

RESOLUTION NO. SBOB/2017-07

RESOLUTION OF THE OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF SAN BERNARDINO APPROVING THE PURCHASE AND SALE AGREEMENT BETWEEN THE CITY OF SAN BERNARDINO AND THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF SAN BERNARDINO WITH RESPECT TO THE REAL PROPERTY LOCATED AT 280 SOUTH "E" STREET, SAN BERNARDINO, CALIFORNIA (APN 0136-111-26), AND APPROVING CERTAIN RELATED ACTIONS

WHEREAS, pursuant to Health and Safety Code (the "HSC") § 34172 (a) (1), the Redevelopment Agency of the City of San Bernardino was dissolved on February 1, 2012; and

WHEREAS, consistent with the provisions of the HSC, on January 9, 2012 the Mayor and City Council of the City of San Bernardino elected to serve in the capacity of the Successor Agency to the Redevelopment Agency of the City of San Bernardino (the "Successor Agency"); and

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

WHEREAS, on September 15, 2015, the Successor Agency submitted its Oversight Board-approved Long-Range Property Management Plan (the "LRPMP") to the California Department of Finance (the "DOF"); and

WHEREAS, on December 31, 2015, the DOF approved the Successor Agency's LRPMP and notified the Successor Agency that pursuant to HSC § 34191.3, the approved LRPMP shall govern, and supersede all other provisions relating to the disposition and use of all the real property assets of the former redevelopment agency; and

WHEREAS, the approved LRPMP, which addresses the disposition and use of the real property assets held by the Successor Agency, includes 230 parcels of land grouped into forty-six (46) separate sites, eighteen (18) of which were designated as government use sites, seven (7) of which are designated as future development sites and twenty-one (21) of which were designated to be sold; and

1 **WHEREAS**, consistent with the foregoing, the Successor Agency is the owner of that certain
2 real property consisting of approximately 27.20 acres of real property located at 280 South "E" Street,
3 San Bernardino, California (APN 0136-111-26) (the "Property"); and

4 **WHEREAS**, within the LRPMP, the Property is: i) identified as Site No. 6; ii) described as a
5 baseball stadium park; iii) designated for government use; and iv) more fully described within Exhibit
6 "A" attached hereto, which is an excerpt from the LRPMP; and

7 **WHEREAS**, in its December 31, 2015 letter approving the LRPMP, the California
8 Department of Finance (the "DOF") unilaterally amended the LRPMP with respect only to the
9 Property to require its sale; and

10 **WHEREAS**, after the approval of the LRPMP, the Successor Agency appealed DOF's
11 unilateral decision to reclassify the Property from "government use" to "for sale"; however, on June
12 24, 2016, the DOF denied the Successor Agency's appeal related to the Property and notified the
13 Successor Agency that the Property must be sold and that it may be sold to a third party or to a
14 public entity, which could include the City of San Bernardino (the "City"), at any price agreed upon
15 by the affected parties without DOF's review or approval; and

16 **WHEREAS**, notwithstanding DOF's June 24, 2016 notification, the LRPMP requires that
17 the Successor Agency obtain Oversight Board and DOF approval of property sales; and

18 **WHEREAS**, consistent with DOF's direction, the City wishes to purchase and the Successor
19 Agency wishes to sell the Property for a fair and reasonable price; and

20 **WHEREAS**, to establish a fair and reasonable price for the Property, the Successor Agency
21 engaged Valbridge Property Advisors ("Valbridge") to value the Property; and

22 **WHEREAS**, as more particularly described within the Valbridge Appraisal, a summary
23 copy of which is appended to this Resolution as Exhibit "B", it is Valbridge's opinion that the value
24 of the Property, as though vacant, is \$4,440,000 (the "Vacant Land Value") (see paragraph 4, page
25 58 of the Valbridge appraisal); and

26 **WHEREAS**, given that the existing improvements on the Property are single-purpose, not
27 readily adaptable to an alternate and highest and best use and would have to be removed to allow
28 for a modern reuse of the property consistent with existing land-use restrictions, the Successor

1 Agency engaged TKE Engineering, an Inland Empire-based civil engineering firm with experience
2 with demolition projects, to conduct an engineering study for the purpose of determining the
3 estimated cost of demolishing the existing improvements to determine a net Property value (the
4 “TKE Engineering Study”); and

5 **WHEREAS**, as more particularly described within the December 2, 2016 TKE
6 Engineering Study, a copy of which is appended to this Resolution as Exhibit “C”, the demolition
7 costs for the existing improvements are projected to be \$4,400,000 (the “Projected Demolition
8 Costs”); and

9 **WHEREAS**, although Valbridge attempted to arrive at a net Property value through an
10 elaborate process of economic extrapolation, the result was deemed inadequate based on an
11 apparent lack of understanding with respect to the: i) currently viable economic trends in the City
12 (i.e., Valbridge’s reuse assumptions were economically unrealistic); and ii) practical site
13 preparation prerequisites that would be required for reusing the Property for modern alternate and
14 highest and best uses (i.e., Valbridge lacks civil engineering experience, did not engage a civil
15 engineer to assist them and appears to be unfamiliar with both developer and local government site
16 development requirements); and

17 **WHEREAS**, TKE Engineering has prepared a March 15, 2017 supplement to the TKE
18 Engineering Study that explains why the Project Demolition Costs remain valid and why the
19 theoretical demolition costs presented by Valbridge should not be considered, a copy of which is
20 included within Exhibit “C” to this Resolution; and

21 **WHEREAS**, in consideration of the foregoing, the Successor Agency has: i) accepted
22 Valbridge’s Vacant Land Value as reasonable; ii) not accepted Valbridge’s opinion regarding its
23 theoretical demolition costs as reasonable; and iii) accepted TKE’s Projected Demolition Costs as
24 reasonable; and

25 **WHEREAS**, based on the foregoing, it is concluded that the net value of the Property is
26 \$40,000, which is equal to the Vacant Land Value less the Projected Demolition Costs (i.e.,
27 \$4,440,000 less \$4,400,000 = \$40,000) (the “Purchase Price”); and

1 **WHEREAS**, this Resolution will approve the Purchase and Sale Agreement (the
2 “Agreement”) between the Successor Agency and the City with respect to the Property, a copy of
3 which is attached to this Resolution as Exhibit “D”, and authorize certain related actions; and

4 **WHEREAS**, consistent with the foregoing and consistent with the provisions of the
5 HSC and the LRPMP with respect to real property to be sold, on March 20, 2017 the City
6 Council and the Successor Agency approved the Agreement, subject to the approval by Oversight
7 Board and the DOF; and

8 **WHEREAS**, subject to the approvals of the Oversight Board and DOF, the Successor
9 Agency intends to distribute the land sale proceeds to the San Bernardino County Auditor-
10 Controller for distribution to the taxing entities; and

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

13 **NOW, THEREFORE, BE IT RESOLVED** by the Oversight Board for the Successor
14 Agency to the Redevelopment Agency of the City of San Bernardino, as follows:

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

17 **Section 2.** The Purchase Price is determined to be fair and reasonable.

18 **Section 3.** The Agreement, attached hereto as Exhibit “D”, is approved.

19 **Section 4.** The Successor Agency’s distribution of the land sale proceeds to the San
20 Bernardino County Auditor-Controller for distribution to the taxing entities, less the costs of sale
21 attributable to the Successor Agency, is approved.

22 **Section 5.** The City Manager, in the capacity as Executive Director of the Successor
23 Agency, is hereby authorized and directed to: i) notify DOF concerning this Resolution, in
24 accordance with the applicable provisions of the HSC; and ii) take such other actions and execute
25 such other documents as are necessary to effectuate the intent of this Resolution

26 **Section 6.** This Resolution shall take effect upon the date of its adoption. The
27 effectiveness of the Agreement is conditioned upon its approval by the DOF.

28 ///

1 RESOLUTION OF THE OVERSIGHT BOARD FOR THE SUCCESSOR
 2 AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF SAN
 3 BERNARDINO APPROVING THE PURCHASE AND SALE AGREEMENT
 4 BETWEEN THE CITY OF SAN BERNARDINO AND THE SUCCESSOR
 5 AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF SAN
 BERNARDINO WITH RESPECT TO THE REAL PROPERTY LOCATED AT
 280 SOUTH "E" STREET, SAN BERNARDINO, CALIFORNIA (APN 0136-
 111-26), AND APPROVING CERTAIN RELATED ACTIONS

6 PASSED, APPROVED AND ADOPTED THIS 27th day of March, 2017, by the following vote:

7 Board Members	Ayes	Nays	Abstain	Absent
8 HEADRICK	X			
9 HILL	X			
10 MORRIS	X			
11 O'TOOLE	X			
12 SMITH	X			
13 TORRES				X
14 (VACANT)				

15
 16 
 17
 18 Lisa Connor, Secretary

19 The foregoing Resolution is hereby approved this 27th day of March, 2017.

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23 James P. Morris, Chairman
 24 Oversight Board for the
 25 Successor Agency to the Redevelopment
 26 Agency of the City of San Bernardino
 27
 28

**Narrative for Site No. 6
280 South "E" Street, San Bernardino
(APN 0136-111-26)
Excerpted from the
Long-Range Property Management Plan
(Pages 39-42)

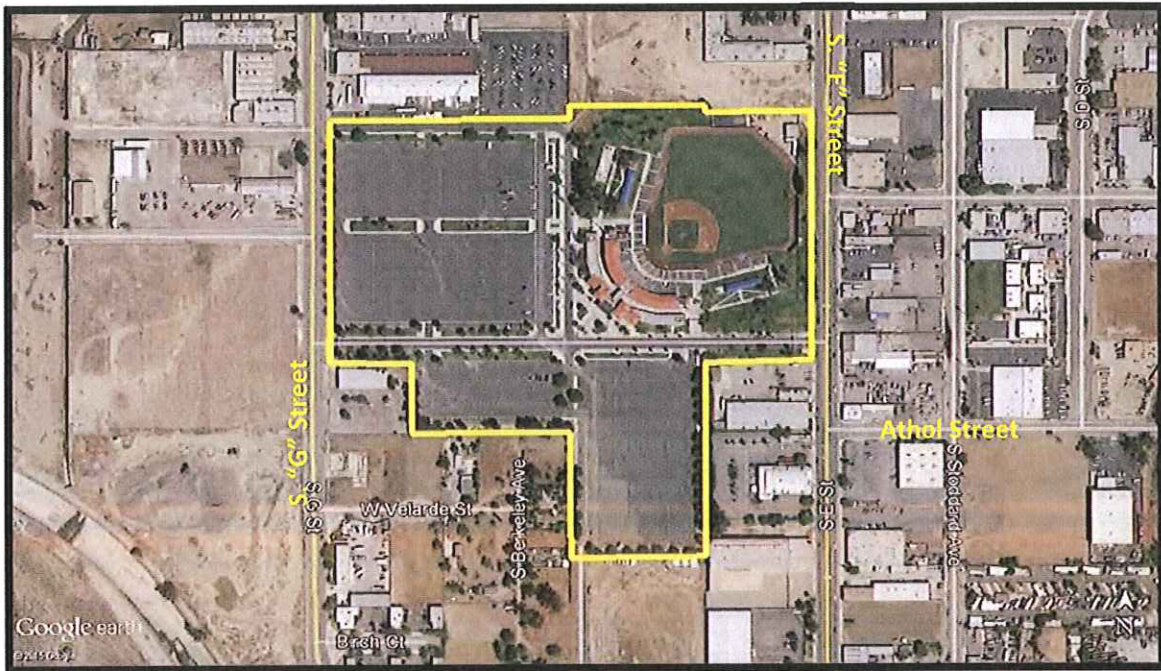
(See Attachment)**

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Site No. 6: Baseball Stadium Park

Address: 280 S. "E" Street
APN: 0136-111-23





Site No. 6: Baseball Stadium Park

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

Site No. 6 is the Baseball Stadium Park (the “Baseball Park”) and is proposed to be transferred to the City of San Bernardino as governmental use property subject to a determination by DOF described in Sections “G” and “J” below.

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

Property records indicate that the Baseball Park was acquired by the Agency in several separate transactions and carries a total Book Value of \$18,071,278. The following table details the property records:

<i>Acquisition Details of the Baseball Park</i>				
<i>APN</i>	<i>Acquisition Date</i>	<i>Book Value</i>	<i>Original APNs as Acquired by Agency</i>	<i>Historical Background</i>
0136-111-23	March 1990	\$300,000	0136-101-09	March 2005, Certificate of Compliance, Document No. 2005-0502595, was recorded in the County of San Bernardino, creating APN 0136-111-23
			0136-101-19	
	December 1991	\$1,276,487	0136-101-24	
			0136-101-27	
	December 1993	\$299,019	0136-111-04	
			0136-111-05	
	July 1987	\$1,200,000	0136-111-17	
			0136-111-21	
October 1995	\$14,995,772	0136-111-22		

The Baseball Park was acquired by the Agency in order to meet the revitalization goals of the City and the Agency to alleviate the existence and spread of physical and economic blight by assembling land and preparing property for future development. The estimated current value (the “ECV”) of the Baseball Park is to be determined (“TBD”) through an appraisal.

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

The Baseball Park consists of one (1) 27.20-acre parcel (APN 0136-111-23) located at 280 S. “E” Street. The Baseball Park contains a 1,184,832 sf baseball stadium and an adjacent parking lot that were constructed in 1997. The Baseball Park is zoned Central City South (CCS-1) in the City’s General Plan. The purpose of the CCS-1 zone is to permit general retail, professional office, and medical types of uses.

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

There is no reasonable way to determine an ECV for the Baseball Park without conducting an official appraisal. An appraisal shall be conducted as part of the process to develop the Baseball Stadium. Therefore, the ECV is TBD through an appraisal.

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

On June 28, 1996, the San Bernardino Stampede, Inc. (the “Team”) entered into a Lease with San Bernardino to lease the then newly constructed Baseball Park. The original term of the Lease was to December 31, 2006, with 2 5-year options, terminating on December 31, 2016. The Team is responsible for routine maintenance of the playing field and dugouts at the Baseball Park. San



Site No. 6: Baseball Stadium Park

Bernardino is responsible for all capital related maintenance and improvements to the Baseball Park including but not limited to plumbing, heating, air conditional, electrical, and lighting. The lease includes both a base and performance based rental structure that may be offset to the extent that San Bernardino is unable to meet its maintenance obligations for the Baseball Park. Due to the lack of available revenues, San Bernardino has not been able to fully fund its obligations and as a result the Team has offset its rental payment obligations resulting in no rental receipts for several years, include some prior to redevelopment dissolution. Therefore, no revenues are received by the Successor Agency with respect to the Baseball Park.

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

The majority of the Baseball Park property was purchased from the Southern Pacific Railroad. Due to the Railroad's years of operations on the property, an environmental investigation was completed prior to the Agency acquiring the property. Unfortunately, Agency staff cannot located those environmental records.

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

There is no potential for Transit Oriented Development (TOD), however, the Baseball Park lies within a ¼-mile radius of the Downtown San Bernardino TOD Area. This TOD is centered at the 12-acre San Bernardino Intermodal Transit Center (Transit Center). The Transit Center will integrate local and regional transportation systems, including the west terminus station for the Redlands Corridor transit service, Metrolink, sbX E Street Bus Rapid Transit (BRT), and local Omnitrans buses. Bicycles and pedestrians will access the station via planned and proposed city bike and pedestrian pathways. The Transit Center will be a major regional transit hub and in the future, the Transit Center could include inter-regional transportation systems such as California High Speed Rail and transit connections to the San Bernardino International Airport.

To the extent the property meets the definition of governmental use under the dissolution law, the Successor Agency desires to dispose the property by transferring the property to the City for governmental use. However, if DOF determines that the Baseball Park property does not constitute governmental use property, the Successor Agency desires to transfer the property in the following manner:

Alternative 1: The Successor Agency desires to transfer the property to the City for Future Development. The City will enter into a compensation agreement with the affecting taxing entities.

Alternative 2: If Alternative 1 is not approved, the Successor Agency desires to sell the property. When sold, the Successor Agency will either remit the proceeds to the County Auditor-Controller for distributions to the affecting taxing entities, or use sale proceeds to fulfill enforceable obligations.

If DOF determines that the Baseball Park property does not constitute governmental use property, then the Successor Agency prefers Alternative 1 over Alternative 2. In the Alternative 1 scenario, the transfer of the Baseball Park to the City of San Bernardino for future development advances the



Site No. 6: Baseball Stadium Park

planning objectives of the City and the Successor Agency by creating the possibility of (i) enhancing the public recreation park use through further developing the Baseball Park site with other commercial and/or parking facilities⁹; (ii) continuing the operations of the Minor League Baseball team; (iii) continuing to create employment opportunities; (iv) assisting in the elimination of blight; and (v) increasing the value of adjacent properties.

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

The Baseball Park property was acquired over a ten-year period of time. The majority of the properties acquired for the Baseball Park belonged to the Southern Pacific Railroad. The other properties contained businesses that were re-located, and former structures demolished.

I. Disposition of Property:

If DOF determines that the Baseball Park property does constitute governmental use property, then the property will be transferred to the City at no cost. However, if DOF determines that the Baseball Park property does not constitute governmental use property, then the disposition of the Baseball Park site will be governed by: i) the provisions for such included within the Compensation Agreement with the taxing entities (if held for future development); or ii) sold by the Successor Agency (if determined to be for sale).

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

To the extent the property meets the definition of governmental use under the dissolution law, the Successor Agency desires to dispose the property by transferring the property to the City for governmental use. However, if DOF determines that the Baseball Park property does not constitute governmental use property, the Successor Agency desires to transfer the property in the following manner:

Alternative 1: The Successor Agency desires to transfer the property to the City for Future Development. The City will enter into a compensation agreement with the affecting taxing entities.

Alternative 2: If Alternative 1 is not approved, the Successor Agency desires to sell the property. When sold, the Successor Agency will either remit the proceeds to the County Auditor-Controller for distributions to the affecting taxing entities, or use sale proceeds to fulfill enforceable obligations.

If DOF determines that the Baseball Park property does not constitute governmental use property, then the Successor Agency prefers Alternative 1 over Alternative 2.

⁹ *City of San Bernardino General Plan*, November 1, 2005, Appendix 10, page 49

Summary of Valbridge Appraisal

(See Attachment)

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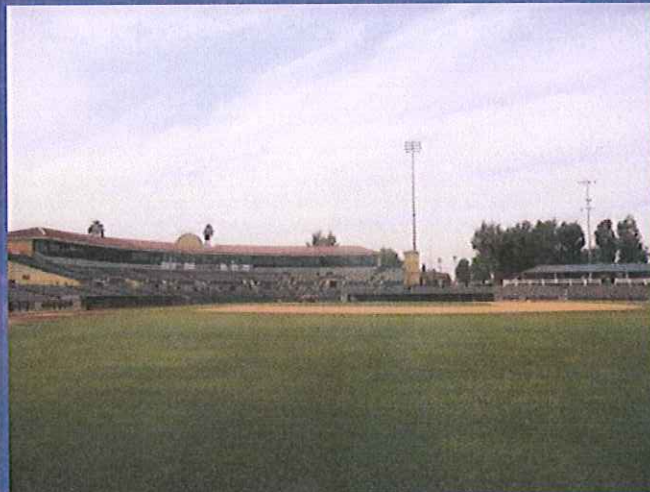


Valbridge
PROPERTY ADVISORS

Appraisal Report

San Manuel Stadium
280 S. "E" Street
San Bernardino, San Bernardino County, California 92401

Report Date: March 7, 2017



FOR:

Successor Agency to the City of San Bernardino
Lisa Connor
Project Manager
201 North 'E' Street, Suite 301
San Bernardino, CA 92401

Client Number: APN: 0136-111-23

**Valbridge Property Advisors |
Cummings Appraisal Group, Inc.**

99 South Lake Avenue, Suite 21
Pasadena, CA 91101
626-744-0428 phone
626-744-0922 fax
valbridge.com

Valbridge File Number:
CA01-16-0344-000



99 South Lake Avenue, Suite 21
Pasadena, CA 91101
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March 7, 2017

Rob Saia, MAI
626-219-8116
rsaia@valbridge.com

Lisa Connor
Project Manager
Successor Agency to the City of San Bernardino
201 North "E" Street, Suite 301
San Bernardino, CA 92401

RE: Fee Simple Market Value Appraisal Report
280 S. "E" Street
San Bernardino, San Bernardino County, California 92401

Dear Lisa Connor:

In accordance with your request, we have performed an appraisal of the above referenced property. This appraisal report sets forth the pertinent data gathered, the techniques employed, and the reasoning leading to our value opinions. This letter of transmittal is not valid if separated from the appraisal report.

The subject property, as referenced above, is the San Manuel Stadium located along S. "E" Street in downtown San Bernardino and is further identified as Assessor's Parcel Number (APN) 0136-111-23-0000. The subject is a 27.20-acre or 1,184,832-square-foot site. It is improved with the approximate 5,000-seat open-air baseball stadium. The stadium was completed in 1996 and been continuously used by Minor League Baseball's Inland Empire 66er's of San Bernardino.

The City of San Bernardino and the 66ers have negotiated a new 10-year lease agreement that will only be effective if the City purchases the property. The fee simple value of the property has been valued. Since the property is appraised fee simple and there is no guarantee that the City purchases the property, our valuation does not automatically assume that this lease is in place.

The appraisal also considers the replacement construction costs of the property, but estimates the fee simple Market Value of the real property based on the highest and best use. Based on an analysis of Minor League Baseball stadium sales developed in similar communities and within the same era as the subject, market value typically comprises substantially less than replacement or reproduction costs and oftentimes is closer to land value.

We developed our analyses, opinions, and conclusions and prepared this report in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP) of the Appraisal Foundation; the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute; the Financial Institutions Reform, Recovery, and Enforcement Act (FIRREA); and the requirements of our client as we understand them.

The client in this assignment is the Successor Agency to the City of San Bernardino and the intended user of this report is the Successor Agency to the City of San Bernardino and no others. The intended use is for internal decision making. The value opinions reported herein are subject to the definitions, assumptions and limiting conditions, and certification contained in this report.

The acceptance of this appraisal assignment and the completion of the appraisal report submitted herewith are subject to the General Assumptions and Limiting Conditions contained in the report. The findings and conclusions are further contingent upon the following extraordinary assumptions and/or hypothetical conditions which might have affected the assignment results:

Extraordinary Assumptions:

- None

Hypothetical Conditions:

- None

Based on the analysis contained in the following report, our value conclusions are summarized as follows:

Value Conclusions	
Component	As Is
Value Type	Market Value
Property Rights Appraised	Fee Simple
Effective Date of Value	November 16, 2016
Value Conclusion	\$3,500,000

Respectfully submitted,
Valbridge Property Advisors | Cummings Appraisal Group, Inc.



Rob Saia, MAI
Director
California License #AG003191
License Expires 11-03-2018



Calvin Cummings, MAI
Senior Managing Director
California License #AG005293
License Expires 10-09-2018

Summary of Salient Facts

Property Identification

Property Name	San Manuel Stadium
Property Address	280 S. E Street San Bernardino, San Bernardino County, California, 92401
Latitude & Longitude	34.097183, -117.296145
Census Tract	57.01/2
Tax Parcel Number	0136-111-23-0000
Property Owner	The Successor Agency to the Redevelopment Agency of the City of San Bernardino, a public body, corporate and politic

Site

Zoning	Central City South-1 (CCS-1)
FEMA Flood Map No.	060281-06071C8681J
Flood Zone	X
Land Area	27.200 acres

Existing Improvements

Property Use	Sports Arena, Open-Air Baseball Stadium
Occupancy Type	Professional, Minor League Class A-Advanced
Gross Building Area (GBA)	50,798 sf
Architecture Style:	Western
Fixed Seat Occupancy:	5,000
Total Potential Capacity:	8,000
Year Opened	1996
Condition	Average with Deferred Maintenance
Primary Tenant/Occupant:	Inland Empire 66er's of San Bernardino
Construction Quality	Average
Surface Parking	1,500 spaces

Valuation Opinions

Highest & Best Use - As Vacant	To Hold For Commercial, Mixed-Use Development
Highest & Best Use - As Improved	To remove/retain existing improvements depending on conditions
Reasonable Exposure Time	9 to 12 months
Reasonable Marketing Time	9 to 12 months

Value Indications

Approach to Value	As Is
Land Only - Sales Comparison	\$3,500,000
Cost	Not Applicable
Sales Comparison	\$3,500,000
Income Capitalization	
Direct Capitalization	Not Applicable

Value Conclusions

Component	As Is
Value Type	Market Value
Property Rights Appraised	Fee Simple
Effective Date of Value	November 16, 2016
Value Conclusion	\$3,500,000

Our findings and conclusions are further contingent upon the following extraordinary assumptions and/or hypothetical conditions which might have affected the assignment results:

Extraordinary Assumptions:

- None

Hypothetical Conditions:

- None

Aerial and Front Views

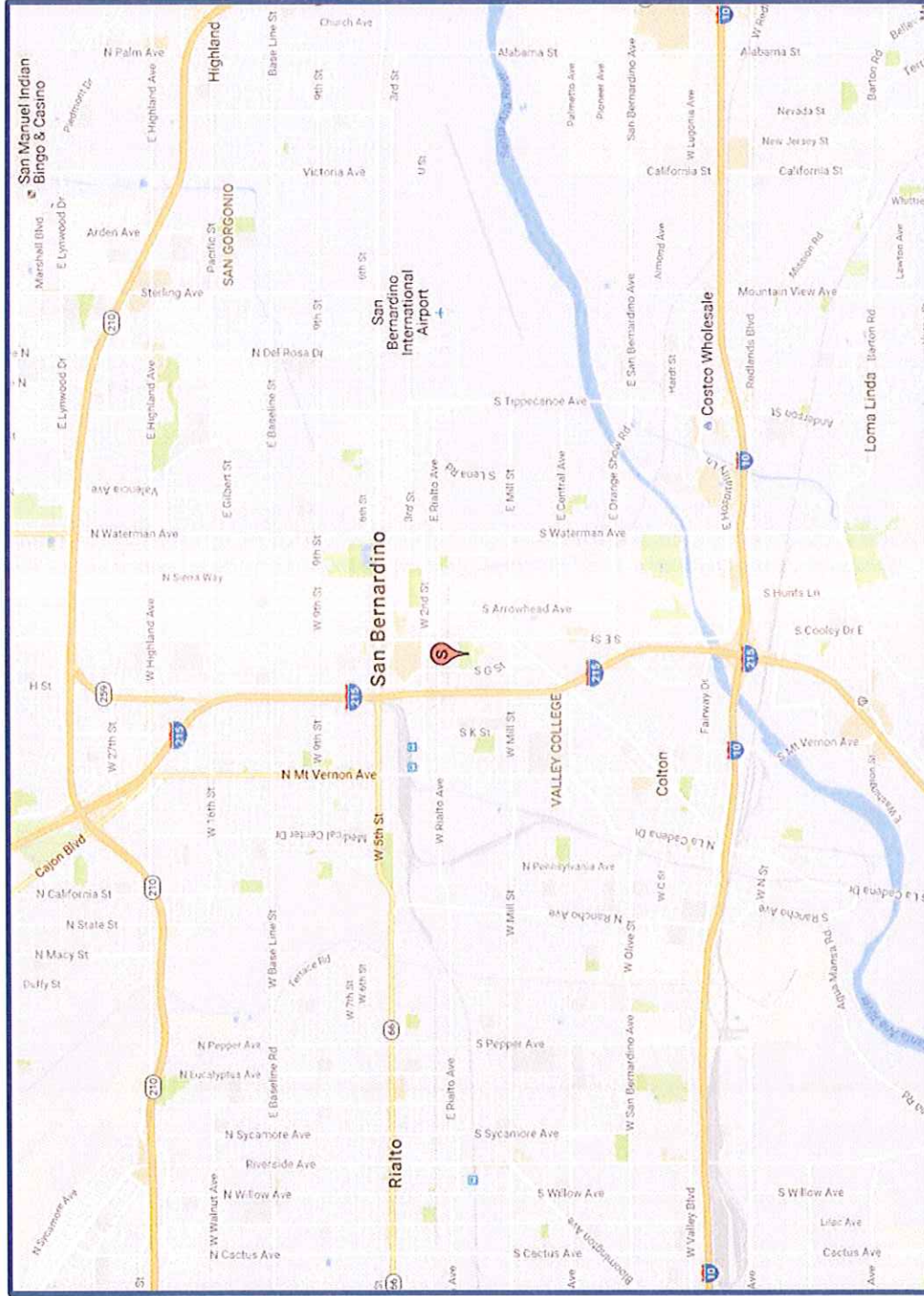
AERIAL VIEW



FRONT VIEW



Location Map



Introduction

Client and Intended Users of the Appraisal

The client in this assignment is the Successor Agency to the City of San Bernardino and the intended user of this report is The Successor Agency to the City of San Bernardino and no others.

Intended Use of the Appraisal

The intended use of this report is internal decision making.

Real Estate Identification

The subject property is located at 280 S. "E" Street, San Bernardino, San Bernardino County, California 92401. The subject property is further identified by Assessor Parcel Number 0136-111-23-0000.

Legal Description

We were not provided with a Preliminary Title Report for purposes of this appraisal. Please see the Addenda attached for a legal description of the subject property as contained in the Quitclaim Deed (Document No. 463139; recorded on December 3, 2014).

Use of Real Estate as of the Effective Date of Value

As of the effective date of value, the subject was a baseball stadium property. San Manuel Stadium is an open-air ballpark in downtown San Bernardino. It opened in 1996, replacing Fiscalini Field as the home park of Minor League Baseball's (MiLB) Inland Empire 66ers of San Bernardino.

Use of Real Estate as Reflected in this Appraisal

The subject is a sports arena, open-air baseball stadium property.

Ownership of the Property

According to quitclaim deed, title to the subject property is vested in The Successor Agency to the Redevelopment Agency of the City of San Bernardino, a public body, corporate and politic.

History of the Property

Ownership of the subject property has not changed within the required reporting period of three years.

Listings/Offers/Contracts

The subject is not currently listed for sale or under contract for sale.

Type and Definition of Value

The appraisal problem (the term "Purpose of Appraisal" has been retired from appraisal terminology) is to develop an opinion of the market value of the subject property. "Market Value," as used in this appraisal, 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:

- *Buyer and seller are typically motivated.*
- *Both parties are well informed or well advised, each acting in what they consider their own 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 sale concessions granted by anyone associated with the sale.”¹*

The value conclusions apply to the value of the subject property under the market conditions presumed on the effective date(s) of value.

Please refer to the Glossary in the Addenda section for additional definitions of terms used in this report.

Valuation Scenarios, Property Rights Appraised, and Effective Dates of Value

Per the scope of our assignment we developed opinions of value for the subject property under the following scenarios of value:

Valuation Scenario	Effective Date of Value
As Is Fee Simple Market Value	November 16, 2016

We completed an appraisal inspection of the subject property on November 16, 2016.

Date of Report

The date of this report is March 7, 2017, which is the same as the date of the letter of transmittal.

List of Items Not Available or Reviewed

- Architectural Plans
- Annual Attendance Figures

Assumptions and Conditions of the Appraisal

The acceptance of this appraisal assignment and the completion of the appraisal report submitted herewith are subject to the General Assumptions and Limiting Conditions contained in the report. The findings and conclusions are further contingent upon the following extraordinary assumptions and/or hypothetical conditions which might have affected the assignment results:

Extraordinary Assumptions

- None

¹ Source: *Code of Federal Regulations, Title 12, Banks and Banking, Part 722.2-Definitions*

Hypothetical Conditions

- None

Site Description

The characteristics of the site are summarized as follows:

Site Characteristics

Location:	Downtown Area
Gross Land Area:	27.20 Acres or 1,184,832 SF
Usable Land Area:	27.20 Acres or 1,184,832 SF
Usable Land %:	100.0%
Shape:	Irregular
Average Depth:	1,300.00 feet
Topography:	Level
Drainage:	It is assumed to be adequate
Grade:	At street grade
Utilities:	Assumed typical and adequate
Off-Site Improvements:	Typical, including sidewalks, street lights, and curb cuts.
Interior or Corner:	Interior
Signalized Intersection:	Yes: Traffic signal at the site that enhances access

Street Frontage / Access

Frontage Road	Primary	Secondary
Street Name:	S. E Street	S. G Street
Street Type:	Commercial	Commercial
Frontage (Linear Ft.):	640.00	700.00
Number of Curb Cuts:	1	2
Traffic Count (Cars/Day):	12,022	N/A (moderate flow)

Additional Access

Alley Access: Yes

Flood Zone Data

Flood Map Panel/Number: 060281-06071C8681J
 Flood Map Date: 09-02-2016
 Flood Zone: X
 The subject property is out of the special flood hazard area.
 Site Area in Flood: 0.00%

Other Site Conditions

Soil Type: We were not provided with a soils report to review. This appraisal assumes the soils are adequate and have sufficient load-bearing capacity to support the highest and best use of the

	subject site.
Environmental Issues:	We were not provided with a Phase I environmental site assessment. It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures that would render it more or less valuable. No responsibility is assumed for such conditions or for obtaining engineering studies that may be required to discover such factors.
Easements/Encroachments:	We were not provided with a Preliminary Title Report or a Survey (map) of the subject site. A premise of this appraisal is that no adverse title conditions exist that would affect the marketability of this property for its existing use. The client and intended users are advised to review a current Preliminary Title Report and/or Survey to determine detrimental easements or encroachments, if any.
Earthquake Zone:	Based on an earthquake fault zone map detailing known earthquake fault zones, the subject is not located within an Alquist-Priolo Earthquake Fault Zone.

Adjacent Land Uses

North:	Vacant Land, Commercial
South:	Vacant Land, Commercial
East:	Commercial (automotive)
West:	Vacant Land, Commercial

Site Ratings

Access:	Average
Visibility:	Average

Zoning Designation

Zoning Jurisdiction:	City of San Bernardino
Zoning Classification:	CCS-1, Central City South-1
General Plan Designation:	Commercial
Permitted Uses:	Retail, Office, Mixed-Use, Automotive
Zoning Comments:	Zoning is not anticipated to change over near-term future.

Analysis/Comments on Site

The site area of 27.2 acres is towards the higher end for similar size MLB stadiums throughout the nation. This suggests that the site may have additional future development potential.

Highest and Best Use

The Highest and Best Use of a property is the use that is legally permissible, physically possible, and financially feasible which results in the highest value. An opinion of the highest and best use results from consideration of the criteria noted above under the market conditions or likely conditions as of the effective date of value. Determination of highest and best use results from the judgment and analytical skills of the appraiser. It represents an opinion, not a fact. In appraisal practice, the concept of highest and best use represents the premise upon which value is based.

Analysis of Highest and Best Use As If Vacant

The primary determinants of the highest and best use of the property as if vacant are the issues of (1) Legal permissibility, (2) Physical possibility, (3) Financial feasibility, and (4) Maximum productivity.

Legally Permissible

The subject site is zoned CCS-1, Central City South-1 which controls the general nature of permissible uses but is appropriate for the location and physical elements of the subject property, providing for a consistency of use with the general downtown neighborhood. The location of the subject property is appropriate for the uses allowed, as noted previously, and a change in zoning is unlikely over the near-term future. There are no known easements, encroachments, or covenants that would unduly limit or impede physical development. There is a proposed multi-year lease to the California League Minor League Baseball team Inland Empire 66er's of San Bernardino. Therefore, if the City purchases the property and the new lease commences, then the legal use, at minimum, will continue as a baseball stadium over the lease term or until terminated. Other legal (future) uses include retail, office and mixed-use residential, entertainment, automotive, and general commercial type development.

Physically Possible

The physical attributes allow for a number of potential commercial and mixed-uses. Elements such as size, shape, availability of utilities, known hazards (flood, environmental, etc.), and other potential influences are described in the Site Description and have been considered. There are no items of a physical nature that would materially limit appropriate and likely development.

Financially Feasible

The probable use of the site for commercial, residential or more likely mixed-use (retail, office and multifamily residential) development conforms to the future general development plan of the downtown. A review of published yield, rental and occupancy rates suggest that there is an oversupply and demand is insufficient at this time to support construction costs and ensure timely absorption of additional inventory in this market. Therefore, near-term speculative development of the subject site is not financially feasible.

Maximally Productive

Among the uses that may become financially feasible in the future, the use that results in the highest value (the maximally productive use) is the highest and best use. Given the current oversupply, there is no current use that is financially feasible without government subsidy. Even with governmental assistance, development feasibility of a 27.2-acre site at this location is unlikely. Considering these factors, the maximally productive use as though vacant is to hold for future commercial and/or

mixed-use development. As noted in this report, it will likely take 9 to 10 years or longer before demand becomes strong enough to fully develop the site.

Conclusion of Highest and Best Use As If Vacant

The conclusion of the highest and best use as if vacant is for future commercial or mixed-use development when conditions warrant.

Analysis of Highest and Best Use as Improved

In determining the highest and best use of the property as improved, the focus is on three possibilities for the property: (1) continuation of the existing use, (2) modification of the existing use, or (3) demolition and redevelopment of the land.

Retaining the improvements is the most feasible option. The 20-year-old improvements are in generally good condition and have several years of remaining useful life. Alternative uses include office and retail as well as limited or special-purpose uses (e.g., religious facility).

As noted later, the cost to demolish to get to a raw land state is too expensive relative to the market land value. Further, demand is currently not strong enough to warrant removing for redevelopment. In short, there is no higher and better use to warrant an expensive demolition program.

Therefore, it is not feasible to redevelop the property at this time. It would make more sense to retain and modify the improvements to alternative uses if there were no primary baseball tenant. If there is a lease, then the highest and best use is to continue with a minor league baseball stadium as the primary use.

The total annual economic impact to the community, which would include additional sales tax revenue from hotel rooms and local restaurants from baseball operations as well as profit-sharing from other events, may exceed operating costs. This would involve the extraordinary assumption that the City purchases the property, which is not the case in this appraisal. However, there is still the possibility of this occurring as of the valuation date.

If the City does not purchase the property, then the improvements may become obsolete as a baseball stadium as there may be no lease agreement. Finding another MiLB team as a primary tenant is unlikely. Assuming this were the scenario, a buyer would be faced with the decision to remove the stadium in order to save operating costs or modify the improvements for alternative use (or a combination of the two).

As explained in the Land Valuation section of the appraisal, the best course of action is to retain the improvements and make adjustments to the value for either retrofit cost or the cost to carry the property until redevelopment becomes feasible. Both options are more feasible than completely removing the improvements and bringing the site to a raw land state.

Conclusion of Highest and Best Use As Improved

The most probable highest and best use of the subject property, as improved, depends on whether the property continues to be leased by the 66ers. If not, then the highest and best use is to retain the improvements as an alternative use until market conditions warrant redevelopment.

Excess/Surplus Land

The improved subject property has a land-to-building ratio that is larger than generally associated with similar stadium properties. We considered whether the additional land area is excess and allows for separate development, or if it is simply surplus land that provides some additional utility for expansion, storage, parking, etc. In the first case, 'excess' land may be legally separated from the parent tract and has a distinctly separate HBU while in the second; the land is not separable from the larger tract.

Our analysis has established that the differential is representative of surplus land, which cannot be developed separately at this time. The impact of this surplus land is relatively minor, and is considered in the applicable approaches, but it is not valued separately.

Most Probable Buyers

As of the date of value, the most probable buyers of the subject property are local governments, educational institutions or investor/developers. The Inland Empire 66ers may also be a potential buyer, but the cost may be too high based on the proposed subsidized lease arrangement.

Land Valuation

The site is an important aspect of the overall property valuation for two reasons: 1) it helps determine the highest and best use of the property as improved; 2) it is not unusual for 20-year-old MLB stadiums to sell close (or at) their land value.

Methodology

Site Value is most often estimated using the sales comparison approach. This approach develops an indication of market value by analyzing closed sales, listings, or pending sales of properties similar to the subject, focusing on the difference between the subject and the comparables using all appropriate elements of comparison. This approach is based on the principles of supply and demand, balance, externalities, and substitution, or the premise that a buyer would pay no more for a specific property than the cost of obtaining a property with the same quality, utility, and perceived benefits of ownership.

Unit of Comparison

The unit of comparison depends on land use economics and how buyers and sellers use the property. The unit of comparison in this analysis is per usable sq. ft. The subject land is appraised in fee simple as vacant. Since the sales were all vacant without any building improvements, in order to compare "apples with apples" it was necessary to adjust the subject for removal/demolition of existing improvements in order to arrive at the true fee simple market value of the land.

Elements of Comparison

Elements of comparison are the characteristics or attributes of properties and transactions that cause the prices of real estate to vary. The primary elements of comparison considered in sales comparison analysis are as follows: (1) property rights conveyed, (2) financing terms, (3) conditions of sale, (4) expenditures made immediately after purchase, (5) market conditions, (6) location, and (7) physical characteristics.

Comparable Sales Data

To obtain and verify comparable sales of vacant land properties, we conducted a search of public records, field surveys, interviews with knowledgeable real estate professionals in the area, and a review of our internal database.

We included six vacant land comparables in our analysis, as these were judged to be the most comparable to develop an indication of fee simple market value for the subject land.

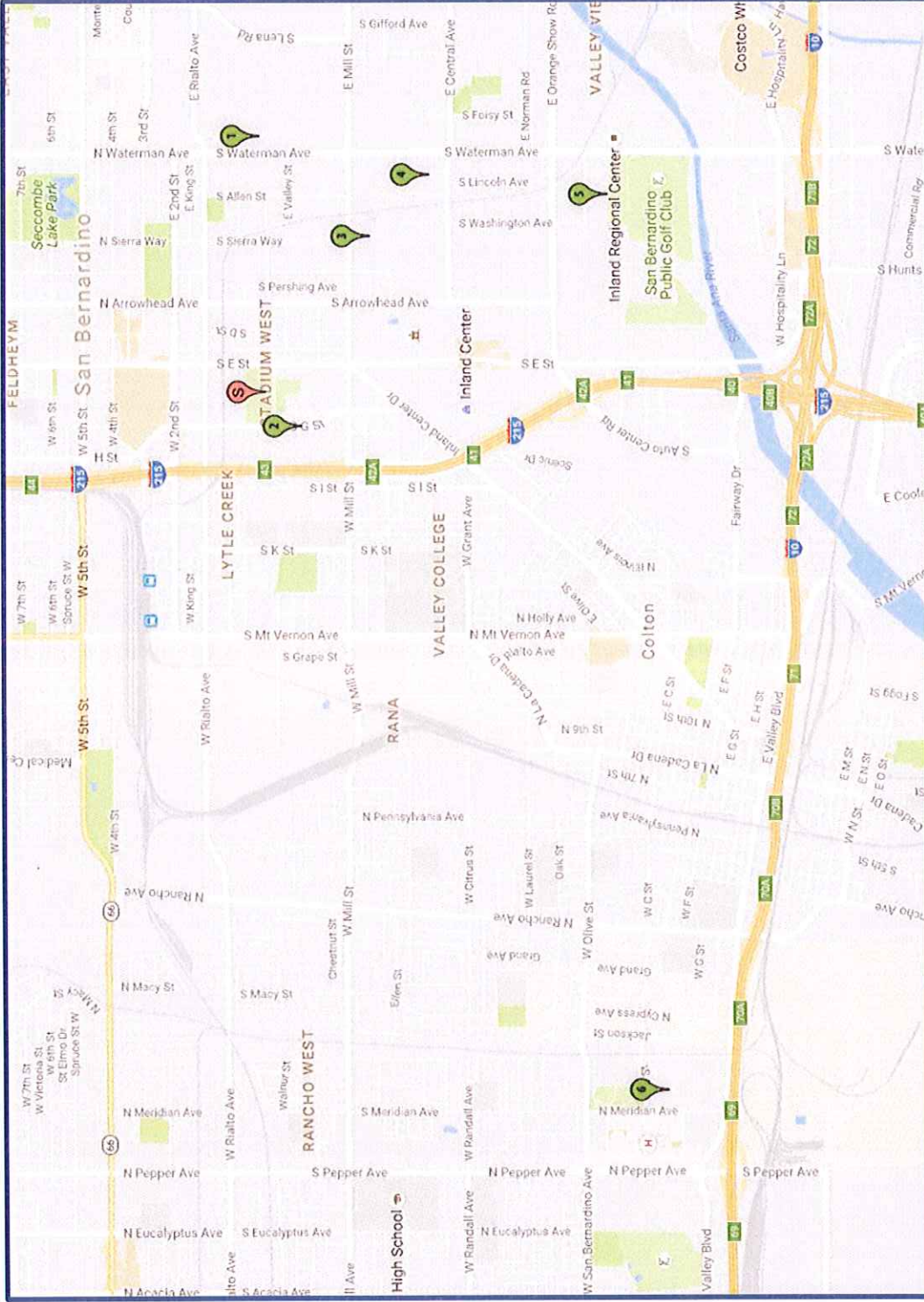
The following is a table summarizing each sale comparable and a map illustrating the location of each in relation to the subject. Details of each comparable follow the location map.



Land Sales Summary

	Subject	Sale # 1	Sale # 2	Sale # 3	Sale # 4	Sale # 5	Sale # 6
Sale ID		4390	4397	4398	4399	4400	4401
Sale Status		In-Contract	Listing	Closed	Closed	Closed	Closed
Location	280 S. "E" Street	237 S Waterman Ave	325 S. G St	111 E Mill St	270 E Central Ave	Waterman Ave @ Dumas	Meridian Ave @ W C
	San Bernardino, California	San Bernardino, California	San Bernardino, California	San Bernardino, California	San Bernardino, California	San Bernardino, California	Colton, California
Tax ID	0136-111-23-0000	0136-311-24 & 0279-321-14	0136-151-23, et. al.	0136-321-50 & et. al.	0136-401-11	0141-431-16	0162-281-04 & et. al.
Sales Data							
Date of Sale	November-16	N/A	Listing	7/15/2016	11/9/2015	7/15/2016	8/9/2016
Sale Price		\$3,336,000	\$2,375,762	\$5,198,000	\$2,054,289	\$3,390,000	\$4,630,000
Price/Usable Sq. Ft.		\$6.40	\$9.00	\$8.71	\$9.00	\$6.54	\$5.00
Grantor		Chance Family Trust Dtd 8-26-99	Rancho San Bernardino 6 & 7	Food Express, Inc	Central Avenue Ventures LLC	The King Revocable Trust	Successor Agency of Redevelopment Agency, Colton
Grantee		N/A	N/A	Burr Group LP	Xebec Realty Partners	Dividend Capital	California University of Science & Medicine
Property Rights Conveyed	Leased Fee	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Financing		N/A	N/A	Cash	Cash	Cash	Cash
Conditions of Sale		Typical	Typical	Typical	Typical	Assemblage	Typical
Physical Characteristics							
Usable Land Area (Acres)	27.2 ac	11.97	6.06	13.70	5.24	11.90	21.24
Gross Land Area (Acres)	27.2 ac	11.97	6.06	13.70	5.24	11.90	21.24
Topography	Level	Level	Level	Level	Level	Level	Level
Shape	Irregular	Irregular	Irregular	Irregular	Rectangular	Rectangular	Irregular
Utilities	All Available	Available	Available	Available	Available	Available	Available
Access/Visibility	Average/Average	Average/Average	Average/Average	Average/Average	Average/Average	Average/Average	Average/Average

COMPARABLE SALES MAP



Land Sales Comparison Analysis

When necessary, adjustments were made for differences in various elements of comparison, including property rights conveyed, financing terms, conditions of sale, expenditures made immediately after purchase, market conditions, location, and other physical characteristics. If the element in comparison is considered superior to that of the subject, we applied a negative adjustment. Conversely, a positive adjustment was applied if inferior. A summary of the elements of comparison follows.

Transaction Adjustments

Transaction adjustments include 1) real property rights conveyed, 2) financing terms, 3) conditions of sale, and 4) expenditures made immediately after purchase. These items, which are applied prior to the market conditions and property adjustments, are discussed as follows:

Real Property Rights Conveyed

Real property rights conveyed influence sale prices and must be considered when analyzing a sale comparable. The subject is valued fee simple. All of the sale comparables are also fee simple interests, indicating no adjustments.

Financing Terms

The transaction price of one property may differ from that of an identical property due to different financial arrangements. Sales involving financing terms that are not at or near market terms require adjustments for cash equivalency to reflect typical market terms. A cash equivalency procedure discounts the atypical mortgage terms to provide an indication of value at cash equivalent terms. The entire sale comparables involved typical market terms by which the sellers received cash or its equivalent and the buyers paid cash or tendered typical down payments and obtained conventional financing at market terms for the balance. Therefore, no adjustments for this category were required.

Conditions of Sale

When the conditions of sale are atypical, the result may be a price that is higher or lower than that of a normal transaction. Adjustments for conditions of sale usually reflect the motivations of either a buyer or a seller who is under duress to complete the transaction. Another more typical condition of sale involves the downward adjustment required to a comparable property's for-sale listing price, which usually reflects the upper limit of value. The sale comparables do not indicate any condition of sale adjustments other than a downward adjustment for Sale 2, an active listing. We made our best estimate as to what Sale 2 may sell for based on sales of other property in the area.

Expenditures Made Immediately After Purchase

A knowledgeable buyer considers expenditures required upon purchase of a property, as these costs affect the price the buyer agrees to pay. Such expenditures may include: costs to demolish and remove any portion of the improvements, costs to petition for a zoning change, and/or costs to remediate environmental contamination.

The relevant figure is not the actual cost incurred, but the cost anticipated by both the buyer and seller. Unless the sales involved expenditures anticipated upon the purchase date, no adjustments to the comparable sales are required for this element of comparison.

Market Conditions Adjustment

Market conditions change over time because of inflation, deflation, fluctuations in supply and demand, or other factors. Changing market conditions may create a need for adjustment to comparable sale transactions completed during periods of dissimilar market conditions.

Other than Sale 4, the sale comparables represent relatively recent sale transactions and current listings near the date of value with no market conditions adjustments necessary. Given the negative events that have transpired since December 2015, the most recent sales are emphasized. Sale 4, which closed in November 2015, indicates the highest sale price at \$9.00 per square foot. A 5% downward adjustment was warranted.

Property Adjustments

Property adjustments are usually expressed quantitatively as percentages or dollar amounts that reflect the differences in value attributable to the various characteristics of the property. In some instances, however, qualitative adjustments are used. These adjustments are based on locational and physical characteristics and are applied after transaction and market conditions adjustments.

Our reasoning for the property adjustments made to each sale comparable follows. The discussion analyzes each adjustment category deemed applicable to the subject property.

Location

Location adjustments may be required when the locational characteristics of a comparable are different from those of the subject. These characteristics can include general neighborhood characteristics, freeway accessibility, street exposure, and corner- versus interior-lot location, neighboring properties, view amenities, and other factors.

The subject site is located along S. E Street with average access and average visibility. Other than Sale 6, which is in Colton, and Sale 5 (located in a superior neighborhood in San Bernardino) no adjustments were warranted. Small downward adjustments were made to Sales 5 and 6, both locations perceived as somewhat superior.

Size

The size adjustment addresses variance in the physical size of the comparables and that of the subject, as a larger parcel typically commands a lower price per unit than a smaller parcel. This inverse relationship is due, in part, to the principle of "economies of scale."

The subject site consists of 27.20 acres of useable land. The only recent comparable in this area that is close to the subject in size is Sale 6 (21.24 acres). The other comparables are less than half the size and required large downward adjustments. Larger parcels in this area require large adjustments since they take more years to fully develop than smaller ones. Based on our best estimate, the sales require large downward adjustments of 40% to 45% for Sales 1, 2, 3, 4 and 5, depending on the size differential. Only a small 5% downward adjustment was applied to Sale 6, as this Sale is relatively similar in size to the subject.

Shape/Depth

The subject site consists of an irregular-shaped tract considered similar enough to the land sales to not warrant any adjustment for this category.

Utilities

The subject property does have utilities in place and are available on the date of value. Utilities are also available to the comparable sales, therefore no adjustments were applied.

Topography

The subject has a level topography. The comparable sales are similar enough not to warrant adjustment.

Zoning

The highest and best use of sale comparables should be very similar to that of the subject property. When comparables with the same zoning as the subject are lacking or scarce, parcels with slightly different zoning, but a highest and best use similar to that of the subject may be used as comparables. These comparables may require an adjustment for differences in utility if the market supports such adjustment.

The subject site is zoned Central City South-1. The comparables are similar enough not to warrant adjustment. Sales 3 and 4 are industrial and the highest and best use may be to develop with warehouse or light manufacturing. We could not determine whether an adjustment would apply in the case of industrial even though this market segment is the strongest (or one of the strongest) in the region. In any case, less emphasis was given to Sales 3 and 4.

Summary of Adjustments

Presented on the following page is a summary of the adjustments made to the sale comparables. As noted earlier, these quantitative adjustments were based on our market research, best judgment, and experience in the appraisal of similar properties.

LAND SALES ADJUSTMENT GRID

Land Sales Adjustment Grid

	Subject	Sale # 1	Sale # 2	Sale # 3	Sale # 4	Sale # 5	Sale # 6
Sale ID		4390	4397	4398	4399	4400	4401
Date of Value & Sale	November 16, 2016	N/A	Listing	July-16	November-15	July-16	August-16
Unadjusted Sale Price		\$3,336,000	\$2,375,762	\$5,198,000	\$2,054,289	\$3,390,000	\$4,630,000
Usable Acres	27.200	11.970	6.060	13.700	5.240	11.900	21.240
Unadjusted Sale Price per Usable Sq. Ft.		\$6.40	\$9.00	\$8.71	\$9.00	\$6.54	\$5.00
Transactional Adjustments							
Property Rights Conveyed	<i>Fee Simple</i>	<i>Fee Simple</i>	<i>Fee Simple</i>	<i>Fee Simple</i>	<i>Fee Simple</i>	<i>Fee Simple</i>	<i>Fee Simple</i>
Adjustment		-	-	-	-	-	-
Adjusted Sale Price		\$6.40	\$9.00	\$8.71	\$9.00	\$6.54	\$5.00
Financing Terms	<i>Cash to Seller</i>	<i>N/A</i>	<i>N/A</i>	<i>Cash</i>	<i>Cash</i>	<i>Cash</i>	<i>Cash</i>
Adjustment		-	-	-	-	-	-
Adjusted Sale Price		\$6.40	\$9.00	\$8.71	\$9.00	\$6.54	\$5.00
Conditions of Sale	<i>Typical</i>	<i>Pending</i>	<i>Listing</i>	<i>Typical</i>	<i>Typical</i>	<i>Assemblage</i>	<i>Typical</i>
Adjustment		-	-30.0%	-	-	-	-
Adjusted Sale Price		\$6.40	\$6.30	\$8.71	\$9.00	\$6.54	\$5.00
Expenditures after Sale							
Adjustment		-	-	-	-	-	-
Adjusted Sale Price		\$6.40	\$6.30	\$8.71	\$9.00	\$6.54	\$5.00
Market Conditions Adjustments							
Elapsed Time from Date of Value		<i>0.00 years</i>	<i>0.00 years</i>	<i>0.34 years</i>	<i>1.02 years</i>	<i>0.34 years</i>	<i>0.27 years</i>
Market Trend Through	November 10, 2016	-	-	-	-5.0%	-	-
Adjusted Sale Price		\$6.40	\$6.30	\$8.71	\$8.55	\$6.54	\$5.00
Physical Adjustments							
Location	<i>280 S. E Street</i>	<i>237 S Waterman Ave</i>	<i>325 S. G St</i>	<i>111 E Mill St</i>	<i>270 E Central Ave</i>	<i>Waterman Ave @ Dumas</i>	<i>Meridian Ave @ W C Colton, California</i>
	<i>San Bernardino, California</i>	<i>San Bernardino, California</i>	<i>San Bernardino, California</i>	<i>San Bernardino, California</i>	<i>San Bernardino, California</i>	<i>San Bernardino, California</i>	<i>Colton, California</i>
Adjustment		-	-	-	-	-5.0%	-10.0%
Size	<i>1,184,832 sf</i>	<i>521,413 sf</i>	<i>263,974 sf</i>	<i>596,772 sf</i>	<i>228,254 sf</i>	<i>518,364 sf</i>	<i>925,214 sf</i>
Adjustment		-40.0%	-45.0%	-40.0%	-45.0%	-40.0%	-5.0%
Shape/Depth	<i>Irregular</i>	<i>Irregular (Similar)</i>	<i>Irregular (Similar)</i>	<i>Irregular (Similar)</i>	<i>Rectangular (Similar)</i>	<i>Rectangular (Similar)</i>	<i>Irregular (similar)</i>
Adjustment		-	-	-	-	-	-
Utilities	<i>Available</i>	<i>Available</i>	<i>Available</i>	<i>Available</i>	<i>Available</i>	<i>Available</i>	<i>Available</i>
Adjustment		-	-	-	-	-	-
Topography	<i>Level</i>	<i>Level</i>	<i>Level</i>	<i>Level</i>	<i>Level</i>	<i>Level</i>	<i>Level</i>
Adjustment		-	-	-	-	-	-
Zoning	<i>CCS-1</i>	<i>O/P</i>	<i>CCS-1</i>	<i>I</i>	<i>I</i>	<i>PCR</i>	<i>Mixed-Use</i>
Adjustment		-	-	-	-	-	-
Net Physical Adjustment		-40.0%	-45.0%	-40.0%	-45.0%	-45.0%	-15.0%
Adjusted Sale Price per Usable Sq. Ft.		\$3.84	\$3.46	\$5.23	\$4.70	\$3.60	\$4.25

Conclusion

From the market data available, we used six land comparables that included four closed, one pending and one active listing in competitive market areas (including Downtown San Bernardino) which were adjusted based on pertinent elements of comparison. The following table summarizes the unadjusted and adjusted unit prices:

Land Sale Statistics

Metric	Unadjusted	Adjusted
Minimum Sale Price per Usable Sq. Ft.	\$5.00	\$3.46
Maximum Sale Price per Usable Sq. Ft.	\$9.00	\$5.23
Median Sale Price per Usable Sq. Ft.	\$7.63	\$4.05
Mean Sale Price per Usable Sq. Ft.	\$7.44	\$4.18

The median indicator of the six comparables is \$4.05 per square foot and the mean is \$4.18 per square foot. The most comparable in terms of size is Sale #6. This sale is the closest in terms of size and is also the most recent closed transaction, but it was not located in the City of San Bernardino and a location adjustment was necessary. Sale 2 with an adjusted price of \$3.46 per square foot is a good sale, as it has the same zoning and location as the subject.

Sales 1 and 2 are in or near the downtown area of San Bernardino. Sales 3 and 4 are located at the fringe of the downtown area within industrial areas. Therefore, less weight was given to Sales 3 and 4, with adjusted prices of \$5.23 and \$4.70 per square foot.

Based on the adjusted median and average prices and the most comparable sales, a unit value for the as-is subject land is near the lower-middle of the adjusted range, or \$3.75 per square foot. This indicates a preliminary market value of \$4,443,120, rounded to \$4,440,000. This is the value of the land prior to any additional adjustment for the stadium improvements.

Holding Cost Adjustment for Site Improvements

The land sale comparables were vacant unimproved land. In cases where the improvements are no longer economic viable based on their original use and they cannot be converted to alternative use(s), the cost to demolish or remove should be considered if there is an immediate higher and better use. If not, then the cost to carry until redevelopment is warranted or the retrofit cost to modify or convert to another use should be measured.

Typically, demolition occurs when the improvements are old and in poor condition and there is a higher and better use. This commonly occurs in areas where economic conditions are strong and land prices are rising. This is not the case with the subject. Therefore, it is necessary to adjust for cost to carry until redevelopment is financially feasible or the cost to modify or convert to another use.

As explained in the paragraphs below, the subject's 20-year-old improvements have alternative potential use(s) and removing all of the improvements would require several assumptions in order to be consistent with the definition of market value. The cost to completely remove the stadium and related site improvements has been estimated by TKE Engineering, Incorporated (copy in Addenda) at \$4,400,000. If this demolition cost total was used, then the following assumptions would be

required to meet the definition of market value (“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”).

- Assumption that there is a higher and better use for this property at this time, and that there is an immediate need to redevelop the site (when, in fact, there is not enough demand and redevelopment is years away).
- Assumption that the property is so specialized that it cannot be used for anything else other than just a MiLB stadium. Further, it assumes that the stadium has a negative value with no interim value or a contributory value or cannot be used for other purposes (e.g., college baseball, lacrosse, flea market, soccer, concerts, public gathering, office space, social gatherings, etc.).
- Assumption that a seller of this property would value their property by demolishing everything on the site, including trees, curbs, gutters, utilities, lighting, pavement, fire hydrants, office space, etc. Some of these improvements (e.g., underground utilities, trees, paving, and fire hydrants) add contributory value instead of detract.
- Assumption that there is no offset from salvage by from removing the improvements.
- Assumption that cost and market value are synonymous, when in fact, they are often different.

The TKE Engineering, Incorporated estimate is a preliminary budget that deducts the total cost to remove the stadium and all associated site improvements that bring the property to a raw land state. If this estimate was used as an adjustment, then the land value would adjust to only \$40,000 (\$4,440,000 - \$4,400,000). At this low price, there would be plenty of buyers, but a seller would recognize that this price is unrealistically low for a 27.20-acre parcel. In other words, the cost to demolish everything on the site is simply too expensive and is not an accurate method to determine a reasonable market value for the land.

If demolition were to be used as an offsetting market-based adjustment, then a more representative method would be to deduct only costs applicable to the stadium improvements rather than every improvement on the entire property.

Typically, we have found that buyers are using demolition costs of approximately \$9.00 to \$10.00 per square foot of building area. This estimate is substantiated by the *Marshall Valuation Service*, a professional cost source published and updated regularly by Marshall & Swift publication company, that is used by real estate professionals. However, on a per square foot basis, the subject cost would be significantly more since there are stadium and field improvements that are not part of building area (e.g., stadium seating, signage and lighting). At double this cost or approximately \$19.00/sf, for example, the building structures would have a demolition cost adjustment of \$965,162 (50,798 sf x \$19/sf), rounded to the nearest \$50,000 or \$950,000. Obviously this projection is well below the TKE preliminary budget, but it does not include estimates for everything required to bring the site to a raw land state.

As noted earlier in the City and Neighborhood Analysis, the City has experienced events that have hurt its reputation. Major occupants have departed the City, and the December 2015 terrorist attack resulted in casualties stigmatizing the area. It will take years for a turnaround, especially for large

sites where there is currently insufficient private demand. As a result, it will likely take nine to ten years (or more) before redevelopment may become feasible.

Given this lengthy time frame, the current lack of demand to make redevelopment feasible, and the high cost to bring the site back to a raw land state, it would not be productive to remove the subject improvements. If the stadium were no longer tenanted by professional minor league baseball, it could become obsolete as a MiLB stadium, but there are alternative uses since the improvements are only 20 years old and in generally good condition.

The subject improvements have years of useful physical life although remaining economic life could be less. The property characteristics include office, retail, and warehouse space as well as paved parking, all of which provide for alternative uses. Modification of the existing improvements would cost at least \$10 to \$20 per square foot, depending on the use and the user. In comparison, retaining the improvements over a typical holding and redevelopment period of 9 to 10 years would result in a similar cost to carry. In either case, whether it be an owner-user or developer, a buyer would adjust the price. In terms of a developer purchasing the property, an alternative interim use would require an offset in price based on the cost to carry the improvements until market conditions warrant redevelopment.

Although it could be shorter or longer, a reasonable redevelopment time frame estimate is close to a decade, say 9 to 10 years. Arguments can be made that it may take longer and if that is the case, then the improvements would have a longer interim use but would still provide value as compared to the cost of demolition.

The annual cost to maintain the property is estimated annually within a range of \$150,000 to \$200,000. This estimate is based on private ownership and includes property taxes, insurance, offsite management, utilities, maintenance and repair, and reserves for building replacement. The estimate will vary based on the use. This is particularly true with utilities. As such, expenses may vary. Our estimate of individual categories is rounded to the nearest \$1,000, as follows:

Real Estate Taxes (based on MV x 1.277%)	\$45,000
Insurance (50,798 sf bldg. x \$0.50/sf)	\$25,000
Management (based on flat monthly rate of \$1,500)	\$18,000
Utilities (based on flat rate of \$2,500/month)	\$30,000
Maintenance, Repair and Reserves (50,798 x \$1.00)	<u>\$51,000</u>
Total	\$169,000
Rounded (to nearest \$10,000)	\$170,000

To determine a true cost to carry, expenses are offset by potential interim revenue. This is difficult to project, as revenue will depend on use. As such, there is no one good way of estimating this offset but any estimate should be conservative given the unique qualities of the property. To help us gauge this, the average retail and office rental rates in San Bernardino has been considered. The average asking retail rent is currently \$1.08 per square foot per month "triple-net." This equates to approximately \$1.50 per square foot month on a full-service basis. In comparison, the average office rent is \$1.49 per square foot per month full-service. The subject has more office space than retail and it is difficult to conclude the income based on these average statistics since it is not typical or traditional space. We have estimated the amount of office and retail space within the complex

between 4,500 and 5,000 square feet. There are other potentially rentable areas within the complex, but we have been conservative in our estimate since a potential buyer would do the same.

We have concluded that the rentable portion of the improvements could offset cost by approximately \$70,000 per year based on as-is condition. This translates to approximately \$5,800 per month (on average) or approximately \$1.23/sf over the mid-point square footage of 4,750 square feet. This rate is somewhat lower than the average as it considers periodic vacancy and the type of space. This could be more or less, but on an average year-to-year basis we believe it to be reasonable. Again, there may be other rentable area (including parking lot storage) within the property but we believe that revenue offset should be on the conservative side. Alternatively, the property could also be rented on a special-use basis and we believe this to be similar to the same offset if the office and retail portions were leased on an annual basis (on average) over the 9 to 10 year holding period.

Deducting \$70,000 from the annual cost of \$170,000, results in an average as-is annual offset of \$100,000. A redevelopment timeframe is estimated at 9 to 10 years, say 9.5 years as a midpoint. These results in a total straight-line offset of \$950,000 (\$100,000 x 9.5). We have not made a present value discount since buyers would be unlikely to apply one. This translates to approximately \$18.70/sf, which is very similar to our "demolition adjustment" estimate and within the typical retrofit range of \$10 to \$20 per square foot.

Overall, it is our opinion that \$950,000 is reasonable for the last adjustment to arrive at land value. Therefore, the final adjusted fee simple land value estimate is \$3,500,000, as summarized below.

Land Value Indication

Reasonable Adjusted Comparable Range				
1,184,832 square feet	x	\$3.46 psf	=	\$4,099,519
1,184,832 square feet	x	\$4.25 psf	=	\$5,035,536
Market Value Opinion				(Rounded)
1,184,832 square feet	x	\$3.75 psf	=	\$4,443,120
Less: Adjustment for Demo/Removal				-950,000
Fee Simple Market Value Land (rd)				\$3,500,000

TKE Engineering Study

(Including the December 2, 2016 and March 15, 2017 Letters)

(See Attachment)

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T K E E N G I N E E R I N G , I N C .

December 2, 2016

Lisa Connor, Project Manager
Successor Agency to the
Redevelopment Agency of the
City of San Bernardino
201 North E Street, Suite 301
San Bernardino, CA 92401

Subject: San Manuel Baseball Stadium
Demolition Budget

Dear Ms. Connor,

TKE Engineering, Inc. appreciates the opportunity to provide professional engineering services for the subject project. At the request of the City of San Bernardino's Successor Agency (City), TKE prepared a preliminary demolition budget for the City's San Manuel Baseball Stadium. TKE estimates the demolition budget at \$4.40 million based on TKE's site inspection, review of provided public data, and knowledge of the marketplace with respect to unit prices, inclusive of the costs for prevailing wages. An itemized accounting of the budget is enclosed.

If you have any questions or require additional information, please advise.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Michael P. Thornton'.

Michael P. Thornton, P.E., P.L.S., M.S.
President

Enclosure: Preliminary Demolition Budget

cc. Steven Dukett, Managing Principal, Urban Futures

**City of San Bernardino Minor League Baseball Stadium
Preliminary Demolition Budget
Prepared on December 2, 2016**

DESCRIPTION	QUANTITY	UNIT	U/PRICE	PRICE
General				
Preparation, implementation and Maintenance compliance with NPDES general permit, includign SWPPP and installation of BMP's	1	LS	\$ 30,000	\$ 30,000
Preparation/Implementation Traffic Control Plan	1	LS	\$ 20,000	\$ 20,000
Mobilization/Demobilization	1	LS	\$ 200,000	\$ 200,000
Protect in place overhead utilities within "E" and "G" Streets ROW	1	LS	\$ 20,000	\$ 20,000
			Subtotal:	\$ 270,000
Demolition of Structures				
Demolish Building (Wood frame)	675,000	CF	\$ 0.40	\$ 270,000
Demolish Roofing	28,355	SF	\$ 0.80	\$ 22,684
Demolish Seating	145,000	CF	\$ 0.50	\$ 72,500
Remove Misc. Utilities	1	LS	\$ 50,000	\$ 50,000
Landscaping (Clear & Grub including irrigation)	5	Ac	\$ 4,500	\$ 20,250
			Subtotal:	\$ 435,434
Parking Lot				
Remove Existing Asphalt	590,000	SF	\$ 0.90	\$ 531,000
Remove curb only	4,010	LF	\$ 4.50	\$ 18,045
Remove curb and gutter	5,720	LF	\$ 6.60	\$ 37,752
Remove Concrete V-gutter or spandrel	4,050	SF	\$ 4.40	\$ 17,820
Remove Concrete Sidewalk	73,635	SF	\$ 2.75	\$ 202,496
Remove Trees (less than 12" diameter)	150	EA	\$ 400	\$ 60,000
Remove Trees (12" to 24" diameter)	76	EA	\$ 500	\$ 38,000
Remove Trees (over 24" diameter)	20	EA	\$ 660	\$ 13,200
Landscaping (Clear & Grub including irrigation)	2	Ac	\$ 5,000	\$ 10,000
Remove Parking Lot Signs	1	LS	\$ 10,000	\$ 10,000
Remove Large Stadium Signage	1	LS	\$ 25,000	\$ 25,000
			Subtotal:	\$ 963,313
Onsite Utilities and Misc.				
Remove Parking Lot Lighting	35	EA	\$ 1,500	\$ 52,500
Remove Field Lighting	6	EA	\$ 10,000	\$ 60,000
Remove Transformers	2	EA	\$ 25,000	\$ 50,000
Remove Electrical Conduit	1	LS	\$ 250,000	\$ 250,000
Remove Gas Line	725	LF	\$ 9	\$ 6,525
Remove Sewer (8" diameter)	725	LF	\$ 18	\$ 13,050
Remove Water (8" diameter)	2,900	LF	\$ 11	\$ 32,625
Remove Fire Hydrants	5	EA	\$ 450	\$ 2,250
Remove Check Valves	2	EA	\$ 450	\$ 900
Remove FDC	1	EA	\$ 230	\$ 230
Remove PIV	1	EA	\$ 230	\$ 230
Remove Storm Drain	1	LS	\$ 25,000	\$ 25,000
Remove Manholes (SS and SD)	4	EA	\$ 600	\$ 2,400
Remove Fencing	1	LS	\$ 20,000	\$ 20,000
Remove Miscellaneous Appurtenances	1	LS	\$ 50,000	\$ 50,000
Embankment	50,000	CY	\$ 8	\$ 400,000
			Subtotal:	\$ 965,710
Environmental Remediation				
Misc Environmental Remediation	1	LS	\$ 200,000	\$ 200,000
			Subtotal:	\$ 200,000
Site Preparation				
Grading and Compaction	1	LS	\$ 100,000	\$ 100,000
			Subtotal:	\$ 100,000
Construction Subtotal:				\$ 2,934,457
Construction Contingency (@20%):				\$ 586,891
Construction Total:				\$ 3,521,349
Engineering, Administrative, Legal and Inspection (@25%):				\$ 880,337
Project Total:				\$ 4,401,686
Rounded Project Total:				\$ 4,400,000

Notes:

- The above demolition project assumes the City will bid and award a contract for desired work and that the project will be subject to prevailing wage requirements.
- The above demolition budget assumes all improvements on site will be removed and any necessary site remediation work will be performed including, but not limited to, environmental remediation and soil compaction. Site remediation must return the site to a condition enabling property to be readily market-supportable for private development, similar to vacant sites in the same vicinity.
- The Preliminary Demolition Budget was developed based on TKE's inspection of the property and knowledge of the marketplace with respect to unit prices, inclusive of the cost for prevailing wages.
- TKE believes the preliminary demolition budget is reasonably sufficient for planning purposes at this time.
- An engineer's development estimate will require review of detailed plans and prevailing market costs for materials and labor of the desired project.



T K E E N G I N E E R I N G , I N C .

March 15, 2017

Ms. Lisa Connor
Project Manager
San Bernardino Successor Agency
201 N. "E" Street, Ste. 301
San Bernardino, CA 92401

Subject: Supplement Report Regarding TKE's December 2, 2016 Engineering Study

Dear Ms. Connor,

At your request, we have reviewed that portion of the March 7, 2017 appraisal prepared by Valbridge Property Advisors concerning their estimated demolition costs for improvements located at 280 S. "E" Street ("Site"), as particularly described in the conclusion section of the appraisal on pages 58 through 61. As you know, TKE has experience with demolition projects within the Inland Empire and is particularly knowledgeable with respect to what is required by developers and local government entities regarding demolition projects. In that regard, we previously prepared our December 2, 2016 Engineering Study regarding projected demolition costs for the Site. This letter is intended to supplement our prior report.

Although Valbridge received a copy of TKE's Engineering Study, we see that Valbridge decided not to rely on our work in the appraisal. Instead, Valbridge has attempted to arrive at a net property value (i.e., vacant land value less estimated demolition costs) through an elaborate process of economic extrapolation. From our past experience with construction demolition costs, we believe that Valbridge's conclusions regarding project demolition costs are under estimated related to practical site preparation prerequisites that would be required for reusing the Site for modern alternate and highest and best uses. It appears that Valbridge's estimate was prepared without the experience of a civil engineer or demolition professional to assist them. Accordingly, TKE is unable to use any of the data presented by Valbridge with respect to projected demolition costs at the Site.

Therefore, it is our opinion that TKE's December 2, 2016 Engineering Study remains valid as presented. We are hopeful that this confirming letter will be helpful to you.

If you have any questions or require additional information, please advise.

Sincerely,

A handwritten signature in blue ink that reads "Michael P. Thornton".

Michael P. Thornton, P.E., P.L.S., M.S.
President

cc: Steve Dukett, Managing Principal, Urban Futures

**Purchase and Sale Agreement
Between the
Successor Agency to the Redevelopment Agency of the City of San Bernardino
And
City of San Bernardino
(See Attachment)**

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**PURCHASE AND SALE AGREEMENT
(REAL ESTATE)**

THIS PURCHASE AND SALE AGREEMENT (the "Agreement") made this 20th day of March, 2017 by and between City of San Bernardino, a municipal corporation and charter city (the "City") and the Successor Agency to the Redevelopment Agency of the City of San Bernardino, a public body corporate and politic (the "Successor Agency"). Collectively, City and Successor Agency are referred to herein as the "Parties".

WITNESSETH:

WHEREAS, pursuant to Health and Safety Code (the "HSC") § 34172 (a) (1), the Redevelopment Agency of the City of San Bernardino was dissolved February 1, 2012; and

WHEREAS, consistent with the provisions of the HSC, on January 9, 2012 the Mayor and City Council of the City elected to serve in the capacity of the Successor Agency; and

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

WHEREAS, the Successor Agency is the owner of that certain real property consisting of approximately 27.20 acres of vacant land located at 280 South "E" Street, San Bernardino, California (APN 0136-111-23) and which is depicted in Exhibit "A" attached hereto (the "Property"); and

WHEREAS, the Property is identified as Site No. 6 within the Successor Agency's Long-Range Property Management Plan (the "LRPMP") as a baseball stadium park that was designated within the LRPMP as a government use site that would be transferred to the City at no cost; and

WHEREAS, in its December 31, 2016 letter approving the LRPMP, the California Department of Finance (the "DOF") unilaterally amended the LRPMP with respect only to the Property to require its sale; and

WHEREAS, after the approval of the LRPMP, the Successor Agency appealed DOF's unilateral decision to reclassify the Property from "government use" to "for sale"; and

WHEREAS, on June 24, 2016, the DOF denied the Successor Agency's appeal related to the Property and notified the Successor Agency that the Property must be sold and that it may be sold to a third party or to a public entity, which could include the City of San Bernardino (the "City"), at any price agreed upon by the affected parties without DOF's review or approval; and

WHEREAS, notwithstanding DOF's June 24, 2016 notification, the LRPMP requires that the Successor Agency obtain Oversight Board and DOF approval of property sales; and

WHEREAS, consistent with DOF's direction, the City wishes to purchase and the Successor Agency wishes to sell the Property pursuant to the terms and conditions described herein; and

WHEREAS, to establish a fair and reasonable price for the Property, the Successor Agency engaged Valbridge Property Advisors (the "Valbridge") to value the Property; and

WHEREAS, as more particularly described within the Valbridge Appraisal, it is Valbridge's opinion that the value of the Property, as though vacant, is \$4,440,000 (the "Vacant Land Value"); and

WHEREAS, given that the existing improvements on the Property are single-purpose, not readily adaptable to an alternate and highest and best use and would have to be removed to allow for a modern reuse of the property consistent with existing land-use restrictions, the Successor Agency engaged TKE Engineering, an Inland Empire-based civil engineering firm with experience with demolition projects, to conduct an engineering study for the purpose of determining the estimated cost of demolishing the existing improvements to determine at a net Property value (the "TKE Engineering Study"); and

WHEREAS, as more particularly described within the December 2, 2016 TKE Engineering Study, the demolition costs for the existing improvements are projected to be \$4,400,000 (the "Projected Demolition Costs"); and

WHEREAS, although Valbridge attempted to arrive at a net Property value through an elaborate process of economic extrapolation, the result was deemed inadequate based on a lack of understanding with respect to the: i) currently viable economic trends in the City (i.e., Valbridge's reuse assumptions were economically unrealistic); and ii) practical site preparation prerequisites that would be required for reusing the Property for modern alternate and highest and best uses (i.e., Valbridge lacks civil engineering experience, did not engage a civil engineer to assist them and appears to be unfamiliar with both developer and local government site development requirements); and

WHEREAS, TKE Engineering has prepared a March 15, 2017 supplement to the TKE Engineering Study that explains why the Project Demolition Costs remain valid and why the theoretical demolition costs presented by Valbridge should not be considered; and

WHEREAS, in consideration of the foregoing, the Successor Agency has: i) accepted Valbridge's Vacant Land Value as reasonable; ii) not accepted Valbridge's opinion regarding its theoretical demolition costs as reasonable; and iii) accepted TKE's Projected Demolition Costs as reasonable; and

WHEREAS, based on the foregoing, it is concluded that the net value of the Property is \$40,000, which is equal to the Vacant Land Value less the Projected Demolition Costs (i.e., \$4,440,000 less \$4,400,000 = \$40,000); and

WHEREAS, the effectiveness of this Agreement is subject to the approval of the sale of the Property to the City consistent with the terms of the Agreement by the Oversight Board and DOF; and

NOW, THEREFORE, in consideration of the mutual covenants and conditions set forth hereinafter, the Parties agree as follows:

1. **Incorporation of Recitals:** The foregoing Recitals are true and correct and are a substantive part of this Agreement.
2. **Administration of Agreement:** The transaction described herein shall be administered exclusively by the City and the Successor Agency.
3. **Purchase Price:** The purchase price for the Property shall be Forty Thousand Dollars (\$40,000.00) (the "Purchase Price"), which represents the Vacant Land Value less the Projected Demolition Costs,

and shall be payable upon recordation of a quitclaim deed, the form of which is attached hereto as Exhibit "B".

4. **Condition of Property:** Except as specifically described in this Agreement, Successor Agency hereby sells the Property to City and City hereby purchases the Property from Successor Agency in its existing "AS IS" condition.
5. **Distribution of Proceeds.** Pursuant to HSC § 34191.5 (B), the Successor Agency shall distribute the net proceeds from the Purchase Price to the San Bernardino County Auditor Controller (the "CAC") for CAC's subsequent distribution to the taxing entities, as defined in HSC § 34171 (k). Net proceeds shall mean the Purchase Price less any of the City's costs described in Section No. 6 of this Agreement, if any.
6. **Commissions and Fees:** The Parties have not engaged any real estate broker with respect to the transfer of the Property and consequently no real estate commissions or fees are applicable. In addition, there are no other fees applicable to the purchase and sale of the Property.
7. **Governing Law:** This Agreement shall be governed by and construed in accordance with the laws of the State of California.
8. **Captions:** The captions appearing in this Agreement are for convenience only, are not part of this Agreement and shall not be considered in interpreting this Agreement.
9. **Amendments:** This Agreement may not be altered, amended, or modified except by a writing executed by the Parties.
10. **Effectiveness of this Agreement:** The effectiveness of this Agreement is subject to the following prerequisites: i) the Parties have approved and have caused this Agreement to be executed by their designated representatives; ii) this Agreement has been approved by the Oversight Board; and iii) the Oversight Board's resolution approving this Agreement has been approved by the DOF.
11. **Entire Agreement:** This Agreement constitutes the entire agreement between the Parties with regard to the subject matter herein and supersedes all prior oral and written agreements and understandings between the Parties with respect to the purchase and sale of the Property.

(Signatures on Following Page)

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first hereinabove written.

CITY:

By: _____
Mark Scott, City Manager

SUCCESSOR AGENCY:

By: _____
Mark Scott, Executive Director

Approved as to Form:
City Attorney

By: _____
Gary D. Saenz, General Counsel

PROPERTY DEPICTION

ADDRESS: 280 S. "E" Street
APN: 0136-111-23



(NOT FOR SIGNATURE)

RECORDING REQUESTED BY:
Successor Agency to the
Redevelopment Agency of the City of
San Bernardino

WHEN RECORDED MAIL TO:
City of San Bernardino
300 N. "D" Street, 6th Floor
San Bernardino, CA 92418

Attn: Mark Scott, City Manager

APN: 0136-111-23

(Space Above Line For Use By Recorder)

This document is exempt from the
payment of a recording fee pursuant to
Government Code Section 27383

DOCUMENTARY TRANSFER TAX \$ NONE

**QUITCLAIM DEED
(Form Only – Not for Signature)**

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, the Successor Agency to the Redevelopment Agency of the City of San Bernardino, a public body, corporate and politic (the "Grantor") does hereby remise, release and quitclaim to the City of San Bernardino, a public body, corporate and politic (the "Grantee"), any interest that Grantor may have in the real property in the City of San Bernardino, County of San Bernardino, State of California, described in Attachment "A" attached hereto and incorporated herein by this reference.

SUCCESSOR AGENCY TO THE REDEVELOPMENT
AGENCY OF THE CITY OF SAN BERNARDINO, a public
body, corporate and politic

Dated _____

By: **NOT FOR SIGNATURE**
Mark Scott
Executive Director
Successor Agency to the Redevelopment Agency of
the City of San Bernardino

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California } ss
County of San Bernardino }

On _____ before me, _____, Notary Public, personally appeared _____ who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and who acknowledged to me that he/she executed the same in his/her authorized capacity, and by his/her signature on the instrument the person, or 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.

(Signature of Notary)

(This area for official notarial seal)

LEGAL DESCRIPTION

(Insert Here)

CERTIFICATE OF ACCEPTANCE

This is to certify that the interest in real property conveyed by written deed or grant dated _____, 2016 from the Successor Agency to the Redevelopment Agency of the City of San Bernardino, is hereby accepted by the undersigned officer or agent on behalf of the City of San Bernardino, pursuant to authority conferred by the City of San Bernardino on March 20, 2017, pursuant to Resolution No. 2017- _____ and the City of San Bernardino consents to recordation thereof by its duly authorized officer.

Dated this _____ day of _____, 2017

By: **NOT FOR SIGNATURE**

Mark Scott
City Manager
City of San Bernardino

Provides for:

280 South "E" Street, San Bernardino, California (APN: 0136-111-23)

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California } ss
County of San Bernardino }

On _____ before me, _____, Notary Public, personally appeared _____ who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and who acknowledged to me that he/she executed the same in his/her authorized capacity, and by his/her signature on the instrument the person, or 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.

(Signature of Notary)

(This area for official notarial seal)