopment Agency and the Successor Agency in the format set forth in the attached schedule for the fiscal periods indicated in the schedule. For purposes of this summary, the financial transactions should be presented using the modified accrual basis of accounting. End of year balances for capital assets (in total) and long-term liabilities (in total) should be presented at the bottom of this summary schedule for information purposes.
  - B. Ascertain that for each period presented, the total of revenues, expenditures, and transfers accounts fully for the changes in equity from the previous fiscal period.
  - C. Compare amounts in the schedule relevant to the fiscal year ended June 30, 2010 to the state controller's report filed for the Redevelopment Agency for that period.
  - D. Compare amounts in the schedule for the other fiscal periods presented to account balances in the accounting records or other supporting schedules. Describe in the report the type of support provided for each fiscal period.

Findings: Procedures 4(A), (B), (C) and (D) were not applicable to the Low and Moderate Income Housing Fund according to the general information regarding these procedures.



To the Oversight Board of the Successor Agency of  
the Redevelopment Agency of the City of West Sacramento

Citation: 34179.5(c)(5) A separate accounting for the balance for the Low and Moderate Income Housing Fund for all other funds and accounts combined shall be made as follows: (A) A statement of the total value of each fund as of June 30, 2012.

5. Obtain from the Successor Agency a listing of all assets of the Low and Moderate Income Housing Fund as of June 30, 2012 for the report that is due October 1, 2012 and a listing of all assets of all other funds of the Successor Agency as of June 30, 2012 (excluding the previously reported assets of the Low and Moderate Income Housing Fund) for the report that is due December 15, 2012. When this procedure is applied to the Low and Moderate Income Housing Fund, the schedule attached as an exhibit will include only those assets of the Low and Moderate Income Housing Fund that were held by the Successor Agency as of June 30, 2012 and will exclude all assets held by the entity that assumed the housing function previously performed by the former redevelopment agency. Agree the assets so listed to recorded balances reflected in the accounting records of the Successor Agency. The listings should be attached as an exhibit to the appropriate AUP report.

Findings: No exceptions were noted as a result of our procedures. Assets held by the Low and Moderate Income Housing Fund as of June 30, 2012, excluding the loans and accrued interest receivable transferred to the City fund that assumed the housing function previously performed by the former redevelopment agency, was cash of \$95,718 held for ROPS payments described under procedure 9 and cash of \$231,118 paid to the County of Yolo Auditor-Controller's Office in accordance with H&S 34183.5(b)(2)(A) described under procedure 10.

Citation: 34179.5(c)(5)(B) An itemized statement listing any amounts that are legally restricted as to purpose and cannot be provided to taxing entities. This could include the proceeds of any bonds, grant funds, or funds provided by other governmental entities that place conditions on their use.

6. Obtain from the Successor Agency a listing of asset balances held on June 30, 2012 that are restricted for the following purposes:
  - A. Unspent bond proceeds:
    - i. Obtain the Successor Agency's computation of the restricted balances (e.g., total proceeds less eligible project expenditures, amounts set aside for debt service payments, etc.).
    - ii. Trace individual components of this computation to related account balances in the accounting records, or to other supporting documentation (specify in the AUP report a description of such documentation).
    - iii. Obtain from the Successor Agency a copy of the legal document that sets forth the restriction pertaining to these balances. Note in the AUP report the absence of language restricting the use of the balances that were identified by the Successor Agency as restricted.

Findings: No assets were held for unspent bond proceeds related to the Low and Moderate Income Housing Fund by the Successor Agency at June 30, 2012. Procedures 6(A)(i), (ii) and (iii) were not applicable.

- B. Grant proceeds and program income that are restricted by third parties:
  - i. Obtain the Successor Agency's computation of the restricted balances (e.g., total proceeds less eligible project expenditures).
  - ii. Trace individual components of this computation to related account balances in the accounting records, or to other supporting documentation (specify in the AUP report a description of such documentation).
  - iii. Obtain from the Successor Agency a copy of the grant agreement that sets forth the restriction pertaining to these balances. Note in the AUP report the absence of language restricting the use of the balances that were identified by the Successor Agency as restricted.

To the Oversight Board of the Successor Agency of  
the Redevelopment Agency of the City of West Sacramento

Findings: No unspent grant proceeds or program income related to the Low and Moderate Income Housing Fund were held by the Successor Agency as of June 30, 2012. Procedures 6(B)(i), (ii) and (iii) were not applicable.

C. Other assets considered to be legally restricted:

- i. Obtain the Successor Agency's computation of the restricted balances (e.g., total proceeds less eligible project expenditures).
- ii. Trace individual components of this computation to related account balances in the accounting records, or to other supporting documentation (specify in the AUP report a description of such documentation).
- iii. Obtain from the Successor Agency a copy of the legal document that sets forth the restriction pertaining to these balances. Note in the AUP report the absence of language restricting the use of the balances that were identified by Successor the Agency as restricted.

Findings: No other assets were held by the Successor Agency related to the Low and Moderate Income Housing Fund that are considered to be legally restricted as of June 30, 2012. Procedures 6(C)(i), (ii), and (iii) were not applicable.

- D. Attach the above mentioned Successor Agency prepared schedule(s) as an exhibit to the AUP report. For each restriction identified on these schedules, indicate in the report the period of time for which the restrictions are in effect. If the restrictions are in effect until the related assets are expended for their intended purpose, this should be indicated in the report.

Findings: No restricted assets were held by the Successor Agency related to the Low and Moderate Income Housing Fund at June 30, 2012. Procedure is not applicable.

Citation: 34179.5(c)(5)(C) An itemized statement of the values of any assets that are not cash or cash equivalents. This may include physical assets, land, records, and equipment. For the purpose of this accounting, physical assets may be valued at purchase cost or at any recently estimated market value. The statement shall list separately housing-related assets.

7. Perform the following procedures:

- A. Obtain from the Successor Agency a listing of assets as of June 30, 2012 that are not liquid or otherwise available for distribution (such as capital assets, land held for resale, long-term receivables, etc.) and ascertain if the values are listed at either purchase cost (based on book value reflected in the accounting records of the Successor Agency) or market value as recently estimated by the Successor Agency.
- B. If the assets listed at 7(A) are listed at purchase cost, trace the amounts to a previously audited financial statement (or to the accounting records of the Successor Agency) and note any differences.
- C. For any differences noted in 7(B), inspect evidence of disposal of the asset and ascertain that the proceeds were deposited into the Successor Agency trust fund. If the differences are due to additions (this generally is not expected to occur), inspect the supporting documentation and note the circumstances.
- D. If the assets listed at 7(A) are listed at recently estimated market value, inspect the evidence (if any) supporting the value and note the methodology used. If no evidence is available to support the value and/or methodology, note the lack of evidence.

To the Oversight Board of the Successor Agency of  
the Redevelopment Agency of the City of West Sacramento

Findings: No illiquid assets related to the Low and Moderate Income Housing Fund were held by the Successor Agency as of June 30, 2012. The only illiquid assets related to the Low and Moderate Income Housing Fund were the loans receivable and accrued interest receivable transferred to the City fund assuming housing activities previously performed by the redevelopment agency. Procedures 7(A), (B), (C) and (D) were not applicable.

Citation: 34179.5(c)(5)(D) An itemized listing of any current balances that are legally or contractually dedicated or restricted for the funding of an enforceable obligation that identifies the nature of the dedication or restriction and the specific enforceable obligation. In addition, the successor agency shall provide a listing of all approved enforceable obligations that includes a projection of annual spending requirements to satisfy each obligation and a projection of annual revenues available to fund those requirements. If a review finds that future revenues together with dedicated or restricted balances are insufficient to fund future obligations and thus retention of current balances is required, it shall identify the amount of current balances necessary for retention. The review shall also detail the projected property tax revenues and other general purpose revenues to be received by the successor agency, together with both the amount and timing of the bond debt service payments of the successor agency, for the period in which the oversight board anticipates the successor agency will have insufficient property tax revenue to pay the specified obligations.

8. Perform the following procedures:

- A. If the Successor Agency believes that asset balances need to be retained to satisfy enforceable obligations, obtain from the Successor Agency an itemized schedule of asset balances (resources) as of June 30, 2012 that are dedicated or restricted for the funding of enforceable obligations and perform the following procedures. The schedule should identify the amount dedicated or restricted, the nature of the dedication or restriction, the specific enforceable obligation to which the dedication or restriction relates, and the language in the legal document that is associated with the enforceable obligation that specifies the dedication of existing asset balances toward payment of that obligation.
- i. Compare all information on the schedule to the legal documents that form the basis for the dedication or restriction of the resource balance in question.
  - ii. Compare all current balances to the amounts reported in the accounting records of the Successor Agency or to an alternative computation.
  - iii. Compare the specified enforceable obligations to those that were included in the final Recognized Obligation Payment Schedule approved by the California Department of Finance.
  - iv. Attach as an exhibit to the report the listing obtained from the Successor Agency. Identify in the report any listed balances for which the Successor Agency was unable to provide appropriate restricting language in the legal document associated with the enforceable obligation.

Findings: There were no unpaid enforceable obligations (i.e. remaining obligations from the Enforceable Obligation Payment Schedule) related to the Low and Moderate Income Housing Fund at June 30, 2012. Procedures 8(A)(i), (ii), (iii) and (iv) were not applicable

- B. If the Successor Agency believes that future revenues together with balances dedicated or restricted to an enforceable obligation are insufficient to fund future obligation payments and thus retention of current balances is required, obtain from the Successor Agency a schedule of approved enforceable obligations that includes a projection of the annual spending requirements to satisfy each obligation and a projection of the annual revenues available to fund those requirements and perform the following procedures:
- i. Compare the enforceable obligations to those that were approved by the California Department of Finance. Procedures to accomplish this may include reviewing the letter from the California Department of Finance approving the Recognized Enforceable Obligation Payment Schedules for the six month period from January 1, 2012 through June 30, 2012 and for the six month period July 1, 2012 through December 31, 2012.

To the Oversight Board of the Successor Agency of  
the Redevelopment Agency of the City of West Sacramento

- ii. Compare the forecasted annual spending requirements to the legal document supporting each enforceable obligation.
  - a. Obtain from the Successor Agency its assumptions relating to the forecasted annual spending requirements and disclose in the report major assumptions associated with the projections.
- iii. For the forecasted annual revenues:
  - a. Obtain from the Successor Agency its assumptions for the forecasted annual revenues and disclose in the report major assumptions associated with the projections.

Findings: There were no enforceable obligations (i.e. remaining obligations from the Enforceable Obligation Payment Schedule) related to the Low and Moderate Income Housing Fund as of June 30, 2012. Procedures 8(B)(i), (ii), and (iii) were not applicable.

- C. If the Successor Agency believes that projected property tax revenues and other general purpose revenues to be received by the Successor Agency are insufficient to pay bond debt service payments (considering both the timing and amount of the related cash flows), obtain from the Successor Agency a schedule demonstrating this insufficiency and apply the following procedures to the information reflected in that schedule.
  - i. Compare the timing and amounts of bond debt service payments to the related bond debt service schedules in the bond agreement.
  - ii. Obtain the assumptions for the forecasted property tax revenues and disclose major assumptions associated with the projections.
  - iii. Obtain the assumptions for the forecasted other general purpose revenues and disclose major assumptions associated with the projections.

Findings: There were no enforceable obligations (i.e. remaining obligations from the Enforceable Obligation Payment Schedule) related to the Low and Moderate Income Housing Fund as of June 30, 2012. Procedures 8(C)(i), (ii) and (iii) were not applicable.

- D. If procedures A, B, or C were performed, calculate the amount of current unrestricted balances necessary for retention in order to meet the enforceable obligations by performing the following procedures.
  - i. Combine the amount of identified current dedicated or restricted balances and the amount of forecasted annual revenues to arrive at the amount of total resources available to fund enforceable obligations.
  - ii. Reduce the amount of total resources available by the amount forecasted for the annual spending requirements. A negative result indicates the amount of current unrestricted balances that needs to be retained.
  - iii. Include the calculation in the AUP report.

Findings: There were no enforceable obligations (i.e. remaining obligations from the Enforceable Obligation Payment Schedule) related to the Low and Moderate Income Housing Fund as of June 30, 2012. Procedures 8(D)(i), (ii) and (iii) were not applicable.

Citation: 34179.5(c)(5)(E) An itemized list and analysis of any amounts of current balances that are needed to satisfy obligations that will be placed on the Recognized Obligation Payment Schedules for the current fiscal year.

To the Oversight Board of the Successor Agency of  
the Redevelopment Agency of the City of West Sacramento

9. If the Successor Agency believes that cash balances as of June 30, 2012 need to be retained to satisfy obligations on the Recognized Obligation Payment Schedule (ROPS) for the period of July 1, 2012 through June 30, 2013, obtain a copy of the final ROPS for the period of July 1, 2012 through December 31, 2012 and a copy of the final ROPS for the period January 1, 2013 through June 30, 2013. For each obligation listed on the ROPS, the Successor Agency should add columns identifying (1) any dollar amounts of existing cash that are needed to satisfy that obligation and (2) the Successor Agency's explanation as to why the Successor Agency believes that such balances are needed to satisfy the obligation. Include this schedule as an attachment to the AUP report.

Findings: The report comparing existing cash held by the Successor Agency at June 30, 2012 to each enforceable obligation listed on the ROPS with the Successor Agency's explanation as to why the Successor Agency believes that such balances are needed to satisfy the obligation is attached to the report.

Citation: 34179.5(c)(6) The review shall total the net balances available after deducting the total amounts described in subparagraphs (B) to (E), inclusive, of paragraph (5). The review shall add any amounts that were transferred as identified in paragraphs (2) and (3) of subdivision (c) if an enforceable obligation to make that transfer did not exist. The resulting sum shall be available for allocation to affected taxing entities pursuant to Section 34179.6. It shall be a rebuttable presumption that cash and cash equivalent balances available to the successor agency are available and sufficient to disburse the amount determined in this paragraph to taxing entities. If the review finds that there are insufficient cash balances to transfer or that cash or cash equivalents are specifically obligated to the purposes described in subparagraphs (B), (D), and (E) of paragraph (5) in such amounts that there is insufficient cash to provide the full amount determined pursuant to this paragraph, that amount shall be demonstrated in an additional itemized schedule.

10. Include (or present) a schedule detailing the computation of the Balance Available for Allocation to Affected Taxing Entities. Amounts included in the calculation should agree to the results of the procedures performed in each section above. The schedule should also include a deduction to recognize amounts already paid to the County Auditor-Controller on July 12, 2012 as directed by the California Department of Finance. The amount of this deduction presented should be agreed to evidence of payment. The attached example summary schedule may be considered for this purpose. Separate schedules should be completed for the Low and Moderate Income Housing Fund and for all other funds combined (excluding the Low and Moderate Income Housing Fund).

Findings: No exceptions were noted as a result of our procedures. The schedule detailing the computation of the Balance Available for Allocation to Affected Taxing Entities related to the Low and Moderate Income Housing Fund is attached.

11. Suggested Procedure(s): Obtain a representation letter from Successor Agency management acknowledging their responsibility for the data provided to the practitioner and the data presented in the report or in any attachments to the report. Included in the representations should be an acknowledgment that management is not aware of any transfers (as defined by Section 34179.5) from either the former redevelopment agency or the Successor Agency to other parties for the period from January 1, 2011 through June 30, 2012 that have not been properly identified in the AUP report and its related exhibits. Management's refusal to sign the representation letter should be noted in the AUP report as required by attestation standards.

Findings: A representation letter from the Successor Agency management acknowledging their responsibility for the data provided and data presented in the report or in any attachments to the report was obtained.

We were not engaged to, and did not, conduct an audit, the objective of which would be the expression of an opinion, on whether the City's or Successor Agency's internal controls over supporting documentation for procedures referred to above were functioning correctly. Accordingly, we express no opinion on the aforementioned information. Had we performed additional procedures or had we conducted an audit of the aforementioned information in accordance with generally accepted auditing standards, other matters might have come to our attention that would have been reported to you. This report only relates to the procedures referred to above and does not extend to any financial statements of the City or Successor Agency taken as a whole.

To the Oversight Board of the Successor Agency of  
the Redevelopment Agency of the City of West Sacramento

This report is intended solely for the information of the City, the Successor Agency, the County of Yolo, the California State Controller's Office and California Department of Finance and is not intended to be and should not be used by anyone other than those specified parties.

*Richardson & Company*

September 18, 2012

Successor Agency to the Redevelopment Agency of the City of West Sacramento  
 Procedure 2 A - RDA Transfers to the City, County or City and County Forming the RDA from 1/1/2011 to 1/31/2012  
 Low and Moderate Income Housing Fund

Transfer Out - 5950 Redevelopment Housing Fund-291

| SOURCE FUND | NAME/TYPE OF ASSET            | BOOK VALUE     | ref. | DATE      | TRANSFERRED   | TO WHOM IT WAS TRANSFERRED  | Purpose of Transfer                               | Legal Document to Support the Transfer |
|-------------|-------------------------------|----------------|------|-----------|---|---|---|--|
| 291         | RDA Housing General Transfers | \$213,115.92   | a    | 7/1/2011  | Bond Fund 310 and 312                                       | Principal and Interest Payment on 1998 and 2007 RDA Bonds                   | Page 56 of the 2010-2011 Budget & Debt Agreements |  |
| 291         | RDA Housing General Transfers | \$213,115.92   | a    | 7/1/2011  | Bond Fund 310 and 312                                       | Principal and Interest Payment on 1998 and 2007 RDA Bonds                   | Page 56 of the 2010-2011 Budget & Debt Agreements |  |
| 291         | RDA Housing General Transfers | \$213,115.92   | a    | 3/1/2011  | Bond Fund 310 and 312                                       | Principal and Interest Payment on 1998 and 2007 RDA Bonds                   | Page 56 of the 2010-2011 Budget & Debt Agreements |  |
| 291         | RDA Housing General Transfers | \$213,115.92   | a    | 4/1/2011  | Bond Fund 310 and 312                                       | Principal and Interest Payment on 1998 and 2007 RDA Bonds                   | Page 56 of the 2010-2011 Budget & Debt Agreements |  |
| 291         | RDA Housing General Transfers | \$213,115.92   | a    | 5/1/2011  | Bond Fund 310 and 312                                       | Principal and Interest Payment on 1998 and 2007 RDA Bonds                   | Page 56 of the 2010-2011 Budget & Debt Agreements |  |
| 291         | RDA Housing General Transfers | \$213,115.92   | a    | 6/1/2011  | Bond Fund 310 and 312                                       | Principal and Interest Payment on 1998 and 2007 RDA Bonds                   | Page 56 of the 2010-2011 Budget & Debt Agreements |  |
| 291         | RDA Housing 290/291           | \$710,289.00   | (1)  | 5/1/2011  | Adj Prior/Current Yr Debt Schedule                          | Adjustment due to the allocation of debt service to Housing vs. Non Housing | Adjustment to RDA General                         |  |
| 291         | General Support               | \$17,751.25    |      | 1/1/2011  | General Support Services Fund 104                           | Payment for General Support of the Redevelopment Housing Functions/Programs | Page 51 of the 2010-2011 Budget                   |  |
| 291         | General Support               | \$17,751.25    |      | 2/1/2011  | General Support Services Fund 104                           | Payment for General Support of the Redevelopment Housing Functions/Programs | Page 51 of the 2010-2011 Budget                   |  |
| 291         | General Support               | \$17,751.25    |      | 3/1/2011  | General Support Services Fund 104                           | Payment for General Support of the Redevelopment Housing Functions/Programs | Page 51 of the 2010-2011 Budget                   |  |
| 291         | General Support               | \$17,751.25    |      | 4/1/2011  | General Support Services Fund 104                           | Payment for General Support of the Redevelopment Housing Functions/Programs | Page 51 of the 2010-2011 Budget                   |  |
| 291         | General Support               | \$17,751.25    |      | 5/1/2011  | General Support Services Fund 104                           | Payment for General Support of the Redevelopment Housing Functions/Programs | Page 51 of the 2010-2011 Budget                   |  |
| 291         | General Support               | \$17,751.25    |      | 6/1/2011  | General Support Services Fund 104                           | Payment for General Support of the Redevelopment Housing Functions/Programs | Page 51 of the 2010-2011 Budget                   |  |
| 291         | General Support               | \$15,000.00    | (2)  | 6/30/2011 | Yearend Trueup  | True up General Support Allocation/Refund Funds respectively                | Internal Adj.                                     |  |
| 291         | 10-STBQH-6744 Grant           | \$15,000.00    | (3)  | 7/1/2011  | City Match 260-9938   | Transfer Funds for a match to the Housing Program                           | City Council Resolution 10-38 and grant agreement |  |
| 291         | General Support               | \$14,763.83    |      | 7/1/2011  | General Support Services Fund 104                           | Payment for General Support of the Redevelopment Housing Functions/Programs | Page 41 of the 2011-2012 Budget                   |  |
| 291         | General Support               | \$14,763.83    |      | 8/1/2011  | General Support Services Fund 104                           | Payment for General Support of the Redevelopment Housing Functions/Programs | Page 41 of the 2011-2012 Budget                   |  |
| 291         | General Support               | \$14,763.83    |      | 9/1/2011  | General Support Services Fund 104                           | Payment for General Support of the Redevelopment Housing Functions/Programs | Page 41 of the 2011-2012 Budget                   |  |
| 291         | General Support               | \$14,763.83    |      | 10/1/2011 | General Support Services Fund 104                           | Payment for General Support of the Redevelopment Housing Functions/Programs | Page 41 of the 2011-2012 Budget                   |  |
| 291         | General Support               | \$14,763.83    |      | 11/1/2011 | General Support Services Fund 104                           | Payment for General Support of the Redevelopment Housing Functions/Programs | Page 41 of the 2011-2012 Budget                   |  |
| 291         | General Support               | \$14,763.83    |      | 12/1/2011 | General Support Services Fund 104                           | Payment for General Support of the Redevelopment Housing Functions/Programs | Page 41 of the 2011-2012 Budget                   |  |
| 291         | General Support               | \$14,763.83    |      | 1/1/2012  | General Support Services Fund 104                           | Payment for General Support of the Redevelopment Housing Functions/Programs | Page 41 of the 2011-2012 Budget                   |  |
| 291         | RDA Housing General Transfers | \$152,669.25   |      | 7/1/2011  | RDA Bond Funds & Community Development Support Services and | Principal and Interest Payment on 1998 and 2007 RDA Bonds                   | Page 57 of the 2011-2012 Budget & Debt Agreement  |  |
| 291         | RDA Housing General Transfers | \$152,669.25   |      | 8/1/2011  | Funding positions for Public Info,                          | Principal and Interest Payment on 1998 and 2007 RDA Bonds                   | Page 57 of the 2011-2012 Budget & Debt Agreement  |  |
| 291         | RDA Housing General Transfers | \$152,669.25   |      | 9/1/2011  | Bond Fund 310 and 312                                       | Principal and Interest Payment on 1998 and 2007 RDA Bonds                   | Page 57 of the 2011-2012 Budget & Debt Agreement  |  |
| 291         | RDA Housing General Transfers | \$152,669.25   |      | 10/1/2011 | Bond Fund 310 and 312                                       | Principal and Interest Payment on 1998 and 2007 RDA Bonds                   | Page 57 of the 2011-2012 Budget & Debt Agreement  |  |
| 291         | RDA Housing General Transfers | \$152,669.25   |      | 11/1/2011 | Bond Fund 310 and 312                                       | Principal and Interest Payment on 1998 and 2007 RDA Bonds                   | Page 57 of the 2011-2012 Budget & Debt Agreement  |  |
| 291         | RDA Housing General Transfers | \$152,669.25   |      | 12/1/2011 | Bond Fund 310 and 312                                       | Principal and Interest Payment on 1998 and 2007 RDA Bonds                   | Page 57 of the 2011-2012 Budget & Debt Agreement  |  |
| 291         | RDA Housing General Transfers | \$152,669.25   |      | 1/1/2012  | Bond Fund 310 and 312                                       | Principal and Interest Payment on 1998 and 2007 RDA Bonds                   | Page 57 of the 2011-2012 Budget & Debt Agreement  |  |
| TOTAL       |                               | \$1,830,420.54 |      |           |   |   |   |  |

LIST ALL ABOVE TRANSFERS THAT WERE REVERSED

| NAME/TYPE OF ASSET      | FUND | BOOK VALUE     | DATE      | TRANSFERRED      | TO WHOM IT WAS TRANSFERRED                     |
|-------------------------|------|----------------|-----------|------------------|--|
| Reverse General Support | 291  | (\$73,818.19)  | 1/31/2012 | Fund 104         | Reverse Transfer Due to the Fact RDA Dissolved |
| Reverse Debt Transfer   | 291  | (\$763,346.00) | 1/31/2012 | Fund 310 and 312 | Reverse Transfer Due to the Fact RDA Dissolved |
| TOTAL                   |      | (\$837,165.19) |           |                  |  |

Transfer In - 4990

| NAME/TYPE OF ASSET   | FUND | BOOK VALUE   | DATE     | TRANSFERRED | TO WHOM IT WAS TRANSFERRED                         |
|----------------------|------|--------------|----------|-------------|--|
| Adj Debt Svs Payment | 291  | \$710,289.00 | 5/7/2011 | Fund 290    | Adjust Transfer Due to RDA Debt Service Allocation |
| TOTAL                |      | \$710,289.00 |          |             |  |

① The split used when transferring funds to the City's debt service fund between the Low and Moderate Income Housing Fund and other Redevelopment Agency funds was not correct prior to May 2011 and was corrected with this entry reducing transfers out and increasing cash in Low and Moderate Income Housing Special Revenue Fund 291 in May 2011.

② True-up entry to reduce the General Support Service amount paid by the Low and Moderate Income Housing Fund to the General Fund. Amount is allocated for goods & services and, thus, was excluded from procedures performed per instructions for procedure 2A.

③ Match for CDBG Grant for Multifamily Rehabilitation Program. First Time Homebuyer Assistance Program and Preschool Scholarship Program



Successor Agency to the Redevelopment Agency of the City of West Sacramento  
 Procedure 3 A - RDA Transfers from the Former Redevelopment Agency to any Other Public Agency or to Private Parties 1/1/2011 to 1/31/2012  
 Low And Moderate Housing Income Fund

Transfer Out

| NAME/TYPE OF ASSET                        | FUND | BOOK VALUE     | DATE TRANSFERRED | TO WHOM IT WAS TRANSFERRED                      | Legal Document to Support the Transfer |
|---|------|----------------|------------------|---|--|
| Bridge Housing / Bridge Loan Disbursement | 294  | \$52,591.30    | 9/7/2011         | Bridge Triangle, LLC                            | Loan Agreement                         |
| Bridge Housing / Bridge Loan Disbursement | 294  | \$37,464.29    | 9/7/2011         | Bridge Triangle, LLC                            | Loan Agreement                         |
| Bridge Housing / Bridge Loan Disbursement | 294  | \$34,341.27    | 10/11/2011       | Bridge Triangle, LLC                            | Loan Agreement                         |
| Bridge Housing / Bridge Loan Disbursement | 294  | \$99,061.22    | 10/11/2011       | Bridge Triangle, LLC                            | Loan Agreement                         |
| Bridge Housing / Bridge Loan Disbursement | 294  | \$105,156.43   | 12/22/2011       | Bridge Triangle, LLC                            | Loan Agreement                         |
| Bridge Housing / Bridge Loan Disbursement | 294  | \$91,309.26    | 12/22/2011       | Bridge Triangle, LLC                            | Loan Agreement                         |
| Bridge Housing / Bridge Loan Disbursement | 294  | \$5,743,435.47 | 7/31/2011        | Bridge Triangle, LLC                            | Loan Agreement                         |
| Bridge Housing / Bridge Loan Disbursement | 291  | \$1,059,053.00 | 1/31/2012        | Bridge Triangle, LLC                            | Loan Agreement                         |
| Delta Lane / Loan Disbursement            | 291  | \$1,742,337.58 | 1/31/2012        | West Sacramento Housing Development Corporation | Loan Agreement                         |
| TOTAL                                     |      | \$8,964,749.82 |                  |   |  |

LIST ALL ABOVE TRANSFERS THAT WERE REVERSED

| NAME/TYPE OF ASSET | FUND | BOOK VALUE | DATE TRANSFERRED | TO WHOM IT WAS TRANSFERRED |
|--------------------|------|------------|------------------|----------------------------|
|                    |      |            |                  |                            |
|                    |      |            |                  |                            |
|                    |      |            |                  |                            |
|                    |      |            |                  |                            |
| TOTAL              |      | \$0.00     |                  |                            |

Successor Agency to the Redevelopment Agency of the City of West Sacramento  
 Procedure 3 B - Transfers from Successor Agency to any Other Public Agency or Private Party from 2/1/2012 to 6/30/2012  
 Low and Moderate Income Housing Fund

| NAME/TYPE OF ASSET                   | FUND | BOOK VALUE   | Date Transferred | TO WHOM IT WAS TRANSFERRED                | Legal Document to Support the Transfer |
|--------------------------------------|------|--------------|------------------|---|--|
| Delta Lane Project Loan Disbursement | 264  | \$257,662.42 | 4/1/2012         | West Sacramento Housing Development Corp. | ROPS and Debt Agreement                |
| 1998 RDA Debt Interest Expense       | 264  | \$216,373.88 | 3/31/2012        | Union Bank of California                  | ROPS and Debt Agreement                |
| 2007 RDA B Debt Interest Expense     | 264  | \$171,377.63 | 3/31/2012        | Union Bank of California                  | ROPS and Debt Agreement                |
| TOTAL                                |      | \$645,413.93 |                  |   |  |

Successor Agency to the Redevelopment Agency of West Sacramento  
 Procedure 9 - Cash Balances Held to Satisfy ROPS for July 1, 2012 through June 30, 2013  
 Low and Moderate Income Housing Fund

FORM A - Redevelopment Property Tax Trust Fund (RPTTF)

Name of Redevelopment Agency: West Sacramento Redevelopment Agency  
 Project Area(s): West Sacramento Redevelopment Project Area No. 1  
 Time Period: July 1 - December 31, 2012

RECOGNIZED OBLIGATION PAYMENT SCHEDULE

Per AB 26 - Section 34177 (\*)

| Project Name / Debt Obligation   | Contract/Agreement Execution Date | Payee                      | Description               | Total Outstanding Debt or Obligation | Total Due During Fiscal Year 2012-2013** | *** Funding Source | Payable from the Redevelopment Property Tax Trust Fund (RPTTF) |           |            |           |           |           |           | Existing Cash Held to Satisfy Obligation |
|--|-----------------------------------|----------------------------|---------------------------|--------------------------------------|--|--------------------|--|-----------|------------|-----------|-----------|-----------|-----------|--|
|  |                                   |                            |                           |                                      |  |                    | Payments by month  |           |            |           |           |           |           |  |
|  |                                   |                            |                           |                                      |  |                    | July 2012  | Aug. 2012 | Sept. 2012 | Oct. 2012 | Nov. 2012 | Dec. 2012 |           |  |
| 1) Della Lane Housing Loan   | June 22, 2011                     | COWS & Various Contractors | Feasibility Study and ENA | 414,240.00                           | 34,520.00                                | RPTTF              | 6,904.00   | 6,904.00  | 6,904.00   | 6,904.00  | 6,904.00  | 6,904.00  | 41,424.00 | \$ 41,424.00                             |
| 2) Bridge Housing Loan   | March 2, 2011                     | COWS & Various Contractors | Feasibility Study and ENA | 325,764.00                           | 45,245.00                                | RPTTF              | 9,048.00   | 9,048.00  | 9,048.00   | 9,048.00  | 9,048.00  | 9,048.00  | 54,294.00 | \$ 54,294.00                             |
| Note: The items listed on the ROPS above are projected payments to the City and contractors for administration of the debt agreements. |                                   |                            |                           |                                      |  |                    |  |           |            |           |           |           |           |  |
| ** All totals due during fiscal year and payment amounts are projected.  |                                   |                            |                           |                                      |  |                    |  |           |            |           |           |           |           |  |
| RPTTF - Redevelopment Property Tax Trust Fund  |                                   |                            |                           |                                      |  |                    |  |           |            |           |           |           |           |  |

Successor Agency to the Redevelopment Agency of the City of West Sacramento  
 Procedure 10: Balance Available for Allocation to Affected Taxing Entities  
 Low and Moderate Income Housing Fund

V. 8-27-12

SUMMARY OF BALANCES AVAILABLE FOR ALLOCATION TO AFFECTED TAXING ENTITIES

|  |                        |
|--|------------------------|
| Total amount of assets held by the successor agency as of June 30, 2012 (procedure 5)  | \$ 326,836.00          |
| Add the amount of any assets transferred to the city or other parties for which an enforceable obligation with a third party requiring such transfer and obligating the use of the transferred assets did not exist (procedures 2 and 3) | \$ -                   |
| Less assets legally restricted for uses specified by debt covenants, grant restrictions, or restrictions imposed by other governments (procedure 6)  | \$ -                   |
| Less assets that are not cash or cash equivalents (e.g., physical assets) - (procedure 7)  | \$ -                   |
| Less balances that are legally restricted for the funding of an enforceable obligation (net of projected annual revenues available to fund those obligations) - (procedure 8)  | \$ -                   |
| Less balances needed to satisfy ROPS for the 2012-13 fiscal year (procedure 9)   | \$ (95,718.00)         |
| Less the amount of payments made on July 12, 2012 to the County Auditor-Controller as directed by the California Department of Finance   | <u>\$ (231,118.00)</u> |
| Amount to be remitted to county for disbursement to taxing entities  | <u>\$ -</u>            |

*Note that separate computations are required for the Low and Moderate Income Housing Fund held by the Successor Agency and for all other funds held by the Successor Agency.*

NOTES: For each line shown above, an exhibit should be attached showing the composition of the summarized amount.

If the review finds that there are insufficient funds available to provide the full amount due, the cause of the insufficiency should be demonstrated in a separate schedule.



# County of Yolo

www.yolocounty.org

HOWARD H. NEWENS, CIA, CPA

AUDITOR-CONTROLLER and  
TREASURER-TAX COLLECTOR

## AUDITOR-CONTROLLER

PO BOX 1268  
WOODLAND, CA 95776  
PHONE: (530) 666-8190  
FAX: (530) 666-8215

## TREASURER-TAX COLLECTOR

PO BOX 1895  
WOODLAND, CA 95776  
PHONE: (530) 666-8625  
FAX: (530) 666-8708

July 9, 2012

West Sacramento Successor Agency  
C/o City of West Sacramento  
Finance Department  
1110 West Capitol Avenue  
West Sacramento, CA 95691

Attention: Paul Blumberg, Public Finance Manager  
Nitish Sharma, Budget Manager

**Re: Notice of residual amount owed to taxing entities and demand for said amount**

We have performed the review required by Health & Safety code section 34183.5 (b)(2)(A) and determined that the West Sacramento Successor Agency owes \$2,446,131 to taxing entities in Yolo County, calculated as follows:

| DESCRIPTION  | AMOUNT                    |
|--|---------------------------|
| Gross tax revenues for 1/1/12 - 6/30/12 period     | \$12,974,956              |
| DOF maximum allowed RPTTF obligations (Exhibit 12) | - 8,381,960               |
| Computed debt service set aside                    | - 1,775,000               |
| County administrative cost allowed                 | - 371,865                 |
| Amount owed to taxing entities                     | \$2,446,131 <sup>2/</sup> |

In accordance with H&S 34183.5 (b)(2)(A), please remit \$2,446,131 by 7/12/2012, made payable to Yolo County Treasurer at the address on this letterhead.

Howard Newens  
Auditor-Controller and  
Treasurer-Tax Collector

ASSURANCE OF ACCOUNTABILITY

2/

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## REDEVELOPMENT SUCCESSOR AGENCY OVERSIGHT BOARD

## AGENDA REPORT

MEETING DATE: October 15, 2012

ITEM # 4

**SUBJECT:**

**CONSIDERATION OF OB RESOLUTION 12-14 DELEGATING AUTHORITY TO THE EXECUTIVE DIRECTOR TO EXECUTE AN AMENDMENT TO THE DELTA LANE LOAN AGREEMENT AND TO TAKE CERTAIN ACTIONS UPON THE EXECUTION OF DISPOSITION AND DEVELOPMENT AGREEMENT FOR THE DELTA LANE PROPERTY**

**INITIATED OR REQUESTED BY:****REPORT COORDINATED OR PREPARED BY:**

Oversight Board       Staff  
 Other

Katie Yancey, Senior Administrative Analyst



Martin Tuttle, Executive Director  
 West Sacramento Redevelopment Successor Agency

ATTACHMENT  Yes     No     Information     Direction     Action

**OBJECTIVE**

The purpose of this report is to recommend that the West Sacramento Redevelopment Successor Agency Oversight Board ("Oversight Board") delegate authority to the Executive Director take certain actions to effectuate the development of the Delta Lane site, including the execution of an amendment to the Delta Lane Loan Agreement with the West Sacramento Housing Development Corporation.

**RECOMMENDED ACTION**

It is respectfully recommended that the Oversight Board adopt OB Resolution 12-14 delegating authority to the Executive Director to execute an amendment to the Delta Lane Loan Agreement and to take certain actions related to the Delta Lane Loan Agreement upon the execution of a Disposition and Development Agreement (DDA) for the Delta Lane property.

**BACKGROUND**

The Delta Lane property is a 3-acre development site located in the Bridge District at the southeast corner of Garden Street and Tower Bridge Gateway, as shown in Attachment 1. In 2008, the Delta Lane property, consisting of City- and Redevelopment Agency-owned parcels, was identified as an affordable housing site in the Proposition 1C grant application. In 2010, the Agency recorded an affordable housing covenant on its parcel as security for the \$23 million grant, and the City and the Redevelopment Agency adopted Joint Resolution 10-33 which authorized the transfer of fee title of the City's property to the Agency to facilitate the construction of the required affordable housing units. In 2011, the Agency recorded a second affordable housing covenant as the parcel transferred from the City via Joint Resolution 10-33, thereby securing the entire site to help meet the City's Proposition 1C obligation to construct affordable housing.

The Redevelopment Agency identified the West Sacramento Housing Development Corporation as the preferred partner with which to develop the affordable units required by the Proposition 1C commitment to the State. On March 23, 2011 the Agency adopted Resolution 11-19 which authorized the Executive Director to enter into an affordable housing loan agreement with the West Sacramento Housing Development Corporation ("Borrower"). The loan agreement was executed on June 22, 2011 with a maximum total disbursement amount of \$11.7 million.

The enactment of AB 26 in January 2012 complicated the implementation of the loan to the Borrower. The new law allowed cities with redevelopment agencies the opportunity to become successors in interest to their redevelopment agencies. With the adoption of the Council Resolution 12-7, the City became the successor to the West Sacramento Redevelopment Agency ("Agency") and assumed the Agency's contractual rights and obligations, including the obligation to provide an \$11.7 million loan to the Borrower under the terms of the Agreement. As contemplated in the loan agreement, the City, acting as the Successor to the Redevelopment Agency, became the lender ("Lender") of the \$11.7 million. Since the dissolution of the Agency, the Oversight Board has approved three Recognized Obligation Payment Schedules (ROPS). To date, the payments on the ROPS to fund the loan agreement have totaled of \$4.85 million.



Pursuant to AB 26, the former Agency's housing assets were transferred to the City of West Sacramento as the housing successor by operation of law following an action by the City Council on January 11, 2012, through which the City elected to retain the Agency's housing assets and functions. In accordance with Health and Safety Code Section 34176(a)(2), the Oversight Board heard an informational item on July 26, 2012, after which the City submitted to the State Department of Finance an inventory of housing assets transferred to the City as of February 1, 2012. The inventory included the Delta Lane property. The Department of Finance has notified the City in writing that it is not objecting to any of the transfers identified on the housing inventory, including the transfer of the Delta Lane site to the City.

### **ANALYSIS**

The Borrower must satisfy various conditions in the loan agreement before receiving loan disbursements. Condition 24(B)(iii) states that the Borrower will select a qualified development team for the site and notify the Lender in writing and that the Lender will approve the selection. On June 5, 2012, the Borrower submitted a letter to the City advising that they have selected Jamboree Housing (JH) as their co-general partner in project. The Borrower and JH have entered in a Memorandum of Understanding and have filed for a limited partnership for the purposes of constructing the project. JH has proposed a multi-generational project that will be built in two phases and has recently submitted an application for design review of phase one of project. Staff is working with JH on minor design-related issues.

Prior to the dissolution of the Agency, the Lender and the owner of the Delta Lane site would have been the same entity. Many technical details, such as written approval of the development team, phasing of the project and the standard assignment of the loan to a limited partnership, would have been addressed simultaneously with the approval of the DDA. However, since the City is the housing successor, it will consider the DDA independently of the Oversight Board. The sequencing of the loan amendment and the DDA are critical to the City because the construction deadline of the required affordable housing units on this site. A qualified development team, such as a partnership between the Borrower and JH, must complete construction the City's Proposition IC committed units by 2018. Failure to meet this milestone could trigger a demand from the state to repay approximately of \$6 million of the \$23 million grant.

The actions recommended in this staff report are necessary to implement the loan that was previously committed by the Agency in order to effectuate the disposition and development of the Delta Lane property. Adoption of OB Resolution 12-14 furthers the Oversight Board's primary objective of expeditiously winding down ongoing projects of the former Agency. In addition, the recommended action provides the development team with more opportunities to pursue grant funding for the development of the project, which in turn could reduce future allocations on the ROPS to fund the loan commitment. Finally, the development of this site will result in new property tax revenue to Yolo County taxing entities.

Staff has already negotiated a DDA term sheet with JH and anticipates bringing the DDA to Council for consideration by the end of the year. It is prudent to address these technical details in an amendment to the existing loan prior to bringing the DDA to the City Council because it allows time for the Department of Finance review and comment on the document.

### **Alternatives**

The Oversight Board's primary alternatives are summarized below.

1. Adopt Resolution OB 12-14.
2. Do not adopt Resolution OB 12-14 and instruct staff to return with the final version of the amendment to the loan agreement before execution.
3. Do not adopt Resolution OB 12-14 and instruct staff to return with additional information regarding the project and the development team.
4. Do not take any action.

Alternative 1 is staff's recommended action. Staff is prepared to implement Alternatives 2 and 3 at the direction of the Oversight Board. However, this would halt negotiations for the DDA and delay consideration of the DDA until next year. JH has stated that they intend to pursue tax credits in the spring and delay of site control could potentially prevent submission of an application. Staff does not recommend Alternative 4 because the development of the Delta Lane site for affordable housing is a requirement of the City's Proposition IC grant.

Budget/Cost Impact

The remainder on the loan agreement may not exceed \$6.85 million.

**ATTACHMENT(S)**

1. Delta Lane Exhibit
2. OB Resolution 12-14



ATTACHMENT 1



Delta Lane Site



**RESOLUTION OB 12-14**

**A RESOLUTION OF THE OVERSIGHT BOARD OF THE WEST SACRAMENTO REDEVELOPMENT SUCCESSOR AGENCY DELEGATING AUTHORITY TO THE EXECUTIVE DIRECTOR TO EXECUTE AN AMENDMENT TO THE DELTA LANE LOAN AGREEMENT AND TO TAKE CERTAIN ACTIONS UPON THE EXECUTION OF DISPOSITION AND DEVELOPMENT AGREEMENT FOR THE DELTA LANE PROPERTY.**

**WHEREAS**, the Health and Safety Code section 34177(h) directs that the Successor Agency wind down the affairs of the former Agency, directs that the Successor Agency to continue to oversee development of properties until completion or until the former Agency contractual obligations can be transferred to other parties; and

**WHEREAS**, On March 23, 2011 the former Redevelopment Agency of the City of West Sacramento ("Agency") adopted Resolution 11-19 which authorized the Executive Director to enter into an affordable housing loan agreement with the West Sacramento Housing Development Corporation ("Borrower") to provide funding for the development by the Borrower of a multi-family housing project (the "Project") at a site described in Exhibit A to the Agreement (the "Property"); and

**WHEREAS**, the loan agreement authorized by Resolution 11-19 was executed on June 22, 2011 with a maximum total disbursement amount of \$11.7 million; and

**WHEREAS**, on February 1, 2012 the Agency was dissolved by operation of law, at which time i) the Agency's housing assets were transferred to the City of West Sacramento as the housing successor (hereinafter the "City") pursuant to an action by the City Council on January 11, 2012, election to retain housing assets and functions, and ii) the Agency's other contractual rights and obligations, including the obligation to provide an \$11.7 million loan to the Borrower under the terms of the Agreement, were assumed by the City of West Sacramento acting as the Successor Agency to the RDA (hereinafter the "Lender"); and

**WHEREAS**, in accordance with Health and Safety Code Section 34176(a)(2), the City timely submitted to the State Department of Finance an inventory of housing assets transferred to the City, which inventory included the Property; and

**WHEREAS**, on August 25, 2012, the Department of Finance notified the City that it was not objecting to any of the transfers identified on the housing inventory, including the transfer of the Property; and

**WHEREAS**, the Lender and the owner of the Delta Lane site are no longer the same legal entity; and

**WHEREAS**, the Project includes the construction of at least 103 units affordable to low-income households and 26 very low-income units (the "Units"); and

**WHEREAS**, Borrower proposes to construct the Project in two phases, and has requested that the Agreement be modified to permit the disbursement of loan proceeds in phases; and

**WHEREAS**, Borrower and the City anticipate entering into a Disposition and Development Agreement ("DDA") that will govern the transfer of the Property to Borrower and the phasing and timing of construction of the Units on the Property; and

**WHEREAS**, the City is the housing successor, it will consider the DDA independently of the Oversight Board; and

**WHEREAS**, the Borrower has requested that the Oversight Board amend the Agreement to allow for the disbursement of loan proceeds consistent with the phasing of the Project to be approved in the DDA; and

**WHEREAS**, the Borrower has requested that the Oversight Board delegate authority to the Executive Director to undertake certain actions, upon the execution of a DDA, that would have been addressed simultaneously with its approval had the Lender and the owner of the Delta Lane property been the same legal entity.

**NOW, THEREFORE, BE IT RESOLVED**, by the Oversight Board of the West Sacramento Redevelopment Successor Agency that:

Section 1: The Executive Director is hereby immediately authorized to by the Oversight Board, for, in the name of, and on the behalf of the Oversight Board to do the following:

- a. Execute an amendment to the Delta Lane Loan Agreement substantially in the form of the document attached hereto and incorporated herein as Exhibit B.

Section 2: The Executive Director is hereby authorized, upon the execution of a DDA between the City of West Sacramento and the West Sacramento Housing Development Corporation or any registered partnership of which they are a member, by the Oversight Board, for, in the name of, and on the behalf of the Oversight Board to do the following:

- a. To confirm and approve in writing the selection of the development team; and
- b. Execute and deliver any and all documents, do any and all things, and take any and all actions that may be necessary or advisable, in his discretion in order to assign and implement the \$11.7 million loan to a limited partnership, of which the West Sacramento Housing Development Corporation is a member, as anticipated in Section 22 (A) of the original Loan Agreement's Deed of Trust attached hereto as Exhibit C.

**PASSED AND ADOPTED**, by the Oversight Board of the West Sacramento Redevelopment Successor Agency on this 15<sup>th</sup> day of October, 2012 by the following vote:

**AYES:**

**NOES:**

**ABSENT:**

---

Chairperson

ATTEST:

---

Kryss Rankin, City Clerk

EXHIBIT 'A'

Delta Lane Property  
Redevelopment Agency Acquisition

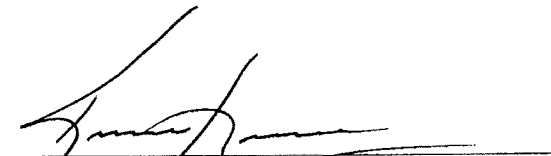
All that real property situate in the City of West Sacramento, County of Yolo, State of California, being a portion of Swamp Land Survey No. 770 and being more particularly described as follows:

Beginning at a point in the East line of the lands acquired by the City of West Sacramento from the State of California as Relinquishment No. 031969-X, so designated on that certain Highway Map filed December 16, 1999 in State Highway Map Book No. 3, Pages 25 through 28, Official Records of Yolo County, by Resolution No. R3428 of the California Transportation Commission, recorded as Document No. 2000-005371, Official Records of Yolo County, from which the City of West Sacramento Control Station B14-02, as shown on that certain Record of Survey filed in Book 13 of Map and Surveys, Pages 61-69 bears North 66°00'54" East, 509.21 feet; thence leaving said East line, North 20°11'42" West, 14.66 feet; thence along the arc of a curve, concave to the Southeast, having a radius of 958.50 feet, the chord of which bears South 73°09'13" West, 123.40 feet; thence South 69°27'47" West, 67.27 feet; thence along a curve to the left, having a radius of 1433.50 feet, the chord of which bears South 64°33'58" West, 244.74 feet to a point of compound curvature; thence along the arc of a curve to the left, having a radius of 1946.50 feet, the chord of which bears South 56°45'50" West, 229.33 feet; thence South 53°23'12" West, 17.24 feet; thence along the arc of a non-tangent curve, concave to the Northwest, having a radius of 11.00 feet, the chord of which bears South 18°23'14" West, 21.61 feet; thence South 16°36'45" East, 98.31 feet; thence along the arc of a non-tangent curve, concave to the North, having a radius of 50.00 feet, the chord of which bears South 83°20'44" East, 42.77 feet; thence North 71°19'51" East, 252.52 feet; thence along the arc of a curve to the left, having a radius of 110.00 feet, the chord of which bears North 54°12'20" East, 64.78 feet to a point of reverse curvature; thence along the arc of a curve to the right, having a radius of 185.00 feet, the chord of which bears North 44°47'37" East, 49.66 feet; thence North 79°28'36" East, 75.69 feet; thence South 86°24'02" East, 115.62 feet; thence North 79°19'20" East, 39.45 feet; thence North 52°59'11" East, 27.45 feet; thence North 06°33'10" East, 48.30 feet to a point on the North line of the lands acquired from the State of California as Relinquishment No. 9371-X, recorded in Book 594, Page 568, Official Records of Yolo County; thence along said North line, South 52°59'11" West, 59.50 feet; thence South 85°07'25" West, 81.39 feet; thence North 86°24'22" West, 132.57 feet to a point on the East line of said Relinquishment No. 031969-X; thence along said East line, North 26°02'04" East, 119.50 feet; thence along the arc of a curve to the right, having a radius of 224.00 feet, the chord of which bears North 55°50'43" East, 164.71 feet; thence North 77°25'00" East, 39.39 feet to the Point of Beginning, containing 2.111 acres more or less.

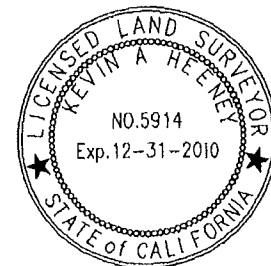
END OF DESCRIPTION

The Basis of Bearings for this description is identical with that shown on that certain Record of Survey of the City of West Sacramento Geodetic Control Network, recorded in Book 13 of Maps and Surveys at Pages 61-69, Official Records of Yolo County.

This description has been prepared by me or under my direct supervision.

  
KEVIN A. HEENEY, PLS 5914

DATED: 05/17/2010



**EXHIBIT A**

**THE LAND DESCRIBED HEREIN IS SITUATED IN THE STATE OF CALIFORNIA, COUNTY OF YOLO, CITY OF WEST SACRAMENTO, AND IS DESCRIBED AS FOLLOWS:**

**A PORTION OF THOSE TRACTS OF LAND CONVEYED TO STATE OF CALIFORNIA BY DEEDS (1) RECORDED AUGUST 31, 1950 IN BOOK 329, PAGE 228 AND (2) RECORDED MAY 23, 1950 IN BOOK 321, PAGE 221, BOTH OFFICIAL RECORDS OF YOLO COUNTY.**

**SAID PORTION IS THAT PART THEREOF DESCRIBED AS FOLLOWS:**

**BEGINNING AT THE NORTHERLY TERMINUS OF COURSE (4) AS NUMBERED AND DESCRIBED IN PARCEL NO. 2 OF DIRECTOR'S DEED RECORDED MARCH 14, 1952 IN BOOK 362, PAGE 116, SAID OFFICIAL RECORDS; THENCE FROM SAID POINT OF BEGINNING ALONG SAID COURSE (4) S 20 DEGREES 11' 42" E 118.51 FEET; THENCE ALONG COURSE (5) OF SAID PARCEL NO. 2 S 06 DEGREES 33' 10" W 63.15 FEET TO THE SOUTHERLY TERMINUS OF SAID COURSE (5); THENCE S 52 DEGREES 59' 11" W 59.50 FEET THENCE S 85 DEGREES 07' 25" W 81.39 FEET; THENCE N 86 DEGREES 24' 22" W 132.57 FEET; THENCE N 26 DEGREES 02' 04" E 119.50 FEET THENCE FROM A TANGENT THAT BEARS N 34 DEGREES 16' 20" E ALONG A CURVE TO THE RIGHT WITH A RADIUS OF 224.00 FEET, THROUGH AN ANGLE OF 43 DEGREES 12' 20" AN ARC DISTANCE OF 168.91 FEET; THENCE N 77 DEGREES 28' 40" E 39.15 FEET TO THE POINT OF BEGINNING.**

**ASSESSOR'S PARCEL NUMBER: 067-330-018**



Exhibit B

**FIRST AMENDMENT TO  
AFFORDABLE HOUSING LOAN AGREEMENT**

This First Amendment to the Affordable Housing Loan Agreement between the Redevelopment Agency of the City of West Sacramento (the "RDA") and the West Sacramento Housing Development Corporation, a California corporation ("Borrower") dated June 22nd, 2011 (the "Agreement"), is made and entered into this \_\_\_\_ day of \_\_\_\_\_, 2012 by the Borrower and the City of West Sacramento as Successor to the RDA ("Lender").

**RECITALS**

**WHEREAS**, the RDA and Borrower entered into the Agreement to provide funding for the development by the Borrower of a multi-family housing project (the "Project") at a site described in Exhibit A to the Agreement (the "Property"); and

**WHEREAS**, on February 1, 2012 the RDA was dissolved by operation of law, at which time i) the RDA's housing assets were transferred to the City of West Sacramento as the housing successor (hereinafter the "City") pursuant to an action by the City Council on January 11, 2012, election to retain housing assets and functions, and ii) the RDA's other contractual rights and obligations, including the obligation to provide an \$11.7 million loan to the Borrower under the terms of the Agreement, were assumed by the City of West Sacramento acting as the Successor Agency to the RDA (hereinafter the "Lender"); and

**WHEREAS**, in accordance with Health and Safety Code Section 34176(a)(2), The City timely submitted to the State Department of Finance an inventory of housing assets transferred to the City, which inventory included the Property; and

**WHEREAS**, on August 25, 2012, the Department of Finance notified the City that it was not objecting to any of the transfers identified on the housing inventory, including the transfer of the Property; and

**WHEREAS**, the Project includes the construction of at least 103 units affordable to low-income households and 26 very low-income units (the "Units"); and

**WHEREAS**, Borrower proposes to construct the Project in two phases, and has requested that the Agreement be modified to permit the disbursement of loan proceeds in phases; and

**WHEREAS**, Borrower and the City anticipate entering into a Disposition and Development Agreement ("DDA") that will govern the transfer of the Property to Borrower and the phasing and timing of construction of the Units on the Property; and

**WHEREAS**, the Borrower and Lender desire to amend the Agreement to allow for the disbursement of loan proceeds consistent with the phasing of the Project to be approved in the DDA.

NOW, THEREFORE, IT IS MUTUALLY AGREED by parties hereto as follows:

1. Amendments:

1.1 Section 2 of the Agreement is amended by inserting the words "or any Phase thereof" after the word "Project."

1.2 Section 4 of the Agreement is amended by inserting the following sentences at the end of the section: "If the Project is built in Phases, separate Deeds of Trust will be used to secure the Promissory Note for that Phase. The term 'Deed of Trust' as used herein refers to the Deed of Trust for each Phase of the Project, unless another meaning is clear from the context."

1.3 Section 5 of the Agreement is amended by inserting the following sentence at the end of the section: "If the Project is Phased in accordance with terms of the DDA, then the term 'Eligible Costs' refers to the Eligible Costs of each Phase, unless another meaning is clear from the context."

1.4 Section 6 of the Agreement is amended to read as follows:

6. "**DDA**" means a Disposition and Development Agreement entered into by the Borrower and the City of West Sacramento. The Parties anticipate that the DDA will describe two Phases for the Project."

1.5 Section 9 of the Agreement is amended by inserting the following sentence at the end of the section: "If the Project is Phased in accordance with terms of the DDA, then the term 'Loan' refers to the portion of the total loan amount under this Agreement that is to be loaned for each Phase, unless another meaning is clear from the context."

1.6 Section 11 of the Agreement is amended by inserting the following sentences at the end of the section: "If the Project is built in Phases, separate Promissory Notes may be used for each Phase. The term 'Note' or 'Promissory Note' as used herein refers to the Note for each Phase of the Project, unless another meaning is clear from the context."

1.7 Section 12.5 is hereby added to the Agreement, to read as follows:

12.5 "**PHASE**" means each phase of the overall Project as identified in the DDA."

1.8 Section 13 of the Agreement is amended by inserting the following sentence at the end of the section: "If the Project is developed in Phases, then the term 'Project' refers to the portion of the overall Project covered by each Phase, unless another meaning is clear from the context."

1.9 Section 14 of the Agreement is amended by inserting the following sentences at the end of the section: "If the Project is built in Phases, then the term 'Property' refers to that portion of the overall Property shown in Exhibit A where that Phase of the Project is constructed, unless another meaning is clear from the context."

1.10 Section 15 of the Agreement is amended by inserting the following sentences at the end of the section: "If the Project is built in Phases, separate Regulatory Agreements may be used for each Phase. The term 'Regulatory Agreement' as used herein refers to the Regulatory Agreement for each Phase of the Project, unless another meaning is clear from the context."

1.11 Section 19 of the Agreement is amended by inserting the following sentence at the end of the section: "If the Project is built in Phases, each Phase will be eligible to receive a Loan up to the amount identified in DDA for that Phase, provided

that under no circumstances will the total of all Loans for the overall Project exceed ELEVEN MILLION SEVEN HUNDRED THOUSAND DOLLARS (\$11,700,000.)”

1.12 Section 24.A is amended by inserting the following sentences at the end of the section: “If the Project is built in Phases, the Loan for each Phase will be in the amount identified in DDA for that Phase. Under no circumstances will the total of all Loans for the overall Project exceed ELEVEN MILLION SEVEN HUNDRED THOUSAND DOLLARS (\$11,700,000.)”

1.13 Section 24.B.iv is amended by inserting the following text at the end of section: “, and title to the Property needed for construction of the Project (or Phase thereof) has been transferred from the City to the Borrower in accordance with the DDA.”

1.14 Section 24.B.viii of the Agreement is amended by inserting the following sentence at the end of the section: “The initial disbursement of Loan proceeds for the second phase of the Project shall be subject to the additional condition that the Lender shall not be required to make the disbursement if there exists an Event of Default, or any act, failure, omission or condition that with the passage of time would constitute an Event of Default, under the Loan for the first Phase of the Project.”

1.15 Section 25 of the Agreement is amended by inserting the following sentence at the end of the Section: “If the Project is built in Phases, the number of Regulated Units contained in each Phase shall be in accordance with the terms of the DDA.”

1.16 Section 38 of the Agreement is amended by inserting the following paragraph at the end of the section:

“If the Project is built in Phases, Borrower may elect to have separate Final Management Plans and Management Contracts for each Phase or may use a single Plan and/or Contract for the overall Project.”

2. REMAINING TERMS UNAFFECTED: Except as expressly provided herein, nothing in this First Amendment shall be deemed to waive or modify any of the other provisions of the Agreement. In the event of any conflict between this First Amendment and the Agreement, the terms of this First Amendment shall prevail.

IN WITNESS WHEREOF the parties hereto have executed this Agreement as the date herein set forth.

CITY OF WEST SACRAMENTO, as Successor Agency to the Redevelopment Agency of the City of West Sacramento

By: \_\_\_\_\_  
Christopher L. Cabaldon

Attest:

By: \_\_\_\_\_  
Kryss Rankin, City Clerk

Approved As To Form:

By: \_\_\_\_\_  
City Attorney

Borrower:

WEST SACRAMENTO HOUSING DEVELOPMENT CORPORATION,  
A California corporation

By: \_\_\_\_\_

## Exhibit C

law), shall become an additional obligation of Trustor to Beneficiary and shall be secured by this Deed of Trust.

20. **INSURANCE.** Trustor shall provide such insurance as required under the Loan Agreement. In the event Trustor fails to maintain the full insurance coverage required by this Deed of Trust, Beneficiary, after at least seven (7) business day's prior notice to Trustor, may, but shall be under no obligation to, take out the required policies of insurance and pay the premiums on such policies. Any amount so advanced by Beneficiary, together with interest thereon from the date of such advance at the same rate of interest specified in the Note (unless payment of such an interest rate would be contrary to applicable law, in which case interest shall accrue at the highest rate then allowed by applicable law), shall become an additional obligation of Trustor to Beneficiary and shall be secured by this Deed of Trust.

21. **CONDEMNATION.** All judgments, awards of damages, settlements, and compensation made in connection with or in lieu of taking any part of or interest in the Security under assertion of the power of eminent domain ("Funds") are hereby assigned to and shall be paid to Beneficiary. Beneficiary is authorized (but not required) to receive any funds and shall release the same to Trustor to restore the security if not a total condemnation or otherwise is authorized to apply any such Funds to any indebtedness or obligation secured hereby, in such order and manner as Beneficiary determines. Any part of the Funds may be released to Trustor upon such conditions as Beneficiary may impose for its disposition. Application or release of any Funds shall not cure or waive any default under this Deed of Trust.

→ 22. **ACCELERATION ON TRANSFER OF SECURITY.** In the event that Trustor, without the prior written consent of Beneficiary, sells, agrees to sell, transfers, or conveys its interest in the Security or any part thereof, except as otherwise provided in the Loan Documents, Beneficiary may at its option declare all sums secured by this Deed of Trust to be immediately due and payable.

Consent to one (1) sale or transfer shall not be deemed to be a waiver of the right to require such consent to future or successive transactions.

A. Notwithstanding what is otherwise provided in this Section, the Beneficiary and Trustor acknowledge that the additional financing for the Project requires transfer of the Security to a limited partnership. The structure of such a limited partnership shall be consistent with the following terms:

(i) An initial limited partnership in which the managing general partner is Trustor or an entity controlled by Trustor, and the initial limited partner is a different entity controlled by Trustor;

(ii) An amended partnership in which an entity controlled by Trustor is the managing general partner and the limited partnership interest of the Trustor controlled entity is transferred to tax credit equity investors as substitute limited partners; or

(iii) An alternative structure that is approved in writing by the City Manager of the City of West Sacramento.

Transfers to such a limited partnership shall be permitted and shall not constitute an Event of Default under this Deed of Trust and shall not trigger acceleration of the sums secured by this Deed of Trust. Transfers of limited partnership interests to tax credit equity

investors shall be permitted and shall not constitute an Event of Default under this Deed of Trust and shall not trigger acceleration of the sums secured by this Deed of Trust, provided that Trustor or an entity controlled by Trustor under all circumstances remains in the position of managing general partner. Upon any such transfer, the transferee shall assume all of the Trustor's obligations under this Deed of Trust and all references to the Trustor shall be references to the transferee, and the Trustor shall provide written notice of such transfer to the Beneficiary and the Trustee.

23. **RECONVEYANCE BY TRUSTEE.** This Deed of Trust is intended to continue for the entire term of the Loan. Upon written request of Beneficiary stating that all sums secured by this Deed of Trust have been paid and all other obligations cured by this Deed of Trust have been discharged, and upon surrender of this Deed of Trust to Trustee for cancellation and retention, and upon payment by Trustor of Trustee's reasonable fees, Trustee shall reconvey the Security to Trustor, or to the person or persons legally entitled thereto.

### **DEFAULT AND REMEDIES**

24. **EVENTS OF DEFAULT.** Any of the events listed in the Loan Agreement as an Event of Default shall also constitute an Event of Default under this Deed of Trust, including, but not limited to, (a) Borrower's failure to pay when due any sums payable or perform any of its other covenants, agreements or obligations under the Note, or the Loan Agreement after expiration of all applicable cure periods; (b) Trustor's failure to observe or to perform any of its covenants, agreements, or obligations under this Deed of Trust (after expiration of applicable cure periods); or (c) Trustor's failure to make any payment or perform any of its other covenants, agreements, or obligations under any other agreement with respect to financing for the Project or the Security, whether or not Beneficiary is a party to such agreement, after expiration of all applicable cure periods.

25. **ACCELERATION OF MATURITY.** Upon the happening of an Event of Default which has not been cured within the times and in the manner provided in the Loan Agreement or the Note, Beneficiary may declare all sums advanced to Borrower under the Note and this Deed of Trust immediately due and payable.

26. **BENEFICIARY'S REMEDIES.** Upon the happening of an Event of Default which has not been cured within the times and in the manner provided in the Loan Agreement or the Note, Beneficiary may, in addition to other rights and remedies permitted by the Loan Agreement, the Note, or applicable law, proceed with any of the following remedies:

A. Enforce the assignment of rents and right to possession as provided for in this Deed of Trust, and/or seek appointment of a receiver to take over possession of the Security and collect rents;

B. Enter the Security and take any actions necessary in its judgment to complete construction on the Security as permitted under assignment of rents and right to possession in this Deed of Trust, either in person or through a receiver appointed by a court;

C. Disburse from Loan proceeds any amount necessary to cure any Monetary Default under this Deed of Trust, the Loan Agreement, or the Note;

D. Commence an action to foreclose this Deed of Trust pursuant to California Code of Civil Procedure sections 725(a), et seq., and/or seek appointment of a

REDEVELOPMENT SUCCESSOR AGENCY OVERSIGHT BOARD

MEETING DATE: January 10, 2013

ITEM # 4

SUBJECT:

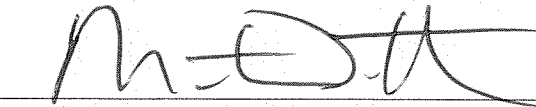
CONSIDERATION OF RESOLUTION 13-02 OF THE WEST SACRAMENTO  
REDEVELOPMENT SUCCESSOR AGENCY OVERSIGHT BOARD APPROVING THE  
LOW AND MODERATE INCOME HOUSING ASSET DUE DILIGENCE REVIEW AND DEMAND  
PAYMENT PURSUANT TO HEALTH AND SAFETY CODE 34179.6(f)

INITIATED OR REQUESTED BY:

Oversight Board       Staff  
 Other

REPORT COORDINATED OR PREPARED BY:

Paul Blumberg, Public Finance Manager



Martin Tuttle, Executive Director  
West Sacramento Redevelopment Successor Agency

ATTACHMENT  Yes     No     Information     Direction     Action

**OBJECTIVE**

This report addresses the Successor Agency payment to the County Auditor-Controller resulting from the State Department of Finance ("DOF") demand letter, and adjustments to estimated taxing entity payments based on the adopted Low and Moderate Income Housing Asset Due Diligence Review.

**RECOMMENDED ACTION**

It is respectfully recommended that the Oversight Board approve Resolution 13-2 which provides "retroactive" authorization to comply with a demand payment from the DOF and the County Auditor-Controller, pursuant to Health and Safety Code 34179.6 (f).

**BACKGROUND**

The State Department of Finance ("DOF") concluded its review of the approved Low and Moderate Income Housing Asset Due Diligence Review prepared pursuant to Health and Safety Code Section 34179.5, approved by the Oversight Board, and submitted to the DOF on October 15, 2012. As provided for under Assembly Bill 1484's substantial expansion of the State's powers under the Redevelopment Dissolution Act, the DOF made adjustments to the amount of "residual balance" it believes are available to be returned to the County Auditor-Controller to be distributed to the taxing entities.

Health and Safety Code section 34179.6(f) directs that the West Sacramento Redevelopment Successor Agency ("Successor Agency") remit to the County Auditor-Controller the amount of funds required pursuant to the determination of the DOF. On December 14, 2012, the DOF transmitted a letter demanding payment in the amount of \$1,422,969 based on its estimate of available residual balance, and this payment was required to be remitted within five (5) working days of receipt of the letter from the DOF demanding payment. Because of the immediate nature of this payment, staff was unable to pursue the Oversight Board's approval prior to the due date.

The Oversight Board previously approved Resolution 12-9 which noted that in the event that there is a need to comply with mandates of the State Department of Finance, State Controller's Office, or County Auditor-Controller, and the Oversight Board is unable to meet to review and approve the mandate, the Chairperson and Vice-Chairperson may take necessary action to approve the mandate. On December 17, 2012, staff notified the Chairperson of the demand letter, and the Chairperson subsequently confirmed his communication with the Vice-Chair and their agreement to make the required payment.

On December 21, 2012, the Successor Agency transmitted a payment to the County Auditor-Controller in compliance with the DOF demand letter, noting that the payment was being made under protest, reserving all rights to challenge the Auditor-Controller's methods of calculation and interpretation of the statutory requirements.



### ANALYSIS

In order to provide for the entire Board's authorization for a payment already made in order to comply with the DOF mandate, staff is recommending the Board approve the payment retroactively. Resolution 13-2 will simply provide the Board's authorization for the Executive Director of the Successor Agency to make a payment to the County Auditor-Controller in the amount of \$1,422,969.

As described in the attached letter to the County Auditor-Controller transmitting the payment, the Successor Agency made this payment under protest. We believe the County Auditor-Controller and DOF estimates are an inaccurate interpretation of statutory requirements, and that the mechanism to forcing this payment is illegal and unconstitutional. In addition, no information was provided by either the DOF or the County Auditor-Controller as to how the LMIHF balance was calculated, and it is not possible to reconcile the payment demand amount.

It should be noted that Health and Safety Code Section 34179.6 provides the DOF and County Auditor-Controller with broad powers to retain funds from the City of West Sacramento and/or the Successor Agency if the demand payment is not made. Since these options all create unforeseen, but significant impacts, the payment was made using funds previously encumbered to make payments for an enforceable obligation. The funds will be withdrawn from use by the West Sacramento Housing Development Corporation for the Delta Lane Housing Project. Staff is evaluating the impact nonpayment will have on this development project along with the future payment of \$2.8 million disallowed from the ROPS III, based on the DOF's decision that this loan payment is no longer an enforceable obligation.

### Alternatives

The Oversight Board may choose to not approve staff's recommendation, but there is no way to reverse the payment made to the County Auditor-Controller.

### Budget/Cost Impact

The actions recommended in this report are associated with past payments made by the former West Sacramento Redevelopment Agency and by the Successor Agency based on the previously approved Enforceable Obligation Payment Schedules (EOPS), and the Recognized Obligation Payment Schedule for the period of May 1<sup>st</sup> through June 30<sup>th</sup>, 2012 (ROPS I). Since the payments previously approved by the DOF pursuant to the EOPS and ROPS I are now being denied, they will have a significant impact on the Successor Agency, reducing funds available to make payments on what we believe are enforceable obligations. However, the actions recommended in this report will not impact the current ROPS III payment schedule for the period of January 1 through June 30, 2013.

### ATTACHMENT

Resolution 13-2

Department of Finance demand letter (dated 12/14/2012)

Transmittal letter to County Auditor-Controller (dated 12/21/2012)

RESOLUTION 13-2

**A RESOLUTION OF THE OVERSIGHT BOARD OF THE  
WEST SACRAMENTO REDEVELOPMENT SUCCESSOR AGENCY  
APPROVING THE LOW AND MODERATE INCOME HOUSING ASSET  
DUE DILIGENCE REVIEW DEMAND PAYMENT PURSUANT  
TO HEALTH AND SAFETY CODE 34179.6 (f)**

**WHEREAS** the State Department of Finance ("DOF") has concluded a review of the approved Low and Moderate Income Housing Asset Due Diligence Review prepared pursuant to Health and Safety Code Section 34179.5, and has made adjustments to the amount of "residual balance" available to be returned to the County Auditor-Controller to be distributed to the taxing entities; and

**WHEREAS** on December 14, 2012, the DOF transmitted a letter demanding payment in the amount of \$1,422,969 based on its estimate of available residual balance; and

**WHEREAS** Health and Safety Code section 34179.6(f) directs that the West Sacramento Redevelopment Successor Agency ("Successor Agency") remit to the County Auditor-Controller the amount of funds required pursuant to the determination of the DOF; and

**WHEREAS**, this payment is required to be remitted within five (5) working days of receipt of the letter from the DOF demanding payment; and

**WHEREAS** the Oversight Board previously approved Resolution 12-9 which noted that in the event that there is a need to comply with mandates of the State Department of Finance, State Controller's Office, or County Auditor-Controller, and the Oversight Board is unable to meet to review and approve the mandate, the Chairperson and Vice-Chairperson may take necessary action to approve the mandate; and

**WHEREAS** on December 17, 2012, staff notified the Chairperson of the demand letter, and the Chairperson subsequently confirmed his communication with the Vice-Chair, and agreement to make the required payment; and

**WHEREAS** on December 21, 2012, the Successor Agency transmitted a payment to the County Auditor-Controller in compliance with the DOF demand letter, and that such payment has been made under protest reserving all rights to challenge the Auditor-Controller's methods of calculation and interpretation of the statutory requirements; and

**WHEREAS**, in order to provide for the entire Board's authorization to make the demand payment, staff is recommending the Board approve the payment retroactively;

**NOW, THEREFORE, BE IT RESOLVED** by the Oversight Board of the Successor Agency that:

The Executive Director of the Successor Agency is authorized to make a payment to the County Auditor-Controller in the amount of \$1,422,969.



December 14, 2012

Mr. Martin Tuttle, City Manager  
City of West Sacramento  
1110 West Capitol Avenue  
West Sacramento, CA 95691

Dear Mr. Tuttle:

Subject: Low and Moderate Income Housing Fund Due Diligence Review

This letter supersedes Finance's original LMIHF DDR determination letter dated November 9, 2012. Pursuant to Health and Safety Code (HSC) section 34179.6 (c), the West Sacramento successor agency (Agency) submitted an oversight board approved Low and Moderate Income Housing Fund (LMIHF) Due Diligence Review (DDR) to the California Department of Finance (Finance) on October 15, 2012. Finance issued a LMIHF DDR determination letter on November 9, 2012. 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 December 4, 2012.

Based on a review of additional or clarifying information provided to Finance during the Meet and Confer process, Finance continues to believe the adjustments made to the DDR's stated balance of LMIHF available for distribution to the taxing entities are appropriate. HSC section 34179.6 (d) authorizes Finance to make these adjustments. We maintain the adjustments continue to be necessary for the following reasons:

- On Recognized Obligation Payment Schedule I (ROPS I), Item #7, the Agency requested and received approval to expend \$2 million in Redevelopment Property Tax Trust Fund (RPTTF) for the repayment of the Delta Lane Housing Loan (Loan). The Agency then confirmed on ROPS III, Prior Period Estimated Obligations vs. Actual Payments Schedule for the period January 1, 2012 through June 30, 2012, that they had expended the approved \$2 million for the Delta Lane Housing Loan from RPTTF. As such, Finance denied the Agency's request on their LMIHF DDR to restrict an additional \$2 million in LMIHF for the same Loan repayment.

Through the Meet and Confer process, the Agency provided documentation showing that LMIHF funds were actually used instead of RPTTF funds to repay the Loan. Pursuant to HSC 34177 (a) (3), payments listed on the ROPS may only be disbursed by the Agency from the specified funding source. However, HSC 34177 (a) (4) allows Agencies, with prior approval of the oversight board, to pay enforceable obligations from sources other than those identified on the ROPS. The Agency was unable to provide sufficient documentation showing that they received prior oversight board approval to pay for the Loan with funding sources other than RPTTF.

Therefore, Finance continues to deny the restriction of this amount because the Agency already received a \$2 million RPTTF allocation for this obligation.

- The City of West Sacramento (City) match of \$15,000. The related grant agreement is between the Department of Housing and Community Development and the City. The Agency concurs that this is not an enforceable obligation and should not be restricted from distribution.
- The Agency agrees that the \$95,718 retained to satisfy ROPS balances for the 2012-13 fiscal year is inaccurate, and should not be retained from distribution.

In addition, Finance elects to include the following new adjustment:

- Based upon information provided by the Agency, Finance is adjusting the beginning balance downward by \$687,748.79 to make adjustment for an incorrect posting of set aside revenue into the LMIHF that was deposited after the requirement to set aside 20 percent of tax increment ended.

The Agency's LMIHF balance available for distribution to the affected taxing entities has been revised to \$1,422,969 (see table below):

| <b>LMIHF Balances Available For Distribution To Taxing Entities</b> |                     |
|---|---------------------|
| Available Balance per DDR:  | \$ 0                |
| Finance Adjustments   |                     |
| Less: Incorrect revenue classification                              | \$ (687,749)        |
| Add:  |                     |
| Disallowed transfers:   | \$ 2,015,000        |
| Denied ROPS items:  | 95,718              |
| <b>Total LMIHF available to be distributed:</b>                     | <b>\$ 1,422,969</b> |

This is Finance's final determination of the LMIHF 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.

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 section 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 and Finance's Housing Assets Transfer letter dated August 25, 2012 do not in any way eliminate the Controller's authority.

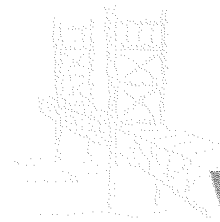
Please direct inquiries to Zach Stacy, Manager or Derk Symons, Lead Analyst at (916) 445-1546.

Sincerely,



STEVE SZALAY  
Local Government Consultant

cc: Mr. Philip Wright, Director of Administrative Services, City of West Sacramento  
Mr. Paul Blumberg, Public Finance Manager, City of West Sacramento  
Mr. Howard Newens, Auditor-Controller, County of Yolo  
California State Controller's Office



CITY OF  
**WEST SACRAMENTO**

December 21, 2012

**CITY HALL**

1110 West Capitol Avenue  
West Sacramento, CA 95691

City Council  
City Manager  
City Clerk  
Information Technology  
(916) 617-4500

Howard Newens, Auditor-Controller  
County of Yolo  
625 Court Street, Room 102  
Woodland, CA 95695

**TRANSMITTAL OF LMIHF BALANCE PURSUANT TO H&S 34179.6**

**Community Development**

Planning/  
Development Engineering  
(916) 617-4645  
Building  
(916) 617-4683  
Redevelopment  
(916) 617-4535  
Housing & Community  
Investment  
(916) 617-4555  
Economic Development  
(916) 617-4860

On December 17, 2012, the West Sacramento Redevelopment Successor Agency ("Successor Agency") received a demand letter from your office for a total payment amount of \$1,422,969 ("Payment Demand"). Based on a telephone conversation with Doug Olander of your staff, this amount is due on or before Friday, December 21, 2012. The City's believes that your office based the Payment Demand on an inaccurate interpretation of and incorrect calculations based on California Health and Safety Code Section 34179.6 including, but not limited to, the use of property tax increment for the period from July 1, 2011 through January 31, 2012.

**Public Works**

Operations  
(916) 617-4850  
Engineering  
(916) 617-4645  
Flood Protection  
(916) 617-4645

The Successor Agency hereby pays the above Payment Demand under protest, reserving all rights to challenge the Auditor-Controller's methods of calculation and interpretation of the statutory requirements. The Successor Agency contends that the Payment Demand and calculation are an inaccurate and incorrect interpretation of statutory requirements, and that the mechanism for its enforcement is illegal and unconstitutional. Additionally, there is no information as to how the LMIHF balance was calculated, and it is not possible to reconcile the Payment Demand amount. Payment is made with a complete reservation of all rights including, but not limited to, the right to appeal and/or challenge the legality of the Payment Demand and any component thereof, the calculation of the Payment Demand amount, the mechanism for its enforcement, and any and all related legal and factual issues.

**Finance**

Administration  
(916) 617-4575  
Refuse & Recycling  
(916) 617-4590  
Utility Billing  
(916) 617-4589

You are hereby placed on notice of the Successor Agency's intent to file an action in Sacramento County which seeks an order from the Superior Court prohibiting the disbursal or distribution of these funds to any entity other than the Successor Agency. Accordingly, the Payment Demand amount paid by the Successor Agency should not be distributed to taxing entities and should instead be held in a separate account until such time as that action is concluded.

**Human Resources**

(916) 617-4567

**Parks & Recreation**

(916) 617-4620

**FIRE**

2040 Lake Washington Blvd.  
West Sacramento, CA 95691  
(916) 617-4600  
Fax (916) 371-5017

Because the Successor Agency has not received delineation or breakdown of the Payment Demand amount or any other information as to how the Payment Demand and/or any component thereof was calculated, the Successor Agency hereby requests that the County Auditor-Controller's Office provide documentation evidencing the specific calculation that resulted in the Payment Demand. Please contact me at (916) 617-4509 at your earliest possible convenience to discuss this matter.

**POLICE**

550 Jefferson Boulevard  
West Sacramento, CA 95605  
(916) 617-4900

**Code Enforcement**

(916) 617-4925

Philip A. Wright  
Director of Administrative Services

**PUBLIC WORKS**

Operations  
1951 South River Road  
West Sacramento, CA 95691  
(916) 617-4850

**Attachments**

County Demand Letter  
State Department of Finance LMIHF DDR Letter

[www.cityofwestsacramento.org](http://www.cityofwestsacramento.org)

| VENDOR NO. | DATE     | VENDOR INVOICE NUMBER | P.O. NUMBER | DESCRIPTION     | NET AMOUNT   |
|------------|----------|-----------------------|-------------|-----------------|--------------|
| V000676    | 12/19/12 | HAT DDR P             | P0129763    | HAT DDR PAYMENT | 1,422,969.00 |
|            |          |                       |             |                 | 1,422,969.00 |

WLCR851118P

NDS New Direction Services 530-268-8677

PRINTED IN U.S.A.

THIS DOCUMENT HAS LINES IN THE PAPER. HOLD TO LIGHT TO VIEW

BANK OF AMERICA  
900 8TH STREET  
SACRAMENTO, CA 95814

11-35  
1210

CITY OF WEST SACRAMENTO  
P.O. BOX 986  
WEST SACRAMENTO, CALIFORNIA 95691-0986

CHECK NO. 229040

DATE  
12/19/12

00229040

AMOUNT

ONE Million FOUR Hundred TWENTY TWO Thousand NINE Hundred SIXTY NINE Dollars and ZERO Cents

\*\*1,422,969.00

PAY TO THE ORDER OF

YOLO COUNTY AUDITOR CONTROLLER  
PO BOX 1268  
WOODLAND, CA 95695

*Philip Stern*  
AUTHORIZED SIGNATURE  
*Philip Stern*  
AUTHORIZED SIGNATURE

VOID AFTER 6 MONTHS


TWO SIGNATURES REQUIRED IF OVER \$65,000.00

SECURITY FEATURES INCLUDED. DETAILS ON BACK.

⑈ 229040 ⑈ ⑆ 121000358 ⑆ 14891 ⑈ 80504 ⑈



**SUCCESSOR AGENCY OVERSIGHT BOARD**

|   |  |
|---|--|
| <b>MEETING DATE:</b> June 14, 2012  | <b>ITEM #4</b>   |
| <b>SUBJECT:</b><br><p align="center"><b>CONSIDERATION OF RESOLUTION 12-4 OF THE WEST SACRAMENTO REDEVELOPMENT SUCCESSOR AGENCY OVERSIGHT BOARD DIRECTING SUCCESSOR AGENCY TO TRANSFER OF PUBLIC PROPERTY TO THE CITY OF WEST SACRAMENTO</b></p> |  |
| <b>INITIATED OR REQUESTED BY:</b><br><br><input type="checkbox"/> Oversight Board <input checked="" type="checkbox"/> Staff<br><input type="checkbox"/> Other   | <b>REPORT COORDINATED OR PREPARED BY:</b><br>Paul Blumberg, Public Finance Manager<br>Nitish Sharma, Budget Manager<br><br><br><hr/> Toby Ross, Executive Director<br>West Sacramento Redevelopment Successor Agency |
| <b>ATTACHMENT</b> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Information <input type="checkbox"/> Direction <input checked="" type="checkbox"/> Action  |  |

**OBJECTIVE**

The purpose of this report is to recommend that the West Sacramento Redevelopment Successor Agency Oversight Board (“Oversight Board”) approve Resolution 12-4 (included as Attachment 1 to this report) directing the disposition of public-use assets pursuant to AB1X 26.

**RECOMMENDED ACTION**

It is respectfully recommended that the Oversight Board approve Resolution 12-4 which directs the Successor Agency to transfer public-use property of the former Redevelopment Agency, and to prepare for future Oversight Board approval a disposition strategy for the balance of the former Redevelopment Agency’s properties.

**BACKGROUND**

As of February 1, 2012, the West Sacramento Redevelopment Agency was dissolved, and the City, acting as Successor Agency for the former Redevelopment Agency, assumed responsibility for “winding down” the activities of the former Redevelopment Agency. In connection with this process, the Successor Agency is required to dispose of the real property and other assets of the former Redevelopment Agency. Furthermore, AB1X 26 states that successor agencies shall “...dispose of assets and properties of the former redevelopment agency as directed by the oversight board,” and that “... this disposal is to be done expeditiously and in a manner aimed at maximizing value.” The inherent tension between these directives necessitates a thoughtful approach to the property disposal process.

On May 4, 2012, the Successor Agency was provided with a complete list of Redevelopment Agency assets transferred after January 1, 2012. This list of asset transfers is now being audited by the State Controller’s Office (SCO), and the auditor is recommending that the Successor Agency pursue the immediate approval of the Oversight Board to authorize the transfer of those properties deemed “public” or “governmental use” to the City or other public agency. The SCO auditors prefer to include these authorized transfers within the scope of the current audit, which is tentatively scheduled for completion by mid-July 2012.

AB1X 26 authorizes the transfer of public-use property to the City. The legislation provides direction regarding the transfer of properties that were acquired, constructed, or maintained in use for governmental (i.e., “public”) purposes. The Oversight Board may direct the Successor Agency to transfer ownership of those assets that were constructed and used for a governmental purpose, such as roads, school buildings, parks, and fire stations, to the appropriate jurisdiction pursuant to any existing agreement relating to the construction or use of such an asset. The actions recommended in this report represent the first phase of a broader asset disposition strategy that will include future disposition recommendations for several classes of non-public-use property in the Successor Agency’s portfolio.

The properties being recommended for transfer are as follows:

**Weyerhaeuser Site, 900 Bridge Street (formerly 900 S. River Rd.):** This 2.5-acre site consists of County APNs 058-330-030 and 058-330-004. The property was acquired for a public park, and public right-of-way.

**Excess 5<sup>th</sup> Street widening property adjacent to East Riverfront property:** This .01-acre property consists of County APN 010-523-038 and is located on Lighthouse Drive. It was acquired to create access for flood protection purposes by providing access to the levee.

**Clarksburg Branchline Trail segment:** This .35-acre parcel consists of County APN 067-180-005 and is located on Jefferson Boulevard. This property is used for a public park/trail system.

**East Riverfront properties:** This site consists of County APNs 014-601-004, 010, 014, and 020; 014-620-003, 010, 012, and 014; 014-760-020, and 023. These properties are under contract with the State Department of Parks and Recreation, pending final project approvals by the State. This will be the site for the California Indian Heritage Center (CIHC). The transfer to the City will allow the City to complete agreements transferring the site to the State.

#### *Surplus Property not designated for Public Use*

The disposition of non-public-use properties is complicated by the need to evaluate fair market value of the properties, current market conditions, and options for offering these properties for sale in a manner that appropriately balances expeditiousness and value maximization. Staff is recommending that the Board direct staff to return with recommendations for disposition of these surplus properties for the Board's review and consideration. Staff will recommend the strategy or strategies that we believe will maximize return to the taxing entities. Recommended approaches may include issuing Requests for Proposals (RFPs), retaining a commercial broker to market the properties, negotiating with adjacent property owners who may want to aggregate the property, and other generally accepted approaches used by government agencies that wish to dispose of real property. In addition, per AB1X 26, Section 34180, the City of West Sacramento may retain any Successor Agency real property asset for future private development use. However, this action would require the City to reach agreement with the Oversight Board in regards to compensation for conveyance of these properties.

Proceeds from the sale of these surplus assets will be transferred to the County Auditor-Controller for distribution to the taxing entities pursuant to Section 34188 of AB1X 26. Funds for staff and consultant services necessary for disposing of surplus property has been included in the Successor Agency's administrative budget for the period of July 1 – December 31, 2012.

#### *Housing Assets transferred to the City of West Sacramento*

Pursuant to AB1X 26, the City of West Sacramento elected to become the Housing Successor Agency to the Redevelopment Agency, and the City Council of the City of West Sacramento approved this option on January 11, 2012. The legislation allowed that housing assets be transferred from the Redevelopment Agency to the City, acting as Housing Successor Agency. A list of those assets transferred is being provided for the Board's information (included as Attachment 2 to this report). No action is being requested relative to housing assets.

#### **ANALYSIS**

If the Oversight Board approves staff's recommendation, the Successor Agency Board and the City of West Sacramento will be asked to take a joint action approving the transfer of public-use real property assets identified in the exhibit to Resolution 12-04. The transfer of public-use properties will allow these transactions to be included in the SCO asset transfer audit, now under way, and scheduled for completion in mid-July. The transfer of these properties will have a public benefit as described in Exhibit A to attached Resolution 12-04.

Given the current lack of demand for development, estimating the value and marketability of the private-use property will be a challenge. This analysis will necessitate a focused review of each real property asset by the Successor Agency staff, and may also require the assistance of appraisers, surveyors, and other real estate professionals. Staff anticipates that it may take 30-60 days to complete its analysis and return to the Board for the Board's review and approval.

### **Alternatives**

The Oversight Board's primary alternatives are summarized below.

1. Approve Resolution 12-4, which directs the Successor Agency to transfer public-use property of the former Redevelopment Agency, and to prepare for future Oversight Board approval a disposition strategy for the balance of the former Redevelopment Agency's properties.
2. Approve the staff recommendation with modifications to remove specific assets from the transfer list.
3. Do not approve staff recommendation, and instead recommend that the Successor Agency staff return with a comprehensive disposition strategy for all properties.
4. Do not approve staff recommendation, and direct that no disposition strategy be prepared.

Alternative 1 is staff's recommended action. Staff is prepared to implement Alternative 2 at the direction of the Oversight Board. Staff does not recommend Alternative 3 because, under this scenario, the transfer of public-use properties would not be included in the current SCO audit as requested by the SCO's auditors. Staff does not recommend Alternative 4 because AB1X 26 calls for the disposition of surplus Agency assets.

### **Budget/Cost Impact**

The transfer of public-use properties will reduce the amount of property maintenance and other liabilities of the Successor Agency and potentially lead to savings in the Successor Agency administrative budget. In some instances, the properties may be subject to special tax assessments (for example, CFD 27 special tax assessments on Bridge District property), and transfer of this property will reduce the tax liability now included in the ROPS. Therefore the disposition of these properties should have a positive revenue impact through the reduction of maintenance liabilities and special assessments.

### **ATTACHMENTS**

1. Resolution 12-4
2. Housing Agency Assets transferred to Housing Successor Agency

## RESOLUTION 12-4

### A RESOLUTION OF THE OVERSIGHT BOARD OF THE WEST SACRAMENTO REDEVELOPMENT SUCCESSOR AGENCY DIRECTING THE SUCCESSOR AGENCY TO TRANSFER OWNERSHIP OF CERTAIN PUBLIC USE PROPERTY TO THE CITY OF WEST SACRAMENTO, AND PREPARE A STRATEGY AND TIMELINE FOR DISPOSING OF "PRIVATE USE" SURPLUS PROPERTIES

**WHEREAS**, the Oversight Board has a fiduciary responsibility to the taxing entities that benefit from the distribution of revenues pursuant to Section 34188 of AB1X 26; and

**WHEREAS**, pursuant to Health and Safety Code section 34177(e), the Successor Agency is responsible for disposing of assets and properties of the former Agency, as directed by the Oversight Board, expeditiously and in a manner maximizing value; and

**WHEREAS**, Health and Safety Code section 34177(h) further directs that the Successor Agency wind up the affairs of the former Agency, and directs that the Successor Agency continue to oversee development of properties until completion or until the former Agency's contractual obligations can be transferred to other parties; and

**WHEREAS**, pursuant to Health and Safety Code section 34181(a), the Oversight Board is authorized to direct that the Successor Agency transfer ownership of assets that were acquired or constructed and used for a governmental purpose, such as roads, school buildings, parks, and fire stations, to the appropriate public jurisdiction pursuant to any existing agreements or recorded covenants related to the use of such an asset; and

**WHEREAS**, the Successor Agency has identified those former redevelopment agency properties for which a clear public use was clearly identified prior to January 1, 2011; and

**WHEREAS**, those parcels and their identified public use, together with a description of the documentation that established that public use, are set forth in Exhibit A to this resolution; and

**WHEREAS**, the Oversight Board's timely action approving the transfer of public use properties will facilitate the State Controller's Office audit of the Asset Transfer Assessment, dated May 2, 2012, which is currently ongoing and scheduled for completion in mid-July 2012;

**NOW, THEREFORE, BE IT RESOLVED** by the Oversight Board of the West Sacramento Redevelopment Successor Agency that:

1. The Oversight Board finds that the properties identified in Exhibit A are needed for a previously identified public use and that transfer of fee title to those properties to the City of West Sacramento ("City") is consistent with and in furtherance of AB1X 26.
2. The Successor Agency is hereby directed to:
  - a. Transfer fee title to the properties identified in Exhibit A to the City, subject to the acceptance of title by the City;

- b. Amend the Successor Agency budget to account for the reduction in maintenance costs due to the disposition of these properties upon their acceptance by the City of West Sacramento; and
  - c. Prepare a strategy for disposing of the surplus assets deemed of private use, and return to the Oversight Board for review and approval.
3. The Executive Director of the Successor Agency is hereby authorized to take all actions necessary to complete the transfer of fee title to the properties identified in Exhibit A to the City of West Sacramento.

**PASSED AND ADOPTED** by the West Sacramento Successor Agency Oversight Board this 14<sup>th</sup> day of June 2012, by the following vote:

**AYES:**  
**NOES:**  
**ABSENT:**

\_\_\_\_\_, Chairperson

ATTEST:

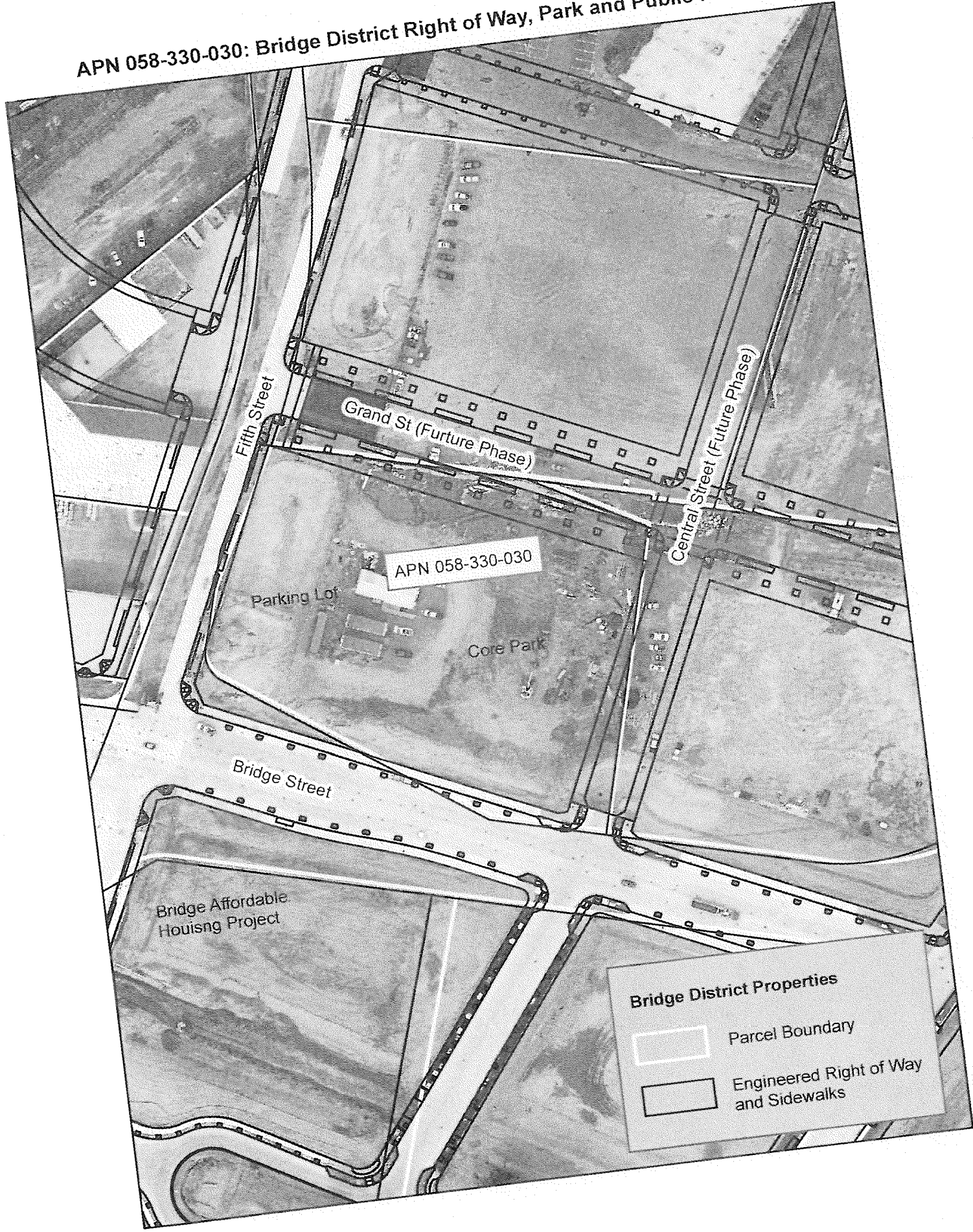
\_\_\_\_\_  
Kryss Rankin, City Clerk

PUBLIC USE PROPERTY PROPOSED TO BE TRANSFERRED TO CITY OF WEST SACRAMENTO

| Classification   | APN(s)  | Address                                     | Public Use                  | Comment  | Zoning   | Acres |
|--|---|---|-----------------------------|--|--|-------|
| Weyerhaeuser Site  | 058-330-030 (formerly 058-330-004)  | 900 Bridge St (formerly 900 South River Rd) | Public Park<br>Right of Way | <p><u>Bridge District Right-of-Way (ROW)</u></p> <ul style="list-style-type: none"> <li>Pursuant to Volume II and Volume III of BDSP, portions of the property will be a regional serving ROW (Garden Street) and a local serving ROW (Central Street) ; IOD 2011-0016039</li> </ul> <p><u>Bridge District Core Park</u></p> <ul style="list-style-type: none"> <li>Pursuant Volume III of BDSP; IOD 2011-0006619</li> </ul> | WF;<br>Subject to the BDSP and its appendices  | 2.5   |
| Excess Fifth St widening property and adjacent to the East Riverfront Property along County Rd 136 | 010-523-038   | Lighthouse Dr                               | Right of Way                | <p><u>Flood Protection</u></p> <ul style="list-style-type: none"> <li>Dedication of flood protection easement or flowage easements to Sacramento San Joaquin Drainage District to resolve deficiencies identified in Reaches 2 and 8 described in the Final Engineer's report dated July 16, 2007</li> <li>Pursuant to the City's General Plan Policy related to 200-yr flood protection</li> </ul>                          | WF   | 0.01  |
| Clarksburg Recreation Trail  | 067-180-005   | Jefferson Blvd                              | Park Use                    | <p><u>Regional Public Park</u></p> <ul style="list-style-type: none"> <li>Pursuant to the City's Parks Master Plan, dated September 2003 (Short Line Trail)</li> </ul>   | RP   | 0.35  |
| East Riverfront Properties (CA Indian Heritage Center)   | 014-610-004, 010, 014, and 020; 014-620-003, 010,012, and 014; 014-760-020; 023 | County Rd 136 (levee road), Marina Way      | Park Use                    | <p><u>Regional Public Park</u></p> <ul style="list-style-type: none"> <li>Pursuant to the Master Agreement with the State Department of Parks and Recreation for the construction of the California Indian Heritage Center, approved on June 18, 2008</li> <li>Pursuant to the City's Parks Master Plan, dated September 2003 (North Riverfront Recreation Cluster)</li> </ul>   | WF;<br>FEMA designated as special inundation area, Zone AE, subject to 100-yr flooding | 40.06 |



APN 058-330-030: Bridge District Right of Way, Park and Public Parking





APN 067-180-005  
Clarksburg Recreation Trail Extension



010-523-038

Stone Lock Facility

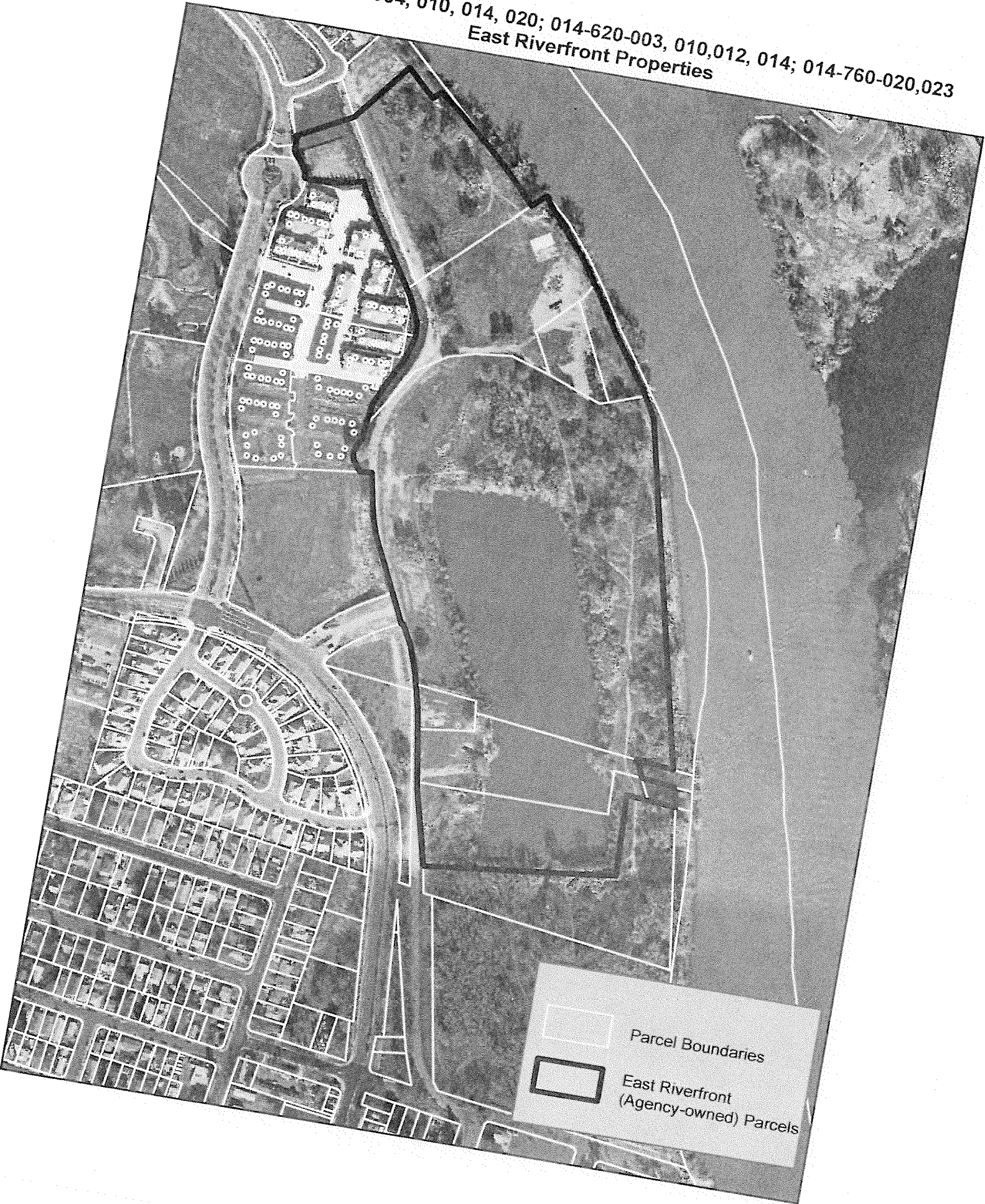
Barge Canal Recreation Area

Jefferson Blvd

Parcel Boundaries  
Clarksburg  
Recreation Trail



APNs 014-610-004, 010, 014, 020; 014-620-003, 010,012, 014; 014-760-020,023  
East Riverfront Properties

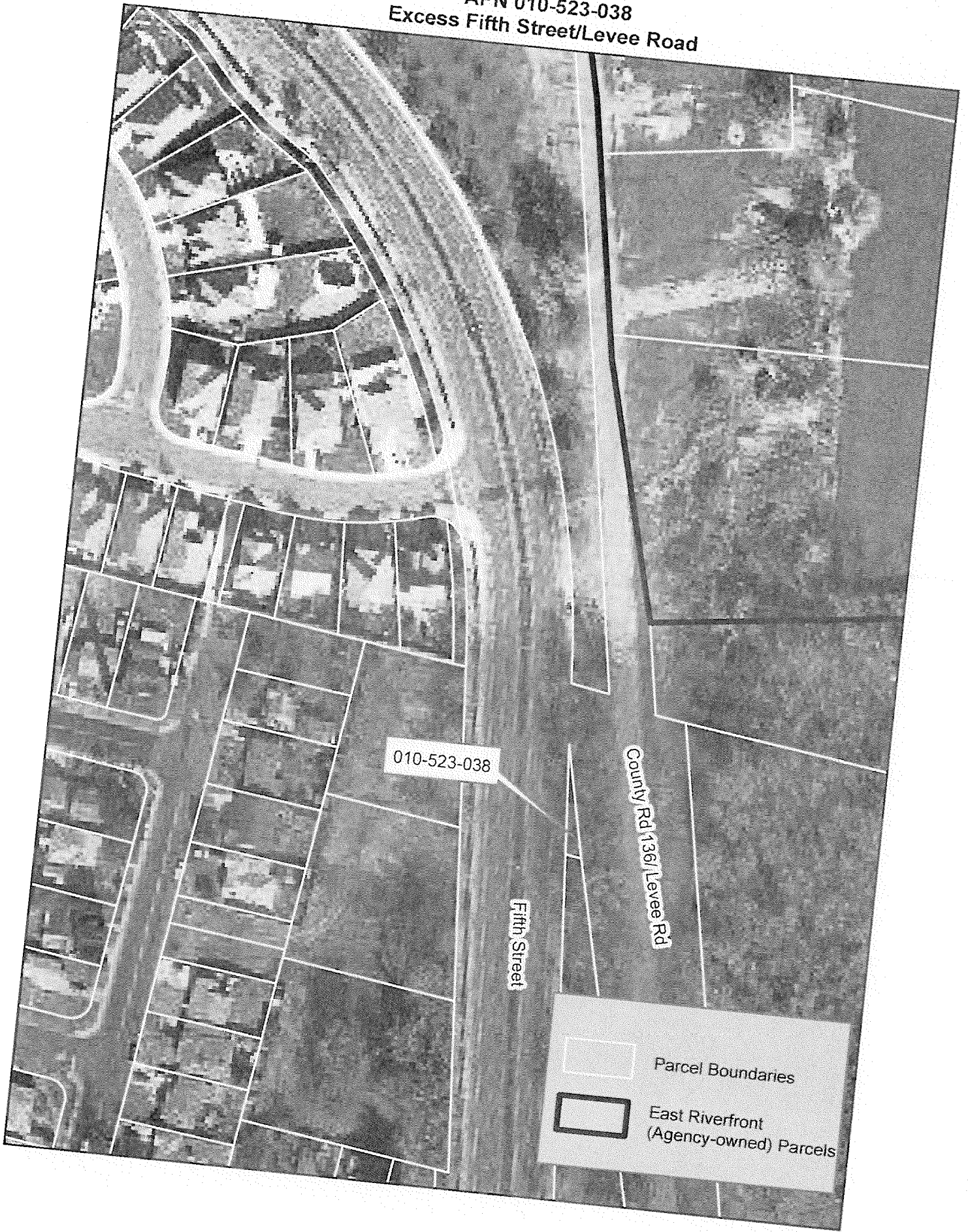


Parcel Boundaries

East Riverfront  
(Agency-owned) Parcels



APN 010-523-038  
Excess Fifth Street/Levee Road



010-523-038

Fifth Street

County Rd 136/Levee Rd

Parcel Boundaries

East Riverfront  
(Agency-owned) Parcels

**REDEVELOPMENT AGENCY OF THE CITY OF WEST SACRAMENTO  
AFFORDABLE HOUSING ASSETS TRANSFERRED TO CITY OF WEST SACRAMENTO**

**LOAN RECEIVABLES**

| PROPERTY/PROJECT  | INTEREST RATE | DATE OF ISSUE | MATURITY DATE | ORIGINAL PRINCIPAL AMOUNT | CURRENT PRINCIPAL BALANCE |
|---|---------------|---------------|---------------|---------------------------|---------------------------|
| Home Equity Loan--1020 Fremont Boulevard                  | N/A           | 03/16/92      | N/A           | \$13,875.00               | \$13,875.00               |
| Shared Equity Housing Program (SEHP)--1033 Marston Street | N/A           | 02/23/93      | N/A           | \$50,950.00               | \$50,950.00               |
| SEHP--1390 Somerset Drive                                 | N/A           | 03/03/93      | N/A           | \$69,058.75               | \$69,058.75               |
| SEHP--1584 Vermont Avenue                                 | N/A           | 04/01/93      | N/A           | \$46,100.00               | \$46,100.00               |
| SEHP--3051 Susan Court                                    | N/A           | 04/09/93      | N/A           | \$76,141.00               | \$76,141.00               |
| SEHP--3328 Allan Avenue                                   | N/A           | 05/28/03      | N/A           | \$104,400.00              | \$104,400.00              |
| SEHP--716 Solano Street                                   | N/A           | 07/26/93      | N/A           | \$63,000.00               | \$63,000.00               |
| SEHP--3114 Allan Avenue                                   | N/A           | 08/23/93      | N/A           | \$80,459.00               | \$80,459.00               |
| SEHP--1386 Somerset Drive                                 | N/A           | 10/28/93      | N/A           | \$69,102.00               | \$69,102.00               |
| SEHP--2915 Violet Drive                                   | N/A           | 11/24/93      | N/A           | \$82,859.00               | \$82,859.00               |
| SEHP--1350 Windemere Court                                | N/A           | 04/11/94      | N/A           | \$67,508.00               | \$67,508.00               |
| SEHP--228 Touchstone Place                                | N/A           | 11/07/94      | N/A           | \$60,410.00               | \$60,410.00               |
| West Capitol Courtyard-Residual Receipts Loan #2          | 3.0%          | 04/19/96      | 04/19/51      | \$990,000.00              | \$990,000.00              |
| West Capitol Courtyard-Residual Receipts Loan #3          | 3.0%          | 04/19/96      | 04/19/51      | \$2,256,943.00            | \$2,256,943.00            |
| Holly Courts-Residual Receipts Loan                       | 3.0%          | 07/15/96      | 04/10/41      | \$4,990,400.00            | \$2,263,176.24            |
| SEHP--308 6th Street                                      | N/A           | 07/17/96      | N/A           | \$10,000.00               | \$10,000.00               |
| West Capitol Courtyard-Residual Receipts Loan #1          | 7.3%          | 09/01/97      | 06/01/19      | \$112,307.17              | \$55,988.51               |
| West Capitol Courtyard II-Residual Receipts Loan          | 3.0%          | 01/21/98      | 04/30/55      | \$2,732,187.47            | \$2,741,871.47            |
| SEHP--1396 Somerset Drive                                 | N/A           | 04/24/98      | N/A           | \$29,050.00               | \$29,050.00               |
| Margaret McDowel Manor-Residual Receipts Loan             | 3.0%          | 02/03/99      | 09/30/54      | \$688,527.66              | \$650,446.41              |
| West Capitol Courtyard II-Pecan Street                    | 5.0%          | 03/02/00      | 03/02/30      | \$73,376.00               | \$50,000.00               |
| West Capitol Courtyard II                                 | 3.0%          | 12/22/00      | 04/30/55      | \$625,000.00              | \$625,000.00              |
| WSHDC-Cummins Row   | 3.0%          | 07/12/01      | 07/12/15      | \$90,000.00               | \$33,351.47               |
| SEHP--1351 Somerset Drive                                 | N/A           | 04/02/02      | N/A           | \$65,000.00               | \$65,000.00               |
| SEHP--3186 Allan Avenue                                   | N/A           | 10/28/02      | N/A           | \$90,000.00               | \$90,000.00               |
| SEHP--424 Washington Avenue                               | N/A           | 12/04/02      | N/A           | \$63,500.00               | \$63,500.00               |
| ADI-Westwood Vistas                                       | 3.0%          | 12/01/03      | 12/01/58      | \$1,000,000.00            | \$1,000,000.00            |
| SEHP--3150 Allan Avenue                                   | N/A           | 04/12/05      | N/A           | \$103,909.00              | \$103,909.00              |
| SEHP--2875 Perez Court                                    | N/A           | 02/27/07      | N/A           | \$146,250.00              | \$146,250.00              |
| Evergreen Circle Investors-Courtyard Village              | 3.0%          | 04/05/07      | 04/05/27      | \$2,500,000.00            | \$2,500,000.00            |
| SEHP--613 Smilax Avenue                                   | N/A           | 09/13/07      | N/A           | \$137,700.00              | \$137,700.00              |
| WSHDC-Patios de Castillo/River Rose                       | 3.0%          | 04/28/08      | 04/28/63      | \$2,010,000.00            | \$2,010,000.00            |
| WSHDC-Patios de Castillo/River Rose                       | 3.0%          | 04/28/08      | 04/28/63      | \$1,357,100.00            | \$1,357,100.00            |
| W. Sac. Pacific Associates-Parkside at Sycamore           | 3.0%          | 03/23/09      | 03/23/64      | \$5,500,000.00            | \$5,500,000.00            |
| BRIDGE Housing Project                                    | 3.0%          | 03/02/11      | 03/02/66      | \$7,525,000.00            | \$7,525,000.00            |
| Delta Lane Project  | 3.0%          | 06/22/11      | 06/22/66      | \$11,700,000.00           | \$11,700,000.00           |
| <b>TOTAL</b>  |               |               |               | <b>\$45,580,113.05</b>    | <b>\$42,688,148.85</b>    |

**PROPERTIES**

| PROPERTY/PROJECT | ADDRESS        | ASSESSOR'S PARCEL NUMBER |
|------------------|----------------|--------------------------|
| Delta Lane       | 825 Delta Lane | 067-330-024              |
| Delta Lane       | 801 Riske Lane | 067-330-018              |

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## REDEVELOPMENT SUCCESSOR AGENCY OVERSIGHT BOARD

## AGENDA REPORT

MEETING DATE: August 16, 2012

ITEM # 6

## SUBJECT:

CONSIDERATION OF RESOLUTIONS 12-5 AND 12-6 OF THE WEST SACRAMENTO REDEVELOPMENT SUCCESSOR AGENCY OVERSIGHT BOARD DIRECTING SUCCESSOR AGENCY TO TRANSFER PUBLIC PROPERTY TO THE CITY OF WEST SACRAMENTO

## INITIATED OR REQUESTED BY:

## REPORT COORDINATED OR PREPARED BY:

Oversight Board       Staff  
 Other

Paul Blumberg, Public Finance Manager  
Katy Yancey, Senior Analyst



Martin Tuttle, Executive Director  
West Sacramento Redevelopment Successor Agency

ATTACHMENT  Yes    No       Information       Direction       Action

**OBJECTIVE**

The purpose of this report is to recommend that the West Sacramento Redevelopment Successor Agency Oversight Board ("Oversight Board") approve Resolutions 12-5 and 12-6 (included as Attachment 1 and 2 to this report) acknowledging, affirming, and approving of asset transfers occurring prior to the dissolution of the Redevelopment Agency, in order to comply with the State Controller's Office audit guidelines..

**RECOMMENDED ACTION**

It is respectfully recommended that the Oversight Board approve:

1. Resolution 12-5, which acknowledges the previously delegated authority of the Redevelopment Agency Executive Director to enter into real property transfers described in Joint Resolutions 09-61, 10-24, and 10-32, and finds that the resulting recorded deeds and documents submitted into escrow were effectuated for public purposes pursuant to Health and Safety Code Section 34181(a); and
2. Resolution 12-6 which approves various findings in support of the transfer of real property rights or irrevocable offers of dedication to the City of West Sacramento dated January 1, 2011 through June 28, 2011, and delegating to the Successor Agency Executive Director the authority to complete the dedications.

**BACKGROUND**

As of February 1, 2012, the West Sacramento Redevelopment Agency was dissolved, and the City, acting as Successor Agency for the former Redevelopment Agency, assumed responsibility for "winding down" the activities of the former Redevelopment Agency.

On May 4, 2012, the Successor Agency was provided with a complete list of Redevelopment Agency assets transferred after January 1, 2012. This list of asset transfers is now being audited by the State Controller's Office (SCO), and the auditor is recommending that the Successor Agency pursue the immediate approval of the Oversight Board to recognize, reaffirm, and approve the transfer of those properties deemed "public" or "governmental use" to the City or other public agency. The actions requested in attached Resolutions 12-5 and 12-6 would address those asset transfers, where the transfer of property has occurred after January 1, 2011, pursuant to valid agreements. The SCO is recommending that these transfers be approved by the Oversight Board, in order that the SCO auditors can obtain documentation for inclusion within the scope of the current audit, which is tentatively scheduled for completion by September 2012.

AB1X 26 authorizes the transfer of public-use property to the City. The legislation provides direction regarding the transfer of properties that were acquired, constructed, or maintained in use for governmental (i.e., "public") purposes. The Oversight Board may direct the Successor Agency to transfer ownership of those assets that were constructed and used for a governmental purpose, such as roads, school buildings, parks, and fire stations, to the appropriate jurisdiction pursuant to any existing agreement relating to the construction or use of such an asset. The actions recommended in this report recognize the transfer of assets occurring after January 1, 2011, and therefore subject to review by the State Controller's Office. The recommended actions are as follows:

***Resolution 12-5 – Transfer of public-serving property right granted prior to January 1, 2011, but implemented between January 1, 2011 and January 31, 2012.***

Prior to January 1, 2011, the Redevelopment Agency adopted Joint Resolutions 09-61, 10-24 and 10-32, which delegated authority to its Executive Director and authorized the transfer of Agency-owned public-serving real property rights to the City of West Sacramento and the Sacramento San Joaquin Drainage District (SSJDD). These properties, as described in Exhibit "A" to Resolution 12-5, included:

- Bridge District Streets: As of January 1, 2011, the Redevelopment Agency was the fee title owner of portions Casey, Grand, Fifth and Third Street in the Bridge District, APNs 067-330-023, 058-310-024, 058-320-056, and 058-320-071, 058-330-004 ("Bridge District Streets"). On March 4, 2011, the Executive Director executed, and delivered for subsequent recordation on March 7, 2011, deeds granting fee title of Bridge District Streets to the City of West Sacramento, document instrument numbers 2011-0006617 and 2001-0006618; and
- Stone Lock Property Flood Easements: The Redevelopment Agency was the fee title owner of Stone Lock properties impacted by the SacBank flood protection improvement project, APNs 067-180-001, 002, 003, 004, and 046-010-011. On January 31, 2012, the Executive Director executed, and delivered into escrow, flood protection easement to SSJDD for the SacBank project attached hereto as Exhibit A.

Through approval of Resolution 12-5, the Oversight Board acknowledges the previously delegated authority of the Executive Director to enter into the real property transfers described in Joint Resolutions 09-61, 10-24 and 10-32 and finds that the resulting recorded deeds and documents submitted into escrow were effectuated for public purposes pursuant to the Health and Safety Code section 34181(a).

***Resolution 12-6 – Transfer of public-serving property rights granted or irrevocable offers of dedication to the City of West Sacramento dated January 1, 2011 through June 28, 2011, and delegating authority to the Executive Director to complete the dedications.***

The Redevelopment Agency transferred certain property rights to facilitate public improvements. Exhibit "B" to Resolution 12-6 describes the recorded deeds that transferred public purpose properties for the following: 1) Stone Lock public park, 2) Fifth Street right-of-way, 3) Tower Bridge Gateway/Third Street, and 4) the I Street levee Early Improvement Program ("EIP") flood improvements. Between January 1, 2011 and June 28, 2011, the Agency recorded covenants on the Agency Properties for the purpose of memorializing and disclosing relevant property characteristics, including open space and parkways, roadways, public utilities and related easements, planned affordable housing sites, planned flood protection uses, status as a Brownfields, inclusion in additional City planning zones or master plans, and other existing agreements or recorded covenants related to the use of the property.

Exhibit "C" to Resolution 12-6 describes irrevocable offers of dedication including: 1) the Village Parkway right-of-way/South River Road Bridge/relocated South River Road, 2) the Inline Booster Pump Station, 3) flood protection easements, 3) the barge canal recreation access area, 4) the Central and Grand Street right-of-way, and 5) the Core Bridge District Park. In addition, between January 1, 2011 and June 28, 2011, the Agency recorded various deeds, quitclaims and irrevocable offers to dedicate on the Agency Properties for the



purposes of transferring real property rights to the City of West Sacramento for open space and parkways, roadways, public utility, and flood protection uses. Resolution 12-6 authorizes the Successor Agency Executive Director to complete the dedications at a future time when those dedications are necessary to service public purposes.

#### **ANALYSIS**

If the Oversight Board approves staff's recommendation, the Successor Agency Board and the city of West Sacramento will be asked to take a joint action acknowledging, affirming, and approving the transfer of public-use real property assets identified in the Exhibit "B" and "C" to Resolutions 12-5 and 12-6. The recognition of these transactions by the Oversight Board will allow the SCO to include documentation of the asset transfer audit now underway, and scheduled for completion in mid-September.

The transfers and irrevocable offers of dedication are supported by key policy documents adopted by the city of West Sacramento. The findings to support these property transfers and dedications described in Resolution 12-6 are as follows:

1. Pursuant to the City Parks Master Plan, dated September 2003, Joint Resolution 05-109 adopted November 2, 2005, and the construction activities commenced by the City Council on July 17, 2007, a portion of the Agency's properties are described as a regional-serving public park known as the Barge Canal Cluster and Central Park feature; and
2. Pursuant to the Amended Southport Framework Plan approved by City Council in August of 1998 and the SacBank flood protection improvement project, approved by City Council on May 19, 2010, a portion of the Agency Properties are described as the Village Parkway right-of-way and bridge and the relocated South River Road; and
3. Pursuant to Water Master Plan, dated May 2005, and the construction activities commenced by the City Council on February 6, 2008, a portion of the Agency Properties is described as the location of the Inline Booster Pump Station; and
4. Pursuant to the City's General Plan and its amendments, as revised and adopted on December 4, 2004, establishing a policy goal of ensuring that levees surrounding the City are maintained and improved to provide a minimum of 200-year flood protection, a portion of the Agency Properties contained levees with deficiencies either identified in:
  - a. Reaches 1 and 9B of the City's Final Engineer's report dated July 16, 2007; or
  - b. Reach 8 of the City's Final Engineer's report dated July 16, 2007 and the Central Valley Flood Protection Board permit no. 18836 dated August 21, 2008; and
5. Pursuant to Volume II and Volume III of Bridge District Specific Plan and the 2014 Plan, adopted on November 18, 2009, a portion of the Agency Properties are described as the following regional roadway serving rights-of-way: Tower Bridge Gateway and Fifth Street and the Core Bridge District Park and Parking.

In addition to the above findings, the Oversight Board,

6. Acknowledges, affirms and approves that actions taken by the Redevelopment Agency between January 1, 2011 and June 28, 2011, resulting in the recorded deeds and quitclaims described in the table attached hereto as Exhibit B, that those actions were appropriate and done for the public purposes described in the findings above, and the documents recorded and any interests transferred were effectuated pursuant to Health and Safety Code section 34181(a).

7. Acknowledges, affirms and approves that actions taken by the Redevelopment Agency between January 1, 2011 and June 28, 2011, resulting in the recorded Irrevocable offers to dedicate described in the table attached hereto as Exhibit C, were appropriate and dedicated in the interest of preserving and documenting the public purposes described in the findings above and the documents recorded and dedications offered were effectuated pursuant to the Health and Safety Code section 34181(a).

Resolution 12-6 also delegates authority to the Executive Director of the West Sacramento Redevelopment Successor Agency to prepare, correct, and approve the legal descriptions and plats of any and all of the recorded documents contained in Exhibit B and C to Resolution 12-6, and to execute and deliver all public purpose easements and deeds offered, but not accepted by the City of West Sacramento, as contained in Exhibit C, and to take any actions necessary or advisable to complete the dedication of these public-purpose properties and real property rights.

#### Alternatives

The Oversight Board's primary alternatives are summarized below.

1. Approve Resolutions 12-5 and 12-6, which affirm and acknowledge the actions taken by the former Redevelopment Agency to transfer real property assets after January 1, 2011.
2. Do not approve staff recommendation and instead recommend that the Successor Agency staff return with additional information in support of the Redevelopment Agency's prior actions.
3. Do not approve staff recommendation, and decline to recognize the Redevelopment Agency's previous actions transferring.

Alternative 1 is staff's recommended action. Staff is prepared to implement Alternative 2 at the direction of the Oversight Board. Staff does not recommend Alternative 3, because under this scenario, the transfer of acknowledgment of the Redevelopment Agency's asset transfers would not be included in the current SCO audit as requested by the SCO's auditors.

#### Budget/Cost Impact

There are not financial impacts associated with the actions recommended in Resolutions 12-5 and 12-6.

#### ATTACHMENTS

1. Resolution 12-5
2. Resolution 12-6

**RESOLUTION 12-5**

**A RESOLUTION OF THE OVERSIGHT BOARD OF THE WEST SACRAMENTO REDEVELOPMENT SUCCESSOR AGENCY AFFIRMING THE REDEVELOPMENT AGENCY'S EXECUTIVE DIRECTOR'S DELEGATED AUTHORITY TO TRANSFER OF PUBLIC-SERVING REAL PROPERTY RIGHTS GRANTED PRIOR TO JANUARY 1, 2011 BUT IMPLEMENTED BETWEEN JANUARY 1, 2011 AND JANUARY 31, 2012**

**WHEREAS**, the Oversight Board of the West Sacramento Redevelopment Successor Agency ("Oversight Board") has a fiduciary responsibility to the taxing entities that benefit from the distribution of revenues pursuant to Section 34188 of AB1X26; and

**WHEREAS**, pursuant to the Health and Safety Code section 34177(e), the Successor Agency is responsible for disposing of assets and properties of the former Agency, as directed by the Oversight Board, expeditiously and in a manner maximizing value; and

**WHEREAS**, the Health and Safety Code section 34177(h) further directs that the Successor Agency wind up the affairs of the former Agency, directs that the Successor Agency continue to oversee development of properties until completion or until the former Agency contractual obligations can be transferred to other parties; and

**WHEREAS**, pursuant to the Health and Safety Code section 34181(a), the Oversight Board is authorized to direct that the Successor Agency transfer ownership of assets that were acquired or constructed and used for a governmental purpose, such as roads, school buildings, parks and fire stations to the appropriate public jurisdiction pursuant to any existing agreements or recorded covenants related to the use of such an asset; and

**WHEREAS**, prior to January 1, 2011 the Redevelopment Agency adopted Joint Resolutions 09-61, 10-24 and 10-32, which delegated authority to its Executive Director and authorized the transfer of Agency-owned public-serving real property rights to the City of West Sacramento and the Sacramento San Joaquin Drainage District (SSJDD); and

**WHEREAS**, as of January 1, 2011 the Agency was the fee title owner of portions Casey, Grand, Fifth and Third Street in the Bridge District, APNs 067-330-023, 058-310-024, 058-320-056, and 058-320-071, 058-330-004 ("Bridge District Streets") and the fee title owner of Stone Lock properties impacted by the SacBank flood protection improvement project, APNs 067-180-001, 002, 003, 004, and 046-010-011(as described in Exhibit "B" and "C"); and

**WHEREAS**, on March 4, 2011 the Executive Director executed, and delivered for subsequent recordation on March 7, 2011, deeds granting fee title of Bridge District Streets to the City of West Sacramento, document instrument numbers 2011-0006617 and 2001-0006618; and

**WHEREAS**, on January 31, 2012, the Executive Director executed, and delivered into escrow, flood protection easement to SSJDD for the SacBank project attached hereto as Exhibit A;

**NOW, THEREFORE, BE IT RESOLVED**, by the Oversight Board of the West Sacramento Redevelopment Successor Agency that the Oversight Board acknowledges the previously delegated authority of the Executive Director to enter into the real property transfers described in Joint Resolutions 09-61, 10-24 and 10-32 and finds that the resulting recorded

deeds and documents submitted into escrow were effectuated for public purposes pursuant to the Health and Safety Code section 34181(a).

**PASSED AND ADOPTED** by the Oversight Board of the West Sacramento Redevelopment Successor Agency on this 16<sup>th</sup> day of August 2012, by the following vote:

**AYES:**  
**NOES:**  
**ABSENT:**

---

Christopher Ledesma, Chairperson

ATTEST:

---

Kryss Rankin, City Clerk

Res. 12-5 Exhibit A: Certain Agency Properties

| Historical APN(s)   | Current APN (s)   | Address                                     | Property Description          |
|---|---|---|-------------------------------|
| 067-180-001, 002, 003, 004, 007, 008 024, 036 and 046-010-011 | 067-180-001, 002, 003, 004, 024, 053, 054 and 046-010-011 | Jefferson Blvd and South River Rd           | Stone Lock Properties; Vacant |
| 058-330-004   | 058-330-030 <sup>1</sup>                                  | 900 Bridge St (formerly 900 South River Rd) | Former Weyerhaeuser Parcel    |
| 058-320-052   | 058-320-052   | Fifth St (Right-of-Way)                     | Former Portion of WYE Track   |
| 058-320-053   | 058-320-072 and 058-320-073                               | Tower Bridge Gateway and Third St           | Former Portion of WYE Track   |
| 010-373-012   | 010-373-012   | Rose Alley                                  | Adjacent to River Walk Park   |

<sup>1</sup> Fee title transferred to the City in July 2012. Authority to transfer via OB 12-4 adopted on June 14, 2012.

Res. 12-5 Exhibit B: Real Property Interests Transferred to the City between 1/1/2011 and 6/28/2011

| Historical APN(s)                   | Current APN (s)          | Recorded Deeds/Quitclaims to the City  | Public Purpose  |
|-------------------------------------|--------------------------|--|---|
| 067-180-007, 008 and 036 (portions) | 067-180-053              | <ul style="list-style-type: none"> <li>• 2011-0014130<sup>1</sup></li> </ul> | Stone Lock 3.8 acre Public Park located per Resolution 05-109 |
| 058-320-052                         | 058-320-052              | <ul style="list-style-type: none"> <li>• 2011-0012129<sup>2</sup></li> </ul> | Fifth St Right-of-Way   |
| 058-320-053 (portion)               | 058-320-072 <sup>3</sup> | <ul style="list-style-type: none"> <li>• 2011-0014131<sup>2</sup></li> </ul> | Tower Bridge Gateway and Third St Right-of-Way                |
| 010-373-012                         | 010-373-012              | <ul style="list-style-type: none"> <li>• 2011-014128</li> </ul>              | Flood Protection/ Levee Footprint   St EIP                    |

<sup>1</sup>The deed effected the dedication described in Irremovable Offers to Dedicate (IOD) 2011-0006725.

<sup>2</sup>The deed effected the dedication described in Irremovable Offers to Dedicate (IOD) 2011-0006616.

<sup>3</sup>APN 058-320-073, the remaining developable portion of 058-320-053, was sold by the Redevelopment Agency to a private party. See Resolution OB 12-7 for additional details.

Res. 12-5 Exhibit C: Irrevocable Offers to Dedicate Interests to the City Recorded Between 1/1/2011 to 6/28/2011

| Historical APN(s)                                      | Current APN (s)                                      | Irrevocable Offers to Dedicate   | Public Purpose   |
|--|--|--|--|
| 067-180-001, 002, 003, 004, and 046-010-011 (portions) | 067-180-001, 002, 003, 004, and 046-010-011          | <ul style="list-style-type: none"> <li>• 2011-0016041</li> </ul>                         | <ul style="list-style-type: none"> <li>• Village Parkway Right-of-way and Bridge and Relocated South River Road</li> </ul> |
| 067-180-024 (portion)                                  | 067-180-024  | <ul style="list-style-type: none"> <li>• 2011-0016042</li> </ul>                         | <ul style="list-style-type: none"> <li>• Inline Booster Pump Station</li> </ul>  |
| 067-180-001, 002, 003, 004, 024 and 036 (portion)      | 067-180-001, 002, 003, 004, 024, 054 and 046-010-011 | <ul style="list-style-type: none"> <li>• 2011-0016292</li> </ul>                         | <ul style="list-style-type: none"> <li>• Flood Protection/ Levee Improvements</li> </ul>                                   |
| 067-180-036 (portion)                                  | 067-180-054  | <ul style="list-style-type: none"> <li>• 2011-0016040</li> </ul>                         | <ul style="list-style-type: none"> <li>• Barge Canal Recreation Access Area</li> </ul>                                     |
| 058-330-004  | 058-330-030 <sup>1</sup>                             | <ul style="list-style-type: none"> <li>• 2011-0016039</li> <li>• 2011-0006619</li> </ul> | <ul style="list-style-type: none"> <li>• Central and Grand St</li> <li>• Core Bridge District Park and Parking</li> </ul>  |

<sup>1</sup> Fee title transferred to the City in July of 2012. Authority to transfer via OB 12-4 adopted on June 14, 2012.



RESOLUTION 12-6

**A RESOLUTION OF THE OVERSIGHT BOARD OF THE WEST SACRAMENTO REDEVELOPMENT SUCCESSOR AGENCY ACKNOWLEDGING AND APPROVING THE REDEVELOPMENT AGENCY'S TRANSFER OF PUBLIC-SERVING REAL PROPERTY RIGHTS OR IRREVOCABLE OFFERS OF DEDICATION TO THE CITY OF WEST SACRAMENTO DATED JANUARY 1, 2011 THROUGH JUNE 28, 2011 AND DELEGATING AUTHORITY TO THE EXECUTIVE DIRECTOR TO COMPLETE THE DEDICATIONS**

**WHEREAS**, the State of California chaptered Assembly Bill 1X26 ("AB1X26") on June 29 2011, ending the statewide redevelopment program in California and establishing local oversight boards to oversee the unwinding of redevelopment agency obligations; and

**WHEREAS**, the Oversight Board of the West Sacramento Redevelopment Agency ("Oversight Board") has a fiduciary responsibility to the taxing entities that benefit from the distribution of revenues pursuant to Section 34188 of AB1X26; and

**WHEREAS**, pursuant to the Health and Safety Code section 34177(e), the Successor Agency is responsible for disposing of assets and properties of the former Agency, as directed by the Oversight Board, expeditiously and in a manner maximizing value; and

**WHEREAS**, Health and Safety Code section 34177(h) further directs that the Successor Agency wind up the affairs of the former Agency, and that the Successor Agency continue to oversee development of properties until completion or until the former redevelopment agency's contractual obligations can be transferred to other parties; and

**WHEREAS**, pursuant to the Health and Safety Code section 34181(a), the Oversight Board is authorized to direct that the Successor Agency transfer ownership of assets that were acquired or constructed and used for a governmental purpose, such as roads, school buildings, parks and fire stations to the appropriate public jurisdiction pursuant to any existing agreements or recorded covenants related to the use of such an asset; and

**WHEREAS**, between January 1, 2011 and June 28, 2011, the Agency was the owner of certain properties ("Agency Properties") described in the table attached hereto as Exhibit A; and

**WHEREAS**, between January 1, 2011 and June 28, 2011 the Agency recorded covenants on the Agency Properties for the purpose of memorializing and disclosing relevant property characteristics, including open space and parkways, roadways, public utilities and related easements, planned affordable housing sites, planned flood protection uses, status as a Brownfield, inclusion in additional City planning zones or master plans, and other existing agreements or recorded covenants related to the use of the property (as described in Exhibits "B" and "C"); and

**WHEREAS**, between January 1, 2011 and June 28, 2011, the Agency recorded various deeds, quitclaims and Irrevocable Offers to Dedicate on the Agency Properties for the purposes of transferring real property rights to the City of West Sacramento for open space and parkways, roadways, public utility, and flood protection uses;

**NOW, THEREFORE, BE IT RESOLVED** that the Oversight Board of the West Sacramento Redevelopment Successor Agency hereby makes the following findings:

1. Pursuant to the City Parks Master Plan, dated September 2003, Joint Resolution 05-109 adopted November 2, 2005, and the construction activities commenced by the City Council on July 17, 2007, a portion of the Agency's Properties are described as a regional-serving public park known as the Barge Canal Cluster and Central Park feature; and
2. Pursuant to the Amended Southport Framework Plan approved by City Council in August of 1998 and the SacBank flood protection improvement project, approved by City Council on May 19, 2010, a portion of the Agency Properties are described as the Village Parkway right-of-way and bridge and the relocated South River Road; and
3. Pursuant to Water Master Plan, dated May 2005, and the construction activities commenced by the City Council on February 6, 2008, a portion of the Agency Properties is described as the location of the Inline Booster Pump Station; and
4. Pursuant to the City's General Plan and its amendments, as revised and adopted on December 4, 2004, establishing a policy goal of ensuring that levees surrounding the City are maintained and improved to provide a minimum of 200-year flood protection, a portion of the Agency Properties contained levees with deficiencies either identified in:
  - a. Reaches 1 and 9B of the City's Final Engineer's report dated July 16, 2007; or
  - b. Reach 8 of the City's Final Engineer's report dated July 16, 2007 and the Central Valley Flood Protection Board permit no. 18836 dated August 21, 2008; and
5. Pursuant to Volume II and Volume III of Bridge District Specific Plan and the 2014 Plan, adopted on November 18, 2009, portions of the Agency Properties are described as the following regional-serving rights-of-way: Tower Bridge Gateway and Fifth Street and the Core Bridge District Park and Parking.

**BE IT FURTHER RESOLVED**, that the Oversight Board of the West Sacramento Redevelopment Successor Agency:

6. Acknowledges, affirms and approves that actions taken by the Redevelopment Agency between January 1, 2011 and June 28, 2011, resulting in the recorded deeds and quitclaims described in the table attached hereto as Exhibit B, that those actions were appropriate and done for the public purposes described in the findings above, and the documents recorded and any interests transferred were effectuated pursuant to Health and Safety Code section 34181(a).
7. Acknowledges, affirms and approves that actions taken by the Redevelopment Agency between January 1, 2011 and June 28, 2011, resulting in the recorded Irrevocable Offers to Dedicate described in the table attached hereto as Exhibit C, were appropriate and dedicated in the interest of preserving and documenting the public purposes described in the findings above and the documents recorded and dedications offered were effectuated pursuant to the Health and Safety Code section 34181(a).

8. Delegates authority to the Executive Director of the West Sacramento Redevelopment Successor Agency to prepare, correct, and approve the legal descriptions and plats of any and all of the recorded documents contained in Exhibits B and C, and to execute and deliver all public purpose easements and deeds offered, but not accepted by the City of West Sacramento, as contained in Exhibit C, and to take any actions necessary or advisable to complete the dedication of these public purpose properties and real property rights acknowledged, affirmed and approved by this Resolution.

**PASSED AND ADOPTED**, by the Oversight Board of the West Sacramento Redevelopment Successor Agency on this 16<sup>th</sup> day of August 2012, by the following vote:

**AYES:**  
**NOES:**  
**ABSENT:**

---

Christopher Ledesma, Chairperson

ATTEST:

---

Kryss Rankin, City Clerk

Res. 12-6 Exhibit A: Certain Agency Properties

| Historical APN(s)   | Current APN (s)   | Address                                     | Property Description          |
|---|---|---|-------------------------------|
| 067-180-001, 002, 003, 004, 007, 008 024, 036 and 046-010-011 | 067-180-001, 002, 003, 004, 024, 053, 054 and 046-010-011 | Jefferson Blvd and South River Rd           | Stone Lock Properties; Vacant |
| 058-330-004   | 058-330-030 <sup>1</sup>                                  | 900 Bridge St (formerly 900 South River Rd) | Former Weyerhaeuser Parcel    |
| 058-320-052   | 058-320-052   | Fifth St (Right-of-Way)                     | Former Portion of WYE Track   |
| 058-320-053   | 058-320-072 and 058-320-073                               | Tower Bridge Gateway and Third St           | Former Portion of WYE Track   |
| 010-373-012   | 010-373-012   | Rose Alley                                  | Adjacent to River Walk Park   |

<sup>1</sup> Fee title transferred to the City in July 2012. Authority to transfer via OB 12-4 adopted on June 14, 2012.

Res. 12-6 Exhibit B: Real Property Interests Transferred to the City between 1/1/2011 and 6/28/2011

| Historical APN(s)                   | Current APN (s)          | Recorded Deeds/Quitclaims to the City  | Public Purpose  |
|-------------------------------------|--------------------------|--|---|
| 067-180-007, 008 and 036 (portions) | 067-180-053              | <ul style="list-style-type: none"> <li>• 2011-0014130<sup>1</sup></li> </ul> | Stone Lock 3.8 acre Public Park located per Resolution 05-109 |
| 058-320-052                         | 058-320-052              | <ul style="list-style-type: none"> <li>• 2011-0012129<sup>2</sup></li> </ul> | Fifth St Right-of-Way   |
| 058-320-053 (portion)               | 058-320-072 <sup>3</sup> | <ul style="list-style-type: none"> <li>• 2011-0014131<sup>2</sup></li> </ul> | Tower Bridge Gateway and Third St Right-of-Way                |
| 010-373-012                         | 010-373-012              | <ul style="list-style-type: none"> <li>• 2011-014128</li> </ul>              | Flood Protection/ Levee Footprint   St EIP                    |

<sup>1</sup>The deed effected the dedication described in Irremovable Offers to Dedicate (IOD) 2011-0006725.

<sup>2</sup>The deed effected the dedication described in Irremovable Offers to Dedicate (IOD) 2011-0006616.

<sup>3</sup>APN 058-320-073, the remaining developable portion of 058-320-053, was sold by the Redevelopment Agency to a private party. See Resolution OB 12-7 for additional details.

Res. 12-6 Exhibit C: Irrevocable Offers to Dedicate Interests to the City Recorded Between 1/1/2011 to 6/28/2011

| Historical APN(s)                                      | Current APN (s)                                      | Irrevocable Offers to Dedicate   | Public Purpose   |
|--|--|--|--|
| 067-180-001, 002, 003, 004, and 046-010-011 (portions) | 067-180-001, 002, 003, 004, and 046-010-011          | <ul style="list-style-type: none"> <li>• 2011-0016041</li> </ul>                         | <ul style="list-style-type: none"> <li>• Village Parkway Right-of-way and Bridge and Relocated South River Road</li> </ul> |
| 067-180-024 (portion)                                  | 067-180-024  | <ul style="list-style-type: none"> <li>• 2011-0016042</li> </ul>                         | <ul style="list-style-type: none"> <li>• Inline Booster Pump Station</li> </ul>  |
| 067-180-001, 002, 003, 004, 024 and 036 (portion)      | 067-180-001, 002, 003, 004, 024, 054 and 046-010-011 | <ul style="list-style-type: none"> <li>• 2011-0016292</li> </ul>                         | <ul style="list-style-type: none"> <li>• Flood Protection/ Levee Improvements</li> </ul>                                   |
| 067-180-036 (portion)                                  | 067-180-054  | <ul style="list-style-type: none"> <li>• 2011-0016040</li> </ul>                         | <ul style="list-style-type: none"> <li>• Barge Canal Recreation Access Area</li> </ul>                                     |
| 058-330-004  | 058-330-030 <sup>1</sup>                             | <ul style="list-style-type: none"> <li>• 2011-0016039</li> <li>• 2011-0006619</li> </ul> | <ul style="list-style-type: none"> <li>• Central and Grand St</li> <li>• Core Bridge District Park and Parking</li> </ul>  |

<sup>1</sup> Fee title transferred to the City in July of 2012. Authority to transfer via OB 12-4 adopted on June 14, 2012.

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**REDEVELOPMENT SUCCESSOR AGENCY OVERSIGHT BOARD**

MEETING DATE: December 13, 2012

ITEM # 3

**SUBJECT:**

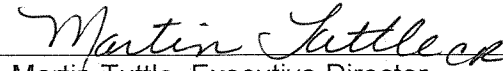
**PUBLIC COMMENT SESSION OF THE WEST SACRAMENTO REDEVELOPMENT SUCCESSOR AGENCY OVERSIGHT BOARD TO RECEIVE PUBLIC COMMENT ON THE NON-HOUSING DUE DILIGENCE REVIEW PURSUANT TO HEALTH AND SAFETY CODE 34179.6(b)**

**INITIATED OR REQUESTED BY:**

- Oversight Board       Staff
- Other

**REPORT COORDINATED OR PREPARED BY:**

Paul Blumberg, Public Finance Manager  
Nitish Sharma, Budget Manager



Martin Tuttle, Executive Director  
West Sacramento Redevelopment Successor Agency

ATTACHMENT  Yes     No       Information     Direction     Action

**OBJECTIVE**

The purpose of this report is to recommend that the West Sacramento Redevelopment Successor Agency Oversight Board ("Oversight Board") hold a public comment session to receive comments on the Non-Housing Due Diligence Review ("the Non-Housing DDR") pursuant to Health and Safety Code 34179.6(b).

**RECOMMENDED ACTION**

It is respectfully recommended that the Oversight Board receive and accept the Review and hold the "comment session" to receive public input.

**BACKGROUND**

Pursuant to Health and Safety Code 34179.5 a "due diligence" review is required to be prepared for 1) the Low and Moderate Income Housing ("LMIH") Assets transferred to the City (acting as housing successor agency), and 2) all other funds of the Successor Agency. While subject to separate timelines (the LMIH due diligence review has been completed), both must be completed as of January 15, 2013. The Non-Housing DDR is the subject of this report.

By December 15, 2012, the draft Non-Housing DDR is required to be submitted to the Department of Finance ("DOF"), and this document should disclose the amount of cash or cash equivalents that may be available to be returned to the County Auditor-Controller for distribution to the taxing entities. A copy of the Non-Housing DDR is included in the Board's agenda packet, and a copy is on file with the City Clerk. The Non-Housing DDR was prepared by the audit firm Richardson & Company, a firm that has a previous history conducting similar reports for the City of West Sacramento.

Section 34179.6(b) requires that the Oversight Board schedule a "public comment session" at least five days prior to when the Oversight Board holds an "approval" vote on the Non-Housing DDR. Staff has scheduled the item for action at the Board's regularly scheduled January 13, 2013 meeting.

By January 15, 2013, the Non-Housing DDR must be approved by the Oversight Board and transmitted to the DOF and the County Auditor-Controller. The DOF then reviews the report, potentially making adjustments deemed appropriate, and providing approval within approximately 60 days. The DOF and the County Auditor-Controller will then determine the amount of cash or cash equivalents available to be distributed to the taxing entities from the May/June property tax distribution pursuant to the formula provided in Health and Safety Code section 34179.5. If the Successor Agency disagrees with the DOF's final decision, the Successor Agency can request a "meet and confer" meeting with DOF to appeal the final decision.

The legislation is not specific as to what type of comments the Oversight Board can make or not make at the public comments session but it is assumed that it would be appropriate for the Board to discuss the report at this time. A representative of Richardson & Company will be in attendance at the December 13th meeting to answer any questions regarding the Review and its findings.

**Analysis**

The Non-Housing DDR has concluded that the cash and non-cash assets were appropriately transferred to the City or other third-party entity; however, the report does note payments made that have been disallowed but are being appealed through the "meet and confer" process. While there are no remaining balances available

to be remitted to the County and for disbursement to the taxing entities, pending decisions by the DOF may require that certain payments are subject to "clawback" or payment to the County Auditor-Controller. Since this is not a public hearing, there are no guidelines for how the public meeting should be conducted; however, any public comment will be summarized in the meeting minutes for the record.

Alternatives

The Oversight Board is required to hold the public meeting pursuant to legislative requirements (Health and Safety Code 34179.6(b)) contained in Assembly Bill 1484, and so no alternatives are presented for consideration.

Budget/Cost Impact

There are no budgetary impacts to holding the public information session. However, to the extent that either the Board or the public poses issues that have financial implications, staff will provide a written response within the Board's January 13, 2013 agenda report to approve the Non-Housing DDR.

**ATTACHMENTS**

Non-Housing Asset Due-Diligence Review

Richardson & Company

DISCUSSION  
DRAFT

550 Howe Avenue, Suite 210  
Sacramento, California 95825

Telephone: (916) 564-8727  
FAX: (916) 564-8728

INDEPENDENT ACCOUNTANT'S REPORT  
ON APPLYING AGREED-UPON PROCEDURES

To the Oversight Board of the Successor Agency of  
the Redevelopment Agency of the City of West Sacramento  
West Sacramento, California

We have applied the procedures enumerated below to all funds of the Redevelopment Agency of the City of West Sacramento (the Redevelopment Agency) and the Successor Agency of the Redevelopment Agency of the City of West Sacramento (the Successor Agency) with the exception of the Low and Moderate Income Housing Funds for which separate procedures were previously performed. These procedures, which were agreed to in advance by the California State Controller's Office, the California Department of Finance and the Successor Agency, were performed to determine whether the Redevelopment Agency of the City of West Sacramento and its Successor Agency (the Funds) complied its statutory requirements with respect to State of California Assembly Bill No. 1484 (AB 1484) as specified in California Health and Safety Code Section 34179.5. Management of the Successor Agency is responsible for compliance with these requirements.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures performed related to all funds of the Redevelopment Agency and its Successor Agency except the Low and Moderate Income Housing Fund and our findings were as follows:

Citation: 34179.5(c)(1) The dollar value of assets transferred from the former redevelopment agency to the successor agency on or about February 1, 2012.

1. Obtain from the Successor Agency a listing of all assets that were transferred from the former redevelopment agency to the Successor Agency on February 1, 2012. Agree the amounts on this listing to account balances established in the accounting records of the Successor Agency. Identify in the Agreed-Upon Procedures (AUP) report the amount of the assets transferred to the Successor Agency as of that date.

Findings: We noted the Funds retained cash of \$114,284 at January 31, 2012 that was not transferred to the Successor Agency. This cash was retained by the Funds to pay \$34,509 of payroll and related benefits accrued at January 31, 2012 and for expenses for services incurred by the Funds between January 31, 2012 and June 30, 2012 as reported on the EOPS. A schedule of assets transferred from the former redevelopment agency to the Successor Agency on January 31, 2012 is attached.

To the Oversight Board of the Successor Agency of  
the Redevelopment Agency of the City of West Sacramento

Citation: 34179.5(c)(2) The dollar value of assets and cash and cash equivalents transferred after January 1, 2011, through June 30, 2012, by the redevelopment agency or the successor agency to the city, county, or city and county that formed the redevelopment agency and the purpose of each transfer. The review shall provide documentation of any enforceable obligation that required the transfer.

2. If the State Controller's Office has completed its review of transfers required under both Sections 34167.5 and 34178.8 and issued its report regarding such review, attach a copy of that report as an exhibit to the AUP report. If this has not yet occurred, perform the following procedures:
  - A. Obtain a listing prepared by the Successor Agency of transfers (excluding payments for goods and services) from the former redevelopment agency to the city, county, or city and county that formed the redevelopment agency for the period from January 1, 2011 through January 31, 2012. For each transfer, the Successor Agency should describe the purpose of the transfer and describe in what sense the transfer was required by one of the Agency's enforceable obligations or other legal requirements. Provide this listing as an attachment to the AUP report.
  - B. Obtain a listing prepared by the Successor Agency of transfers (excluding payments for goods and services) from the Successor Agency to the city, county, or city and county that formed the redevelopment agency for the period from February 1, 2012 through June 30, 2012. For each transfer, the Successor Agency should describe the purpose of the transfer and describe in what sense the transfer was required by one of the Agency's enforceable obligations or other legal requirements. Provide this listing as an attachment to the AUP report.
  - C. For each transfer, obtain the legal document that formed the basis for the enforceable obligation that required any transfer. Note in the AUP report the absence of any such legal document or the absence of language in the document that required the transfer.

Findings: The State Controller's Office completed its review and a copy of the report is attached. We noted the following during procedures performed prior to the State Controller's Office releasing its report:

- a. The State Department of Finance notified the City that three transfers totaling \$486,610.69 to the Sacramento-Yolo Port District and City of West Sacramento for infrastructure improvements under infrastructure financing agreements did not meet the definition of an enforceable obligation in a letter dated April 27, 2012. The agreements were entered into prior to December 31, 2011. The City is currently appealing this decision.
- b. The Redevelopment Agency entered into an agreement to purchase land from the Sacramento-Yolo Port District, a component unit of the City of West Sacramento, during the year ended June 30, 2010. The Redevelopment Agency made a payment to the Sacramento-Yolo Port District of \$1.2 million under the agreement in March 2011. In April, 2012, prior to the final payment being made of \$1.5 million, the Oversight Board of the Successor Agency determined it was in the Successor Agency's best interest to not make the final payment and to allow the Sacramento-Yolo Port District to repossess the land because the value of the land was not sufficient to justify disbursing the final payment. The \$1.5 million not paid was included as part of the \$2.4 million residual payment reported on the schedule for procedure 10.
- c. The Redevelopment Agency's audited financial statements as of June 30, 2011 included Fund 263, which is a fund used for Community Development Block Grant funds for economic development loans and a GIS mapping system, maritime land use planning fees collected from other governmental agencies and enterprise zone application fees, none of which were from Redevelopment Agency resources. Cash and investments of \$63,610.18 recorded in Fund 263 were transferred to another City fund used to continue the specified activities rather than transferring the balances to the Successor Agency. The balances were not transferred to the Successor Agency because they were restricted resources not allowed to be used for Redevelopment Agency obligations according to the related agreements or City ordinances under which the amounts were collected from other governments or private parties.

To the Oversight Board of the Successor Agency of  
the Redevelopment Agency of the City of West Sacramento

Citation: 34179.5(c)(3) The dollar value of any cash or cash equivalents transferred after January 1, 2011, through June 30, 2012, by the redevelopment agency or the successor agency to any other public agency or private party and the purpose of each transfer. The review shall provide documentation of any enforceable obligation that required the transfer.

3. If the State Controller's Office has completed its review of transfers required under both Sections 34167.5 and 34178.8 and issued its report regarding such review, attach a copy of that report as an exhibit to the AUP report. If this has not yet occurred, perform the following procedures:
  - A. Obtain a listing prepared by the Successor Agency of transfers (excluding payments for goods and services) from the former redevelopment agency to any other public agency or to private parties for the period from January 1, 2011 through January 31, 2012. For each transfer, the Successor Agency should describe the purpose of the transfer and describe in what sense the transfer was required by one of the Agency's enforceable obligations or other legal requirements. Provide this listing as an attachment to the AUP report.
  - B. Obtain a listing prepared by the Successor Agency of transfers (excluding payments for goods and services) from the Successor Agency to any other public agency or private parties for the period from February 1, 2012 through June 30, 2012. For each transfer, the Successor Agency should describe the purpose of the transfer and describe in what sense the transfer was required by one of the Agency's enforceable obligations or other legal requirements. Provide this listing as an attachment to the AUP report.
  - C. For each transfer, obtain the legal document that formed the basis for the enforceable obligation that required any transfer. Note in the AUP report the absence of any such legal document or the absence of language in the document that required the transfer.

Findings: The State Controller's Office completed its review and a copy of the report is attached.

Citation: 34179.5(c)(4) The review shall provide expenditure and revenue accounting information and identify transfers and funding sources for the 2010-11 and 2011-12 fiscal years that reconciles balances, assets, and liabilities of the successor agency on June 30, 2012 to those reported to the Controller for the 2009-10 fiscal year.

4. Perform the following procedures:
  - A. Obtain from the Successor Agency a summary of the financial transactions of the Redevelopment Agency and the Successor Agency in the format set forth in the attached schedule for the fiscal periods indicated in the schedule. For purposes of this summary, the financial transactions should be presented using the modified accrual basis of accounting. End of year balances for capital assets (in total) and long-term liabilities (in total) should be presented at the bottom of this summary schedule for information purposes.
  - B. Ascertain that for each period presented, the total of revenues, expenditures, and transfers accounts fully for the changes in equity from the previous fiscal period.
  - C. Compare amounts in the schedule relevant to the fiscal year ended June 30, 2010 to the state controller's report filed for the Redevelopment Agency for that period.
  - D. Compare amounts in the schedule for the other fiscal periods presented to account balances in the accounting records or other supporting schedules. Describe in the report the type of support provided for each fiscal period.

Findings: The required schedule is attached to this report. June 30, 2010 balances were agreed to the audited financial statements for the Redevelopment Agency and to the State Controller's report. We noted the balances for capital assets and long-term debt per the State Controller's report did not agree to the audited financial statements due to closing entries identified as part of the June 30, 2010 audit.

To the Oversight Board of the Successor Agency of  
the Redevelopment Agency of the City of West Sacramento

The audited financial statements appeared to be correct. June 30, 2011 balances were agreed to the audited financial statements for the Redevelopment Agency and the general ledger of each related fund. January 31, 2012 and June 30, 2012 balances were agreed to the general ledger of each related fund. Capital assets were agreed to the capital asset roll-forward and detail list. No exceptions were noted as a result of our procedures.

Citation: 34179.5(c)(5) A separate accounting for the balance for the Low and Moderate Income Housing Fund for all other funds and accounts combined shall be made as follows: (A) A statement of the total value of each fund as of June 30, 2012.

5. Obtain from the Successor Agency a listing of all assets of the Low and Moderate Income Housing Fund as of June 30, 2012 for the report that is due October 1, 2012 and a listing of all assets of all other funds of the Successor Agency as of June 30, 2012 (excluding the previously reported assets of the Low and Moderate Income Housing Fund) for the report that is due December 15, 2012. When this procedure is applied to the Low and Moderate Income Housing Fund, the schedule attached as an exhibit will include only those assets of the Low and Moderate Income Housing Fund that were held by the Successor Agency as of June 30, 2012 and will exclude all assets held by the entity that assumed the housing function previously performed by the former redevelopment agency. Agree the assets so listed to recorded balances reflected in the accounting records of the Successor Agency. The listings should be attached as an exhibit to the appropriate AUP report.

Findings: No exceptions were noted as a result of our procedures. The required listing of assets of all other funds of the Successor Agency as of June 30, 2012 is attached to this report.

Citation: 34179.5(c)(5)(B) An itemized statement listing any amounts that are legally restricted as to purpose and cannot be provided to taxing entities. This could include the proceeds of any bonds, grant funds, or funds provided by other governmental entities that place conditions on their use.

6. Obtain from the Successor Agency a listing of asset balances held on June 30, 2012 that are restricted for the following purposes:

A. Unspent bond proceeds:

- i. Obtain the Successor Agency's computation of the restricted balances (e.g., total proceeds less eligible project expenditures, amounts set aside for debt service payments, etc.).
- ii. Trace individual components of this computation to related account balances in the accounting records, or to other supporting documentation (specify in the AUP report a description of such documentation).
- iii. Obtain from the Successor Agency a copy of the legal document that sets forth the restriction pertaining to these balances. Note in the AUP report the absence of language restricting the use of the balances that were identified by the Successor Agency as restricted.

Findings: A schedule showing unspent bond proceeds restricted for improvements specified in the Redevelopment Tax Allocation Bond, 2007 Series A, official statement at June 30, 2012 is attached to this report.

B. Grant proceeds and program income that are restricted by third parties:

- i. Obtain the Successor Agency's computation of the restricted balances (e.g., total proceeds less eligible project expenditures).
- ii. Trace individual components of this computation to related account balances in the accounting records, or to other supporting documentation (specify in the AUP report a description of such documentation).

To the Oversight Board of the Successor Agency of  
the Redevelopment Agency of the City of West Sacramento

- iii. Obtain from the Successor Agency a copy of the grant agreement that sets forth the restriction pertaining to these balances. Note in the AUP report the absence of language restricting the use of the balances that were identified by the Successor Agency as restricted.

Findings: No unspent grant proceeds or program income were held by the Successor Agency as of June 30, 2012. Procedures 6(B)(i), (ii) and (iii) were not applicable.

C. Other assets considered to be legally restricted:

- i. Obtain the Successor Agency's computation of the restricted balances (e.g., total proceeds less eligible project expenditures).
- ii. Trace individual components of this computation to related account balances in the accounting records, or to other supporting documentation (specify in the AUP report a description of such documentation).
- iii. Obtain from the Successor Agency a copy of the legal document that sets forth the restriction pertaining to these balances. Note in the AUP report the absence of language restricting the use of the balances that were identified by Successor the Agency as restricted.

Findings: No other assets were held by the Successor Agency that are considered to be legally restricted as of June 30, 2012. Procedures 6(C)(i), (ii), and (iii) were not applicable.

- D. Attach the above mentioned Successor Agency prepared schedule(s) as an exhibit to the AUP report. For each restriction identified on these schedules, indicate in the report the period of time for which the restrictions are in effect. If the restrictions are in effect until the related assets are expended for their intended purpose, this should be indicated in the report.

Findings: The only restricted assets held by the Successor Agency at June 30, 2012 were the unspent bond proceeds indicated in procedure 6(A) above. The unspent bond proceeds are restricted until spent on qualifying projects with no existing time limit specified in the debt agreement. A schedule is attached to this report under procedure 6A.

Citation: 34179.5(c)(5)(C) An itemized statement of the values of any assets that are not cash or cash equivalents. This may include physical assets, land, records, and equipment. For the purpose of this accounting, physical assets may be valued at purchase cost or at any recently estimated market value. The statement shall list separately housing-related assets.

7. Perform the following procedures:

- A. Obtain from the Successor Agency a listing of assets as of June 30, 2012 that are not liquid or otherwise available for distribution (such as capital assets, land held for resale, long-term receivables, etc.) and ascertain if the values are listed at either purchase cost (based on book value reflected in the accounting records of the Successor Agency) or market value as recently estimated by the Successor Agency.
- B. If the assets listed at 7(A) are listed at purchase cost, trace the amounts to a previously audited financial statement (or to the accounting records of the Successor Agency) and note any differences.
- C. For any differences noted in 7(B), inspect evidence of disposal of the asset and ascertain that the proceeds were deposited into the Successor Agency trust fund. If the differences are due to additions (this generally is not expected to occur), inspect the supporting documentation and note the circumstances.
- D. If the assets listed at 7(A) are listed at recently estimated market value, inspect the evidence (if any) supporting the value and note the methodology used. If no evidence is available to support the value and/or methodology, note the lack of evidence.



Findings: Assets that are not liquid held by the Successor Agency as of June 30, 2012 consist of capital assets listed in the schedule attached to this report. All amounts are reported at book value. A roll-forward of capital assets for the year-ended June 30, 2012 was obtained and the July 1, 2011 balances were agreed to the June 30, 2011 Redevelopment Agency audited financial statements without exception. We inspected documentation supporting additions and disposals through June 30, 2012. Additions represented expenditures to complete active projects as approved on ROPS 1. Proceeds from disposals were deposited into the related Redevelopment Agency Fund. Note that Improvements of \$234,731 and equipment of \$77,275 were transferred from the Redevelopment Agency to the City of West Sacramento prior to June 30, 2011 that were found by the State Controller's Office to be improperly transferred in a report dated May 2012 because the transfers were not approved by the Oversight Board of the Successor Agency. The Oversight Board approved the transfers in August 2012. No other exceptions were noted as a result of our procedures.

Citation: 34179.5(c)(5)(D) An itemized listing of any current balances that are legally or contractually dedicated or restricted for the funding of an enforceable obligation that identifies the nature of the dedication or restriction and the specific enforceable obligation. In addition, the successor agency shall provide a listing of all approved enforceable obligations that includes a projection of annual spending requirements to satisfy each obligation and a projection of annual revenues available to fund those requirements. If a review finds that future revenues together with dedicated or restricted balances are insufficient to fund future obligations and thus retention of current balances is required, it shall identify the amount of current balances necessary for retention. The review shall also detail the projected property tax revenues and other general purpose revenues to be received by the successor agency, together with both the amount and timing of the bond debt service payments of the successor agency, for the period in which the oversight board anticipates the successor agency will have insufficient property tax revenue to pay the specified obligations.

8. Perform the following procedures:

- A. If the Successor Agency believes that asset balances need to be retained to satisfy enforceable obligations, obtain from the Successor Agency an itemized schedule of asset balances (resources) as of June 30, 2012 that are dedicated or restricted for the funding of enforceable obligations and perform the following procedures. The schedule should identify the amount dedicated or restricted, the nature of the dedication or restriction, the specific enforceable obligation to which the dedication or restriction relates, and the language in the legal document that is associated with the enforceable obligation that specifies the dedication of existing asset balances toward payment of that obligation.
  - i. Compare all information on the schedule to the legal documents that form the basis for the dedication or restriction of the resource balance in question.
  - ii. Compare all current balances to the amounts reported in the accounting records of the Successor Agency or to an alternative computation.
  - iii. Compare the specified enforceable obligations to those that were included in the final Recognized Obligation Payment Schedule approved by the California Department of Finance.
  - iv. Attach as an exhibit to the report the listing obtained from the Successor Agency. Identify in the report any listed balances for which the Successor Agency was unable to provide appropriate restricting language in the legal document associated with the enforceable obligation.

Findings: There were no unpaid enforceable obligations (i.e. remaining obligations from the Enforceable Obligation Payment Schedule) at June 30, 2012. Procedures 8(A)(i), (ii), (iii) and (iv) were not applicable

To the Oversight Board of the Successor Agency of  
the Redevelopment Agency of the City of West Sacramento

- B. If the Successor Agency believes that future revenues together with balances dedicated or restricted to an enforceable obligation are insufficient to fund future obligation payments and thus retention of current balances is required, obtain from the Successor Agency a schedule of approved enforceable obligations that includes a projection of the annual spending requirements to satisfy each obligation and a projection of the annual revenues available to fund those requirements and perform the following procedures:
- i. Compare the enforceable obligations to those that were approved by the California Department of Finance. Procedures to accomplish this may include reviewing the letter from the California Department of Finance approving the Recognized Enforceable Obligation Payment Schedules for the six month period from January 1, 2012 through June 30, 2012 and for the six month period July 1, 2012 through December 31, 2012.
  - ii. Compare the forecasted annual spending requirements to the legal document supporting each enforceable obligation.
    - a. Obtain from the Successor Agency its assumptions relating to the forecasted annual spending requirements and disclose in the report major assumptions associated with the projections.
  - iii. For the forecasted annual revenues:
    - a. Obtain from the Successor Agency its assumptions for the forecasted annual revenues and disclose in the report major assumptions associated with the projections.

Findings: There were no enforceable obligations (i.e. remaining obligations from the Enforceable Obligation Payment Schedule) as of June 30, 2012. Procedures 8(B)(i), (ii), and (iii) were not applicable.

- C. If the Successor Agency believes that projected property tax revenues and other general purpose revenues to be received by the Successor Agency are insufficient to pay bond debt service payments (considering both the timing and amount of the related cash flows), obtain from the Successor Agency a schedule demonstrating this insufficiency and apply the following procedures to the information reflected in that schedule.
- i. Compare the timing and amounts of bond debt service payments to the related bond debt service schedules in the bond agreement.
  - ii. Obtain the assumptions for the forecasted property tax revenues and disclose major assumptions associated with the projections.
  - iii. Obtain the assumptions for the forecasted other general purpose revenues and disclose major assumptions associated with the projections.

Findings: There were no enforceable obligations (i.e. remaining obligations from the Enforceable Obligation Payment Schedule) as of June 30, 2012. Procedures 8(C)(i), (ii) and (iii) were not applicable.

- D. If procedures A, B, or C were performed, calculate the amount of current unrestricted balances necessary for retention in order to meet the enforceable obligations by performing the following procedures.
- i. Combine the amount of identified current dedicated or restricted balances and the amount of forecasted annual revenues to arrive at the amount of total resources available to fund enforceable obligations.

To the Oversight Board of the Successor Agency of  
the Redevelopment Agency of the City of West Sacramento

- ii. Reduce the amount of total resources available by the amount forecasted for the annual spending requirements. A negative result indicates the amount of current unrestricted balances that needs to be retained.
- iii. Include the calculation in the AUP report.

Findings: There were no enforceable obligations (i.e. remaining obligations from the Enforceable Obligation Payment Schedule) as of June 30, 2012. Procedures 8(D)(i), (ii) and (iii) were not applicable.

Citation: 34179.5(c)(5)(E) An itemized list and analysis of any amounts of current balances that are needed to satisfy obligations that will be placed on the Recognized Obligation Payment Schedules for the current fiscal year.

9. If the Successor Agency believes that cash balances as of June 30, 2012 need to be retained to satisfy obligations on the Recognized Obligation Payment Schedule (ROPS) for the period of July 1, 2012 through June 30, 2013, obtain a copy of the final ROPS for the period of July 1, 2012 through December 31, 2012 and a copy of the final ROPS for the period January 1, 2013 through June 30, 2013. For each obligation listed on the ROPS, the Successor Agency should add columns identifying (1) any dollar amounts of existing cash that are needed to satisfy that obligation and (2) the Successor Agency's explanation as to why the Successor Agency believes that such balances are needed to satisfy the obligation. Include this schedule as an attachment to the AUP report.

Findings: The report comparing existing cash held by the Successor Agency at June 30, 2012 to each enforceable obligation listed on the ROPS with the Successor Agency's explanation as to why the Successor Agency believes that such balances are needed to satisfy the obligation is attached to this report.

Citation: 34179.5(c)(6) The review shall total the net balances available after deducting the total amounts described in subparagraphs (B) to (E), inclusive, of paragraph (5). The review shall add any amounts that were transferred as identified in paragraphs (2) and (3) of subdivision (c) if an enforceable obligation to make that transfer did not exist. The resulting sum shall be available for allocation to affected taxing entities pursuant to Section 34179.6. It shall be a rebuttable presumption that cash and cash equivalent balances available to the successor agency are available and sufficient to disburse the amount determined in this paragraph to taxing entities. If the review finds that there are insufficient cash balances to transfer or that cash or cash equivalents are specifically obligated to the purposes described in subparagraphs (B), (D), and (E) of paragraph (5) in such amounts that there is insufficient cash to provide the full amount determined pursuant to this paragraph, that amount shall be demonstrated in an additional itemized schedule.

10. Include (or present) a schedule detailing the computation of the Balance Available for Allocation to Affected Taxing Entities. Amounts included in the calculation should agree to the results of the procedures performed in each section above. The schedule should also include a deduction to recognize amounts already paid to the County Auditor-Controller on July 12, 2012 as directed by the California Department of Finance. The amount of this deduction presented should be agreed to evidence of payment. The attached example summary schedule may be considered for this purpose. Separate schedules should be completed for the Low and Moderate Income Housing Fund and for all other funds combined (excluding the Low and Moderate Income Housing Fund).

Findings: No exceptions were noted as a result of our procedures. The schedule detailing the computation of the Balance Available for Allocation to Affected Taxing Entities is attached to this report.

11. Suggested Procedure(s): Obtain a representation letter from Successor Agency management acknowledging their responsibility for the data provided to the practitioner and the data presented in the report or in any attachments to the report. Included in the representations should be an acknowledgment that management is not aware of any transfers (as defined by Section 34179.5) from either the former redevelopment agency or the Successor Agency to other parties for the period from January 1, 2011 through June 30, 2012 that have not been properly identified in the AUP report and its related exhibits.

To the Oversight Board of the Successor Agency of  
the Redevelopment Agency of the City of West Sacramento

Management's refusal to sign the representation letter should be noted in the AUP report as required by attestation standards.

Findings: A representation letter from the Successor Agency management acknowledging their responsibility for the data provided and data presented in the report or in any attachments to the report was obtained.

We were not engaged to, and did not, conduct an audit, the objective of which would be the expression of an opinion as to the appropriateness of the results of the aforementioned procedures. Accordingly, we express no opinion on the aforementioned information. Had we performed additional procedures or had we conducted an audit of the aforementioned information in accordance with generally accepted auditing standards, other matters might have come to our attention that would have been reported to you. This report only relates to the procedures referred to above and does not extend to any financial statements of the City or Successor Agency taken as a whole.

This report is intended solely for the information of the City, the Successor Agency, the County of Yolo, the California State Controller's Office and California Department of Finance and is not intended to be and should not be used by anyone other than those specified parties. This restriction is not intended to limit distribution of this report, which is a matter of public record.

November , 2012

Successor Agency to the Redevelopment Agency of the City of West Sacramento  
 Procedure 1 - Transfers from the Redevelopment Agency to the Successor Agency on January 31, 2012  
 All Other RDA Funds Portion Only (Excludes Transfers of Low and Moderate Income Fund Assets)

| NAME/TYPE OF ASSET                        | SOURCE FUND | BOOK VALUE             | ref. | DATE TRANSFERRED | FUND RECEIVING TRANSFER |
|---|-------------|------------------------|------|------------------|-------------------------|
| Cash and Investments                      | 290         | \$4,631,729.21         |      | 1/31/2012        | Fund 264 - RORF         |
| Cash and Investments                      | 292         | \$1,544,492.34         |      | 1/31/2012        | Fund 264 - RORF         |
| Cash and Investments                      | 310         | \$2,120,449.14         |      | 1/31/2012        | Fund 264 - RORF         |
| Cash and Investments                      | 311         | \$995,759.00           |      | 1/31/2012        | Fund 264 - RORF         |
| Cash and Investments                      | 312         | \$1,140,344.45         |      | 1/31/2012        | Fund 264 - RORF         |
| Capital Assets - Land                     | 990         | \$10,703,668.00        |      | 1/31/2012        | Fund 264 - RORF         |
| Capital Assets - Construction In Progress | 990         | \$14,761,930.00        |      | 1/31/2012        | Fund 264 - RORF         |
| <b>TOTAL</b>                              |             | <b>\$35,899,372.14</b> |      |                  |                         |

Fund 290 = RDA Special Revenue Fund  
 Fund 292 = RDA Capital Projects Fund  
 Fund 311, 312 and 313 = RDA Debt Service Funds  
 Fund 990 - Fund Used for RDA Government-wide Adjustments, Including Capital Assets  
 Fund 264 - Successor Agency RORF

**WEST SACRAMENTO  
REDEVELOPMENT AGENCY**

**ASSET TRANSFER REVIEW**

Review Report

*January 1, 2011, through January 31, 2012*



**JOHN CHIANG**  
California State Controller

November 2012



**JOHN CHIANG**  
*California State Controller*

November 8, 2012

Martin Tuttle, City Manager  
City of West Sacramento  
West Sacramento Redevelopment/Successor Agency  
1110 West Capitol Avenue  
West Sacramento, CA 95691

Dear Mr. Tuttle:

Pursuant to Health and Safety (H&S) code section 34167.5, the State Controller's Office (SCO) reviewed all asset transfers made by the West Sacramento Redevelopment Agency to the City of West Sacramento or any other public agency during the period from January 1, 2011, through January 31, 2012. As you know, this statutory provision explicitly states that, "The Legislature hereby finds that a transfer of assets by a redevelopment agency during the period covered in this section is deemed not to be in furtherance of the Community Redevelopment Law and is thereby unauthorized." Therefore, our review included an assessment of whether each asset transfer was allowable and whether it should be turned over to the West Sacramento Redevelopment Successor Agency.

Our review applied to all assets, including but not limited to, real and personal property, cash funds, accounts receivable, deeds of trust and mortgages, contract rights and any rights to payment of any kind. We also reviewed and determined whether any unallowable transfers of assets to the City of West Sacramento or any other public agencies have been reversed.

Our review disclosed that the West Sacramento Redevelopment Agency transferred \$76,982,802 in assets. These included transfers of 12 properties with zero book value, which should have been turned over to the Successor Agency. However, on August 16, 2012, the West Sacramento Successor Agency Oversight Board (Oversight Board) approved the transfer of those properties because the properties were constructed and used for a governmental purpose. The City of West Sacramento does not need to reverse the transfer of those assets.

Assembly Bill 1484 (AB 1484) was passed on June 27, 2012, adding Health and Safety Code section 34178.8, which states, ". . . the Controller shall review the activities of successor agencies in the state to determine if an asset transfer has occurred after January 31, 2012. . . ." The SCO has initiated the review associated with AB 1484 and will complete the review at a later date.



Martin Tuttle, City Manager

-2-

November 8, 2012

If you have any questions, please contact Mr. Steven Mar, Bureau Chief, Local Government Audits Bureau, at (916) 324-7226.

Sincerely,

*Original signed by*

JEFFREY V. BROWNFIELD  
Chief, Division of Audits

JVB/vb

cc: Betty Moya, Audit Manager  
Division of Audits, State Controller's Office  
Scott Freesmeier, Auditor-in-Charge  
Division of Audits, State Controller's Office

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## Review Report

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# Asset Transfer Assessment Review Report

## Summary

The State Controller's Office (SCO) reviewed the asset transfers made by the West Sacramento Redevelopment Agency for the period of January 1, 2011, through January 31, 2012. Our review included, but was not limited to, real and personal property, cash funds, accounts receivable, deeds of trust and mortgages, contract rights, and any rights to payments of any kind from any source.

Our review disclosed that the West Sacramento Redevelopment Agency transferred \$76,982,802 in assets. These included transfers of 12 properties with zero book value that should have been turned over to the Successor Agency. However, on August 16, 2012, the West Sacramento Successor Agency Oversight Board approved the transfer of those properties because the properties were constructed and used for a governmental purpose. The City of West Sacramento (City) does not need to reverse the transfer of those assets.

## Background

In January of 2011, the Governor of the State of California proposed statewide elimination of redevelopment agencies (RDAs) beginning with the fiscal year (FY) 2011-12 State budget. The Governor's proposal was incorporated into Assembly Bill 26 (ABX1 26, Chapter 5, Statutes of 2011, First Extraordinary Session), which was passed by the Legislature, and signed into law by the Governor on June 28, 2011.

ABX1 26 prohibited RDAs from engaging in new business, established mechanisms and timelines for dissolution of the RDAs, and created RDA Successor Agencies to oversee dissolution of the RDAs and redistribution of RDA assets.

A California Supreme Court decision on December 28, 2011 (California Redevelopment Association et al. v. Matosantos) upheld ABX1 26 and the Legislature's constitutional authority to dissolve the RDAs.

On June 27, 2012 the Governor signed a trailer bill, AB 1484, which clarified provisions of ABX1 26, and imposed new tasks on county auditor-controllers and successor agencies related to RDA dissolution.

ABX1 26 and AB 1484 were codified in the Health and Safety Code (H&S Code) beginning with section 34161.

In accordance with the requirements of H&S Code section 34167.5, the State Controller is required to review the activities of redevelopment agencies (RDAs), "to determine whether an asset transfer has occurred after January 1, 2011, between the city or county, or city and county that created a redevelopment agency, or any other public agency, and the redevelopment agency," and the date at which the RDA ceases to operate, or January 31, 2012, whichever is earlier.

The SCO has identified transfers of assets that occurred during that period between the West Sacramento Redevelopment Agency, the City of West Sacramento and/or other public agencies. By law, the SCO is required to order that such assets, except those that already had been committed to a third party prior to June 28, 2011, the effective date of ABX1 26, be turned over to the Successor Agency. In addition, the SCO may file a legal order to ensure compliance with this order.

## **Objectives, Scope, and Methodology**

Our review objective was to determine whether asset transfers that occurred after January 1, 2011, and the date upon which the RDA ceased to operate, or January 31, 2012, whichever was earlier, between the city or county, or city and county that created an RDA, or any other public agency, and the RDA, were appropriate.

We performed the following procedures:

- Interviewed Successor Agency personnel to gain an understanding of the Successor Agency operations and procedures.
- Reviewed meeting minutes, resolutions, and ordinances of the City Council and the RDA.
- Reviewed accounting records relating to the recording of assets.
- Verified the accuracy of the Asset Transfer Assessment Form. This form was sent to all former RDAs to provide a list of all assets transferred between January 1, 2011, and January 31, 2012.
- Reviewed applicable financial reports to verify assets (capital, cash, property, etc.).

AB 1484 was passed on June 27, 2012 adding Health & Safety Code section 34178.8 which states "...the Controller shall review the activities of successor agencies in the state to determine if an asset transfer has occurred after January 31, 2012. ..."

The SCO has initiated the review associated with AB 1484, and will complete the review at a later date.

## **Conclusion**

Our review disclosed that the West Sacramento Redevelopment Agency transferred \$76,982,802 in assets. These included transfers of 12 properties with zero book value that should have been turned over to the Successor Agency.

However, on August 16, 2012, the Oversight Board approved the transfer of those properties because the properties were constructed and used for a governmental purpose. The City does not need to reverse the transfer of those assets. Details of our finding and order are in the Finding and Order of the Controller section of this report.

**Views of  
Responsible  
Officials**

At an exit conference held on September 20, 2012, we discussed the review results with Philip A. Wright, Director of Administrative Services; Paul Blumberg, Public Finance Manager; and Nitish Sharma, Budget Manager. At the exit conference, we stated that the final report will include the views of responsible officials.

**Restricted Use**

This report is solely for the information and use of the City of West Sacramento, the West Sacramento Redevelopment Successor Agency, the West Sacramento Successor Agency Oversight Board, and the SCO; it is not intended to be and should not be used by anyone other than these specified parties. This restriction is not intended to limit distribution of this report, which is a matter of public record when issued final.

*Original signed by*

JEFFREY V. BROWNFIELD  
Chief, Division of Audits

November 8, 2012

## Finding and Order of the Controller

### **FINDING— Unallowable asset transfers to the City of West Sacramento**

The West Sacramento Redevelopment Agency (RDA) transferred 12 properties with zero book value to the City of West Sacramento (City). All of the asset transfers to the City occurred during the period of January 1, 2011, through January 31, 2012, and the assets were not contractually committed to a third party prior to June 28, 2011. Those assets consisted of capital assets.

Asset transfers were as follows:

- On May 18, 2011, the RDA transferred nine properties from the Stone Lock District and one property from the Bridge District to the City. To accomplish those transfers, the City and the RDA entered into an agreement under Joint Resolution 11-28. Under H&S Code sections 34163(b) and (d), the RDA was not allowed to enter into new agreements such as this or to dispose of its assets.
- On May 18, 2011, the RDA transferred two properties within the I Street Bridge-South Site Early Implementation Project Area, to the City. To accomplish those transfers, the City and the RDA entered into an agreement under Joint Resolution 11-29. Under H&S Code sections 34163(b) and (d), the RDA was not allowed to enter into new agreements such as this or to dispose of its assets.
- On August 16, 2012, the West Sacramento Successor Agency Oversight Board approved the transfer of the properties to the City under Oversight Board Resolutions 12-5 and 12-6, pursuant to H&S Code section 34181(a)

Pursuant to H&S Code section 34167.5, any asset transfers by the RDA to a city, county, city and county, or any other public agency after January 1, 2011, should have been turned over to the Successor Agency for disposition in accordance with H&S Code section 34177 (d) and (e). It appears that all the properties were subject to the provisions of H&S Code section 34181(a).

H&S Code section 34181(a) states, "The oversight board shall direct the successor agency to do all of the following:

- (a) Dispose of all assets and properties of the former redevelopment agency that were funded by tax increment revenues of the dissolved redevelopment agency; provided however, that the oversight board may instead direct the successor agency to transfer ownership of those assets that were constructed and used for a government purpose, such as roads, school buildings, parks, and fire stations, to the appropriate public jurisdiction pursuant to any existing agreements relating to the construction or use of such an asset...."

City's Response

The Successor Agency does not have any comments to submit on the draft report.

SCO's Comment

The finding remains as stated.

Order of the Controller

Based on H&S Code section 34167.5, the City of West Sacramento would have been ordered to reverse the transfer of the above assets, described in Schedule 1 and Attachment 1. However, the Redevelopment Successor Agency Oversight Board approved the transfer of those properties because the properties were constructed and used for a governmental purpose under H&S Code section 34181(a). Therefore, the city does not need to reverse the transfer of those assets.



**Schedule 1—  
RDA Assets Transferred to the City of West Sacramento  
January 1, 2011, through January 31, 2012**

---

Transfers to the City of West Sacramento:

|  |             |
|--|-------------|
| Capital Assets   |             |
| Nine (9) Properties  |             |
| (Stone Lock District)  | \$ —        |
| One (1) Property   |             |
| (Bridge District)  | —           |
| Two (2) Properties   |             |
| (I Street Bridge-South Site Early Implementation Project Area) | <u>—</u>    |
| Total Asset Transfers  | <u>\$ —</u> |

---

\* Detail listing of assets on Attachment 1.

**Attachment 1—  
Summary of Asset Transfers, Capital Assets  
January 1, 2011, through January 31, 2012**

| Line | Historical APN(s)  | Current APN(s)  | Address  | Property Description             |
|------|--|---|--|----------------------------------|
| 1    | 067-180-001, 002, 003,<br>004, 007, 008, 024, 036<br>and 046-010-011 | 067-180-001, 002, 003,<br>004, 024, 053, 054 and<br>046-010-011 | Jefferson Blvd. and South<br>River Rd.           | Stone Lock<br>Properties; Vacant |
| 2    | 058-330-004  | 058-330-030 <sup>1</sup>  | 900 Bridge St. (formerly 900<br>South River Rd.) | Former Weyerhaeuser<br>Parcel    |
| 3    | 058-320-052  | 058-320-052   | Fifth St. (Right-of-Way)                         | Former Portion of<br>WYE Track   |
| 4    | 058-320-053  | 058-320-072 and<br>058-320-073                                  | Tower Bridge Gateway and<br>Third St.            | Former Portion of<br>WYE Track   |
| 5    | 010-373-012  | 010-373-012   | Rose Alley                                       | Adjacent to River<br>Walk Park   |

Line 1: Stone Lock District

Line 2: Bridge District

Lines 3 and 4: I Street Bridge-South Site Early Implementation Project

Source-Exhibit A from West Sacramento Successor Oversight Board Resolution 12-6

<sup>1</sup> Authority to transfer via RDA Successor Agency Oversight Board Resolution No. 12-04 adopted on June 14, 2012.

**State Controller's Office  
Division of Audits  
Post Office Box 942850  
Sacramento, CA 94250-5874**

**<http://www.sco.ca.gov>**

S12-RDA-903

Successor Agency to the Redevelopment Agency of the City of West Sacramento  
 Procedure 4 - Summary of financial transactions of the Redevelopment Agency and the Successor Agency  
 Combined for Low and Moderate Income Housing and All Other Funds  
 V. 8-27-12

|   | Redevelopment<br>Agency<br>12 Months Ended<br>6/30/2010 | Redevelopment<br>Agency<br>12 Months Ended<br>6/30/2011 | Redevelopment<br>Agency<br>7 Months Ended<br>1/31/2012 | Successor<br>Agency<br>5 Months Ended<br>6/30/2012 |
|---|---|---|--|--|
| <b>Assets (modified accrual basis)</b>      |   |   |  |  |
| Cash & investments                          | \$ 8,680,326  | \$ 10,664,259   | \$ 114,284   | \$ 14,196,455                                      |
| Accounts receivable                         | 2,686   | 1,235   |  | (3,250)  |
| Interest receivable                         | 4,166,853   | 4,841,695   |  |  |
| Prepaid expenses                            |   |   |  | 2,376  |
| Notes receivable                            | 21,732,530  | 21,876,552  |  |  |
| Grants receivable                           | 1,445,346   | 1,010,494   |  |  |
| Due from other funds                        | 790,715   |   |  | 453,561  |
| Due from other governments                  | 769,506   | 560,234   |  |  |
| Cash & investments with fiscal agents       | 10,065,186  | 6,977,699   |  |  |
| <b>Total Assets</b>                         | <b>\$ 47,653,148</b>                                    | <b>\$ 45,932,168</b>                                    | <b>\$ 114,284</b>                                      | <b>\$ 14,649,142</b>                               |
| <b>Liabilities (modified accrual basis)</b> |   |   |  |  |
| Accounts payable                            | \$ 1,174,983  | \$ 316,002  |  | 2,703,095  |
| Salaries & benefits payable                 | 71,230  | 57,442  | \$ 34,569  |  |
| Refundable deposits                         | 26,358  | 11,358  |  | 11,358   |
| Due to other funds                          | 790,715   |   |  |  |
| Due to other government agencies            | -   | 150,000   |  |  |
| Deferred and unearned revenue               | 4,309,070   | 4,374,343   |  |  |
| Compensated absences                        | 102,174   | -   |  |  |
| <b>Total Liabilities</b>                    | <b>\$ 6,474,530</b>                                     | <b>\$ 4,909,145</b>                                     | <b>\$ 34,569</b>                                       | <b>\$ 2,714,453</b>                                |
| <b>Equity</b>                               | <b>41,178,618</b>                                       | <b>41,023,023</b>                                       | <b>79,714</b>  | <b>11,934,689</b>                                  |
| <b>Total Liabilities + Equity</b>           | <b>\$ 47,653,148</b>                                    | <b>\$ 45,932,168</b>                                    | <b>\$ 114,283</b>                                      | <b>\$ 14,649,142</b>                               |
| <b>Total Revenues:</b>                      | <b>\$ 27,553,600</b>                                    | <b>\$ 27,682,339</b>                                    | <b>\$ 13,157,791</b>                                   | <b>\$ 7,320,544</b>                                |
| <b>Total Expenditures:</b>                  | <b>\$ 31,979,372</b>                                    | <b>\$ 26,374,501</b>                                    | <b>\$ 32,354,578</b>                                   | <b>\$ 6,838,716</b>                                |
| <b>Total Transfers:</b>                     | <b>\$ (7,146,073)</b>                                   | <b>\$ (1,463,433)</b>                                   | <b>\$ (21,746,522)</b>                                 | <b>\$ 41,652</b>                                   |
| <b>Net change in equity</b>                 | <b>\$ (11,571,845)</b>                                  | <b>\$ (155,595)</b>                                     | <b>\$ (40,943,309)</b>                                 | <b>\$ 523,480</b>                                  |
| <b>Beginning Equity:</b>                    | <b>\$ 52,750,463</b>                                    | <b>\$ 41,178,618</b>                                    | <b>\$ 41,023,023</b>                                   | <b>\$ 11,411,209</b>                               |
| <b>Ending Equity:</b>                       | <b>\$ 41,178,618</b>                                    | <b>\$ 41,023,023</b>                                    | <b>\$ 79,714</b>                                       | <b>\$ 11,934,689</b>                               |

**Other Information (show year end balances for all three years presented):**

|                                  |                |                  |      |                  |
|----------------------------------|----------------|------------------|------|------------------|
| Capital assets as of end of year | \$ 30,136,911  | C \$ 31,124,738  | \$ - | A \$ 23,188,610  |
| Long-term debt as of end of year | \$ 117,037,795 | C \$ 113,749,485 | \$ - | A \$ 110,257,403 |

- A The entry to transfer capital assets of \$25,465,598 and long-term debt of \$110,246,403 to the Successor Agency was posted as of 1/31/2012, resulting in no balances to report for the Redevelopment Agency as of 1/31/2012.
- B Represents cash transferred from the former redevelopment agency on 1/31/2012, including Low and Moderate Income Housing Funds.
- C Capital assets and long-term debt did not agree to the 2010 State Controller's Report due to audit adjustments identified while preparing the City's June 30, 2010 CAFR.
- D The City recorded the transfers from the Redevelopment Agency to the Successor Agency at January 31, 2012 in expense and revenue, respectively. These transfers will be recorded as an extraordinary item in the January 31, 2012 audited financials.

Successor Agency to the Redevelopment Agency of the City of West Sacramento  
 Procedure 5 - Summary of Assets at June 30, 2012  
 Successor Agency - All Other Funds portion

| NAME/TYPE OF ASSET                        | SOURCE FUND | BOOK VALUE       | ref. | DESCRIPTION                     |
|---|-------------|------------------|------|---------------------------------|
| Cash and Investments                      | 264         | \$ 13,869,619.00 | 1    | Assets Held by Successor Agency |
| Accounts Receivable                       | 264         | \$ (3,250.00)    |      | Assets Held by Successor Agency |
| Prepaid Expense                           | 264         | \$ 2,375.79      |      | Assets Held by Successor Agency |
| Due From Others                           | 264         | \$ 453,561.46    |      | Assets Held by Successor Agency |
| Capital Assets - Land                     | 990         | \$ 8,844,606.00  |      | Assets Held by Successor Agency |
| Capital Assets - Construction In Progress | 990         | \$ 3,016,595.00  |      | Assets Held by Successor Agency |
| Capital Assets - Improvements, net        | 990         | \$ 209,199.00    |      | Assets Held by Successor Agency |
| Capital Assets - Infrastructure           | 990         | \$ 11,118,210.00 |      | Assets Held by Successor Agency |
| Total Capital Assets                      |             | \$ 23,188,610.00 |      |                                 |
| TOTAL                                     |             | \$ 37,510,916.25 |      |                                 |

1 The Redevelopment Agency Funds held no assets at 6/30/12. Assets held by the Successor Agency above exclude cash and investments of \$326,836.00 reported in the AB 1484 report for the Low and Moderate Income Housing Fund. Capital assets are reported net of accumulated depreciation.

Fund 264 - Successor Agency RORF  
 Fund 990 - Fund Used for RDA Government-wide Adjustments, Including Capital Assets

Successor Agency to the Redevelopment Agency of the City of West Sacramento  
 Procedures 6A - Summary of Successor Agency Assets Restricted at June 30, 2012  
 Successor Agency

| NAME/TYPE OF ASSET   | FUND | BOOK VALUE   | ref. | DESCRIPTION   |
|----------------------|------|--------------|------|---|
| Cash and Investments | 264  | \$511,862.14 |      | Unspent 2007A Bond Proceeds Restricted for Improvements |
| TOTAL                |      | \$511,862.14 |      |   |

Note: Per review of the Redevelopment Tax Allocation Bond, 2007 Series A debt agreement, unspent bond proceeds are restricted for specified improvements.

Fund 264 = Successor Agency RORF

Successor Agency to the Redevelopment Agency of the City of West Sacramento  
 Procedure 7 - Summary of Successor Agency Assets That Are Not Liquid at June 30, 2012  
 Successor Agency

| NAME/TYPE OF ASSET                        | SOURCE FUND | BOOK VALUE             |
|---|-------------|------------------------|
| Capital Assets - Land                     | 990         | \$8,844,606.00         |
| Capital Assets - Construction in Progress | 990         | \$3,016,595.00         |
| Capital Assets - Improvements, net        | 990         | \$209,199.00           |
| Capital Assets - Infrastructure           | 990         | \$11,118,210.00        |
| <b>TOTAL</b>                              |             | <b>\$23,188,610.00</b> |

Fund 990 - Fund Used for RDA Government-wide Adjustments, Including Capital Assets



Name of Redevelopment Agency: West Sacramento Redevelopment Agency  
 Project Area(s): West Sacramento Redevelopment Project Area No. 1  
 Time Period: July 1 - December 31, 2012

RECOGNIZED OBLIGATION PAYMENT SCHEDULE  
 Per AB 26 - Section 34177 (\*)

| Project Name / Debt Obligation                  | Contract/Agreement Execution Date | Payee                      | Description                          | Total Outstanding Debt or Obligation | Total Due During Fiscal Year 2012-2013** | Funding Source *** | Payable from the Redevelopment Property Tax Trust Fund (RPTTF) |                 |              |              |               |               | Existing Cash Held to Satisfy the Obligation |
|---|-----------------------------------|----------------------------|--------------------------------------|--------------------------------------|--|--------------------|--|-----------------|--------------|--------------|---------------|---------------|--|
|   |                                   |                            |                                      |                                      |  |                    | July 2012  | Aug. 2012       | Sept. 2012   | Oct. 2012    | Nov. 2012     | Dec. 2012     |  |
| 1) DEBT   |                                   |                            |                                      |                                      |  |                    |  |                 |              |              |               |               |  |
| 2) 1998 Revenue Bonds                           | Sept. 16, 1998                    | Union Bank                 | Tax allocation bond                  | 4,410,213.00                         |  | RPTTF              |  | 3,076,882.00    |              |              |               |               | 3,076,882.00                                 |
| 3) 2004 (A) Revenue Bonds                       | Dec. 15, 2004                     | Union Bank                 | Tax allocation bond                  | 35,875,627.33                        | 927,400.00                               | RPTTF              |  | 464,020.00      |              |              |               |               | 464,020.00                                   |
| 4) 2004 (B) Revenue Bonds                       | Dec. 15, 2004                     | Union Bank                 | Tax allocation bond                  | 7,347,277.25                         | 739,101.00                               | RPTTF              |  | 592,278.00      |              |              |               |               | 592,278.00                                   |
| 5) 2007 (A) Revenue Bonds                       | Nov. 27, 2007                     | Union Bank                 | Tax allocation bond                  | 43,607,909.00                        | 1,058,900.00                             | RPTTF              |  | 534,450.00      |              |              |               |               | 534,450.00                                   |
| 6) 2007 (B) Revenue Bonds                       | Nov. 27, 2007                     | Union Bank                 | Tax allocation bond                  | 14,578,663.00                        | 1,623,075.00                             | RPTTF              |  | 1,343,912.00    |              |              |               |               | 1,343,912.00                                 |
| 7) Bond Trustee & Disclosure                    | Various                           | Willdan, Union Bank, ABAG  | Admin. Costs                         | 26,322.23                            |  | RPTTF              |  | 13,161.12       |              |              |               |               | 13,161.12                                    |
| 8) AGREEMENTS                                   |                                   |                            |                                      |                                      |  |                    |  |                 |              |              |               |               |  |
| 9) Riley's Landing OPA                          | July 1, 1987                      | Raley's Corporation        | Owner Participation Agreement        | 40,863,404.35                        | 820,950.00                               | RPTTF              | 410,475  |                 |              |              | 369,428       |               | 779,903.00                                   |
| 10) Local Baseball Agreement                    | April 30, 1999                    | River City Baseball        | Owner Participation Agreement        | 3,121,633.00                         | 478,000.00                               | RPTTF              | 239,500  |                 |              |              | 215,500       |               | 455,000.00                                   |
| 11) CEMEX Rail Rollover Agreement               | July 12, 2006                     | CEMEX                      | Infrastructure Financing Agreement   | 3,438,972.00                         | 181,000.00                               | RPTTF              |  |                 |              | 191,000.00   |               |               | 191,000.00                                   |
| 12)   |                                   |                            |                                      |                                      |  |                    |  |                 |              |              |               |               |  |
| 13) Stone Lock ENA                              | November 1, 2007                  | Cordish Company            | Exclusive Negotiation Agreement      | 224,453.50                           | 224,453.50                               | RPTTF              | 224,453.50   |                 |              |              |               |               | 224,453.50                                   |
| 14)   |                                   |                            |                                      |                                      |  |                    |  |                 |              |              |               |               |  |
| 15) Della Lane Housing Loan                     | June 22, 2011                     | WHDCC                      | Loan agreement                       | 9,700,000.00                         | 0.00                                     | RPTTF              |  |                 |              |              |               |               |  |
| 16) CFD 12 Bond Payments                        | August, 1999                      | City of West Sacramento    | Community Facility District bonds    | 4,743,950.00                         | 189,754.00                               | RPTTF              |  | 199,057.00      |              |              |               |               | 199,057.00                                   |
| 17) CFD 23 Special Tax                          | December 16, 2009                 | Union Bank                 | Mello Roos Tax - RDA property        |                                      |  | RPTTF              |  |                 |              | 85,000.00    |               |               | 85,000.00                                    |
| 18) CFD 27 Special Tax                          | July 19, 2007                     | Union Bank                 | Mello Roos Tax - RDA property        |                                      |  | RPTTF              |  |                 |              | 15,000.00    |               |               | 15,000.00                                    |
| 19) Flood Assessments                           | July 16, 2007                     | WSAFCA                     | Special Taxes                        | 5,000.00                             |  | RPTTF              |  |                 |              | 5,000.00     |               |               | 5,000.00                                     |
| 20) PROJECTS                                    |                                   |                            |                                      |                                      |  |                    |  |                 |              |              |               |               |  |
| 21) Bridge District 2014 Plan                   | September 14, 2009                | COWS & Various Contractors | Master plan redevelopment            | 371,217.65                           | 186,560.00                               | RPTTF              | 15,463.33  | 15,463.33       | 15,463.33    | 15,463.33    | 15,463.33     |               | 92,779.98                                    |
| 22) CHC   | June 18, 2009                     | COWS & Various Contractors | CA Indian Heritage Center (State PI) | 124,132.85                           | 62,066.00                                | RPTTF              | 5,172.17   | 5,172.17        | 5,172.17     | 5,172.17     | 5,172.17      |               | 31,033.02                                    |
| 23) Tower Court                                 | January 23, 2009                  | COWS & Various Contractors | Brownfields reuse                    | 166,198.80                           | 46,550.00                                | RPTTF              | 7,756.33   | 7,756.33        | 7,756.33     | 7,756.33     | 7,756.33      |               | 46,549.98                                    |
| 24)   |                                   |                            |                                      |                                      |  |                    |  |                 |              |              |               |               |  |
| 25)   |                                   |                            |                                      |                                      |  |                    |  |                 |              |              |               |               |  |
| 26) Hotel Project                               | March 2010                        | COWS & Various Contractors | Feasibility Study and ENA            | 310,328.22                           | 155,165.88                               | RPTTF              | 12,930.49  | 12,930.49       | 12,930.49    | 12,930.49    | 12,930.49     |               | 77,582.94                                    |
| 29)   |                                   |                            |                                      |                                      |  |                    |  |                 |              |              |               |               |  |
| 30)   |                                   |                            |                                      |                                      |  |                    |  |                 |              |              |               |               |  |
| 31)   |                                   |                            |                                      |                                      |  |                    |  |                 |              |              |               |               |  |
| 32)   |                                   |                            |                                      |                                      |  |                    |  |                 |              |              |               |               |  |
| Totals - This Page (RPTTF Funding)              |                                   |                            |                                      | \$ 165,235,749.85                    | \$ 11,234,275.59                         | N/A                | \$ 915,752.82  | \$ 6,262,064.44 | \$ 41,324.32 | \$ 41,324.32 | \$ 337,324.32 | \$ 526,302.32 | \$ 8,224,092.54                              |
| Totals - Page 2 (Other Funding)                 |                                   |                            |                                      | \$ -                                 | \$ -                                     | N/A                | \$ -   | \$ -            | \$ -         | \$ -         | \$ -          | \$ -          | \$ -   |
| Totals - Page 3 (Administrative Cost Allowance) |                                   |                            |                                      | \$ 477,435.00                        | \$ 477,435.00                            | N/A                | \$ 39,786.33   | \$ 39,786.33    | \$ 39,786.33 | \$ 39,786.33 | \$ 39,786.33  | \$ 39,786.33  | \$ 238,717.90                                |
| Totals - Page 4 (Pass Thru Payments)            |                                   |                            |                                      | \$ 243,900,086.00                    | \$ 5,624,722.00                          | N/A                | \$ 2,531,127.15  | \$ -            | \$ -         | \$ -         | \$ -          | \$ -          | \$ 2,531,127.15                              |
| Grand total - All Pages                         |                                   |                            |                                      | \$ 165,711,165.85                    | \$ 11,711,711.59                         |                    | \$ 955,539.15  | \$ 6,301,850.77 | \$ 81,110.65 | \$ 81,110.65 | \$ 377,110.65 | \$ 666,088.65 | \$ 10,993,937.67                             |

\* The Preliminary Draft Recognized Obligation Payment Schedule (ROPS) is to be completed by 3/1/2012 by the successor agency, and subsequently be approved by the oversight board before the final ROPS is submitted to the State Controller and State Department of Finance.  
 \*\* All totals due during fiscal year and payment amounts are projected.  
 \*\*\* Funding sources from the successor agency: (For fiscal 2011-12 only, references to RPTTF could also mean tax increment allocated to the Agency prior to February 1, 2012.)  
 RPTTF - Redevelopment Property Tax Trust Fund  
 LMI/HJF - Low and Moderate Income Housing Fund  
 Admin - Successor Agency Administrative Allowance

West Sacramento Redevelopment Agency  
 West Sacramento Redevelopment Project Area No. 1  
 July 1 - December 31, 2012

Name of Redevelopment Agency:  
 Project Area(s)  
 Time Period:

RECOGNIZED OBLIGATION PAYMENT SCHEDULE  
 Per AB 28 - Section 34177 (\*)

| Project Name / Debt Obligation  | Contract/Agreement Execution Date | Payee | Description | Total Outstanding Debt or Obligation | Total Due During Fiscal Year 2012-2013** | Funding Source *** | Payable from Other Revenue Sources |           |            |           |           | Total |           |
|---|-----------------------------------|-------|-------------|--------------------------------------|--|--------------------|------------------------------------|-----------|------------|-----------|-----------|-------|-----------|
|   |                                   |       |             |                                      |  |                    | July 2012                          | Aug. 2012 | Sept. 2012 | Oct. 2012 | Nov. 2012 |       | Dec. 2012 |
| AT THIS TIME, THE SUCCESSOR AGENCY HAS NO "OTHER REVENUE" SOURCES TO REPORT |                                   |       |             |                                      |  |                    |                                    |           |            |           |           |       |           |
| 1)  |                                   |       |             |                                      |  |                    |                                    |           |            |           |           |       |           |
| 2)  |                                   |       |             |                                      |  |                    |                                    |           |            |           |           |       |           |
| 3)  |                                   |       |             |                                      |  |                    |                                    |           |            |           |           |       |           |
| 4)  |                                   |       |             |                                      |  |                    |                                    |           |            |           |           |       |           |
| 5)  |                                   |       |             |                                      |  |                    |                                    |           |            |           |           |       |           |
| 6)  |                                   |       |             |                                      |  |                    |                                    |           |            |           |           |       |           |
| 7)  |                                   |       |             |                                      |  |                    |                                    |           |            |           |           |       |           |
| 8)  |                                   |       |             |                                      |  |                    |                                    |           |            |           |           |       |           |
| 9)  |                                   |       |             |                                      |  |                    |                                    |           |            |           |           |       |           |
| 10)   |                                   |       |             |                                      |  |                    |                                    |           |            |           |           |       |           |
| 11)   |                                   |       |             |                                      |  |                    |                                    |           |            |           |           |       |           |
| 12)   |                                   |       |             |                                      |  |                    |                                    |           |            |           |           |       |           |
| 13)   |                                   |       |             |                                      |  |                    |                                    |           |            |           |           |       |           |
| 14)   |                                   |       |             |                                      |  |                    |                                    |           |            |           |           |       |           |
| 15)   |                                   |       |             |                                      |  |                    |                                    |           |            |           |           |       |           |
| 16)   |                                   |       |             |                                      |  |                    |                                    |           |            |           |           |       |           |
| 17)   |                                   |       |             |                                      |  |                    |                                    |           |            |           |           |       |           |
| 18)   |                                   |       |             |                                      |  |                    |                                    |           |            |           |           |       |           |
| 19)   |                                   |       |             |                                      |  |                    |                                    |           |            |           |           |       |           |
| 20)   |                                   |       |             |                                      |  |                    |                                    |           |            |           |           |       |           |
| 21)   |                                   |       |             |                                      |  |                    |                                    |           |            |           |           |       |           |
| 22)   |                                   |       |             |                                      |  |                    |                                    |           |            |           |           |       |           |
| 23)   |                                   |       |             |                                      |  |                    |                                    |           |            |           |           |       |           |
| 24)   |                                   |       |             |                                      |  |                    |                                    |           |            |           |           |       |           |
| 25)   |                                   |       |             |                                      |  |                    |                                    |           |            |           |           |       |           |
| 26)   |                                   |       |             |                                      |  |                    |                                    |           |            |           |           |       |           |
| 27)   |                                   |       |             |                                      |  |                    |                                    |           |            |           |           |       |           |
| 28)   |                                   |       |             |                                      |  |                    |                                    |           |            |           |           |       |           |
| 29)   |                                   |       |             |                                      |  |                    |                                    |           |            |           |           |       |           |
| 30)   |                                   |       |             |                                      |  |                    |                                    |           |            |           |           |       |           |
| 31)   |                                   |       |             |                                      |  |                    |                                    |           |            |           |           |       |           |
| 32)   |                                   |       |             |                                      |  |                    |                                    |           |            |           |           |       |           |
| 33)   |                                   |       |             |                                      |  |                    |                                    |           |            |           |           |       |           |
| Totals - LMHF   |                                   |       |             |                                      |  |                    |                                    |           |            |           |           |       | \$0.00    |
| Totals - Bond Proceeds  |                                   |       |             |                                      |  |                    |                                    |           |            |           |           |       | \$0.00    |
| Totals - Other  |                                   |       |             |                                      |  |                    |                                    |           |            |           |           |       | \$0.00    |
| Grand total - This Page   |                                   |       |             |                                      |  |                    |                                    |           |            |           |           |       | \$0.00    |

\* The Preliminary Draft Recognized Obligation Payment Schedule (ROPS) is to be completed by 3/1/2012 by the successor agency, and subsequently be approved by the oversight board before the final ROPS is submitted to the State Controller and State Department of Finance by April 15, 2012. It is not a requirement that the Agreed Upon Procedures Audit be completed before submitting the final Oversight Approved ROPS to the State Controller and State Department of Finance.

\*\* All total due during fiscal year and payment amounts are projected.

\*\*\* Funding sources from the successor agency: (For fiscal 2011-12 only, references to RPTTF could also mean tax increment allocated to the Agency prior to February 1, 2012.)

RPTTF - Redevelopment Property Tax Trust Fund  
 LMHF - Low and Moderate Income Housing Fund  
 Admin - Successor Agency Administrative Allowance

Name of Redevelopment Agency: West Sacramento Redevelopment Agency  
 Project Area(s): West Sacramento Redevelopment Project Area No. 1  
 Time Period: July 1 - December 31, 2012

RECOGNIZED OBLIGATION PAYMENT SCHEDULE  
 Per AB 26 - Section 34177 (\*)

| Project Name / Debt Obligation | Payee            | Description                          | Total Outstanding Debt or Obligation | Total Due During Fiscal Year 2012-2013** | Funding Source ** | Payable from the Administrative Allowance Allocation **** |              |              |              |              |              | Existing Cash Held to Satisfy the Obligation |               |
|--------------------------------|------------------|--------------------------------------|--------------------------------------|--|-------------------|---|--------------|--------------|--------------|--------------|--------------|--|---------------|
|                                |                  |                                      |                                      |  |                   | July 2012   | Aug. 2012    | Sept. 2012   | Oct. 2012    | Nov. 2012    | Dec. 2012    |  | Total         |
| 1) Oversight Committee         | Successor Agency | Debt management, payments            |                                      |  |                   |   |              |              |              |              |              |  |               |
| 2) Administration/Support      | Successor Agency | Support for Successor Agency         |                                      |  |                   |   |              |              |              |              |              |  |               |
| 3) Legal/Professional Services | Successor Agency | management of asset portfolio        |                                      |  |                   |   |              |              |              |              |              |  |               |
| 4) Disposition of assets       | Successor Agency | Property maintenance                 | 477,436.00                           | 477,436.00                               | RPTTF             | 39,786.33   | 39,786.33    | 39,786.33    | 39,786.33    | 39,786.33    | 39,786.33    | \$ 238,717.98                                | \$ 238,717.98 |
| 5) Maintenance of property     | Successor Agency | Support for Oversight Board meetings |                                      |  |                   |   |              |              |              |              |              |  |               |
| 6) Ongoing projects admin      | Successor Agency | Projects not included on ROPS        |                                      |  |                   |   |              |              |              |              |              |  |               |
| 7)                             |                  |                                      |                                      |  |                   |   |              |              |              |              |              |  |               |
| Totals - This Page             |                  |                                      | \$ 477,436.00                        | \$ 477,436.00                            |                   | \$ 39,786.33  | \$ 39,786.33 | \$ 39,786.33 | \$ 39,786.33 | \$ 39,786.33 | \$ 39,786.33 | \$ 238,717.98                                | \$ 238,717.98 |

\* The Preliminary Draft Recognized Obligation Payment Schedule (ROPS) is to be completed by 3/1/2012 by the successor agency, and subsequently be approved by the oversight board before the final ROPS is submitted to the State Controller and State Department of Finance by April 15, 2012. It is not a requirement that the Agreed Upon Procedures Audit be completed before submitting the final Oversight Approved ROPS to the State Controller.

\*\* All total due during fiscal year and payment amounts are projected.

\*\*\* Funding sources from the successor agency: (For fiscal 2011-12 only, references to RPTTF could also mean tax increment allocated to the Agency prior to February 1, 2012.)  
 RPTTF - Redevelopment Property Tax Trust Fund  
 LMHF - Low and Moderate Income Housing Fund  
 Admin - Successor Agency Administrative Allowance

\*\*\*\* - Administrative Cost Allowance caps are 6% of Form A 6-month totals in 2011-12 and 3% of Form A 6-month totals in 2012-13. The calculation should not factor in pass through payments paid for with RPTTF in Form D.

FORM D - Pass-Through Payments

Name of Redevelopment Agency: West Sacramento Redevelopment Agency  
 Project Area(s): West Sacramento Redevelopment Project Area No. 1  
 Time Period: July 1 - December 31, 2012

OTHER OBLIGATION PAYMENT SCHEDULE  
 Per AB 28 - Section 34177 (\*)

| Project Name / Debt Obligation    | Payee                    | Description                     | Total Outstanding Debt or Obligation | Total Due During Fiscal Year 2012-2013** | Source of Fund*** | Pass Through and Other Payments **** |             |             |             |             |             | Existing Cash Held to Satisfy the Obligation |
|-----------------------------------|--------------------------|---------------------------------|--------------------------------------|--|-------------------|--------------------------------------|-------------|-------------|-------------|-------------|-------------|--|
|                                   |                          |                                 |                                      |  |                   | July 2012                            | Aug. 2012   | Sept. 2012  | Oct. 2012   | Nov. 2012   | Dec. 2012   |  |
| 1) County Admin Fee               | Yolo County              | per County Auditor, Controller  | 11,000,000                           | 344,307                                  | County            | 154,938.15                           |             |             |             |             |             | 154,938.15                                   |
| 2) County Pass Thru               | Yolo County              | Negotiated Pass Thru            | 101,666,666                          | 2,662,520                                | County            | 1,198,134.00                         |             |             |             |             |             | 1,198,134.00                                 |
| 3) 33876 Allocations              |                          |                                 |                                      |  | County            |                                      |             |             |             |             |             | 0.00   |
| 4) Los Rios Com College           | Los Rios CC              | Payments per former CRL 33876   | 6,067,000                            | 129,000                                  | County            | 58,050.00                            |             |             |             |             |             | 58,050.00                                    |
| 5) Co. School Services            | Yolo County Office of Ed | Payments per former CRL 33876   | 4,057,000                            | 86,400                                   | County            | 38,880.00                            |             |             |             |             |             | 38,880.00                                    |
| 6) Washington JT Unif School      | WJUSD                    | Payments per former CRL 33876   | 40,920,000                           | 671,300                                  | County            | 392,085.00                           |             |             |             |             |             | 392,085.00                                   |
| 7) LMA # 4                        | LMA #4                   | Payments per former CRL 33876   | 430,400                              | 9,200                                    | County            | 4,140.00                             |             |             |             |             |             | 4,140.00                                     |
| 8)                                |                          |                                 |                                      |  |                   |                                      |             |             |             |             |             |  |
| 9) AB 1290 Statutory Pass         |                          |                                 |                                      |  |                   |                                      |             |             |             |             |             |  |
| 10) City of West Sacramento       | City of West Sacramento  | Payments per former CRL 33607.7 | 39,600,000                           | 854,000                                  | County            | 384,300.00                           |             |             |             |             |             | 384,300.00                                   |
| 11) Sacto - Yolo Mosquito Dist    | Sac Yolo Mosquito Dist   | Payments per former CRL 33607.7 | 922,000                              | 15,000                                   | County            | 6,750.00                             |             |             |             |             |             | 6,750.00                                     |
| 12) Local Maint Area #4           | LMA #4                   | Payments per former CRL 33607.7 | 1,984,000                            | 43,000                                   | County            | 19,350.00                            |             |             |             |             |             | 19,350.00                                    |
| 13) Los Rios Com College          | Los Rios CC              | Payments per former CRL 33607.7 | 4,380,000                            | 73,000                                   | County            | 32,850.00                            |             |             |             |             |             | 32,850.00                                    |
| 14) Co. School Services           | Yolo County Office of Ed | Payments per former CRL 33607.7 | 2,929,000                            | 48,000                                   | County            | 21,600.00                            |             |             |             |             |             | 21,600.00                                    |
| 15) Washington JT Unif School     | WJUSD                    | Payments per former CRL 33607.7 | 29,544,000                           | 489,000                                  | County            | 220,050.00                           |             |             |             |             |             | 220,050.00                                   |
| 16)                               |                          |                                 |                                      |  |                   |                                      |             |             |             |             |             |  |
| <b>Totals - Other Obligations</b> |                          |                                 | <b>\$ 243,500,066.00</b>             | <b>\$ 5,624,727.00</b>                   | <b>\$ -</b>       | <b>\$ 2,531,127.15</b>               | <b>\$ -</b> | <b>\$ -</b> | <b>\$ -</b> | <b>\$ -</b> | <b>\$ -</b> | <b>\$ 2,531,127.15</b>                       |

State Controller and State Department of Finance by April 15, 2012. It is not a requirement that the Agreed Upon Procedures Audit be completed before submitting the final Oversight Approved ROPS to the State Controller and State Department of Finance.

\*\* All total due during fiscal year and payment amounts are projected.

\*\*\* Funding sources from the successor agency: (For fiscal 2011-12 only, references to RPTTF could also mean tax increment allocated to the Agency prior to February 1, 2012.)

RPTTF - Redevelopment Property Tax Trust Fund Bonds - Bond proceeds

LMHIF - Low and Moderate Income Housing Fund Admin - Successor Agency Administrative Allowance

\*\*\*\* - Only the January through June 2012 ROPS should include expenditures for pass-through payments. Starting with the July through December 2012 ROPS, per HSC section 34163 (a) (1), the county auditor controller will make the required pass-through payments prior to transferring money into the successor agency's Redevelopment Obligation Retirement Fund for items listed in an oversight board approved ROPS.

Successor Agency to the Redevelopment Agency of the City of West Sacramento  
 Procedure 9 - Cash Held to Satisfy Future ROPS for the Period January 1, 2013 through June 30, 2013  
 Successor Agency - All Other RDA Funds Portion

**SUMMARY OF RECOGNIZED OBLIGATION PAYMENT SCHEDULE**  
 Filed for the January 1, 2013 to June 30, 2013 Period

Name of Successor Agency: West Sacramento

|  | Total Outstanding Debt or Obligation | Existing Cash Held to Satisfy the Obligation |
|--|--------------------------------------|--|
| <b>Outstanding Debt or Obligation</b>  | \$ 383,806,754                       |  |
| <b>Current Period Outstanding Debt or Obligation</b>   | <b>Six-Month Total</b>               |  |
| A Available Revenues Other Than Anticipated RPTTF Funding  | 189,057                              |  |
| B Enforceable Obligations Funded with RPTTF  | 8,798,305                            |  |
| C Administrative Allowance Funded with RPTTF   | 264,000                              |  |
| D Total RPTTF Funded (B + C = D)   | 9,062,305                            |  |
| Total Current Period Outstanding Debt or Obligation (A + B + C = E) <i>Should be same amount as ROPS form six-month total</i>            | \$ 9,251,362                         | 601,493.44                                   |
| E Enter Total Six-Month Anticipated RPTTF Funding  | 9,062,305                            |  |
| F Variance (D - E = F) <i>Maximum RPTTF Allowable should not exceed Total Anticipated RPTTF Funding</i>                                  | \$ -                                 |  |
| <b>Prior Period (January 1, 2012 through June 30, 2012) Estimated vs. Actual Payments (as required in HSC section 34186 (a))</b>         |                                      |  |
| G Enter Estimated Obligations Funded by RPTTF <i>(Should be the same amount as RPTTF approved by Finance, including admin allowance)</i> | 8,381,960                            |  |
| H Enter Actual Obligations Paid with RPTTF   | 8,274,771                            |  |
| I Enter Actual Administrative Expenses Paid with RPTTF   | -                                    |  |
| J Adjustment to Redevelopment Obligation Retirement Fund (G - (H + I) = J)   | \$ 107,189                           |  |
| <b>K Adjustment to RPTTF</b>   | \$ 8,955,116.00                      |  |

Certification of Oversight Board Chairman:  
 Pursuant to Section 34177(m) of the Health and Safety code,  
 I hereby certify that the above is a true and accurate Recognized  
 Obligation Payment Schedule for the above named agency.

Christopher Ledesma Chairman  
 Name  
 Title  
 Signature  
 Date

RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS III)  
 January 1, 2013 through June 30, 2013

| Item # | Project Name / Debt Obligation    | Contract/Agreement Execution Date | Contract/Agreement Termination Date | Payee                     | Description/Project Scope                          | Project Area | Total Outstanding Debt or Obligation | Total Due During Fiscal Year 2012-13 | Funding Source    |                   |                     |             |             | Existing Cash Held to Satisfy the Obligation |                     |
|--------|-----------------------------------|-----------------------------------|-------------------------------------|---------------------------|--|--------------|--------------------------------------|--------------------------------------|-------------------|-------------------|---------------------|-------------|-------------|--|---------------------|
|        |                                   |                                   |                                     |                           |  |              |                                      |                                      | Bond Proceeds     | Reserve Balance   | Admin Allowance     | RPTFE       | Other       |  |                     |
| 1      | 1998 Revenue Bonds                | Sept. 16, 1998                    | 9/1/2029                            | Union Bank                | Tax Allocation Bonds                               | West Sac     | \$ 79,497,721.00                     | \$ 4,419,212                         | \$ 264,000        | \$ -              | \$ -                | \$ -        | \$ -        | \$ -   | \$ 601,493.44       |
| 2      | 2004 (A) Revenue Bonds            | Dec. 15, 2004                     | 9/1/2038                            | Union Bank                | Tax Allocation Bonds                               | West Sac     | 43,071,770.00                        | 927,400                              | -                 | -                 | -                   | -           | -           | -  | 772,633             |
| 3      | 2004 (B) Revenue Bonds            | Dec. 15, 2004                     | 9/1/2020                            | Union Bank                | Tax Allocation Bonds                               | West Sac     | 5,851,336.00                         | 739,101                              | -                 | -                 | -                   | -           | -           | -  | 189,709             |
| 4      | 2007 (A) Revenue Bonds            | Nov. 27, 2007                     | 9/1/2037                            | Union Bank                | Tax Allocation Bonds                               | West Sac     | 41,470,227.00                        | 1,068,900                            | -                 | -                 | -                   | -           | -           | -  | 890,750             |
| 5      | 2007 (B) Revenue Bonds            | Nov. 27, 2007                     | 9/1/2019                            | Union Bank                | Tax Allocation Bonds                               | West Sac     | 11,332,886.00                        | 1,823,075                            | -                 | -                 | -                   | -           | -           | -  | 378,813             |
| 6      | Bond Trustee and Discourse        | Various                           | Ongoing                             | Relay's Corp              | Annual Debt Service Disclosure/Trustee Acct. Fees  | West Sac     | 7,440,000.00                         | 296,537                              | -                 | -                 | -                   | -           | -           | -  | 13,161              |
| 7      | Relay's Lending CPA- Relay's Corp | July 1, 1987                      | 5/30/2037                           | Relay's Corp              | Owner Participation Agreement                      | West Sac     | 20,298,000.00                        | 529,083                              | -                 | -                 | -                   | -           | -           | -  | 267,576             |
| 8      | Relay's Lending CPA- Money Store  | April 30, 1999                    | 9/30/2037                           | Money Store, LLC          | Owner Participation Agreement                      | West Sac     | 6,750,000.00                         | 302,726                              | -                 | -                 | -                   | -           | -           | -  | 384,059             |
| 9      | Local Baseball Agreement          | April 30, 1999                    | 9/30/2037                           | River City Baseball       | Owner Participation Agreement                      | West Sac     | 3,056,694.00                         | 191,054                              | -                 | -                 | -                   | -           | -           | -  | 211,909             |
| 10     | CEMEX Refi Refo Agreement         | July 12, 2006                     | 11/7/2027                           | RMC Pacific               | Infrastructure Financing Agreement/Refi Relocation | West Sac     | 9,700,000.00                         | 2,850,000                            | -                 | -                 | -                   | -           | -           | -  | 191,054             |
| 11     | Della Lane Housing Loan           | June 22, 2011                     | 6/18/2016                           | West Sacramento H.D. Corp | Loan Agreement/Affordable Housing                  | West Sac     | 3,024,912.00                         | 189,057                              | -                 | -                 | -                   | -           | -           | -  | 2,850,000           |
| 12     | CFD 12 Bond Payments              | August 1999                       | 9/1/2029                            | RCBB Trust Account/COWS   | Community Facilities Bond/ River City Stadium      | West Sac     | 960,000.00                           | 30,000                               | -                 | -                 | -                   | -           | -           | -  | 30,000              |
| 13     | CFD 23 Special Tax                | December 16, 2009                 | 9/1/2037                            | Union Bank Trustee/COWS   | 1982 Act Bonds/Special Tax Payments                | West Sac     | 3,024,000.00                         | 85,000                               | -                 | -                 | -                   | -           | -           | -  | 85,000              |
| 14     | CFD 27 Special Tax                | July 19, 2007                     | 9/1/2040                            | Union Bank Trustee/COWS   | 1982 Act Bonds/Special Tax Payments                | West Sac     | 3,024,000.00                         | 85,000                               | -                 | -                 | -                   | -           | -           | -  | 85,000              |
| 15     | Flood Assessments                 | July 19, 2007                     | Ongoing                             | Various Contractors/COWS  | Flood Improvements Annual Assessments              | West Sac     | annual obligation                    | 185,560                              | -                 | -                 | -                   | -           | -           | -  | 31,033              |
| 16     | Bridge District 2014 Plan         | September 14, 2009                | 6/30/2016                           | Various Contractors/COWS  | Master plan redevelopment                          | West Sac     | 371,217.00                           | 46,066                               | -                 | -                 | -                   | -           | -           | -  | 39,000              |
| 17     | CHC                               | June 18, 2008                     | 6/30/2016                           | Various Contractors/COWS  | CA Indian Heritage Center (State Pk)               | West Sac     | 124,132.00                           | 62,066                               | -                 | -                 | -                   | -           | -           | -  | 30,000              |
| 18     | Tower Court                       | January 23, 2009                  | 6/30/2016                           | Various Contractors/COWS  | Brownfields reuse                                  | West Sac     | 222,748.00                           | 46,530                               | -                 | -                 | -                   | -           | -           | -  | 92,700              |
| 19     | Hofel Project                     | March 2010                        | 6/30/2016                           | Various Contractors/COWS  | Feasibility Study and EIR                          | West Sac     | 310,323.00                           | 159,616                              | -                 | -                 | -                   | -           | -           | -  | 31,033              |
| 20     | Della Lane Housing Loan           | June 22, 2011                     | 6/30/2016                           | Various Contractors/COWS  | Feasibility Study and EIR                          | West Sac     | 373,720.00                           | 125,991                              | -                 | -                 | -                   | -           | -           | -  | 110,000             |
| 21     | Bridge Housing Loan               | March 2, 2011                     | 6/30/2016                           | Various Contractors/COWS  | Feasibility Study and EIR                          | West Sac     | 280,501.00                           | 145,260                              | -                 | -                 | -                   | -           | -           | -  | 34,520              |
| 22     | Reimburse Health Insurance        | Various                           | Ongoing                             | CalPERS                   | Health Insurance premium / Retired RDA Employees   | West Sac     | annual obligation                    | 40,000                               | -                 | -                 | -                   | -           | -           | -  | 45,545              |
| 23     | Relay's Lending P.E.R.S.          | Various                           | Ongoing                             | CalPERS                   | Retirement on Retired RDA Employees                | West Sac     | annual obligation                    | 194,530                              | -                 | -                 | -                   | -           | -           | -  | 40,000              |
| 24     | Successor Agency Admin Allow      | N/A                               | N/A                                 | COWS Successor Agency     | Admin Allowance for Successor Agency               | West Sac     | annual obligation                    | 260,685                              | -                 | -                 | -                   | -           | -           | -  | 130,343             |
| 25     | Bridge District Infrastructure    | February 2, 2011                  | 5/6/2027                            | City of West Sacramento   | Infrastructure Financing Agreement                 | West Sac     | 144,733,389.00                       | 30,514                               | 264,000           | -                 | -                   | -           | -           | -  | 264,000             |
|        | <b>Grand Total</b>                |                                   |                                     |                           |  |              | <b>\$ 383,806,764</b>                | <b>\$ 14,480,850</b>                 | <b>\$ 189,057</b> | <b>\$ 264,000</b> | <b>\$ 6,783,505</b> | <b>\$ -</b> | <b>\$ -</b> | <b>\$ -</b>                                  | <b>\$ 2,945,708</b> |

Successor Agency to the Redevelopment Agency of the City of West Sacramento  
 Procedure 10: Balance Available for Allocation to Affected Taxing Entities  
 Successor Agency - All Other Funds Portion (Excludes Assets Originally from Low and Moderate Income Housing Fund)

V. 8-27-12

SUMMARY OF BALANCES AVAILABLE FOR ALLOCATION TO AFFECTED TAXING ENTITIES

|  |                          |
|--|--------------------------|
| Total amount of assets held by the successor agency as of June 30, 2012 (procedure 5)  | \$ 37,510,916.25         |
| Add the amount of any assets transferred to the city or other parties for which an enforceable obligation with a third party requiring such transfer and obligating the use of the transferred assets did not exist (procedures 2 and 3) | \$ -                     |
| Less assets legally restricted for uses specified by debt covenants, grant restrictions, or restrictions imposed by other governments (procedure 6)  | \$ (511,862.14)          |
| Less assets that are not cash or cash equivalents (e.g., physical assets) - (procedure 7)  | \$ (23,188,610.00)       |
| Less balances that are legally restricted for the funding of an enforceable obligation (net of projected annual revenues available to fund those obligations) - (procedure 8)  | \$ -                     |
| Less balances needed to satisfy ROPS for the 2012-13 fiscal year (procedure 9)   | \$ (11,595,431.11)       |
| Less the amount of payments made on July 12, 2012 to the County Auditor-Controller as directed by the California Department of Finance   | <u>\$ (2,215,013.00)</u> |
| Amount to be remitted to county for disbursement to taxing entities  | <u>\$ -</u>              |

*Note that separate computations are required for the Low and Moderate Income Housing Fund held by the Successor Agency and for all other funds held by the Successor Agency.*

NOTES: For each line shown above, an exhibit should be attached showing the composition of the summarized amount.

If the review finds that there are insufficient funds available to provide the full amount due, the cause of the insufficiency should be demonstrated in a separate schedule.





# County of Yolo

www.yolocounty.org

HOWARD H. NEWENS, CIA, CPA  
 AUDITOR-CONTROLLER and  
 TREASURER-TAX COLLECTOR

AUDITOR-CONTROLLER  
 PO BOX 1268  
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 PHONE: (530) 666-8190  
 FAX: (530) 666-4215

TREASURER-TAX COLLECTOR  
 PO BOX 1395  
 WOODLAND, CA 95776  
 PHONE: (530) 666-8625  
 FAX: (530) 666-8708

July 9, 2012

West Sacramento Successor Agency  
 C/o City of West Sacramento  
 Finance Department  
 1110 West Capitol Avenue  
 West Sacramento, CA 95691

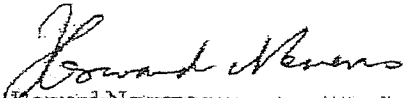
Attention: Paul Blumberg, Public Finance Manager  
 Nitish Sharma, Budget Manager

**Re: Notice of residual amount owed to taxing entities and demand for said amount**

We have performed the review required by Health & Safety code section 34183.5 (b)(2)(A) and determined that the West Sacramento Successor Agency owes \$2,446,131 to taxing entities in Yolo County, calculated as follows:

| DESCRIPTION  | AMOUNT                    |
|--|---------------------------|
| Gross tax revenues for 1/1/12 - 6/30/12 period     | \$12,974,956              |
| DOF maximum allowed RPTTF obligations (Exhibit 12) | - 8,381,960               |
| Computed debt service set aside                    | - 1,775,000               |
| County administrative cost allowed                 | - 371,865                 |
| Amount owed to taxing entities                     | \$2,446,131 <sup>2/</sup> |

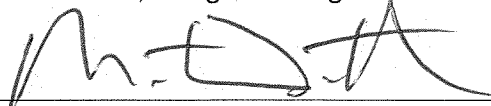
In accordance with H&S 34183.5 (b)(2)(A), please remit \$2,446,131 by 7/12/2012, made payable to Yolo County Treasurer at the address on this letterhead.

  
 Howard Newens  
 Auditor-Controller and  
 Treasurer-Tax Collector



1 Payment consisted of both All Other RDA Fund and Low and Moderate Income Housing Fund money. Of the total paid, \$2,215,013 is from the All Other RDA Funds sources (excludes \$231,118 amount from Low and Moderate Income Housing Funds source).

**REDEVELOPMENT SUCCESSOR AGENCY OVERSIGHT BOARD**

|  |  |
|--|--|
| MEETING DATE: January 10, 2013   | ITEM # 3   |
| <b>SUBJECT:</b><br><b>CONSIDERATION OF RESOLUTION 13-1 OF THE WEST SACRAMENTO REDEVELOPMENT SUCCESSOR AGENCY OVERSIGHT BOARD APPROVING THE DUE DILIGENCE REVIEW FOR NON-HOUSING ASSETS</b>               |  |
| <b>INITIATED OR REQUESTED BY:</b><br><input type="checkbox"/> Oversight Board <input checked="" type="checkbox"/> Staff<br><input type="checkbox"/> Other  | <b>REPORT COORDINATED OR PREPARED BY:</b><br>Paul Blumberg, Public Finance Manager<br>Nitish Sharma, Budget Manager<br><br>Martin Tuttle, Executive Director<br>West Sacramento Redevelopment Successor Agency |
| <b>ATTACHMENT</b> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Information <input type="checkbox"/> Direction <input checked="" type="checkbox"/> Action |  |

**OBJECTIVE**

The purpose of this report is to have the West Sacramento Redevelopment Successor Agency Oversight Board (“Oversight Board”) consider approval of the Due Diligence Review for non-housing assets of the former West Sacramento Redevelopment Agency and West Sacramento Redevelopment Successor Agency (“Non-Housing Asset Review”).

**RECOMMENDED ACTION**

It is respectfully recommended that the Oversight Board approve the Non-Housing Asset Due Diligence Review pursuant to Health and Safety Code 34179.6 (c), and direct staff to submit the report to the Yolo County Auditor-Controller, the State Controller’s Office, and the State Department of Finance (“DOF”).

**BACKGROUND**

Assembly Bill 1484 provided new procedures for reviewing the available cash assets of the former redevelopment agency in order to return any unencumbered fund balances to the County Auditor-Controller for distribution to the taxing entities. Pursuant to Health and Safety Code 34179.5 a “due diligence” review is required to be prepared for the Low and Moderate Income Housing Assets as well as all other “non-housing” assets transferred to the Successor Agency as of February 1, 2012. The Low and Moderate Income Housing Asset Due Diligence Review has been completed and the DOF has provided a letter accepting the report with significant changes. The report pertaining to non-housing assets is the subject to the recommended action contained in the attached Resolution 13-1.

The review was required to be submitted to the Oversight Board by December 15, 2012. As required, this document discloses the amount of cash or cash equivalents that may be available to be returned to the County Auditor-Controller for distribution to the taxing entities. A copy of the Non-Housing Asset Due Diligence Review, included as Exhibit “A” to Resolution 13-1, complies with this requirement.

The Non-Housing Asset Due Diligence Review was prepared by the audit firm Richardson & Company, a firm that has a previous history conducting similar reports for the City of West Sacramento. The County Auditor-Controller approved the Successor Agency’s use of Richardson & Company.

Pursuant to Section 34179.6(b), the Oversight Board held a “public comment session” at the Oversight Board’s regular meeting of December 13, 2012.

By January 15, 2013, the Non-Housing Asset Due Diligence Review must be approved by the Oversight Board and transmitted to the DOF, the State Controller’s Office, and the County Auditor-Controller. The County Auditor-Controller will then determine the amount of unencumbered cash balances available to be distributed to the taxing entities pursuant to the formula provided in Health and Safety Code section 34179.5. At its regularly scheduled meeting on January 10, 2013, the Board will be asked to consider Resolution 13-1, approving the Non-Housing Asset Review and directing staff to forward the report to the required entities in order to comply with this requirement.

**ANALYSIS**

The Non-Housing Asset Review has concluded that the low and moderate income fund has no unencumbered cash balances, and the non-cash assets were appropriately transferred to the Successor Agency. The Non-

Housing Asset Review states that there are no remaining balances available to be remitted to the County and for disbursement to the taxing entities. Approval of Resolution 13-1 provides the Oversight Board approval of the report, and provides direction to forward the report to the appropriate entities by the January 15<sup>th</sup> deadline.

It should be noted that subsequent to any approval of the review by the Oversight Board, the DOF is authorized pursuant to 34179.6(d) to adjust any amount associated with the determination and conclusions contained in the Non-Housing Asset Due Diligence Review. Based on the DOF's adjustments made to the Low and Moderate Income Housing Asset Due Diligence Review, staff anticipates that once the report is submitted to the DOF for review, there may adjustments made to this report. The adjustments may not be related to the Agreed Upon Procedures that were provided to Richardson and Company by the DOF but may be based on other criteria and considerations that the DOF may, at its own discretion, apply to derive its own calculation of "residual balance" available to be distributed to the taxing entities. Thus, staff cannot anticipate what additional analysis will be needed or what modifications to the conclusions the attached report may be required.

#### Alternatives

The Oversight Board is required to approve the Housing Asset Review pursuant to legislative requirements (Health and Safety Code 34179.6) contained in Assembly Bill 1484; since the document is required to be submitted by the January 15, 2013 deadline, hence no alternatives are presented for consideration.

#### Coordination and Review

This report has been prepared by the Administrative Services Department in coordination with the City Attorney.

#### Budget/Cost Impact

There are no budgetary impacts to the Successor Agency or the City from approval of Resolution 13-1.

#### **ATTACHMENTS**

Resolution 13-1

Final Non-Housing Asset Due Diligence Review

**RESOLUTION 13-1**

**A RESOLUTION OF THE OVERSIGHT BOARD OF THE WEST SACRAMENTO REDEVELOPMENT SUCCESSOR AGENCY APPROVING THE NON-HOUSING ASSET DUE DILIGENCE REVIEW PURSUANT TO HEALTH AND SAFETY CODE SECTION 34179.6(c)**

**WHEREAS**, Health and Safety Code 34179.5(a) requires that the Successor Agency employ a licensed accountant with experience in local government accounting, and approved by the County Auditor-Controller, to conduct a due diligence review of all other fund and account balances not included in the Low and Moderate Income Housing Fund (Non-Housing Assets) of the former West Sacramento Redevelopment Agency; and

**WHEREAS**, the stated legislative intent of the Non-Housing Asset Due Diligence review is to determine whether there are unobligated balances available to be returned to the County Auditor-Controller for distribution to the taxing entities; and

**WHEREAS**, the West Sacramento Redevelopment Successor Agency ("Successor Agency"), with the concurrence of the County Auditor-Controller, contracted with the firm Richardson & Company to prepare the Non-Housing Asset Due Diligence Review; and

**WHEREAS**, at the December 13, 2012 regular meeting of the Oversight Board, a "public input meeting" was held in accordance with Health and Safety Code 34179.6(c); and

**WHEREAS**, Health and Safety Code 34179 also requires that the Oversight Board approve the Non-Housing Asset Due Diligence Review prior to the Successor Agency's submittal of the report to the County Auditor-Controller, the State Controller's Office, and the State Department of Finance by the deadline of January 15, 2013; and

**WHEREAS**, the Oversight Board now desires to approve the Review;

**NOW, THEREFORE**, the Oversight Board of the Successor Agency to the Redevelopment Agency of the City of West Sacramento hereby resolves that:

1. The Oversight Board hereby finds and determines that the foregoing recitals are true and correct.
2. The Non-Housing Asset Due Diligence Review, included as Exhibit "A" to this resolution, is hereby approved.
3. The Executive Director, or his designee, is directed to forward the approved Non-Housing Asset Due Diligence Review to the County Auditor-Controller, the State Controller's Office, and the Department of Finance.

**PASSED AND ADOPTED** by the West Sacramento Redevelopment Successor Agency Oversight Board this 10<sup>th</sup> day of January 2013, by the following vote:

**AYES:**  
**NOES:**  
**ABSENT:**

\_\_\_\_\_  
Christopher Ledesma, Chairperson

ATTEST:

\_\_\_\_\_  
Kryss Rankin, City Clerk

EXHIBIT "A" TO  
RESOLUTION 13-1

**SUCCESSOR AGENCY OF THE REDEVELOPMENT AGENCY  
OF THE CITY OF WEST SACRAMENTO  
AB 1484 AGREED-UPON PROCEDURES REPORT  
ALL FUNDS EXCEPT THE LOW  
AND MODERATE INCOME HOUSING FUNDS**

INDEPENDENT ACCOUNTANT'S REPORT  
ON APPLYING AGREED-UPON PROCEDURES

To the Oversight Board of the Successor Agency of  
the Redevelopment Agency of the City of West Sacramento  
West Sacramento, California

We have applied the procedures enumerated below to all funds of the Redevelopment Agency of the City of West Sacramento (the Redevelopment Agency) and the Successor Agency of the Redevelopment Agency of the City of West Sacramento (the Successor Agency) with the exception of the Low and Moderate Income Housing Funds for which separate procedures were previously performed. These procedures, which were agreed to in advance by the California State Controller's Office, the California Department of Finance and the Successor Agency, were performed to determine whether the Redevelopment Agency of the City of West Sacramento and its Successor Agency (the Funds) complied its statutory requirements with respect to State of California Assembly Bill No. 1484 (AB 1484) as specified in California Health and Safety Code Section 34179.5. Management of the Successor Agency is responsible for compliance with these requirements.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures performed related to all funds of the Redevelopment Agency and its Successor Agency except the Low and Moderate Income Housing Fund and our findings were as follows:

Citation: 34179.5(c)(1) The dollar value of assets transferred from the former redevelopment agency to the successor agency on or about February 1, 2012.

1. Obtain from the Successor Agency a listing of all assets that were transferred from the former redevelopment agency to the Successor Agency on February 1, 2012. Agree the amounts on this listing to account balances established in the accounting records of the Successor Agency. Identify in the Agreed-Upon Procedures (AUP) report the amount of the assets transferred to the Successor Agency as of that date.

Findings: We noted the Funds retained cash of \$114,284 at January 31, 2012 that was not transferred to the Successor Agency. This cash was retained by the Funds to pay \$34,509 of payroll and related benefits accrued at January 31, 2012 and for expenses for services incurred by the Funds between January 31, 2012 and June 30, 2012 as reported on the EOPS. A schedule of assets transferred from the former redevelopment agency to the Successor Agency on January 31, 2012 is attached.

To the Oversight Board of the Successor Agency of  
the Redevelopment Agency of the City of West Sacramento

Citation: 34179.5(c)(2) The dollar value of assets and cash and cash equivalents transferred after January 1, 2011, through June 30, 2012, by the redevelopment agency or the successor agency to the city, county, or city and county that formed the redevelopment agency and the purpose of each transfer. The review shall provide documentation of any enforceable obligation that required the transfer.

2. If the State Controller's Office has completed its review of transfers required under both Sections 34167.5 and 34178.8 and issued its report regarding such review, attach a copy of that report as an exhibit to the AUP report. If this has not yet occurred, perform the following procedures:
  - A. Obtain a listing prepared by the Successor Agency of transfers (excluding payments for goods and services) from the former redevelopment agency to the city, county, or city and county that formed the redevelopment agency for the period from January 1, 2011 through January 31, 2012. For each transfer, the Successor Agency should describe the purpose of the transfer and describe in what sense the transfer was required by one of the Agency's enforceable obligations or other legal requirements. Provide this listing as an attachment to the AUP report.
  - B. Obtain a listing prepared by the Successor Agency of transfers (excluding payments for goods and services) from the Successor Agency to the city, county, or city and county that formed the redevelopment agency for the period from February 1, 2012 through June 30, 2012. For each transfer, the Successor Agency should describe the purpose of the transfer and describe in what sense the transfer was required by one of the Agency's enforceable obligations or other legal requirements. Provide this listing as an attachment to the AUP report.
  - C. For each transfer, obtain the legal document that formed the basis for the enforceable obligation that required any transfer. Note in the AUP report the absence of any such legal document or the absence of language in the document that required the transfer.

Findings: The State Controller's Office completed its review and a copy of the report is attached. We noted the following during procedures performed prior to the State Controller's Office releasing its report:

- a. The State Department of Finance notified the City that three transfers totaling \$486,610.69 to the Sacramento-Yolo Port District and City of West Sacramento for infrastructure improvements under infrastructure financing agreements did not meet the definition of an enforceable obligation in a letter dated April 27, 2012. The agreements were entered into prior to December 31, 2011. The City is currently appealing this decision.
- b. The Redevelopment Agency entered into an agreement to purchase land from the Sacramento-Yolo Port District, a component unit of the City of West Sacramento, during the year ended June 30, 2010. The Redevelopment Agency made a payment to the Sacramento-Yolo Port District of \$1.2 million under the agreement in March 2011. In April, 2012, prior to the final payment being made of \$1.5 million, the Oversight Board of the Successor Agency determined it was in the Successor Agency's best interest to not make the final payment and to allow the Sacramento-Yolo Port District to repossess the land because the value of the land was not sufficient to justify disbursing the final payment. The \$1.5 million not paid was included as part of the \$2.4 million residual payment reported on the schedule for procedure 10.
- c. The Redevelopment Agency's audited financial statements as of June 30, 2011 included Fund 263, which is a fund used for Community Development Block Grant funds for economic development loans and a GIS mapping system, maritime land use planning fees collected from other governmental agencies and enterprise zone application fees, none of which were from Redevelopment Agency resources. Cash and investments of \$63,610.18 recorded in Fund 263 were transferred to another City fund used to continue the specified activities rather than transferring the balances to the Successor Agency. The balances were not transferred to the Successor Agency because they were restricted resources not allowed to be used for Redevelopment Agency obligations according to the related agreements or City ordinances under which the amounts were collected from other governments or private parties.



To the Oversight Board of the Successor Agency of  
the Redevelopment Agency of the City of West Sacramento

Citation: 34179.5(c)(3) The dollar value of any cash or cash equivalents transferred after January 1, 2011, through June 30, 2012, by the redevelopment agency or the successor agency to any other public agency or private party and the purpose of each transfer. The review shall provide documentation of any enforceable obligation that required the transfer.

3. If the State Controller's Office has completed its review of transfers required under both Sections 34167.5 and 34178.8 and issued its report regarding such review, attach a copy of that report as an exhibit to the AUP report. If this has not yet occurred, perform the following procedures:
  - A. Obtain a listing prepared by the Successor Agency of transfers (excluding payments for goods and services) from the former redevelopment agency to any other public agency or to private parties for the period from January 1, 2011 through January 31, 2012. For each transfer, the Successor Agency should describe the purpose of the transfer and describe in what sense the transfer was required by one of the Agency's enforceable obligations or other legal requirements. Provide this listing as an attachment to the AUP report.
  - B. Obtain a listing prepared by the Successor Agency of transfers (excluding payments for goods and services) from the Successor Agency to any other public agency or private parties for the period from February 1, 2012 through June 30, 2012. For each transfer, the Successor Agency should describe the purpose of the transfer and describe in what sense the transfer was required by one of the Agency's enforceable obligations or other legal requirements. Provide this listing as an attachment to the AUP report.
  - C. For each transfer, obtain the legal document that formed the basis for the enforceable obligation that required any transfer. Note in the AUP report the absence of any such legal document or the absence of language in the document that required the transfer.

Findings: The State Controller's Office completed its review and a copy of the report is attached.

Citation: 34179.5(c)(4) The review shall provide expenditure and revenue accounting information and identify transfers and funding sources for the 2010-11 and 2011-12 fiscal years that reconciles balances, assets, and liabilities of the successor agency on June 30, 2012 to those reported to the Controller for the 2009-10 fiscal year.

4. Perform the following procedures:
  - A. Obtain from the Successor Agency a summary of the financial transactions of the Redevelopment Agency and the Successor Agency in the format set forth in the attached schedule for the fiscal periods indicated in the schedule. For purposes of this summary, the financial transactions should be presented using the modified accrual basis of accounting. End of year balances for capital assets (in total) and long-term liabilities (in total) should be presented at the bottom of this summary schedule for information purposes.
  - B. Ascertain that for each period presented, the total of revenues, expenditures, and transfers accounts fully for the changes in equity from the previous fiscal period.
  - C. Compare amounts in the schedule relevant to the fiscal year ended June 30, 2010 to the state controller's report filed for the Redevelopment Agency for that period.
  - D. Compare amounts in the schedule for the other fiscal periods presented to account balances in the accounting records or other supporting schedules. Describe in the report the type of support provided for each fiscal period.

Findings: The required schedule is attached to this report. June 30, 2010 balances were agreed to the audited financial statements for the Redevelopment Agency and to the State Controller's report. We noted the balances for capital assets and long-term debt per the State Controller's report did not agree to the audited financial statements due to closing entries identified as part of the June 30, 2010 audit.

To the Oversight Board of the Successor Agency of  
the Redevelopment Agency of the City of West Sacramento

The audited financial statements appeared to be correct. June 30, 2011 balances were agreed to the audited financial statements for the Redevelopment Agency and the general ledger of each related fund. January 31, 2012 and June 30, 2012 balances were agreed to the general ledger of each related fund. Capital assets were agreed to the capital asset roll-forward and detail list. No exceptions were noted as a result of our procedures.

Citation: 34179.5(c)(5) A separate accounting for the balance for the Low and Moderate Income Housing Fund for all other funds and accounts combined shall be made as follows: (A) A statement of the total value of each fund as of June 30, 2012.

5. Obtain from the Successor Agency a listing of all assets of the Low and Moderate Income Housing Fund as of June 30, 2012 for the report that is due October 1, 2012 and a listing of all assets of all other funds of the Successor Agency as of June 30, 2012 (excluding the previously reported assets of the Low and Moderate Income Housing Fund) for the report that is due December 15, 2012. When this procedure is applied to the Low and Moderate Income Housing Fund, the schedule attached as an exhibit will include only those assets of the Low and Moderate Income Housing Fund that were held by the Successor Agency as of June 30, 2012 and will exclude all assets held by the entity that assumed the housing function previously performed by the former redevelopment agency. Agree the assets so listed to recorded balances reflected in the accounting records of the Successor Agency. The listings should be attached as an exhibit to the appropriate AUP report.

Findings: No exceptions were noted as a result of our procedures. The required listing of assets of all other funds of the Successor Agency as of June 30, 2012 is attached to this report.

Citation: 34179.5(c)(5)(B) An itemized statement listing any amounts that are legally restricted as to purpose and cannot be provided to taxing entities. This could include the proceeds of any bonds, grant funds, or funds provided by other governmental entities that place conditions on their use.

6. Obtain from the Successor Agency a listing of asset balances held on June 30, 2012 that are restricted for the following purposes:

A. Unspent bond proceeds:

- i. Obtain the Successor Agency's computation of the restricted balances (e.g., total proceeds less eligible project expenditures, amounts set aside for debt service payments, etc.).
- ii. Trace individual components of this computation to related account balances in the accounting records, or to other supporting documentation (specify in the AUP report a description of such documentation).
- iii. Obtain from the Successor Agency a copy of the legal document that sets forth the restriction pertaining to these balances. Note in the AUP report the absence of language restricting the use of the balances that were identified by the Successor Agency as restricted.

Findings: A schedule showing unspent bond proceeds restricted for improvements specified in the Redevelopment Tax Allocation Bond, 2007 Series A, official statement at June 30, 2012 is attached to this report.

B. Grant proceeds and program income that are restricted by third parties:

- i. Obtain the Successor Agency's computation of the restricted balances (e.g., total proceeds less eligible project expenditures).
- ii. Trace individual components of this computation to related account balances in the accounting records, or to other supporting documentation (specify in the AUP report a description of such documentation).

To the Oversight Board of the Successor Agency of  
the Redevelopment Agency of the City of West Sacramento

- iii. Obtain from the Successor Agency a copy of the grant agreement that sets forth the restriction pertaining to these balances. Note in the AUP report the absence of language restricting the use of the balances that were identified by the Successor Agency as restricted.

Findings: No unspent grant proceeds or program income were held by the Successor Agency as of June 30, 2012. Procedures 6(B)(i), (ii) and (iii) were not applicable.

C. Other assets considered to be legally restricted:

- i. Obtain the Successor Agency's computation of the restricted balances (e.g., total proceeds less eligible project expenditures).
- ii. Trace individual components of this computation to related account balances in the accounting records, or to other supporting documentation (specify in the AUP report a description of such documentation).
- iii. Obtain from the Successor Agency a copy of the legal document that sets forth the restriction pertaining to these balances. Note in the AUP report the absence of language restricting the use of the balances that were identified by Successor the Agency as restricted.

Findings: No other assets were held by the Successor Agency that are considered to be legally restricted as of June 30, 2012. Procedures 6(C)(i), (ii), and (iii) were not applicable.

- D. Attach the above mentioned Successor Agency prepared schedule(s) as an exhibit to the AUP report. For each restriction identified on these schedules, indicate in the report the period of time for which the restrictions are in effect. If the restrictions are in effect until the related assets are expended for their intended purpose, this should be indicated in the report.

Findings: The only restricted assets held by the Successor Agency at June 30, 2012 were the unspent bond proceeds indicated in procedure 6(A) above. The unspent bond proceeds are restricted until spent on qualifying projects with no existing time limit specified in the debt agreement. A schedule is attached to this report under procedure 6A.

Citation: 34179.5(c)(5)(C) An itemized statement of the values of any assets that are not cash or cash equivalents. This may include physical assets, land, records, and equipment. For the purpose of this accounting, physical assets may be valued at purchase cost or at any recently estimated market value. The statement shall list separately housing-related assets.

7. Perform the following procedures:

- A. Obtain from the Successor Agency a listing of assets as of June 30, 2012 that are not liquid or otherwise available for distribution (such as capital assets, land held for resale, long-term receivables, etc.) and ascertain if the values are listed at either purchase cost (based on book value reflected in the accounting records of the Successor Agency) or market value as recently estimated by the Successor Agency.
- B. If the assets listed at 7(A) are listed at purchase cost, trace the amounts to a previously audited financial statement (or to the accounting records of the Successor Agency) and note any differences.
- C. For any differences noted in 7(B), inspect evidence of disposal of the asset and ascertain that the proceeds were deposited into the Successor Agency trust fund. If the differences are due to additions (this generally is not expected to occur), inspect the supporting documentation and note the circumstances.
- D. If the assets listed at 7(A) are listed at recently estimated market value, inspect the evidence (if any) supporting the value and note the methodology used. If no evidence is available to support the value and/or methodology, note the lack of evidence.

Findings: Assets that are not liquid held by the Successor Agency as of June 30, 2012 consist of capital assets listed in the schedule attached to this report. All amounts are reported at book value. A roll-forward of capital assets for the year-ended June 30, 2012 was obtained and the July 1, 2011 balances were agreed to the June 30, 2011 Redevelopment Agency audited financial statements without exception. We inspected documentation supporting additions and disposals through June 30, 2012. Additions represented expenditures to complete active projects as approved on ROPS 1. Proceeds from disposals were deposited into the related Redevelopment Agency Fund. Note that Improvements of \$234,731 and equipment of \$77,275 were transferred from the Redevelopment Agency to the City of West Sacramento prior to June 30, 2011 that were found by the State Controller's Office to be improperly transferred in a report dated May 2012 because the transfers were not approved by the Oversight Board of the Successor Agency. The Oversight Board approved the transfers in August 2012. No other exceptions were noted as a result of our procedures.

Citation: 34179.5(c)(5)(D) An itemized listing of any current balances that are legally or contractually dedicated or restricted for the funding of an enforceable obligation that identifies the nature of the dedication or restriction and the specific enforceable obligation. In addition, the successor agency shall provide a listing of all approved enforceable obligations that includes a projection of annual spending requirements to satisfy each obligation and a projection of annual revenues available to fund those requirements. If a review finds that future revenues together with dedicated or restricted balances are insufficient to fund future obligations and thus retention of current balances is required, it shall identify the amount of current balances necessary for retention. The review shall also detail the projected property tax revenues and other general purpose revenues to be received by the successor agency, together with both the amount and timing of the bond debt service payments of the successor agency, for the period in which the oversight board anticipates the successor agency will have insufficient property tax revenue to pay the specified obligations.

8. Perform the following procedures:

- A. If the Successor Agency believes that asset balances need to be retained to satisfy enforceable obligations, obtain from the Successor Agency an itemized schedule of asset balances (resources) as of June 30, 2012 that are dedicated or restricted for the funding of enforceable obligations and perform the following procedures. The schedule should identify the amount dedicated or restricted, the nature of the dedication or restriction, the specific enforceable obligation to which the dedication or restriction relates, and the language in the legal document that is associated with the enforceable obligation that specifies the dedication of existing asset balances toward payment of that obligation.
  - i. Compare all information on the schedule to the legal documents that form the basis for the dedication or restriction of the resource balance in question.
  - ii. Compare all current balances to the amounts reported in the accounting records of the Successor Agency or to an alternative computation.
  - iii. Compare the specified enforceable obligations to those that were included in the final Recognized Obligation Payment Schedule approved by the California Department of Finance.
  - iv. Attach as an exhibit to the report the listing obtained from the Successor Agency. Identify in the report any listed balances for which the Successor Agency was unable to provide appropriate restricting language in the legal document associated with the enforceable obligation.

Findings: There were no unpaid enforceable obligations (i.e. remaining obligations from the Enforceable Obligation Payment Schedule) at June 30, 2012. Procedures 8(A)(i), (ii), (iii) and (iv) were not applicable

To the Oversight Board of the Successor Agency of  
the Redevelopment Agency of the City of West Sacramento

- B. If the Successor Agency believes that future revenues together with balances dedicated or restricted to an enforceable obligation are insufficient to fund future obligation payments and thus retention of current balances is required, obtain from the Successor Agency a schedule of approved enforceable obligations that includes a projection of the annual spending requirements to satisfy each obligation and a projection of the annual revenues available to fund those requirements and perform the following procedures:
- i. Compare the enforceable obligations to those that were approved by the California Department of Finance. Procedures to accomplish this may include reviewing the letter from the California Department of Finance approving the Recognized Enforceable Obligation Payment Schedules for the six month period from January 1, 2012 through June 30, 2012 and for the six month period July 1, 2012 through December 31, 2012.
  - ii. Compare the forecasted annual spending requirements to the legal document supporting each enforceable obligation.
    - a. Obtain from the Successor Agency its assumptions relating to the forecasted annual spending requirements and disclose in the report major assumptions associated with the projections.
  - iii. For the forecasted annual revenues:
    - a. Obtain from the Successor Agency its assumptions for the forecasted annual revenues and disclose in the report major assumptions associated with the projections.

Findings: There were no enforceable obligations (i.e. remaining obligations from the Enforceable Obligation Payment Schedule) as of June 30, 2012. Procedures 8(B)(i), (ii), and (iii) were not applicable.

- C. If the Successor Agency believes that projected property tax revenues and other general purpose revenues to be received by the Successor Agency are insufficient to pay bond debt service payments (considering both the timing and amount of the related cash flows), obtain from the Successor Agency a schedule demonstrating this insufficiency and apply the following procedures to the information reflected in that schedule.
- i. Compare the timing and amounts of bond debt service payments to the related bond debt service schedules in the bond agreement.
  - ii. Obtain the assumptions for the forecasted property tax revenues and disclose major assumptions associated with the projections.
  - iii. Obtain the assumptions for the forecasted other general purpose revenues and disclose major assumptions associated with the projections.

Findings: There were no enforceable obligations (i.e. remaining obligations from the Enforceable Obligation Payment Schedule) as of June 30, 2012. Procedures 8(C)(i), (ii) and (iii) were not applicable.

- D. If procedures A, B, or C were performed, calculate the amount of current unrestricted balances necessary for retention in order to meet the enforceable obligations by performing the following procedures.
- i. Combine the amount of identified current dedicated or restricted balances and the amount of forecasted annual revenues to arrive at the amount of total resources available to fund enforceable obligations.

To the Oversight Board of the Successor Agency of  
the Redevelopment Agency of the City of West Sacramento

- ii. Reduce the amount of total resources available by the amount forecasted for the annual spending requirements. A negative result indicates the amount of current unrestricted balances that needs to be retained.
- iii. Include the calculation in the AUP report.

Findings: There were no enforceable obligations (i.e. remaining obligations from the Enforceable Obligation Payment Schedule) as of June 30, 2012. Procedures 8(D)(i), (ii) and (iii) were not applicable.

Citation: 34179.5(c)(5)(E) An itemized list and analysis of any amounts of current balances that are needed to satisfy obligations that will be placed on the Recognized Obligation Payment Schedules for the current fiscal year.

9. If the Successor Agency believes that cash balances as of June 30, 2012 need to be retained to satisfy obligations on the Recognized Obligation Payment Schedule (ROPS) for the period of July 1, 2012 through June 30, 2013, obtain a copy of the final ROPS for the period of July 1, 2012 through December 31, 2012 and a copy of the final ROPS for the period January 1, 2013 through June 30, 2013. For each obligation listed on the ROPS, the Successor Agency should add columns identifying (1) any dollar amounts of existing cash that are needed to satisfy that obligation and (2) the Successor Agency's explanation as to why the Successor Agency believes that such balances are needed to satisfy the obligation. Include this schedule as an attachment to the AUP report.

Findings: The report comparing existing cash held by the Successor Agency at June 30, 2012 to each enforceable obligation listed on the ROPS with the Successor Agency's explanation as to why the Successor Agency believes that such balances are needed to satisfy the obligation is attached to this report.

Citation: 34179.5(c)(6) The review shall total the net balances available after deducting the total amounts described in subparagraphs (B) to (E), inclusive, of paragraph (5). The review shall add any amounts that were transferred as identified in paragraphs (2) and (3) of subdivision (c) if an enforceable obligation to make that transfer did not exist. The resulting sum shall be available for allocation to affected taxing entities pursuant to Section 34179.6. It shall be a rebuttable presumption that cash and cash equivalent balances available to the successor agency are available and sufficient to disburse the amount determined in this paragraph to taxing entities. If the review finds that there are insufficient cash balances to transfer or that cash or cash equivalents are specifically obligated to the purposes described in subparagraphs (B), (D), and (E) of paragraph (5) in such amounts that there is insufficient cash to provide the full amount determined pursuant to this paragraph, that amount shall be demonstrated in an additional itemized schedule.

10. Include (or present) a schedule detailing the computation of the Balance Available for Allocation to Affected Taxing Entities. Amounts included in the calculation should agree to the results of the procedures performed in each section above. The schedule should also include a deduction to recognize amounts already paid to the County Auditor-Controller on July 12, 2012 as directed by the California Department of Finance. The amount of this deduction presented should be agreed to evidence of payment. The attached example summary schedule may be considered for this purpose. Separate schedules should be completed for the Low and Moderate Income Housing Fund and for all other funds combined (excluding the Low and Moderate Income Housing Fund).

Findings: No exceptions were noted as a result of our procedures. The schedule detailing the computation of the Balance Available for Allocation to Affected Taxing Entities is attached to this report.

11. Suggested Procedure(s): Obtain a representation letter from Successor Agency management acknowledging their responsibility for the data provided to the practitioner and the data presented in the report or in any attachments to the report. Included in the representations should be an acknowledgment that management is not aware of any transfers (as defined by Section 34179.5) from either the former redevelopment agency or the Successor Agency to other parties for the period from January 1, 2011 through June 30, 2012 that have not been properly identified in the AUP report and its related exhibits.

To the Oversight Board of the Successor Agency of  
the Redevelopment Agency of the City of West Sacramento

Management's refusal to sign the representation letter should be noted in the AUP report as required by attestation standards.

Findings: A representation letter from the Successor Agency management acknowledging their responsibility for the data provided and data presented in the report or in any attachments to the report was obtained.

We were not engaged to, and did not, conduct an audit, the objective of which would be the expression of an opinion as to the appropriateness of the results of the aforementioned procedures. Accordingly, we express no opinion on the aforementioned information. Had we performed additional procedures or had we conducted an audit of the aforementioned information in accordance with generally accepted auditing standards, other matters might have come to our attention that would have been reported to you. This report only relates to the procedures referred to above and does not extend to any financial statements of the City or Successor Agency taken as a whole.

This report is intended solely for the information of the City, the Successor Agency, the County of Yolo, the California State Controller's Office and California Department of Finance and is not intended to be and should not be used by anyone other than those specified parties. This restriction is not intended to limit distribution of this report, which is a matter of public record.

*Richardson & Company*

November 15, 2012



Successor Agency to the Redevelopment Agency of the City of West Sacramento  
 Procedure 1 - Transfers from the Redevelopment Agency to the Successor Agency on January 31, 2012  
 All Other RDA Funds Portion Only (Excludes Transfers of Low and Moderate Income Fund Assets)

| NAME/TYPE OF ASSET                        | SOURCE FUND | BOOK VALUE      | DATE TRANSFERRED | FUND RECEIVING TRANSFER |
|---|-------------|-----------------|------------------|-------------------------|
| Cash and Investments                      | 290         | \$4,631,729.21  | 1/31/2012        | Fund 264 - RORF         |
| Cash and Investments                      | 292         | \$1,544,492.34  | 1/31/2012        | Fund 264 - RORF         |
| Cash and Investments                      | 310         | \$2,120,449.14  | 1/31/2012        | Fund 264 - RORF         |
| Cash and Investments                      | 311         | \$995,759.00    | 1/31/2012        | Fund 264 - RORF         |
| Cash and Investments                      | 312         | \$1,140,344.45  | 1/31/2012        | Fund 264 - RORF         |
| Capital Assets - Land                     | 990         | \$10,703,668.00 | 1/31/2012        | Fund 264 - RORF         |
| Capital Assets - Construction In Progress | 990         | \$14,761,930.00 | 1/31/2012        | Fund 264 - RORF         |
| TOTAL                                     |             | \$35,898,372.14 |                  |                         |

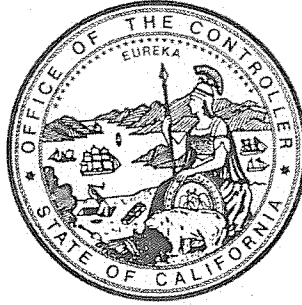
Fund 290 = RDA Special Revenue Fund  
 Fund 292 = RDA Capital Projects Fund  
 Fund 311, 312 and 313 = RDA Debt Service Funds  
 Fund 990 - Fund Used for RDA Government-wide Adjustments, Including Capital Assets  
 Fund 264 - Successor Agency RORF

# WEST SACRAMENTO REDEVELOPMENT AGENCY

## ASSET TRANSFER REVIEW

### Review Report

*January 1, 2011, through January 31, 2012*



JOHN CHIANG  
California State Controller

November 2012



JOHN CHIANG  
California State Controller

November 8, 2012

Martin Tuttle, City Manager  
City of West Sacramento  
West Sacramento Redevelopment/Successor Agency  
1110 West Capitol Avenue  
West Sacramento, CA 95691

Dear Mr. Tuttle:

Pursuant to Health and Safety (H&S) code section 34167.5, the State Controller's Office (SCO) reviewed all asset transfers made by the West Sacramento Redevelopment Agency to the City of West Sacramento or any other public agency during the period from January 1, 2011, through January 31, 2012. As you know, this statutory provision explicitly states that, "The Legislature hereby finds that a transfer of assets by a redevelopment agency during the period covered in this section is deemed not to be in furtherance of the Community Redevelopment Law and is thereby unauthorized." Therefore, our review included an assessment of whether each asset transfer was allowable and whether it should be turned over to the West Sacramento Redevelopment Successor Agency.

Our review applied to all assets, including but not limited to, real and personal property, cash funds, accounts receivable, deeds of trust and mortgages, contract rights and any rights to payment of any kind. We also reviewed and determined whether any unallowable transfers of assets to the City of West Sacramento or any other public agencies have been reversed.

Our review disclosed that the West Sacramento Redevelopment Agency transferred \$76,982,802 in assets. These included transfers of 12 properties with zero book value, which should have been turned over to the Successor Agency. However, on August 16, 2012, the West Sacramento Successor Agency Oversight Board (Oversight Board) approved the transfer of those properties because the properties were constructed and used for a governmental purpose. The City of West Sacramento does not need to reverse the transfer of those assets.

Assembly Bill 1484 (AB 1484) was passed on June 27, 2012, adding Health and Safety Code section 34178.8, which states, ". . . the Controller shall review the activities of successor agencies in the state to determine if an asset transfer has occurred after January 31, 2012. . . ." The SCO has initiated the review associated with AB 1484 and will complete the review at a later date.

Martin Tuttle, City Manager

-2-

November 8, 2012

If you have any questions, please contact Mr. Steven Mar, Bureau Chief, Local Government Audits Bureau, at (916) 324-7226.

Sincerely,

*Original signed by*

JEFFREY V. BROWNFIELD  
Chief, Division of Audits

JVB/vb

cc: Betty Moya, Audit Manager  
Division of Audits, State Controller's Office  
Scott Freesmeier, Auditor-in-Charge  
Division of Audits, State Controller's Office

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## Review Report

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# Asset Transfer Assessment Review Report

## Summary

The State Controller's Office (SCO) reviewed the asset transfers made by the West Sacramento Redevelopment Agency for the period of January 1, 2011, through January 31, 2012. Our review included, but was not limited to, real and personal property, cash funds, accounts receivable, deeds of trust and mortgages, contract rights, and any rights to payments of any kind from any source.

Our review disclosed that the West Sacramento Redevelopment Agency transferred \$76,982,802 in assets. These included transfers of 12 properties with zero book value that should have been turned over to the Successor Agency. However, on August 16, 2012, the West Sacramento Successor Agency Oversight Board approved the transfer of those properties because the properties were constructed and used for a governmental purpose. The City of West Sacramento (City) does not need to reverse the transfer of those assets.

## Background

In January of 2011, the Governor of the State of California proposed statewide elimination of redevelopment agencies (RDAs) beginning with the fiscal year (FY) 2011-12 State budget. The Governor's proposal was incorporated into Assembly Bill 26 (ABX1 26, Chapter 5, Statutes of 2011, First Extraordinary Session), which was passed by the Legislature, and signed into law by the Governor on June 28, 2011.

ABX1 26 prohibited RDAs from engaging in new business, established mechanisms and timelines for dissolution of the RDAs, and created RDA Successor Agencies to oversee dissolution of the RDAs and redistribution of RDA assets.

A California Supreme Court decision on December 28, 2011 (California Redevelopment Association et al. v. Matosantos) upheld ABX1 26 and the Legislature's constitutional authority to dissolve the RDAs.

On June 27, 2012 the Governor signed a trailer bill, AB 1484, which clarified provisions of ABX1 26, and imposed new tasks on county auditor-controllers and successor agencies related to RDA dissolution.

ABX1 26 and AB 1484 were codified in the Health and Safety Code (H&S Code) beginning with section 34161.

In accordance with the requirements of H&S Code section 34167.5, the State Controller is required to review the activities of redevelopment agencies (RDAs), "to determine whether an asset transfer has occurred after January 1, 2011, between the city or county, or city and county that created a redevelopment agency, or any other public agency, and the redevelopment agency," and the date at which the RDA ceases to operate, or January 31, 2012, whichever is earlier.

The SCO has identified transfers of assets that occurred during that period between the West Sacramento Redevelopment Agency, the City of West Sacramento and/or other public agencies. By law, the SCO is required to order that such assets, except those that already had been committed to a third party prior to June 28, 2011, the effective date of ABX1 26, be turned over to the Successor Agency. In addition, the SCO may file a legal order to ensure compliance with this order.

## **Objectives, Scope, and Methodology**

Our review objective was to determine whether asset transfers that occurred after January 1, 2011, and the date upon which the RDA ceased to operate, or January 31, 2012, whichever was earlier, between the city or county, or city and county that created an RDA, or any other public agency, and the RDA, were appropriate.

We performed the following procedures:

- Interviewed Successor Agency personnel to gain an understanding of the Successor Agency operations and procedures.
- Reviewed meeting minutes, resolutions, and ordinances of the City Council and the RDA.
- Reviewed accounting records relating to the recording of assets.
- Verified the accuracy of the Asset Transfer Assessment Form. This form was sent to all former RDAs to provide a list of all assets transferred between January 1, 2011, and January 31, 2012.
- Reviewed applicable financial reports to verify assets (capital, cash, property, etc.).

AB 1484 was passed on June 27, 2012 adding Health & Safety Code section 34178.8 which states "...the Controller shall review the activities of successor agencies in the state to determine if an asset transfer has occurred after January 31, 2012. . . ."

The SCO has initiated the review associated with AB 1484, and will complete the review at a later date.

## **Conclusion**

Our review disclosed that the West Sacramento Redevelopment Agency transferred \$76,982,802 in assets. These included transfers of 12 properties with zero book value that should have been turned over to the Successor Agency.

However, on August 16, 2012, the Oversight Board approved the transfer of those properties because the properties were constructed and used for a governmental purpose. The City does not need to reverse the transfer of those assets. Details of our finding and order are in the Finding and Order of the Controller section of this report.



**Views of  
Responsible  
Officials**

At an exit conference held on September 20, 2012, we discussed the review results with Philip A. Wright, Director of Administrative Services; Paul Blumberg, Public Finance Manager; and Nitish Sharma, Budget Manager. At the exit conference, we stated that the final report will include the views of responsible officials.

**Restricted Use**

This report is solely for the information and use of the City of West Sacramento, the West Sacramento Redevelopment Successor Agency, the West Sacramento Successor Agency Oversight Board, and the SCO; it is not intended to be and should not be used by anyone other than these specified parties. This restriction is not intended to limit distribution of this report, which is a matter of public record when issued final.

*Original signed by*

JEFFREY V. BROWNFIELD

Chief, Division of Audits

November 8, 2012

# Finding and Order of the Controller

## **FINDING— Unallowable asset transfers to the City of West Sacramento**

The West Sacramento Redevelopment Agency (RDA) transferred 12 properties with zero book value to the City of West Sacramento (City). All of the asset transfers to the City occurred during the period of January 1, 2011, through January 31, 2012, and the assets were not contractually committed to a third party prior to June 28, 2011. Those assets consisted of capital assets.

Asset transfers were as follows:

- On May 18, 2011, the RDA transferred nine properties from the Stone Lock District and one property from the Bridge District to the City. To accomplish those transfers, the City and the RDA entered into an agreement under Joint Resolution 11-28. Under H&S Code sections 34163(b) and (d), the RDA was not allowed to enter into new agreements such as this or to dispose of its assets.
- On May 18, 2011, the RDA transferred two properties within the I Street Bridge-South Site Early Implementation Project Area, to the City. To accomplish those transfers, the City and the RDA entered into an agreement under Joint Resolution 11-29. Under H&S Code sections 34163(b) and (d), the RDA was not allowed to enter into new agreements such as this or to dispose of its assets.
- On August 16, 2012, the West Sacramento Successor Agency Oversight Board approved the transfer of the properties to the City under Oversight Board Resolutions 12-5 and 12-6, pursuant to H&S Code section 34181(a)

Pursuant to H&S Code section 34167.5, any asset transfers by the RDA to a city, county, city and county, or any other public agency after January 1, 2011, should have been turned over to the Successor Agency for disposition in accordance with H&S Code section 34177 (d) and (e). It appears that all the properties were subject to the provisions of H&S Code section 34181(a).

H&S Code section 34181(a) states, “The oversight board shall direct the successor agency to do all of the following:

- (a) Dispose of all assets and properties of the former redevelopment agency that were funded by tax increment revenues of the dissolved redevelopment agency; provided however, that the oversight board may instead direct the successor agency to transfer ownership of those assets that were constructed and used for a government purpose, such as roads, school buildings, parks, and fire stations, to the appropriate public jurisdiction pursuant to any existing agreements relating to the construction or use of such an asset....”

City's Response

The Successor Agency does not have any comments to submit on the draft report.

SCO's Comment

The finding remains as stated.

Order of the Controller

Based on H&S Code section 34167.5, the City of West Sacramento would have been ordered to reverse the transfer of the above assets, described in Schedule 1 and Attachment 1. However, the Redevelopment Successor Agency Oversight Board approved the transfer of those properties because the properties were constructed and used for a governmental purpose under H&S Code section 34181(a). Therefore, the city does not need to reverse the transfer of those assets.

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**Schedule 1—  
RDA Assets Transferred to the City of West Sacramento  
January 1, 2011, through January 31, 2012**

---

Transfers to the City of West Sacramento:

|  |             |
|--|-------------|
| Capital Assets   |             |
| Nine (9) Properties  |             |
| (Stone Lock District)  | \$ —        |
| One (1) Property   |             |
| (Bridge District)  | —           |
| Two (2) Properties   |             |
| (I Street Bridge-South Site Early Implementation Project Area) | —           |
| Total Asset Transfers  | <u>\$ —</u> |

---

\* Detail listing of assets on Attachment 1.

**Attachment 1—  
Summary of Asset Transfers, Capital Assets  
January 1, 2011, through January 31, 2012**

| Line | Historical APN(s)  | Current APN(s)  | Address  | Property Description             |
|------|--|---|--|----------------------------------|
| 1    | 067-180-001, 002, 003,<br>004, 007, 008, 024, 036<br>and 046-010-011 | 067-180-001, 002, 003,<br>004, 024, 053, 054 and<br>046-010-011 | Jefferson Blvd. and South<br>River Rd.           | Stone Lock<br>Properties; Vacant |
| 2    | 058-330-004  | 058-330-030 <sup>1</sup>  | 900 Bridge St. (formerly 900<br>South River Rd.) | Former Weyerhaeuser<br>Parcel    |
| 3    | 058-320-052  | 058-320-052   | Fifth St. (Right-of-Way)                         | Former Portion of<br>WYE Track   |
| 4    | 058-320-053  | 058-320-072 and<br>058-320-073                                  | Tower Bridge Gateway and<br>Third St.            | Former Portion of<br>WYE Track   |
| 5    | 010-373-012  | 010-373-012   | Rose Alley                                       | Adjacent to River<br>Walk Park   |

Line 1: Stone Lock District

Line 2: Bridge District

Lines 3 and 4: I Street Bridge-South Site Early Implementation Project

Source-Exhibit A from West Sacramento Successor Oversight Board Resolution 12-6

<sup>1</sup> Authority to transfer via RDA Successor Agency Oversight Board Resolution No. 12-04 adopted on June 14, 2012.

**State Controller's Office  
Division of Audits  
Post Office Box 942850  
Sacramento, CA 94250-5874**

**<http://www.sco.ca.gov>**

S12-RDA-903

Successor Agency to the Redevelopment Agency of the City of West Sacramento  
 Procedure 4 - Summary of financial transactions of the Redevelopment Agency and the Successor Agency  
 Combined for Low and Moderate Income Housing and All Other Funds  
 V. 8-27-12

|  | Redevelopment<br>Agency<br>12 Months Ended<br>6/30/2010 | Redevelopment<br>Agency<br>12 Months Ended<br>6/30/2011 | Redevelopment<br>Agency<br>7 Months Ended<br>1/31/2012 | Successor<br>Agency<br>5 Months Ended<br>6/30/2012 |
|--|---|---|--|--|
| <b>Assets (modified accrual basis)</b>   |   |   |  |  |
| Cash & investments   | \$ 8,680,326  | \$ 10,664,259   | \$ 114,284   | \$ 14,196,455                                      |
| Accounts receivable  | 2,686   | 1,235   |  | (3,250)  |
| Interest receivable  | 4,166,853   | 4,841,695   |  |  |
| Prepaid expenses   |   |   |  | 2,376  |
| Notes receivable   | 21,732,530  | 21,876,552  |  |  |
| Grants receivable  | 1,445,346   | 1,010,494   |  |  |
| Due from other funds   | 790,715   |   |  | 453,561  |
| Due from other governments   | 769,506   | 560,234   |  |  |
| Cash & investments with fiscal agents  | 10,065,186  | 6,977,699   |  |  |
| <b>Total Assets</b>  | <b>\$ 47,653,148</b>                                    | <b>\$ 45,932,168</b>                                    | <b>\$ 114,284</b>                                      | <b>\$ 14,649,142</b>                               |
| <b>Liabilities (modified accrual basis)</b>                                      |   |   |  |  |
| Accounts payable   | \$ 1,174,983  | \$ 316,002  |  | 2,703,095  |
| Salaries & benefits payable  | 71,230  | 57,442  | \$ 34,569  |  |
| Refundable deposits  | 26,358  | 11,358  |  | 11,358   |
| Due to other funds   | 790,715   |   |  |  |
| Due to other government agencies   | -   | 150,000   |  |  |
| Deferred and unearned revenue  | 4,309,070   | 4,374,343   |  |  |
| Compensated absences   | 102,174   | -   |  |  |
| <b>Total Liabilities</b>   | <b>\$ 6,474,530</b>                                     | <b>\$ 4,909,145</b>                                     | <b>\$ 34,569</b>                                       | <b>\$ 2,714,453</b>                                |
| <b>Equity</b>  | <b>41,178,618</b>                                       | <b>41,023,023</b>                                       | <b>79,714</b>  | <b>11,934,689</b>                                  |
| <b>Total Liabilities + Equity</b>  | <b>\$ 47,653,148</b>                                    | <b>\$ 45,932,168</b>                                    | <b>\$ 114,283</b>                                      | <b>\$ 14,649,142</b>                               |
| <b>Total Revenues:</b>   | <b>\$ 27,553,600</b>                                    | <b>\$ 27,682,339</b>                                    | <b>\$ 13,157,791</b>                                   | <b>\$ 7,320,544</b>                                |
| <b>Total Expenditures:</b>   | <b>\$ 31,979,372</b>                                    | <b>\$ 26,374,501</b>                                    | <b>\$ 32,354,578</b>                                   | <b>\$ 6,838,716</b>                                |
| <b>Total Transfers:</b>  | <b>\$ (7,146,073)</b>                                   | <b>\$ (1,463,433)</b>                                   | <b>\$ (21,746,522)</b>                                 | <b>\$ 41,652</b>                                   |
| <b>Net change in equity</b>  | <b>\$ (11,571,845)</b>                                  | <b>\$ (155,595)</b>                                     | <b>\$ (40,943,309)</b>                                 | <b>\$ 523,480</b>                                  |
| <b>Beginning Equity:</b>   | <b>\$ 52,750,463</b>                                    | <b>\$ 41,178,618</b>                                    | <b>\$ 41,023,023</b>                                   | <b>\$ 11,411,209</b> B                             |
| <b>Ending Equity:</b>  | <b>\$ 41,178,618</b>                                    | <b>\$ 41,023,023</b>                                    | <b>\$ 79,714</b>                                       | <b>\$ 11,934,689</b>                               |
| <b>Other Information (show year end balances for all three years presented):</b> |   |   |  |  |
| Capital assets as of end of year   | \$ 30,136,911 C   | \$ 31,124,738   | \$ - A   | \$ 23,188,610                                      |
| Long-term debt as of end of year   | \$ 117,037,795 C  | \$ 113,749,485  | \$ - A   | \$ 110,257,403                                     |

A The entry to transfer capital assets of \$25,465,598 and long-term debt of \$110,246,403 to the Successor Agency was posted as of 1/31/2012, resulting in no balances to report for the Redevelopment Agency as of 1/31/2012.

B Represents cash transferred from the former redevelopment agency on 1/31/2012, including Low and Moderate Income Housing Funds.

C Capital assets and long-term debt did not agree to the 2010 State Controller's Report due to audit adjustments identified while preparing the City's June 30, 2010 CAFR.

D The City recorded the transfers from the Redevelopment Agency to the Successor Agency at January 31, 2012 in expense and revenue, respectively. These transfers will be recorded as an extraordinary item in the January 31, 2012 audited financials.



Successor Agency to the Redevelopment Agency of the City of West Sacramento  
 Procedure 5 - Summary of Assets at June 30, 2012  
 Successor Agency - All Other Funds portion

| NAME/TYPE OF ASSET                        | SOURCE FUND | BOOK VALUE       | ref. | DESCRIPTION                     |
|---|-------------|------------------|------|---------------------------------|
| Cash and Investments                      | 264         | \$ 13,869,619.00 | 1    | Assets Held by Successor Agency |
| Accounts Receivable                       | 264         | \$ (3,250.00)    |      | Assets Held by Successor Agency |
| Prepaid Expense                           | 264         | \$ 2,375.79      |      | Assets Held by Successor Agency |
| Due From Others                           | 264         | \$ 453,561.46    |      | Assets Held by Successor Agency |
| Capital Assets - Land                     | 990         | \$ 8,844,606.00  |      | Assets Held by Successor Agency |
| Capital Assets - Construction In Progress | 990         | \$ 3,016,595.00  |      | Assets Held by Successor Agency |
| Capital Assets - Improvements, net        | 990         | \$ 209,199.00    |      | Assets Held by Successor Agency |
| Capital Assets - Infrastructure           | 990         | \$ 11,118,210.00 |      | Assets Held by Successor Agency |
| Total Capital Assets                      |             | \$ 23,188,610.00 |      |                                 |
| TOTAL                                     |             | \$ 37,510,916.25 |      |                                 |

1 The Redevelopment Agency Funds held no assets at 6/30/12. Assets held by the Successor Agency above exclude cash and investments of \$326,836.00 reported in the AB 1484 report for the Low and Moderate Income Housing Fund. Capital assets are reported net of accumulated depreciation.

Fund 264 - Successor Agency RORF  
 Fund 990 - Fund Used for RDA Government-wide Adjustments, Including Capital Assets

Successor Agency to the Redevelopment Agency of the City of West Sacramento  
 Procedures 6A - Summary of Successor Agency Assets Restricted at June 30, 2014  
 Successor Agency

| NAME/TYPE OF ASSET   | FUND | BOOK VALUE          | ref. | DESCRIPTION   |
|----------------------|------|---------------------|------|---|
| Cash and Investments | 264  | \$511,862.14        |      | Unspent 2007A Bond Proceeds Restricted for Improvements |
| <b>TOTAL</b>         |      | <b>\$511,862.14</b> |      |   |

Note: Per review of the Redevelopment Tax Allocation Bond, 2007 Series A debt agreement, unspent bond proceeds are restricted for specified improvements.

Fund 264 = Successor Agency RORF

Successor Agency to the Redevelopment Agency of the City of West Sacramento  
 Procedure 7 - Summary of Successor Agency Assets That Are Not Liquid at June 30, 2012  
 Successor Agency

| NAME/TYPE OF ASSET                        | SOURCE FUND | BOOK VALUE             |
|---|-------------|------------------------|
| Capital Assets - Land                     | 990         | \$8,844,606.00         |
| Capital Assets - Construction in Progress | 990         | \$3,016,595.00         |
| Capital Assets - Improvements, net        | 990         | \$209,199.00           |
| Capital Assets - Infrastructure           | 990         | \$11,118,210.00        |
| <b>TOTAL</b>                              |             | <b>\$23,188,610.00</b> |

Fund 990 - Fund Used for RDA Government-wide Adjustments, Including Capital Assets

Successor Agency to the Redevelopment Agency of the City of West Sacramento  
 Procedure 9 - Cash Held to Satisfy Future ROPS for the Period July 1, 2012 through December 31, 2012  
 Successor Agency - All Other RDA Funds Portion

Name of Redevelopment Agency: West Sacramento Redevelopment Agency  
 Project Area(s): West Sacramento Redevelopment Project Area No. 1  
 Time Period: July 1 - December 31, 2012

RECOGNIZED OBLIGATION PAYMENT SCHEDULE  
 Per AB 26 - Section 34177 (\*)

| Project Name / Debt Obligation                  | Contract/Agreement Execution Date | Payee                      | Description                          | Total Outstanding Debt or Obligation | Total Due During Fiscal Year 2012-2013** | *** Funding Source | Payable from the Redevelopment Property Tax Trust Fund (RPTTF) |                 |              |              |              |              | Existing Cash Held to Satisfy the Obligation |
|---|-----------------------------------|----------------------------|--------------------------------------|--------------------------------------|--|--------------------|--|-----------------|--------------|--------------|--------------|--------------|--|
|   |                                   |                            |                                      |                                      |  |                    | July 2012  | Aug. 2012       | Sept. 2012   | Oct. 2012    | Nov. 2012    | Dec. 2012    |  |
| 1) DEBT   |                                   |                            |                                      |                                      |  |                    |  |                 |              |              |              |              |  |
| 2) 1998 Revenue Bonds                           | Sept. 16, 1998                    | Union Bank                 | Tax allocation bond                  |                                      | 4,410,213.00                             | RPTTF              |  | 3,076,862.00    |              |              |              |              | 3,076,862.00                                 |
| 3) 2004 (A) Revenue Bonds                       | Dec. 15, 2004                     | Union Bank                 | Tax allocation bond                  | 35,975,627.33                        | 927,400.00                               | RPTTF              |  | 464,020.00      |              |              |              |              | 464,020.00                                   |
| 4) 2004 (B) Revenue Bonds                       | Dec. 15, 2004                     | Union Bank                 | Tax allocation bond                  | 7,547,277.25                         | 739,101.00                               | RPTTF              |  | 599,278.00      |              |              |              |              | 599,278.00                                   |
| 5) 2007 (A) Revenue Bonds                       | Nov. 27, 2007                     | Union Bank                 | Tax allocation bond                  | 43,807,988.00                        | 1,068,800.00                             | RPTTF              |  | 534,450.00      |              |              |              |              | 534,450.00                                   |
| 6) 2007 (B) Revenue Bonds                       | Nov. 27, 2007                     | Union Bank                 | Tax allocation bond                  | 14,578,663.00                        | 1,623,075.00                             | RPTTF              |  | 1,343,912.00    |              |              |              |              | 1,343,912.00                                 |
| 7) Bond Trustee & Disclosure                    | Various                           | Wildan, Union Bank, ABAG   | Admin. Costs                         |                                      | 26,322.23                                | RPTTF              |  | 13,161.12       |              |              |              |              | 13,161.12                                    |
| 8) AGREEMENTS                                   |                                   |                            |                                      |                                      |  |                    |  |                 |              |              |              |              |  |
| 9) Raley's Landing OPA                          | July 1, 1987                      | Raley's Corporation        | Owner Participation Agreement        | 40,863,494.35                        | 820,950.00                               | RPTTF              | 410,475  |                 |              |              | 369,428      |              | 778,903.00                                   |
| 10) Local Baseball Agreement                    | April 30, 1999                    | River City Baseball        | Owner Participation Agreement        | 3,121,633.00                         | 479,000.00                               | RPTTF              | 239,500  |                 |              |              | 215,550      |              | 455,050.00                                   |
| 11) CEMEX Rail Relo Agreement                   | July 12, 2006                     | CEMEX                      | Infrastructure Financing Agreement   | 3,438,972.00                         | 191,000.00                               | RPTTF              |  |                 |              | 191,000.00   |              |              | 191,000.00                                   |
| 12)   |                                   |                            |                                      |                                      |  |                    |  |                 |              |              |              |              |  |
| 13) Stone Lock ENA                              | November 1, 2007                  | Cordish Company            | Exclusive Negotiation Agreement      | 224,453.50                           | 224,453.50                               | RPTTF              | 224,453.50   |                 |              |              |              |              | 224,453.50                                   |
| 14)   |                                   |                            |                                      |                                      |  |                    |  |                 |              |              |              |              |  |
| 15) Delta Lane Housing Loan                     | June 22, 2011                     | WSHDC                      | Loan agreement                       | 9,700,000.00                         | 0.00                                     | RPTTF              |  |                 |              |              |              |              |  |
| 16) CFD 12 Bond Payments                        | August 1999                       | City of West Sacramento    | Community Facility District bonds    | 4,743,850.00                         | 189,754.00                               | RPTTF              |  | 189,057.00      |              |              |              |              | 189,057.00                                   |
| 17) CFD 23 Special Tax                          | December 16, 2009                 | Union Bank                 | Mello Roos Tax - RDA property        |                                      |  | RPTTF              |  | 85,000.00       |              |              |              |              | 85,000.00                                    |
| 18) CFD 27 Special Tax                          | July 18, 2007                     | Union Bank                 | Mello Roos Tax - RDA property        |                                      |  | RPTTF              |  | 15,000.00       |              |              |              |              | 15,000.00                                    |
| 19) Flood Assessments                           | July 16, 2007                     | WSAFCA                     | Special Taxes                        |                                      | 5,000.00                                 | RPTTF              |  | 5,000.00        |              |              |              |              | 5,000.00                                     |
| 20) PROJECTS                                    |                                   |                            |                                      |                                      |  |                    |  |                 |              |              |              |              |  |
| 21) Bridge District 2014 Plan                   | September 14, 2009                | COWS & Various Contractors | Master plan redevelopment            | 371,217.55                           | 185,860.00                               | RPTTF              | 15,463.33  | 15,463.33       | 15,463.33    | 15,463.33    | 15,463.33    |              | 92,778.98                                    |
| 22) CHC   | June 18, 2008                     | COWS & Various Contractors | CA Indian Heritage Center (State PK) | 124,132.85                           | 62,985.00                                | RPTTF              | 5,172.17   | 5,172.17        | 5,172.17     | 5,172.17     | 5,172.17     |              | 31,033.02                                    |
| 23) Tower Court                                 | January 23, 2009                  | COWS & Various Contractors | Brownfields reuse                    | 166,198.80                           | 46,550.00                                | RPTTF              | 7,758.33   | 7,758.33        | 7,758.33     | 7,758.33     | 7,758.33     |              | 46,549.68                                    |
| 24)   |                                   |                            |                                      |                                      |  |                    |  |                 |              |              |              |              |  |
| 25)   |                                   |                            |                                      |                                      |  |                    |  |                 |              |              |              |              |  |
| 26) Hotel Project                               | March 2010                        | COWS & Various Contractors | Feasibility Study and ENA            | 310,328.22                           | 155,165.66                               | RPTTF              | 12,930.49  | 12,930.49       | 12,930.49    | 12,930.49    | 12,930.49    |              | 77,582.94                                    |
| 29)   |                                   |                            |                                      |                                      |  |                    |  |                 |              |              |              |              |  |
| 30)   |                                   |                            |                                      |                                      |  |                    |  |                 |              |              |              |              |  |
| 31)   |                                   |                            |                                      |                                      |  |                    |  |                 |              |              |              |              |  |
| 32)   |                                   |                            |                                      |                                      |  |                    |  |                 |              |              |              |              |  |
| Totals - This Page (RPTTF Funding)              |                                   |                            |                                      | \$ 165,233,749.85                    | \$ 11,234,275.58                         | N/A                | \$ 915,752.82  | \$ 6,262,064.44 | \$ 41,324.32 | \$ 41,324.32 | \$ 41,324.32 | \$ 41,324.32 | \$ 224,462.54                                |
| Totals - Page 2 (Other Funding)                 |                                   |                            |                                      | \$ -                                 | \$ -                                     | N/A                | \$ -   | \$ -            | \$ -         | \$ -         | \$ -         | \$ -         | \$ -   |
| Totals - Page 3 (Administrative Cost Allowance) |                                   |                            |                                      | \$ 477,436.00                        | \$ 477,436.00                            | N/A                | \$ 38,786.33   | \$ 38,786.33    | \$ 38,786.33 | \$ 38,786.33 | \$ 38,786.33 | \$ 38,786.33 | \$ 238,717.98                                |
| Totals - Page 4 (Pass thru Payments)            |                                   |                            |                                      | \$ 243,500,056.00                    | \$ 5,624,727.00                          | N/A                | \$ 2,531,127.15  | \$ -            | \$ -         | \$ -         | \$ -         | \$ -         | \$ 2,531,127.15                              |
| Grand total - All Pages                         |                                   |                            |                                      | \$ 165,711,185.85                    | \$ 11,711,711.58                         |                    | \$ 955,539.15  | \$ 6,301,850.77 | \$ 81,110.65 | \$ 81,110.65 | \$ 81,110.65 | \$ 81,110.65 | \$ 10,993,937.67                             |

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 \*\* All totals due during fiscal year and payment amounts are projected.  
 \*\*\* Funding sources from the successor agency: (For fiscal 2011-12 only, references to RPTTF could also mean tax increment allocated to the Agency prior to February 1, 2012.)  
 RPTTF - Redevelopment Property Tax Trust Fund  
 LMHF - Low and Moderate Income Housing Fund  
 Admin - Successor Agency Administrative Allowance

West Sacramento Redevelopment Agency  
 West Sacramento Redevelopment Project Area No. 1  
 July 1 - December 31, 2012

Name of Redevelopment Agency:  
 Project Area(s)  
 Time Period:

RECOGNIZED OBLIGATION PAYMENT SCHEDULE  
 Per AB 26 - Section 34177 (\*)

| Project Name / Debt Obligation  | Contract/Agreement Execution Date | Payee | Description | Total Outstanding Debt or Obligation | Total Due During Fiscal Year 2012-2013** | Funding Source *** | Payable from Other Revenue Sources |           |            |           |           | Total     |        |
|---|-----------------------------------|-------|-------------|--------------------------------------|--|--------------------|------------------------------------|-----------|------------|-----------|-----------|-----------|--------|
|   |                                   |       |             |                                      |  |                    | Payments by month                  |           |            |           |           |           |        |
|   |                                   |       |             |                                      |  |                    | July 2012                          | Aug. 2012 | Sept. 2012 | Oct. 2012 | Nov. 2012 | Dec. 2012 |        |
| AT THIS TIME, THE SUCCESSOR AGENCY HAS NO "OTHER REVENUE" SOURCES TO REPORT |                                   |       |             |                                      |  |                    |                                    |           |            |           |           |           |        |
| 1)  |                                   |       |             |                                      |  |                    |                                    |           |            |           |           |           |        |
| 2)  |                                   |       |             |                                      |  |                    |                                    |           |            |           |           |           |        |
| 3)  |                                   |       |             |                                      |  |                    |                                    |           |            |           |           |           |        |
| 4)  |                                   |       |             |                                      |  |                    |                                    |           |            |           |           |           |        |
| 5)  |                                   |       |             |                                      |  |                    |                                    |           |            |           |           |           |        |
| 6)  |                                   |       |             |                                      |  |                    |                                    |           |            |           |           |           |        |
| 7)  |                                   |       |             |                                      |  |                    |                                    |           |            |           |           |           |        |
| 8)  |                                   |       |             |                                      |  |                    |                                    |           |            |           |           |           |        |
| 9)  |                                   |       |             |                                      |  |                    |                                    |           |            |           |           |           |        |
| 10)   |                                   |       |             |                                      |  |                    |                                    |           |            |           |           |           |        |
| 11)   |                                   |       |             |                                      |  |                    |                                    |           |            |           |           |           |        |
| 12)   |                                   |       |             |                                      |  |                    |                                    |           |            |           |           |           |        |
| 13)   |                                   |       |             |                                      |  |                    |                                    |           |            |           |           |           |        |
| 14)   |                                   |       |             |                                      |  |                    |                                    |           |            |           |           |           |        |
| 15)   |                                   |       |             |                                      |  |                    |                                    |           |            |           |           |           |        |
| 16)   |                                   |       |             |                                      |  |                    |                                    |           |            |           |           |           |        |
| 17)   |                                   |       |             |                                      |  |                    |                                    |           |            |           |           |           |        |
| 18)   |                                   |       |             |                                      |  |                    |                                    |           |            |           |           |           |        |
| 19)   |                                   |       |             |                                      |  |                    |                                    |           |            |           |           |           |        |
| 20)   |                                   |       |             |                                      |  |                    |                                    |           |            |           |           |           |        |
| 21)   |                                   |       |             |                                      |  |                    |                                    |           |            |           |           |           |        |
| 22)   |                                   |       |             |                                      |  |                    |                                    |           |            |           |           |           |        |
| 23)   |                                   |       |             |                                      |  |                    |                                    |           |            |           |           |           |        |
| 24)   |                                   |       |             |                                      |  |                    |                                    |           |            |           |           |           |        |
| 25)   |                                   |       |             |                                      |  |                    |                                    |           |            |           |           |           |        |
| 26)   |                                   |       |             |                                      |  |                    |                                    |           |            |           |           |           |        |
| 27)   |                                   |       |             |                                      |  |                    |                                    |           |            |           |           |           |        |
| 28)   |                                   |       |             |                                      |  |                    |                                    |           |            |           |           |           |        |
| 29)   |                                   |       |             |                                      |  |                    |                                    |           |            |           |           |           |        |
| 30)   |                                   |       |             |                                      |  |                    |                                    |           |            |           |           |           |        |
| 31)   |                                   |       |             |                                      |  |                    |                                    |           |            |           |           |           |        |
| 32)   |                                   |       |             |                                      |  |                    |                                    |           |            |           |           |           |        |
| 33)   |                                   |       |             |                                      |  |                    |                                    |           |            |           |           |           |        |
| Totals - LMIHF  |                                   |       |             |                                      |  |                    |                                    |           |            |           |           |           | \$0.00 |
| Totals - Bond Proceeds  |                                   |       |             |                                      |  |                    |                                    |           |            |           |           |           | \$0.00 |
| Totals - Other  |                                   |       |             |                                      |  |                    |                                    |           |            |           |           |           | \$0.00 |
| Grand total - This Page   |                                   |       |             |                                      |  |                    |                                    |           |            |           |           |           | \$0.00 |

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 \*\* All total due during fiscal year and payment amounts are projected.  
 \*\*\* Funding sources from the successor agency. (For fiscal 2011-12 only, references to RPTTF could also mean tax increment allocated to the Agency prior to February 1, 2012.)  
 RPTTF - Redevelopment Property Tax Trust Fund  
 LMIHF - Low and Moderate Income Housing Fund  
 Admin - Successor Agency Administrative Allowance

Name of Redevelopment Agency: West Sacramento Redevelopment Agency  
 Project Area(s): West Sacramento Redevelopment Project Area No. 1  
 Time Period: July 1 - December 31, 2012

RECOGNIZED OBLIGATION PAYMENT SCHEDULE

Per AB 26 - Section 34177 (\*)

| Project Name / Debt Obligation | Payee            | Description                          | Total Outstanding Debt or Obligation | Total Due During Fiscal Year 2012-2013** | Funding Source** | Payable from the Administrative Allowance Allocation **** |                     |                     |                     |                     |                     | Existing Cash Held to Satisfy the Obligation |                      |
|--------------------------------|------------------|--------------------------------------|--------------------------------------|--|------------------|---|---------------------|---------------------|---------------------|---------------------|---------------------|--|----------------------|
|                                |                  |                                      |                                      |  |                  | July 2012   | Aug. 2012           | Sept. 2012          | Oct. 2012           | Nov. 2012           | Dec. 2012           |  | Total                |
| 1) Oversight Committee         | Successor Agency | Debt management, payments            |                                      |  |                  |   |                     |                     |                     |                     |                     |  |                      |
| 2) Administration/Support      | Successor Agency | Support for Successor Agency         |                                      |  |                  |   |                     |                     |                     |                     |                     |  |                      |
| 3) Legal/Professional Services | Successor Agency | management of asset portfolio        |                                      |  |                  |   |                     |                     |                     |                     |                     |  |                      |
| 4) Disposition of assets       | Successor Agency | Property maintenance                 | 477,436.00                           | 477,436.00                               | RPTTF            | 39,786.33   | 39,786.33           | 39,786.33           | 39,786.33           | 39,786.33           | 39,786.33           | 238,717.98                                   | 238,717.98           |
| 5) Maintenance of property     | Successor Agency | Support for Oversight Board meetings |                                      |  |                  |   |                     |                     |                     |                     |                     |  |                      |
| 6) Ongoing projects admin      | Successor Agency | Projects not included on ROPS        |                                      |  |                  |   |                     |                     |                     |                     |                     |  |                      |
| 7)                             |                  |                                      |                                      |  |                  |   |                     |                     |                     |                     |                     |  |                      |
| <b>Totals - This Page</b>      |                  |                                      | <b>\$ 477,436.00</b>                 | <b>\$ 477,436.00</b>                     |                  | <b>\$ 39,786.33</b>                                       | <b>\$ 39,786.33</b> | <b>\$ 39,786.33</b> | <b>\$ 39,786.33</b> | <b>\$ 39,786.33</b> | <b>\$ 39,786.33</b> | <b>\$ 238,717.98</b>                         | <b>\$ 238,717.98</b> |

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\*\* All total due during fiscal year and payment amounts are projected.

\*\*\* Funding sources from the successor agency: (For fiscal 2011-12 only, references to RPTTF could also mean tax increment allocated to the Agency prior to February 1, 2012.)  
 RPTTF - Redevelopment Property Tax Trust Fund  
 LMHF - Low and Moderate Income Housing Fund  
 Admin - Successor Agency Administrative Allowance  
 Other - reserves, rents, interest earnings, etc

\*\*\*\* - Administrative Cost Allowance caps are 5% of Form A 6-month totals in 2011-12 and 3% of Form A 6-month totals in 2012-13. The calculation should not factor in pass through payments paid for with RPTTF in Form D.

FORM D - Pass-Through Payments

Name of Redevelopment Agency: West Sacramento Redevelopment Agency  
 Project Area(s): West Sacramento Redevelopment Project Area No. 1  
 Time Period: July 1 - December 31, 2012

OTHER OBLIGATION PAYMENT SCHEDULE  
 Per AB 26 - Section 34177 (\*)

| Project Name / Debt Obligation    | Payee                    | Description                     | Total Outstanding Debt or Obligation | Total Due During Fiscal Year 2012-2013** | Source of Fund*** | Pass Through and Other Payments**** |                        |             |             |             |             | Existing Cash Held to Satisfy the Obligation |
|-----------------------------------|--------------------------|---------------------------------|--------------------------------------|--|-------------------|-------------------------------------|------------------------|-------------|-------------|-------------|-------------|--|
|                                   |                          |                                 |                                      |  |                   | July 2012                           | Aug. 2012              | Sept. 2012  | Oct. 2012   | Nov. 2012   | Dec. 2012   |  |
| 1) County Admin Fee               | Yolo County              | per County Auditor/Controller   | 11,000,000                           | 344,307                                  | County            | 154,938.15                          |                        |             |             |             |             | 154,938.15                                   |
| 2) County Pass Thru               | Yolo County              | Negotiated Pass Thru            | 101,686,666                          | 2,662,520                                | County            | 1,198,134.00                        |                        |             |             |             |             | 1,198,134.00                                 |
| 3) 33676 Allocations              |                          |                                 |                                      |  | County            |                                     |                        |             |             |             |             | 0.00   |
| 4) Los Rios Com College           | Los Rios CC              | Payments per former CRL 33676   | 6,067,000                            | 129,000                                  | County            | 58,050.00                           |                        |             |             |             |             | 58,050.00                                    |
| 5) Co. School Services            | Yolo County Office of Ed | Payments per former CRL 33676   | 4,057,000                            | 86,400                                   | County            | 38,880.00                           |                        |             |             |             |             | 38,880.00                                    |
| 6) Washington JT Unif School      | WJUSD                    | Payments per former CRL 33676   | 40,920,000                           | 871,300                                  | County            | 392,085.00                          |                        |             |             |             |             | 392,085.00                                   |
| 7) LMA # 4                        | LMA #4                   | Payments per former CRL 33676   | 430,400                              | 9,200                                    | County            | 4,140.00                            |                        |             |             |             |             | 4,140.00                                     |
| 8)                                |                          |                                 |                                      |  |                   |                                     |                        |             |             |             |             |  |
| 9) AB 1280 Statutory Pass         |                          |                                 |                                      |  |                   |                                     |                        |             |             |             |             |  |
| 10) City of West Sacramento       | City of West Sacramento  | Payments per former CRL 33607.7 | 39,600,000                           | 854,000                                  | County            | 384,300.00                          |                        |             |             |             |             | 384,300.00                                   |
| 11) Sacto - Yolo Mosquito Dist    | Sac Yolo Mosquito Dist   | Payments per former CRL 33607.7 | 922,000                              | 15,000                                   | County            | 6,750.00                            |                        |             |             |             |             | 6,750.00                                     |
| 12) Local Maint Area #4           | LMA #4                   | Payments per former CRL 33607.7 | 1,984,000                            | 43,000                                   | County            | 19,350.00                           |                        |             |             |             |             | 19,350.00                                    |
| 13) Los Rios Com College          | Los Rios CC              | Payments per former CRL 33607.7 | 4,380,000                            | 73,000                                   | County            | 32,850.00                           |                        |             |             |             |             | 32,850.00                                    |
| 14) Co. School Services           | Yolo County Office of Ed | Payments per former CRL 33607.7 | 2,929,000                            | 48,000                                   | County            | 21,600.00                           |                        |             |             |             |             | 21,600.00                                    |
| 15) Washington JT Unif School     | WJUSD                    | Payments per former CRL 33607.7 | 29,544,000                           | 489,000                                  | County            | 220,050.00                          |                        |             |             |             |             | 220,050.00                                   |
| 16)                               |                          |                                 |                                      |  |                   |                                     |                        |             |             |             |             |  |
| <b>Totals - Other Obligations</b> |                          |                                 |                                      |  |                   | <b>\$ 243,500,066.00</b>            | <b>\$ 5,624,727.00</b> | <b>\$ -</b> | <b>\$ -</b> | <b>\$ -</b> | <b>\$ -</b> | <b>\$ 2,531,127.15</b>                       |

State Controller and State Department of Finance by April 15, 2012. It is not a requirement that the Agreed Upon Procedures Audit be completed before submitting the final Oversight Approved ROPS to the State Controller and State Department of Finance.

\*\* All total due during fiscal year and payment amounts are projected.

\*\*\* Funding sources from the successor agency: (For fiscal 2011-12 only, references to RPTTF could also mean tax increment allocated to the Agency prior to February 1, 2012.)

RPTTF - Redevelopment Property Tax Trust Fund

Bonds - Bond proceeds

Admin - Successor Agency Administrative Allowance

\*\*\*\* - Only the January through June 2012 ROPS should include expenditures for pass-through payments. Starting with the July through December 2012 ROPS, per HSC section 34183 (a) (1), the county auditor controller will make the required pass-through payments prior to transferring money into the successor agency's Redevelopment Obligation Retirement Fund for items listed in an oversight board approved ROPS.



**SUMMARY OF RECOGNIZED OBLIGATION PAYMENT SCHEDULE**  
 Filed for the January 1, 2013 to June 30, 2013 Period

Name of Successor Agency: West Sacramento

|  | Total Outstanding Debt or Obligation | Existing Cash Held to Satisfy the Obligation |
|--|--------------------------------------|--|
| <b>Outstanding Debt or Obligation</b>  | \$ 383,806,754                       |  |
| <b>Current Period Outstanding Debt or Obligation</b>   | <b>Six-Month Total</b>               |  |
| A Available Revenues Other Than Anticipated RPTTF Funding  | 189,057                              |  |
| B Enforceable Obligations Funded with RPTTF  | 8,798,305                            |  |
| C Administrative Allowance Funded with RPTTF   | 264,000                              |  |
| D Total RPTTF Funded (B + C = D)   | 9,062,305                            |  |
| Total Current Period Outstanding Debt or Obligation (A + B + C = E) <i>Should be same amount as ROPS form six-month total</i>            | \$ 9,251,362                         | 601,493.44                                   |
| E Enter Total Six-Month Anticipated RPTTF Funding  | 9,062,305                            |  |
| F Variance (D - E = F) <i>Maximum RPTTF Allowable should not exceed Total Anticipated RPTTF Funding</i>                                  | \$ -                                 |  |
| <b>Prior Period (January 1, 2012 through June 30, 2012) Estimated vs. Actual Payments (as required in HSC section 34186 (a))</b>         |                                      |  |
| G Enter Estimated Obligations Funded by RPTTF <i>(Should be the same amount as RPTTF approved by Finance, including admin allowance)</i> | 8,381,960                            |  |
| H Enter Actual Obligations Paid with RPTTF   | 8,274,771                            |  |
| I Enter Actual Administrative Expenses Paid with RPTTF   | -                                    |  |
| J Adjustment to Redevelopment Obligation Retirement Fund (G - (H + I) = J)   | 107,189                              |  |
| K Adjustment to RPTTF  | \$ 8,955,116.00                      |  |

Certification of Oversight Board Chairman:  
 Pursuant to Section 34177(m) of the Health and Safety code,  
 I hereby certify that the above is a true and accurate Recognized  
 Obligation Payment Schedule for the above named agency.

Christopher Ledesma  
 Name  
 Chairman  
 Title  
 Signature  
 Date

RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS III)  
 January 1, 2013 through June 30, 2013

| Item #             | Project Name / Debt Obligation    | Contract/Agreement Execution Date | Contract/Agreement Termination Date | Payee                     | Description/Project Scope                          | Project Area | Total Outstanding Debt or Obligation | Total Due During Fiscal Year 2012-13 | Funding Source |               |                 |                 |       | Six-Month Total Held to Satisfy the Obligation |              |               |
|--------------------|-----------------------------------|-----------------------------------|-------------------------------------|---------------------------|--|--------------|--------------------------------------|--------------------------------------|----------------|---------------|-----------------|-----------------|-------|--|--------------|---------------|
|                    |                                   |                                   |                                     |                           |  |              |                                      |                                      | LMIHF          | Bond Proceeds | Reserve Balance | Admin Allowance | RPTTF |  | Other        |               |
| <b>Grand Total</b> |                                   |                                   |                                     |                           |  |              | \$ 383,908,794                       | \$ 14,480,860                        | \$ -           | \$ 189,057    | \$ 284,000      | \$ 8,796,305    | \$ -  | \$ 2,045,708                                   | \$ 9,291,362 | \$ 601,483.44 |
| 1                  | 1999 Revenue Bonds                | Sept. 15, 1999                    | 9/1/2029                            | Union Bank                | Tax Allocation Bonds                               | West Sac     | 79,694,721.00                        | 4,410,212                            |                |               |                 |                 |       | 772,633  |              |               |
| 2                  | 2004 (A) Revenue Bonds            | Dec. 15, 2004                     | 3/1/2036                            | Union Bank                | Tax Allocation Bonds                               | West Sac     | 43,071,770.00                        | 927,400                              |                |               |                 |                 |       | 169,709  |              | 186,709       |
| 3                  | 2004 (B) Revenue Bonds            | Dec. 15, 2004                     | 3/1/2030                            | Union Bank                | Tax Allocation Bonds                               | West Sac     | 5,951,336.00                         | 739,101                              |                |               |                 |                 |       | 890,750  |              | 890,750       |
| 4                  | 2007 (A) Revenue Bonds            | Nov. 27, 2007                     | 3/1/2037                            | Union Bank                | Tax Allocation Bonds                               | West Sac     | 41,470,227.00                        | 1,068,900                            |                |               |                 |                 |       | 376,813  |              | 376,813       |
| 5                  | 2007 (B) Revenue Bonds            | Nov. 27, 2007                     | 3/1/2019                            | UBCC, ABAG                | Tax Allocation Bonds                               | West Sac     | 11,322,888.00                        | 1,623,075                            |                |               |                 |                 |       | 13,161   |              | 13,161        |
| 6                  | Bond Trustee and Disclosures      | Various                           | Ongoing                             | Raley's Corp              | Annual Debt Service Disclosure/Trustee Asct. Fees  | West Sac     | annual obligation                    | 26,327                               |                |               |                 |                 |       | 207,576  |              | 207,576       |
| 7                  | Raley's Landing OPA- Raley's Corp | July 1, 1987                      | 6/30/2037                           | Money Store, LLC          | Owner Participation Agreement                      | West Sac     | 7,440,000.00                         | 296,537                              |                |               |                 |                 |       | 364,058  |              | 364,058       |
| 8                  | Raley's Landing OPA- Money Store  | April 30, 1989                    | 6/30/2037                           | River City Baseball       | Owner Participation Agreement                      | West Sac     | 20,208,000.00                        | 520,083                              |                |               |                 |                 |       | 211,608  |              | 211,608       |
| 9                  | Local Baseball Agreement          | April 30, 1989                    | 6/30/2037                           | RMC Pacific               | Infrastructure Financing Agreement/Rail Relocation | West Sac     | 8,760,000.00                         | 302,726                              |                |               |                 |                 |       | 191,054  |              | 191,054       |
| 10                 | CEMEX Rail Rel Agreement          | July 12, 2006                     | 11/7/2027                           | West Sacramento H.O. Corp | Loan Agreement/Affordable Housing                  | West Sac     | 3,056,864.00                         | 191,054                              |                |               |                 |                 |       | 2,850,000                                      |              | 2,850,000     |
| 11                 | Delta Lane Housing Loan           | June 22, 2011                     | 6/19/2016                           | RCBB Trust Account/COWS   | Community Facilities Bond/ River City Stadium      | West Sac     | 9,700,000.00                         | 2,650,000                            |                |               |                 |                 |       | 189,057  |              | 189,057       |
| 12                 | CFD 12 Bond Payments              | August 1, 1993                    | 9/1/2029                            | Union Bank Trustee/COWS   | 1982 Act Bonds/Special Tax Payments                | West Sac     | 3,024,912.00                         | 189,057                              |                |               |                 |                 |       | 30,000   |              | 30,000        |
| 13                 | CFD 23 Special Tax                | December 16, 2009                 | 3/1/2037                            | Union Bank Trustee/COWS   | 1982 Act Bonds/Special Tax Payments                | West Sac     | 960,000.00                           | 86,000                               |                |               |                 |                 |       | 65,000   |              | 65,000        |
| 14                 | CFD 27 Special Tax                | July 19, 2007                     | 3/1/2040                            | West Sac Area F.C. Agency | Flood Improvements Annual Assessments              | West Sac     | annual obligation                    | 15,000                               |                |               |                 |                 |       | 15,000   |              | 15,000        |
| 15                 | Flood Assessments                 | July 16, 2007                     | Ongoing                             | Various Contractors/COWS  | Master plan redevelopment                          | West Sac     | 3,712,171.00                         | 185,560                              |                |               |                 |                 |       | 82,780   |              | 82,780        |
| 16                 | Bridge District 2014 Plan         | September 14, 2009                | 6/30/2016                           | Various Contractors/COWS  | CA Indian Heritage Center (State Pk)               | West Sac     | 124,132.00                           | 62,065                               |                |               |                 |                 |       | 39,000   |              | 39,000        |
| 17                 | CHC                               | June 18, 2008                     | 6/30/2016                           | Various Contractors/COWS  | Brownfields reuse                                  | West Sac     | 222,748.00                           | 46,550                               |                |               |                 |                 |       | 110,000  |              | 110,000       |
| 18                 | Tower Court                       | January 23, 2009                  | 6/30/2016                           | Various Contractors/COWS  | Feasibility Study and ENA                          | West Sac     | 310,328.00                           | 155,616                              |                |               |                 |                 |       | 34,520   |              | 34,520        |
| 19                 | Hotel Project                     | March 2010                        | 6/30/2016                           | Various Contractors/COWS  | Feasibility Study and ENA                          | West Sac     | 379,720.00                           | 125,691                              |                |               |                 |                 |       | 45,545   |              | 45,545        |
| 20                 | Delta Lane Housing Loan           | June 22, 2011                     | 6/30/2016                           | Various Contractors/COWS  | Health insurance premium / Retired RDA Employees   | West Sac     | 280,501.00                           | 145,260                              |                |               |                 |                 |       | 40,000   |              | 40,000        |
| 21                 | Bridge Housing Loan               | March 2, 2011                     | 6/30/2016                           | Various Contractors/COWS  | Retirement on Retired RDA Employees                | West Sac     | annual obligation                    | 184,530                              |                |               |                 |                 |       | 130,343  |              | 130,343       |
| 22                 | Retiree Health Insurance          | Various                           | Ongoing                             | CalPERS                   | Admin Allowance for Successor Agency               | West Sac     | annual obligation                    | 260,686                              |                |               |                 |                 |       | 264,000  |              | 264,000       |
| 23                 | Retirement P.E.R.S.               | Various                           | Ongoing                             | COWS Successor Agency     | Infrastructure Financing Agreement                 | West Sac     | annual obligation                    | N/A                                  |                |               |                 |                 |       | 30,514   |              | 30,514        |
| 24                 | Successor Agency Admin Allow      | N/A                               | N/A                                 | City of West Sacramento   |  | West Sac     | 144,733,369.00                       | 30,514                               |                |               |                 |                 |       |  |              |               |
| 25                 | Bridge District Infrastructure    | February 2, 2011                  | 5/6/2027                            | City of West Sacramento   |  | West Sac     |                                      |                                      |                |               |                 |                 |       |  |              |               |

Successor Agency to the Redevelopment Agency of the City of West Sacramento  
 Procedure 10: Balance Available for Allocation to Affected Taxing Entities  
 Successor Agency - All Other Funds Portion (Excludes Assets Originally from Low and Moderate Income Housing Fund)

V. 8-27-12

**SUMMARY OF BALANCES AVAILABLE FOR ALLOCATION TO AFFECTED TAXING ENTITIES**

---

|  |                          |
|--|--------------------------|
| Total amount of assets held by the successor agency as of June 30, 2012 (procedure 5)  | \$ 37,510,916.25         |
| Add the amount of any assets transferred to the city or other parties for which an enforceable obligation with a third party requiring such transfer and obligating the use of the transferred assets did not exist (procedures 2 and 3) | \$ -                     |
| Less assets legally restricted for uses specified by debt covenants, grant restrictions, or restrictions imposed by other governments (procedure 6)  | \$ (511,862.14)          |
| Less assets that are not cash or cash equivalents (e.g., physical assets) - (procedure 7)  | \$ (23,188,610.00)       |
| Less balances that are legally restricted for the funding of an enforceable obligation (net of projected annual revenues available to fund those obligations) - (procedure 8)  | \$ -                     |
| Less balances needed to satisfy ROPS for the 2012-13 fiscal year (procedure 9)   | \$ (11,595,431.11)       |
| Less the amount of payments made on July 12, 2012 to the County Auditor-Controller as directed by the California Department of Finance   | <u>\$ (2,215,013.00)</u> |
| Amount to be remitted to county for disbursement to taxing entities  | <u>\$ -</u>              |

*Note that separate computations are required for the Low and Moderate Income Housing Fund held by the Successor Agency and for all other funds held by the Successor Agency.*

NOTES: For each line shown above, an exhibit should be attached showing the composition of the summarized amount.

If the review finds that there are insufficient funds available to provide the full amount due, the cause of the insufficiency should be demonstrated in a separate schedule.



# County of Yolo

www.yolocounty.org

HOWARD H. NEWENS, CIA, CPA

AUDITOR-CONTROLLER and  
 TREASURER-TAX COLLECTOR

**AUDITOR-CONTROLLER**

PO BOX 1268  
 WOODLAND, CA 95776  
 PHONE: (530) 666-8190  
 FAX: (530) 666-8215

**TREASURER-TAX COLLECTOR**

PO BOX 1995  
 WOODLAND, CA 95776  
 PHONE: (530) 666-8625  
 FAX: (530) 666-8708

July 9, 2012

West Sacramento Successor Agency  
 C/o City of West Sacramento  
 Finance Department  
 1110 West Capitol Avenue  
 West Sacramento, CA 95691

Attention: Paul Blumberg, Public Finance Manager  
 Nitish Sharma, Budget Manager

**Re: Notice of residual amount owed to taxing entities and demand for said amount**

We have performed the review required by Health & Safety code section 34183.5 (b)(2)(A) and determined that the West Sacramento Successor Agency owes \$2,446,131 to taxing entities in Yolo County, calculated as follows:

| DESCRIPTION  | AMOUNT                    |
|--|---------------------------|
| Gross tax revenues for 1/1/12 - 6/30/12 period     | \$12,974,956              |
| DOF maximum allowed RPTTF obligations (Exhibit 12) | - 8,381,960               |
| Computed debt service set aside                    | - 1,775,000               |
| County administrative cost allowed                 | - 371,865                 |
| Amount owed to taxing entities                     | \$2,446,131 <sup>2/</sup> |

In accordance with H&S 34183.5 (b)(2)(A), please remit \$2,446,131 by 7/12/2012, made payable to Yolo County Treasurer at the address on this letterhead.

Howard Newens  
 Auditor-Controller and  
 Treasurer-Tax Collector

**ASSURANCE OF ACCOUNTABILITY**

1 Payment consisted of both All Other RDA Fund and Low and Moderate Income Housing Fund money. Of the total paid, \$2,215,013 is from the All Other RDA Funds sources (excludes \$231,118 amount from Low and Moderate Income Housing Funds source).

2/

**REDEVELOPMENT SUCCESSOR AGENCY OVERSIGHT BOARD**

MEETING DATE: September 12, 2013

ITEM # **3**

**SUBJECT:**

**A PRESENTATION ON THE STONE LOCK FACILITY'S ROLE IN FLOOD PROTECTION IN THE CITY AND CONSIDERATION OF OB RESOLUTION 13-12 OF THE WEST SACRAMENTO REDEVELOPMENT SUCCESSOR AGENCY OVERSIGHT BOARD DELEGATING AUTHORITY TO EXECUTIVE DIRECTOR TO TRANSFER THE PROPERTY FROM THE SUCCESSOR AGENCY TO THE CITY OF WEST SACRAMENTO FOR PUBLIC PURPOSES**

**INITIATED OR REQUESTED BY:**

- Council     Staff  
 Other

**REPORT COORDINATED OR PREPARED BY:**

Jon Robinson, Housing and Community Investment Manager  
Katie Yancey, Senior Administrative Analyst



Martin Tuttle, Executive Director  
West Sacramento Redevelopment Successor Agency

ATTACHMENT     Yes     No                       Information                       Direction                       Action

**OBJECTIVE**

The objective of this report is to request that the West Sacramento Redevelopment Successor Agency Oversight Board adopt OB Resolution 13-12 authorizing the transfer of the Stone Lock facility to the City of West Sacramento for public purposes pursuant to Health and Safety Code Section 34181 (a).

**RECOMMENDED ACTION**

Staff respectfully recommends that the Oversight Board adopt OB Resolution 13-12 (Attachment 1) delegating authority to the Executive Director to transfer the Stone Lock Facility to the City of West Sacramento for flood protection purposes.

**BACKGROUND**

The redevelopment dissolution bills, AB 1x 26 and AB 1484, both contained provisions requiring the disposition of former redevelopment assets and directing how the disposition of those assets is to occur. Section 34181(a) of AB x1 26 allows the Oversight Board to transfer title of public use properties to the appropriate governmental agency. AB 1484 suspended all but the governmental use transfers allowed under AB 1x 26, and provided new direction for the disposition of agency assets. Agencies such as West Sacramento's that have received a finding of completion have the opportunity to prepare a Long-Range Property Management Plan ("The Plan") to govern the disposition of the former redevelopment agency's real estate assets. Allowable uses include retention for governmental use; retention for future development; sale of the property to a third party; or use of the property to fulfill an enforceable obligation.

On June 13, 2013, the Oversight Board adopted OB Resolution 13-7 acknowledging the authority granted to the Executive Director to enter into an option agreement with the Cordish Company for a Successor Agency property consisting of approximately 215 acres of undeveloped land, commonly referred to as the Stone Lock properties. The option agreement with the Cordish Company excludes the "Lock Parcel," as shown in Exhibit A to Attachment 1. Section 1.1 of the option describes the "Lock Parcel" as needing to be removed from the land covered by the option and states that the Agency shall work to segregate the improvements and sufficient land to reasonably permit access and maintenance of the Lock.

**ANALYSIS**

**Public Use**

The "Lock Parcel" includes the Lock facility itself, along with the "stop logs" that separate the Barge Canal from the Sacramento River and play a role in the City's flood protection system. The stop logs are shown on the official FEMA flood map as a flood gate (Exhibit B to Attachment 1). Actually large metal beams housed in a reinforced vertical track, the stop logs are approximately equal in height to the surrounding ground level. Their height is consistent with a 200-year level flood protection, but staff believes that the stop logs were not engineered to withstand more than a 100-year flood event, during which there would be approximately four feet of freeboard between the flood elevation and the top of the stop logs.

Staff anticipates that the West Sacramento General Reevaluation Report (GRR) will recommend the replacement of the stop logs with a more conventional and permanent flood control feature such as a levee or flood wall. (The GRR is a mechanism for achieving federal interest and future congressional authorization for

the future levee improvements.) However, these improvements may not be designed and installed for 15 years or more. Therefore, maintenance of the stop logs is an interim measure, but one which needs to last for several years.

### The Plan

On August 8, 2013, the Oversight Board heard a presentation on the draft recommendations to be included in the Plan. Table 1 summarizes the recommendations presented for the Stone Lock properties. The post compliance section of the Health and Safety Code allows for the Oversight Board to either adopt a resolution authorizing the transfer of a public use property prior to the approval of the Plan or to identify the public use transfers as part of the Plan. Staff is recommending that the Oversight Board consider adopting a resolution prior to the approval of the Plan because it implements section 1.7 of the Cordish option agreement, ratified by the Oversight Board and currently under review by the Department of Finance (DOF). This action is sensible regardless of the outcome of DOF's review because it expedites and simplifies the disposition process, which results in funds being distributed to the taxing entities sooner.

Table 1: Draft Recommendations for the Stone Lock Properties

| APN         | Site Address         | Acres | Recommendation   |
|-------------|----------------------|-------|--|
| 046-010-011 | 2350 South River Rd  | 82.7  | Dispose per existing option/assignment agreement   |
| 067-180-001 | 2050 South River Rd  | 5.8   | Government use transfer for Lock facility and dispose per existing option/assignment agreement |
| 067-180-002 | 2250 South River Rd  | 23.91 | Dispose per existing option/assignment agreement   |
| 067-180-003 | 2100 South River Rd  | 40.66 | Government use transfer for Lock facility and dispose per existing option/assignment agreement |
| 067-180-004 | 2051 South River Rd  | 17.2  | Dispose per existing option/assignment agreement   |
| 067-180-024 | 2821 Lake Wash. Blvd | 4.18  | Dispose per existing option/assignment agreement   |
| 067-180-054 | 2100 Jefferson Blvd  | 34.5  |  |

On October 2, 2013, staff will return to the Successor Agency for its approval of the Plan. Assuming that the Oversight Board adopts OB Resolution 13-12, staff will also ask the City Council to consider a resolution accepting the Lock Parcel at that time.

### Alternatives

The Oversight Board's primary alternatives are summarized below:

1. Adopt OB Resolution 13-12.
2. Do not adopt OB Resolution 13-12 and instruct staff to return to changes to the resolution.
3. Do not adopt OB Resolution 13-12 but include the public use transfer with the Plan.
4. Do not adopt OB Resolution 13-12 and do not include the public use transfer with the Plan.

Alternative 1 is staff's recommended action. Staff is prepared to implement alternative 2; however, staff does not recommend this approach as it effectively delays the action to be approved with the Plan. Staff does not recommend Alternatives 3 or 4, as both would fail to implement the option agreement already acknowledged by the Oversight Board and would delay or prevent this important public improvement from being held by the appropriate local entity.

### Coordination and Review

This report was prepared with the assistance of the City Attorney and the Public Works Department.

### Budget/Cost Impact

The site is in need of substantial capital maintenance, a portion of which can be funded from existing City resources that have been set aside for this purpose. Ongoing maintenance and security for the site would likely be funded from the General Fund.

### ATTACHMENT

1. OB Resolution 13-12

## OB RESOLUTION 13-12

**A RESOLUTION OF THE OVERSIGHT BOARD OF THE WEST SACRAMENTO REDEVELOPMENT SUCCESSOR DELEGATING AUTHORITY TO EXECUTIVE DIRECTOR TO TRANSFER THE PROPERTY FROM THE SUCCESSOR AGENCY TO THE CITY OF WEST SACRAMENTO FOR PUBLIC PURPOSES**

**WHEREAS**, the Oversight Board of the West Sacramento Redevelopment Successor Agency ("Oversight Board") has a fiduciary responsibility to the taxing entities that benefit from the distribution of revenues pursuant to Section 34188 of AB1X26; and

**WHEREAS**, the Health and Safety Code section 34177(h) further directs that the Successor Agency wind down the affairs of the former Agency, directs that the Successor Agency continue to oversee development of properties until completion or until the former Agency contractual obligations can be transferred to other parties; and

**WHEREAS**, pursuant to the Health and Safety Code section 34181(a), the Oversight Board is authorized to direct that the Successor Agency transfer ownership of assets that were acquired or constructed and used for a governmental purpose, such as roads, school buildings, parks and fire stations to the appropriate public jurisdiction pursuant to any existing agreements or recorded covenants related to the use of such an asset; and

**WHEREAS**, on June 13, 2013, the Oversight Board adopted OB Resolution 13-7 acknowledging the authority granted to the Executive Director to enter into an option agreement with the Cordish Company for a Successor Agency property consisting of approximately 215 acres of undeveloped land, commonly referred to as the Stone Lock properties; and

**WHEREAS**, the option agreement with the Cordish Company excludes the "Lock Parcel," as shown in Exhibit A, and describes the "Lock Parcel" as needing to be removed from the land covered by the option for the purposes of allowing access and maintenance of the Lock; and

**WHEREAS**, the official FEMA flood map, attached hereto as Exhibit B, shows the "Lock Parcel" in the same location as improvements marked as a flood gate; and

**WHEREAS**, the "Lock Parcel" contains a piece of infrastructure that plays a role in the City's flood protection system, the "stop logs," which separate the Barge Canal from the Sacramento River; and

**WHEREAS**, the "stop logs" are large metal beams housed in a reinforced vertical track that are approximately equal in height to the surrounding ground level and their height is consistent with a 200-year protection.

**NOW, THEREFORE, BE IT RESOLVED**, by the Oversight Board of the West Sacramento Redevelopment Successor Agency that:

1. The Oversight Board finds that the Lock Parcel is needed for public purposes and that transfer of fee title to the City of West Sacramento is consistent with Health and Safety Code section 34181(a); and
2. The Successor Agency is hereby directed to transfer fee title of the Lock Parcel to the City of West Sacramento, subject to the acceptance of fee title by the City; and
3. The Executive Director of the Successor Agency is authorized to take any and all actions on behalf of the Oversight Board and Successor Agency to do any and all things necessary or advisable to complete the transfer of the Lock Parcel to the City of West Sacramento.

**PASSED AND ADOPTED**, by the Oversight Board of the West Sacramento Redevelopment Successor Agency on this 12<sup>th</sup> day of September, 2013 by the following vote:

**AYES:**

**NOES:**

**ABSENT:**

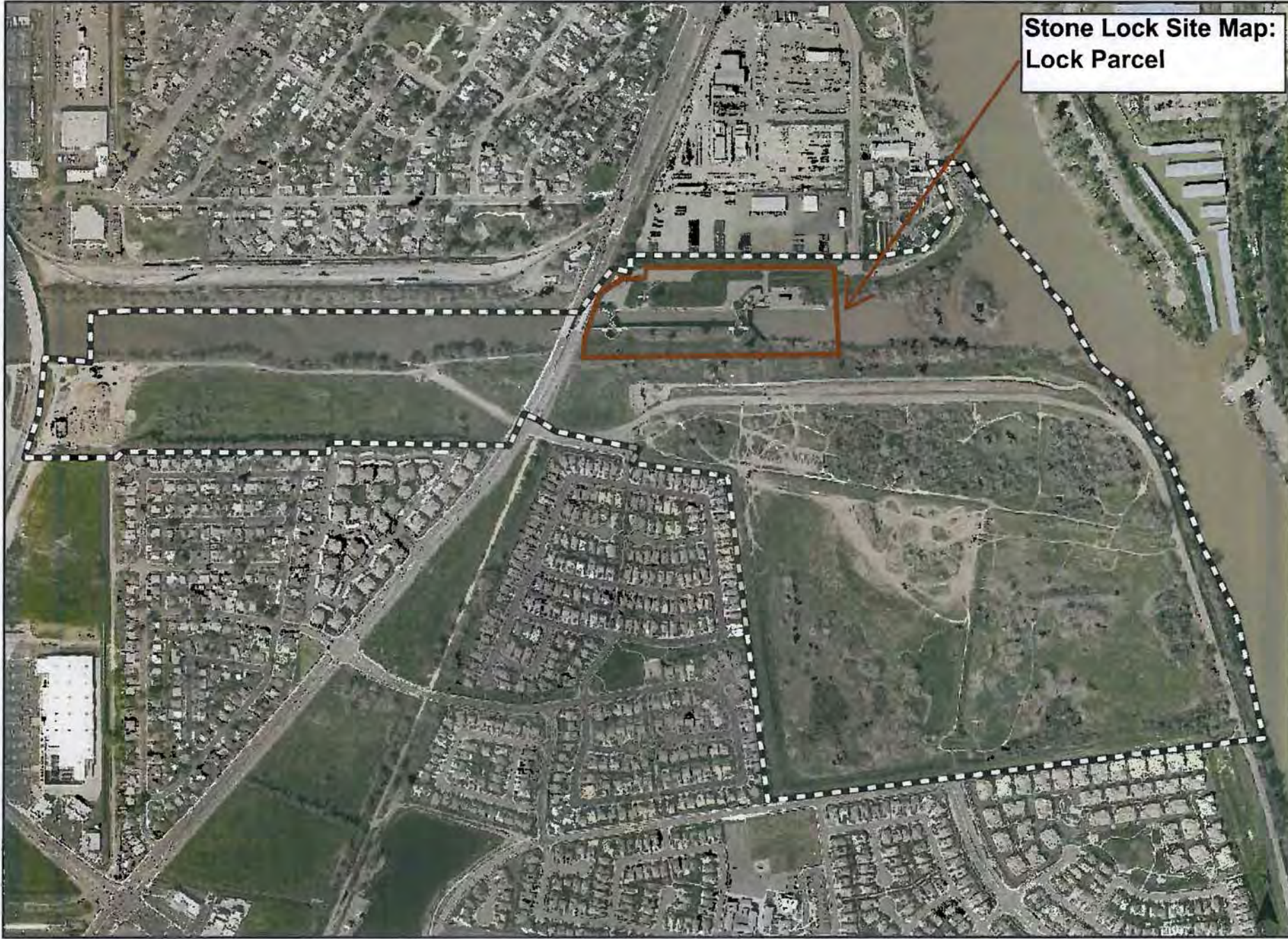
\_\_\_\_\_  
Christopher L. Cabaldon

Attest:

\_\_\_\_\_  
Kryss Rankin, City Clerk



**Stone Lock Site Map:  
Lock Parcel**

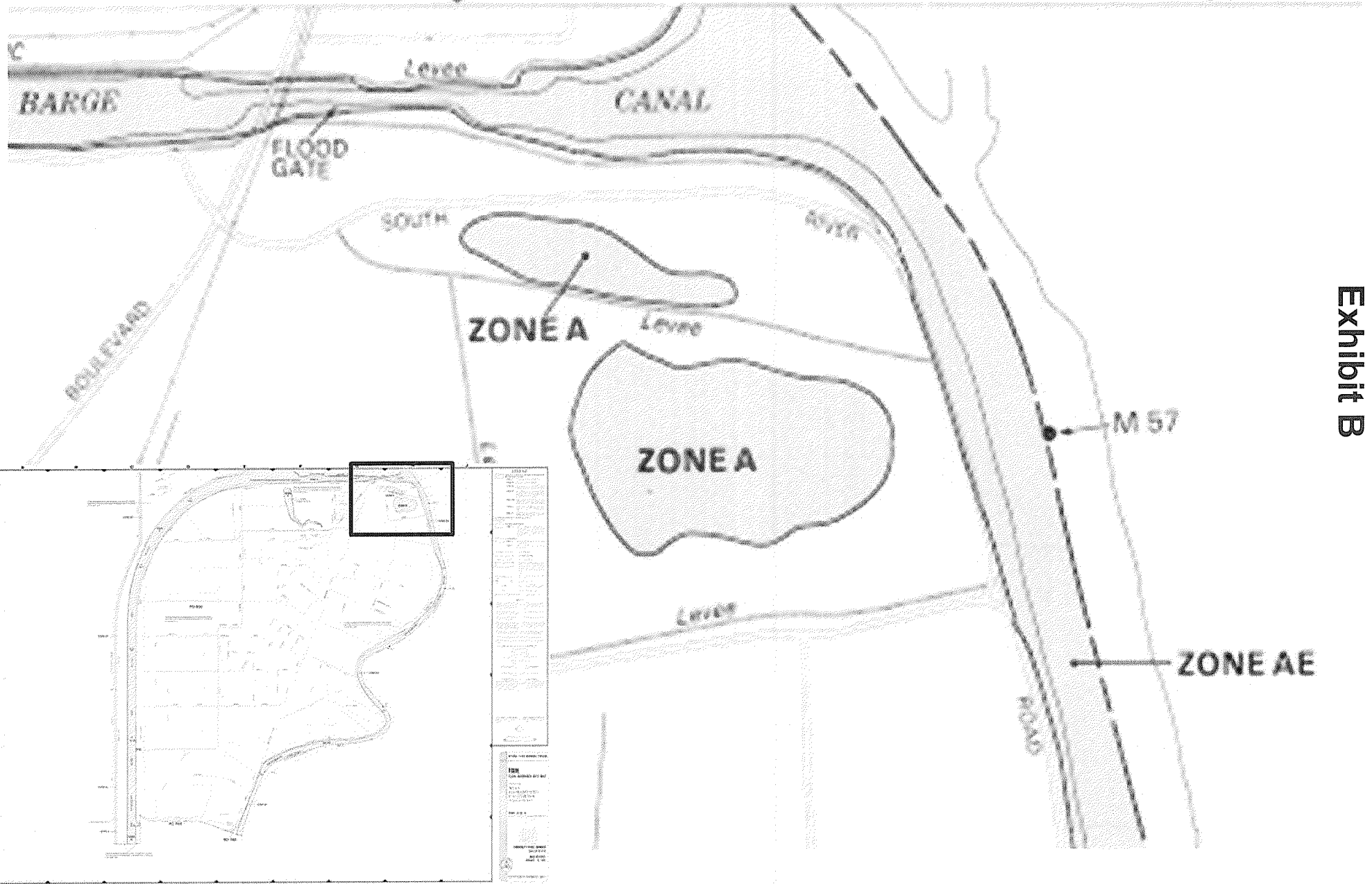


0 125 250 500 750 1,000 Feet



**G**

**H**



**Exhibit B**

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**REDEVELOPMENT SUCCESSOR AGENCY OVERSIGHT BOARD**

**MEETING DATE:** August 16, 2012

**ITEM # 5**

**SUBJECT:**

**PRESENTATION ON THE PREPARATION OF THE SUCCESSOR AGENCY'S LONG-TERM PROPERTY MANAGEMENT PLAN AS REQUIRED BY ASSEMBLY BILL 1484**

**INITIATED OR REQUESTED BY:**

Council     Staff  
 Other

**REPORT COORDINATED OR PREPARED BY:**

Katie Yancey, Senior Administrative Analyst

  
Martin Tuttle, Executive Director  
West Sacramento Redevelopment Successor Agency

**ATTACHMENT**  Yes     No                     Information             Direction             Action

**OBJECTIVE**

This report and presentation seeks to inform the Oversight Board about impacts of portions of Assembly Bill 1484, the creation of the Community Redevelopment Property Trust Fund and the obligations of 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

**RECOMMENDED ACTION**

It is respectfully recommended that the Oversight Board hear the presentation by staff and provide comment or direction.

**BACKGROUND**

Under AB1x 26 (Section 34177 of the Health and Safety Code), successor agencies are required to "dispose of assets and properties of the former redevelopment agency" and to do so "expeditiously and in a manner aimed at maximizing value." Upon determination of the Oversight Board, proceeds from the sale of former Redevelopment Agency assets could be used to fund approved development projects or to fund other wind-down activities. If no such activities existed than the funds were to be transferred to the county auditor-controller for distribution.

Alternatively, in recognition that some of the assets owned by the Agency may need to be retained for government uses such as roads, parks, etc., Section 34181 provided that the Oversight Board with the authority to direct the Successor Agency to transfer ownership of government-use assets to the appropriate public jurisdiction. On June 14, 2012 the Oversight Board took action to transfer a handful of these types of properties. On June 27, 2012 the Governor approved AB 1484. With the passage of this legislation, passage the Oversight Board, was temporarily relieved for its obligation to dispose of former Agency's assets pursuant to section 34177, but is still allowed to approve governmental use transfers.

**ANALYSIS**

Under AB 1484, Section 34191 of the Health and Safety Code the Oversight Board is relieved of its obligation to dispose of the former Agency assets until the Department of Finance has approved a long-range property management plan. The Successor Agency must prepare a plan that not only includes an inventory of assets and strategy for disposing of the former Agency assets but it must include the following items:

- The use of the asset and purpose for which it was acquired; and
- The date of acquisition of the asset, the value of the property at that time, and an estimate of its current value; and
- If real property, the parcel's address, size, zoning and any designation under the any applicable planning documents; and
- Any available appraisal information; and
- An estimate of any revenues generated from agency's assets, such as lease or rental fees and a description of the existing contractual obligations; and
- A history of environmental contamination, including a designation as a brownfield site, and any history for remediation; and
- A description of the property's potential for transit-oriented development; and
- A description of property's potential for fulfilling any of the planning objectives of the successor agency or for a project identified in former Agency's adopted redevelopment plan; and

- A brief history of any previous development proposals on the site; and
- A brief history of any previous lease or rental of the site.

The recommendations allowed in the disposition strategy are:

- Retention for government use; and
- Retention of property for future development; and
- Sale of the property; and
- Use of the property to fulfill an enforceable obligation.

Certain recommendations may result in the property being transferred to the City of West Sacramento for use or disposition.

The Successor Agency is required to submit long-term property management plan to the Department of Finance within six months following the Department's issuance of a finding of completion. Staff anticipates that the finding of completion will be rendered in January. In an effort to transmit the report in a timely manner, staff intends to bring to the Oversight Board and the City Council a draft report and set of draft recommendations in late November or early December and return to both for approval in early January. Over the next few months, staff will be returning to the Oversight Board with information, direction or action items that will provide insight into the preparation of the long-term property management plan. These items will also provide an opportunity to solicit guidance from the Board and lay the foundation for the Oversight Board's approval of a property management plan next year.

Staff will be submitting these items to the Department of Finance for their review prior to official submission of the plan. As a starting point, staff has begun analyzing the legislation to ascertain which areas will require additional work in order to distill the general language found in the legislation into actionable definitions that are useful for a working property disposition plan. Some of the terms that may require adoption of more specific definitions include: brownfield status, current value, market value, market price, lease, transit-orientated development, appraised value, and rental. Staff's approach in each case will be to start with the most widely-accepted industry standard definitions in order to make the ultimate property management plan as defensible as possible.

Staff will return to the Oversight Board with a resolution for its consideration that adopts operational definitions of certain terms for purpose of implementing portions of AB 1484. As a sample, Attachment 1 contains some of the research conducted on the various definitions of a brownfield, a brief comment regarding the definitions or approaches to defining the term and the staff's recommended definition. Staff's intent is to conduct a similar analysis on other relevant definitions. Staff is requesting the Oversight Board's input on this methodology, as well as any other aspect of the preparation of the property management plan.

#### Alternatives

The Oversight Board's alternatives are:

1. Hear staff's presentation and provide feedback, comment and direction; or
2. Do not hear the staff presentation.

#### Budget/Cost Impact

The preparation and submission of a long-term property management plan to the Department of Finance is required and staff time will be billed to the Successor Agency's administrative budget.

#### ATTACHMENT(S)

1. Sample Recommendation and Definition (Brownfield Status)

**ATTACHMENT 1**  
**(Brownfield Status)**

**Recommendation:**

**US Environment Protection Agency's definition: Brownfields** are real property, the expansion, redevelopment, or reuse of which may be complicated by the presence or potential presence of a hazardous substance, pollutant, or contaminant.

*Source: <http://www.epa.gov/brownfields/index.html>*

**Alternate Definition(s)/Approach(es)**

**California State Water Board definition: Brownfields** are underutilized properties where reuse is hindered by the actual or suspected presence of pollution or contamination. Cleanup and redevelopment of these sites benefit the environment and communities by eliminating pollution and contamination problems, allowing economic growth, and revitalizing neighborhoods.

*Source: [http://www.waterboards.ca.gov/water\\_issues/programs/brownfields/](http://www.waterboards.ca.gov/water_issues/programs/brownfields/)*

**Comment:** Staff recommends the US EPA's definition as the Polanco Act specifically references this definition in Government Code Section 42 U.S.C § 9601(39)(A).

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**REDEVELOPMENT SUCCESSOR AGENCY OVERSIGHT BOARD**

**MEETING DATE:** March 14, 2013

**ITEM #** 3

**SUBJECT:**

**CONSIDERATION OF OB RESOLUTION 13-3, ADOPTION OF OPERATIONAL DEFINITIONS FOR CERTAIN REAL ESTATE TERMS FOR THE PURPOSE OF IMPLEMENTING PORTIONS OF ASSEMBLY BILL 1484**

**INITIATED OR REQUESTED BY:**

**REPORT COORDINATED OR PREPARED BY:**

Council     Staff

Katie Yancey, Senior Administrative Analyst  
Jon Robinson, Housing and Community Investment Manager

Other

  
Martin Tuttle, Executive Director  
West Sacramento Redevelopment Successor Agency

**ATTACHMENT**  Yes     No                       Information                       Direction                       Action

**OBJECTIVE**

The purpose of this report is to provide an overview of the obligations of the Oversight Board related to the former Redevelopment Agency's real property assets and to facilitate the Oversight Board's consideration of defined real estate terms that staff proposes to utilize in the preparation of the long-range property management plan ("Plan") required pursuant to Section 34191.5(b) of the Health and Safety Code (HSC).

**RECOMMENDED ACTION**

It is respectfully recommended that the Oversight Board direct staff to prepare a long-range property management plan as described and to adopt OB Resolution 13-3 adopting operational definitions of certain real estate terms used in Assembly Bill 1484

**BACKGROUND**

Under AB1x 26 (HSC Section 34177 [e]), successor agencies are required to either "dispose of assets and properties of the former redevelopment agency" and to do so "expeditiously and in a manner aimed at maximizing value." Upon determination of the Oversight Board, proceeds from the sale of former Redevelopment Agency assets can be used to fund approved development projects or to fund other wind-down activities. If no such activities exist, the funds are to be transferred to the county auditor-controller for distribution to taxing entities.

On June 27, 2012, the Governor approved a follow-up bill to AB1x 26, AB 1484. AB 1484 altered and amended the Oversight Board's role in real property disposition; Attachment 1 to the staff report is a table that compares how AB 1x 26 and AB 1484 address three key issues related to the former Agency's non-housing assets: timing of disposition, government use transfers and retention of assets for future development along with the mechanism for determining the consideration owed. In order to take advantage of the new post-compliance provisions in AB 1484, the West Sacramento Redevelopment Successor Agency must submit the Plan to the Department of Finance. The Plan is required to include both an inventory of former Agency assets and a strategy for disposing of them.

HSC Section 34191.5(b) uses several real estate related terms but does not provide definitions for those terms. The lack of specificity in defining real estate terms affects staff's ability to prepare the inventory section of the Plan and to make recommendations essential to the disposition strategy that must be included in the Plan. For example, as discussed more fully below, the appropriate way to estimate the "value" of a property can vary depending upon the use for which the estimate is intended.

On August 16, 2012, the Oversight Board heard a presentation from staff regarding the required elements of the Plan and staff's proposed strategy for preparing the Plan. This report follows up with a more detailed discussion of the Plan and a resolution establishing operational definitions of key real estate terms necessary to complete the Plan. On March 6, 2013, the Successor Agency recommended that the Oversight Board approve the proposed strategy for preparing and circulating the Plan and adopt OB Resolution 13-3 adopting operational definitions of certain real estate terms used in Assembly Bill 1484.

## **ANALYSIS**

This section describes the rationale for the real estate definitions staff proposes to use in the development of the Plan.

### **The Plan**

AB 1484 suspended the disposition directives in AB1x 26 and introduced several milestones to be completed by a successor agency before disposition or non-government use transfers can resume. Attachment 2 is a flow chart that describes the steps the Successor Agency must take in order to dispose of non-housing and non-governmental purpose properties. In the event that the Successor Agency does not take this approach or the Department of Finance does not approve the Plan by January 15, 2015, the disposition process provided in AB 1x26 is re-activated. The Department of Finance has issued a checklist to assist successor agencies with the preparation of their plans. Staff has mirrored this checklist in the template it intends to use while gathering information for the inventory section of the Plan.

Pursuant to HSC Section 34191.4, the Plan is to contain an inventory of all assets and is to present the following options for the disposition of the real property assets, including: 1) retention of property for future development by the City; 2) liquidation of the property for a project identified in the approved redevelopment plan or an enforceable obligation; 3) simple liquidation of property, consistent with the intent of AB1x26; or 4) retention of property for governmental purposes. In cases where compensation is required for the disposition of assets, the proceeds shall be distributed to the taxing entities.

### **Real Estate Definitions**

Some of the terms used in HSC Section 34191.5(b) necessitate operational definitions. In developing the definitions proposed below, staff has endeavored to avoid new or creative interpretations, instead sticking with well-known definitions that are commonly used in the real estate profession. Where interpretations need to be made, staff has attempted to use the simplest and/or most common-sense approach applicable in a given situation in order to make the resultant outcomes as defensible as possible.

#### Current value

Value is perhaps the most central concept in any real estate discussion. In real estate practice, there are multiple approaches to establishing value; unfortunately, the dissolution legislation is not clear in terms of the preferred method. Section 34191.5(c)(1)(a) requires that the Plan identify the value of the property at acquisition along with "an estimate of the current value." Because there are multiple forms of value estimate used in real estate practice, staff is recommending that the Oversight Board utilize an iterative approach that matches the proposed use of a particular site with the valuation methodology that best balances defensibility, cost, and expeditiousness.

For the first draft of the inventory, staff proposes to estimate the current value of each asset using existing data, such as appraisals on file or current listings in the market. Based on this initial information, staff will make draft recommendations for all the former Agency's real property assets and present them to the City Council/Successor Agency and Oversight Board in a workshop format. Based on the Board's direction, staff can then proceed with a further refinement of establishing current market value. AB 1484 provides four disposition alternatives, which are summarized in Table 1 below, along with the value estimation methodology staff would propose for each.

Table 1: Proposed Value Estimate Methodologies by Property Use

| <b>Use of Property</b>                        | <b>Recommended Value Estimate</b> |
|---|-----------------------------------|
| Future Development                            | Appraisal                         |
| Sale (Proceeds Fund Enforceable Obligation)   | Broker opinion of value           |
| Sale (Distribute Proceeds to Taxing Entities) | Staff estimate                    |
| Government Use                                | Staff estimate                    |

Under staff's recommended approach, the proposed use of the property would guide the form of value estimate to be prepared. The rationale for each recommended value estimate is summarized below.

1. Retention for Future Development For properties that are to be retained for future development, staff is recommending that value be established in an appraisal report prepared in compliance with the Uniform Standards of Professional Appraisal Practice (USPAP) by a licensed appraiser. These appraisals are the gold standard of value estimation because they are generally accepted as objective, they can be summarized and

shared, and they are consistent with a large body of state and federal law governing various types of public sector land acquisition and sales. Staff believes an appraisal is appropriate for these properties because they will involve higher-value sites the proceeds from which will not be immediately distributed to the taxing entities.

2. Sale of the Asset with the Proceeds Funding an Enforceable Obligation Broker's Opinions of Value as defined by the National Association of Broker Price Opinion Professionals' Standards and Guidelines (BPOSG) are routinely used by private entities to determine the price at which to list a price of property. This approach is less costly than an appraisal, and can be produced more quickly. While opinions of value are less methodologically rigorous than an appraisal, staff believes this approach is appropriate for these properties because it will be used primarily for planning purposes, and will be validated by the actual offers received for the site when placed on the market.
3. Sale of the Asset with the Proceeds Distributed to the Taxing Entities Staff proposes to prepare its own value estimate for these properties for planning purposes prior to placing them on the market. Staff does not believe a more rigorous value estimate is necessary because the Oversight Board, which includes representatives from the taxing entities, will have the opportunity to approve or decline actual purchase offers for the site, thereby establishing market value of the property by their actions in a manner consistent with the intent of joint compensation agreement outlined in HSC Section 34180.
4. Retention for Government Use Transfers For governmental use transfers, staff is recommending that staff prepare its own value estimate based on information is available in the City's records, augmented with its own research. Staff is recommending this approach because properties slated for governmental use are generally less commercially viable and will not represent sufficient foregone revenue to the taxing entities to necessitate a more formal documentation of their value.

#### Brownfield Status

The dissolution legislation makes multiple references to brownfield properties. Unfortunately, state and federal agencies as well as practitioners use different definitions of this term. Staff recommends the US EPA's definition, as the Polanco Act specifically references this definition in Government Code Section 42 U.S.C § 9601(39)(A). Pursuant to this definition, brownfields are "underutilized properties where reuse is hindered by the actual or suspected presence of pollution or contamination."

#### Transit-Orientated Development (TOD)

For this term, staff recommends the definition prepared by the Technical Advisory Committee for the "Statewide TOD Study: Factors for Success in California," which describes TOD potential as property's potential for moderate to higher density development, located within an easy walk of a major transit stop, generally with a mix of residential, employment, and shopping opportunities designed for pedestrians without excluding the auto. TOD can be new construction or redevelopment of one or more buildings whose design and orientation facilitate transit use.

#### Lease

Staff recommends that a lease be defined as an agreement by which the owner of real property grants the right of possession and use to another for a specified time and consideration. This differs from a license agreement with is a contract that allows use but does not transfer any real property rights to the user.

If the Oversight Board approves the staff's recommended approach to preparing and circulating the Plan and adopted the resolution memorializing the real estate definitions, staff will be submitting this resolution to the Department of Finance for its review prior to returning to the Oversight Board for approval of the Plan. Staff anticipates having draft recommendations for the disposition strategy completed by the end of April. Staff will apply for a finding of completion, in accordance to the flow chart in Attachment 2. Once the application for the finding of completion has been made, staff will present these draft recommendations in a workshop to the City Council. When the Department of Finance has granted a finding of completion, staff will then return to the Oversight Board with a workshop on the draft Plan and recommendation for approval of the Plan for submission to the Department of Finance within six (6) of receipt of the finding of completion.

### Alternatives

The Oversight Board's primary alternatives are:

1. Direct staff to prepare the Plan and adopt OB Resolution 13-03
2. Direct staff to prepare the Plan but do not adopt OB Resolution 13-03 at this time, and request that staff return with additional information or changes to the resolution.
3. Direct staff to not prepare the Plan, and decline to adopt OB Resolution 13-03.

Staff recommends Alternative 1. Staff does not recommend Alternatives 2 or 3 as either could delay the preparation of the required long-range property management plan, which in turn could delay the disposition of Agency assets.

### Budget/Cost Impact

The preparation and submission of a long-term property management plan to the Department of Finance is required and staff time will be billed to the Successor Agency's administrative budget. The estimated budget impact for professional services contracts, such as appraisers or surveyors, shall not exceed \$20,000 per vendor or \$60,000 in total for all contracts entered into to the purposes of preparing the Plan. Successor Agency staff will select vendors already approved through the City of West Sacramento's selection process.

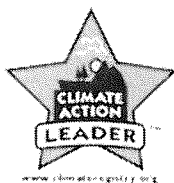
### ATTACHMENT(S)

1. Table Comparing ABx1 26 and AB 1484
2. Flow Chart
3. OB Resolution 13-3

| <p><b>Real Estate Asset Questions</b></p>  | <p><b>Under AB1x26 (Health and Safety Code)</b></p>   | <p><b>Under AB 1484 (Health and Safety Code)</b></p>  |
|--|---|---|
| <p><b>What is the timing of the disposition of former Agency assets and real property?</b></p>                               | <p>Immediately, Section 34177 (e) requires that the Oversight Board direct the Successor Agency to disposal of all its assets expeditiously and in a manner maximizing value.</p>   | <p>Uncertain; disposition could commence as early as late 2013. New post-compliance provisions (Chapter 9) in have been introduced and subdivision (e) of Section 34177 is suspended. Upon the Successor Agency's request and receipt of a finding of completion for the Department of Finance, the Successor Agency has six (6) months to prepare a submit for approval to the Oversight Board and the Department of Finance a long-range property management plan, which shall address the inventory of the former Agency's assets and recommendations for disposal of the assets</p>                             |
| <p><b>Can the Oversight Board approve transfers to the local jurisdiction for government-use assets, such as a road?</b></p> | <p>Yes; Section 34181 provided the Oversight Board with the authority to direct the Successor Agency to transfer ownership of government use assets to the appropriate public jurisdiction. On June 14, 2012 the Oversight Board adopted Resolution OB 12-4 which authorized the transfer a handful of these types of properties, subject to the City's acceptance of the property. On December 5, 2012 the City Council adopted Resolution 12-57 accepting some of the properties authorized by this transfer.</p> | <p>Yes; the provision included in Section 34181 remains. On August 16, 2012, the Oversight Board adopted Resolutions 12-5 and 12-6, which ratified several government use dispositions by the former Redevelopment Agency made prior to its dissolution.</p>  |
| <p><b>Can the City retain former Agency property for future development?</b></p>   | <p>Yes; Subdivision (f) of Section 34180 provides a mechanism for the City to retain any assets for future redevelopment activities. The City will propose a compensation agreement with the other taxing entities to provide payments to them in proportion to their shares of base property tax pursuant to section 34188. If no agreement can be reached on the value of the assets to be retained the value will be set at fair market value as of 2011.</p>  | <p>Yes; the post-compliance provisions (Chapter 9) identifies retention of an asset for future development as a permissible use. If the Successor Agency were to recommend that an asset be retained for such a use, and the Oversight Board and the Department of Finance approve the plan with the recommendation, the property would be transferred to the City in accordance to the objectives of the approved redevelopment plan. Pursuant to Section 34191.3, the approved plan shall govern and supersede all other provisions related to the disposition of and use of the assets of the former Agency.</p> |

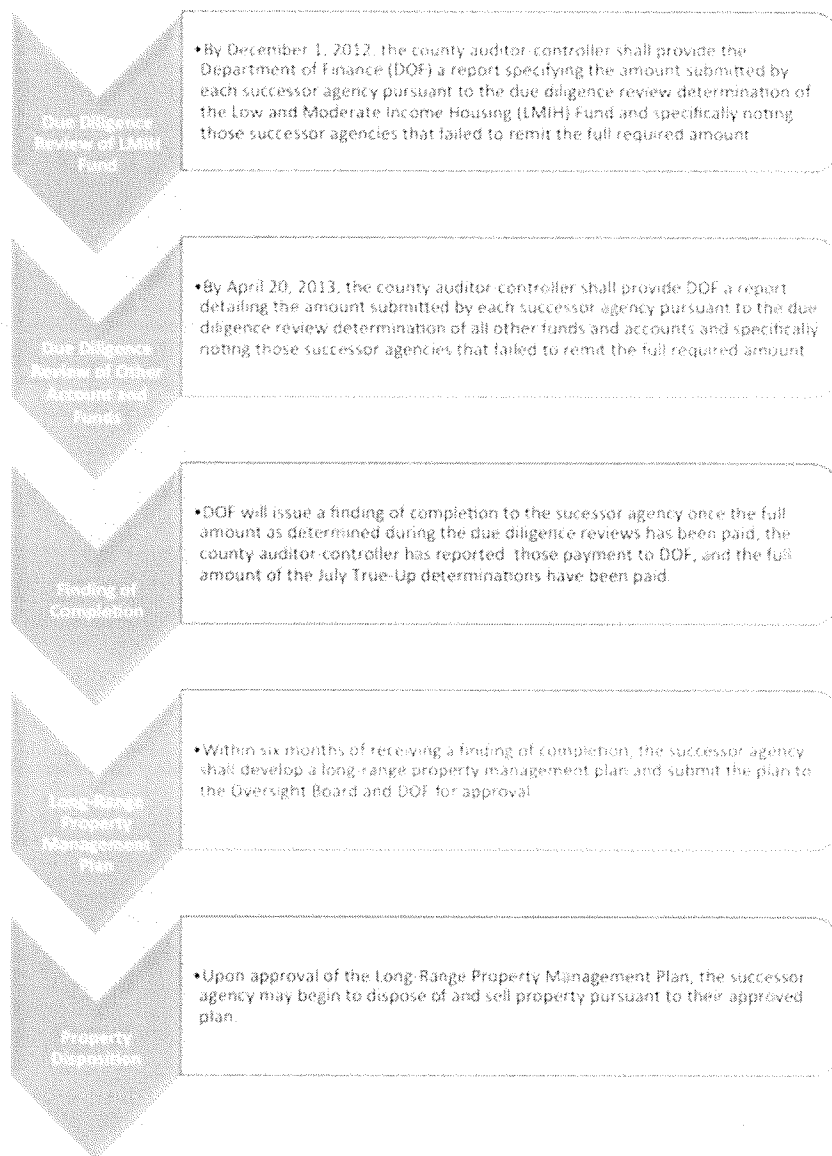


Department of Finance  
915 L Street  
Sacramento, CA 95814



**NON-GOVERNMENTAL PURPOSE PROPERTY**

HSC section 34177 (e) directs successor agencies on the steps to dispose of non-housing and non-governmental purpose properties. The following chart outlines the steps a successor agency must follow prior to being allowed to dispose of property.



## OB RESOLUTION 13-3

**A RESOLUTION OF THE OVERSIGHT BOARD OF THE WEST SACRAMENTO  
REDEVELOPMENT SUCCESSOR AGENCY ADOPTING A SET OF OPERATIONAL  
DEFINITIONS FOR CERTAIN REAL ESTATE TERMS FOR THE PURPOSE OF  
IMPLEMENTING PORTIONS OF ASSEMBLY BILL 1484**

**WHEREAS**, pursuant to Health and Safety Code Section 34188 of AB1X26, approved by the Governor on June 28, 2011, the Oversight Board has a fiduciary responsibility to the taxing entities that benefit from the distribution of property tax revenues; and

**WHEREAS**, pursuant to Health and Safety Code Section 34177(e), the City of West Sacramento as the Successor Agency ("Successor Agency") is required to dispose of assets and properties of the former Redevelopment Agency, as directed by the Oversight Board, "expeditiously and in a manner maximizing value"; and

**WHEREAS**, pursuant to the Health and Safety Code Section 34181(a), the Oversight Board is authorized to direct that the Successor Agency transfer ownership of assets that were acquired or constructed and used for a governmental purpose, such as roads, school buildings, parks and fire stations to the appropriate public jurisdiction pursuant to any existing agreements or recorded covenants related to the use of such assets; and

**WHEREAS**, pursuant to Health and Safety Code Section 34191.3 of AB1484, approved by the Governor on June 27, 2012, the requirement for the Successor Agency to dispose of assets expeditiously and in a manner maximizing value is suspended, except for the provisions that allow the Oversight Board to direct the Successor Agency to transfer ownership of public purpose assets as described in Section 34181(a), until such time as the Department of Finance can approve a long-range property management plan pursuant to subdivision (b) of Section 34191.5; and

**WHEREAS**, the long-range property management plan must be approved by the Department of Finance by January 1, 2015; and

**WHEREAS**, if a long-range property management plan has not been approved, the process for the Oversight Board's disposal of assets reverts to the provisions contained in section 34177(e); and

**WHEREAS**, the preparation of a long-range property management plan necessitates the use of real estate terminology that is not clearly defined in either ABX126 or AB 1484.

**NOW, THEREFORE, BE IT RESOLVED** that the Successor Agency is hereby directed to use the following definitions of terms in any real estate analyses it undertakes in furtherance of AB 1X26 or AB 1484:

- a. Staff's estimate of current value for each asset of the former Agency shall be based on using existing data, such as appraisals on file or current listings in the market. This estimate will endeavor to meet the definition of fair market value, which for this purpose is defined as the highest price a willing and informed buyer would pay and a willing and informed seller would accept for property tested in the market for a reasonable time.
- b. Current value, current market value or current market price for all land assets to be sold or transferred to the City for development will be established by through either a Broker's Opinion of Value as defined by the National Association of Broker Price Opinion Professionals' Standards and Guidelines (BPOSG) or an Appraisal of Fair Market value as defined by Uniform Standards of Professional Appraisal Practice (USPAP).
- c. The cost of acquisition will be established through book value and through the establishment of the asset's historic market value.
- d. Current value for all non-land, non-cash or cash-equivalent assets will be estimated based on the original purchase price depreciated to its current market value.



- e. The brownfield status of the property shall be determining by applying the U.S. Environmental Protection Agency definition of a brownfield.
- f. Any description of a property's potential for transit-oriented development shall use the definition prepared by the Technical Advisory Committee for the "Statewide TOD Study: Factors for Success in California":  
*Transit Oriented Development is moderate to higher density development, located within an easy walk of a major transit stop, generally with a mix of residential, employment, and shopping opportunities designed for pedestrians without excluding the auto. TOD can be new construction or redevelopment of one or more buildings whose design and orientation facilitate transit use.*
- g. A lease shall be defined as an agreement by which the owner of real property grants the right of possession and use to another for a specified time and consideration.

**BE IT FURTHER RESOLVED**, that the Oversight Board hereby direct the Successor Agency that:

- a. The measurement for determining that a disposition of a land asset was done in a manner that maximizes value is if the property was sold at current value, current market value or current market price.
- b. Any description of the property's potential for the advancement of planning objectives of the City of West Sacramento acting as the Successor Agency to the Redevelopment Agency shall include findings of consistency with the City's General Plan and, where appropriate, an adopted or approved City or former Redevelopment Agency planning document.

**PASSED AND ADOPTED**, by the Oversight Board of the West Sacramento Redevelopment Successor Agency on this 14<sup>th</sup> day of March, 2013 by the following vote:


**AYES:**  
**NOES:**  
**ABSENT:**

ATTEST:

\_\_\_\_\_  
Kryss Rankin, City Clerk

\_\_\_\_\_, Chairperson

**REDEVELOPMENT SUCCESSOR AGENCY OVERSIGHT BOARD**

|   |   |  |   |
|---|---|--|---|
| <b>MEETING DATE</b> August 8, 2013  |   | <b>ITEM #</b>  |   |
| <b>SUBJECT:</b><br>PRESENTATION ON THE DRAFT RECOMMENDATIONS FOR THE SUCCESSOR AGENCY'S LONG-RANGE PROPERTY MANAGEMENT PLAN AS REQUIRED BY ASSEMBLY BILL 1484 |   |  |   |
| <b>INITIATED OR REQUESTED BY:</b>   |   | <b>REPORT COORDINATED OR PREPARED BY:</b>  |   |
| <input type="checkbox"/> Council <input type="checkbox"/> Staff<br><br><input checked="" type="checkbox"/> Other  |   | Katie Yancey, Senior Administrative Analyst<br>Jon Robinson, Housing and Community Investment Manager<br><br><br>Martin Tuttle, Executive Director<br>West Sacramento Redevelopment Successor Agency |   |
| <b>ATTACHMENT</b>   | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | <input type="checkbox"/> Information   | <input type="checkbox"/> Direction <input checked="" type="checkbox"/> Action |

**OBJECTIVE**

This report seeks to inform the Oversight Board of the Successor Agency the status of the long range property management plan ("Plan") required pursuant to Section 34191.5(b) of the Health and Safety Code (HSC) and to solicit comments and direction regarding staff's draft recommendations for the disposition of the former Agency's real property assets.

**RECOMMENDED ACTION**

Staff respectfully recommends that the Oversight Board review and approve the proposed recommendations to be used for the preparation of the Plan, and the draft appraisal instructions to be used for establishing current value of the properties to be retained for future development.

**BACKGROUND**

Under AB1x 26 (HSC Section 34177 [e]), successor agencies are required to "dispose of assets and properties of the former redevelopment agency" and to do so "expeditiously and in a manner aimed at maximizing value." Upon determination of the Oversight Board, proceeds from the sale of former Redevelopment Agency assets can be used to fund approved development projects or to fund other wind-down activities. If no such activities exist, the funds are to be transferred to the county auditor-controller for distribution to taxing entities.

On June 27, 2012, the Governor approved a follow-up bill to AB1x 26, AB 1484. AB 1484 altered the Oversight Board's role in real property disposition. The Oversight Board's new role is to approve a long range property management plan, which pursuant to the law must contain a detailed inventory of all real property assets and set of recommendations regarding how and to whom should the assets be disposed or distributed. AB 1484 specifies that the Plan must be approved and submitted within six months of the issuance of a finding of completion, which the Successor Agency received May 16, 2013.

On August 16, 2012, the Oversight Board heard a presentation from staff regarding the required elements of the Plan and staff's proposed strategy for preparing the Plan. On March 6, 2013, staff presented a staff report that contained a more detailed discussion of the Plan along with a proposed Oversight Board resolution establishing operational definitions of key real estate terms necessary to complete the Plan. The Successor Agency recommended to the Oversight Board adoption of the resolution; the Oversight Board adopted OB Resolution 13-3 on March 14, 2013.

On June 18, 2013, staff presented the draft recommendation contained within this report to the City Council/Successor Agency for its review and comments. The City Council supported staff's draft recommendations and recommend that they be included as drafted in the Plan.

**ANALYSIS**

This section provides the rationale for staff's recommendations to be use in the preparation of the Plan.

**The Preparation of the Plan**

In the event that the Successor Agency does not prepare and submit a Plan for approval to the Oversight Board by November of this year or the Department of Finance does not approve the Plan by January 15, 2015,

the (considerably less flexible) disposition process provided in AB 1x26 is re-activated. The Department of Finance has issued a checklist to assist successor agencies with the preparation of their plans. Staff has mirrored this checklist in the template it intends to use while gathering information for the inventory section of the Plan.

Pursuant to HSC Section 34191.4, the Plan is to contain an inventory of all real property assets and is to present options for the disposition of those assets, including:

1. Retention of property for future development by the City;
2. Liquidation of the property for a project identified in the approved redevelopment plan or an enforceable obligation;
3. Simple liquidation of property, consistent with the intent of AB1x26; or
4. Retention of property for governmental purposes. (In cases where compensation is required for the disposition of assets, the proceeds shall be distributed to the taxing entities.)

**Draft Recommendations**

Since April, staff has been working on the first draft of the inventory. Based on this initial information that has been gathered, staff has prepared draft recommendations for all the former Agency's real property assets. Based on the Successor Agency direction related to the recommendations, staff can proceed to establish a current market value for each property. AB 1484 provides four disposition alternatives, which are summarized in Table 1 below, along with the recommended value estimation methodology. (As presented to the Oversight Board on March 14, 2013 and referenced in OB Resolution 13-3, staff is recommending that the proposed use of the property guide the form of value estimate to be prepared.)

Table 1: Proposed Value Estimate Methodologies by Property Use

| Use of Property                               | Recommended Value Estimate |
|---|----------------------------|
| Future Development                            | Appraisal                  |
| Sale (Proceeds Fund Enforceable Obligation)   | Broker opinion of value    |
| Sale (Distribute Proceeds to Taxing Entities) | Staff estimate             |
| Government Use                                | Staff estimate             |

Staff developed its recommended uses for the former Agency's properties by consulting existing and in-progress planning documents, including the update to the Washington Specific Plan, the General Plan, the Grand Gateway Master Plan, the former Redevelopment Agency's most current five-year implementation plan, and the option agreement on the Stone Lock property. Staff's draft recommendations for the 214 acres of real property assets are summarized in Table 2 below. Attachment 1 contains location maps to help distinguish the subject properties. Staff is seeking direction from the Oversight Board regarding these draft recommendations.

Once the Oversight Board has approved a set of draft recommendations, staff will solicit various professional services, such as title, surveying, and environmental consultants to assist with these technical components of the Plan. Staff anticipates using the authority granted to the Successor Agency's Executive Director in OB Resolution 12-9 to enter into several minor contracts. The total amount to be spent on these technical services is not anticipated to exceed \$24,000.

Although AB 1484 does not specifically require that the Plan address implementation measures, staff recommends including as many implementation actions as can reasonably be completed by the November submission deadline. Including an implementation component will underscore to the Department of Finance (DOF) the City's intent to effectuate the Plan, and leave the Oversight Board better prepared to put the Plan into action upon its approval by DOF. Staff will not allow the drafting of the implementation actions to delay the delivery of the statutorily-mandated components of the Plan by the November deadline. If necessary, the implementation piece will be dropped out in whole or in part to facilitate a timely submittal of the Plan to DOF.

As there is still time to work on both mandatory and optional Plan components, staff is seeking direction on certain implementation actions. Attachment 2 contains draft appraisal instructions for the properties that the City Council/Successor Agency recommended be retained for future development. At the August 7<sup>th</sup> City Council meeting, staff will request that the City Council/Successor Agency approve the appraisal instructions. If the instructions are approved by the City Council/Successor Agency and by the Oversight Board, staff will issue a Request for Qualifications (RFQ) for appraisal services. Staff anticipates that it will return to the Oversight Board on September 12<sup>th</sup> with a professional services contract for the preparation of the appraisals

based on the attached instructions. Staff anticipates that the cost of the necessary appraisal services will be approximately \$9,000.

At this time, the Oversight Board is not being asked to fully commit to these recommendations or their follow-up actions. Upon completion of a draft plan, staff will return to both the City Council/Successor Agency and the Oversight Board with a report that will include value estimates for all Successor Agency properties, including, if available, appraised values for properties the City wishes to retain for future use. At that time the Oversight Board will have the opportunity to make a final decision as to the disposition of the subject properties. Should the Council elect to purchase these properties for the City, these appraised values would serve as the offer of compensation to the taxing entities. Staff anticipates presenting that report to both the Successor Agency/City Council in late September or early October and returning to the Oversight Board for formal approval of the plan shortly thereafter.

Table 2: Draft Recommendations

| APN         | Site Address              | Acres | Recommendation   |
|-------------|---------------------------|-------|--|
| 008-441-007 | 2400 West Capitol Av      | 0.65  | Sell and distribute proceeds to the taxing entities  |
| 008-450-016 | 2600 West Capitol Av      | 0.48  |  |
| 010-371-005 | 305 3rd St                | 0.15  | Government use easement for Washington monument and retain for future development associated with the Washington Firehouse |
| 010-371-006 | 221-225 C St              | 0.29  |  |
| 010-523-037 | 485 Lighthouse Dr         | 0.37  | Sell and distribute proceeds to the taxing entities  |
| 067-330-002 | 811 West Capitol Av       | 0.10  | Retain for future development associated with the Grand Gateway Master Plan  |
| 067-330-017 | 706 Tower Ct              | 3.52  |  |
| 046-010-011 | 2350 South River Rd       | 82.7  | Dispose per existing option/assignment agreement   |
| 067-180-001 | 2050 South River Rd       | 5.8   | Government use transfer for Lock facility and dispose per existing option/assignment agreement                             |
| 067-180-002 | 2250 South River Rd       | 23.91 |  |
| 067-180-003 | 2100 South River Rd       | 40.66 | Government use transfer for Lock facility and dispose per existing option/assignment agreement                             |
| 067-180-004 | 2051 South River Rd       | 17.2  |  |
| 067-180-024 | 2821 Lake Washington Blvd | 4.18  | Dispose per existing option/assignment agreement   |
| 067-180-054 | 2100 Jefferson Blvd       | 34.5  |  |

The disposition process allowed by AB 1484 is advantageous to the City relative to the process found in AB 1x 26, which, among other differences, does not include a provision for the City to retain properties for future use. It also advantageous to the Oversight Board members as it will provide the most transparent means of disposing of the property and will likely expedite the distribution of the proceeds from the sales to the taxing entities represented on the Oversight Board. Staff recommends the timely conceptual approval of the recommendations in this report in order to facilitate the preparation and approval of the required plan by the November deadline.

Alternatives

The Oversight Board's primary alternatives are:

1. Review and approve the proposed recommendations to be used for the preparation of the Plan and the draft appraisal instructions to be used for establishing current value of the properties to be retained for future development.
2. Review and approve the proposed recommendations to be used for the preparation of the Plan but choose not to approve the draft appraisal instructions.
3. Review and propose new recommendations to be used for the preparation of the Plan and review and propose changes to the draft appraisal instructions.

4. Choose not to recommend any of the actions.

Staff recommends Alternative 1. Staff is prepared to implement Alternative 2, with the caveat that this would prevent staff from using an appraisal to establish the current value of the properties the City Council/Successor Agency wishes to retain. This would be inconsistent with OB Resolution 13-3. Staff is prepared to implement Alternative 3, but this approach would require that staff return to the City Council/Successor Agency with the Oversight Board's recommended changes. This delay could endanger staff's ability to submit the Plan on time, thus precluding the use of the AB 1484 property disposition approach. Staff does not recommend Alternative 4, as this approach would certainly delay the preparation of the required long-range property management plan, which could force a return to the disadvantageous disposition process provided in AB 1x26.

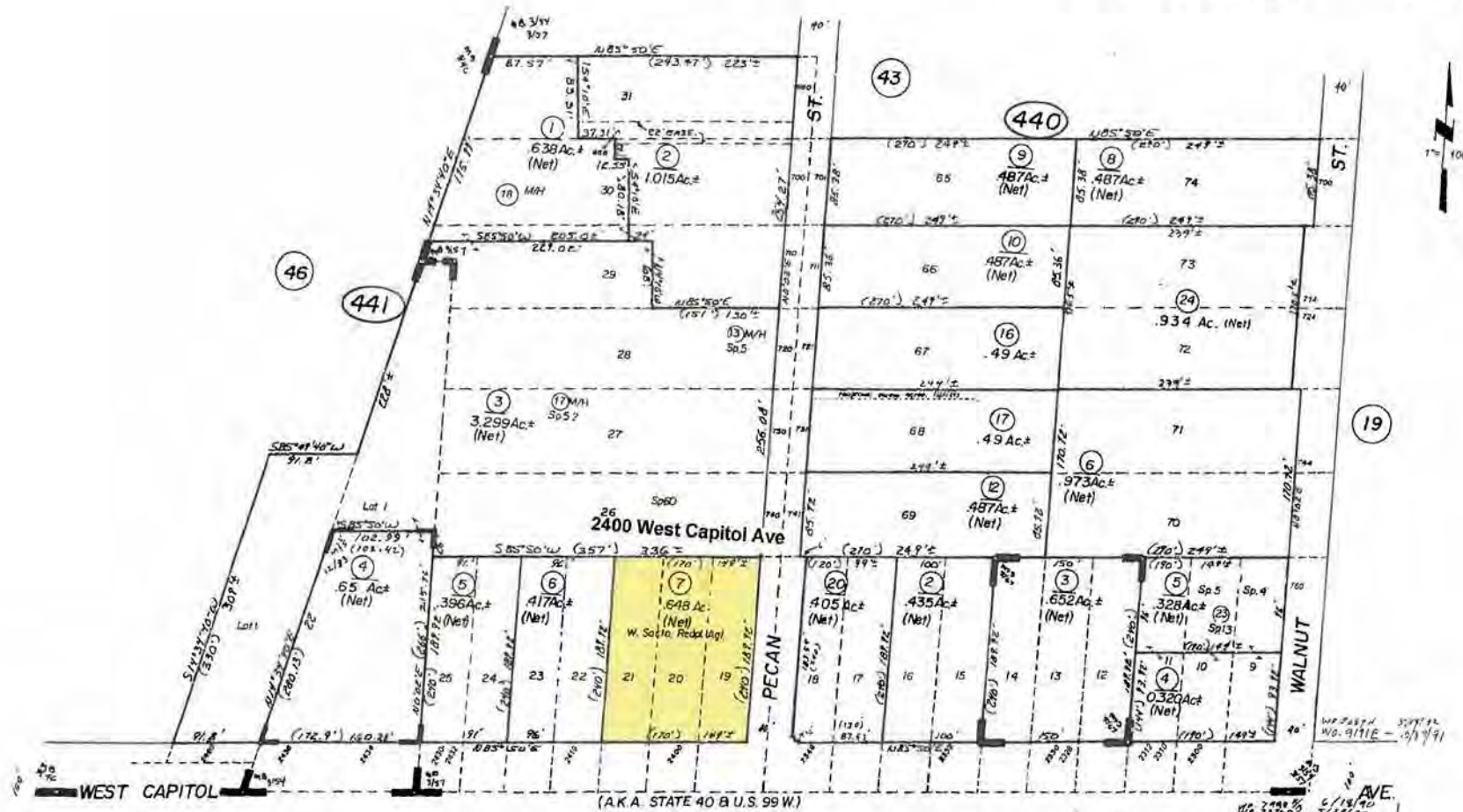
Budget/Cost Impact

The preparation and submission of a long-range property management plan to the Department of Finance is required and staff time will be billed to the Successor Agency's administrative budget. The estimated total cost, including professional services and staff time, to prepare and implement the Plan with the draft recommendations described above is \$52,000. The budget impact for all professional services contracts is not expected to exceed \$15,000 per vendor or \$33,000 in total for all contracts entered into to the purposes of preparing the Plan. Staff anticipates that the staff and attorney time needed to prepare the Plan will not exceed \$19,000.

With the exception of appraisers, as the dissolution legislation specifically states that appraisers shall be approved by the Oversight Board, the Agency staff will follow city protocol in the selection of the other professional service providers or will utilize vendors already approved through the City of West Sacramento's selection process and execute these contract under the existing delegated authority to the Executive Director. Staff anticipates returning to the Oversight Board, after an Request For Qualification (RFQ) process for appraisal services, with a contract for appraisers on September 12<sup>th</sup>.

ATTACHMENT(S)

1. Property Location Maps
2. Appraisal Instructions: Tower Court and Washington Firehouse Parcels



- M.B. Bk. 3, Pg. 46-Riverloam Acres.
- M.B. Bk. 3, Pg. 54-West Sacramento Gardens.
- M.B. Bk. 3, Pg. 57-Little Poultry Farms.
- M.&S. Bk. 5, Pg. 67-Resurvey of Lots 12-14, Little Poultry Farms.
- M.&S. Bk. 12, Pg. 83-Port'n of Lot I, West Sacramento Gardens.

Bk. 67  
Pg. 21

|            |          |            |          |
|------------|----------|------------|----------|
| WD 24223M  | 12/21/03 | WD 24223M  | 12/21/03 |
| WD 200188M | 12/21/01 | WD 200188M | 12/21/01 |
| WD 200181M | 12/21/01 | WD 200181M | 12/21/01 |
| WD 200171M | 12/21/01 | WD 200171M | 12/21/01 |
| WD 200172M | 12/21/01 | WD 200172M | 12/21/01 |
| WD 200173M | 12/21/01 | WD 200173M | 12/21/01 |
| WD 200174M | 12/21/01 | WD 200174M | 12/21/01 |
| WD 200175M | 12/21/01 | WD 200175M | 12/21/01 |
| WD 200176M | 12/21/01 | WD 200176M | 12/21/01 |
| WD 200177M | 12/21/01 | WD 200177M | 12/21/01 |
| WD 200178M | 12/21/01 | WD 200178M | 12/21/01 |
| WD 200179M | 12/21/01 | WD 200179M | 12/21/01 |
| WD 200180M | 12/21/01 | WD 200180M | 12/21/01 |
| WD 200181M | 12/21/01 | WD 200181M | 12/21/01 |
| WD 200182M | 12/21/01 | WD 200182M | 12/21/01 |
| WD 200183M | 12/21/01 | WD 200183M | 12/21/01 |
| WD 200184M | 12/21/01 | WD 200184M | 12/21/01 |
| WD 200185M | 12/21/01 | WD 200185M | 12/21/01 |
| WD 200186M | 12/21/01 | WD 200186M | 12/21/01 |
| WD 200187M | 12/21/01 | WD 200187M | 12/21/01 |
| WD 200188M | 12/21/01 | WD 200188M | 12/21/01 |
| WD 200189M | 12/21/01 | WD 200189M | 12/21/01 |
| WD 200190M | 12/21/01 | WD 200190M | 12/21/01 |
| WD 200191M | 12/21/01 | WD 200191M | 12/21/01 |
| WD 200192M | 12/21/01 | WD 200192M | 12/21/01 |
| WD 200193M | 12/21/01 | WD 200193M | 12/21/01 |
| WD 200194M | 12/21/01 | WD 200194M | 12/21/01 |
| WD 200195M | 12/21/01 | WD 200195M | 12/21/01 |
| WD 200196M | 12/21/01 | WD 200196M | 12/21/01 |
| WD 200197M | 12/21/01 | WD 200197M | 12/21/01 |
| WD 200198M | 12/21/01 | WD 200198M | 12/21/01 |
| WD 200199M | 12/21/01 | WD 200199M | 12/21/01 |
| WD 200200M | 12/21/01 | WD 200200M | 12/21/01 |

CITY OF WEST SACRAMENTO  
Assessor's Map Bk. 8, Pg. 44  
City of Yolo, Calif.

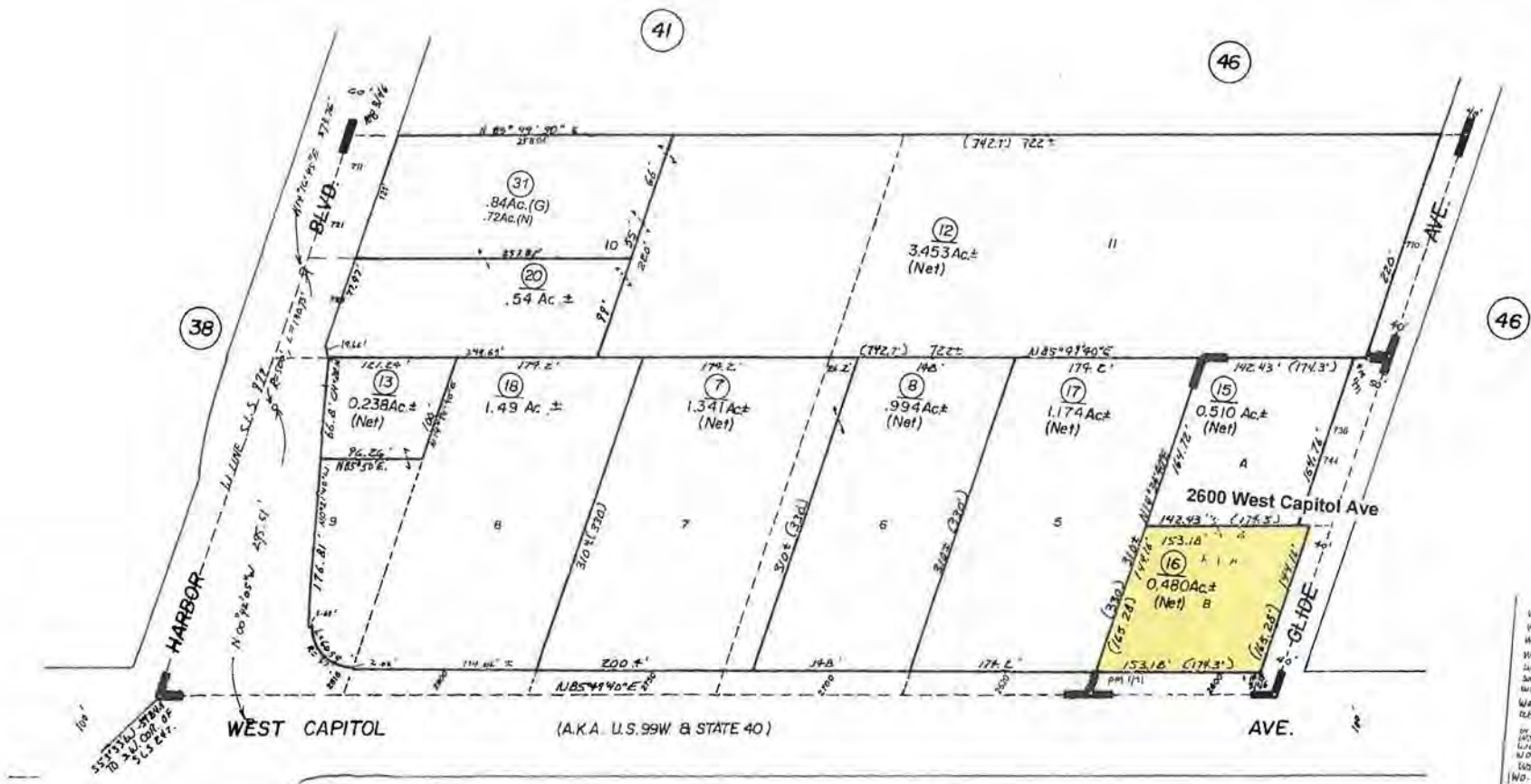
04/05

NOTE - Assessor's Block Numbers Shown in Ellipses.  
Assessor's Parcel Numbers Shown in Circles.



POR. OF SEC. 32 & POR. OF SEC. 33, T. 9N., R. 4E., M.D.B. & M.

CAUTION - These Maps ARE NOT to be used for legal descriptions.



M.B. Bk. 3, Pg. 46 - Lots 4-11, Riverloam Acres.  
 P.M. Bk. 1, Pg. 71 - Lot 4, Riverbam Acres.  
 M.S. Bk. 13, Pg. 87 - Record of Survey.

Bk 67  
 Pg. 12, 19

(formerly por. 8 - 09)

NOTE - Assessor's Block Number Shown in Ellipses.  
 Assessor's Parcel Number Shown in Circles.

|               |           |
|---------------|-----------|
| W.D. 205105M  | 12/01/09  |
| W.D. 204218M  | 12/01/09  |
| W.D. 2041110  | 04/11/09  |
| W.D. 203195M  | 12/01/09  |
| W.D. 917053   | 1/4/20/07 |
| W.D. 080292M  | 1/2/08/06 |
| W.D. 7763 N   | 2.2.07    |
| W.D. 954 W 11 | 2.2.07    |
| W.D. 940 M    | 2.2.07    |
| W.D. 92211    | 2.2.07    |
| W.D. 02020    | 2.2.07    |
| W.D. 9011 L   | 4/10/06   |
| W.D. 8882 M   | 1/28/05   |
| W.D. 6513 M   | 1/16/05   |
| W.D. 6490 M   | 1/16/05   |
| W.D. 6241 M   | 1/16/05   |
| W.D. 6117 M   | 1/16/05   |
| W.D. 5972 M   | 2.2.07    |
| W.D. 5818 A   | 2.2.07    |
| W.D. 565 D    | 2.2.07    |
| W.D. 5430 L   | 7/21/77   |
| W.D. 5279     | 6/14/74   |
| W.D. 5135 C   | 4/26/74   |
| W.D. 609 D    | 1/18/73   |
| W.D. 607 D    | 1/18/73   |
| W.D. 603 D    | 1/18/73   |
| - REVISIONS - |           |

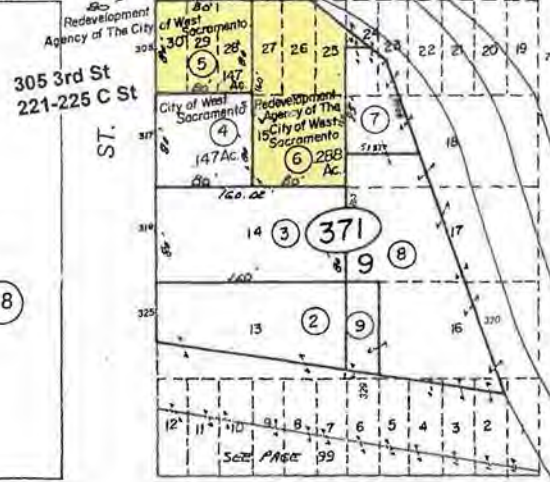
CITY OF WEST SACRAMENTO  
 Assessor's Map Bk. 8, Pg. 45  
 County of Yolo, Calif.



CAUTION - These Maps ARE NOT to be used for legal descriptions. 10 - 37

40T  
36S  
4E

POR. T. 9N., R. 4E., M.D.B. & M.  
C (ELIZABETH) ST.



305 3rd St  
221-225 C St

(48)

(372) 2.689 Ac± (net)



CO. CO. RIVER CITY LIMITS WEST SACRAMENTO SACRAMENTO YOLO SACRAMENTO

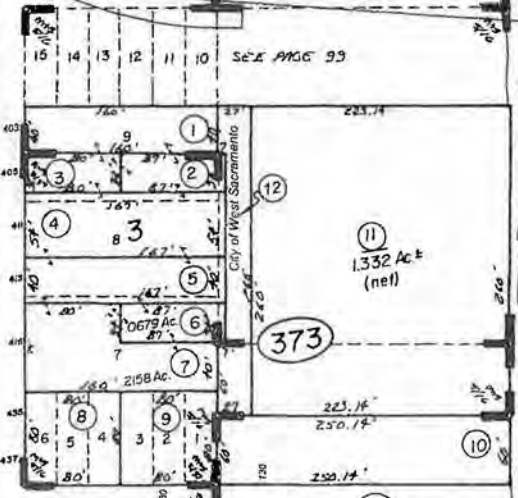
D (ANN)



(48)

3RD

E (HARRIET)



(47)

|            |          |
|------------|----------|
| WO 212045N | 05209 11 |
| WO 9808 4  | 811477   |
| WO 1188 L  | 711807   |
| WO 1261 L  | 711007   |
| WO 1073 L  | 111906   |
| WO 0816 L  | 201123   |
| WO 6083 L  |          |

REVISIONS

CITY OF WEST SACRAMENTO  
Assessor's Map Bk. 10, Pg. 37  
County of Yolo, Calif.

(12/13)

M. & S. Bk. 2, Pg. 37 - Gallinar, Survey for G.W.  
M. & S. Bk. 2, Pg. 38 - Town of Washington  
M. & S. Bk. 5, Pg. 16 - W.H. Shearman Tracts  
(formerly all 10 - 21 & 37)

NOTE - Assessor's Block Number Shown in Ellipses.  
Assessor's Parcel Number Shown in Circles.

CAUTION - These Maps ARE NOT to be used for legal descriptions.

POR. T. 9N., R. 4E., M.D.B. & M.



Bk. 14 Pg. 63

Bk. 14 Pg. 78

Bk. 14 Pg. 25



M.B. Bk. 4, Pg. 4 - Hoagland's Addition, Unit 1.  
M.B. Bk. 4, Pg. 18 - " " " " Unit 2 & 3.  
M.B.S. Bk. 7, Pg. 18 - Record of Survey.  
P.M. Bk. 7, Pg. 88 - Pcl. Map No. 3373 for Dennis Weaver  
M.S. Bk. 12, Pg. 94 - R. O. Survey.

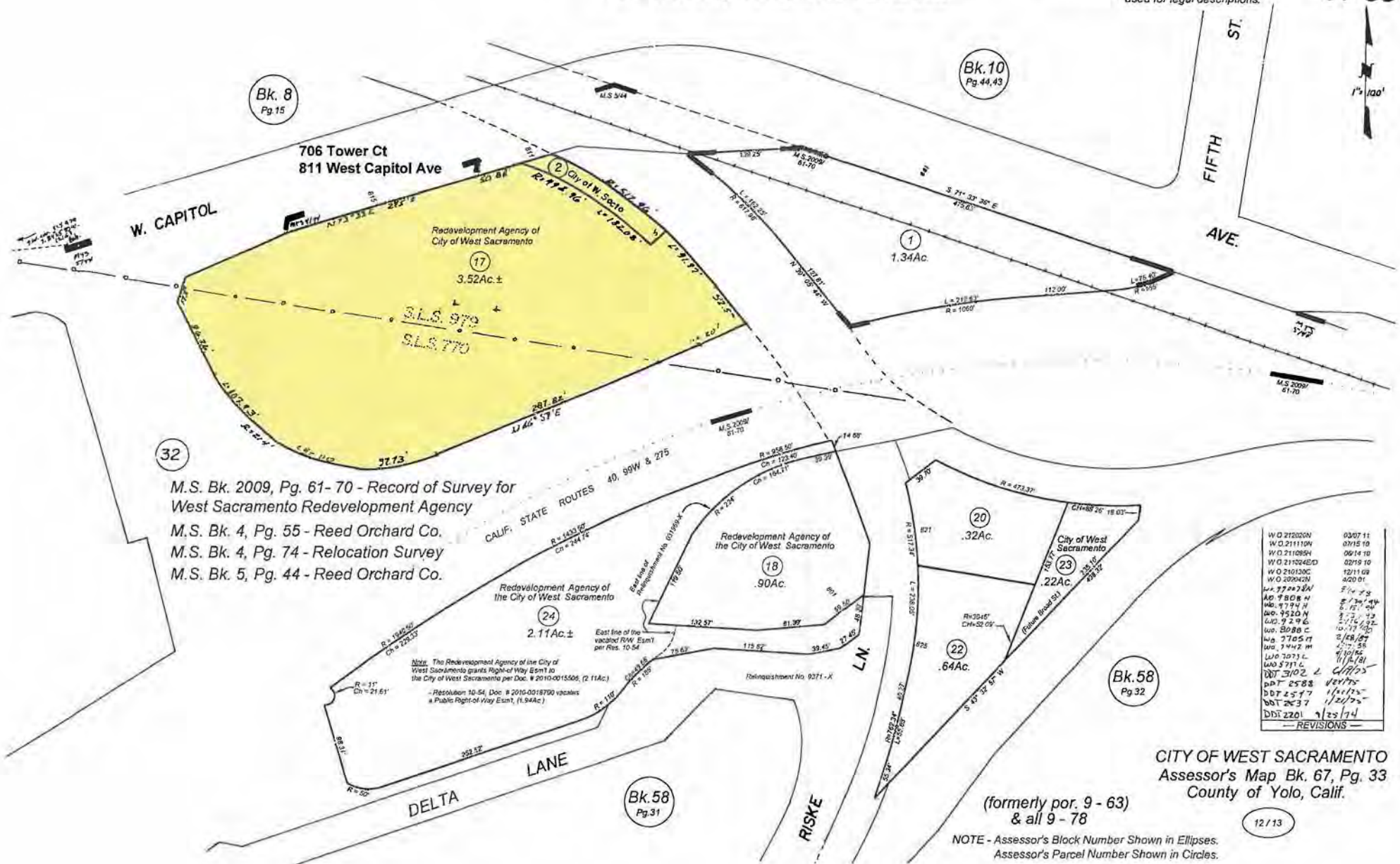
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|-----|----------|-----------|
| 1   | 10/30/04 | 2004      |
| 2   | 10/30/04 | 2004      |
| 3   | 10/30/04 | 2004      |
| 4   | 10/30/04 | 2004      |
| 5   | 10/30/04 | 2004      |
| 6   | 10/30/04 | 2004      |
| 7   | 10/30/04 | 2004      |
| 8   | 10/30/04 | 2004      |
| 9   | 10/30/04 | 2004      |
| 10  | 10/30/04 | 2004      |
| 11  | 10/30/04 | 2004      |
| 12  | 10/30/04 | 2004      |
| 13  | 10/30/04 | 2004      |
| 14  | 10/30/04 | 2004      |
| 15  | 10/30/04 | 2004      |
| 16  | 10/30/04 | 2004      |
| 17  | 10/30/04 | 2004      |
| 18  | 10/30/04 | 2004      |
| 19  | 10/30/04 | 2004      |
| 20  | 10/30/04 | 2004      |
| 21  | 10/30/04 | 2004      |
| 22  | 10/30/04 | 2004      |
| 23  | 10/30/04 | 2004      |
| 24  | 10/30/04 | 2004      |
| 25  | 10/30/04 | 2004      |
| 26  | 10/30/04 | 2004      |
| 27  | 10/30/04 | 2004      |
| 28  | 10/30/04 | 2004      |
| 29  | 10/30/04 | 2004      |
| 30  | 10/30/04 | 2004      |
| 31  | 10/30/04 | 2004      |
| 32  | 10/30/04 | 2004      |
| 33  | 10/30/04 | 2004      |
| 34  | 10/30/04 | 2004      |
| 35  | 10/30/04 | 2004      |
| 36  | 10/30/04 | 2004      |
| 37  | 10/30/04 | 2004      |
| 38  | 10/30/04 | 2004      |
| 39  | 10/30/04 | 2004      |
| 40  | 10/30/04 | 2004      |
| 41  | 10/30/04 | 2004      |
| 42  | 10/30/04 | 2004      |
| 43  | 10/30/04 | 2004      |
| 44  | 10/30/04 | 2004      |
| 45  | 10/30/04 | 2004      |
| 46  | 10/30/04 | 2004      |
| 47  | 10/30/04 | 2004      |
| 48  | 10/30/04 | 2004      |
| 49  | 10/30/04 | 2004      |
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| 51  | 10/30/04 | 2004      |
| 52  | 10/30/04 | 2004      |
| 53  | 10/30/04 | 2004      |
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| 63  | 10/30/04 | 2004      |
| 64  | 10/30/04 | 2004      |
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| 75  | 10/30/04 | 2004      |
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| 78  | 10/30/04 | 2004      |
| 79  | 10/30/04 | 2004      |
| 80  | 10/30/04 | 2004      |
| 81  | 10/30/04 | 2004      |
| 82  | 10/30/04 | 2004      |
| 83  | 10/30/04 | 2004      |
| 84  | 10/30/04 | 2004      |
| 85  | 10/30/04 | 2004      |
| 86  | 10/30/04 | 2004      |
| 87  | 10/30/04 | 2004      |
| 88  | 10/30/04 | 2004      |
| 89  | 10/30/04 | 2004      |
| 90  | 10/30/04 | 2004      |
| 91  | 10/30/04 | 2004      |
| 92  | 10/30/04 | 2004      |
| 93  | 10/30/04 | 2004      |
| 94  | 10/30/04 | 2004      |
| 95  | 10/30/04 | 2004      |
| 96  | 10/30/04 | 2004      |
| 97  | 10/30/04 | 2004      |
| 98  | 10/30/04 | 2004      |
| 99  | 10/30/04 | 2004      |
| 100 | 10/30/04 | 2004      |

(formerly por. 10 - 30 & 31)  
NOTE - Assessor's Block Number Shown in Ellipses.  
Assessor's Parcel Number Shown in Circles.

CITY OF WEST SACRAMENTO  
Assessor's Map Bk. 10, Pg. 52  
County of Yolo, Calif.

05/06





Bk. 8  
Pg. 15

Bk. 10  
Pg. 44, 43



32

M.S. Bk. 2009, Pg. 61- 70 - Record of Survey for West Sacramento Redevelopment Agency  
 M.S. Bk. 4, Pg. 55 - Reed Orchard Co.  
 M.S. Bk. 4, Pg. 74 - Relocation Survey  
 M.S. Bk. 5, Pg. 44 - Reed Orchard Co.

Note: The Redevelopment Agency of the City of West Sacramento grants Right-of-Way Eas1 to the City of West Sacramento per Doc. # 2010-0015506, (2.11Ac).  
 - Resolution 10-54, Doc. # 2010-0018700 vacates a Public Right-of-Way Eas1, (1.94Ac)

|                |          |
|----------------|----------|
| W.O. 212020N   | 03/07/11 |
| W.O. 211110N   | 07/15/10 |
| W.O. 211095N   | 06/14/10 |
| W.O. 211524E/D | 02/19/10 |
| W.O. 200130C   | 12/11/09 |
| W.O. 200042N   | 02/01/10 |
| W.O. 970078A   | 5/14/08  |
| AD 7808 N      | 8/24/04  |
| W.O. 9194 N    | 8/12/04  |
| W.O. 9520 N    | 8/12/04  |
| W.O. 9296      | 5/14/02  |
| W.O. 8080 C    | 10/13/00 |
| W.O. 7105 FT   | 2/28/07  |
| W.O. 1442 M    | 2/17/05  |
| W.O. 7071 C    | 11/16/01 |
| W.O. 5711 C    | 11/16/01 |
| DOT 2102       | 2/11/02  |
| DOT 2583       | 8/21/02  |
| DOT 2597       | 1/21/02  |
| DOT 2637       | 1/21/02  |
| DOT 2201       | 1/25/04  |

Bk. 58  
Pg. 32

Bk. 58  
Pg. 31

CITY OF WEST SACRAMENTO  
 Assessor's Map Bk. 67, Pg. 33  
 County of Yolo, Calif.

(formerly por. 9 - 63)  
 & all 9 - 78

NOTE - Assessor's Block Number Shown in Ellipses.  
 Assessor's Parcel Number Shown in Circles.

12 / 13

Note: Sierra Northern East - 50' wide Tax Dist. in Bk. #4 of Deeds, Pg. 116 Y.C.P.1) granted to the City of West Sacramento per Dec. # 2005-00497-35-03 O.R. Ending approx. at Eng. Sta. 325 + 90

POR. OF T. 8N., R. 4E., M.D.B. & M.

CAUTION - These maps ARE NOT to be used for legal descriptions.

46 - 01



B.M. Bk. 04, Pg. 132 - 138  
Parella Unit 2, Subd. # 4639

M.S. Bk. 8, Pg. 53 - Record of Survey.  
P.M. Book. 1998 .Pg.19, 20 - Pcl. Map #4367.  
P.M. Bk. 00, Pg. 7, 8 - Pcl. Map # 4413.  
P.M. Bk. 01, Pg. 138, 139 - Pcl. Map # 4538  
B.M. Bk. 02, Pg. 70 - 73  
Southport Gateway Phase 3 B, Subd. # 4533

|              |          |               |          |
|--------------|----------|---------------|----------|
| W.O. 2004110 | 4/1/05   | W.O. 201101A  | 12/7/00  |
| W.O. 200426B | 3/7/05   | W.O. 201064DE | 6/2/00   |
| W.O. 200222C | 12/7/04  | W.O. 201020V  | 7/23/00  |
| W.O. 200223A | 11/7/04  | W.O. 201001B  | 2/18/00  |
| W.O. 200221D | 10/27/04 | W.O. 201017A  | 10/21/00 |
| W.O. 200211A | 09/27/04 | W.O. 201021A  | 1/16/00  |
| W.O. 200210A | 09/27/04 | W.O. 201019A  | 11/18/00 |
| W.O. 200209A | 09/27/04 | W.O. 201018A  | 11/18/00 |
| W.O. 200208A | 09/27/04 | W.O. 201017B  | 11/18/00 |
| W.O. 200207A | 09/27/04 | W.O. 201016A  | 09/15/00 |
| W.O. 200206A | 09/27/04 | W.O. 201015A  | 09/15/00 |
| W.O. 200205A | 09/27/04 | W.O. 201014A  | 09/15/00 |
| W.O. 200204A | 09/27/04 | W.O. 201013A  | 09/15/00 |
| W.O. 200203A | 09/27/04 | W.O. 201012A  | 09/15/00 |
| W.O. 200202A | 09/27/04 | W.O. 201011A  | 09/15/00 |
| W.O. 200201A | 09/27/04 | W.O. 201010A  | 09/15/00 |

DDT 3113 B 6/30/15  
DDT 3113 B 6/30/15  
DDT 3113 B 6/30/15

B.M. Bk. 04, Pg. 169 - 171  
Riva - A Condominium Project, Subd. # 4662  
P.M. Bk. 04, Pg. 198 - 202, Pcl. Map # 4733  
M.S. Bk. 2008, Pg. 43 - 52 - Record of Survey -  
Jefferson Blvd. Widening Project (Monumentation)

CITY OF WEST SACRAMENTO  
Assessor's Map Bk. 46, Pg. 01  
County of Yolo, Calif.

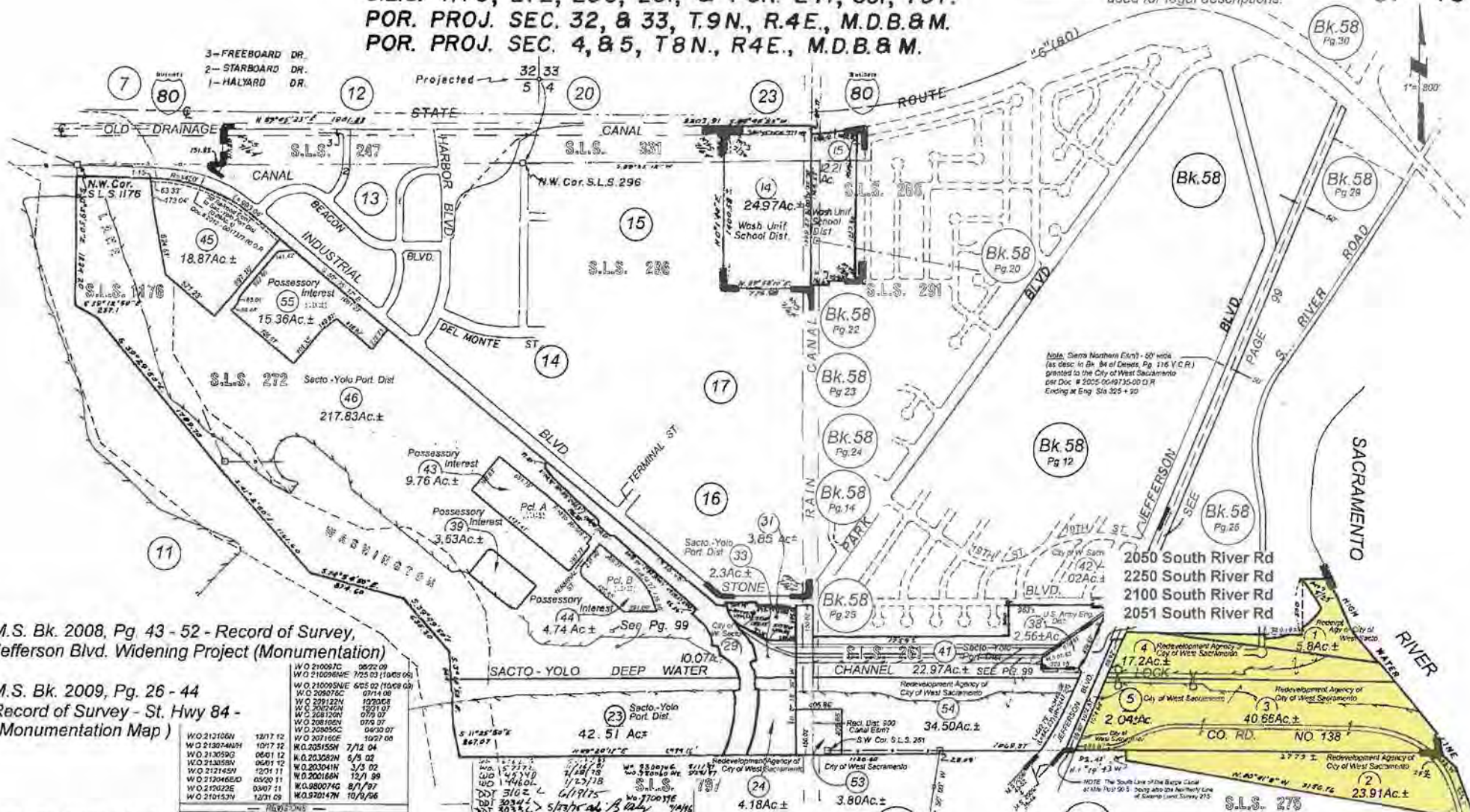
NOTE - Assessor's Block Number Shown in Ellipses.  
Assessor's Parcel Number Shown in Circles



S.L.S. 1176, 272, 296, 261, & POR 247, 331, 797.  
 POR. PROJ. SEC. 32, & 33, T.9N., R.4E., M.D.B.&M.  
 POR. PROJ. SEC. 4, & 5, T.8N., R.4E., M.D.B.&M.

CAUTION - These Maps ARE NOT to be used for legal descriptions.

67 - 18



Note: Same Northern Ebn - 50' wide (as Desc. in Bk. 84 of Deeds, Pg. 116 Y.C.R.) granted to the City of West Sacramento per Doc. # 2005-00-49735-00 O.R. Ending at Eng. Sta. 225 + 20

2050 South River Rd  
 2250 South River Rd  
 2100 South River Rd  
 2051 South River Rd

M.S. Bk. 2008, Pg. 43 - 52 - Record of Survey,  
 Jefferson Blvd. Widening Project (Monumentation)

M.S. Bk. 2009, Pg. 26 - 44  
 Record of Survey - St. Hwy 84 -  
 (Monumentation Map)

|               |                     |
|---------------|---------------------|
| W.O. 210067C  | 06/22/09            |
| W.O. 210096NE | 12/25/03 (10/03/04) |
| W.O. 210095NE | 06/25/02 (10/03/04) |
| W.O. 209075C  | 07/14/00            |
| W.O. 209127N  | 02/04/00            |
| W.O. 209242N  | 10/21/97            |
| W.O. 208120N  | 07/07/07            |
| W.O. 208180N  | 07/07/07            |
| W.O. 209055C  | 04/30/07            |
| W.O. 207165E  | 10/27/00            |
| W.O. 205155N  | 7/12/04             |
| W.O. 203082N  | 6/5/02              |
| W.O. 203041N  | 3/3/02              |
| W.O. 200166N  | 12/1/99             |
| W.O. 080074G  | 8/1/97              |
| W.O. 210022E  | 03/07/11            |
| W.O. 210153N  | 12/21/09            |
| W.O. 920147N  | 10/6/96             |

REVISIONS  
 1. 11/22/01  
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M.&S. Bk. 7, Pg. 64 - Turner, Williams, Allen & Cebrian  
 M.&S. Bk. 7, Pg. 30 - A. F. Turner  
 State Appraisal Maps - Dist. III, Yolo (80) - P.M. 10.67 - 11.5  
 Sac. - Yolo Port Dist. R/W Record of Survey, Pg. 2 & 3  
 M.&S. Bk. 5, Pg. 25 - Shell Oil Co. & Arthur F. Turner Tracts  
 M.S. Bk. 07, Pg. 60 - Record of Survey

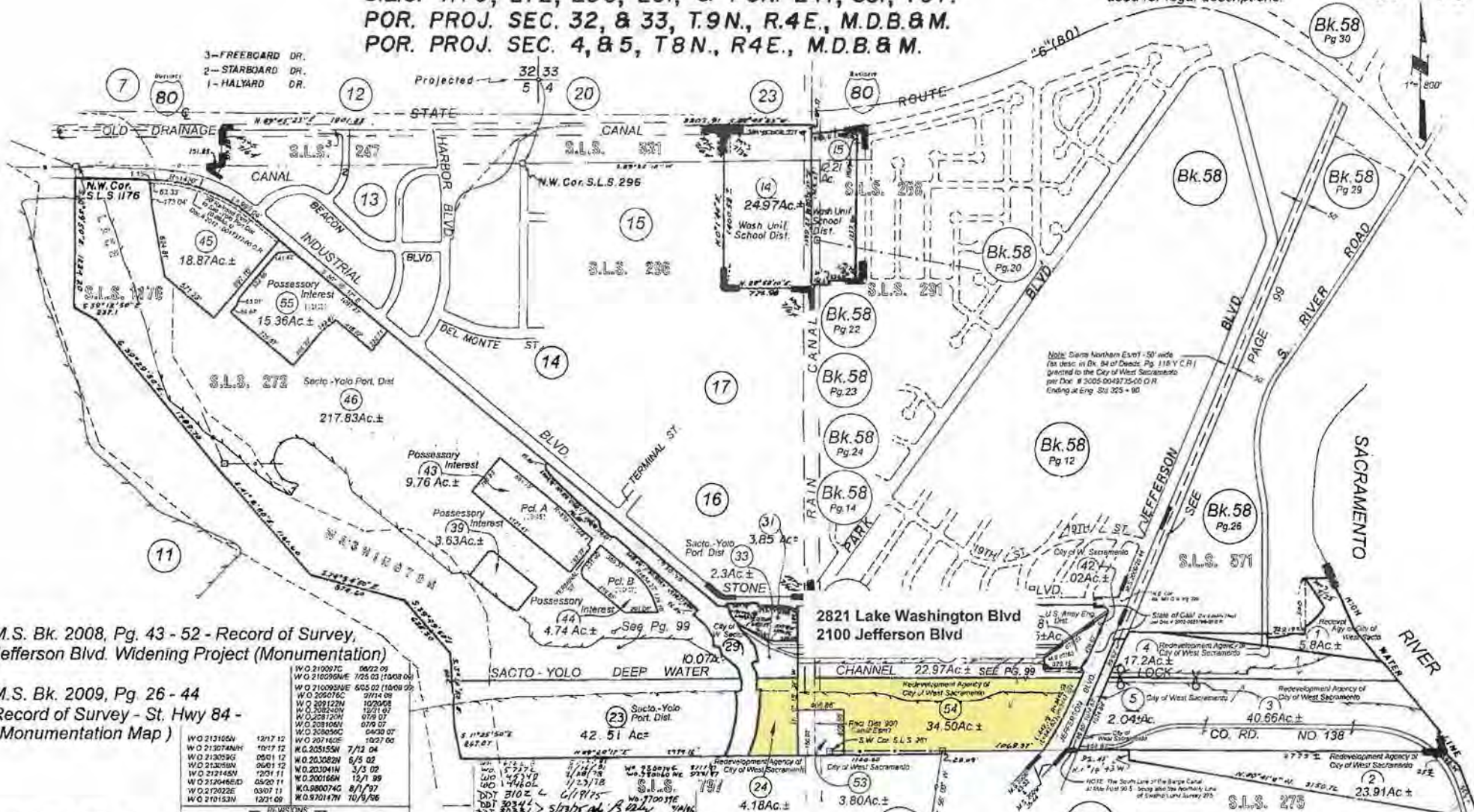
(formerly all 9 - 35 added)  
 9 - 36  
 por. 9 - 30

NOTE - Assessor's Block Number Shown in Ellipses.  
 Assessor's Parcel Number Shown in Circles



S.L.S. 1176, 272, 296, 261, & POR. 247, 331, 797.  
 POR. PROJ. SEC. 32, & 33, T.9N., R.4E., M.D.B.&M.  
 POR. PROJ. SEC. 4, & 5, T.8N., R.4E., M.D.B.&M.

CAUTION - These Maps ARE NOT to be used for legal descriptions.



M.S. Bk. 2008, Pg. 43 - 52 - Record of Survey,  
 Jefferson Blvd. Widening Project (Monumentation)

M.S. Bk. 2009, Pg. 26 - 44  
 Record of Survey - St. Hwy 84 -  
 (Monumentation Map)

|                |          |
|----------------|----------|
| W.O. 210097C   | 08/22/08 |
| W.O. 210096A   | 10/03/08 |
| W.O. 210095W   | 05/02/08 |
| W.O. 205076C   | 07/14/08 |
| W.O. 209122N   | 12/29/08 |
| W.O. 208123W   | 12/11/07 |
| W.O. 208123W   | 07/8/07  |
| W.O. 208105W   | 07/8/07  |
| W.O. 208040C   | 04/30/07 |
| W.O. 207140E   | 10/27/00 |
| W.O. 205153W   | 7/13/04  |
| W.O. 203028N   | 6/5/02   |
| W.O. 213028W   | 06/01/02 |
| W.O. 212145W   | 02/01/11 |
| W.O. 212046E.D | 05/20/11 |
| W.O. 212022E   | 03/07/11 |
| W.O. 210153W   | 12/21/09 |

W.O. 212145W 11/21/15  
 W.O. 212022E 1/20/15  
 W.O. 210153W 2/20/13  
 REVISIONS

- M.&S. Bk. 7, Pg. 64 - Turner, Williams, Allen & Cebrian
- M.&S. Bk. 7, Pg. 30 - A. F. Turner
- State Appraisal Maps - Dist. III, Yolo (80) - P.M. 10.67 - 11.5
- Sac. - Yolo Port Dist. R/W Record of Survey, Pg. 2 & 3
- M.&S. Bk. 5, Pg. 25 - Shell Oil Co. & Arthur F. Turner Tracts
- M.S. Bk. 07, Pg. 60 - Record of Survey

(formerly all 9 - 35 added)  
 9 - 36  
 por. 9 - 30

NOTE - Assessor's Block Number Shown in Ellipses.  
 Assessor's Parcel Number Shown in Circles

CITY OF WEST SACRAMENTO  
 Assessor's Map Bk. 67, Pg. 18  
 County of Yolo, Calif.

## Appraisal Instructions

On behalf of the Oversight Board of the Successor Agency of the West Sacramento Redevelopment Agency for the purposes of establishing current fair market value of the properties listed below (**TOWER COURT and WASHINGTON FIREHOUSE**) as part of their preparation and implementation of the Long Range Property Management Plan, the appraiser is instructed to prepare a summary appraisal report in compliance with the standards set forth in the current Uniform Standards of Professional Appraisal Practice (USPAP) that considers the following relevant physical and economic characteristics of the properties, assessing the property in its “as-is” condition, with the effective date of the appraisal being the date that the appraiser is issued the notice to proceed.

### TOWER COURT

**APNs:** 067-330-002 and 067-330-017

**Addresses:** 811 West Capitol Avenue and 706 Tower Court or 815 West Capitol Avenue

**Lot sizes:** 0.8 acres and 3.52 acres

#### **Development would need to be consistent with:**

- The current zoning of Central Business District as described in Section 17.22.051 in the City’s Municipal Code; and<sup>1</sup>
- The adopted Washington Specific Plan, the approved Grand Gateway Master Plan (which replaced the West Capitol Avenue Design Guidelines for these parcels) and the approved West Capitol Avenue Streetscape Master Plan; and<sup>2</sup>
- All encumbrances on the property listed on a current title report, including the declaration of restrictive covenants on the property, unless otherwise indicated that they must be removed per the covenant; and<sup>3</sup>
- The existing AT&T cell tower lease agreement.<sup>4</sup>

**Other considerations:** The site is currently a registered brownfield with the Department of Toxic Substances Control. The owner of the property is required to carry out the prescribed environmental remediation as described in the executed cooperative agreement between the City of West Sacramento and the United State Environmental Protection Agency. A copy of the agreement is incorporated and attached to the covenant referenced above (document instrument no. 2011-006716).

#### **Notes**

<sup>1</sup>*Section 17.22.051 City’s Municipal Code*

A. General Plan Reference—CBD Central Business District. This designation provides for restaurants, retail, service, professional and administrative office, hotel and motel uses, multifamily residential units, public and quasi-public uses, and similar and compatible uses. The FAR for office shall not exceed 3.00, and the FAR for other uses shall not exceed 0.60 for other commercial uses. All proposed residential units shall be subject to discretionary review and approval. This designation is applied only to the downtown area of West Sacramento (the area generally east and west from the intersection of West Capitol Avenue and Jefferson Boulevard). Residential use in the CBD are assumed to have an average density of 2.25 persons per dwelling unit.



B. The purpose of the central business district (CBD) zone is to provide an area to promote the orderly development of retail shopping facilities to service the present and future needs of the surrounding residential community, while preserving and expanding the unique characteristics of the city's original commercial center. (Ord. 05-6 § 3 (part); Ord. 93-1 § 5 (part))

<sup>2</sup> Copies of the documents are available at <http://www.cityofwestsacramento.org/city/depts/comdev/planning/documents.asp>.

<sup>3</sup> A current title report will be provided, along with copies of all title exceptions (encumbrances), to the appraiser.

<sup>4</sup> A copy of the lease agreement will be provided to the appraiser.

### **WASHINGTON FIREHOUSE**

**APNs:** 010-371-005 and 010-371-006

**Addresses:** 305 3<sup>rd</sup> Street and 221-225 C Street

**Lots sizes:** 0.15 acres and 0.288 acres

#### **Development would need to be consistent with:**

- The current zoning of Waterfront as described in Section 17.22.052 in the City's Municipal Code; and<sup>1</sup>
- The adopted Washington Specific Plan; and<sup>2</sup>
- All encumbrances on the property listed on a current title report, including the declaration of restrictive covenants on the property, unless otherwise indicated that they must be removed per the covenant; and<sup>3</sup>
- The existing 40-year parking agreement.<sup>4</sup>

#### **Other Considerations:**

**Notes:** The property is adjacent to a historic structure owned by the City of West Sacramento.

<sup>1</sup>Section 17.22.052 City's Municipal Code

General Plan Reference—RMU Riverfront Mixed Use. This designation provides for marinas, restaurants, retail, amusement, hotel and motel uses, mid-rise and high-rise offices, multifamily residential uses which are oriented principally to the river, public and quasi-public uses, and similar and compatible uses. All development under this designation shall be approved pursuant to a master development plan (e.g., specific plan). Unless specified otherwise in an adopted specific plan, the following shall apply:

1. Residential densities shall be at least 25.1 units per acre.
2. Projects with residential densities below twenty-five units per acre shall be subject to discretionary review and approval.
3. The FAR for offices shall not exceed 10.00; and the FAR for all other uses shall not exceed 3.00.
4. The RMU designation is assumed to have an average of 2.25 persons per dwelling units.
5. It is applied to relatively large, vacant or underutilized areas adjacent to the Sacramento River and barge canal.

B. The purpose of the waterfront (WF) zone is to allow for high-intensity mixed uses which capitalize on the city's river frontage. Much of this area will be redeveloped from prior industrial development. After completion of a master development plan, many properties will be rezoned to other specific use zones such as R-4 or C-W. Mixed use projects may remain in this zone. (Ord. 11-6 § 1; Ord. 05-2 § 3 (part); Ord. 93-1 § 5 (part))

<sup>2</sup> A copy of the documents is available at  
<http://www.cityofwestsacramento.org/city/depts/comdev/planning/documents.asp>.

<sup>3</sup> A current title report will be provided, along with copies of all title exceptions (encumbrances), to the appraiser.

<sup>4</sup> A copy of the parking agreement will be provided to the appraiser.

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## REDEVELOPMENT SUCCESSOR AGENCY OVERSIGHT BOARD

## AGENDA REPORT

MEETING DATE: September 12, 2013

ITEM #

4

## SUBJECT:

**WORKSHOP ON THE SUCCESSOR AGENCY'S DRAFT LONG RANGE  
PROPERTY MANAGEMENT PLAN AS REQUIRED BY ASSEMBLY BILL 1484**

## INITIATED OR REQUESTED BY:

Council     Staff  
 Other

## REPORT COORDINATED OR PREPARED BY:

Katie Yancey, Senior Administrative Analyst  
Jon Robinson, Housing and Community Investment Manager

  
Martin Tuttle, Executive Director  
West Sacramento Redevelopment Successor Agency

ATTACHMENT  Yes     No Information Direction Action**OBJECTIVE**

The purpose of this report and presentation is to facilitate discussion and to solicit direction from the Oversight Board regarding the draft long-range property management plan ("the Plan") that addresses the disposition and use of the real properties of the former Redevelopment Agency.

**RECOMMENDED ACTION**

It is respectfully recommended that the Oversight Board hear the presentation by staff about the Plan and provide comments or direction.

**BACKGROUND**

Under AB1x 26 (HSC Section 34177 [e]), successor agencies are required to "dispose of assets and properties of the former redevelopment agency" and to do so "expeditiously and in a manner aimed at maximizing value". Upon determination of the Oversight Board, proceeds from the sale of former Redevelopment Agency assets can be used to fund approved development projects or to fund other wind-down activities. If no such activities exist, the funds are to be transferred to the county auditor-controller for distribution to taxing entities.

On June 27, 2012, the Governor approved a follow-up bill to AB1x 26, AB 1484. AB 1484 altered the Oversight Board's role in real property disposition. The Oversight Board's new role is to approve a long range property management plan, which pursuant to the law must contain a detailed inventory of all real property assets and set of recommendations regarding how and to whom the assets should be disposed or distributed. AB 1484 specifies that the Plan must be approved and submitted within six months of the issuance of a finding of completion, which the Successor Agency received May 16, 2013.

On August 16, 2012, the Oversight Board heard a presentation from staff regarding the required elements of the Plan and staff's proposed strategy for preparing the Plan. On March 6, 2013, staff presented a report that contained a more detailed discussion of the Plan along with a proposed Oversight Board resolution establishing operational definitions of key real estate terms necessary to complete the Plan. The Successor Agency recommended adoption of OB Resolution 13-3 to the Oversight Board, which was adopted on March 14, 2013.

On June 18, 2013, staff presented the recommendations contained within the draft long-range property management plan (Attachment 1) to the City Council/Successor Agency for its review and comments. The City Council supported staff's proposed approach to the disposition of the former Agency properties.

Based on the draft recommendations presented on June 18, 2013, the City Council/Successor Agency approved appraisal instructions for the two properties on August 7, 2013; it will consider retaining for future development. This approach is consistent with the process outlined in OB Resolution 13-3. On August 8, 2013, staff presented the same recommendations and appraisal instructions previously provided to the City Council/Successor Agency to the Oversight Board. The Oversight Board approved the draft recommendations and appraisal instructions. The Oversight Board also authorized staff to proceed with the selection of an appraiser to prepare the appraisal reports for the properties that the may be retained for future development under the Plan.

**ANALYSIS**

The Successor Agency must prepare a Plan that includes, at minimum, a strategy for disposing of the former Agency assets and an inventory of all of the assets. In the event that the Successor Agency does not prepare and submit a Plan for approval to the Oversight Board or the Department of Finance (DOF) does not approve the Plan by January 15, 2015, the (considerably less flexible) disposition process provided in AB 1x26 is re-activated. Pursuant to HSC Section 34191.5 (c) (2), the strategy for the disposition must recommend that each asset be disposed of by one of the following means:

- Retention of property for future development by the City;
- Liquidation of the property for a project identified in the approved redevelopment plan or an enforceable obligation;
- Simple liquidation of property, consistent with the intent of AB1x26; or
- Retention of property for governmental purposes. (In cases where compensation is required for the disposition of assets, the proceeds shall be distributed to the taxing entities.)

Pursuant to HSC section 34191.5 (c) (1), the inventory must include the following items:

- The use of the asset and purpose for which it was acquired;
- The date of acquisition of the asset, the value of the property at that time, and an estimate of its current value;
- If real property, the parcel's address, size, zoning and any designation under the any applicable planning documents;
- Any available appraisal information;
- An estimate of any revenues generated from agency's assets, such as lease or rental fees and a description of the existing contractual obligations;
- A history of environmental contamination, including a designation as a brownfield site, and any history for remediation;
- A description of the property's potential for transit-oriented development;
- A description of property's potential for fulfilling any of the planning objectives of the successor agency or for a project identified in former Agency's adopted redevelopment plan;
- A brief history of any previous development proposals on the site; and
- A brief history of any previous lease or rental of the site.

**Recommendations**

The draft Plan includes an inventory of the 14 properties owned by the West Sacramento Redevelopment Successor Agency, along with the following recommendations for their disposition by the Oversight Board:

| #  | APN         | Site Address          | Acres | Recommendation   |
|----|-------------|-----------------------|-------|--|
| 1  | 008-441-007 | 2400 West Capitol Ave | 0.65  | Retain a portion for regulator station and sell remainder and distribute proceeds to the taxing entities                   |
| 2  | 008-450-016 | 2600 West Capitol Ave | 0.48  | Sell and distribute proceeds to the taxing entities  |
| 3  | 010-371-005 | 305 3rd St            | 0.15  | Government use easement for Washington monument and retain for future development associated with the Washington Firehouse |
| 4  | 010-371-006 | 221-225 C St          | 0.29  |  |
| 5  | 010-523-037 | 485 Lighthouse Dr     | 0.37  | Sell and distribute proceeds to the taxing entities  |
| 6  | 067-330-002 | 811 West Capitol Ave  | 0.10  | Retain for future development associated with the Grand Gateway Master Plan  |
| 7  | 067-330-017 | 706 Tower Ct          | 3.52  |  |
| 8  | 046-010-011 | 2350 South River Rd   | 82.7  | Dispose per existing option/assignment agreement   |
| 9  | 067-180-001 | 2050 South River Rd   | 5.8   | Government use transfer for Lock facility and dispose per existing option/assignment agreement                             |
| 10 | 067-180-002 | 2250 South River Rd   | 23.91 | Dispose per existing option/assignment agreement   |
| 11 | 067-180-003 | 2100 South River Rd   | 40.66 | Government use transfer for Lock facility and dispose per existing option/assignment agreement                             |
| 12 | 067-180-004 | 2051 South River Rd   | 17.2  |  |
| 13 | 067-180-024 | 2821 Lake Wash. Blvd  | 4.18  | Dispose per existing option/assignment agreement   |
| 14 | 067-180-054 | 2100 Jefferson Blvd   | 34.5  |  |

The table above contains one small change from the version presented in the staff report to the Oversight Board on August 8, 2013. The Successor Agency property at 2400 West Capitol Avenue is now being considered by PG&E as the location for a future regulator station to be constructed with the Line 172 gas line project. This project would allow Phase 2 of the Capital Yards project, located in the Washington Neighborhood between Fifth and Third Streets, to proceed within one year from the abandonment of the right-of-way. Staff is working with PG&E to define the extent of the property needed for the station and anticipates including a plat map or legal description for the area needed with the final Plan.

### Implementation

Based on the Successor Agency direction related to the recommendations, staff has been working with consultants to establish a revised current market value for certain properties. The draft Plan currently contains staff's estimate of current value. If timing permits, the Plan that will be submitted to the DOF will include independently established values based on the process described in adopted OB Resolution 13-3. AB 1484 provides four disposition alternatives, which are summarized in Table 1 below, along with the recommended value estimation methodology.

Table 1: Proposed Value Estimate Methodologies by Property Use

| Use of Property                               | Recommended Value Estimate |
|---|----------------------------|
| Future Development                            | Appraisal                  |
| Sale (Proceeds Fund Enforceable Obligation)   | Broker opinion of value    |
| Sale (Distribute Proceeds to Taxing Entities) | Staff estimate             |
| Government Use                                | Staff estimate             |

The Plan was designed to be amenable to review by the DOF. For example, the property inventory is organized to facilitate quick comparison of the information provided against the requirements of AB 1484. In addition to the components required by AB 1484, the Plan also incorporates a recap of all public transfers and housing transfers that have been made to date, a history of the Redevelopment Agency and City advanced planning documents, and a variety of other source materials that were essential for establishing the disposition recommendations. The result is a Plan that is designed both to meet the statutory requirements pursuant to AB 1484, and to serve as a practical blueprint for the Plan's implementation.

Although AB 1484 does not specifically require that the Plan address implementation measures, staff recommends including as many implementation actions as can reasonably be completed by the November submission deadline, including new estimates of current value as they become available. Including an implementation component will underscore to the DOF the City's intent to effectuate the Plan, and leave the City Council and Oversight Board better prepared to put the Plan into action upon its approval by DOF. Staff will not allow any remaining implementation actions to delay the delivery of the statutorily-mandated components of the Plan by the November deadline. If necessary, the implementation piece will be dropped out in whole or in part to facilitate a timely submittal of the Plan to DOF.

Staff will return on October 2, 2013 for approval of the final Plan. At that time, the City Council and Successor Agency will be asked to commit fully to all the recommendations in the Plan. Staff will also address any further implementation actions related to the Stone Lock option under consideration by the DOF. If available, appraised values for properties the City wishes to retain for future use will be included in the Plan. Staff will also request that the City Council consider adopting a comprehensive resolution delegating authority to the City Manager to purchase the properties identified for retention using the appraised values as the basis for compensation. If the values are not yet available as of the October 2 meeting, staff will include only staff's estimate for current value and the approved appraisal instructions in the Plan and will return to the City Council/Successor Agency at a later date for approval of the purchase price and authority to acquire.

### City Council/Successor Agency Workshop Discussion

On September 4, 2013 staff presented the draft Plan to the City Council/Successor Agency in a workshop format. At the meeting, the City Council discussed two of the Successor Agency's public use properties: the California Indian Heritage Center (CIHC), also known as The East Riverfront Properties, and the Stone Lock facility. The location of these sites is shown in Attachments 2 and 3, respectively.

In 2012 the Oversight Board approved Resolution OB 12-4, directing that the CIHC property be transferred to the City as public use parcels. However, the City has yet to accept the properties. This site is not included in the draft Plan because staff intends to bring forward an agenda item to the Council meeting of September 18 recommending acceptance of these properties prior to submittal of the LRPMP. If the Council chooses not to accept the properties at this time, they must be added to the Plan.

On August 8, 2013, the Oversight Board heard a presentation on the draft recommendations included in the Plan. The Stone Lock facility (Properties 9, 11 and 12 in the recommendations table above) is the site of the Barge Canal, the lock gates, and the "stop logs" that separate the Barge Canal from the Sacramento River. The option with the Cordish Company (ratified by the Oversight Board on June 13, 2013) calls for the Lock facility itself to be segregated into a separate parcel and maintained in public use, which is predominately a feature of the City's flood control system.

The site is in need of substantial maintenance, some of which can be funded from a previous transfer of \$350,000 to the City for this purpose from the Recognized Obligation Payment Schedule (ROPS). Staff has prepared a resolution authorizing transfer of the site for Oversight Board consideration at its meeting of September 12, and will return to the Council at its meeting of October 2 with a resolution accepting the property.

#### Alternatives

The Oversight Board's primary alternatives are:

1. Hear and comment on the staff report and presentation and provide feedback and direction;
2. Hear the presentation and do not provide comment or direction; or
3. Direct staff to delay the report to a future meeting

Alternative 1 is staff's recommended action. Staff does not recommend Alternative 2, because the Oversight Board's input is critical to the delivery of an implementable work product that meets DOF's November deadline. Staff does not recommend Alternative 3 because delay would prevent staff from meeting DOF's deadline and force the City into the disposition process found in AB 1x 26, which is disadvantageous relative to the more flexible approach allowed by AB 1484.

#### Coordination and Review

This report was prepared by Community Development staff in consultation with the City Attorney and Administrative Services Department-Finance Division.

#### Budget/Cost Impact

The preparation and submission of a long-range property management plan to the Department of Finance is required and staff time will be billed to the Successor Agency's administrative budget. The estimated total cost, including professional services and staff time, to prepare and implement the Plan with the draft recommendations described above is \$52,000. The budget impact for all professional services contracts is not expected to exceed \$15,000 per vendor or \$33,000 in total for all contracts entered into for purposes of preparing the Plan. Staff anticipates that the staff and attorney time needed to prepare the Plan will not exceed \$19,000.

All professional services costs required to conduct due diligence and to acquire or transfer the properties to the City that are eligible under the Plan shall be paid for by the City. Staff estimates that the cost shall not exceed \$12,000.

#### ATTACHMENT(S)

1. Draft Long Range Property Management Plan<sup>1</sup>
2. East Riverfront Properties Location Map
3. Stone Lock Facility Location Map

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<sup>1</sup> To facilitate DOF review, the complete Plan includes a large quantity of background documentation, bringing it to a total of over 1,000 pages. Sections 1-6, which contain the property inventory and recommended disposition approaches, are included with this report in their entirety. The background documents found in Sections 7, 8 and 9 are summarized in the Plan, and available for review in the Community Development Department.



Long Range Property Management Plan

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Prepared by the West Sacramento Redevelopment Successor Agency

**DRAFT**

September 4, 2013

# Long Range Property Management Plan

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**Section 2:** How the Plan is Structured

**Section 3:** Summary of Land Use Planning Documents and Their Role in the Current 5-year Implementation Plan

**Section 4:** Summary of Recommendations by Assessor Parcel Number and Address

**Section 5:** AB 1484 Requirements and Inventory Template

**Section 6:** Inventory

- West Capitol Avenue
- Washington Specific Plan Area
- Lighthouse Drive/ Fifth Street Widening Project
- Grand Gateway Master Planning Area
- Southport Framework Plan/Stone Lock

**Section 7:** Source Material Used in the Preparation of the Inventory

**Section 8:** Successor Agency's Approach to the Disposition of Assets

- Housing
- Public Use
- LRPMP process

**Section 9:** Appendices

Appendix A- Redevelopment Plan for Project No.1

Appendix B- Current 5-Year Implementation Plan

Appendix C- West Capitol Avenue Action Plan

Appendix D- Central Business District Design Guidelines

Appendix E- Washington Specific Plan

Appendix F- Grand Gateway Master Planning Area

Appendix G- Southport Framework Plan

Appendix H- Parks Master Plan



# Long Range Property Management Plan: Section 1

## Executive Summary

Under AB1x 26 (Section 34177 of the Health and Safety Code), successor agencies are required to “dispose of assets and properties of the former redevelopment agency” and to do so “expeditiously and in a manner aimed at maximizing value.”

On June 27, 2012 the Governor approved AB 1484. With the passage of this legislation, the Oversight Board was temporarily relieved of its obligation to dispose of the former Agency’s assets pursuant to section 34177, but is still allowed to approve governmental use transfers.

The Oversight Board may resume disposition of non-public former Agency assets after the Department of Finance (DOF) has approved a long-range property management plan (“LRPMP” or “Plan”). On May 16, 2013, the Successor Agency received its finding of completion from the DOF, which triggered a six-month timeframe to submit the LRPMP for approval. In response, the Successor Agency has prepared a LRPMP that meets or exceeds all AB 1484 requirements.

The LRPMP includes an inventory of the 14 properties owned by the West Sacramento Redevelopment Successor Agency, along with recommendations for their disposition by the Oversight Board. The Plan’s recommendations are as follows:

| APN         | Site Address              | Acres | Recommendation   |
|-------------|---------------------------|-------|--|
| 008-441-007 | 2400 West Capitol Av      | 0.65  | Retain a portion for regulator station and sell remainder and distribute proceeds to the taxing entities                   |
| 008-450-016 | 2600 West Capitol Av      | 0.48  | Sell and distribute proceeds to the taxing entities  |
| 010-371-005 | 305 3rd St                | 0.15  | Government use easement for Washington monument and retain for future development associated with the Washington Firehouse |
| 010-371-006 | 221-225 C St              | 0.29  |  |
| 010-523-037 | 485 Lighthouse Dr         | 0.37  | Sell and distribute proceeds to the taxing entities  |
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| 067-330-017 | 706 Tower Ct              | 3.52  |  |
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| 067-180-004 | 2051 South River Rd       | 17.2  |  |
| 067-180-024 | 2821 Lake Washington Blvd | 4.18  | Dispose per existing option/assignment agreement   |
| 067-180-054 | 2100 Jefferson Blvd       | 34.5  |  |

## Long Range Property Management Plan: Section 1

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In addition to the LRPMP components required by AB 1484, the Plan also incorporates a recap of all public transfers and housing transfers that have been made to date, a history of the Redevelopment Agency and City advanced planning documents and a variety of other source material that were essential for establishing the disposition recommendations. The result is a Plan that is designed both to meet the statutory requirements for LRPMPs pursuant to AB 1484, and to serve as a practical blueprint for the Plan's implementation.



# Long Range Property Management Plan: Section 2

## How the Plan is Structured

The disposition strategy recommendations and the accompanying inventory are grouped by their geographical areas. Each geographical area is summarized in section 3 using the existing planning documents and their role in the current 5-year implementation plan. Map 1 shows the location of all the assets included in the inventory and their grouping. A complete list of the recommended actions indexed by parcel number and address are located in section 4. The inventory questionnaires are based on the requirements as described in AB 1484. Section 5 illustrates how the inventory sheets for each parcel (see section 6, grouped by geographic area) address specific sections of the Health and Safety Code. Section 7 contains relevant source material used in the preparation of the Section 6. The combination of sections 3-6 along with the with various disposition actions described in section 8 and the appendices included in section 9 of the LRPMP not only meet the requirements of AB 1484 but also provides a blueprint for the implementation of the LRPMP.

Map 1: Geographical Areas in the Inventory





# Long Range Property Management Plan: Section 3

## Summary of Land Use Planning Documents and their Role in the Current 5-year Implementation Plan

On March 6, 1986 the Yolo County Redevelopment Agency adopted a Redevelopment Plan for Redevelopment Project No. 1 within an area known at the time as East Yolo (see Appendix A). The following year, when the City of West Sacramento incorporated, the City inherited the Redevelopment Plan. Since then, the West Sacramento Redevelopment Agency (“Agency”) has adopted four amendments to Redevelopment Plan.

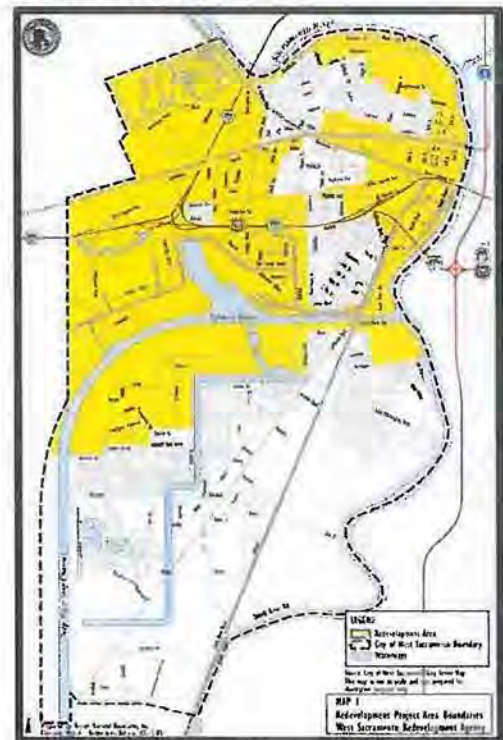
The Agency’s purpose was to eliminate and prevent the spread of blight and deterioration in the Project Area depicted in Figure 1. Characteristics of a blighted area included improperly utilized property, a weak economic base, stagnant economic growth, and environmental contamination or other environmental deficiencies, such as lack of proper infrastructure. The authors of the original Redevelopment Plan recognized that due to its long-term nature, the Redevelopment Plan could not prescribe a precise course or establish specific projects for the redevelopment, rehabilitation and revitalization of any area within the Project Area, but instead could provide a framework through which the Redevelopment Plan’s goals could be effectuated in the Project Area.

Pursuant to Article 16.5 of the Community Redevelopment Law, the Agency has adopted several five-year implementation plans that do prescribe a course of action and include specific projects within the Project Area. On April 6, 2011, the former Redevelopment Agency adopted its most current implementation plan (see Appendix B). The current implementation plan identifies several master and specific planning documents that guide future development within the Project Area. The boundaries of these various planning areas do not encompass the entire Project Area; however, the current implementation plan does describe the Agency’s goals, objectives, projects, programs, and blight elimination measures by these geographic areas when possible. The LRPMP is structured in a similar fashion.

### **Geographic Areas in the LRPMP**

*WEST CAPITOL AVENUE ACTION PLAN (APPENDIX C) AND CENTRAL BUSINESS DISTRICT DESIGN GUIDELINES AREA (APPENDIX D)*

Figure 1: Project Area



When the City incorporated, West Capitol Avenue was a source of physical and economic problems in West Sacramento. In 1990, the Agency began to take actions to reverse the trend of decline and upgrade the entire corridor. Using the power of eminent domain, granted in the



## Long Range Property Management Plan: Section 3

1986 Redevelopment Plan, in 1991 the Redevelopment Agency started acquiring several properties that were contributing to the blighting conditions along the corridor (see Figure 2).

Figure 2: Harbor Adult Bookstore

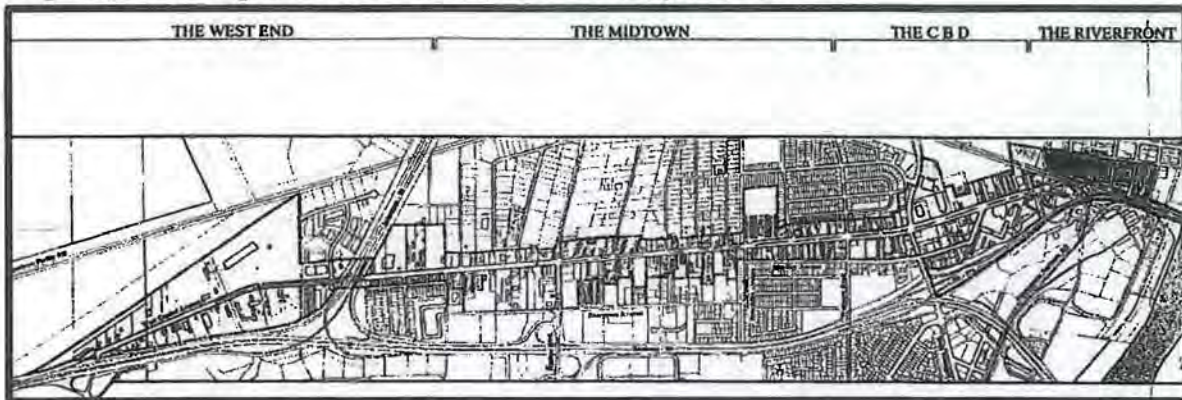


The West Capitol Avenue Action Plan (“Action Plan”) process, initiated at the same time, studied the problems of West Capitol Avenue and strived to create a plan for its revitalization. The primary goal of the Action Plan was to enhance the role of West Capitol Avenue as a principal commercial mixed use corridor in the City. The Action Plan was approved by Council in 1992.

In 2007, the Council approved the West Capitol Avenue Streetscape Master Plan and Design Guidelines and an accompanying implementation plan. The streetscape improvements were aimed at creating an appropriate setting to achieve the vision and attract the desired uses described in the Action Plan. Prior to dissolution of the Agency, Phase 1 of the streetscape improvements were constructed utilizing, in addition to grant funds, a \$4.5 million contribution from the Agency.

The most recent implementation plan mentions many of the same struggles that the existed along the West Capitol Avenue corridor 20 years ago. Many accomplishments have been made in the Midtown and CBD sections of West Capitol Avenue, but the Agency acknowledges that its difficulty in effectuating a complete change is due to a lack of market interest from private developers to develop the vacant parcels or redevelop the undesirable uses along the corridor (see Figure 3). In response, the Agency’s current implementation plan focuses solely on the industrial end of West Capitol Avenue and proposes a \$1 million expenditure to focus its planning efforts on land assembly and brownfield remediation in the West End.

Figure 3: West Capitol Avenue Action Plan Boundary and Sub Areas





## Long Range Property Management Plan: Section 3

### WASHINGTON SPECIFIC PLAN AREA (APPENDIX E)

The goals and objectives of the Washington Specific Plan, adopted in 1996, are primarily focused on the redevelopment and revitalization of this historic neighborhood and encouraging the development of large- to medium- scale mixed-use projects on the vacant or underutilized parcels along the Sacramento River, north of Tower Bridge Gateway. In addressing the underutilized property, the goals and policies of the document also recognize that many of the existing homes and buildings in this area are among the oldest in the City. This unusual stock of historic structures is specifically acknowledged in the recreational and cultural resources section of the planning document's goals and policies chapter. The policy objective articulated in this chapter describes the means the City will undertake to preserve and enhance the historical heritage of the neighborhood.

The current implementation plan identifies that Washington Firehouse structure for adaptive reuse. The building, owned by the City of West Sacramento, was constructed in 1939. Following the initial public use by the City, the structure has been vacant since the mid-1990s. In 2009, the City constructed the Washington Gateway Monument on northeast corner of the two parcels adjacent to the building are owned by the Successor Agency (see Figure 4). The monument was designed to reflect the historic nature of the Washington Neighborhood and the entire West Sacramento community. This enhancement makes the last improvement on the site, as no expenditures for renovation or consolidation of the site were identified in the current implementation plan.

Figure 4: Washington Firehouse Parcels





## Long Range Property Management Plan: Section 3

### *GRAND GATEWAY MASTER PLANNING AREA (APPENDIX F)*

The Grand Gateway Master Planning Area consists of ten acres of publicly owned land covered by multiple planning documents (see Figure 5). The objective of the master planning effort was to develop a comprehensive planning document which harmonizes the existing zoning with various vision expressions for the area described in the Washington Specific Plan, the Bridge District Specific Plan and the West Capitol Avenue Action Plan and the Central Business District Design Guidelines. The master planning document was funded by a 2011 Local Government Commission grant award for the purposes of creating a transit oriented development strategy that capitalizes on the urban infill potential of the site and takes a fresh approach to addressing pedestrian and vehicular circulation within and around the site. The master planning document was adopted by the City Council on June 6, 2013.

Figure 5: Grand Gateway Project Area and Existing Planning Documents



During the two-year timeframe from award to adoption, the ownership of apportion of the site changed. Previously the Successor Agency owned the Delta Lane site; however, because it was identified and transferred as housing assets, the City is now the current owner. The City also owns the Experience site to the north and the surrounding excess right-of-way (see Figure 6). Currently, Successor Agency owns the Tower Court parcels, the central portion of the master planning area.



## Long Range Property Management Plan: Section 3

Figure 6: Grand Gateway Ownership



Although the Grand Gateway Master Plan did not exist during the preparation of the current implementation plan, the Agency was pursuing redevelopment objectives on the Tower Court site. The Tower Court parcel is referenced in Table 1 “Relationship of Projects and Programs to Blight Elimination” of the current implementation plan. In relation to Tower Court, the current implementation plan encourages the remediation hazardous contaminations on the site and a master planning effort on this and the surrounding City owned-property as part of the Agency’s efforts to strengthen the economic base of the project area and community by stimulating new residential and commercial development and employment and economic growth.

### *SOUTHPORT FRAMEWORK PLAN (APPENDIX G) / STONE LOCK AREA*

The Southport Framework Plan, adopted in 1995, identifies the planned land use designations for the area south of the Deep Water Ship Channel. It refines the City’s General Plan and established a foundation for a four village-oriented mixed development for the southern half of the City (see Figure 7). A majority of Southport is not within the project area as it was primarily agricultural at the time the Redevelopment Plan was adopted.



# Long Range Property Management Plan: Section 3

Figure 7: Southport Framework Villages



The current implementation plan does cover the project area portion of the Southport Framework Plan and while it discuss the industrial and business park development in the Northwest Village, it primary focus is on the adaptive reuse and redevelopment surrounding the William G. Stone Lock facility (“the Stone Lock Property”) in the Northeast Village (see Figure 8) currently owned by the Successor Agency and under option by the Cordish Company, Inc.

The Northwest Village is unique form the other villages in its proposed land use pattern. Along the water, the land is zoned for Riverfront Mixed-Use, which requires a residential density in excess of 25 dwelling units to the acres. This is the only place in Southport were this land use designation is used (see Figure 9). Additionally, the Northwest Village is the only place in

Southport were developable land is zoned as Open Space. Several neighborhood parks are zoned for along the riverfront and a large community park is planned on for in the Northwest Village.

Figure 8: Stone Lock Property





# Long Range Property Management Plan: Section 3

Figure 9: Northwest Village Land Uses

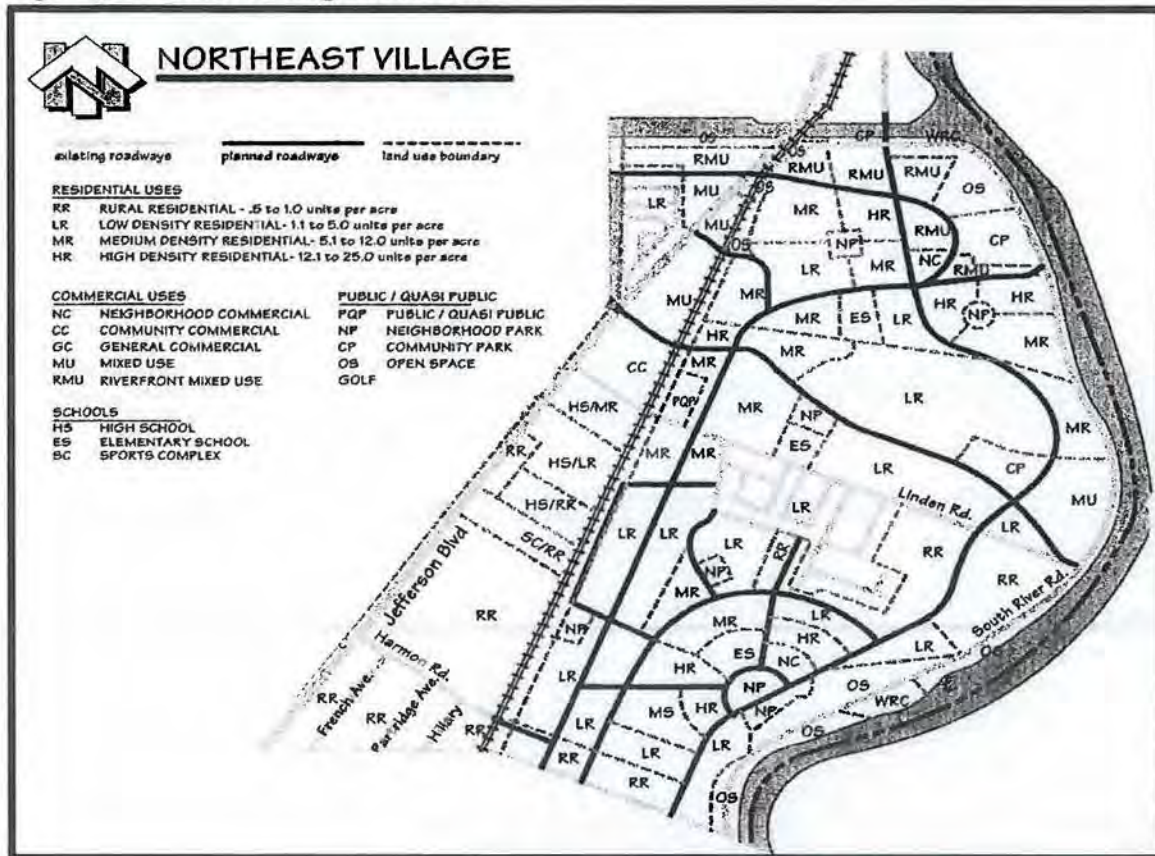


Figure 10: Central Park

In 2003, the City's Park's Department prepared a Parks Master Plan, provided in Appendix H) that includes an elaborate Central Park concept for the riverfront of the Northwest Village (see Figure 10.) A portion of the Central Park Concept is reflected in the zoning along the riverfront and has already been implemented. In 2005, the City Council elected to relocate a 3.8 acre neighborhood park from an industrial area in the



Northwest Village to a location along the Deep Water Ship Channel to support the economic vitality of the Port of West Sacramento and to provide the community with a better location for

## Long Range Property Management Plan: Section 3

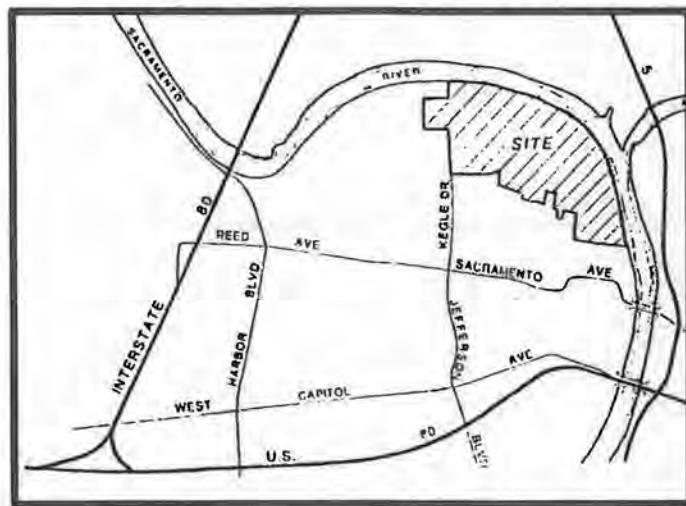
the park. In 2007, the City constructed a recreation and access improvement along the southern bank of the Deep Water Ship Channel.

The current implementation plan references these recreation and access and additional public improvements, the inline booster pump station and the setback levee project, on Stone Lock Property. It encourages the implementation of the Southport Framework and supports the repurposing of the Lock facility and surrounding areas for retail, residential and recreation uses as part of the Agency's efforts to anticipate and activate the redevelopment or development of underdeveloped areas which are stagnant or improperly utilized.

### *LIGHTHOUSE DRIVE/FIFTH STREET WIDENING PROJECT*

On March 8, 1989 the Agency entered into a Disposition and Development Agreement (DDA) with the Lighthouse Marina and Riverbed Development, a developer, for the purposes of implementing the Lighthouse Marina Project, currently known as the Rivers subdivision (see Figure 11). The DDA required that the City and the Agency fund the extension of Fifth St to the new development. A copy of the body of the DDA and Exhibit E of the DDA, the Public Improvements Plan, are available in Appendix I. In 1992, the Agency began acquiring property for the widening project.

Figure 11: Lighthouse Marina Site Map



The Fifth Street project was completed several years prior to the preparation of the current implementation plan and is therefore not mentioned.



## Long Range Property Management Plan: Section 4

### Recommendations by Assessor Parcel Number and Address

| APN         | Site Address              | Acres | Recommendation   |
|-------------|---------------------------|-------|--|
| 008-441-007 | 2400 West Capitol Av      | 0.65  | Retain a portion for regulator station and sell remainder and distribute proceeds to the taxing entities                   |
| 008-450-016 | 2600 West Capitol Av      | 0.48  | Sell and distribute proceeds to the taxing entities  |
| 010-371-005 | 305 3rd St                | 0.15  | Government use easement for Washington monument and retain for future development associated with the Washington Firehouse |
| 010-371-006 | 221-225 C St              | 0.29  |  |
| 010-523-037 | 485 Lighthouse Dr         | 0.37  | Sell and distribute proceeds to the taxing entities  |
| 067-330-002 | 811 West Capitol Av       | 0.10  | Retain for future development associated with the Grand Gateway Master Plan  |
| 067-330-017 | 706 Tower Ct              | 3.52  |  |
| 046-010-011 | 2350 South River Rd       | 82.7  | Dispose per existing option/assignment agreement   |
| 067-180-001 | 2050 South River Rd       | 5.8   | Government use transfer for Lock facility and dispose per existing option/assignment agreement                             |
| 067-180-002 | 2250 South River Rd       | 23.91 | Dispose per existing option/assignment agreement   |
| 067-180-003 | 2100 South River Rd       | 40.66 | Government use transfer for Lock facility and dispose per existing option/assignment agreement                             |
| 067-180-004 | 2051 South River Rd       | 17.2  |  |
| 067-180-024 | 2821 Lake Washington Blvd | 4.18  | Dispose per existing option/assignment agreement   |
| 067-180-054 | 2100 Jefferson Blvd       | 34.5  |  |



# Long Range Property Management Plan: Section 5

## AB 1484 Requirements and Inventory Template

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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 successor agency.

(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.

34191.5. (a) There is hereby established a Community Redevelopment Property Trust Fund, administered by the successor agency, 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 successor agency 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 successor agency 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.

|   |   |  |   |   |
|---|---|--|---|---|
| <span style="color: yellow;">●</span> C | APN: _____  | <span style="color: red;">●</span> A   | Date(s) of Acquisition: _____           | <span style="color: yellow;">●</span> C |
| <span style="color: yellow;">●</span> C | Address: _____  | Lot size: _____  | <span style="color: yellow;">●</span> C |   |
|   | Current zoning: _____   | General Plan Land Use: _____   | <span style="color: yellow;">●</span> C |   |
|   | Within the former RDA boundary? (yes/no) _____  |  |   |   |
|   | Within other planning areas? List: _____  |  |   |   |
|   | Amount paid for the property when acquired: \$ _____  |  |   |   |
|   | Acquired via Eminent Domain? (yes/no) _____   | Includes relocation costs? (yes/no) _____  |   |   |
| <span style="color: red;">●</span> F    | Value of the property when acquired: \$ _____   | <input type="checkbox"/> Broker Opinion of Value or <input type="checkbox"/> Appraisal <span style="color: yellow;">●</span> D |   |   |
| <span style="color: yellow;">●</span> D | Estimated current value of the property: _____  | <input type="checkbox"/> Broker Opinion of Value or <input type="checkbox"/> Appraisal <span style="color: yellow;">●</span> D |   |   |
| <span style="color: orange;">●</span> B | Purpose of acquisition:<br>_____<br>_____<br>_____  |  |   |   |
|   | Are there any outstanding Redevelopment or Economic Development objectives to be met on the property? (yes/no) List all: _____  |  |   |   |
| <span style="color: teal;">●</span> E   | Any existing contractual obligations on the property? (yes/no) List all (including any leases, rentals, etc. that produce revenue): _____   |  |   |   |
| <span style="color: green;">●</span> F  | Is the property a known or suspected brownfield? (yes/no) If yes, then circle known or suspected. If known list all relevant sources of that information (including any existing clean-up obligations): _____ |  |   |   |
|   | Describe the property's potential for transit-oriented development:<br>_____<br>_____   |  |   |   |
|   | Page 1 of 2   |  |   |   |



# Long Range Property Management Plan: Section 5

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

(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** (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 successor agency, 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.

SEC. 36. The Legislature finds and declares as follows:

(a) Certain provisions of Assembly Bill 26 of the 2011–12 First Extraordinary Session of 2011 (Ch. 5, 2011–12 First Ex. Sess.) are internally inconsistent, or uncertain in their meaning, with regard to the calculation of the amount to be paid by a county auditor-controller from the Redevelopment Property Tax Trust Fund to meet passthrough payment obligations to local agencies and school entities.

(b) Consistent with the statement in Section 34183 of the Health and Safety Code, as added by the measure identified in subdivision (a), that the provisions of that section are to apply "[n]otwithstanding any other law," it was the intent of the Legislature in enacting that measure that the amount of the passthrough payments that are addressed by that section be determined in the manner specified by paragraph (1) of subdivision (a) of Section 34183 of the Health and Safety Code, and that the amount so calculated not be reduced or adjusted pursuant to the operation of any other provision of that measure.

SEC. 37. If any provision of this act or the application thereof to any person or circumstance is held invalid, the invalidity shall not affect other provisions or applications of this act which can be given effect without the invalid provision or application and to this end, the provisions of this act are severable.

APN: \_\_\_\_\_ Date(s) of Acquisition: \_\_\_\_\_

Address: \_\_\_\_\_ Lot size: \_\_\_\_\_

Current zoning: \_\_\_\_\_ General Plan Land Use: \_\_\_\_\_

Within the former RDA boundary? (yes/no) \_\_\_\_\_

Within other planning areas? List: \_\_\_\_\_

Amount paid for the property when acquired: \$ \_\_\_\_\_

Acquired via Eminent Domain? (yes/no) \_\_\_\_\_ Includes relocation costs? (yes/no) \_\_\_\_\_

Value of the property when acquired: \$ \_\_\_\_\_  Broker Opinion of Value or  Appraisal

Estimated current value of the property: \_\_\_\_\_  Broker Opinion of Value or  Appraisal

Purpose of acquisition:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**B** Are there any outstanding Redevelopment or Economic Development objectives to be met on the property? (yes/no) List all: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Any existing contractual obligations on the property? (yes/no) List all (including any leases, rentals, etc. that produce revenue): \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Is the property a known or suspected brownfield? (yes/no) If yes, than circle known or suspected. If known list all relevant sources of that information (including any existing clean-up obligations): \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Describe the property's potential for transit-oriented development:

\_\_\_\_\_

\_\_\_\_\_

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# Long Range Property Management Plan: Section 5

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

**(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 successor agency, 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.

SEC. 36. The Legislature finds and declares as follows:

(a) Certain provisions of Assembly Bill 26 of the 2011–12 First Extraordinary Session of 2011 (Ch. 5, 2011–12 First Ex. Sess.) are internally inconsistent, or uncertain in their meaning, with regard to the calculation of the amount to be paid by a county auditor-controller from the Redevelopment Property Tax Trust Fund to meet passthrough payment obligations to local agencies and school entities.

(b) Consistent with the statement in Section 34183 of the Health and Safety Code, as added by the measure identified in subdivision (a), that the provisions of that section are to apply “[n]otwithstanding any other law,” it was the intent of the Legislature in enacting that measure that the amount of the passthrough payments that are addressed by that section be determined in the manner specified by paragraph (1) of subdivision (a) of Section 34183 of the Health and Safety Code, and that the amount so calculated not be reduced or adjusted pursuant to the operation of any other provision of that measure.

SEC. 37. If any provision of this act or the application thereof to any person or circumstance is held invalid, the invalidity shall not affect other provisions or applications of this act which can be given effect without the invalid provision or application and to this end, the provisions of this act are severable.

**(G)** Is the property described in any of the planning documents, implementation documents, etc. of the City of West Sacramento or the former Redevelopment Agency? (yes/no) If yes, list all:

**(G)** Describe the property's potential to advance the planning objectives of successor agency:

**(H)** Provide a brief history of any previous development proposals on the property, including an previous rental or lease agreements:

Are there physical barriers to development of the site? (yes/no)

What obstacles would need to be overcome to have the site shovel-ready?

What are the costs of such improvements? Or how is the value of the of the property impacted by the need for these improvements?



## Long Range Property Management Plan: Section 5

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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 successor agency.

(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.

34191.5. (a) There is hereby established a Community Redevelopment Property Trust Fund, administered by the successor agency, 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 successor agency 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 successor agency 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** (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.

\_\_\_\_\_

\_\_\_\_\_

Is the property described in any of the planning documents, implementation documents, etc. of the City of West Sacramento or the former Redevelopment Agency? (yes/no) If yes, list all:

\_\_\_\_\_

\_\_\_\_\_

Describe the property's potential to advance the planning objectives of successor agency:

\_\_\_\_\_

\_\_\_\_\_

Provide a brief history of any previous development proposals on the property, including an previous rental or lease agreements:

\_\_\_\_\_

\_\_\_\_\_

**D** Are there physical barriers to development of the site? (yes/no)

What obstacles would need to be overcome to have the site shovel-ready?

**D** \_\_\_\_\_

What are the costs of such improvements? Or how is the value of the of the property impacted by the need for these improvements?

**D** \_\_\_\_\_

\_\_\_\_\_

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# Long Range Property Management Plan: Section 6

## Inventory

The parcel in the inventory is grouped by their geographical areas. Relevant source material used to prepare the inventory is available starting on page 22 of this section.

Map 1: Geographical Areas in the Inventory



Table 1: Properties in the Inventory

| APN         | Site Address              | Location                            |
|-------------|---------------------------|-------------------------------------|
| 008-441-007 | 2400 West Capitol Av      | West Capitol Avenue                 |
| 008-450-016 | 2600 West Capitol Av      |                                     |
| 010-371-005 | 305 3rd St                | Washington Specific Plan Area       |
| 010-371-006 | 221-225 C St              |                                     |
| 010-523-037 | 485 Lighthouse Dr         | Lighthouse/Fifth Street Widening    |
| 067-330-002 | 811 West Capitol Av       | Grand Gateway Master Planning Area  |
| 067-330-017 | 706 Tower Ct              |                                     |
| 046-010-011 | 2350 South River Rd       | Southport Framework Plan/Stone Lock |
| 067-180-001 | 2050 South River Rd       |                                     |
| 067-180-002 | 2250 South River Rd       |                                     |
| 067-180-003 | 2100 South River Rd       |                                     |
| 067-180-004 | 2051 South River Rd       |                                     |
| 067-180-024 | 2821 Lake Washington Blvd |                                     |
| 067-180-054 | 2100 Jefferson Blvd       |                                     |

WEST CAPITOL AVENUE

### **2400 West Capitol Avenue**

APN: 008-441-007

Date(s) of Acquisition: 5/19/1992

Address: 2400 West Capitol Avenue

Lot size: 0.648 acres

Current zoning: C-2

General Plan Land Use: CC

Within the former RDA boundary? Yes

Within other planning areas? List: West Capitol Avenue Action Plan, West Capitol Avenue Action Plan, West Capitol Avenue Design Guidelines

Amount paid for the property when acquired: \$ 200,000

Acquired via Eminent Domain? No, however it was acquired under the threat of condemnation.

## Long Range Property Management Plan: Section 6

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**Includes relocation costs?** No.

**Value of the property when acquired:** \$265,000  Broker Opinion of Value or  Appraisal

**Estimated current value of the property:** \$300,000  Broker Opinion of Value or  Appraisal

**Purpose of acquisition:** This site was acquired for the dual purpose of land banking for future development and the elimination of the blighting influence of an adult video store.

**Are there any outstanding Redevelopment or Economic Development objectives to be met on the property?** This property is not the subject of any specific outstanding redevelopment project.

**Any existing contractual obligations on the property?** No.

**Is the property a known or suspected brownfield?** No. A Phase 1 site assessment completed in 1991 identified only one potential hazardous materials encumbrance, the nearby USA Gasoline/DarPetro site. In 1994 a ground water monitoring well was installed on the subject site to evaluate the potential for migration of underground contaminants from the gas station site. Testing revealed no detectable hydrocarbons. The well was tested again in 1995 and again yielded no detectable hydrocarbons.

**Describe the property's potential for transit-oriented development:** The site is well-served by public transit, with a stop for west-bound YoloBus service located immediately in front of the subject site, and an east-bound stop is located across West Capitol Avenue. The site's zoning would allow for upper-floor residential uses with ground-floor retail or office.

**Is the property described in any of the planning documents, implementation documents, etc. of the City of West Sacramento or the former Redevelopment Agency?** The property is covered by the West Capitol Avenue planning documents.

**Describe the property's potential to advance the planning objectives of successor agency:** Though market conditions are not anticipated to support such a use in the near term, the property has potential use as a mixed-use transit-oriented development with residential over ground floor retail or office.

**Provide a brief history of any previous development proposals on the property, including an previous rental or lease agreements:** In 1994, the City received a proposal from Madan K. Sah to develop the site. There is no record of negotiations having occurred. In 1996 a draft disposition and development agreement (DDA) was prepared, with a different purchaser, Trenton Fong, in which the price for the site was \$85,000 (\$3.01/s.f.). That transaction was not consummated and the site remained in the Agency's possession without any further sales negotiations noted.

**Are there physical barriers to development of the site?** No

**What obstacles would need to be overcome to have the site shovel-ready?** N/A

## Long Range Property Management Plan: Section 6

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**What are the costs of such improvements? Or how is the value of the of the property impacted by the need for these improvements?** N/A

### 2600 West Capitol Avenue

**APN** 008-450-016  
1992

**Date of Acquisition:** February 20,

**Address:** 2600 West Capitol

**Lot size:** .48 AC

**Current zoning:** C-2

**General Plan Land Use:** CC

**Within the former RDA boundary?** Yes.

**Within other planning areas?** Yes. This site is within the boundaries of the West Capitol Avenue Action Plan.

**Amount paid for the property when acquired:** \$150,000

**Acquired via Eminent Domain?** Yes.

**Includes relocation costs?** Yes.

**Value of the property when acquired:** Unknown.

**Estimated current value of the property:** \$220,000     Broker Opinion of Value or  Appraisal

**Purpose of acquisition:** This site was acquired to eliminate the blighting influence of an adult book store and for future development.

**Are there any outstanding Redevelopment or Economic Development objectives to be met on the property?** This property is not the subject of any specific outstanding redevelopment project.

**Any existing contractual obligations on the property?** No.

**Is the property a known or suspected brownfield?** No.

**Describe the property's potential for transit-oriented development.** This site has good transit access, with bus stops located immediately in front of the site on West Capitol Avenue. However, the site's potential as a transit-oriented development is constrained somewhat by its small size. While market conditions are not expected to support such a use for some time, the site could be developed as residential over retail or office.

**Is the property described in any of the planning documents, implementation documents, etc. of the City of West Sacramento or the former Redevelopment Agency?** The property is covered by the West Capitol Avenue planning documents.

**Describe the property's potential to advance the planning objectives of successor agency.** This site has served part of its purpose already through the elimination of the former



## Long Range Property Management Plan: Section 6

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adult book store. Its benefit to the City can be completed through development of new uses on the site that comply with the City's planning goals.

**Provide a brief history of any previous development proposals on the property, including any previous rental or lease agreements.** Two proposals have been received for this site. The first, dated May 17, 2004, was from Ram N. Sah, who proposed a 4,500 s.f. commercial building. The second was from Trillium Development LLC, which proposed to purchase the site for the location of a Jiffy Lube store. Neither transaction was consummated.

**Are there physical barriers to development of the site?** No.

**What obstacles would need to be overcome to have the site shovel-ready?** N/A

**What are the costs of such improvements? Or how is the value of the property impacted by the need for these improvements?** N/A

### *WASHINGTON SPECIFIC PLAN AREA*

#### **305 Third Street**

**APN:** 10-371-005

**Date of Acquisition:** December 2, 1987

**Address:** 305 Third Street

**Lot size:** .147 AC.

**Current zoning:** WF

**General Plan Land Use:** RMU

**Within the former RDA boundary?** Yes

**Within other planning areas? List:** Washington Specific Plan

**Amount paid for the property when acquired:** \$ 1.00. The site was acquired from Yolo County as part of the negotiation of its pass-through agreement (Agreement 87-120) with the newly formed West Sacramento Redevelopment Agency.

**Acquired via Eminent Domain?** No.

**Includes relocation costs?** No.

**Value of the property when acquired:** Unknown. Because the site was transferred from the County by quit claim, no appraisal or other estimate of value was made at the time of acquisition.

**Estimated current value of the property:** \$115,000 as unencumbered vacant land/ \$0 as is as income earned from existing lease would only cover carrying costs  Broker Opinion of Value or  Appraisal

**Purpose of acquisition:** The site was originally used to support a Yolo County Sheriff's substation that was located in the adjacent, City-owned Washington Firehouse building.

## Long Range Property Management Plan: Section 6

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**Are there any outstanding Redevelopment or Economic Development objectives to be met on the property?** Not specifically, although the adaptive reuse of the adjacent Washington Firehouse is described in the Washington Specific Plan.

**Any existing contractual obligations on the property?** Yes. In 2007 the Redevelopment Agency entered into a parking lease agreement with Third and C Street LLC, the owner of the development site located across “C” Street from the subject site. Pursuant to the parking lease, Third and C Street LLC (Developer) has a 40-year lease of the area of the subject site that fronts on “C” Street to provide parking for the Developer’s mixed-use development on the opposite side of “C” Street. This lease substantially impairs the utility of the subject site, but could possibly be renegotiated. Lease revenue is currently \$3,978.24 annually.

**Is the property a known or suspected brownfield?** Yes. An underground storage tank (UST) was removed from the site in 1987. No evidence was found that this UST had leaked. Analyses prepared in 2006 found high concentrations of lead in a composite soil sample, and indications that contamination from the Capitol Plating parcel immediately to the south are affecting APN 10-371-06.

**Describe the property’s potential for transit-oriented development:** While located within walking distance of Downtown Sacramento, this site is not ideally situated for transit-oriented development. The nearest YoloBus stops are located two blocks west at 5<sup>th</sup> and C Street and four blocks south at 3<sup>rd</sup> G Street. The Downtown/Riverfront Streetcar is planned to have a stop five blocks south of the subject site.

**Is the property described in any of the planning documents, implementation documents, etc. of the City of West Sacramento or the former Redevelopment Agency?** Yes. It is described in the Washington Specific Plan and the Redevelopment Agency’s latest 5- Year Implementation Plan identifies potential adaptive re-use of the “Washington Firehouse site,” of which the subject property is generally considered a part.

**Describe the property’s potential to advance the planning objectives of successor agency:** The subject property is most likely to advance the Successor Agency’s planning goals as part of a larger development that would include consolidation of other properties on the same block and a historically sensitive adaptive re-use of the Washington Firehouse.

**Provide a brief history of any previous development proposals on the property, including any previous rental or lease agreements:** In cooperation with the City of West Sacramento, the West Sacramento Redevelopment Agency has engaged in multiple efforts to solicit private partners to adaptively re-use the Washington Firehouse. Solicitations were issued in 1999, 2001 and 2004. On multiple occasions the City and Agency have entered into exclusive negotiations, but in each instance the private sector partner proved unable to finance the needed improvements to the site and building.

**Are there physical barriers to development of the site?** Yes. The adjacent City-owned Washington Firehouse is a historically meaningful structure. The need to retain the potential for the adaptive re-use of the Washington Firehouse constrains the development of the subject

## Long Range Property Management Plan: Section 6

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site, the best use for which may be parking to serve the Firehouse site and/or nearby properties. In addition, as noted above, an

**What obstacles would need to be overcome to have the site shovel-ready?** The primary obstacles to the development potential of this site are the existing parking lease; the need for environmental cleanup; and the need to identify an adaptive re-use of the adjacent Washington Firehouse.

**What are the costs of such improvements? Or how is the value of the property impacted by the need for these improvements?** N/A

### 221-225 C Street

**APNs:** 10-371-006

**Date(s) of Acquisition:** December 2, 1987

**Address:** 305 Third Street

**Lot size:** .288 AC

**Current zoning:** WF

**General Plan Land Use:** RMU

**Within the former RDA boundary?** Yes.

**Within other planning areas? List:** Washington Specific Plan

**Amount paid for the property when acquired:** \$ 1.00. The site was acquired from Yolo County as part of the negotiation of its pass-through agreement (Agreement 87-120) with the newly formed West Sacramento Redevelopment Agency.

**Acquired via Eminent Domain?** No.

**Includes relocation costs?** No.

**Value of the property when acquired:** Unknown. Because the site was transferred from the County by quit claim, no appraisal or other estimate of value was made at the time of acquisition.

**Estimated current value of the property:** \$225,000 as unencumbered vacant land/ \$0 as is as income earned from existing lease would only cover carrying costs  Broker Opinion of Value or  Appraisal

**Purpose of acquisition:** The site was originally used to support a Yolo County Sheriff's substation that was located in the adjacent, City-owned Washington Firehouse building.

**Are there any outstanding Redevelopment or Economic Development objectives to be met on the property?** Not specifically, although the adaptive reuse of the adjacent Washington Firehouse is described in the Washington Specific Plan.

**Any existing contractual obligations on the property?** Yes. In 2007 the Redevelopment Agency entered into a parking lease agreement with Third and C Street LLC, the owner of the development site located across "C" Street from the subject site. Pursuant to the parking lease, Third and C Street LLC (Developer) has a 40-year lease of the area of the subject

## Long Range Property Management Plan: Section 6

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site that fronts on “C” Street to provide parking for the Developer’s mixed-use development on the opposite side of “C” Street . This lease substantially impairs the utility of the subject site, but could possibly be renegotiated. Lease revenue is currently \$3,978.24 annually.

**Is the property a known or suspected brownfield?** Yes. An underground storage tank (UST) was removed from the site in 1987. No evidence was found that this UST had leaked. Analyses prepared in 2006 found high concentrations of lead in a composite soil sample, and indications that contamination from the Capitol Plating parcel immediately to the south are affecting the site. Further study was recommended.

**Describe the property’s potential for transit-oriented development:** While located within walking distance of Downtown Sacramento, this site is not ideally situated for transit-oriented development. The nearest YoloBus stops are located two blocks west at 5<sup>th</sup> and C Street and four blocks south at 3<sup>rd</sup> G Street. The Downtown/Riverfront Streetcar is planned to have a stop five blocks south of the subject site.

**Is the property described in any of the planning documents, implementation documents, etc. of the City of West Sacramento or the former Redevelopment Agency?** Yes. It is described in the Washington Specific Plan and in the Redevelopment Agency’s latest 5-Year Implementation Plan identifies potential adaptive re-use of the “Washington Firehouse site,” of which the subject property is generally considered a part.

**Describe the property’s potential to advance the planning objectives of successor agency:** The subject property is most likely to advance the Successor Agency’s planning goals as part of a larger development that would include consolidation of other properties on the same block and a historically sensitive adaptive re-use of the Washington Firehouse.

**Provide a brief history of any previous development proposals on the property, including any previous rental or lease agreements:** In cooperation with the City of West Sacramento, the West Sacramento Redevelopment Agency has engaged in multiple efforts to solicit private partners to adaptively re-use the Washington Firehouse. Solicitations were issued in 1999, 2001 and 2004. On multiple occasions the City and Agency have entered into exclusive negotiations, but in each instance the private sector partner proved unable to finance the needed improvements to the site and building.

**Are there physical barriers to development of the site?** Yes. The adjacent City-owned Washington Firehouse is a historically meaningful structure. The need to retain the potential for the adaptive re-use of the Washington Firehouse constrains the development of the subject site, the best use for which may be parking to serve the Firehouse site and/or nearby properties. In addition, as noted above, an

**What obstacles would need to be overcome to have the site shovel-ready?** The primary obstacles to the development potential of this site are the existing parking lease; the need for environmental cleanup; and the need to identify an adaptive re-use of the adjacent Washington Firehouse.

## Long Range Property Management Plan: Section 6

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**What are the costs of such improvements? Or how is the value of the property impacted by the need for these improvements?** N/A

*LIGHTHOUSE/FIFTH STREET WIDENING PROJECT*

### **485 Lighthouse Drive**

**APN** 10-523-037

**Date(s) of Acquisition:** October 27, 1992

**Address:** 485 Lighthouse Drive

**Lot size:** .37 AC

**Current zoning:** R-2  
residential)

**General Plan Land Use:** MR (Medium-density

**Within the former RDA boundary?** Yes

**Within other planning areas?** No.

**Amount paid for the property when acquired:**

**Acquired via Eminent Domain?** No. A resolution of necessity was approved by the Redevelopment Agency but the property owner sold this site to the Agency via negotiated purchase and sale agreement.

**Includes relocation costs?** No. The site was vacant at the time of acquisition.

**Value of the property when acquired:** \$100,000

**Estimated current value of the property:** \$60,000  Broker Opinion of Value or  Appraisal

**Purpose of acquisition:** Right-of-way for the extension of 5<sup>th</sup> Street.

**Are there any outstanding Redevelopment or Economic Development objectives to be met on the property?** No. The subject property is a remnant from the widening of 5<sup>th</sup> Street.

**Any existing contractual obligations on the property?** No.

**Is the property a known or suspected brownfield?** No.

**Describe the property's potential for transit-oriented development.** While situated within a block of two bus stops, the property has limited potential for transit-oriented development due to its relatively small size and R-2 zoning, both of which constrain the achievable density on this site.

**Is the property described in any of the planning documents, implementation documents, etc. of the City of West Sacramento or the former Redevelopment Agency?** No.

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**Describe the property's potential to advance the planning objectives of successor agency.** By facilitating the widening of 5<sup>th</sup> Street, the original site served its purpose. The site does not have additional strategic value as a development site.

**Provide a brief history of any previous development proposals on the property, including any previous rental or lease agreements.** There are no development proposals for this site noted in the Redevelopment Agency's files.

**Are there physical barriers to development of the site?** No.

**What obstacles would need to be overcome to have the site shovel-ready?** N/A

**What are the costs of such improvements? Or how is the value of the property impacted by the need for these improvements?** N/A

*GRAND GATEWAY MASTER PLANNING AREA*

### 811 West Capitol Avenue

APN 067-330-002

Date(s) of Acquisition: June 24, 1998

Address: 811 West Capitol Avenue

Lot size: .10 AC

Current zoning: CBD

General Plan Land Use: CBD

**Within the former RDA boundary?** Yes.

**Within other planning areas?** Yes. The property is within the boundaries of the Grand Gateway Master Plan.

**Amount paid for the property when acquired:** \$1.00

**Acquired via Eminent Domain?** No.

**Includes relocation costs?** N/A

**Value of the property when acquired:**

**Estimated current value of the property:** less than \$10,000  Broker Opinion of Value or  Appraisal

**Purpose of acquisition:** This site was a drainage ditch quit-claimed by Yolo County to the Redevelopment Agency because the Agency was the adjacent owner.

**Are there any outstanding Redevelopment or Economic Development objectives to be met on the property?** Yes, it combined with adjacent site.

**Any existing contractual obligations on the property?** No.

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**Is the property a known or suspected brownfield?** No.

**Describe the property's potential for transit-oriented development.** None in its current configuration. See 706 Tower Court's description for a consolidated site.

**Is the property described in any of the planning documents, implementation documents, etc. of the City of West Sacramento or the former Redevelopment Agency?** This property is covered by the Grand Gateway Master Plan

**Describe the property's potential to advance the planning objectives of successor agency.** None in its current configuration. See 706 Tower Court's description for a consolidated site.

**Provide a brief history of any previous development proposals on the property, including any previous rental or lease agreements.** N/A

**Are there physical barriers to development of the site?** Yes. As a drainage ditch, the topography of the site makes it incompatible with development.

**What obstacles would need to be overcome to have the site shovel-ready?** The ditch would need to be filled and compacted, and alternative means of drainage constructed.

**What are the costs of such improvements? Or how is the value of the property impacted by the need for these improvements?** Unknown.

### 706 Tower Court

**APN** 067-330-17  
Attachment 14 for summary table)

**Date(s) of Acquisition:** Varies (see Section 7

**Address:** 706 Tower Court

**Lot size:** 3.52 AC

**Current zoning:** CBD

**General Plan Land Use:** CBD

**Within the former RDA boundary?** Yes.

**Within other planning areas?** Yes. The property is within the boundaries of the Grand Gateway Master Plan.

**Amount paid for the property when acquired:** Varies by the seller (see Section 7 Attachment 14 for summary table)

**Acquired via Eminent Domain?** Yes.

**Includes relocation costs?** See Section 7 Attachment 14 for summary table for relocation payments. Relocation payments were made to several businesses, including an adult book store, but those expenses are not included in the cost noted below.

**Value of the property when acquired:** Varies (See Section 7 Attachment 14 for summary table)



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**Estimated current value of the property:** \$900,000 adjusted to consider clean-up costs

Broker Opinion of Value or  Appraisal

**Purpose of acquisition:** The site was acquired with the dual purpose of land-assembly for future development, and the elimination of the blighting influence from an adult book store located on the property.

**Are there any outstanding Redevelopment or Economic Development objectives to be met on the property?** Yes. The site is situated at a key gateway to the City, and at a point of intersection between the boundaries of the Washington Specific Plan, the Bridge District Specific Plan, and the West Capitol Avenue corridor. The appropriate development of this site will support multiple City planning objectives and fulfill the original purpose of the acquisition of the site.

**Any existing contractual obligations on the property?** Yes. There are two leases associated with the cellular tower located in the easterly corner of the parcel. The lease with AT&T generates rent payments of \$802.35 per month. The lease with Sprint/Nextel generates \$1,172.98 per month. Finally, the site is the subject of an environmental oversight agreement with the California Department of Toxic Substances Control (DTSC).

**Is the property a known or suspected brownfield?** Yes. A 2007 study commissioned by the Redevelopment Agency recommends the removal of 750 cubic yards of lead-contaminated soil before the site is developed for residential purposes.

**Describe the property's potential for transit-oriented development.** This site is ideally situated for transit-oriented development. It is located within easy walking distance of multiple bus stops, the City's Transit Center on West Capitol Avenue, and future Downtown/Riverfront Streetcar stops. The subject site is of sufficient size and zoned appropriately to accommodate dense development and the associated parking.

**Is the property described in any of the planning documents, implementation documents, etc. of the City of West Sacramento or the former Redevelopment Agency?** Yes. This property is described in the Grand Gateway Master Plan.

**Describe the property's potential to advance the planning objectives of successor agency.** The subject site has the potential to be combined with a nearby City-owned parcel and a potential right-of-way abandonment area to form a substantial development site that would help connect the Washington and Bridge District specific plan areas to the Central Business District.

**Provide a brief history of any previous development proposals on the property, including any previous rental or lease agreements.** The Redevelopment Agency has entertained multiple development proposals for this site. Proposed uses have included townhomes, apartments, live-work units, and a small hotel-conference center.

**Are there physical barriers to development of the site?** Yes. The existing environmental contamination on the site must be remediated.

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**What obstacles would need to be overcome to have the site shovel-ready?**

Environmental contamination will need to be remediated, the existing cellular leases may require renegotiation; and the site should ideally be consolidated with adjoining City property to maximize its development potential.

**What are the costs of such improvements? Or how is the value of the property impacted by the need for these improvements?** The estimated cost of the necessary environmental cleanup is approximately \$266,000.

SOUTHPORT FRAMEWORK PLAN/STONE LOCK

**2350 South River Road**

APN 046-010-011

Date of Acquisition: July 9, 2007

Address: 2350 South River Road

Lot size: 82.70 AC

Current zoning: C-1, R-2, R-3, WF, POS  
NC, OS, RMU, RP

General Plan Land Use: HR, MR,

Within the former RDA boundary? Yes.

Within other planning areas? Yes. The property is within the Southport Framework Plan.

Amount paid for the property when acquired: \$0 (Quitclaim deed from U.S. Army Corps of Engineers).

Acquired via Eminent Domain? No.

Includes relocation costs? N/A

Value of the property when acquired: Unknown.

Estimated current value of the property: \$835,000  Broker Opinion of Value or  Appraisal (a portion)

Purpose of acquisition: This site was acquired for future development.

Are there any outstanding Redevelopment or Economic Development objectives to be met on the property? Yes. The site is under option to the Cordish Company for acquisition and development as a mixed-use district.

Any existing contractual obligations on the property? Yes. The site is currently under option to the Cordish Company. The option agreement calls for the payment of an annual option fee of \$75,000 to the Redevelopment Agency or its successor; however, no cash payments have been received to date.

Is the property a known or suspected brownfield? No.

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**Describe the property's potential for transit-oriented development.** This site has the potential to be an good location for transit-oriented development, as both site and nearby zoning supports relatively dense development. Plans are underway for the extension of Village Parkway through the site to connect to the new South River Road Bridge, at which point this site will become much more accessible and desirable as a location for transit-oriented development.

**Is the property described in any of the planning documents, implementation documents, etc. of the City of West Sacramento or the former Redevelopment Agency?** It is described in the Southport Framework Plan and the City's Parks Master Plan. The Redevelopment Agency's latest 5-Year Implementation Plan references recreation and access and additional public improvements, and the setback levee project. It encourages the implementation of the Southport Framework and supports the repurposing of the Lock facility and surrounding areas for retail, residential and recreation uses as part of the Agency's efforts to anticipate and activate the redevelopment or development of underdeveloped areas which are stagnant or improperly utilized.

**Describe the property's potential to advance the planning objectives of successor agency.** The site encompasses multiple zones and could be developed with a variety of transit-oriented mixed uses.

**Provide a brief history of any previous development proposals on the property, including any previous rental or lease agreements.** The property is under option to the Cordish Company for inclusion in a larger mixed-use development.

**Are there physical barriers to development of the site?** No.

**What obstacles would need to be overcome to have the site shovel-ready?** The presence of a Chevron gas line.

**What are the costs of such improvements? Or how is the value of the property impacted by the need for these improvements?** N/A

### 2050 South River Road

APN 067-180-001

Date(s) of Acquisition: June 18, 2004

Address: 2050 South River Road Lot size: 5.8 AC

Current zoning: WF (Waterfront) General Plan Land Use: RMU (Riverfront Mixed-Use)

**Within the former RDA boundary?** Yes.

**Within other planning areas?** Yes. The property is within the Southport Framework Plan and is noted in the Parks Master Plan.

**Amount paid for the property when acquired:** This property was bundled with seven other adjoining parcels for which the West Sacramento Redevelopment Agency agreed to pay the Port of Sacramento \$2 million.

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**Acquired via Eminent Domain?** No.

**Includes relocation costs?** N/A

**Value of the property when acquired:** Unknown.

**Estimated current value of the property:** \$60,000     Broker Opinion of Value or  Appraisal (a portion)

**Purpose of acquisition:** This site was acquired for future development.

**Are there any outstanding Redevelopment or Economic Development objectives to be met on the property?** Yes. The site is under option to the Cordish Company for acquisition and development as a mixed-use district.

**Any existing contractual obligations on the property?** Yes. The site is currently under option to the Cordish Company. The option agreement calls for the payment of an annual option fee of \$75,000 to the Redevelopment Agency or its successor; however, no cash payments have been received to date. The site is also subject to an easement for an underground pipeline, which does not produce revenue to the Successor Agency.

**Is the property a known or suspected brownfield?** No.

**Describe the property's potential for transit-oriented development.** This site has the potential to be a good location for transit-oriented development, as nearby zoning supports relative dense development and the subject site is expected to be developed along with larger adjacent properties.

**Is the property described in any of the planning documents, implementation documents, etc. of the City of West Sacramento or the former Redevelopment Agency?** ? It is described in the Southport Framework Plan and the City's Parks Master Plan. The Redevelopment Agency's latest 5-Year Implementation Plan references recreation and access and additional public improvements, and the setback levee project. It encourages the implementation of the Southport Framework and supports the repurposing of the Lock facility and surrounding areas for retail, residential and recreation uses as part of the Agency's efforts to anticipate and activate the redevelopment or development of underdeveloped areas which are stagnant or improperly utilized.

**Describe the property's potential to advance the planning objectives of successor agency.** The site could be developed with transit-oriented mixed uses. It could also be a park site.

**Provide a brief history of any previous development proposals on the property, including any previous rental or lease agreements.** The property is under option to the Cordish Company for inclusion in a larger mixed-use development.

**Are there physical barriers to development of the site?** The site includes riparian habitat and abuts the City's former wastewater treatment plant (WWTP).

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**What obstacles would need to be overcome to have the site shovel-ready?** The site can probably only be developed after the remaining infrastructure from the WWTP has been removed.

**What are the costs of such improvements? Or how is the value of the property impacted by the need for these improvements?** Unknown.

### 2250 South River Road

**APN** 067-180-002

**Date(s) of Acquisition:** June 18, 2004

**Address:** 2100 South River Road

**Lot size:** 23.91 AC

**Current zoning:** POS,WF

**General Plan Land Use:** OS,RMU

**Within the former RDA boundary?** Yes.

**Within other planning areas?** Yes. The property is within the Southport Framework Plan.

**Amount paid for the property when acquired:** This property was bundled with seven other adjoining parcels for which the West Sacramento Redevelopment Agency agreed to pay the Port of Sacramento \$2 million.

**Acquired via Eminent Domain?** No.

**Includes relocation costs?** N/A

**Value of the property when acquired:** Unknown.

**Estimated current value of the property:** \$240,000     Broker Opinion of Value or  Appraisal (a portion)

**Purpose of acquisition:** This site was acquired for future development.

**Are there any outstanding Redevelopment or Economic Development objectives to be met on the property?** Yes. The site is under option to the Cordish Company for acquisition and development as a mixed-use district.

**Any existing contractual obligations on the property?** Yes. The site is currently under option to the Cordish Company.

**Is the property a known or suspected brownfield?** No.

**Describe the property's potential for transit-oriented development.** This site has the potential to be good locations for transit-oriented development, as nearby zoning supports relatively dense development. Plans are underway for the extension of Village Parkway through the site to connect to the new South River Road Bridge, at which point this site will become much more accessible and desirable as a location for transit-oriented development.

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**Is the property described in any of the planning documents, implementation documents, etc. of the City of West Sacramento or the former Redevelopment Agency? ?** It is described in the Southport Framework Plan and the City's Parks Master Plan. The Redevelopment Agency's latest 5-Year Implementation Plan references recreation and access and additional public improvements, and the setback levee project. It encourages the implementation of the Southport Framework and supports the repurposing of the Lock facility and surrounding areas for retail, residential and recreation uses as part of the Agency's efforts to anticipate and activate the redevelopment or development of underdeveloped areas which are stagnant or improperly utilized.

**Describe the property's potential to advance the planning objectives of successor agency.** The site could be developed with open space and transit-oriented mixed uses.

**Provide a brief history of any previous development proposals on the property, including any previous rental or lease agreements.** The property is under option to the Cordish Company for inclusion in a larger mixed-use development.

**Are there physical barriers to development of the site?** No.

**What obstacles would need to be overcome to have the site shovel-ready?** N/A

**What are the costs of such improvements? Or how is the value of the property impacted by the need for these improvements?** N/A

### 2100 South River Road

APN 067-180-003

Date(s) of Acquisition: June 18, 2004

Address: 2100 South River Road

Lot size: 40.66 AC

Current zoning: WF

General Plan Land Use: RMU

**Within the former RDA boundary?** Yes.

**Within other planning areas?** Yes. The property is within the Southport Framework Plan.

**Amount paid for the property when acquired:** This property was bundled with seven other adjoining parcels for which the West Sacramento Redevelopment Agency agreed to pay the Port of Sacramento \$2 million.

**Acquired via Eminent Domain?** No.

**Includes relocation costs?** N/A

**Value of the property when acquired:** Unknown.

**Estimated current value of the property:** \$410,000  Broker Opinion of Value or  Appraisal (a portion)

**Purpose of acquisition:** This site was acquired for future development.

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**Are there any outstanding Redevelopment or Economic Development objectives to be met on the property?** Yes. The site is under option to the Cordish Company for acquisition and development as a mixed-use district.

**Any existing contractual obligations on the property?** Yes. The site is currently under option to the Cordish Company. The option agreement calls for the payment of an annual option fee of \$75,000 to the Redevelopment Agency or its successor; however, no cash payments have been received to date.

**Is the property a known or suspected brownfield?** No.

**Describe the property's potential for transit-oriented development.** This site has the potential to be good locations for transit-oriented development, as nearby zoning supports relatively dense development. Plans are underway for the extension of Village Parkway through the site to connect to the new South River Road Bridge, at which point this site will become much more accessible and desirable as a location for transit-oriented development.

**Is the property described in any of the planning documents, implementation documents, etc. of the City of West Sacramento or the former Redevelopment Agency?** ? It is described in the Southport Framework Plan and the City's Parks Master Plan. The Redevelopment Agency's latest 5-Year Implementation Plan references recreation and access and additional public improvements, and the setback levee project. It encourages the implementation of the Southport Framework and supports the repurposing of the Lock facility and surrounding areas for retail, residential and recreation uses as part of the Agency's efforts to anticipate and activate the redevelopment or development of underdeveloped areas which are stagnant or improperly utilized.

**Describe the property's potential to advance the planning objectives of successor agency.** The site could be developed with transit-oriented mixed uses.

**Provide a brief history of any previous development proposals on the property, including any previous rental or lease agreements.** The property is under option to the Cordish Company for inclusion in a larger mixed-use development.

**Are there physical barriers to development of the site?** No.

**What obstacles would need to be overcome to have the site shovel-ready?** N/A

**What are the costs of such improvements? Or how is the value of the property impacted by the need for these improvements?** N/A

### 2051 South River Road

APN 067-180-004

Date(s) of Acquisition: June 18, 2004

Address: 2051 South River Road

Lot size: 17.2 AC

Current zoning: WF

General Plan Land Use: RMU



## Long Range Property Management Plan: Section 6

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**Within the former RDA boundary?** Yes.

**Within other planning areas?** No.

**Amount paid for the property when acquired:** This property was bundled with seven other adjoining parcels for which the West Sacramento Redevelopment Agency agreed to pay the Port of Sacramento \$2 million.

**Acquired via Eminent Domain?** No.

**Includes relocation costs?** N/A

**Value of the property when acquired:** Unknown.

**Estimated current value of the property:** \$175,000     Broker Opinion of Value or  Appraisal (a portion)

**Purpose of acquisition:** This site was acquired for future development, though it also serves a flood control purpose, as portions of the property is necessary for maintenance of the “stop logs” that separate the Sacramento River from the Deep Water Ship Channel . The flood control effect of the lock facility is under study. To the extent (if any) that the lock gates themselves are found to be relevant to the City’s flood control program, this entire site may be needed for flood control purposes.

**Are there any outstanding Redevelopment or Economic Development objectives to be met on the property?** Yes. The site is under option to the Cordish Company for acquisition and development as a mixed-use district.

**Any existing contractual obligations on the property?** No.

**Is the property a known or suspected brownfield?** No.

**Describe the property’s potential for transit-oriented development.** Portions of this site have the potential to be good locations for transit-oriented development, as nearby zoning supports relative dense development and the subject site is expected to be developed along with larger adjacent properties.

**Is the property described in any of the planning documents, implementation documents, etc. of the City of West Sacramento or the former Redevelopment Agency? ?** It is described in the Southport Framework Plan and the City’s Parks Master Plan. The Redevelopment Agency’s latest 5-Year Implementation Plan references recreation and access and additional public improvements, and the setback levee project. It encourages the implementation of the Southport Framework and supports the repurposing of the Lock facility and surrounding areas for retail, residential and recreation uses as part of the Agency’s efforts to anticipate and activate the redevelopment or development of underdeveloped areas which are stagnant or improperly utilized.

## Long Range Property Management Plan: Section 6

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**Describe the property's potential to advance the planning objectives of successor agency.** The site could be developed with transit-oriented mixed uses. It could also be a park site.

**Provide a brief history of any previous development proposals on the property, including any previous rental or lease agreements.** N/A

**Are there physical barriers to development of the site?** Yes. The site includes multiple shuttered buildings remaining from the site's former operation as a lock between the Sacramento River and the Deep Water Ship Channel. Development of this site would require substantial demolition work.

**What obstacles would need to be overcome to have the site shovel-ready?** To render this site ready for development, existing structures would need to be cleared, and the ongoing use of portions of the site for the City's flood control efforts would need to be assured.

**What are the costs of such improvements? Or how is the value of the property impacted by the need for these improvements?** Unknown.

### **2821 Lake Washington Blvd.**

**APN** 067-180-024

**Date of Acquisition:** June 24, 2004

**Address:** 2821 Lake Washington Blvd.

**Lot size:** 4.18 AC

**Current zoning:** WF

**General Plan Land Use:** RMU

**Within the former RDA boundary?** Yes.

**Within other planning areas?** Yes. The property is within the Southport Framework Plan.

**Amount paid for the property when acquired:** This property was bundled with seven other adjoining parcels for which the West Sacramento Redevelopment Agency agreed to pay the Port of Sacramento \$2 million.

**Acquired via Eminent Domain?** No.

**Includes relocation costs?** N/A

**Value of the property when acquired:** Unknown.

**Estimated current value of the property:** \$ 40,000  Broker Opinion of Value or  Appraisal (a portion)

**Purpose of acquisition:** This site was acquired for open space and future development.

**Are there any outstanding Redevelopment or Economic Development objectives to be met on the property?** Yes. The site is under option to the Cordish Company for acquisition and development as a mixed-use district.

## Long Range Property Management Plan: Section 6

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**Any existing contractual obligations on the property?** Yes. The site is currently under option to the Cordish Company. The option agreement calls for the payment of an annual option fee of \$75,000 to the Redevelopment Agency or its successor; however, no cash payments have been received to date. The site is also encumbered by a sewer easement, an Agreement Regarding Park Relocation, a Consent and Partial Assignment of Option Agreement, and a Development Cooperation Agreement, none of which generate any revenue to the Successor Agency.

**Is the property a known or suspected brownfield?** No.

**Describe the property's potential for transit-oriented development.** This site has limited potential to be a good location for transit-oriented development. While both the site and nearby zoning supports relatively dense development, the property is not located close to existing or planned transit routes.

**Is the property described in any of the planning documents, implementation documents, etc. of the City of West Sacramento or the former Redevelopment Agency?** ? It is described in the Southport Framework Plan and the City's Parks Master Plan. The Redevelopment Agency's latest 5-Year Implementation Plan references recreation and access and additional public improvements, and the inline booster pump station. It encourages the implementation of the Southport Framework.

**Describe the property's potential to advance the planning objectives of successor agency.** The site encompasses multiple zones and could be developed with a variety of transit-oriented mixed uses.

**Provide a brief history of any previous development proposals on the property, including any previous rental or lease agreements.** The property is under option to the Cordish Company for inclusion in a larger mixed-use development.

**Are there physical barriers to development of the site?** No.

**What obstacles would need to be overcome to have the site shovel-ready?** N/A

**What are the costs of such improvements? Or how is the value of the property impacted by the need for these improvements?** N/A

### 2100 Jefferson Blvd.

APN 067-180-054

Date of Acquisition: June 24, 2004

Address: 2100 Jefferson Blvd.

Lot size: 34.5 AC

Current zoning: POS, WF

General Plan Land Use: OS, RMU

**Within the former RDA boundary?** Yes.

**Within other planning areas?** Yes. The property is within the Southport Framework Plan.

## Long Range Property Management Plan: Section 6

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**Amount paid for the property when acquired:** This property was bundled with seven other adjoining parcels for which the West Sacramento Redevelopment Agency agreed to pay the Port of Sacramento \$2 million.

**Acquired via Eminent Domain?** No.

**Includes relocation costs?** N/A

**Value of the property when acquired:** Unknown.

**Estimated current value of the property:** \$350,000    Broker Opinion of Value or  Appraisal (a portion)

**Purpose of acquisition:** This site was acquired for open space and future development.

**Are there any outstanding Redevelopment or Economic Development objectives to be met on the property?** Yes. The site is under option to the Cordish Company for acquisition and development as a mixed-use district.

**Any existing contractual obligations on the property?** Yes. The site is currently under option to the Cordish Company. The option agreement calls for the payment of an annual option fee of \$75,000 to the Redevelopment Agency or its successor; however, no cash payments have been received to date.

**Is the property a known or suspected brownfield?** No.

**Describe the property's potential for transit-oriented development.** This site has the potential to be a good location for transit-oriented development, as both site and nearby zoning supports relatively dense development. The site has access to Jefferson Blvd., the City's primary north/south roadway.

**Is the property described in any of the planning documents, implementation documents, etc. of the City of West Sacramento or the former Redevelopment Agency?** It is described in the Southport Framework Plan and the City's Parks Master Plan. The Redevelopment Agency's latest 5-Year Implementation Plan references recreation and access and additional public improvements. It encourages the implementation of the Southport Framework.

**Describe the property's potential to advance the planning objectives of successor agency.** The site encompasses multiple zones and could be developed with a variety of transit-oriented mixed uses.

**Provide a brief history of any previous development proposals on the property, including any previous rental or lease agreements.** The property is under option to the Cordish Company for inclusion in a larger mixed-use development.

**Are there physical barriers to development of the site?** No.

**What obstacles would need to be overcome to have the site shovel-ready?** N/A

## Long Range Property Management Plan: Section 6

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**What are the costs of such improvements? Or how is the value of the property impacted by the need for these improvements? N/A**

# Long Range Property Management Plan: Section 7

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## Relevant Source Material

1. West Capitol Avenue
  - a. 2400 West Capitol Ave
    - i. Attachment 1- Appraisal
    - ii. Attachment 2- Closing Statement
    - iii. Attachment 3- Staff Report
  - b. 2600 West Capitol Ave
    - i. Attachment 4- Letter from Appraiser (1995)
    - ii. Attachment 5- Final Escrow Statement
    - iii. Attachment 6- Summary Appraisal Report (2002)
    - iv. Attachment 7- Staff Report
2. Washington Specific Plan
  - a. 305 3<sup>rd</sup> St and 221-225 C St
    - i. Attachment 8-Resolution Accepting Transfer from Yolo County and Quitclaim Deed
    - ii. Attachment 9- Parking Lease and Assignment
3. Lighthouse Drive/Fifth Street Widening Project
  - a. 485 Lighthouse Dr
    - i. Attachment 10-Appraisal (1990)
    - ii. Attachment 11- Stipulation and Final Judgment
    - iii. Attachment 12- Appraisal (1995)
4. Grand Gateway Master Plan
  - a. 811 West Capitol Ave
    - i. Attachment 13- Quitclaim Deed
  - b. 811 West Capitol Ave and 706 Tower Ct
    - i. Attachment 14-Property Summary and Historical Assessor Parcel Map
  - c. 706 Tower Ct
    - i. Attachment 15-Case No. 69724 (Plaintiff's Statement of Value and Final Judgment)
    - ii. Attachment 16- Settlement of Case No. 69722 (Final Escrow Statement)
    - iii. Attachment 17- Resolution 98-82
    - iv. Attachment 18- Appraisal
    - v. Attachment 19- Cell Tower Leases
5. Southport Framework Plan/Stone Lock
  - a. All Properties (except Lock Facility)
    - i. Attachment 20-Stone Lock Option Map
    - ii. Attachment 21- Stone Lock Option and Assignment
    - iii. Attachment 22- Appraisal
    - iv. Attachment 23- Oversight Board Staff Report for OB Resolution 13-7 Ratifying Option

## Long Range Property Management Plan: Section 7

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### Missing Source Material as of 9/4/2013

1. Attachment 24- Letter to Yolo County Superior Court Requesting Documents Regarding:
  - a. 2600 West Capitol Ave- Case No. 67221
  - b. 706 Tower Ct- Case No. 69723



# Long Range Property Management Plan: Section 8

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## Successor Agency's Approach to the Disposition of Assets

### HOUSING ASSETS

- Attachment 1- July 26, 2012 Item #4 Staff Report
- Attachment 2-September 27, 2012 Item #4 Staff Report
- Attachment 3-October 15, 2012 Item #3 Staff Report
- Attachment 4-October 15, 2012 Item #4 Staff Report
- Attachment 5- January 10, 2013 Item #4 Staff Report

### PUBLIC USE TRANSFERS

- Attachment 6- June 14, 2012 Item#4 Staff Report
- Attachment 7- August 16, 2012 Item #6 Staff Report
- Attachment 8- December 13, 2012 Item #3 Staff Report
- Attachment 9- January 10, 2013 Item #3 Staff Report

### LRPMP PROCESS

- Attachment 10- August 16, 2012 Item #5 Staff Report
- Attachment 11- March 14, 2013 Item #3 Staff Report
- Attachment 12- August 8, 2013 Item #3 Staff Report

# Long Range Property Management Plan: Section 9

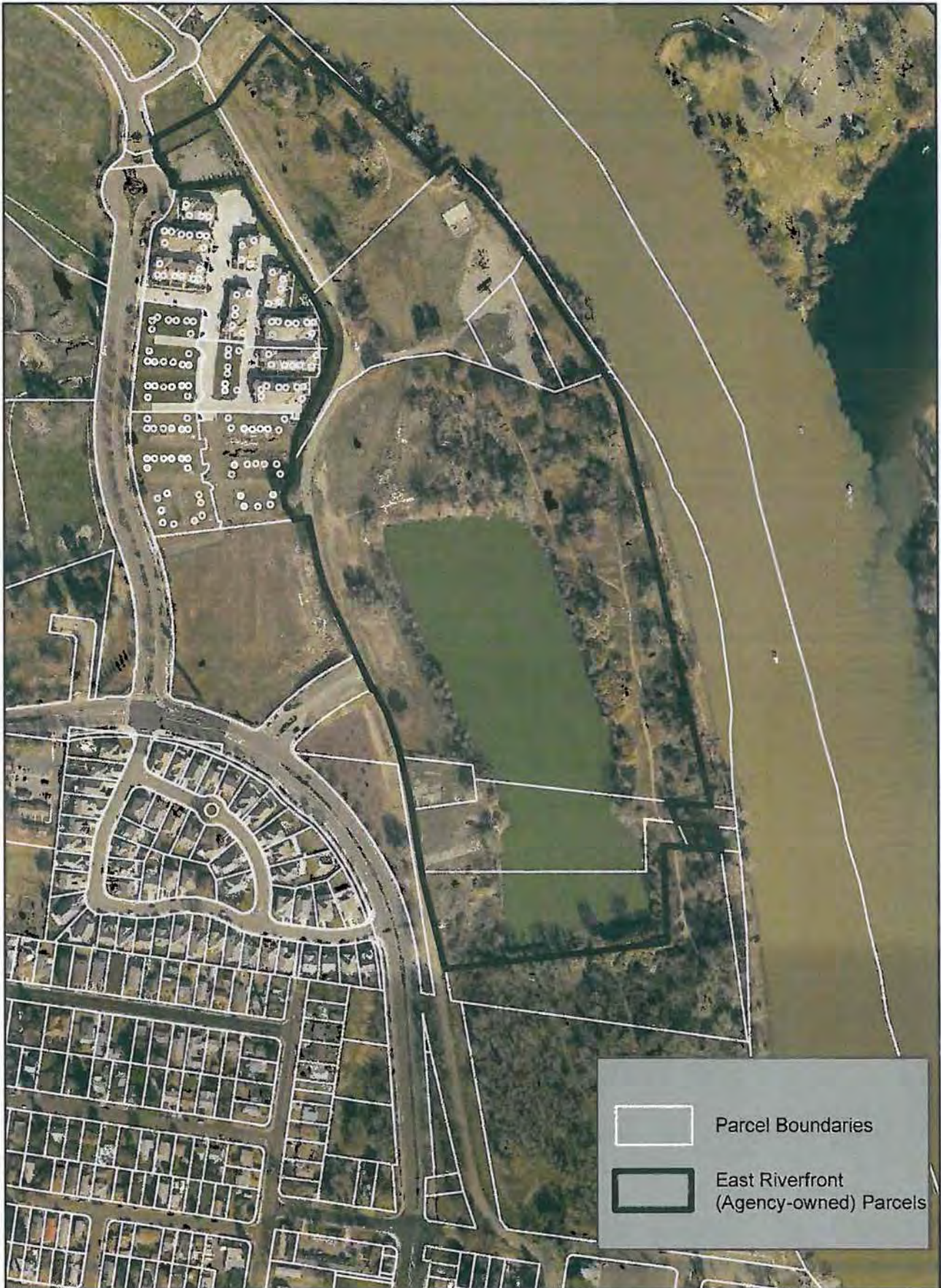
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## Appendices

- a. Appendix A- Redevelopment Plan for Project No.1
  - i. <http://www.cityofwestsacramento.org/civica/filebank/blobdload.asp?BlobID=9622>
- b. Appendix B- Current 5-Year Implementation Plan
  - i. <http://www.cityofwestsacramento.org/civica/filebank/blobdload.asp?BlobID=9623>
- c. Appendix C- West Capitol Avenue Action Plan
  - i. <http://www.cityofwestsacramento.org/civica/filebank/blobdload.asp?BlobID=2857>
- d. Appendix D- Central Business District Design Guidelines
  - i. <http://www.cityofwestsacramento.org/civica/filebank/blobdload.asp?BlobID=3630>
- e. Appendix E- Washington Specific Plan
  - i. <http://www.cityofwestsacramento.org/civica/filebank/blobdload.asp?BlobID=3639>
- f. Appendix F- Grand Gateway Master Planning Area
  - i. <http://www.cityofwestsacramento.org/civica/filebank/blobdload.asp?BlobID=9420>
- g. Appendix G- Southport Framework Plan
  - i. <http://www.cityofwestsacramento.org/civica/filebank/blobdload.asp?BlobID=3632>
- h. Appendix H- Parks Master Plan
  - i. <http://www.cityofwestsacramento.org/civica/filebank/blobdload.asp?BlobID=3628>

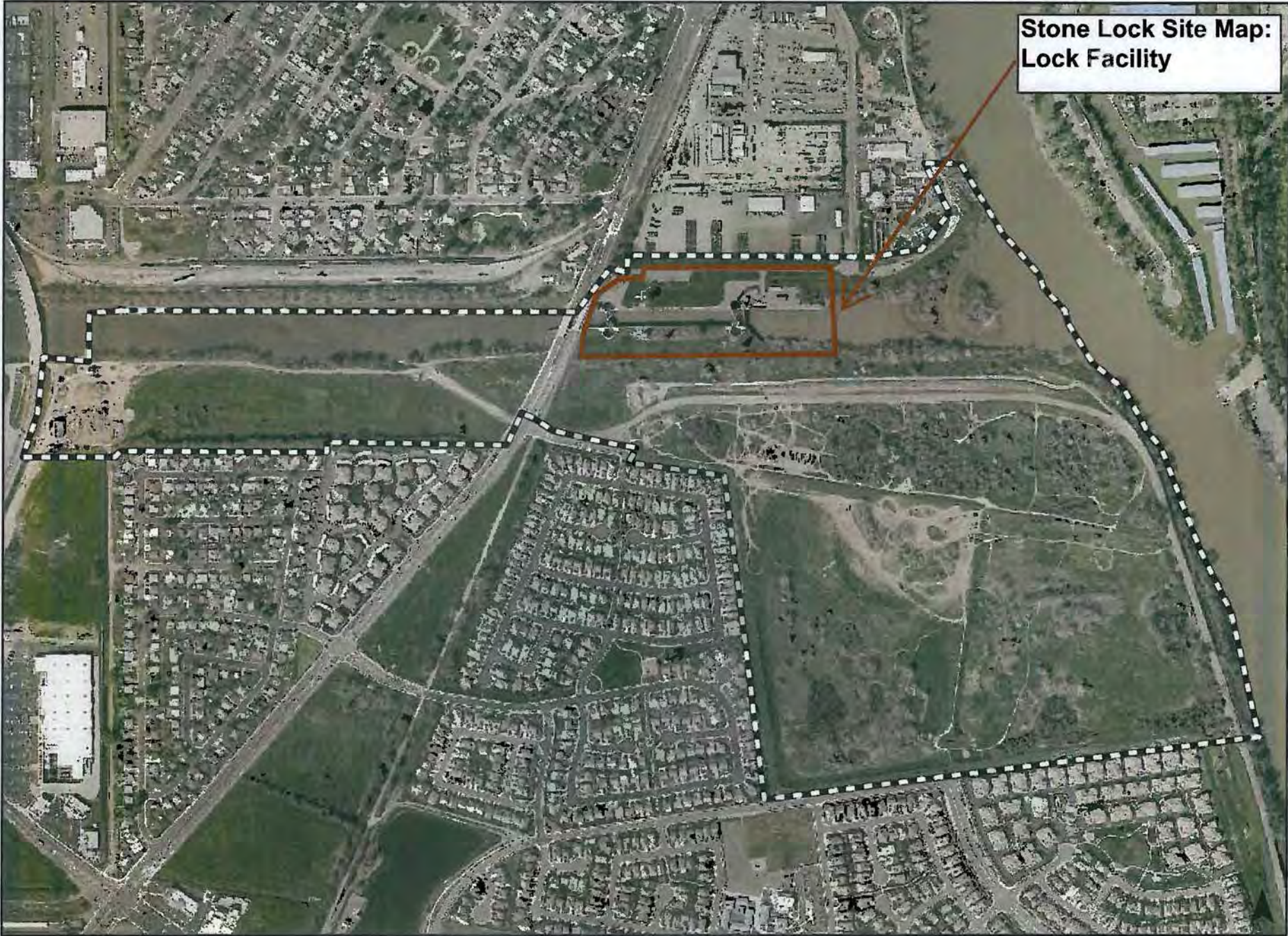
# ATTACHMENT 2

APNs 014-610-004, 010, 014, 020; 014-620-003, 010,012, 014; 014-760-020,023  
East Riverfront Properties





**Stone Lock Site Map:  
Lock Facility**



0 125 250 500 750 1,000 Feet



**REDEVELOPMENT SUCCESSOR AGENCY OVERSIGHT BOARD**

MEETING DATE: October 10, 2013

ITEM # **3**

**SUBJECT:**  
**CONSIDERATION OF OB RESOLUTION 13-15 APPROVING THE LONG-RANGE PROPERTY MANAGEMENT PLAN AS REQUIRED BY ASSEMBLY BILL 1484**

**INITIATED OR REQUESTED BY:**

- Council     Staff  
 Other

**REPORT COORDINATED OR PREPARED BY:**

Katie Yancey, Senior Administrative Analyst  
Jon Robinson, Housing and Community Investment Manager



Martin Tuttle, Executive Director  
West Sacramento Redevelopment Successor Agency

ATTACHMENT  Yes     No                       Information     Direction                       Action

**OBJECTIVE**

The purpose of this report is to request that the Oversight Board of the Redevelopment Successor Agency approve the Long Range Property Management Plan ("the Plan").

**RECOMMENDED ACTION**

It is respectfully recommended that the Oversight Board approve OB Resolution 13-15 (Attachment 1).

**BACKGROUND**

On June 27, 2012, the Governor approved AB 1484, which altered the Oversight Board's role in real property disposition. The Oversight Board's new role is to approve a long-range property management plan, which, pursuant to the law, must contain a detailed inventory of all real property assets and a set of recommendations regarding how and to whom the assets should be disposed or distributed. AB 1484 specifies that the Plan must be approved and submitted within six months of the issuance of a finding of completion, which the Successor Agency received May 16, 2013. The due date for the Plan is November 15, 2013.

Staff has pursued an incremental approach to the preparation of the Plan, with several visits to the City Council, the Successor Agency, and its Oversight Board over the course of the past year. On September 4, 2013, staff presented the draft Plan in a joint workshop of the City Council and the Successor Agency. The draft Plan included a comprehensive inventory of the 14 properties owned by the West Sacramento Redevelopment Successor Agency, along with recommendations for their disposition by the Oversight Board. On September 12, 2013, staff presented the draft Plan in a workshop to the Oversight Board, and the Oversight Board approved OB Resolution 13-12 authorizing the dedication of the Stone Lock Facility parcels to the City. On October 2, 2013 the City Council accepted the outstanding public use transfers previously dedicated by the Oversight Board, approved the draft appraisal instructions for the easements on 2400 West Capitol Avenue and the Successor Agency approved the Plan.

**ANALYSIS**

The Plan (Attachment 2) incorporates a recap of all public transfers and housing transfers that have been made to date, a history of the Redevelopment Agency and City advanced planning documents, and a variety of other source materials that were essential for establishing the disposition recommendations. The result is a Plan that is designed both to meet the requirements of AB 1484, and to serve as a practical blueprint for the Plan's implementation.

The Plan currently contains staff's estimate of current value for the subject properties. Due to timing constraints, it will likely not be possible to substitute appraised values for these estimates. However, appraised values are not required by AB 1484. Following Department of Finance (DOF) approval of the Plan, staff will procure appraisals using the appraisal instructions previously approved by the City Council and Oversight Board and will return to the City Council/Successor Agency to request approval of proposed purchase prices before making formal purchase offers to the Successor Agency.

On August 7, 2013, the City Council approved appraisal instructions for the Tower Court and Washington Fire House properties, two of the assets it wished to retain for future development. At the meeting of September 4, 2013, staff introduced an additional property for the City to retain, a portion of 2400 West Capitol Avenue. PG&E has identified this location for a future regulator station to be constructed with the Line 172 gas line project. Staff has submitted a hand-drawn extent of the property needed for PG&E's approval. Once PG&E has approved the drawing, staff will prepare a plat map and legal description for the area and add it as an attachment in Section 8 of the Plan. Attachment 3 contains the draft appraisal instructions for this portion of 2400 West Capitol Avenue. These instructions were approved by the City Council on October 2, 2013. If approved by the Oversight Board, these appraisal instructions will be added to Section 8 of the Plan.

#### **Stone Lock Option/Assignment Agreements and Public Use Transfer**

On June 13, 2013 the Oversight Board adopted OB Resolution 13-7. This resolution was presented to the Oversight Board at the request of the Cordish Company to facilitate DOF's confirmation that the Stone Lock Option and Assignment Agreement are enforceable obligations. The DOF has concluded that the Option Agreement between the Redevelopment Agency and the Port and the Assignment Agreement from the Port to Cordish are not enforceable obligations. Cordish is likely to seek a change in the DOF's decision.

On September 12, 2013, the Oversight Board took a related action (OB Resolution 13-12) for the Lock Facility itself, excluded from the Option and Assignment Agreements, to transfer just the Lock Facility to the City for flood protection purposes. (The Lock Facility is just the portion of the Stone Lock Property that includes the locks, the gates, and the "stop logs" that separate the Sacramento River from the Deep Water Ship Channel.) The DOF has informed staff that it intends to undertake a 100-day review of this Oversight Board action. Staff is hopeful that DOF has confused the Lock Facility with the broader Stone Lock development site, and will seek to clarify this with DOF.

Since it is likely that both a Cordish-driven respond to DOF and the DOF review of OB Resolution 13-12 will extend beyond the mid-November deadline for submittal of the Plan, staff has prepared new language in the Plan allowing the Successor Agency to comprehensively address the disposition of the properties in a manner consistent with limited options prescribed in the dissolution legislation. Attachment 4 shows the alternate recommendations for parcels 8-14 approved by the Successor Agency on October 2, 2013 and included in the Plan.

#### Alternatives

The Oversight Board's primary alternatives are:

1. Approve the appraisal instructions, and the Plan;
2. Do not approve the draft appraisal instructions but approve the Plan; or
3. Do not approve the draft appraisal instructions or the Plan.

Alternative 1 is staff's recommended action. Staff does not recommend Alternative 2 as it could delay the implementation of the Plan upon DOF's approval. Staff does not recommend Alternative 3 for the Oversight Board as it would prevent staff from meeting DOF's deadline for submittal of the Plan.

#### Coordination and Review

This report was prepared by Community Development staff in consultation with the City Attorney and Administrative Services Department-Finance Division.

#### Budget/Cost Impact

Recently, the DOF has issued Frequently Asked Questions that indicate that the costs associated with the preparation of the Plan should be placed on the ROPS. (Previously, staff had asserted that staff time to prepared and submit the statutorily-required Plan will be billed to the Successor Agency's administrative budget.) The estimated total cost, including professional services and staff time, to prepare and implement the Plan with the draft recommendations described above is \$52,000. Staff will be returning at a later date for approval of these costs on a future ROPS.

**ATTACHMENT(S)**

1. OB Resolution 13-15
2. Long-Range Property Management Plan<sup>1</sup>
3. Appraisal Instructions for 2400 West Capitol
4. Revised Recommendations Table

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<sup>1</sup>To facilitate DOF review, the complete Plan includes a large quantity of background documentation, bringing it to a total of over 1,000 pages. Sections 1-6, which contain the property inventory and recommended disposition approaches, are included with this report in their entirety. The background documents found in Sections 7, 8 and 9 are summarized in the Plan, and available for review in the Community Development Department.

A link to the complete copy of the Plan will be e-mailed to Board members. Additionally, a hard copy of the complete Plan is available for review in the Community Development Department offices, and will be also available for Oversight Board members' review at the Board meeting of October 10<sup>th</sup>.



**OB RESOLUTION 13-15**

**A RESOLUTION OF THE OVERSIGHT BOARD OF THE WEST SACRAMENTO REDEVELOPMENT SUCCESSOR AGENCY APPROVING THE LONG-RANGE PROPERTY MANAGEMENT PLAN AND RELATED IMPLEMENTATION MEASURES**

**WHEREAS**, the Oversight Board of the West Sacramento Redevelopment Successor Agency ("Oversight Board") has a fiduciary responsibility to the taxing entities that benefit from the distribution of revenues pursuant to Section 34188 of AB1X26; and

**WHEREAS**, the Health and Safety Code section 34177(h) further directs that the Successor Agency wind down the affairs of the former Agency, directs that the Successor Agency continue to oversee development of properties until completion or until the former Agency contractual obligations can be transferred to other parties; and

**WHEREAS**, pursuant to the Health and Safety Code section 34191.5 (b), the Successor Agency shall, upon the receipt of a finding of completion, prepare a long-range property management plan ("the Plan") that addresses the disposition and use of the real properties of the former redevelopment agency; and

**WHEREAS**, the Successor Agency received a finding of completion on May 16, 2013; and

**WHEREAS**, pursuant to the Health and Safety Code section 34191.5 (c)(2)(C) the Plan shall be submitted to the Overnight Board and the Department of Finance for approval no later than six months from May 16, 2013; and

**WHEREAS**, the Successor Agency approved the Plan on October 2, 2013.

**NOW, THEREFORE, BE IT RESOLVED**, by the Oversight Board of the West Sacramento Redevelopment Successor Agency:

- 1) Approves the Plan, as presented to the Oversight Board, and directs the Successor Agency to submit the Plan to the Department of Finance prior to the deadline; and
- 2) Approves the appraisal instructions, as presented to the Oversight Board, for the 2400 West Capitol Avenue parcel.

**PASSED AND ADOPTED**, by the Oversight Board of the West Sacramento Redevelopment Successor Agency on this 10<sup>th</sup> day of October, 2013 by the following vote:

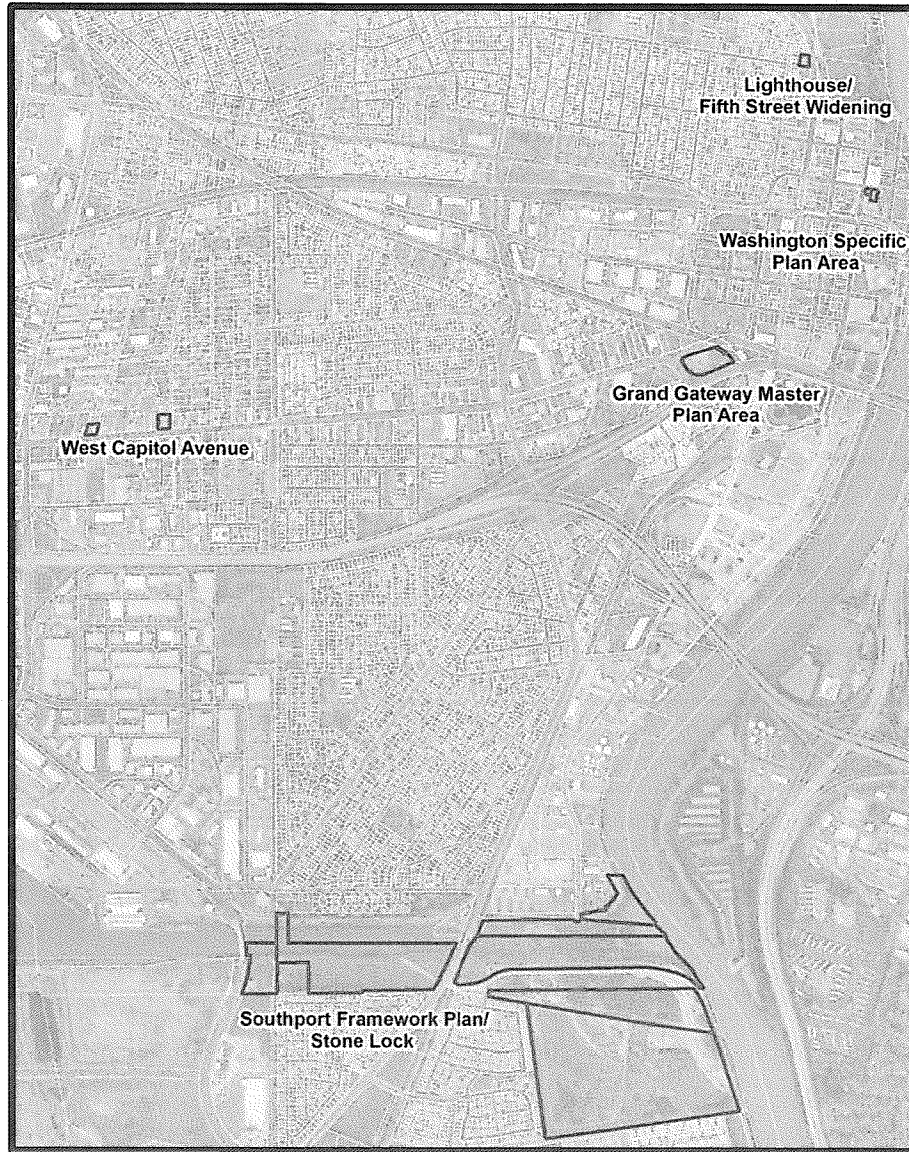
**AYES:**  
**NOES:**  
**ABSENT:**

\_\_\_\_\_  
Christopher Ledesma, Chairperson

**ATTEST:**

\_\_\_\_\_  
Kryss Rankin, City Clerk

# Long Range Property Management Plan



Prepared by the West Sacramento Redevelopment Successor Agency

Approved by the Oversight Board on October 10, 2013

# Long Range Property Management Plan

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**Section 2:** How the Plan is Structured

**Section 3:** Summary of Land Use Planning Documents and Their Role in the Current 5-year Implementation Plan

**Section 4:** Summary of Recommendations by Assessor Parcel Number and Address

**Section 5:** AB 1484 Requirements and Inventory Template

**Section 6:** Inventory

- West Capitol Avenue
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- Grand Gateway Master Planning Area
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**Section 8:** Successor Agency's Approach to the Disposition of Assets

- Housing
- Public Use
- LRPMP process

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Appendix A- Redevelopment Plan for Project No.1

Appendix B- Current 5-Year Implementation Plan

Appendix C- West Capitol Avenue Action Plan

Appendix D- Central Business District Design Guidelines

Appendix E- Washington Specific Plan

Appendix F- Grand Gateway Master Planning Area

Appendix G- Southport Framework Plan

Appendix H- Parks Master Plan

# Long Range Property Management Plan: Section 1

## Executive Summary

Under AB1x 26 (Section 34177 of the Health and Safety Code), successor agencies are required to “dispose of assets and properties of the former redevelopment agency” and to do so “expeditiously and in a manner aimed at maximizing value.”

On June 27, 2012 the Governor approved AB 1484. With the passage of this legislation, the Oversight Board was temporarily relieved of its obligation to dispose of the former Agency’s assets pursuant to section 34177, but is still allowed to approve governmental use transfers.

The Oversight Board may resume disposition of non-public former Agency assets after the Department of Finance (DOF) has approved a long-range property management plan (“LRPMP” or “Plan”). On May 16, 2013, the Successor Agency received its finding of completion from the DOF, which triggered a six-month timeframe to submit the LRPMP for approval. In response, the Successor Agency has prepared a LRPMP that meets or exceeds all AB 1484 requirements.

The LRPMP includes an inventory of the 14 properties owned by the West Sacramento Redevelopment Successor Agency, along with recommendations for their disposition by the Oversight Board. The Plan’s recommendations are as follows:

| Key | APN         | Site Address         | Acres | Recommendation   |
|-----|-------------|----------------------|-------|--|
| 1   | 008-441-007 | 2400 West Capitol Av | 0.65  | Retain a portion for regulator station and sell remainder and distribute proceeds to the taxing entities   |
| 2   | 008-450-016 | 2600 West Capitol Av | 0.48  | Sell and distribute proceeds to the taxing entities  |
| 3   | 010-371-005 | 305 3rd St           | 0.15  | Government use easement for Washington monument and retain for future development associated with the Washington Firehouse   |
| 4   | 010-371-006 | 221-225 C St         | 0.29  |  |
| 5   | 010-523-037 | 485 Lighthouse Dr    | 0.37  | Sell and distribute proceeds to the taxing entities  |
| 6   | 067-330-002 | 811 West Capitol Av  | 0.10  | Retain for future development associated with the Grand Gateway Master Plan  |
| 7   | 067-330-017 | 706 Tower Ct         | 3.52  |  |
| 8   | 046-010-011 | 2350 South River Rd  | 82.7  | Retain for future development associated with the Southport Framework Plan <sup>1</sup>  |
| 9   | 067-180-001 | 2050 South River Rd  | 5.8   | Government use transfer for Lock facility (per OB Resolution 13-12) <sup>2</sup> and retain for future development associated with the Southport Framework Plan <sup>1</sup> |
| 10  | 067-180-002 | 2250 South River Rd  | 23.91 | Retain for future development associated with the Southport Framework Plan <sup>1</sup>  |

## Long Range Property Management Plan: Section 1

|    |             |                           |       |  |
|----|-------------|---------------------------|-------|--|
| 11 | 067-180-003 | 2100 South River Rd       | 40.66 | Government use transfer for Lock facility (per OB Resolution 13-12) <sup>2</sup> and retain for future development associated with the Southport Framework Plan <sup>1</sup> |
| 12 | 067-180-004 | 2051 South River Rd       | 17.2  |  |
| 13 | 067-180-024 | 2821 Lake Washington Blvd | 4.18  | Retain for future development associated with the Southport Framework Plan <sup>1</sup>  |
| 14 | 067-180-054 | 2100 Jefferson Blvd       | 34.5  |  |

In addition to the LRPMP components required by AB 1484, the Plan also incorporates a recap of all public transfers and housing transfers that have been made to date, a history of the Redevelopment Agency and City advanced planning documents and a variety of other source material that were essential for establishing the disposition recommendations. The result is a Plan that is designed both to meet the statutory requirements for LRPMPs pursuant to AB 1484, and to serve as a practical blueprint for the Plan's implementation.

<sup>1</sup> The original recommendations were to sell the developable portion of the properties to Cordish Company per the Option Agreement, but DOF determined that the option and assignment agreements are not enforceable obligations. DOF has returned OB Resolution 13-7 for reconsideration. If the DOF decision is overturned, our intent is to proceed with the disposition per the agreements ratified under OB Resolution 13-7. A copy of OB Resolution 13-7 and DOF response letter is located in Section 7 of the Plan.

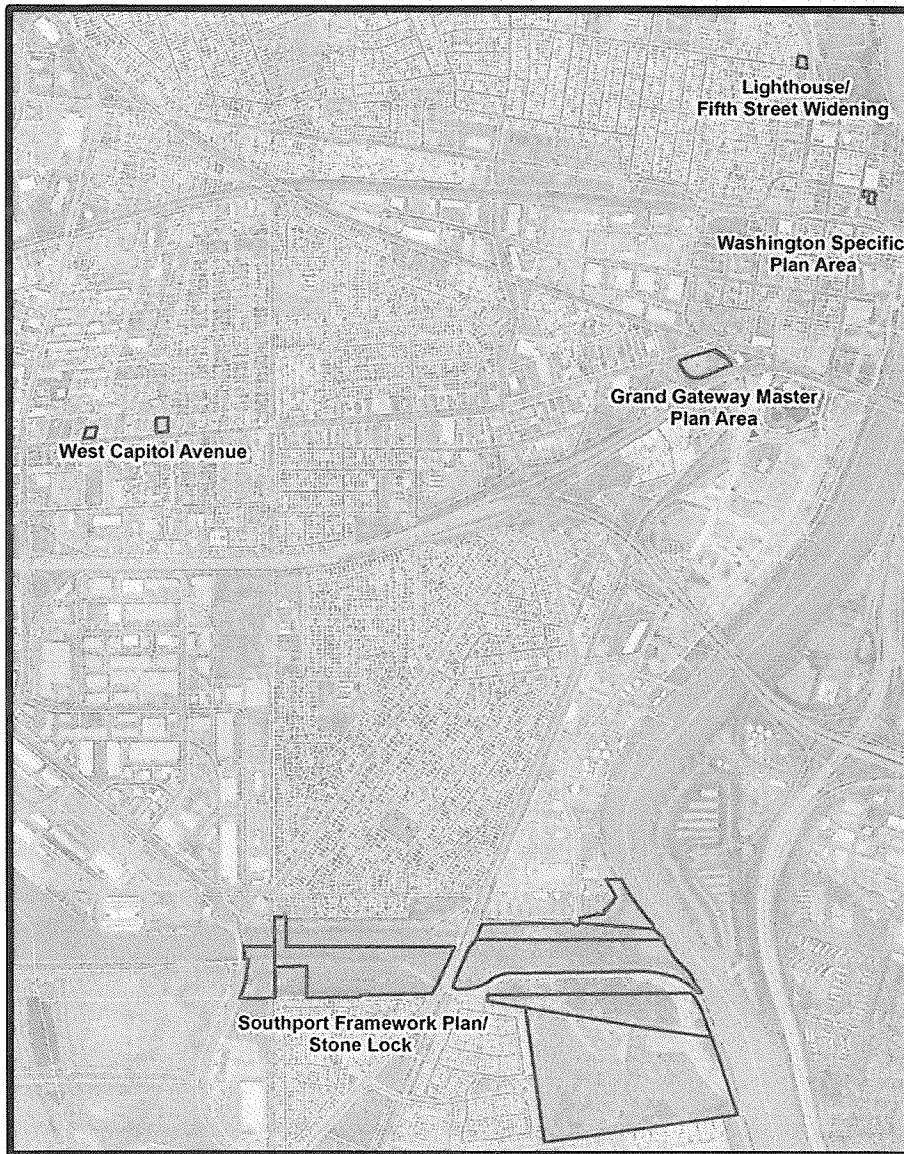
<sup>2</sup> On October 1, 2013, the Successor Agency was notified that DOF intends to review OB Resolution 13-12. If DOF overrules the Oversight Board findings related to this public use transfer and returns OB Resolution 13-12 for reconsideration, our intent would be for the City to retain the entire parcel (s) for future development associated with the Southport Framework Plan.

# Long Range Property Management Plan: Section 2

## How the Plan is Structured

The disposition strategy recommendations and the accompanying inventory are grouped by their geographical areas. Each geographical area is summarized in section 3 using the existing planning documents and their role in the current 5-year implementation plan. Map 1 shows the location of all the assets included in the inventory and their grouping. A complete list of the recommended actions indexed by parcel number and address are located in section 4. The inventory questionnaires are based on the requirements as described in AB 1484. Section 5 illustrates how the inventory sheets for each parcel (see section 6, grouped by geographic area) address specific sections of the Health and Safety Code. Section 7 contains relevant source material used in the preparation of the Section 6. The combination of sections 3-6 along with the various disposition actions described in section 8 and the appendices included in section 9 of the LRPMP not only meet the requirements of AB 1484 but also provides a blueprint for the implementation of the LRPMP.

Map 1: Geographical Areas in the Inventory



# Long Range Property Management Plan: Section 3

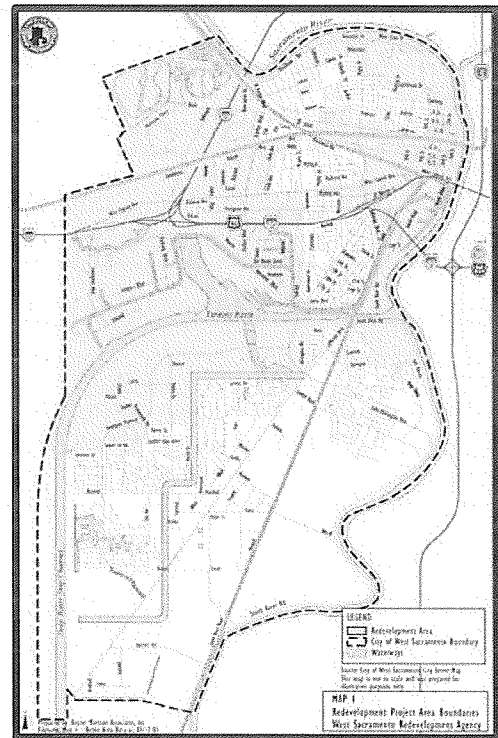
## Summary of Land Use Planning Documents and their Role in the Current 5-year Implementation Plan

On March 6, 1986 the Yolo County Redevelopment Agency adopted a Redevelopment Plan for Redevelopment Project No. 1 within an area known at the time as East Yolo (see Appendix A). The following year, when the City of West Sacramento incorporated, the City inherited the Redevelopment Plan. Since then, the West Sacramento Redevelopment Agency (“Agency”) has adopted four amendments to Redevelopment Plan.

The Agency’s purpose was to eliminate and prevent the spread of blight and deterioration in the Project Area depicted in Figure 1. Characteristics of a blighted area included improperly utilized property, a weak economic base, stagnant economic growth, and environmental contamination or other environmental deficiencies, such as lack of proper infrastructure. The authors of the original Redevelopment Plan recognized that due to its long-term nature, the Redevelopment Plan could not prescribe a precise course or establish specific projects for the redevelopment, rehabilitation and revitalization of any area within the Project Area, but instead could provide a framework through which the Redevelopment Plan’s goals could be effectuated in the Project Area.

Pursuant to Article 16.5 of the Community Redevelopment Law, the Agency has adopted several five-year implementation plans that do prescribe a course of action and include specific projects within the Project Area. On April 6, 2011, the former Redevelopment Agency adopted its most current implementation plan (see Appendix B). The current implementation plan identifies several master and specific planning documents that guide future development within the Project Area. The boundaries of these various planning areas do not encompass the entire Project Area; however, the current implementation plan does describe the Agency’s goals, objectives, projects, programs, and blight elimination measures by these geographic areas when possible. The LRPMP is structured in a similar fashion.

Figure 1: Project Area



### **Geographic Areas in the LRPMP**

*WEST CAPITOL AVENUE ACTION PLAN (APPENDIX C) AND CENTRAL BUSINESS DISTRICT DESIGN GUIDELINES AREA (APPENDIX D)*

When the City incorporated, West Capitol Avenue was a source of physical and economic problems in West Sacramento. In 1990, the Agency began to take actions to reverse the trend of decline and upgrade the entire corridor. Using the power of eminent domain, granted in the



## Long Range Property Management Plan: Section 3

1986 Redevelopment Plan, in 1991 the Redevelopment Agency started acquiring several properties that were contributing to the blighting conditions along the corridor (see Figure 2).

Figure 2: Harbor Adult Bookstore

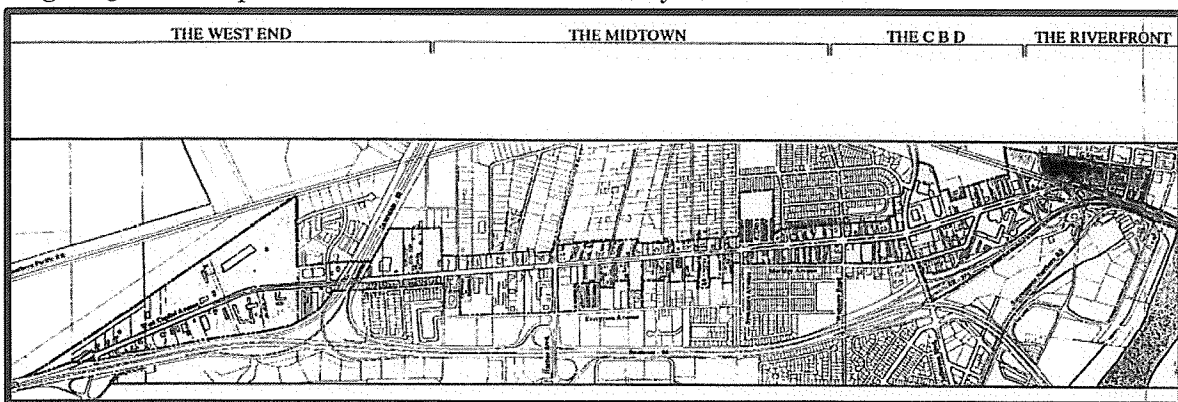


The West Capitol Avenue Action Plan (“Action Plan”) process, initiated at the same time, studied the problems of West Capitol Avenue and strived to create a plan for its revitalization. The primary goal of the Action Plan was to enhance the role of West Capitol Avenue as a principal commercial mixed use corridor in the City. The Action Plan was approved by Council in 1992.

In 2007, the Council approved the West Capitol Avenue Streetscape Master Plan and Design Guidelines and an accompanying implementation plan. The streetscape improvements were aimed at creating an appropriate setting to achieve the vision and attract the desired uses described in the Action Plan. Prior to dissolution of the Agency, Phase 1 of the streetscape improvements were constructed utilizing, in addition to grant funds, a \$4.5 million contribution from the Agency.

The most recent implementation plan mentions many of the same struggles that the existed along the West Capitol Avenue corridor 20 years ago. Many accomplishments have been made in the Midtown and CBD sections of West Capitol Avenue, but the Agency acknowledges that its difficulty in effectuating a complete change is due to a lack of market interest from private developers to develop the vacant parcels or redevelop the undesirable uses along the corridor (see Figure 3). In response, the Agency’s current implementation plan focuses solely on the industrial end of West Capitol Avenue and proposes a \$1 million expenditure to focus its planning efforts on land assembly and brownfield remediation in the West End.

Figure 3: West Capitol Avenue Action Plan Boundary and Sub Areas



## Long Range Property Management Plan: Section 3

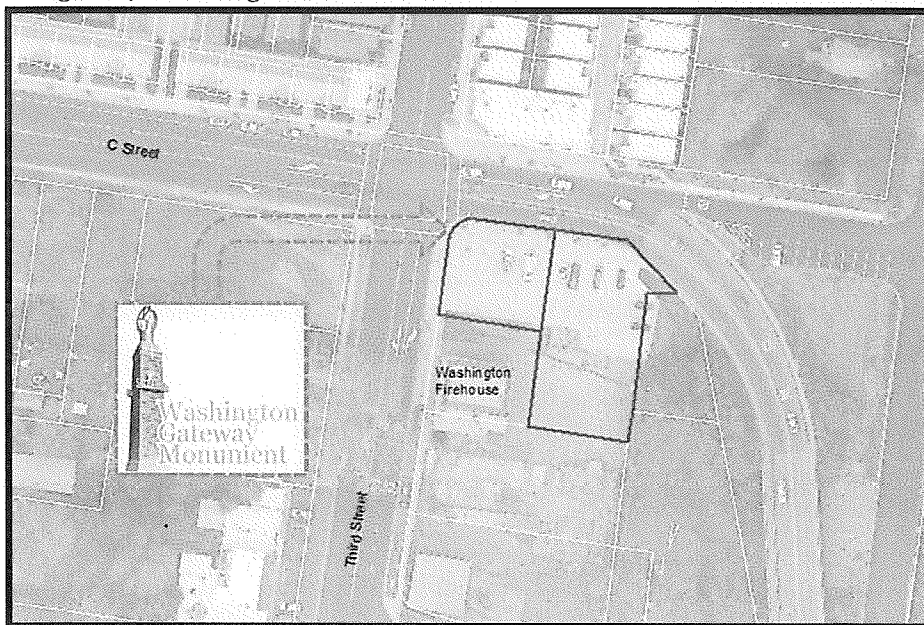
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### *WASHINGTON SPECIFIC PLAN AREA (APPENDIX E)*

The goals and objectives of the Washington Specific Plan, adopted in 1996, are primarily focused on the redevelopment and revitalization of this historic neighborhood and encouraging the development of large- to medium- scale mixed-use projects on the vacant or underutilized parcels along the Sacramento River, north of Tower Bridge Gateway. In addressing the underutilized property, the goals and policies of the document also recognize that many of the existing homes and buildings in this area are among the oldest in the City. This unusual stock of historic structures is specifically acknowledged in the recreational and cultural resources section of the planning document's goals and policies chapter. The policy objective articulated in this chapter describes the means the City will undertake to preserve and enhance the historical heritage of the neighborhood.

The current implementation plan identifies that Washington Firehouse structure for adaptive reuse. The building, owned by the City of West Sacramento, was constructed in 1939. Following the initial public use by the City, the structure has been vacant since the mid-1990s. In 2009, the City constructed the Washington Gateway Monument on northeast corner of the two parcels adjacent to the building are owned by the Successor Agency (see Figure 4). The monument was designed to reflect the historic nature of the Washington Neighborhood and the entire West Sacramento community. This enhancement makes the last improvement on the site, as no expenditures for renovation or consolidation of the site were identified in the current implementation plan.

Figure 4: Washington Firehouse Parcels

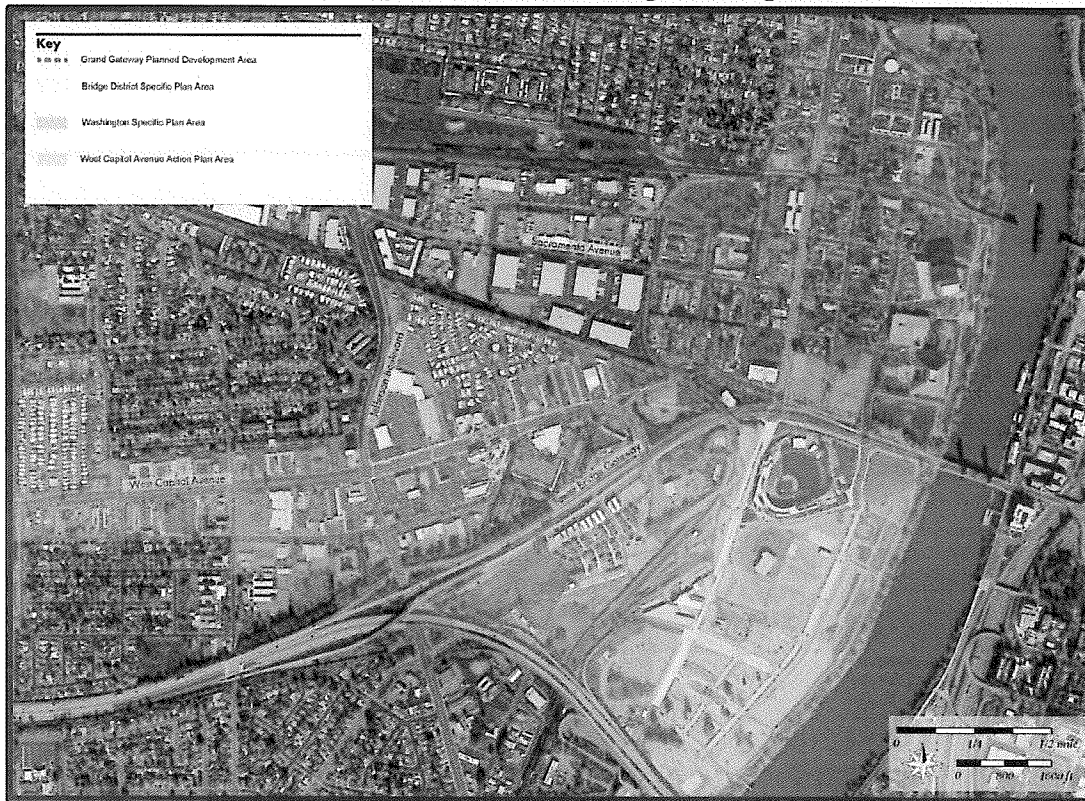


## Long Range Property Management Plan: Section 3

### *GRAND GATEWAY MASTER PLANNING AREA (APPENDIX F)*

The Grand Gateway Master Planning Area consists of ten acres of publicly owned land covered by multiple planning documents (see Figure 5). The objective of the master planning effort was to develop a comprehensive planning document which harmonizes the existing zoning with various vision expressions for the area described in the Washington Specific Plan, the Bridge District Specific Plan and the West Capitol Avenue Action Plan and the Central Business District Design Guidelines. The master planning document was funded by a 2011 Local Government Commission grant award for the purposes of creating a transit oriented development strategy that capitalizes on the urban infill potential of the site and takes a fresh approach to addressing pedestrian and vehicular circulation within and around the site. The master planning document was adopted by the City Council on June 6, 2013.

Figure 5: Grand Gateway Project Area and Existing Planning Documents



During the two-year timeframe from award to adoption, the ownership of apportion of the site changed. Previously the Successor Agency owned the Delta Lane site; however, because it was identified and transferred as housing assets, the City is now the current owner. The City also owns the Experience site to the north and the surrounding excess right-of-way (see Figure 6). Currently, Successor Agency owns the Tower Court parcels, the central portion of the master planning area.

## Long Range Property Management Plan: Section 3

Figure 6: Grand Gateway Ownership



Although the Grand Gateway Master Plan did not exist during the preparation of the current implementation plan, the Agency was pursuing redevelopment objectives on the Tower Court site. The Tower Court parcel is referenced in Table 1 “Relationship of Projects and Programs to Blight Elimination” of the current implementation plan. In relation to Tower Court, the current implementation plan encourages the remediation hazardous contaminations on the site and a master planning effort on this and the surrounding City owned-property as part of the Agency’s efforts to strengthen the economic base of the project area and community by stimulating new residential and commercial development and employment and economic growth.

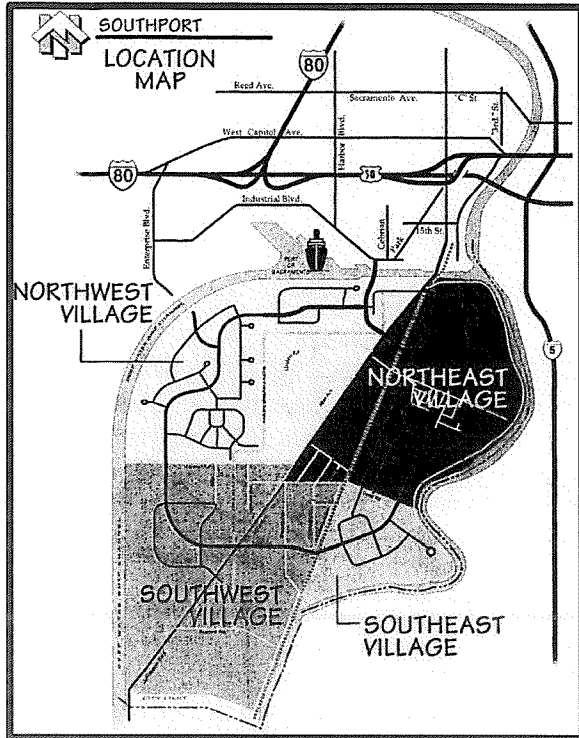
### *SOUTHPORT FRAMEWORK PLAN (APPENDIX G) / STONE LOCK AREA*

The Southport Framework Plan, adopted in 1995, identifies the planned land use designations for the area south of the Deep Water Ship Channel. It refines the City’s General Plan and established a foundation for a four village-oriented mixed development for the southern half of the City (see Figure 7). A majority of Southport is not within the project area as it was primarily agricultural at the time the Redevelopment Plan was adopted.



# Long Range Property Management Plan: Section 3

Figure 7: Southport Framework Villages

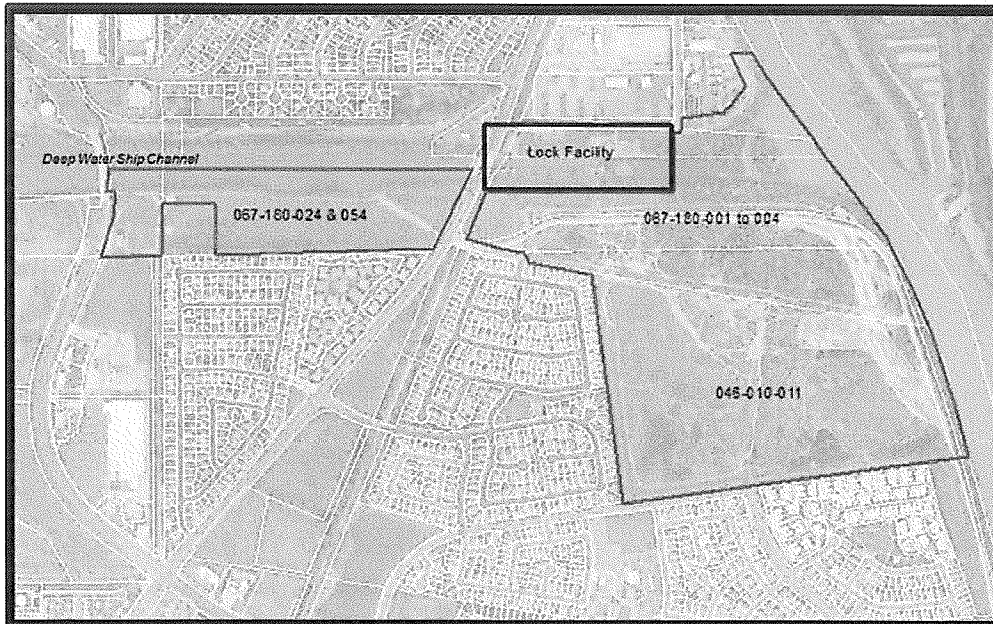


The current implementation plan does cover the project area portion of the Southport Framework Plan and while it discuss the industrial and business park development in the Northwest Village, it primary focus is on the adaptive reuse and redevelopment surrounding the William G. Stone Lock facility (“the Stone Lock Property”) in the Northeast Village (see Figure 8) currently owned by the Successor Agency and under option by the Cordish Company, Inc.

The Northwest Village is unique form the other villages in its proposed land use pattern. Along the water, the land is zoned for Riverfront Mixed-Use, which requires a residential density in excess of 25 dwelling units to the acres. This is the only place in Southport were this land use designation is used (see Figure 9). Additionally, the Northwest Village is the only place in

Southport were developable land is zoned as Open Space. Several neighborhood parks are zoned for along the riverfront and a large community park is planned on for in the Northwest Village.

Figure 8: Stone Lock Property



# Long Range Property Management Plan: Section 3

Figure 9: Northwest Village Land Uses

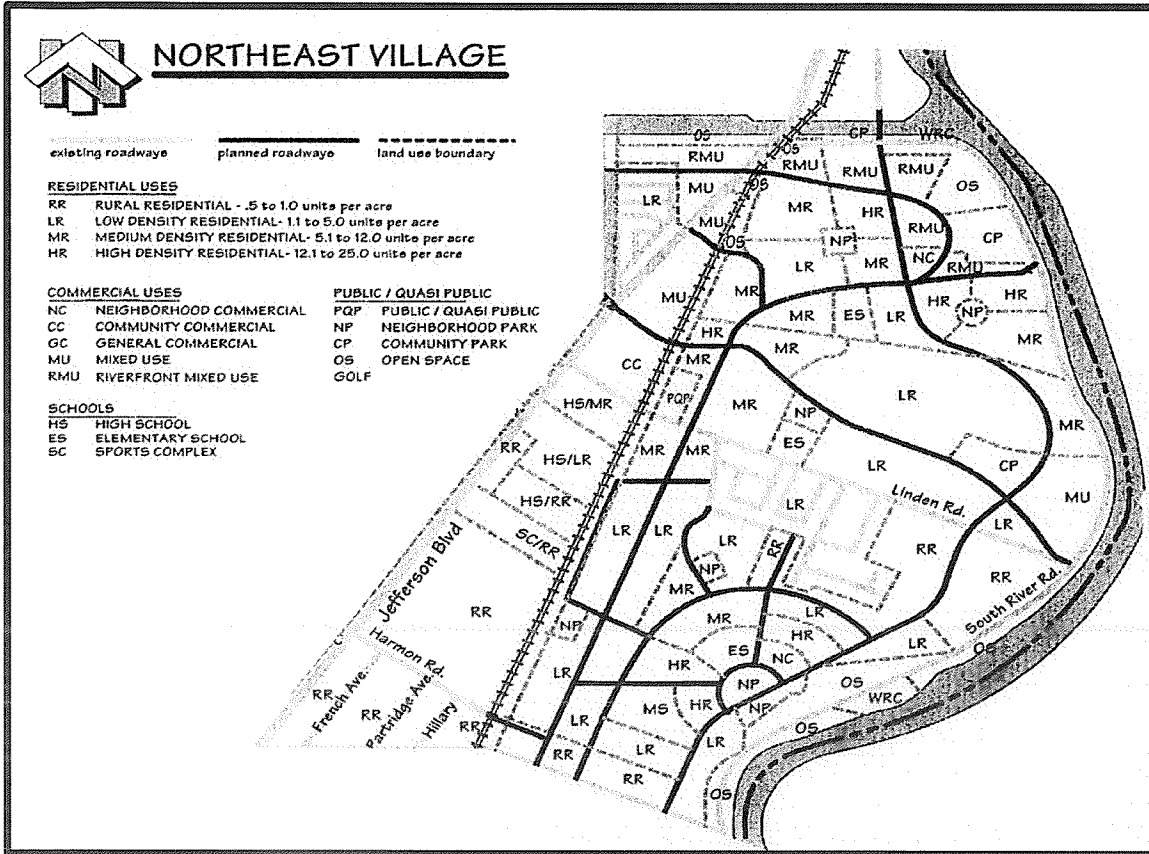
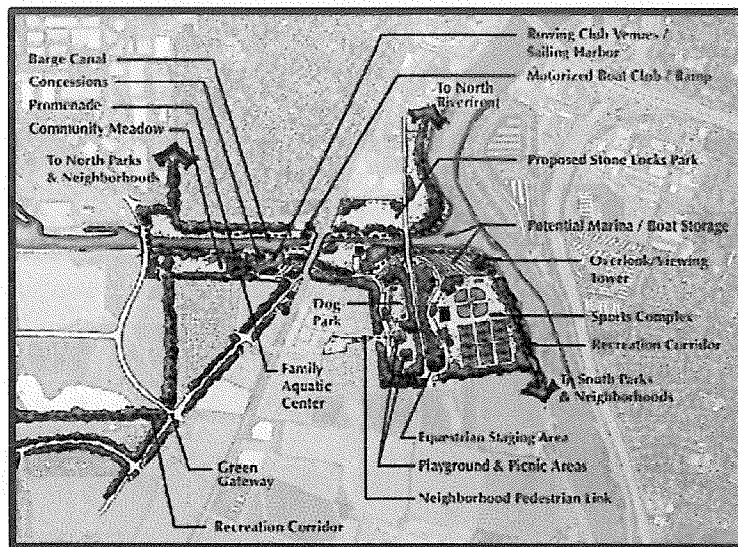


Figure 10: Central Park

In 2003, the City's Park's Department prepared a Parks Master Plan, provided in Appendix H) that includes an elaborate Central Park concept for the riverfront of the Northwest Village (see Figure 10.) A portion of the Central Park Concept is reflected in the zoning along the riverfront and has already been implemented. In 2005, the City Council elected to relocate a 3.8 acre neighborhood park from an industrial area in the



Northwest Village to a location along the Deep Water Ship Channel to support the economic vitality of the Port of West Sacramento and to provide the community with a better location for

## Long Range Property Management Plan: Section 3

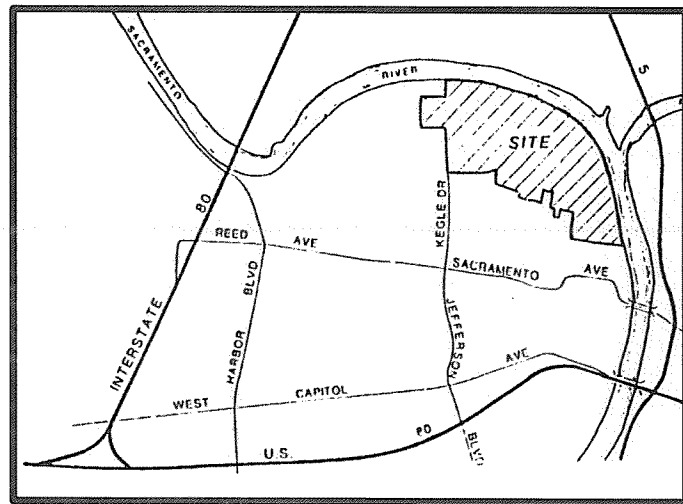
the park. In 2007, the City constructed a recreation and access improvement along the southern bank of the Deep Water Ship Channel.

The current implementation plan references these recreation and access and additional public improvements, the inline booster pump station and the setback levee project, on Stone Lock Property. It encourages the implementation of the Southport Framework and supports the repurposing of the Lock facility and surrounding areas for retail, residential and recreation uses as part of the Agency's efforts to anticipate and activate the redevelopment or development of underdeveloped areas which are stagnant or improperly utilized.

### *LIGHTHOUSE DRIVE/FIFTH STREET WIDENING PROJECT*

On March 8, 1989 the Agency entered into a Disposition and Development Agreement (DDA) with the Lighthouse Marina and Riverbed Development, a developer, for the purposes of implementing the Lighthouse Marina Project, currently known as the Rivers subdivision (see Figure 11). The DDA required that the City and the Agency fund the extension of Fifth St to the new development. A copy of the body of the DDA and Exhibit E of the DDA, the Public Improvements Plan, are available in Appendix I. In 1992, the Agency began acquiring property for the widening project.

Figure 11: Lighthouse Marina Site Map



The Fifth Street project was completed several years prior to the preparation of the current implementation plan and is therefore not mentioned.



# Long Range Property Management Plan: Section 4

## Recommendations by Assessor Parcel Number and Address

| Key | APN         | Site Address              | Acres | Recommendation   |
|-----|-------------|---------------------------|-------|--|
| 1   | 008-441-007 | 2400 West Capitol Av      | 0.65  | Retain a portion for regulator station and sell remainder and distribute proceeds to the taxing entities   |
| 2   | 008-450-016 | 2600 West Capitol Av      | 0.48  | Sell and distribute proceeds to the taxing entities  |
| 3   | 010-371-005 | 305 3rd St                | 0.15  | Government use easement for Washington monument and retain for future development associated with the Washington Firehouse   |
| 4   | 010-371-006 | 221-225 C St              | 0.29  |  |
| 5   | 010-523-037 | 485 Lighthouse Dr         | 0.37  | Sell and distribute proceeds to the taxing entities  |
| 6   | 067-330-002 | 811 West Capitol Av       | 0.10  | Retain for future development associated with the Grand Gateway Master Plan  |
| 7   | 067-330-017 | 706 Tower Ct              | 3.52  |  |
| 8   | 046-010-011 | 2350 South River Rd       | 82.7  | Retain for future development associated with the Southport Framework Plan <sup>1</sup>  |
| 9   | 067-180-001 | 2050 South River Rd       | 5.8   | Government use transfer for Lock facility (per OB Resolution 13-12) <sup>2</sup> and retain for future development associated with the Southport Framework Plan <sup>1</sup> |
| 10  | 067-180-002 | 2250 South River Rd       | 23.91 | Retain for future development associated with the Southport Framework Plan <sup>1</sup>  |
| 11  | 067-180-003 | 2100 South River Rd       | 40.66 | Government use transfer for Lock facility (per OB Resolution 13-12) <sup>2</sup> and retain for future development associated with the Southport Framework Plan <sup>1</sup> |
| 12  | 067-180-004 | 2051 South River Rd       | 17.2  |  |
| 13  | 067-180-024 | 2821 Lake Washington Blvd | 4.18  | Retain for future development associated with the Southport Framework Plan <sup>1</sup>  |
| 14  | 067-180-054 | 2100 Jefferson Blvd       | 34.5  |  |

<sup>1</sup> The original recommendations were to sell the developable portion of the properties to Cordish Company per the Option Agreement, but DOF determined that the option and assignment agreements are not enforceable obligations. DOF has returned OB Resolution 13-7 for reconsideration. If the DOF decision is overturned, our intent is to proceed with the disposition per the agreements ratified under OB Resolution 13-7. A copy of OB Resolution 13-7 and DOF response letter is located in Section 7 of the Plan.

<sup>2</sup> On October 1, 2013, the Successor Agency was notified that DOF intends to review OB Resolution 13-12. If DOF overrules the Oversight Board findings related to this public use transfer and returns OB Resolution 13-12 for reconsideration, our intent would be for the City to retain the entire parcel (s) for future development associated with the Southport Framework Plan.

# Long Range Property Management Plan: Section 5

## AB 1484 Requirements and Inventory Template

Ch. 26

— 52 —

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 successor agency.

(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 defuse the bonds or to purchase those same outstanding bonds on the open market for cancellation.

34191.5. (a) There is hereby established a Community Redevelopment Property Trust Fund, administered by the successor agency, 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 successor agency 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 successor agency 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.

APN: \_\_\_\_\_  Date(s) of Acquisition: \_\_\_\_\_  C  
 Address: \_\_\_\_\_  Lot Size: \_\_\_\_\_  C  
 Current zoning: \_\_\_\_\_  General Plan Land Use: \_\_\_\_\_  C  
 Within the former RDA boundary? (yes/no) \_\_\_\_\_  
 Within other planning areas? List: \_\_\_\_\_  
 Amount paid for the property when acquired: \$ \_\_\_\_\_  
 Acquired via Eminent Domain? (yes/no) \_\_\_\_\_  Includes relocation costs? (yes/no) \_\_\_\_\_  
 Value of the property when acquired: \$ \_\_\_\_\_  Broker's Opinion of Value or Appraisal  D  
 Estimated current value of the property: \_\_\_\_\_  Broker's Opinion of Value or Appraisal  D  
 Purpose of acquisition: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 Are there any outstanding Redevelopment or Economic Development objectives to be met on the property? (yes/no) List all: \_\_\_\_\_  
 \_\_\_\_\_  
 Any existing contractual obligations on the property? (yes/no) List all (including any leases, rentals, etc. that produce revenue): \_\_\_\_\_  
 \_\_\_\_\_  
 Is the property a known or suspected brownfield? (yes/no) If yes, then circle known or suspected. If known list all relevant sources of that information (including any existing clean-up obligations): \_\_\_\_\_  
 \_\_\_\_\_  
 Describe the property's potential for transit-oriented development: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

# Long Range Property Management Plan: Section 5

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

(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 successor agency, 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. SEC. 36. The Legislature finds and declares as follows:

(a) Certain provisions of Assembly Bill 26 of the 2011–12 First Extraordinary Session of 2011 (Ch. 5, 2011–12 First Ex. Sess.) are internally inconsistent, or uncertain in their meaning, with regard to the calculation of the amount to be paid by a county auditor-controller from the Redevelopment Property Tax Trust Fund to meet passthrough payment obligations to local agencies and school entities.

(b) Consistent with the statement in Section 34183 of the Health and Safety Code, as added by the measure identified in subdivision (a), that the provisions of that section are to apply "[n]otwithstanding any other law," it was the intent of the Legislature in enacting that measure that the amount of the passthrough payments that are addressed by that section be determined in the manner specified by paragraph (1) of subdivision (a) of Section 34183 of the Health and Safety Code, and that the amount so calculated not be reduced or adjusted pursuant to the operation of any other provision of that measure.

SEC. 37. If any provision of this act or the application thereof to any person or circumstance is held invalid, the invalidity shall not affect other provisions or applications of this act which can be given effect without the invalid provision or application and to this end, the provisions of this act are severable.

APN: \_\_\_\_\_ Date(s) of Acquisition: \_\_\_\_\_  
 Address: \_\_\_\_\_ Lot size: \_\_\_\_\_  
 Current zoning: \_\_\_\_\_ General Plan Land Use: \_\_\_\_\_  
 Within the former RDA boundary? (yes/no) \_\_\_\_\_  
 Within other planning areas? List: \_\_\_\_\_  
 Amount paid for the property when acquired: \$ \_\_\_\_\_  
 Acquired via Eminent Domain? (yes/no) \_\_\_\_\_ Includes relocation costs? (yes/no) \_\_\_\_\_  
 Value of the property when acquired: \$ \_\_\_\_\_  Broker Opinion of Value or  Appraisal  
 Estimated current value of the property: \_\_\_\_\_  Broker Opinion of Value or  Appraisal  
 Purpose of acquisition: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 Are there any outstanding Redevelopment or Economic Development objectives to be met on the property? (yes/no) List all: \_\_\_\_\_  
 \_\_\_\_\_  
 Any existing contractual obligations on the property? (yes/no) List all (including any leases, rentals, etc. that produce revenue): \_\_\_\_\_  
 \_\_\_\_\_  
 Is the property a known or suspected brownfield? (yes/no) If yes, then circle known or suspected. If known list all relevant sources of that information (including any existing clean-up obligations): \_\_\_\_\_  
 \_\_\_\_\_  
 Describe the property's potential for transit-oriented development: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

# Long Range Property Management Plan: Section 5

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

(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 34183, 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 successor agency, 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.

SEC. 36. The Legislature finds and declares as follows:

(a) Certain provisions of Assembly Bill 26 of the 2011-12 First Extraordinary Session of 2011 (Ch. 5, 2011-12 First Ex. Sess.) are internally inconsistent, or uncertain in their meaning, with regard to the calculation of the amount to be paid by a county auditor-controller from the Redevelopment Property Tax Trust Fund to meet passthrough payment obligations to local agencies and school entities.

(b) Consistent with the statement in Section 34183 of the Health and Safety Code, as added by the measure identified in subdivision (a), that the provisions of that section are to apply "[n]otwithstanding any other law," it was the intent of the Legislature in enacting that measure that the amount of the passthrough payments that are addressed by that section be determined in the manner specified by paragraph (1) of subdivision (a) of Section 34183 of the Health and Safety Code, and that the amount so calculated not be reduced or adjusted pursuant to the operation of any other provision of that measure.

SEC. 37. If any provision of this act or the application thereof to any person or circumstance is held invalid, the invalidity shall not affect other provisions or applications of this act which can be given effect without the invalid provision or application and to this end, the provisions of this act are severable.

(C) Is the property described in any of the planning documents, implementation documents, etc. of the City of West Sacramento or the former Redevelopment Agency? (yes/no) If yes, list all:

(C) Describe the property's potential to advance the planning objectives of successor agency:

(H) Provide a brief history of any previous development proposal on the property, including an previous rental or lease agreements:

Are there physical barriers to development of the site? (yes/no)  
What obstacles would need to be overcome to have the site shovel-ready?

What are the costs of such improvements? Or how is the value of the property impacted by the need for these improvements?



# Long Range Property Management Plan: Section 6

## Inventory

The parcel in the inventory is grouped by their geographical areas. Relevant source material used to prepare the inventory is available starting on page 22 of this section.

Map 1: Geographical Areas in the Inventory

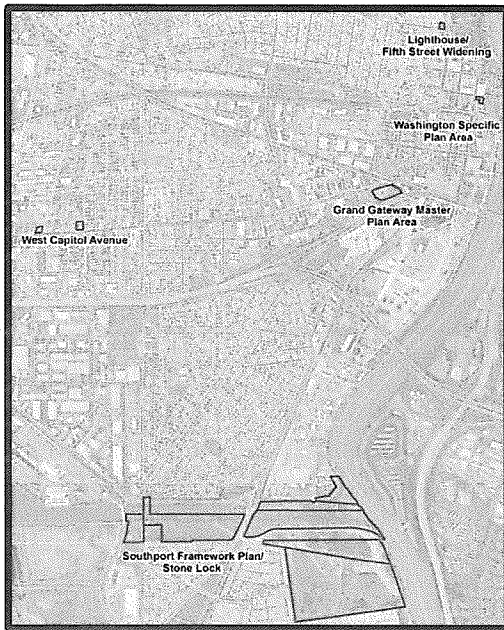


Table 1: Properties in the Inventory

| Key | APN         | Site Address              | Location                            |
|-----|-------------|---------------------------|-------------------------------------|
| 1   | 008-441-007 | 2400 West Capitol Av      | West Capitol Avenue                 |
| 2   | 008-450-016 | 2600 West Capitol Av      |                                     |
| 3   | 010-371-005 | 305 3rd St                | Washington Specific Plan Area       |
| 4   | 010-371-006 | 221-225 C St              |                                     |
| 5   | 010-523-037 | 485 Lighthouse Dr         | Lighthouse/Fifth Street Widening    |
| 6   | 067-330-002 | 811 West Capitol Av       | Grand Gateway Master Planning Area  |
| 7   | 067-330-017 | 706 Tower Ct              |                                     |
| 8   | 046-010-011 | 2350 South River Rd       | Southport Framework Plan/Stone Lock |
| 9   | 067-180-001 | 2050 South River Rd       |                                     |
| 10  | 067-180-002 | 2250 South River Rd       |                                     |
| 11  | 067-180-003 | 2100 South River Rd       |                                     |
| 12  | 067-180-004 | 2051 South River Rd       |                                     |
| 13  | 067-180-024 | 2821 Lake Washington Blvd |                                     |
| 14  | 067-180-054 | 2100 Jefferson Blvd       |                                     |

### WEST CAPITOL AVENUE

#### 1. 2400 West Capitol Avenue

**APN:** 008-441-007

**Date(s) of Acquisition:** 5/19/1992

**Address:** 2400 West Capitol Avenue

**Lot size:** 0.648 acres

**Current zoning:** C-2

**General Plan Land Use:** CC

**Within the former RDA boundary?** Yes

**Within other planning areas? List:** West Capitol Avenue Action Plan, West Capitol Avenue Action Plan, West Capitol Avenue Design Guidelines

**Amount paid for the property when acquired:** \$ 200,000

**Acquired via Eminent Domain?** No, however it was acquired under the threat of condemnation.

## Long Range Property Management Plan: Section 6

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**Includes relocation costs?** No.

**Value of the property when acquired:** \$265,000  Broker Opinion of Value or  Appraisal

**Estimated current value of the property:** \$300,000  Broker Opinion of Value or  Appraisal

**Purpose of acquisition:** This site was acquired for the dual purpose of land banking for future development and the elimination of the blighting influence of an adult video store.

**Are there any outstanding Redevelopment or Economic Development objectives to be met on the property?** This property is not the subject of any specific outstanding redevelopment project.

**Any existing contractual obligations on the property?** No.

**Is the property a known or suspected brownfield?** No. A Phase 1 site assessment completed in 1991 identified only one potential hazardous materials encumbrance, the nearby USA Gasoline/DarPetro site. In 1994 a ground water monitoring well was installed on the subject site to evaluate the potential for migration of underground contaminants from the gas station site. Testing revealed no detectable hydrocarbons. The well was tested again in 1995 and again yielded no detectable hydrocarbons.

**Describe the property's potential for transit-oriented development:** The site is well-served by public transit, with a stop for west-bound YoloBus service located immediately in front of the subject site, and an east-bound stop is located across West Capitol Avenue. The site's zoning would allow for upper-floor residential uses with ground-floor retail or office.

**Is the property described in any of the planning documents, implementation documents, etc. of the City of West Sacramento or the former Redevelopment Agency?** The property is covered by the West Capitol Avenue planning documents.

**Describe the property's potential to advance the planning objectives of successor agency:** Though market conditions are not anticipated to support such a use in the near term, the property has potential use as a mixed-use transit-oriented development with residential over ground floor retail or office.

**Provide a brief history of any previous development proposals on the property, including an previous rental or lease agreements:** In 1994, the City received a proposal from Madan K. Sah to develop the site. There is no record of negotiations having occurred. In 1996 a draft disposition and development agreement (DDA) was prepared, with a different purchaser, Trenton Fong, in which the price for the site was \$85,000 (\$3.01/s.f.). That transaction was not consummated and the site remained in the Agency's possession without any further sales negotiations noted.

**Are there physical barriers to development of the site?** No

**What obstacles would need to be overcome to have the site shovel-ready?** N/A



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**What are the costs of such improvements? Or how is the value of the of the property impacted by the need for these improvements?** N/A

### **2. 2600 West Capitol Avenue**

**APN** 008-450-016  
1992

**Date of Acquisition:** February 20,

**Address:** 2600 West Capitol

**Lot size:** .48 AC

**Current zoning:** C-2

**General Plan Land Use:** CC

**Within the former RDA boundary?** Yes.

**Within other planning areas?** Yes. This site is within the boundaries of the West Capitol Avenue Action Plan.

**Amount paid for the property when acquired:** \$150,000

**Acquired via Eminent Domain?** Yes.

**Includes relocation costs?** Yes.

**Value of the property when acquired:** Unknown.

**Estimated current value of the property:** \$220,000     Broker Opinion of Value or  Appraisal

**Purpose of acquisition:** This site was acquired to eliminate the blighting influence of an adult book store and for future development.

**Are there any outstanding Redevelopment or Economic Development objectives to be met on the property?** This property is not the subject of any specific outstanding redevelopment project.

**Any existing contractual obligations on the property?** No.

**Is the property a known or suspected brownfield?** No.

**Describe the property's potential for transit-oriented development.** This site has good transit access, with bus stops located immediately in front of the site on West Capitol Avenue. However, the site's potential as a transit-oriented development is constrained somewhat by its small size. While market conditions are not expected to support such a use for some time, the site could be developed as residential over retail or office.

**Is the property described in any of the planning documents, implementation documents, etc. of the City of West Sacramento or the former Redevelopment Agency?** The property is covered by the West Capitol Avenue planning documents.

**Describe the property's potential to advance the planning objectives of successor agency.** This site has served part of its purpose already through the elimination of the former

## Long Range Property Management Plan: Section 6

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adult book store. Its benefit to the City can be completed through development of new uses on the site that comply with the City's planning goals.

**Provide a brief history of any previous development proposals on the property, including any previous rental or lease agreements.** Two proposals have been received for this site. The first, dated May 17, 2004, was from Ram N. Sah, who proposed a 4,500 s.f. commercial building. The second was from Trillium Development LLC, which proposed to purchase the site for the location of a Jiffy Lube store. Neither transaction was consummated.

**Are there physical barriers to development of the site?** No.

**What obstacles would need to be overcome to have the site shovel-ready?** N/A

**What are the costs of such improvements? Or how is the value of the property impacted by the need for these improvements?** N/A

### WASHINGTON SPECIFIC PLAN AREA

#### 3. 305 Third Street

**APN:** 10-371-005

**Date of Acquisition:** December 2, 1987

**Address:** 305 Third Street

**Lot size:** .147 AC.

**Current zoning:** WF

**General Plan Land Use:** RMU

**Within the former RDA boundary?** Yes

**Within other planning areas? List:** Washington Specific Plan

**Amount paid for the property when acquired:** \$ 1.00. The site was acquired from Yolo County as part of the negotiation of its pass-through agreement (Agreement 87-120) with the newly formed West Sacramento Redevelopment Agency.

**Acquired via Eminent Domain?** No.

**Includes relocation costs?** No.

**Value of the property when acquired:** Unknown. Because the site was transferred from the County by quit claim, no appraisal or other estimate of value was made at the time of acquisition.

**Estimated current value of the property:** \$115,000 as unencumbered vacant land/ \$0 as is as income earned from existing lease would only cover carrying costs  Broker Opinion of Value or  Appraisal

**Purpose of acquisition:** The site was originally used to support a Yolo County Sheriff's substation that was located in the adjacent, City-owned Washington Firehouse building.

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**Are there any outstanding Redevelopment or Economic Development objectives to be met on the property?** Not specifically, although the adaptive reuse of the adjacent Washington Firehouse is described in the Washington Specific Plan.

**Any existing contractual obligations on the property?** Yes. In 2007 the Redevelopment Agency entered into a parking lease agreement with Third and C Street LLC, the owner of the development site located across “C” Street from the subject site. Pursuant to the parking lease, Third and C Street LLC (Developer) has a 40-year lease of the area of the subject site that fronts on “C” Street to provide parking for the Developer’s mixed-use development on the opposite side of “C” Street. This lease substantially impairs the utility of the subject site, but could possibly be renegotiated. Lease revenue is currently \$3,978.24 annually.

**Is the property a known or suspected brownfield?** Yes. An underground storage tank (UST) was removed from the site in 1987. No evidence was found that this UST had leaked. Analyses prepared in 2006 found high concentrations of lead in a composite soil sample, and indications that contamination from the Capitol Plating parcel immediately to the south are affecting APN 10-371-06.

**Describe the property’s potential for transit-oriented development:** While located within walking distance of Downtown Sacramento, this site is not ideally situated for transit-oriented development. The nearest YoloBus stops are located two blocks west at 5<sup>th</sup> and C Street and four blocks south at 3<sup>rd</sup> G Street. The Downtown/Riverfront Streetcar is planned to have a stop five blocks south of the subject site.

**Is the property described in any of the planning documents, implementation documents, etc. of the City of West Sacramento or the former Redevelopment Agency?** Yes. It is described in the Washington Specific Plan and the Redevelopment Agency’s latest 5- Year Implementation Plan identifies potential adaptive re-use of the “Washington Firehouse site,” of which the subject property is generally considered a part.

**Describe the property’s potential to advance the planning objectives of successor agency:** The subject property is most likely to advance the Successor Agency’s planning goals as part of a larger development that would include consolidation of other properties on the same block and a historically sensitive adaptive re-use of the Washington Firehouse.

**Provide a brief history of any previous development proposals on the property, including any previous rental or lease agreements:** In cooperation with the City of West Sacramento, the West Sacramento Redevelopment Agency has engaged in multiple efforts to solicit private partners to adaptively re-use the Washington Firehouse. Solicitations were issued in 1999, 2001 and 2004. On multiple occasions the City and Agency have entered into exclusive negotiations, but in each instance the private sector partner proved unable to finance the needed improvements to the site and building.

**Are there physical barriers to development of the site?** Yes. The adjacent City-owned Washington Firehouse is a historically meaningful structure. The need to retain the potential for the adaptive re-use of the Washington Firehouse constrains the development of the subject

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site, the best use for which may be parking to serve the Firehouse site and/or nearby properties. In addition, as noted above, an

**What obstacles would need to be overcome to have the site shovel-ready?** The primary obstacles to the development potential of this site are the existing parking lease; the need for environmental cleanup; and the need to identify an adaptive re-use of the adjacent Washington Firehouse.

**What are the costs of such improvements? Or how is the value of the property impacted by the need for these improvements?** N/A

### 4. 221-225 C Street

**APNs:** 10-371-006

**Date(s) of Acquisition:** December 2, 1987

**Address:** 305 Third Street

**Lot size:** .288 AC

**Current zoning:** WF

**General Plan Land Use:** RMU

**Within the former RDA boundary?** Yes.

**Within other planning areas? List:** Washington Specific Plan

**Amount paid for the property when acquired:** \$ 1.00. The site was acquired from Yolo County as part of the negotiation of its pass-through agreement (Agreement 87-120) with the newly formed West Sacramento Redevelopment Agency.

**Acquired via Eminent Domain?** No.

**Includes relocation costs?** No.

**Value of the property when acquired:** Unknown. Because the site was transferred from the County by quit claim, no appraisal or other estimate of value was made at the time of acquisition.

**Estimated current value of the property:** \$225,000 as unencumbered vacant land/ \$0 as is as income earned from existing lease would only cover carrying costs  Broker Opinion of Value or  Appraisal

**Purpose of acquisition:** The site was originally used to support a Yolo County Sheriff's substation that was located in the adjacent, City-owned Washington Firehouse building.

**Are there any outstanding Redevelopment or Economic Development objectives to be met on the property?** Not specifically, although the adaptive reuse of the adjacent Washington Firehouse is described in the Washington Specific Plan.

**Any existing contractual obligations on the property?** Yes. In 2007 the Redevelopment Agency entered into a parking lease agreement with Third and C Street LLC, the owner of the development site located across "C" Street from the subject site. Pursuant to the parking lease, Third and C Street LLC (Developer) has a 40-year lease of the area of the subject

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site that fronts on “C” Street to provide parking for the Developer’s mixed-use development on the opposite side of “C” Street . This lease substantially impairs the utility of the subject site, but could possibly be renegotiated. Lease revenue is currently \$3,978.24 annually.

**Is the property a known or suspected brownfield?** Yes. An underground storage tank (UST) was removed from the site in 1987. No evidence was found that this UST had leaked. Analyses prepared in 2006 found high concentrations of lead in a composite soil sample, and indications that contamination from the Capitol Plating parcel immediately to the south are affecting the site. Further study was recommended.

**Describe the property’s potential for transit-oriented development:** While located within walking distance of Downtown Sacramento, this site is not ideally situated for transit-oriented development. The nearest YoloBus stops are located two blocks west at 5<sup>th</sup> and C Street and four blocks south at 3<sup>rd</sup> G Street. The Downtown/Riverfront Streetcar is planned to have a stop five blocks south of the subject site.

**Is the property described in any of the planning documents, implementation documents, etc. of the City of West Sacramento or the former Redevelopment Agency?** Yes. It is described in the Washington Specific Plan and in the Redevelopment Agency’s latest 5-Year Implementation Plan identifies potential adaptive re-use of the “Washington Firehouse site,” of which the subject property is generally considered a part.

**Describe the property’s potential to advance the planning objectives of successor agency:** The subject property is most likely to advance the Successor Agency’s planning goals as part of a larger development that would include consolidation of other properties on the same block and a historically sensitive adaptive re-use of the Washington Firehouse.

**Provide a brief history of any previous development proposals on the property, including any previous rental or lease agreements:** In cooperation with the City of West Sacramento, the West Sacramento Redevelopment Agency has engaged in multiple efforts to solicit private partners to adaptively re-use the Washington Firehouse. Solicitations were issued in 1999, 2001 and 2004. On multiple occasions the City and Agency have entered into exclusive negotiations, but in each instance the private sector partner proved unable to finance the needed improvements to the site and building.

**Are there physical barriers to development of the site?** Yes. The adjacent City-owned Washington Firehouse is a historically meaningful structure. The need to retain the potential for the adaptive re-use of the Washington Firehouse constrains the development of the subject site, the best use for which may be parking to serve the Firehouse site and/or nearby properties. In addition, as noted above, an

**What obstacles would need to be overcome to have the site shovel-ready?** The primary obstacles to the development potential of this site are the existing parking lease; the need for environmental cleanup; and the need to identify an adaptive re-use of the adjacent Washington Firehouse.

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**What are the costs of such improvements? Or how is the value of the property impacted by the need for these improvements?** N/A

### *LIGHTHOUSE/FIFTH STREET WIDENING PROJECT*

#### **5. 485 Lighthouse Drive**

**APN** 10-523-037

**Date(s) of Acquisition:** October 27, 1992

**Address:** 485 Lighthouse Drive

**Lot size:** .37 AC

**Current zoning:** R-2  
residential)

**General Plan Land Use:** MR (Medium-density

**Within the former RDA boundary?** Yes

**Within other planning areas?** No.

**Amount paid for the property when acquired:**

**Acquired via Eminent Domain?** No. A resolution of necessity was approved by the Redevelopment Agency but the property owner sold this site to the Agency via negotiated purchase and sale agreement.

**Includes relocation costs?** No. The site was vacant at the time of acquisition.

**Value of the property when acquired:** \$100,000

**Estimated current value of the property:** \$60,000  Broker Opinion of Value or  Appraisal

**Purpose of acquisition:** Right-of-way for the extension of 5<sup>th</sup> Street.

**Are there any outstanding Redevelopment or Economic Development objectives to be met on the property?** No. The subject property is a remnant from the widening of 5<sup>th</sup> Street.

**Any existing contractual obligations on the property?** No.

**Is the property a known or suspected brownfield?** No.

**Describe the property's potential for transit-oriented development.** While situated within a block of two bus stops, the property has limited potential for transit-oriented development due to its relatively small size and R-2 zoning, both of which constrain the achievable density on this site.

**Is the property described in any of the planning documents, implementation documents, etc. of the City of West Sacramento or the former Redevelopment Agency?** No.

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**Describe the property's potential to advance the planning objectives of successor agency.** By facilitating the widening of 5<sup>th</sup> Street, the original site served its purpose. The site does not have additional strategic value as a development site.

**Provide a brief history of any previous development proposals on the property, including any previous rental or lease agreements.** There are no development proposals for this site noted in the Redevelopment Agency's files.

**Are there physical barriers to development of the site?** No.

**What obstacles would need to be overcome to have the site shovel-ready?** N/A

**What are the costs of such improvements? Or how is the value of the property impacted by the need for these improvements?** N/A

### GRAND GATEWAY MASTER PLANNING AREA

#### 6. 811 West Capitol Avenue

APN 067-330-002

Date(s) of Acquisition: June 24, 1998

Address: 811 West Capitol Avenue

Lot size: .10 AC

Current zoning: CBD

General Plan Land Use: CBD

**Within the former RDA boundary?** Yes.

**Within other planning areas?** Yes. The property is within the boundaries of the Grand Gateway Master Plan.

**Amount paid for the property when acquired:** \$1.00

**Acquired via Eminent Domain?** No.

**Includes relocation costs?** N/A

**Value of the property when acquired:**

**Estimated current value of the property:** less than \$10,000  Broker Opinion of Value or  Appraisal

**Purpose of acquisition:** This site was a drainage ditch quit-claimed by Yolo County to the Redevelopment Agency because the Agency was the adjacent owner.

**Are there any outstanding Redevelopment or Economic Development objectives to be met on the property?** Yes, it combined with adjacent site.

**Any existing contractual obligations on the property?** No.



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**Is the property a known or suspected brownfield?** No.

**Describe the property's potential for transit-oriented development.** None in its current configuration. See 706 Tower Court's description for a consolidated site.

**Is the property described in any of the planning documents, implementation documents, etc. of the City of West Sacramento or the former Redevelopment Agency?** This property is covered by the Grand Gateway Master Plan

**Describe the property's potential to advance the planning objectives of successor agency.** None in its current configuration. See 706 Tower Court's description for a consolidated site.

**Provide a brief history of any previous development proposals on the property, including any previous rental or lease agreements.** N/A

**Are there physical barriers to development of the site?** Yes. As a drainage ditch, the topography of the site makes it incompatible with development.

**What obstacles would need to be overcome to have the site shovel-ready?** The ditch would need to be filled and compacted, and alternative means of drainage constructed.

**What are the costs of such improvements? Or how is the value of the property impacted by the need for these improvements?** Unknown.

### 7. 706 Tower Court

**APN** 067-330-17  
Attachment 14 for summary table)

**Date(s) of Acquisition:** Varies (see Section 7

**Address:** 706 Tower Court

**Lot size:** 3.52 AC

**Current zoning:** CBD

**General Plan Land Use:** CBD

**Within the former RDA boundary?** Yes.

**Within other planning areas?** Yes. The property is within the boundaries of the Grand Gateway Master Plan.

**Amount paid for the property when acquired:** Varies by the seller (see Section 7 Attachment 14 for summary table)

**Acquired via Eminent Domain?** Yes.

**Includes relocation costs?** See Section 7 Attachment 14 for summary table for relocation payments. Relocation payments were made to several businesses, including an adult book store, but those expenses are not included in the cost noted below.

**Value of the property when acquired:** Varies (See Section 7 Attachment 14 for summary table)

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**Estimated current value of the property:** \$900,000 adjusted to consider clean-up costs

Broker Opinion of Value or  Appraisal

**Purpose of acquisition:** The site was acquired with the dual purpose of land-assembly for future development, and the elimination of the blighting influence from an adult book store located on the property.

**Are there any outstanding Redevelopment or Economic Development objectives to be met on the property?** Yes. The site is situated at a key gateway to the City, and at a point of intersection between the boundaries of the Washington Specific Plan, the Bridge District Specific Plan, and the West Capitol Avenue corridor. The appropriate development of this site will support multiple City planning objectives and fulfill the original purpose of the acquisition of the site.

**Any existing contractual obligations on the property?** Yes. There are two leases associated with the cellular tower located in the easterly corner of the parcel. The lease with AT&T generates rent payments of \$802.35 per month. The lease with Sprint/Nextel generates \$1,172.98 per month. Finally, the site is the subject of an environmental oversight agreement with the California Department of Toxic Substances Control (DTSC).

**Is the property a known or suspected brownfield?** Yes. A 2007 study commissioned by the Redevelopment Agency recommends the removal of 750 cubic yards of lead-contaminated soil before the site is developed for residential purposes.

**Describe the property's potential for transit-oriented development.** This site is ideally situated for transit-oriented development. It is located within easy walking distance of multiple bus stops, the City's Transit Center on West Capitol Avenue, and future Downtown/Riverfront Streetcar stops. The subject site is of sufficient size and zoned appropriately to accommodate dense development and the associated parking.

**Is the property described in any of the planning documents, implementation documents, etc. of the City of West Sacramento or the former Redevelopment Agency?** Yes. This property is described in the Grand Gateway Master Plan.

**Describe the property's potential to advance the planning objectives of successor agency.** The subject site has the potential to be combined with a nearby City-owned parcel and a potential right-of-way abandonment area to form a substantial development site that would help connect the Washington and Bridge District specific plan areas to the Central Business District.

**Provide a brief history of any previous development proposals on the property, including any previous rental or lease agreements.** The Redevelopment Agency has entertained multiple development proposals for this site. Proposed uses have included townhomes, apartments, live-work units, and a small hotel-conference center.

**Are there physical barriers to development of the site?** Yes. The existing environmental contamination on the site must be remediated.

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**What obstacles would need to be overcome to have the site shovel-ready?**

Environmental contamination will need to be remediated, the existing cellular leases may require renegotiation; and the site should ideally be consolidated with adjoining City property to maximize its development potential.

**What are the costs of such improvements? Or how is the value of the property impacted by the need for these improvements?**

The estimated cost of the necessary environmental cleanup is approximately \$266,000.

SOUTHPORT FRAMEWORK PLAN/STONE LOCK

### **8. 2350 South River Road**

**APN** 046-010-011

**Date of Acquisition:** July 9, 2007

**Address:** 2350 South River Road

**Lot size:** 82.70 AC

**Current zoning:** C-1, R-2, R-3, WF, POS  
NC, OS, RMU, RP

**General Plan Land Use:** HR, MR,

**Within the former RDA boundary?** Yes.

**Within other planning areas?** Yes. The property is within the Southport Framework Plan.

**Amount paid for the property when acquired:** \$0 (Quitclaim deed from U.S. Army Corps of Engineers).

**Acquired via Eminent Domain?** No.

**Includes relocation costs?** N/A

**Value of the property when acquired:** Unknown.

**Estimated current value of the property:** \$835,000  Broker Opinion of Value or  Appraisal (a portion)

**Purpose of acquisition:** This site was acquired for future development.

**Are there any outstanding Redevelopment or Economic Development objectives to be met on the property?** Yes. The site is under option to the Cordish Company for acquisition and development as a mixed-use district.

**Any existing contractual obligations on the property?** Yes. The site is currently under option to the Cordish Company. The option agreement calls for the payment of an annual option fee of \$75,000 to the Redevelopment Agency or its successor; however, no cash payments have been received to date.

**Is the property a known or suspected brownfield?** No.

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**Describe the property's potential for transit-oriented development.** This site has the potential to be an good location for transit-oriented development, as both site and nearby zoning supports relatively dense development. Plans are underway for the extension of Village Parkway through the site to connect to the new South River Road Bridge, at which point this site will become much more accessible and desirable as a location for transit-oriented development.

**Is the property described in any of the planning documents, implementation documents, etc. of the City of West Sacramento or the former Redevelopment Agency?** It is described in the Southport Framework Plan and the City's Parks Master Plan. The Redevelopment Agency's latest 5-Year Implementation Plan references recreation and access and additional public improvements, and the setback levee project. It encourages the implementation of the Southport Framework and supports the repurposing of the Lock facility and surrounding areas for retail, residential and recreation uses as part of the Agency's efforts to anticipate and activate the redevelopment or development of underdeveloped areas which are stagnant or improperly utilized.

**Describe the property's potential to advance the planning objectives of successor agency.** The site encompasses multiple zones and could be developed with a variety of transit-oriented mixed uses.

**Provide a brief history of any previous development proposals on the property, including any previous rental or lease agreements.** The property is under option to the Cordish Company for inclusion in a larger mixed-use development.

**Are there physical barriers to development of the site?** No.

**What obstacles would need to be overcome to have the site shovel-ready?** The presence of a Chevron gas line.

**What are the costs of such improvements? Or how is the value of the property impacted by the need for these improvements?** N/A

### 9. 2050 South River Road

APN 067-180-001

Date(s) of Acquisition: June 18, 2004

Address: 2050 South River Road Lot size: 5.8 AC

Current zoning: WF (Waterfront) General Plan Land Use: RMU (Riverfront Mixed-Use)

**Within the former RDA boundary?** Yes.

**Within other planning areas?** Yes. The property is within the Southport Framework Plan and is noted in the Parks Master Plan.

**Amount paid for the property when acquired:** This property was bundled with seven other adjoining parcels for which the West Sacramento Redevelopment Agency agreed to pay the Port of Sacramento \$2 million.

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**Acquired via Eminent Domain?** No.

**Includes relocation costs?** N/A

**Value of the property when acquired:** Unknown.

**Estimated current value of the property:** \$60,000     Broker Opinion of Value or  Appraisal (a portion)

**Purpose of acquisition:** This site was acquired for future development.

**Are there any outstanding Redevelopment or Economic Development objectives to be met on the property?** Yes. The site is under option to the Cordish Company for acquisition and development as a mixed-use district.

**Any existing contractual obligations on the property?** Yes. The site is currently under option to the Cordish Company. The option agreement calls for the payment of an annual option fee of \$75,000 to the Redevelopment Agency or its successor; however, no cash payments have been received to date. The site is also subject to an easement for an underground pipeline, which does not produce revenue to the Successor Agency.

**Is the property a known or suspected brownfield?** No.

**Describe the property's potential for transit-oriented development.** This site has the potential to be a good location for transit-oriented development, as nearby zoning supports relative dense development and the subject site is expected to be developed along with larger adjacent properties.

**Is the property described in any of the planning documents, implementation documents, etc. of the City of West Sacramento or the former Redevelopment Agency?** ? It is described in the Southport Framework Plan and the City's Parks Master Plan. The Redevelopment Agency's latest 5-Year Implementation Plan references recreation and access and additional public improvements, and the setback levee project. It encourages the implementation of the Southport Framework and supports the repurposing of the Lock facility and surrounding areas for retail, residential and recreation uses as part of the Agency's efforts to anticipate and activate the redevelopment or development of underdeveloped areas which are stagnant or improperly utilized.

**Describe the property's potential to advance the planning objectives of successor agency.** The site could be developed with transit-oriented mixed uses. It could also be a park site.

**Provide a brief history of any previous development proposals on the property, including any previous rental or lease agreements.** The property is under option to the Cordish Company for inclusion in a larger mixed-use development.

**Are there physical barriers to development of the site?** The site includes riparian habitat and abuts the City's former wastewater treatment plant (WWTP).

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**What obstacles would need to be overcome to have the site shovel-ready?** The site can probably only be developed after the remaining infrastructure from the WWTP has been removed.

**What are the costs of such improvements? Or how is the value of the property impacted by the need for these improvements?** Unknown.

### 10. 2250 South River Road

APN 067-180-002

**Date(s) of Acquisition:** June 18, 2004

**Address:** 2100 South River Road

**Lot size:** 23.91 AC

**Current zoning:** POS,WF

**General Plan Land Use:** OS,RMU

**Within the former RDA boundary?** Yes.

**Within other planning areas?** Yes. The property is within the Southport Framework Plan.

**Amount paid for the property when acquired:** This property was bundled with seven other adjoining parcels for which the West Sacramento Redevelopment Agency agreed to pay the Port of Sacramento \$2 million.

**Acquired via Eminent Domain?** No.

**Includes relocation costs?** N/A

**Value of the property when acquired:** Unknown.

**Estimated current value of the property:** \$240,000     Broker Opinion of Value or  Appraisal (a portion)

**Purpose of acquisition:** This site was acquired for future development.

**Are there any outstanding Redevelopment or Economic Development objectives to be met on the property?** Yes. The site is under option to the Cordish Company for acquisition and development as a mixed-use district.

**Any existing contractual obligations on the property?** Yes. The site is currently under option to the Cordish Company.

**Is the property a known or suspected brownfield?** No.

**Describe the property's potential for transit-oriented development.** This site has the potential to be good locations for transit-oriented development, as nearby zoning supports relatively dense development. Plans are underway for the extension of Village Parkway through the site to connect to the new South River Road Bridge, at which point this site will become much more accessible and desirable as a location for transit-oriented development.

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**Is the property described in any of the planning documents, implementation documents, etc. of the City of West Sacramento or the former Redevelopment Agency? ?** It is described in the Southport Framework Plan and the City's Parks Master Plan. The Redevelopment Agency's latest 5-Year Implementation Plan references recreation and access and additional public improvements, and the setback levee project. It encourages the implementation of the Southport Framework and supports the repurposing of the Lock facility and surrounding areas for retail, residential and recreation uses as part of the Agency's efforts to anticipate and activate the redevelopment or development of underdeveloped areas which are stagnant or improperly utilized.

**Describe the property's potential to advance the planning objectives of successor agency.** The site could be developed with open space and transit-oriented mixed uses.

**Provide a brief history of any previous development proposals on the property, including any previous rental or lease agreements.** The property is under option to the Cordish Company for inclusion in a larger mixed-use development.

**Are there physical barriers to development of the site?** No.

**What obstacles would need to be overcome to have the site shovel-ready?** N/A

**What are the costs of such improvements? Or how is the value of the property impacted by the need for these improvements?** N/A

### **11. 2100 South River Road**

**APN** 067-180-003

**Date(s) of Acquisition:** June 18, 2004

**Address:** 2100 South River Road

**Lot size:** 40.66 AC

**Current zoning:** WF

**General Plan Land Use:** RMU

**Within the former RDA boundary?** Yes.

**Within other planning areas?** Yes. The property is within the Southport Framework Plan.

**Amount paid for the property when acquired:** This property was bundled with seven other adjoining parcels for which the West Sacramento Redevelopment Agency agreed to pay the Port of Sacramento \$2 million.

**Acquired via Eminent Domain?** No.

**Includes relocation costs?** N/A

**Value of the property when acquired:** Unknown.

**Estimated current value of the property:** \$410,000  Broker Opinion of Value or  Appraisal (a portion)

**Purpose of acquisition:** This site was acquired for future development.



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**Are there any outstanding Redevelopment or Economic Development objectives to be met on the property?** Yes. The site is under option to the Cordish Company for acquisition and development as a mixed-use district.

**Any existing contractual obligations on the property?** Yes. The site is currently under option to the Cordish Company. The option agreement calls for the payment of an annual option fee of \$75,000 to the Redevelopment Agency or its successor; however, no cash payments have been received to date.

**Is the property a known or suspected brownfield?** No.

**Describe the property's potential for transit-oriented development.** This site has the potential to be good locations for transit-oriented development, as nearby zoning supports relatively dense development. Plans are underway for the extension of Village Parkway through the site to connect to the new South River Road Bridge, at which point this site will become much more accessible and desirable as a location for transit-oriented development.

**Is the property described in any of the planning documents, implementation documents, etc. of the City of West Sacramento or the former Redevelopment Agency?** ? It is described in the Southport Framework Plan and the City's Parks Master Plan. The Redevelopment Agency's latest 5-Year Implementation Plan references recreation and access and additional public improvements, and the setback levee project. It encourages the implementation of the Southport Framework and supports the repurposing of the Lock facility and surrounding areas for retail, residential and recreation uses as part of the Agency's efforts to anticipate and activate the redevelopment or development of underdeveloped areas which are stagnant or improperly utilized.

**Describe the property's potential to advance the planning objectives of successor agency.** The site could be developed with transit-oriented mixed uses.

**Provide a brief history of any previous development proposals on the property, including any previous rental or lease agreements.** The property is under option to the Cordish Company for inclusion in a larger mixed-use development.

**Are there physical barriers to development of the site?** No.

**What obstacles would need to be overcome to have the site shovel-ready?** N/A

**What are the costs of such improvements? Or how is the value of the property impacted by the need for these improvements?** N/A

### **12.2051 South River Road**

**APN** 067-180-004

**Date(s) of Acquisition:** June 18, 2004

**Address:** 2051 South River Road

**Lot size:** 17.2 AC

**Current zoning:** WF

**General Plan Land Use:** RMU

## Long Range Property Management Plan: Section 6

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**Within the former RDA boundary?** Yes.

**Within other planning areas?** No.

**Amount paid for the property when acquired:** This property was bundled with seven other adjoining parcels for which the West Sacramento Redevelopment Agency agreed to pay the Port of Sacramento \$2 million.

**Acquired via Eminent Domain?** No.

**Includes relocation costs?** N/A

**Value of the property when acquired:** Unknown.

**Estimated current value of the property:** \$175,000     Broker Opinion of Value or  Appraisal (a portion)

**Purpose of acquisition:** This site was acquired for future development, though it also serves a flood control purpose, as portions of the property is necessary for maintenance of the “stop logs” that separate the Sacramento River from the Deep Water Ship Channel . The flood control effect of the lock facility is under study. To the extent (if any) that the lock gates themselves are found to be relevant to the City’s flood control program, this entire site may be needed for flood control purposes.

**Are there any outstanding Redevelopment or Economic Development objectives to be met on the property?** Yes. The site is under option to the Cordish Company for acquisition and development as a mixed-use district.

**Any existing contractual obligations on the property?** No.

**Is the property a known or suspected brownfield?** No.

**Describe the property’s potential for transit-oriented development.** Portions of this site have the potential to be good locations for transit-oriented development, as nearby zoning supports relative dense development and the subject site is expected to be developed along with larger adjacent properties.

**Is the property described in any of the planning documents, implementation documents, etc. of the City of West Sacramento or the former Redevelopment Agency?** ? It is described in the Southport Framework Plan and the City’s Parks Master Plan. The Redevelopment Agency’s latest 5-Year Implementation Plan references recreation and access and additional public improvements, and the setback levee project. It encourages the implementation of the Southport Framework and supports the repurposing of the Lock facility and surrounding areas for retail, residential and recreation uses as part of the Agency’s efforts to anticipate and activate the redevelopment or development of underdeveloped areas which are stagnant or improperly utilized.

## Long Range Property Management Plan: Section 6

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**Describe the property's potential to advance the planning objectives of successor agency.** The site could be developed with transit-oriented mixed uses. It could also be a park site.

**Provide a brief history of any previous development proposals on the property, including any previous rental or lease agreements.** N/A

**Are there physical barriers to development of the site?** Yes. The site includes multiple shuttered buildings remaining from the site's former operation as a lock between the Sacramento River and the Deep Water Ship Channel. Development of this site would require substantial demolition work.

**What obstacles would need to be overcome to have the site shovel-ready?** To render this site ready for development, existing structures would need to be cleared, and the ongoing use of portions of the site for the City's flood control efforts would need to be assured.

**What are the costs of such improvements? Or how is the value of the property impacted by the need for these improvements?** Unknown.

### **13. 2821 Lake Washington Blvd.**

**APN** 067-180-024

**Date of Acquisition:** June 24, 2004

**Address:** 2821 Lake Washington Blvd.

**Lot size:** 4.18 AC

**Current zoning:** WF

**General Plan Land Use:** RMU

**Within the former RDA boundary?** Yes.

**Within other planning areas?** Yes. The property is within the Southport Framework Plan.

**Amount paid for the property when acquired:** This property was bundled with seven other adjoining parcels for which the West Sacramento Redevelopment Agency agreed to pay the Port of Sacramento \$2 million.

**Acquired via Eminent Domain?** No.

**Includes relocation costs?** N/A

**Value of the property when acquired:** Unknown.

**Estimated current value of the property:** \$ 40,000  Broker Opinion of Value or  Appraisal (a portion)

**Purpose of acquisition:** This site was acquired for open space and future development.

**Are there any outstanding Redevelopment or Economic Development objectives to be met on the property?** Yes. The site is under option to the Cordish Company for acquisition and development as a mixed-use district.

## Long Range Property Management Plan: Section 6

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**Any existing contractual obligations on the property?** Yes. The site is currently under option to the Cordish Company. The option agreement calls for the payment of an annual option fee of \$75,000 to the Redevelopment Agency or its successor; however, no cash payments have been received to date. The site is also encumbered by a sewer easement, an Agreement Regarding Park Relocation, a Consent and Partial Assignment of Option Agreement, and a Development Cooperation Agreement, none of which generate any revenue to the Successor Agency.

**Is the property a known or suspected brownfield?** No.

**Describe the property's potential for transit-oriented development.** This site has limited potential to be a good location for transit-oriented development. While both the site and nearby zoning supports relatively dense development, the property is not located close to existing or planned transit routes.

**Is the property described in any of the planning documents, implementation documents, etc. of the City of West Sacramento or the former Redevelopment Agency?** ? It is described in the Southport Framework Plan and the City's Parks Master Plan. The Redevelopment Agency's latest 5-Year Implementation Plan references recreation and access and additional public improvements, and the inline booster pump station. It encourages the implementation of the Southport Framework.

**Describe the property's potential to advance the planning objectives of successor agency.** The site encompasses multiple zones and could be developed with a variety of transit-oriented mixed uses.

**Provide a brief history of any previous development proposals on the property, including any previous rental or lease agreements.** The property is under option to the Cordish Company for inclusion in a larger mixed-use development.

**Are there physical barriers to development of the site?** No.

**What obstacles would need to be overcome to have the site shovel-ready?** N/A

**What are the costs of such improvements? Or how is the value of the property impacted by the need for these improvements?** N/A

### **14.2100 Jefferson Blvd.**

APN 067-180-054

Date of Acquisition: June 24, 2004

Address: 2100 Jefferson Blvd.

Lot size: 34.5 AC

Current zoning: POS, WF

General Plan Land Use: OS, RMU

**Within the former RDA boundary?** Yes.

**Within other planning areas?** Yes. The property is within the Southport Framework Plan.

## Long Range Property Management Plan: Section 6

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**Amount paid for the property when acquired:** This property was bundled with seven other adjoining parcels for which the West Sacramento Redevelopment Agency agreed to pay the Port of Sacramento \$2 million.

**Acquired via Eminent Domain?** No.

**Includes relocation costs?** N/A

**Value of the property when acquired:** Unknown.

**Estimated current value of the property:** \$350,000  Broker Opinion of Value or  Appraisal (a portion)

**Purpose of acquisition:** This site was acquired for open space and future development.

**Are there any outstanding Redevelopment or Economic Development objectives to be met on the property?** Yes. The site is under option to the Cordish Company for acquisition and development as a mixed-use district.

**Any existing contractual obligations on the property?** Yes. The site is currently under option to the Cordish Company. The option agreement calls for the payment of an annual option fee of \$75,000 to the Redevelopment Agency or its successor; however, no cash payments have been received to date.

**Is the property a known or suspected brownfield?** No.

**Describe the property's potential for transit-oriented development.** This site has the potential to be a good location for transit-oriented development, as both site and nearby zoning supports relatively dense development. The site has access to Jefferson Blvd., the City's primary north/south roadway.

**Is the property described in any of the planning documents, implementation documents, etc. of the City of West Sacramento or the former Redevelopment Agency?** It is described in the Southport Framework Plan and the City's Parks Master Plan. The Redevelopment Agency's latest 5-Year Implementation Plan references recreation and access and additional public improvements. It encourages the implementation of the Southport Framework.

**Describe the property's potential to advance the planning objectives of successor agency.** The site encompasses multiple zones and could be developed with a variety of transit-oriented mixed uses.

**Provide a brief history of any previous development proposals on the property, including any previous rental or lease agreements.** The property is under option to the Cordish Company for inclusion in a larger mixed-use development.

**Are there physical barriers to development of the site?** No.

**What obstacles would need to be overcome to have the site shovel-ready?** N/A

## Long Range Property Management Plan: Section 6

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**What are the costs of such improvements? Or how is the value of the property impacted by the need for these improvements? N/A**

## Relevant Source Material

1. West Capitol Avenue
  - a. 2400 West Capitol Ave
    - i. Attachment 1- Appraisal
    - ii. Attachment 2- Closing Statement
    - iii. Attachment 3- Staff Report
  - b. 2600 West Capitol Ave
    - i. Attachment 4- Letter from Appraiser (1995)
    - ii. Attachment 5- Final Escrow Statement
    - iii. Attachment 6- Summary Appraisal Report (2002)
    - iv. Attachment 7- Staff Report
2. Washington Specific Plan
  - a. 305 3<sup>rd</sup> St and 221-225 C St
    - i. Attachment 8-Resolution Accepting Transfer from Yolo County and Quitclaim Deed
    - ii. Attachment 9- Parking Lease and Assignment
3. Lighthouse Drive/Fifth Street Widening Project
  - a. 485 Lighthouse Dr
    - i. Attachment 10-Appraisal (1990)
    - ii. Attachment 11- Stipulation and Final Judgment
    - iii. Attachment 12- Appraisal (1995)
4. Grand Gateway Master Plan
  - a. 811 West Capitol Ave
    - i. Attachment 13- Quitclaim Deed
  - b. 811 West Capitol Ave and 706 Tower Ct
    - i. Attachment 14-Property Summary and Historical Assessor Parcel Map
  - c. 706 Tower Ct
    - i. Attachment 15-Case No. 69724 (Plaintiff's Statement of Value and Final Judgment)
    - ii. Attachment 16- Settlement of Case No. 69722 (Final Escrow Statement)
    - iii. Attachment 17- Resolution 98-82
    - iv. Attachment 18- Appraisal
    - v. Attachment 19- Cell Tower Leases
5. Southport Framework Plan/Stone Lock
  - a. All Properties (except Lock Facility)
    - i. Attachment 20-Stone Lock Option Map
    - ii. Attachment 21- Stone Lock Option and Assignment
    - iii. Attachment 22- Appraisal
    - iv. Attachment 23- Oversight Board Staff Report for OB Resolution 13-7 Ratifying Option and DOF's response



**Missing Source Material as of 10/2/2013**

- 1. Attachment 24- Letter to Yolo County Superior Court Requesting Documents Regarding:**
  - a. 2600 West Capitol Ave- Case No. 67221**
  - b. 706 Tower Ct- Case No. 69723**

# Long Range Property Management Plan: Section 8

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## Successor Agency's Approach to the Disposition of Assets

### HOUSING ASSETS

- Attachment 1- July 26, 2012 Item #4 Staff Report
- Attachment 2-September 27, 2012 Item #4 Staff Report
- Attachment 3-October 15, 2012 Item #3 Staff Report
- Attachment 4-October 15, 2012 Item #4 Staff Report
- Attachment 5- January 10, 2013 Item #4 Staff Report

### PUBLIC USE TRANSFERS

- Attachment 6- June 14, 2012 Item#4 Staff Report
- Attachment 7- August 16, 2012 Item #6 Staff Report
- Attachment 8- December 13, 2012 Item #3 Staff Report
- Attachment 9- January 10, 2013 Item #3 Staff Report
- Attachment 10- September 12, 2013 Item #3 Staff Report

### LRPMP PROCESS

- Attachment 11- August 16, 2012 Item #5 Staff Report
- Attachment 12- March 14, 2013 Item #3 Staff Report
- Attachment 13- August 8, 2013 Item #3 Staff Report
- Attachment 14- September 12, 2013 # 4 Staff Report
- Attachment 15- October 10, 2013 #3 Staff Report

# Long Range Property Management Plan: Section 9

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## Appendices

- a. Appendix A- Redevelopment Plan for Project No.1
  - i. <http://www.cityofwestsacramento.org/civica/filebank/blobdload.asp?BlobID=9622>
- b. Appendix B- Current 5-Year Implementation Plan
  - i. <http://www.cityofwestsacramento.org/civica/filebank/blobdload.asp?BlobID=9623>
- c. Appendix C- West Capitol Avenue Action Plan
  - i. <http://www.cityofwestsacramento.org/civica/filebank/blobdload.asp?BlobID=2857>
- d. Appendix D- Central Business District Design Guidelines
  - i. <http://www.cityofwestsacramento.org/civica/filebank/blobdload.asp?BlobID=3630>
- e. Appendix E- Washington Specific Plan
  - i. <http://www.cityofwestsacramento.org/civica/filebank/blobdload.asp?BlobID=3639>
- f. Appendix F- Grand Gateway Master Planning Area
  - i. <http://www.cityofwestsacramento.org/civica/filebank/blobdload.asp?BlobID=9420>
- g. Appendix G- Southport Framework Plan
  - i. <http://www.cityofwestsacramento.org/civica/filebank/blobdload.asp?BlobID=3632>
- h. Appendix H- Parks Master Plan
  - i. <http://www.cityofwestsacramento.org/civica/filebank/blobdload.asp?BlobID=3628>

## Appraisal Instructions

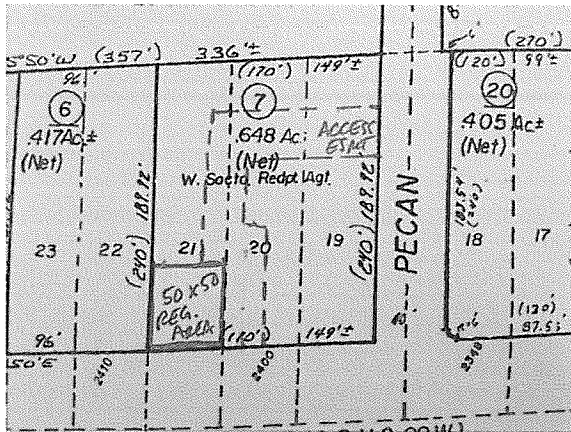
On behalf of the Oversight Board of the Successor Agency of the West Sacramento Redevelopment Agency for the purposes of establishing current fair market value of the property rights listed below on **2400 West Capitol Avenue** as part of their preparation and implementation of the Long Range Property Management Plan, the appraiser is instructed to prepare a summary appraisal report in compliance with the standards set forth in the current Uniform Standards of Professional Appraisal Practice (USPAP) that considers the following relevant physical and economic characteristics of the properties, assessing the property in its "as-is" condition, with the effective date of the appraisal being the date that the appraiser is issued the notice to proceed.

**APNs:** 008-441-007

**Addresses:** 2400 West Capitol Avenue

**Lot sizes:** 0.648 acres

**Area to be acquired:** 50'x 50' Public Utility Easement and Access Easement (approximate size 7000 square feet)



**Use would need to be consistent with:**

- All encumbrances on the property listed on a current title report, including the declaration of restrictive covenants on the property, unless otherwise indicated that they must be removed per the covenant; and<sup>1</sup>

### Public Utility Easement and Access Easement Documents

The City of West Sacramento is working with PG&E on the extent of the property rights that need to be acquired for the regulator station. It is anticipated that the 50'X50' area would be an exclusive public utility easement in the favor of the PG&E. The access easement area is anticipated to be a non-exclusive right surface access only right. Forms of the documents will be negotiated with PG&E and provided to the appraiser for consideration in valuing the property rights.

### Notes

<sup>1</sup> A current title report will be provided, along with copies of all title exceptions (encumbrances), to the appraiser.

## Plan Recommendations

| #  | APN         | Site Address          | Acres | Original Recommendation  | Revised Recommendation   |
|----|-------------|-----------------------|-------|--|--|
| 1  | 008-441-007 | 2400 West Capitol Ave | 0.65  | Retain a portion for regulator station and sell remainder and distribute proceeds to the taxing entities                   | None   |
| 2  | 008-450-016 | 2600 West Capitol Ave | 0.48  | Sell and distribute proceeds to the taxing entities  | None   |
| 3  | 010-371-005 | 305 3rd St            | 0.15  | Government use easement for Washington monument and retain for future development associated with the Washington Firehouse | None   |
| 4  | 010-371-006 | 221-225 C St          | 0.29  |  |  |
| 5  | 010-523-037 | 485 Lighthouse Dr     | 0.37  | Sell and distribute proceeds to the taxing entities  | None   |
| 6  | 067-330-002 | 811 West Capitol Ave  | 0.10  | Retain for future development associated with the Grand Gateway Master Plan  | None   |
| 7  | 067-330-017 | 706 Tower Ct          | 3.52  |  |  |
| 8  | 046-010-011 | 2350 South River Rd   | 82.7  | Dispose-per-existing-option/assignment agreement   | Retain for future development associated with the Southport Framework Plan <sup>1</sup>  |
| 9  | 067-180-001 | 2050 South River Rd   | 5.8   | Government use transfer for Lock facility and dispose-per-existing option/assignment agreement                             | Government use transfer for Lock facility (per OB Resolution 13-12) <sup>2</sup> and retain for future development associated with the Southport Framework Plan <sup>1</sup> |
| 10 | 067-180-002 | 2250 South River Rd   | 23.91 | Dispose-per-existing-option/assignment agreement   | Retain for future development associated with the Southport Framework Plan <sup>1</sup>  |
| 11 | 067-180-003 | 2100 South River Rd   | 40.66 | Government use transfer for Lock facility and dispose-per-existing option/assignment agreement                             | Government use transfer for Lock facility (per OB Resolution 13-12) <sup>2</sup> and retain for future development associated with the Southport Framework Plan <sup>1</sup> |
| 12 | 067-180-004 | 2051 South River Rd   | 17.2  |  |  |
| 13 | 067-180-024 | 2821 Lake Wash. Blvd  | 4.18  | Dispose-per-existing-option/assignment agreement   | Retain for future development associated with the Southport Framework Plan <sup>1</sup>  |
| 14 | 067-180-054 | 2100 Jefferson Blvd   | 34.5  |  |  |

<sup>1</sup> The original recommendations were to sell the developable portion of the properties to Cordish Company per the Option Agreement, but DOF determined that the option and assignment agreements are not enforceable obligations. DOF has returned OB Resolution 13-7 for reconsideration. If the DOF decision is overturned, our intent is to proceed with the disposition per the agreements ratified under OB Resolution 13-7. A copy of OB Resolution 13-7 and DOF response letter is located in Section 7 of the Plan.

<sup>2</sup> On October 1, 2013, the Successor Agency was notified that DOF intends to review OB Resolution 13-12. If DOF overrules the Oversight Board findings related to this public use transfer and returns OB Resolution 13-12 for reconsideration, our intent would be for the City to retain the entire parcel (s) for future development associated with the Southport Framework Plan.

**OB RESOLUTION 13-15**

**A RESOLUTION OF THE OVERSIGHT BOARD OF THE WEST SACRAMENTO REDEVELOPMENT SUCCESSOR AGENCY APPROVING THE LONG-RANGE PROPERTY MANAGEMENT PLAN AND RELATED IMPLEMENTATION MEASURES**

**WHEREAS**, the Oversight Board of the West Sacramento Redevelopment Successor Agency ("Oversight Board") has a fiduciary responsibility to the taxing entities that benefit from the distribution of revenues pursuant to Section 34188 of AB1X26; and

**WHEREAS**, the Health and Safety Code section 34177(h) further directs that the Successor Agency wind down the affairs of the former Agency, directs that the Successor Agency continue to oversee development of properties until completion or until the former Agency contractual obligations can be transferred to other parties; and

**WHEREAS**, pursuant to the Health and Safety Code section 34191.5 (b), the Successor Agency shall, upon the receipt of a finding of completion, prepare a long-range property management plan ("the Plan") that addresses the disposition and use of the real properties of the former redevelopment agency; and

**WHEREAS**, the Successor Agency received a finding of completion on May 16, 2013; and

**WHEREAS**, pursuant to the Health and Safety Code section 34191.5 (c)(2)(C) the Plan shall be submitted to the Oversight Board and the Department of Finance for approval no later than six months from May 16, 2013; and

**WHEREAS**, the Successor Agency approved the Plan on October 2, 2013.

**NOW, THEREFORE, BE IT RESOLVED**, by the Oversight Board of the West Sacramento Redevelopment Successor Agency:

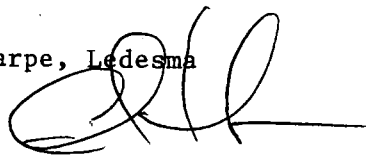
- 1) Approves the Plan, as presented to the Oversight Board, and directs the Successor Agency to submit the Plan to the Department of Finance prior to the deadline; and
- 2) Approves the appraisal instructions, as presented to the Oversight Board, for the 2400 West Capitol Avenue parcel.

**PASSED AND ADOPTED**, by the Oversight Board of the West Sacramento Redevelopment Successor Agency on this 23<sup>rd</sup> day of October, 2013 by the following vote:

**AYES:** Cabaldon, Lantsberger, Rivas, Sharpe, Ledesma

**NOES:** None

**ABSENT:** DeAnda, McGowan



\_\_\_\_\_  
Christopher Ledesma, Chairperson

**ATTEST:**

  
\_\_\_\_\_  
Kryss Rankin, City Clerk

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# Long Range Property Management Plan: Section 9

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## Appendices

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## Long Range Property Management Plan: Section 9

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