



## NOTICE OF EXEMPTION

July 14, 2016

**Project Name:** Long Range Property Management Plan Surplus Sale, 5533 Mission Jurupa Valley, County of Riverside

**Project Number:** ED1900194

**Project Location:** 5533 Mission Boulevard, east of Packard Avenue, City of Jurupa Valley, Riverside County, California; Assessor's Parcel Number (APN): 179-211-004 (See attached exhibit)

**Description of Project:** The Successor Agency to the Redevelopment Agency for the County of Riverside (Successor Agency) is required to conclude the affairs of the former Redevelopment Agency for the County of Riverside. A Long-Range Property Management Plan (LRMP) was created and approved by the Department of Finance on December 18, 2015, which identified all assets owned and appropriate disposition strategies. The 0.85-acre subject property located at 5533 Mission Boulevard in the City of Jurupa Valley was identified as a property that was determined to be surplus property and has been designated surplus property for sale. An offer has been received for the Property and the Successor Agency recommends acceptance of the offer from Chavy Hov in the amount of \$31,000. An appraisal recently conducted found the fair market value of the Property to be \$30,962. The sale proceeds, minus customary closing and escrow costs, will first be used to pay Successor Agency enforceable obligations, and then disbursed to the taxing entities, including school districts, special districts and the County, pursuant to Health and Safety Code Section 34188. The County has determined that the real property pursuant to Government Code 22520 is no longer necessary to be retained by the County for public purposes. The sale of the property and transfer of title is identified as the proposed Project under the California Environmental Quality Act (CEQA). The proposed Project is limited to the sale of surplus property and does not allow for any construction activity, change in use, or any other condition that may lead to a direct or indirect physical environmental impact at this time. Any future activity or project at the location would require additional CEQA review for any changes to the property. Any attempt at evaluating physical impacts related to future development at this time would be wholly speculative and would provide no meaningful input or analysis.

**Name of Public Agency Approving Project:** County of Riverside, Economic Development Agency

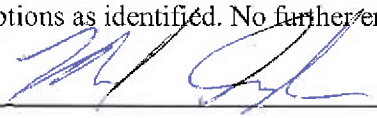
**Name of Person or Agency Carrying Out Project:** County of Riverside, Economic Development Agency, Schneider Real Estate Associates Inc.

**Exempt Status:** State CEQA Guidelines, Section 15312 (a)(b)(3), Sale of Surplus Government Property Exemption; Section 15061(b)(3), General Rule or "Common Sense" Exemption.

**Reasons Why Project is Exempt:** The Project is exempt from the provisions of CEQA specifically by the State CEQA Guidelines as identified below. The Project will not result in any specific or general exceptions to the use of the categorical exemption as detailed under State CEQA Guidelines Section 15300.2. The Project is the proposed sale of real property that is no longer needed for the use by or purposes of the County. The Project will not cause any impacts to scenic resources, historic resources, or unique sensitive environments and will not result in any physical changes to the existing site. Any future development projects at this property would require a full evaluation under CEQA at that time. Further, no unusual circumstances or potential cumulative impacts would occur that may reasonably create an environmental impact. The proposed sale of real property will not have an effect on the environment and does not allow for any development, construction, or change of use that may create a future direct or indirect physical environmental impact; thus, no environmental impacts are anticipated to occur.

- **Section 15312 (a)(b)(3)– Sale of Surplus Government Property Exemption:** The Project, as proposed, is the sale of real property consisting of approximately 1.26 acres of vacant land. The property does not have significant values for wildlife habitat or other environmental purposes, and the use of the property has not changed since the time of acquisition by the County. The action does not provide for an increase in use of the land or any development activity and would not result in any physical environmental impacts under CEQA.
- **Section 15061 (b)(3) – “Common Sense” Exemption:** In accordance with CEQA, the use of the Common Sense Exemption is based on the “general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment” State CEQA Guidelines, Section 15061(b)(3). The use of this exemption is appropriate if “it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment.” *Ibid.* This determination is an issue of fact and if sufficient evidence exists in the record that the activity cannot have a significant effect on the environment, then the exemption applies and no further evaluation under CEQA is required. See *Muzzy Ranch Co. v Solano County Airport Land Use Comm’n* (2007) 41 Cal.4th 372. With certainty, there is no possibility that the Project may have a significant effect on the environment. As stated, the Project is merely the proposed sale of existing surplus property and any future activity or project at the location would require CEQA review, and any potential change of use or future project would be wholly speculative at this time. Therefore, in no way would the Project, as proposed, have the potential to cause a significant environmental impact and the Project is exempt from further CEQA analysis.

Based upon the identified exemptions above, the County of Riverside, Economic Development Agency hereby concludes that no physical environmental impacts are anticipated to occur and the Project, as proposed, meets all of the required categorical exemptions as identified. No further environmental analysis is warranted.

Signed:  Date: 7/14/16

Mike Sullivan, Senior Environmental Planner  
County of Riverside, Economic Development Agency

**RESTRICTED APPRAISAL REPORT**

The land value of approximately 25 properties encompassing 53 assessor parcel numbers and representing a total of approximately 37.22 acres of mostly vacant land located in Riverside County, California (Please see attached properties list)

**PREPARED FOR:**

Ms. Monica Tlaxcala  
Real Property Agent  
Real Estate Division  
County Of Riverside - Economic Development Agency  
on behalf of the Successor Agency to the  
Redevelopment Agency for the County of Riverside  
3403 10th Street, Suite 400  
Riverside, CA 92501

**PREPARED BY:**

**Michael J. Francis, MAI**  
P.O. Box 11808  
Newport Beach, CA 92658

**VALUATION DATE**

May 16, 2016

**DATE PREPARED**

May 18, 2016

**MICHAEL J. FRANCIS, MAI**  
**Real Estate Appraiser and Consultant**

May 18, 2016

Ms. Monica Tlaxcala  
Real Property Agent  
Real Estate Division  
County Of Riverside - Economic Development Agency  
on behalf of the Successor Agency to the  
Redevelopment Agency for the County of Riverside  
3403 10th Street, Suite 400  
Riverside, CA 92501

RE: The land value of approximately 25 properties encompassing 53 assessor parcel numbers and representing a total of approximately 37.22 acres of mostly vacant land located in Riverside County, California (Please see attached properties list)

Dear Ms. Tlaxcala,

Pursuant to your request and authorization, I have conducted the investigations and analyses necessary to form an opinion of the above referenced value of the subject properties. As you are aware, I have previously performed a Restricted Appraisal Report on the above referenced properties (36 in total) for your office in May 2015. In this Restricted Appraisal Report I have appraised only subject property # 1, 8 thru 12, 14 thru 28 and 32 through 35 (I have not appraised in this report property # 2 through 7, 13, 29, 30, 31 and 36). Factors involving some of the subject properties which I had not taken into consideration last year but I have now considered in this report are summarized in the following paragraph.

With respect to subject property # 10 (Mecca Comfort Station), there will be a lot line adjustment and I have appraised this property reflecting this lot line adjustment and the subsequent new acreage of the property. With respect to subject property # 11 (Mecca Fire Station Surplus Property), I have valued the land and property improvements (i.e. - Post Office building) which entailed analyzing value impact of the post office lease and valuing the excess land on the property. With respect to subject property # 20 (SR 60 / Valley Interchange) and subject property # 21 (Rubidoux Village), I have valued the billboard lease on each of the properties in addition to the land. With respect to property # 26 (Hemet Ryan Vicinity), I have valued this property after considering the value impact of the flood easement on this property.

P.O. Box 11808, Newport Beach, CA 92658  
Tel: (949) 306-3388 \* Fax: (949) 528-1300 \* Email: mfrancismai@aol.com

This is a Restricted Appraisal Report that is intended to comply with the reporting requirements as set forth under the Uniform Standards of Professional Appraisal Practice (USPAP). It contains statements relating to my opinion as to the highest and best use of the subject properties, my estimate of market value for the subject properties, as well as other report information as required under USPAP. Please note that USPAP requires that I inform you that as a restricted report, there is a use restriction that limits reliance on the report to you, my client and furthermore please be warned that this report cannot be understood properly without additional information in my work files.

Based upon the investigations conducted, analyses made, and on my experience as a real estate analyst and appraiser, I have formed the opinion that as of May 16, 2016, and subject to the Assumptions and Limiting Conditions set forth in the report which follows, the market value of the subject properties are shown on the following pages. Please note that all or a portion of property # 11, 20 and 21 are currently leased and, therefore, the estimated values for these properties reflect the market value of the Leased Fee Estate. All of the other subject properties are reportedly unencumbered by a lease and, therefore, the estimated values for these properties reflect the market value of the Fee Simple Estate.

**Subject Property Summary List with Estimates of Market Value**

Original Property No.	APN No. (count)	Permissible Use Detail	Address	APN #	Approx. Lot Size (acres)	Approx. Lot Size (Sq. Ft.)	Current Zoning	Estimate of Current Market Value / SF	Estimate of Current Market Value
1	1	Lakeland Village Property	18641 Grand Ave Lakeland Village	371-210-028	2.66	115,870	R-R (Rural Residential)	\$2.10	\$243,327
8	2	Future Oasis Fire Station Property	Harrison St, Mecca	749-160-012	3.08	134,165	A-1-10 (Light Agriculture)	\$0.95	\$127,457
9	3	Mecca Triangle Park	Hammond Rd, Mecca	727-184-036	0.22	9,583	C-P-S (Scenic Highway Commercial)	\$4.50	\$43,124
10	4	Mecca Comfort Station	2nd St/66th Ave Mecca	727-193-047	0.19	8,276	C-P-S	\$3.90	\$32,276
10	5	Mecca Comfort Station	2nd St/66th Ave Mecca	727-193-013	0.08	3,626	C-P-S	\$3.90	\$14,141
10	6	Mecca Comfort Station	2nd St/66th Ave Mecca	727-193-046	0.24	10,454	C-P-S	\$3.90	\$40,771
10	7	Mecca Comfort Station	2nd St/66th Ave Mecca	727-193-038	0.07	2,909	C-P-S	\$3.90	\$11,345
				<b>Property 10 Totals:</b>	<b>0.58</b>	<b>25,265</b>		<b>\$3.90</b>	<b>\$98,534</b>
11	8	Mecca Fire Station Surplus Property	2nd St, Mecca	727-193-027	0.15	6,548	C-P-S	\$3.90	\$25,537
11	9	Mecca Fire Station Surplus Property	91307 2nd St, Mecca	727-193-028	0.14	6,073	C-P-S	\$3.90	\$23,685
11	10	Mecca Fire Station Surplus Property	91279 2nd St, Mecca	727-193-041	0.59	25,700	C-P-S	\$3.90	\$100,230
11		<b>NPV of Post Office Lease on Mecca Fire Station Surplus Property</b>	91307 2nd St, Mecca						\$31,000
				<b>Property 11 Totals:</b>	<b>0.88</b>	<b>38,321</b>		<b>\$4.71</b>	<b>\$180,452</b>
12	11	Mecca Roundabout Surplus Property	4th St/Hammond Rd Mecca	727-161-025	0.06	2,614	C-P-S	\$2.40	\$6,274
12	12	Mecca Roundabout Surplus Property	4th St/Hammond Rd Mecca	727-161-026	0.04	1,742	C-P-S	\$2.40	\$4,181
12	13	Mecca Roundabout Surplus Property	4th St/Hammond Rd Mecca	727-161-028	0.09	3,920	C-P-S	\$2.40	\$9,408
12	14	Mecca Roundabout Surplus Property	4th St/Hammond Rd Mecca	727-161-027	0.01	436	C-P-S	\$2.40	\$1,046
12	15	Mecca Roundabout Surplus Property	4th St/Hammond Rd Mecca	727-161-030	0.19	8,276	C-P-S	\$2.40	\$19,862
				<b>Property 12 Totals:</b>	<b>0.39</b>	<b>16,988</b>		<b>\$2.40</b>	<b>\$40,771</b>
14	16	"A" Street Surplus Property	Harvill Ave, Perris	317-270-014	0.61	26,572	M-H BMP	\$3.50	\$93,002
15	17	University Research Park	1400 Research Park Dr Riverside	257-030-014	4.32	188,179	(Business Manufacturing)	\$7.25	\$1,364,298
15	18	University Research Park	532 Technology Dr Riverside	257-030-012	3.15	137,214	BMP (Business Manufacturing)	\$7.25	\$994,802
				<b>Property 15 Totals:</b>	<b>7.47</b>	<b>325,393</b>		<b>\$7.25</b>	<b>\$2,359,099</b>
16	19	Home Gardens Surplus Property	Magnolia Ave Home Gardens	135-022-003	0.22	9,583	C-1/C-P (General Commercial)	\$10.50	\$100,622
16	20	Home Gardens Surplus Property	Magnolia Ave Home Gardens	135-022-028	0.05	2,178	R-1 (One Family Dwelling)	\$10.50	\$22,869
16	21	Home Gardens Surplus Property	Magnolia Ave Home Gardens	135-022-030	0.21	9,148	C-1/C-P (General Commercial)	\$10.50	\$96,054

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Original Property No.	APN No. (count)	Permissible Use Detail	Address	APN #	Approx. Lot Size (acres)	Approx. Lot Size (Sq. Ft.)	Current Zoning	Estimate of Current Market Value / SF	Estimate of Current Market Value
				<b>Property 16 Totals:</b>	<b>0.48</b>	<b>20,909</b>		<b>\$10.50</b>	<b>\$219,545</b>
17	22	Vernola Park/Wineville Realignment Surplus Property	Wineville Rd Jurupa Valley	156-340-049	0.19	8,276	M-SC (Manufacturing-Service)	\$9.00	\$74,484
18	23	Mission Boulevard/Arora Commercial Property	5435 Mission Blvd Jurupa Valley	179-222-010	0.12	5,227	R-VC (Rubidoux Village)	\$5.10	\$26,658
18	24	Mission Boulevard/Arora Commercial Property	3762 Arora St Jurupa Valley	179-203-027	0.19	8,170	R-VC (Rubidoux Village)	\$5.10	\$41,667
				<b>Property 18 Totals:</b>	<b>0.31</b>	<b>13,397</b>		<b>\$5.10</b>	<b>\$68,325</b>
19	25	Mission Boulevard/Packard Commercial Property	5533 Mission Blvd Jurupa Valley	179-211-004	0.09	3,753	R-VC (Rubidoux Village)	\$8.25	\$30,962
20	26	SR 60/Valley Interchange Surplus Property	Mission Blvd Jurupa Valley	174-150-022	4.22	183,823	A-1 (Light Agriculture)	\$6.20	\$1,139,703
20		NPV of Billboard Lease on SR 60/Valley Interchange Surplus	Mission Blvd Jurupa Valley	174-150-022					\$24,200
				<b>Property 20 Totals:</b>	<b>4.22</b>	<b>183,823</b>		<b>\$6.33</b>	<b>\$1,163,903</b>
21	27	Rubidoux Village Commercial Property	5362 37th St Jurupa Valley	179-260-017	0.17	7,232	R-VC East (Rubidoux village)	\$4.75	\$34,352
21	28	Rubidoux Village Commercial Property	5358 37th St Jurupa Valley	179-260-018	0.17	7,205	R-VC East (Rubidoux village)	\$4.75	\$34,224
21	29	Rubidoux Village Commercial Property	37th St Jurupa Valley	179-260-019	0.17	7,477	R-VC East (Rubidoux village)	\$4.75	\$35,516
21	30	Rubidoux Village Commercial Property	5348 37th St Jurupa Valley	179-260-020	0.13	5,500	R-VC East (Rubidoux village)	\$4.75	\$26,125
21	31	Rubidoux Village Commercial Property	5357 Mission Blvd Jurupa Valley	179-260-008	0.13	5,706	R-VC East (Rubidoux village)	\$4.75	\$27,104
21	32	Rubidoux Village Commercial Property	5393 Mission Blvd Jurupa Valley	179-260-046	1.26	54,886	R-VC East (Rubidoux village)	\$6.00	\$329,316
21		NPV of Billboard Lease on Rubidoux Village Commercial Property							\$1,900
				<b>Property 21 Total:</b>	<b>2.02</b>	<b>88,006</b>		<b>\$5.55</b>	<b>\$488,536</b>
22	33	Rubidoux Health Clinic Surplus Property	5256 Mission Blvd Jurupa Valley	181-120-015	0.38	16,553	R-VC East (Rubidoux village)	\$5.75	\$95,180
23	34	Mission Boulevard/Daly Commercial Property	5292 Mission Blvd Jurupa Valley	181-120-014	0.62	27,007	R-VC Center (Rubidoux Village)	\$6.00	\$162,042
23	35	Mission Boulevard/Daly Commercial Property	Daly Ave Jurupa Valley	181-120-017	0.01	436	R-VC East (Rubidoux village)	\$6.00	\$2,616
				<b>Property 23 Totals:</b>	<b>0.63</b>	<b>27,443</b>		<b>\$6.00</b>	<b>\$164,658</b>
24	36	Mission Boulevard/Fort Commercial Property	5538 Mission Blvd Jurupa Valley	181-061-002	0.06	2,750	R-VC East (Rubidoux village)	\$7.25	\$19,938
25	37	Valley Way/Armstrong Road Surplus Property	3644 Valley Way Riverside	177-091-002	0.15	6,534	C-1/C-P (General Commercial)	\$5.25	\$34,304
26	38	Hemet Ryan Vicinity Commercial Property	Stetson Ave Hemet	456-020-010	4.17	181,645	M-2 (Heavy Manufacturing)	\$2.32	\$422,023
27	39	Thermal Street Improvement Surplus Property	Church St/Date St Thermal	757-052-015	0.16	6,970	R-3-4000 (General Residential)	\$2.75	\$19,168
27	40	Thermal Street Improvement Surplus Property	Church St/Date St Thermal	757-052-016	0.24	10,454	R-3-4000 (General Residential)	\$2.75	\$28,749
27	41	Thermal Street Improvement Surplus Property	Church St/Date St Thermal	757-052-014	0.15	6,534	R-3-4000 (General Residential)	\$2.75	\$17,969

## Subject Property Summary List with Estimates of Market Value

Original Property No.	APN No. (count)	Permissible Use Detail	Address	APN #	Approx. Lot Size (acres)	Approx. Lot Size (Sq. Ft.)	Current Zoning	Estimate of Current Market Value / SF	Estimate of Current Market Value
27	42	Thermal Street Improvement Surplus Property	Church St/Date St Thermal	757-052-017	0.09	3,920	R-3-4000 (General Residential)	\$2.75	\$10,780
27	43	Thermal Street Improvement Surplus Property	Church St/Date St Thermal	757-052-013	0.13	5,663	R-3-4000 (General Residential)	\$2.75	\$15,573
27	44	Thermal Street Improvement Surplus Property	Church St/Date St Thermal	757-052-010	0.01	436	R-3-4000 (General Residential)	\$2.75	\$1,199
				<b>Property 27 Totals:</b>	<b>0.78</b>	<b>33,977</b>		<b>\$2.75</b>	<b>\$93,437</b>
28	45	Thermal Commercial Property	Main St/Market St Thermal	757-054-018	0.20	8,712	C-P-S (Scenic Highway Commercial)	\$3.90	\$33,977
28	46	Thermal Commercial Property	Main St/Market St Thermal	757-054-019	0.01	436	C-P-S (Scenic Highway Commercial)	\$3.90	\$1,700
28	47	Thermal Commercial Property	56105 Hwy 111 Thermal	757-042-008	0.14	6,098	C-P-S (Scenic Highway Commercial)	\$4.90	\$29,880
28	48	Thermal Commercial Property	56027 Hwy 111 Thermal	757-041-030	0.08	3,485	C-P-S (Scenic Highway Commercial)	\$3.75	\$13,069
				<b>Property 28 Totals:</b>	<b>0.43</b>	<b>18,731</b>		<b>\$4.20</b>	<b>\$78,626</b>
32	49	Cabazon/Ramona Commercial Property	50052 Ramona St Cabazon	526-021-006	0.59	25,700	C-P-S (Scenic Highway Commercial)	\$0.95	\$24,415
32	50	Cabazon/Ramona Commercial Property	Ramona St, Cabazon	526-021-007	0.29	12,632	C-P-S (Scenic Highway Commercial)	\$0.95	\$12,000
				<b>Property 32 Totals:</b>	<b>0.88</b>	<b>38,332</b>		<b>\$0.95</b>	<b>\$36,415</b>
33	51	Cabazon Sewer Project	Elm St, Cabazon	525-150-012	3.44	149,846	R-A-5 (Residential Agriculture)	\$0.30	\$44,954
34	52	Romoland Property	Briggs Road, Menifee	333-170-013	2.10	91,476	R-R (Rural Residential)	\$1.50	\$137,214
35	53	Hwy 74 Surplus Property	Hwy 74/Sherman Rd Menifee	329-030-011	1.00	43,560	C-P-S (Scenic Highway Commercial)	\$6.75	\$294,030
		<b>Grand Totals:</b>			<b>37.22</b>	<b>1,621,168</b>		<b>\$4.10</b>	<b>\$6,652,297</b>

**NOTE:**

- 1) There are a total of 25 subject properties, many of which contain multiple APNs. The rows have been colored to visually help separate the properties.
- 2) The total figures (ie.- total acreage, total SF, \$/SF and total property value estimate) for each of the 25 subject properties are shown above in bold.
- 3) The Grand Total shows the overall average estimated market value per SF (ie.- for all 25 subject properties).
- 4) With respect to APNs that are adjacent to each other, the estimated value of these APNs assumed that they are sold together as a single property.
- 5) Subject property # 11, 20 and 21 are encumbered by a lease and, therefore, the above values for these properties reflect the estimated value of the Leased Fee Estate. All of the other above values for the subject properties reflect the estimated market value of the Fee Simple Estate, since they are all reportedly unencumbered by leases.



The narrative report which follows sets forth the data and analysis upon which my opinion of value is, in part, predicated.

Respectfully submitted,

A handwritten signature in black ink that reads "Michael J. Francis". The signature is written in a cursive style with a large, stylized initial "M".

Michael J. Francis, MAI  
CA State Cert. No.: AG002243

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**ADDENDA**

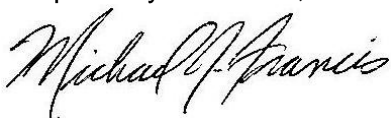
- Qualifications of the Appraiser

## 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, impartial, and unbiased professional, analyses, opinions, and conclusions.
- I have no present or prospective interest in the properties that is the subject of this report and I have no personal interest with respect to the parties involved.
- I have no bias with respect to any properties that is the subject of this report or to the parties involved with 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 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, which include 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 properties that is the subject of this report.
- I have performed no services, as an appraiser or in any other capacity, regarding the properties that is the subject of this report within a three year period immediately preceding acceptance of this assignment.
- No one provided significant real properties appraisal assistance to the person signing this report as stated herein.
- As of the date of this report, I have completed the requirements of the continuing education program of the Appraisal Institute.

Respectfully submitted,



Michael J. Francis, MAI  
CA State Cert. No.: AG002243

## **Assumptions and Limiting Conditions**

The analyses and opinions set forth in this appraisal are subject to the following assumptions and limiting conditions:

### **General Assumptions and Limiting Conditions**

This Restricted Appraisal Report that is intended to comply with the reporting requirements as set forth under the Uniform Standards of Professional Appraisal Practice (USPAP). It contains statements relating to my opinion as to the highest and best use of the subject properties, my estimate of market value for the subject properties, as well as other report information as required under USPAP. Please note that USPAP requires that I inform you that as a restricted report, there is a use restriction that limits reliance on the report to you, my client and furthermore please be warned that this report cannot be understood properly without additional information in my work files.

I reserve the right to change the value conclusion set forth within should additional information be made available or uncovered by your appraiser that was not previously available for my review and analysis as of the effective date of this appraisal.

Information contained in this appraisal has been gathered from sources which are believed to be reliable, and, where feasible, has been verified. No responsibility is assumed for the accuracy of information supplied by others.

I assume no responsibility for economic or physical factors which may affect the opinions herein stated which may occur at some date after the date of value.

The properties is appraised assuming it to be under responsible ownership and competent management, and available for its highest and best use.

Maps, plats and exhibits included herein are for illustration only, as an aid in visualizing matters discussed within the appraisal. They should not be considered as surveys nor relied upon for any other purpose, nor should they be removed from, reproduced, or used apart from this report.

Your appraiser has inspected the subject properties as far as possible by observation; however, it was impossible to personally inspect below ground conditions; therefore, no representation is made as to these matters unless specifically indicated within this appraisal.

Your appraiser shall not be required, by reason of this appraisal, to give testimony or to be in attendance in court or any governmental or other hearing with reference to the properties without prior arrangements having first been made relative to such additional employment.

I am a member of the Appraisal Institute. The Bylaws and Regulations of the Institute require each member to control the use and distribution of each appraisal signed by such member. Therefore, except as hereinafter provided, the party for whom this appraisal was prepared may distribute copies of this appraisal, in its entirety, to such third parties as may be selected by the party for whom this appraisal was prepared; however, selected portions of this appraisal shall not be given to third parties without the prior written consent of the signatories of this appraisal. Further, neither all nor part of this appraisal shall be disseminated to the general public by the use of advertising media, public relations media, news media, sales media or other media for public communication without the prior written consent of the signatories of this appraisal.

## **Assumptions and Limiting Conditions Specific to the Subject Properties**

With respect to subject property # 10 (Mecca Comfort Station), there will be a lot line adjustment and I have appraised this property reflecting this lot line adjustment and the subsequent new acreage of the property. With respect to subject property # 11 (Mecca Fire Station Surplus Property), I have valued the land and property improvements (i.e. - Post Office building) which entailed analyzing value impact of the post office lease and valuing the excess land on the property. With respect to subject property # 20 (SR 60 / Valley Interchange) and subject property # 21 (Rubidoux Village), I have valued the billboard lease on each of the properties in addition to the land. With respect to property # 26 (Hemet Ryan Vicinity), I have valued this property after considering the value impact of the flood easement on this property. Please note that copies of the above referenced leases and information relative to the lot line adjustment and flood easement I have kept in my files.

Almost all of the subject properties represent vacant land. Except for subject property # 11, 20 and 21 as discussed herein, for purposes of this report I am to assume that the subject properties all represent vacant land and I am to provide only the land value estimate for the subject properties (even though some of the other subject properties may have building improvements on them such as subject property # 19). In addition, for purposes of this report I assume that all of the subject properties have legal property access and nearby utility access and are not located in a significantly detrimental flood zone (i.e.- a flood plain, etc.). All subject property information (i.e.- parcel sizes, zoning, APN / Address information, permissible land use, and so forth) presented herein was provide to your appraiser by my client and checked by your appraiser where possible and is assumed to be correct. Please note that all of the subject properties were appraised with their current zoning, but as part of the valuation process I have also considered the highest and best use of each subject property as discussed within the Highest and Best Use section of this report. Should any of the assumptions made in this paragraph found later not to be the case, I reserve the right to adjust my opinion of value accordingly.

I assume that all of the numerous assumptions made in this report with respect to the leases on subject property 11, 20 and 21 as well as the new acreage amount for subject property # 10 and the flood easement for subject property # 26 are correct and should any of these assumptions or any other assumptions made within this report (for example assumptions made within the Highest and Best Use section of this report, etc.) with respect to the subject properties be later found to be incorrect I reserve to adjust my value estimate for the subject property as stated herein accordingly.

No engineering survey of the boundaries of the subject properties was undertaken by your appraiser. All areas and dimensions furnished and reported herein are presumed to be correct. Should a future engineering study be conducted which results in measurements or figures different from those reported herein, and if such difference affects my value estimate as presented herein, I reserve the right to adjust my opinion of value accordingly.

I have not been provided with a preliminary title report for any of the subject properties. No responsibility is assumed for matters which are legal in nature. No opinion of title is rendered, and the properties is appraised as though free of all encumbrances and the title is assumed to be marketable. I assume that there are no items in the subject's title reports which would negatively affect my value estimates presented within this report. It is assumed that easements, if any, would reflect normal utility easements and/or access easements which do not adversely affect the value of the subject properties. In my valuation analysis of the subject properties, I have assumed that the subject properties have clear and marketable title. Properties taxes on the subject properties, if applicable, are assumed to be current. Should any of the assumptions made in this paragraph found later not to be the case, I reserve the right to adjust my opinion of value accordingly.

I have not been provided with an environmental report for the subject properties. Your appraiser did not detect the existence of any hazardous and/or toxic materials on the subject properties which posed a hazardous threat to the subject properties. Your

appraiser has no knowledge of the existence of such harmful materials on or in the properties. Your appraiser, however, is not qualified to detect such substances. The presence of substances such as asbestos or other potentially hazardous materials may affect the value of the properties. The value estimate is predicated on the assumption that there are no such hazardous and/or toxic materials on or in the properties that would cause a loss in value. No responsibility is assumed for any such condition, or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in this field, if desired.

I have not received soils reports for the subject properties. I explicitly assume that the subject property's soils do not contain any unusual conditions and that there are no adverse soil conditions at the subject properties. I also assume that the subject's soils conditions will not negatively affect the value of the subject properties.

The subject properties are not located within 1,000 yards of the ocean and none of the subject properties are assumed to be in a designated wetland area. It is, therefore, assumed that the subject either satisfies, or is not affected by, the State or Federal wetlands acts/regulations.



## **INTRODUCTION**

### Purpose of the Appraisal Report / Identification of the Properties

The purpose of this appraisal report is to estimate the current market value of the subject properties that are identified herein. Please note that all or a portion of property # 11, 20 and 21 are currently leased and, therefore, the estimated values for these properties reflect the market value of the Leased Fee Estate. All of the other subject properties are reportedly unencumbered by a lease and, therefore, the estimated values for these properties reflect the market value of the Fee Simple Estate.

### Appraisal Client / Intended User

My appraisal client and the intended user of this appraisal report is the County of Riverside Economic Development Agency on behalf of the Successor Agency to the Redevelopment Agency for the County of Riverside.

### Function or Intended Use of the Appraisal Report / Appraisal Client

The function or intended use of this appraisal report is for the use of my client with respect to internal property analysis purposes.

### Scope of the Appraisal

The scope of this appraisal includes the process of collecting primary and secondary data (i.e., CoStar Comps, TRW, etc. for sale data) relative to the subject properties along with the supporting market data and various data and information concerning the subject properties. This data has been analyzed and confirmed, whenever possible, leading to the value conclusions set forth herein.

This is a Restricted Appraisal Report that is intended to comply with the reporting requirements as set forth under the Uniform Standards of Professional Appraisal Practice (USPAP). It contains statements relating to my opinion as to the highest and best use of the subject properties, my estimate of market value for the subject properties, as well as other report information as required under USPAP. Please note

that USPAP requires that I inform you that as a restricted report, there is a use restriction that limits reliance on the report to you, my client and furthermore please be warned that this report cannot be understood properly without additional information in my work files.

The Sales Comparison Approach was determined to be the most appropriate approach to determine value and has been used to estimate the market value of the properties. Please refer to the Sales Comparison Approach section, given later in this report, for further explanation of what this approach entailed.

#### Date of the Appraisal / Date of Subject Properties Inspection

The opinions expressed in this report are stated as of May 16, 2016. I performed a drive-by inspection of the subject properties on May 18, 2015 and May 19, 2015.

#### Date of Appraisal Preparation

The appraisal was prepared on May 18, 2016.

#### Interest Appraised

All or a portion of property # 11, 20 and 21 are currently leased and, therefore, the estimated values for these properties reflect the market value of the Leased Fee Estate. All of the other subject properties are reportedly unencumbered by a lease and, therefore, the estimated values for these properties reflect the market value of the Fee Simple Estate.

#### Market Value Defined

The term Market Value<sup>1</sup> is defined as follows:

Market value is the amount in cash, or on terms reasonably equivalent to cash, for which in all probability the properties would have sold on the effective date of the appraisal, after a reasonable exposure time on the open competitive market,

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<sup>1</sup>Uniform Appraisal Standards for Federal Land Acquisitions, Section B-2, Page 30.

from a willing and reasonably knowledgeable seller to a willing and reasonably knowledgeable buyer, with neither acting under any compulsion to buy or sell, giving due consideration to all available economic uses of the properties at the time of the appraisal.

### Highest and Best Use Defined

Highest and Best Use<sup>2</sup> is an appraisal concept which has been defined as follows:

That reasonable and probable use that will support the highest present value, as defined, as of the effective date of the appraisal. Alternatively, that use, from among reasonably probable and legal alternative uses, found to be physically possible, appropriately supported, financially feasible, and which results in highest land value.

### Fee Simple Estate Defined

The term Fee Simple Estate<sup>3</sup> is defined as follows:

Absolute ownership unencumbered by any other interest or estate; subject only to the limitations of eminent domain, escheat, police power, and taxation.

### Exposure Time Defined

The term Exposure Time<sup>5</sup> is defined as follows:

The estimated length of time the properties 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 events assuming a competitive and open market.

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<sup>2</sup>Real Estate Appraisal Terminology, Byrl N. Boyce, Ph.D., Ed., Ballinger Publishing Company, Cambridge, Massachusetts, 1981.

<sup>3</sup>Real Estate Appraisal Terminology, Byrl N. Boyce, Ph.D., Ed., Ballinger Publishing Company, Cambridge, Massachusetts, 1981.

<sup>5</sup> USPAP, 1998 Edition, Statement on Appraisal Standards No. 6.

### Marketing Time Defined

The term Marketing Time<sup>6</sup> is defined as follows:

1. The time it takes an interest in real properties to sell on the market subsequent to the date of the appraisal;
2. Reasonable marketing time is an estimate of the amount of time it might take to sell an interest in real properties at its estimated market value during the period immediately after the effective date of the appraisal; the anticipated time required to expose the properties to a pool of prospective purchasers and to allow the appropriate time for negotiation, the exercise of due diligence, and the consummation of a sale at a price supportable by concurrent market conditions. Marketing time differs from exposure time, which is always presumed to precede the effective date of the appraisal.

### Properties Ownership / Legal Description

Property ownership and legal descriptions are contained in my work files.

### Properties History

Property histories are contained in my work files.

### Subject Property Description

As shown in the previously given subject property valuation summary chart, there are a total of 25 subject properties which encompass 53 APNs and approximately 37.22 acres. Also, in the previously given subject property valuation summary chart is subject property information relating to parcel sizes, zoning, APN / address information, permissible land uses, and so forth.

Except for subject property # 11, 20 and 21 as discussed herein, for purposes of this report I am to assume that the subject properties all represent vacant land and I am to provide only the land value estimate for the subject properties. Please refer to the

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<sup>6</sup> The Dictionary of Real Estate Appraisal, 3rd Edition, 1993.

Assumptions and Limiting Conditions, given earlier in this report, for other assumptions utilized with respect to the subject properties.

## **AREA DESCRIPTION**

### **Riverside County Description**

The subject properties is situated in a part of the greater Los Angeles area which is known as the "Inland Empire" which is composed of Riverside and San Bernardino Counties. A Location Map is included for reference on the preceding page. Riverside and San Bernardino Counties ("Inland Empire") represent contiguous counties that are located in the southeastern portion of the state. The western portions of these counties combine to form the Riverside-San Bernardino-Ontario Metropolitan Statistical Area (MSA), the sixth largest MSA in the state of California.

Riverside County encompasses an area of approximately 7,300 square miles. The western portion of the county is separated from the rest of the area by a series of mountain ranges, including the San Jacinto and Santa Ana ranges. With more than 20,000 square miles in area, San Bernardino County is geographically the largest county in the nation. More than 90% of the county is desert, consisting of low mountains, valleys, and dry lakebeds.

The Inland Empire has an international airport, transcontinental railroads, major interstate highways, numerous trucking companies, and facilities within operating proximity to the two largest West Coast ports: Los Angeles and Long Beach. Additionally, the Inland Empire's strategic location allows businesses based here to rapidly serve markets throughout California, in the western states, and in Pacific Rim countries.

Riverside and San Bernardino Counties extend about 200 miles easterly to the Colorado River on the Arizona Border, to within 50 miles of the Pacific Ocean. The majority of the population resides within the metropolitan area surrounding the cities of Riverside and San Bernardino, both situated near the westerly end of their respective counties. The varied county topography includes level land areas, mountains, valleys, dry lake beds, the Colorado River Valley, the San Gabriel and San Bernardino

Mountains, several lakes and a large valley which forms a part of Southern California's citrus belt.

All modes of transportation are available to Inland Empire. A well-integrated freeway system serves the general area. Freeways which link the Inland Empire to business centers of Southern California include Interstate Highways 10, 15, and 215, and California State Highways 60 and 91. The subject properties has adequate local and regional access.

The Inland Empire has excellent rail service, with the largest switching yard west of Chicago located in the cities of Colton and Rialto. The area is serviced by the Santa Fe, Southern Pacific, and Union Pacific Railroads. Commuter rail service has been instituted between San Bernardino and downtown Los Angeles as well as Riverside and downtown Los Angeles. This service is provided by the Metrolink commuter train system which connects to the Los Angeles subway system at Union Station northeast of the Los Angeles downtown area.

Overall, the region's natural and man-made physical environment provides adequate resources for commercial and residential development.

### **Population**

The San Bernardino-Riverside Counties area is one of the fastest growing regions in the nation. This is attributable to a desirable physical environment, low housing costs, and a diverse mixture of industry experiencing expansion. Since 1950, population in the area has rapidly. According to the US Census Bureau, in 2000 the population of Riverside County was 1,545,387 and in 2010 the population had grown to 2,189,641, reflecting a 41.7% population increase. The 2015 population estimate for Riverside County is 2,361,026 reflecting an approximate 7.8% increase over the 2010 population figure. These positive population growth trends are expected to continue as less expensive commercial, industrial and residential land attracts residents and businesses from the more expensive and intensely developed Los Angeles and Orange County

regions. Migration to the region by industrial and service businesses, families searching for more affordable housing and the natural growth of a relatively young population have all added to the positive changes that have taken place. Further demographic and other information for the County of Riverside may be found in the addenda.

### **Economy**

Similar to the national economy, the economy of Riverside County continues to recover and improve from the previous prolonged national economic recession. Riverside County continues to offer a diverse labor pool, abundance of affordable land available for development, and the increasing population base. Further data relating to the economy of the region may be found in the addenda. Overall, the long term economic trends are positive, with forecasted increasing retail sales and real estate values as the national economic conditions continue to improve. These long term trends should ultimately positively impact the region.

### **Regional Area Conclusion**

Riverside County is continuing to experience an expansion of its population and economic base, albeit at a somewhat slower pace in recent years, precipitated by affordable housing and direct access to major employment centers via the area's network of freeways. The growth of the local housing market is due to the area's relatively abundant supply of affordable land and direct access to employment. There is a growing trend of younger families who work in the Orange - Los Angeles Counties metropolitan area and moving to the San Bernardino-Riverside area to find affordable housing. New commercial and industrial businesses are also attracted to the area by an available labor pool, relatively close proximity to major metropolitan areas and lower land costs. In summary, this combination of social and economic forces will continue to generate demand for properties such as the subject properties.



According to brokers interviewed and sales data in my files, in general, prior to 2013 land sale prices in Riverside County were flat to very gradually increasing. However, starting in 2013 to the present, land prices have experienced more appreciation in the range of say 3% to 7% per year (say approximately 5% per year on average), depending on primarily upon property location. Consequently, I have based my time adjustments for market conditions for the land sale comparables analyzed within this report, accordingly.

The majority of the subject properties are located within fair proximity to local shopping facilities and restaurants and within a generally reasonable commuting distance to major retail and commercial centers within the greater region. Overall, in general, the subject properties and their surrounding environments appear to contain all the elements to ensure continued growth and economic viability.

## HIGHEST AND BEST USE

Highest and Best Use is an appraisal concept which has been defined as follows:

That reasonable and probable use that will support the highest present value, as defined, as of the effective date of the appraisal.

Alternatively, that use, from among reasonably probable and legal alternative uses, found to be physically possible, appropriately supported, financially feasible, and which results in highest land value.

The highest and best use of a properties is an economic concept that measures the interaction of the following four criteria – legally permissible, physically possible, financially feasible and maximally productive. The determination of a property's highest and best use is a critical appraisal component that provides the valuation framework upon which comparable market information is derived. Such comparable data includes cost, sales, and income and expense data pertaining to the property's concluded best use.

To render a reliable use and value estimate, the highest and best use of the properties as if vacant must be considered separately from the highest and best use of the properties as improved. This is because the site must be valued as though vacant and available for development to its highest and best use even if the property's existing improvements do not represent the highest and best use of the site. The following discussion relates to the highest and best use considerations of the subject as vacant followed by supporting analyses and conclusions.

Please note, as previously stated, it is my understanding that a few of the subject properties contain older houses and possibly other structures / improvements on them. However, **for purposes of this report, except for subject property # 11, 20 and 21 as discussed herein, I assume that the subject properties all represent vacant land.**

## **HIGHEST AND BEST USE – AS VACANT**

Highest and best use of land or a site as though vacant<sup>7</sup> is defined as:

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 properties based on the assumption that the parcel of land is vacant or can be made vacant by demolishing any improvements.

**Legally Permissible.** Zoning varies per property (see previous property summary chart).

**Physically Possible.** The physical characteristics of a site that may affect its possible use(s) include, but are not limited to, location, street frontage, size, shape, street access, availability of utilities, easements, soils and sub-soils, and topography. From the physical inspection of the subject properties, it appears that the subject properties can physically support a number of use types assuming that the soils conditions are made adequate for properties development.

**Financially Feasible.** It appears as though a variety of developments may be financially feasible. Among the physically and legally permissible land uses which may be considered a financially feasible improvement is any use that provides a positive net return to the land. With the exception of subject property 12, 20 and 32, based on my discussions with local real estate agents and market data in my files, it appears the eventual development of the subject properties with product consistent with its zoning would potentially provide the highest positive net return to the land. Subject properties 12 and 32 are reportedly zoned commercial, however, given their locations and surrounding land uses, it appears as though the most financially feasible use of these properties would be for residential use. Subject property number 20 is zoned agricultural, however, given its location and surrounding land uses, it appears as though

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<sup>7</sup>Per The Dictionary of Real Estate Appraisal, Third Edition, (Chicago: Appraisal Institute, 1993) p. 171 )

the most financially feasible use of this property would be for commercial use. Please note that all of the subject properties were appraised with their current zoning, but as part of the valuation process I have also considered the highest and best use of each subject property.

**Maximally Productive.** The determination of financial feasibility is dependent primarily upon demand. Given the subject's physical characteristics and considering the subject's reported zoning and current market conditions, it is my opinion that with the exception of subject property 12, 20 and 32, based on my discussions with local real estate agents and market data in my files, it appears the eventual development of the subject properties with product consistent with its zoning would potentially provide the highest positive net return to the land. Subject properties 12 and 32 are reportedly zoned commercial, however, given their locations and surrounding land uses, it appears as though the most financially feasible use of these properties would be for residential use. Subject property number 20 is zoned agricultural, however, given its location and surrounding land uses, it appears as though the most financially feasible use of this property would be for commercial use.

**Conclusion: Highest and Best Use – As Vacant**

With the exception of subject property 12, 20 and 32, based on my discussions with local real estate agents and market data in my files, it appears the eventual development of the subject properties with product consistent with its zoning would potentially provide the highest positive net return to the land. Subject properties 12 and 32 are reportedly zoned commercial, however, given their locations and surrounding land uses, it appears as though the most financially feasible use of these properties would be for residential use. Subject property number 20 is zoned agricultural, however, given its location and surrounding land uses, it appears as though the most financially feasible use of this property would be for commercial use.

Given the above analysis, the considering the immediate and greater surrounding areas and current market conditions, the highest and best use of the subject properties, as

vacant, appears to be for eventual development of the subject properties as discussed above.

## **HIGHEST AND BEST USE - AS IMPROVED**

**(As it pertains to the post office building on subject property # 11 and the billboard sign on subject property # 20 and # 21, ONLY)**

Highest and Best Use of property as improved<sup>8</sup> is defined as:

The use that should be made of a property as it exists. An existing property should be renovated or retained as 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.

**Legally Permissible.** Within the scope of this legal analysis, the existing improvements of the subject property # 11, 20 and 21 as referenced above are assumed to a legal, conforming use of the site with respect to the zoning requirements.

**Physically Possible.** There appears to be no reason the subject site (i.e.- for subject property # 11, 20 and 21) cannot continue to support the above referenced existing improvements. With respect to subject property # 11, 20 and 21, based on the subject's land areas, the configuration, the positioning and design of the improvements on the sites and so forth, the existing improvements are appear functional for the sites.

**Financially Feasible.** Income and estimated expenses for the subject property # 11, 20 and 21 (based on the existing leases) are given in this report. The resulting estimate of the subject's net operating income suggests the subject property # 11, 20 and 21 can generate income in excess of its operating expenses, indicating that demolition of the improvements is not prudent. As will be discussed later in this report, the net operating income from subject property # 11, 20 and 21 was assumed expire on 10-4-20, 1-10-31 and 10-24-21, respectively. Given the relatively short term nature of this income (particularly for subject property # 11 and 21), I have considered this income to

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<sup>8</sup>Per The Dictionary of Real Estate Appraisal, Third Edition, (Chicago: Appraisal Institute,1993) p. 171 )

essentially represent interim income. I have calculated the net present value (NPV) of this interim net operating income for subject property # 11, 20 and 21 and I have added this NPV of this interim income to the land value for these properties.

**Maximally Productive.** No other probable or profitable alternative use for the site is believed to exist that would economically justify the immediate removal or modification of the existing improvements to allow for an alternate use.

With respect to subject property # 11, as will be discussed later within this report, a portion of subject property # 11 is currently improved with a post office building (which is currently leased), however, there does appear to be some excess vacant land on this property. Until such time as the existing building improvements for subject property # 11 outlive their economic life, the currently maximally productive and, therefore, the Highest and Best Use of subject property # 11, as it pertains to the improved portion of that property, is for the continued use of the existing building improvements until its current lease expires as explained later in this report.

With respect to subject property # 20 and # 21, as will be discussed later within this report, a very small portion of subject property # 20 and # 21 is currently improved with a billboard sign (which are currently leased), however, vast majority of these properties represent vacant land. Until such time as the existing billboard sign improvements for subject property # 11 outlive their economic life, the currently maximally productive and, therefore, the Highest and Best Use of subject property # 20 and # 21, as it pertains to the improved portions of those properties, is for the continued use of those existing billboard improvements until their leases either expire or are assumed to expire, as explained later in this report. It appears as though the highest and best use of the unimproved vast majority of subject property # 20 and # 21 is for commercial development.

**Conclusion: Highest and Best Use - As Improved**

The subject improvements are designed in a cosmetic quality exterior fashion such that, in my opinion, they generally conform to the immediate area. Furthermore, a comparison of the value conclusions reached in the valuation analysis which follows, indicates that the improvements have a contributory value to the land. Therefore, after having applied the tests of availability, adaptability, and demand, I have concluded that until such time as the existing improvements outlive their economic life, the present Highest and Best Use "as improved" of subject property # 11, 20 and 21, as it pertains to those improved portions of those properties, is for the continued use of those existing improvements.

A portion of subject property # 11 is currently improved with a post office building, however, there does appear to be some excess land on this property. While the existing post office building appears to currently represent the highest and best use of the improved portion of this property, it does appear as though the highest and best use of the remaining unimproved portion of this property (i.e.- of the excess land) is for commercial development.

It should further be noted that a small portion of data # 20 and # 21 are improved with billboard signs which are currently leased. While these existing improvements appear to the represent the maximally productive highest and best use of those small, improved portions of the these properties, it does appear as though the highest and best use of the remaining vacant portions of these two properties is for commercial development.



## **VALUATION METHODOLOGY**

### **Basis Of Valuation**

The valuation performed herein is based on general and specific background experience, opinions of qualified informed persons, consideration of all data gathered during the investigative phase of the appraisal, and on analysis of all market data available to the appraiser.

### **Valuation Approaches / Appraisal Methodology**

The three primary approaches to value that are available to the appraiser are: the Cost Approach, the Income Approach, and the Sales Comparison Approach. To estimate the value of the subject's land, only the Sales Comparison Approach was found to be appropriate and, therefore, only this approach was utilized.

## **SALES COMPARISON APPROACH**

The Principle of Substitution states that the value of a properties tends to be set by the price at which comparable properties have recently sold or for which they can be bought. The Sales Comparison Approach requires a detailed comparison of sales of comparable properties with the subject properties. Given this fact, I have, consequently, analyzed recent comparable properties sales within the subject's greater area utilizing a price per square foot analysis, the primary indicator of value utilized by buyers in the market. By analyzing these comparable sales for their similarities and differences and then adjusting them for such differences, an indication of the subject's land value can be derived.

### **Land Sales Analysis**

I have performed a search of comparable sales for all of the subject properties. Numerous factors for each sale comparable were considered and adjusted for, including property rights, financing, condition of sale and market conditions. In addition, physical characteristics of each sale comparable such as location, size, zoning, parcel shape, on-site and off-site improvements, site access, site topography and property views and so forth were also considered and adjusted for by your appraiser.

Given this sales information, and considering discussions with several local real estate agents and current market conditions, I have estimated the market value of the subject properties to be as shown on the following section of this report.

### **Valuation of Subject Property # 10, 11, 21 and 22**

As previously stated, I have previously performed a Restricted Appraisal Report on the above referenced properties (36 in total) for your office in May 2015. In this Restricted Appraisal Report I have appraised only subject property # 1, 8 thru 12, 14 thru 28 and 32 through 35 (I have not appraised in this report property # 2 through 7, 13, 15, 29, 30, 31 and 36). Factors involving some of the subject properties which I had not taken into

consideration last year but I have considered in this report are summarized and valued on the following pages.

**Subject Property # 10: Lot Line Adjustment**

With respect to subject property # 10 (Mecca Comfort Station), there will be a lot line adjustment and I have appraised this property reflecting this lot line adjustment and the subsequent new acreage of the property. Previously, the total acreage of this property was approximately .70 acres, however, after the lot line adjustment the new acreage of this property will be reportedly approximately .58 acres. This assumes that APN 727-193-013 (currently 6,515sf) and APN 727-193-038 (currently 5,227sf) will both be reduced by a combined total of approximately 5,207sf.

Specifically, based upon their current lot sizes and dimensions, I have estimated that APN 727-193-013 will be reduced by approximately 2,889sf and that APN 727-193-038 will be reduced by approximately 2,318sf (which reflects a combined size reduction total of 5,207sf). This results in an estimated new parcel size for APN 727-193-013 to be 3,626sf and the new parcel size for APN 727-193-038 to be 2,909sf. Please note that I have assumed that the other 2 parcels which comprise subject property # 10 will remain unchanged. Based upon the above assumptions, I have estimated the current market value of subject property # 10 as shown in the following section of this report.

**Subject Property # 11: Valuation of Post Office Building Lease**

With respect to subject property # 11 (Mecca Fire Station Surplus Property), I have valued the land and property improvements (i.e. – an approximate 1,750sf old Post Office building) which entailed analyzing value impact of the post office lease.

The post office building is reportedly in its 5 year lease option period which will end on 10-4-20. The current rent of \$1,267/month, or approximately \$0.72/sf/month, is fixed over the current 5 year lease option period. The property is leased on a modified gross lease basis which reportedly calls for the tenant to pay for all utility expenses and for the landlord to pay for all other property operating expenses. For purposes of this analysis,

I have assumed that the building will be not be re-leased. I have assigned no further value to the subject's building after 10-4-20. Please note that the subject's current rent is equivalent to approximately \$0.45/sf/month of a NNN lease basis, which I consider to be generally reflective of current market rent for the property.

Assuming nominal property operating expenses of 4% per year (for property management, reserves for replacement, etc.) and a discount rate of 8% year, I have estimated the net present value of the subject's post office lease to be approximately \$31,000. Since this lease has less than five years remaining on it and I have given the improvements no value after the lease ends, for valuation purposes I have considered the NPV of this lease as the value of the interim income. The older building age (nearing the end of its economic life) and the location of the building on the larger partial appears to indicate that the building does not ultimately represent the highest and best use of the site, however, it does produce interim income which is of value until the site can ultimately be developed to its highest and best use.

Please refer to the following section of this report for the valuation of the land area of subject property # 11.

### **Subject Property # 20: Billboard Valuation**

With respect to subject property # 20 (SR 60 / Valley Interchange), I valued the billboard lease on this property in addition to the land. I have assumed the lease started on 1-11-11, the date the lease was signed. Since the lease began, the landlord has reportedly only received the base rent of \$3,000/year and no percentage rent. For purposes of this analysis, I have assumed the landlord to only receive \$3,000/year for the remainder of the 20 year lease term (assumed to expire on 1-10-31). I have not assumed that the billboard lease will be renewed beyond 1-10-31. Assuming nominal property operating expenses of 2% per year (for property management, etc.) and a discount rate of 8% year, I have estimated the net present value of this billboard lease to be approximately \$24,200. Please refer to the following section of this report for the land valuation of subject property # 20 which has considered the reportedly approximately 300sf of land

area that is associated with the billboard sign.

**Subject Property # 21: Billboard Valuation**

With respect to subject property # 21 (Rubidoux Village), I valued the billboard lease on this property in addition to the land. From what I can determine, this lease commenced on 10-25-76 for a period of one year and at a rental rate of \$480/year. This lease has been reportedly annually renewed at the same rental rate of \$480/year. For purposes of this report, I have assumed that this lease will be renewed at the same rental of \$480/year for 5 more years (i.e.- ending on 10-24-21). I have not assumed that the billboard lease will be renewed beyond 10-24-21.

Based upon this assumption and assuming nominal property operating expenses of 2% per year (for property management, etc.) and a discount rate of 8% year, I have estimated the net present value of this billboard lease to be approximately \$1,900. Please refer to the following section of this report for the land valuation of subject property # 21 which has considered the reportedly approximately 300sf of land area that is associated with the billboard sign.

**Subject Property # 26: Value Impact of the Flood Easement**

With respect to property # 26 (Hemet Ryan Vicinity) there is reportedly a non-exclusive flood easement on this property which is into perpetuity and reportedly no structures can be built the area of the subject that is covered by this easement. I have roughly estimated the area of this easement to be approximately 51,344 square feet or approximately 1.18 acres. The flood easement runs along the northern boundary of the property (mostly in the required building set back area). Moreover, a lot of the flood easement in areas of the property that would not be built on anyway, such as the driveway area off South Cawston Avenue and the tiny triangle piece at the western corner of the property - these areas could not be built on anyway (note: a driveway would go in these areas). Consequently, it appears as though that this flood easement has a relatively minimal negative impact to the overall value to the subject property. I have, therefore, estimated this easement to diminish the value of that portion of the

property that is effected by this easement by a factor of 25%.

The total value impact of this flood easement upon the value of this property is shown below. Please note that I have estimated the market value of this property with no flood easement to be approximately \$2.50/sf.

Market value with no flood easement:	\$2.50/sf	x	181,645sf	=	\$454,113
Value impact of the flood easement:	\$2.50/sf	x	.25 x 51,344sf	=	<u>\$ 32,090</u>
Market value with flood easement:					\$422,023*

**\*Note: \$422,023 equates to value/sf of the entire property of approximately \$2.32/sf and the overall value of the subject property, after considering the impact of the flood easement, dropped by approximately 7%.**

Given the above analysis, I have estimated the market value of the subject properties to be as shown on the following section of this report.

## **RECONCILIATION AND FINAL VALUE**

With respect to reconciliation, there is, in this case, only one applicable approach to value, the Sales Comparison Approach. The Sales Comparison Approach to value is believed the most relevant indicator of value, as it is the most likely method of valuation a potential purchaser would use in the marketplace. As a result, this is the sole basis for the value conclusion. The following value estimate reflects current market conditions.

Based upon the investigations conducted, analyses made, and on my experience as a real estate analyst and appraiser, I have formed the opinion of the Market Value of the subject properties as of May 16, 2016 is as shown on the following pages.

**Subject Property Summary List with Estimates of Market Value**

Original Property No.	APN No. (count)	Permissible Use Detail	Address	APN #	Approx. Lot Size (acres)	Approx. Lot Size (Sq. Ft.)	Current Zoning	Estimate of Current Market Value / SF	Estimate of Current Market Value
1	1	Lakeland Village Property	18641 Grand Ave Lakeland Village	371-210-028	2.66	115,870	R-R (Rural Residential)	\$2.10	\$243,327
8	2	Future Oasis Fire Station Property	Harrison St, Mecca	749-160-012	3.08	134,165	A-1-10 (Light Agriculture)	\$0.95	\$127,457
9	3	Mecca Triangle Park	Hammond Rd, Mecca	727-184-036	0.22	9,583	C-P-S (Scenic Highway Commercial)	\$4.50	\$43,124
10	4	Mecca Comfort Station	2nd St/66th Ave Mecca	727-193-047	0.19	8,276	C-P-S	\$3.90	\$32,276
10	5	Mecca Comfort Station	2nd St/66th Ave Mecca	727-193-013	0.08	3,626	C-P-S	\$3.90	\$14,141
10	6	Mecca Comfort Station	2nd St/66th Ave Mecca	727-193-046	0.24	10,454	C-P-S	\$3.90	\$40,771
10	7	Mecca Comfort Station	2nd St/66th Ave Mecca	727-193-038	0.07	2,909	C-P-S	\$3.90	\$11,345
				<b>Property 10 Totals:</b>	<b>0.58</b>	<b>25,265</b>		<b>\$3.90</b>	<b>\$98,534</b>
11	8	Mecca Fire Station Surplus Property	2nd St, Mecca	727-193-027	0.15	6,548	C-P-S	\$3.90	\$25,537
11	9	Mecca Fire Station Surplus Property	91307 2nd St, Mecca	727-193-028	0.14	6,073	C-P-S	\$3.90	\$23,685
11	10	Mecca Fire Station Surplus Property	91279 2nd St, Mecca	727-193-041	0.59	25,700	C-P-S	\$3.90	\$100,230
11		<b>NPV of Post Office Lease on Mecca Fire Station Surplus Property</b>	91307 2nd St, Mecca						\$31,000
				<b>Property 11 Totals:</b>	<b>0.88</b>	<b>38,321</b>		<b>\$4.71</b>	<b>\$180,452</b>
12	11	Mecca Roundabout Surplus Property	4th St/Hammond Rd Mecca	727-161-025	0.06	2,614	C-P-S	\$2.40	\$6,274
12	12	Mecca Roundabout Surplus Property	4th St/Hammond Rd Mecca	727-161-026	0.04	1,742	C-P-S	\$2.40	\$4,181
12	13	Mecca Roundabout Surplus Property	4th St/Hammond Rd Mecca	727-161-028	0.09	3,920	C-P-S	\$2.40	\$9,408
12	14	Mecca Roundabout Surplus Property	4th St/Hammond Rd Mecca	727-161-027	0.01	436	C-P-S	\$2.40	\$1,046
12	15	Mecca Roundabout Surplus Property	4th St/Hammond Rd Mecca	727-161-030	0.19	8,276	C-P-S	\$2.40	\$19,862
				<b>Property 12 Totals:</b>	<b>0.39</b>	<b>16,988</b>		<b>\$2.40</b>	<b>\$40,771</b>
14	16	"A" Street Surplus Property	Harvill Ave, Perris	317-270-014	0.61	26,572	M-H BMP	\$3.50	\$93,002
15	17	University Research Park	1400 Research Park Dr Riverside	257-030-014	4.32	188,179	(Business Manufacturing)	\$7.25	\$1,364,298
15	18	University Research Park	532 Technology Dr Riverside	257-030-012	3.15	137,214	BMP (Business Manufacturing)	\$7.25	\$994,802
				<b>Property 15 Totals:</b>	<b>7.47</b>	<b>325,393</b>		<b>\$7.25</b>	<b>\$2,359,099</b>
16	19	Home Gardens Surplus Property	Magnolia Ave Home Gardens	135-022-003	0.22	9,583	C-1/C-P (General Commercial)	\$10.50	\$100,622
16	20	Home Gardens Surplus Property	Magnolia Ave Home Gardens	135-022-028	0.05	2,178	R-1 (One Family Dwelling)	\$10.50	\$22,869
16	21	Home Gardens Surplus Property	Magnolia Ave Home Gardens	135-022-030	0.21	9,148	C-1/C-P (General Commercial)	\$10.50	\$96,054



## Subject Property Summary List with Estimates of Market Value

Original Property No.	APN No. (count)	Permissible Use Detail	Address	APN #	Approx. Lot Size (acres)	Approx. Lot Size (Sq. Ft.)	Current Zoning	Estimate of Current Market Value / SF	Estimate of Current Market Value
				<b>Property 16 Totals:</b>	<b>0.48</b>	<b>20,909</b>		<b>\$10.50</b>	<b>\$219,545</b>
17	22	Vernola Park/Wineville Realignment Surplus Property	Wineville Rd Jurupa Valley	156-340-049	0.19	8,276	M-SC (Manufacturing-Service)	\$9.00	\$74,484
18	23	Mission Boulevard/Arora Commercial Property	5435 Mission Blvd Jurupa Valley	179-222-010	0.12	5,227	R-VC (Rubidoux Village)	\$5.10	\$26,658
18	24	Mission Boulevard/Arora Commercial Property	3762 Arora St Jurupa Valley	179-203-027	0.19	8,170	R-VC (Rubidoux Village)	\$5.10	\$41,667
				<b>Property 18 Totals:</b>	<b>0.31</b>	<b>13,397</b>		<b>\$5.10</b>	<b>\$68,325</b>
19	25	Mission Boulevard/Packard Commercial Property	5533 Mission Blvd Jurupa Valley	179-211-004	0.09	3,753	R-VC (Rubidoux Village)	\$8.25	\$30,962
20	26	SR 60/Valley Interchange Surplus Property	Mission Blvd Jurupa Valley	174-150-022	4.22	183,823	A-1 (Light Agriculture)	\$6.20	\$1,139,703
20		NPV of Billboard Lease on SR 60/Valley Interchange Surplus	Mission Blvd Jurupa Valley	174-150-022					\$24,200
				<b>Property 20 Totals:</b>	<b>4.22</b>	<b>183,823</b>		<b>\$6.33</b>	<b>\$1,163,903</b>
21	27	Rubidoux Village Commercial Property	5362 37th St Jurupa Valley	179-260-017	0.17	7,232	R-VC East (Rubidoux village)	\$4.75	\$34,352
21	28	Rubidoux Village Commercial Property	5358 37th St Jurupa Valley	179-260-018	0.17	7,205	R-VC East (Rubidoux village)	\$4.75	\$34,224
21	29	Rubidoux Village Commercial Property	37th St Jurupa Valley	179-260-019	0.17	7,477	R-VC East (Rubidoux village)	\$4.75	\$35,516
21	30	Rubidoux Village Commercial Property	5348 37th St Jurupa Valley	179-260-020	0.13	5,500	R-VC East (Rubidoux village)	\$4.75	\$26,125
21	31	Rubidoux Village Commercial Property	5357 Mission Blvd Jurupa Valley	179-260-008	0.13	5,706	R-VC East (Rubidoux village)	\$4.75	\$27,104
21	32	Rubidoux Village Commercial Property	5393 Mission Blvd Jurupa Valley	179-260-046	1.26	54,886	R-VC East (Rubidoux village)	\$6.00	\$329,316
21		NPV of Billboard Lease on Rubidoux Village Commercial Property							\$1,900
				<b>Property 21 Total:</b>	<b>2.02</b>	<b>88,006</b>		<b>\$5.55</b>	<b>\$488,536</b>
22	33	Rubidoux Health Clinic Surplus Property	5256 Mission Blvd Jurupa Valley	181-120-015	0.38	16,553	R-VC East (Rubidoux village)	\$5.75	\$95,180
23	34	Mission Boulevard/Daly Commercial Property	5292 Mission Blvd Jurupa Valley	181-120-014	0.62	27,007	R-VC Center (Rubidoux Village)	\$6.00	\$162,042
23	35	Mission Boulevard/Daly Commercial Property	Daly Ave Jurupa Valley	181-120-017	0.01	436	R-VC East (Rubidoux village)	\$6.00	\$2,616
				<b>Property 23 Totals:</b>	<b>0.63</b>	<b>27,443</b>		<b>\$6.00</b>	<b>\$164,658</b>
24	36	Mission Boulevard/Fort Commercial Property	5538 Mission Blvd Jurupa Valley	181-061-002	0.06	2,750	R-VC East (Rubidoux village)	\$7.25	\$19,938
25	37	Valley Way/Armstrong Road Surplus Property	3644 Valley Way Riverside	177-091-002	0.15	6,534	C-1/C-P (General Commercial)	\$5.25	\$34,304
26	38	Hemet Ryan Vicinity Commercial Property	Stetson Ave Hemet	456-020-010	4.17	181,645	M-2 (Heavy Manufacturing)	\$2.32	\$422,023
27	39	Thermal Street Improvement Surplus Property	Church St/Date St Thermal	757-052-015	0.16	6,970	R-3-4000 (General Residential)	\$2.75	\$19,168
27	40	Thermal Street Improvement Surplus Property	Church St/Date St Thermal	757-052-016	0.24	10,454	R-3-4000 (General Residential)	\$2.75	\$28,749
27	41	Thermal Street Improvement Surplus Property	Church St/Date St Thermal	757-052-014	0.15	6,534	R-3-4000 (General Residential)	\$2.75	\$17,969

## Subject Property Summary List with Estimates of Market Value

Original Property No.	APN No. (count)	Permissible Use Detail	Address	APN #	Approx. Lot Size (acres)	Approx. Lot Size (Sq. Ft.)	Current Zoning	Estimate of Current Market Value / SF	Estimate of Current Market Value
27	42	Thermal Street Improvement Surplus Property	Church St/Date St Thermal	757-052-017	0.09	3,920	R-3-4000 (General Residential)	\$2.75	\$10,780
27	43	Thermal Street Improvement Surplus Property	Church St/Date St Thermal	757-052-013	0.13	5,663	R-3-4000 (General Residential)	\$2.75	\$15,573
27	44	Thermal Street Improvement Surplus Property	Church St/Date St Thermal	757-052-010	0.01	436	R-3-4000 (General Residential)	\$2.75	\$1,199
				<b>Property 27 Totals:</b>	<b>0.78</b>	<b>33,977</b>		<b>\$2.75</b>	<b>\$93,437</b>
28	45	Thermal Commercial Property	Main St/Market St Thermal	757-054-018	0.20	8,712	C-P-S (Scenic Highway Commercial)	\$3.90	\$33,977
28	46	Thermal Commercial Property	Main St/Market St Thermal	757-054-019	0.01	436	C-P-S (Scenic Highway Commercial)	\$3.90	\$1,700
28	47	Thermal Commercial Property	56105 Hwy 111 Thermal	757-042-008	0.14	6,098	C-P-S (Scenic Highway Commercial)	\$4.90	\$29,880
28	48	Thermal Commercial Property	56027 Hwy 111 Thermal	757-041-030	0.08	3,485	C-P-S (Scenic Highway Commercial)	\$3.75	\$13,069
				<b>Property 28 Totals:</b>	<b>0.43</b>	<b>18,731</b>		<b>\$4.20</b>	<b>\$78,626</b>
32	49	Cabazon/Ramona Commercial Property	50052 Ramona St Cabazon	526-021-006	0.59	25,700	C-P-S (Scenic Highway Commercial)	\$0.95	\$24,415
32	50	Cabazon/Ramona Commercial Property	Ramona St, Cabazon	526-021-007	0.29	12,632	C-P-S (Scenic Highway Commercial)	\$0.95	\$12,000
				<b>Property 32 Totals:</b>	<b>0.88</b>	<b>38,332</b>		<b>\$0.95</b>	<b>\$36,415</b>
33	51	Cabazon Sewer Project	Elm St, Cabazon	525-150-012	3.44	149,846	R-A-5 (Residential Agriculture)	\$0.30	\$44,954
34	52	Romoland Property	Briggs Road, Menifee	333-170-013	2.10	91,476	R-R (Rural Residential)	\$1.50	\$137,214
35	53	Hwy 74 Surplus Property	Hwy 74/Sherman Rd Menifee	329-030-011	1.00	43,560	C-P-S (Scenic Highway Commercial)	\$6.75	\$294,030
		<b>Grand Totals:</b>			<b>37.22</b>	<b>1,621,168</b>		<b>\$4.10</b>	<b>\$6,652,297</b>

**NOTE:**

- 1) There are a total of 25 subject properties, many of which contain multiple APNs. The rows have been colored to visually help separate the properties.
- 2) The total figures (ie.- total acreage, total SF, \$/SF and total property value estimate) for each of the 25 subject properties are shown above in bold.
- 3) The Grand Total shows the overall average estimated market value per SF (ie.- for all 25 subject properties).
- 4) With respect to APNs that are adjacent to each other, the estimated value of these APNs assumed that they are sold together as a single property.
- 5) Subject property # 11, 20 and 21 are encumbered by a lease and, therefore, the above values for these properties reflect the estimated value of the Leased Fee Estate. All of the other above values for the subject properties reflect the estimated market value of the Fee Simple Estate, since they are all reportedly unencumbered by leases.

## **ADDENDA**

## **Qualifications of the Appraiser**

QUALIFICATIONS  
OF  
**MICHAEL J. FRANCIS, MAI**  
Real Estate Appraiser and Consultant

PROFESSIONAL EXPERIENCE

Michael J. Francis, MAI, has been actively engaged in the real estate profession since 1984, providing full service real estate appraisal and consulting services on undeveloped acreage and a wide variety of commercial, industrial and residential properties located in southern California.

Before operating independently, Michael J. Francis, MAI, was employed as an Associate Appraiser with Joseph J. Blake and Associates, in San Francisco, California. Prior to that Michael J. Francis was a salesperson in Commercial Real Estate with Grubb & Ellis.

PROFESSIONAL ASSOCIATIONS

Member of the Appraisal Institute, with MAI designation

LICENSES

State of California - "Certified General Real Estate Appraiser"  
California State Certification No. AG002243  
Expiration Date: January 22, 2018

State of California - "Real Estate Broker License"  
California Department of Real Estate  
Expiration Date: July 20, 2020

EDUCATIONAL ACTIVITIES

B.A., Business, Economics and Law, University of California, Berkeley, California 1980.

Special courses in Real Estate:

- Introduction to Real Property Appraisal
- Legal Aspects of Real Estate
- Introduction to Real Estate and Urban Land Economics
- Real Estate Finance
- Monetary Theory and Banking Systems

Graduate Course Work, Real Estate Masters Program, Golden State University, San Francisco, California.

Courses sponsored by American Institute of Real Estate Appraisers:

- Course 1A-1 Real Estate Appraisal Principals
- Course 1A-2 Basic Valuation Procedures
- Course 1B-A Capitalization Theory and Techniques, Part A
- Course 1B-b Capitalization Theory and Techniques, Part B
- Course 2-1 Case Studies in Real Estate Valuation
- Course 2-2 Valuation Analysis and Report Writing
- Course S-PP Standards of Professional Practice
- Course 2-2 Valuation Analysis and Report Writing

EDUCATIONAL ACTIVITIES (continued)

Course S-PP	Standards of Professional Practice
Seminar	Non-Residential Demonstration Appraisal Report Writing
Seminar	Appraisal Regulations of the Federal Banking Agencies
Seminar	Non-Residential Demonstration Appraisal Report Writing
Seminar	Appraisal Regulations of the Federal Banking Agencies
Seminar	Standards of Appraisal Practice
Seminar	Residential Subdivisions
Seminar	Litigation Seminar
Course 746	Uniform Appraisal Standards for Federal Land Acquisitions
Course 797	Valuation of Conservation Easements
Course 401	Appraisal of Partial Acquisitions (sponsored by the International Right of Way Association)

Numerous seminars, short courses and clinics on real estate appraisal and other related topics on a continuing basis.

SCOPE OF EXPERIENCE

I have performed appraisal and consulting work for a wide variety of clients including lenders, pension funds, corporations, public and governmental agencies, law firms, and private parties. Public agency appraisal services include the valuation of full and partial acquisitions for eminent domain and the valuation of conservation easements. I have also served as an legal expert witness.

**Vacant Land**

Single-family residential sites, multi-family residential sites, commercial and industrial sites, a wide variety of undeveloped acreage (large and small, ocean front/coastal and inland), contaminated land, planned communities.

**Residential**

Residential subdivisions, single-family residences, apartments, condominiums, section 8 housing projects, planned unit developments.

**Commercial**

Shopping centers, retail stores, general office buildings, medical office buildings, office and retail condominiums.

**Industrial**

Single- and multi-tenant warehouses and manufacturing buildings, truck terminals, business parks, R & D buildings, automotive repair facilities, garages.

**Special Purpose**

Conservation easements, mixed-use developments, wetland properties, landfill sites, agricultural land, forest land, master planned communities, skilled nursing care facilities (convalescent hospitals), senior residential care facilities (assisted living/board and care), senior apartment projects, hotels, mobile and manufactured home parks, RV parks, golf courses, timeshare projects, boat marinas, restaurants, theaters, bowling alleys, churches, schools, gas stations, car washes, and various market studies.



December 18, 2015

Mr. Alex Gann, County Executive Officer  
Riverside County  
4080 Lemon Street, 4th Floor  
Riverside, CA 92501

Dear Mr. Gann:

Subject: Long-Range Property Management Plan

Pursuant to Health and Safety Code (HSC) section 34191.5 (b), the Riverside County Successor Agency (Agency) submitted a Long-Range Property Management Plan (LRPMP) to the California Department of Finance (Finance) on September 22, 2014. The Agency subsequently submitted a revised LRPMP to Finance on November 5, 2015. Finance has completed its review of the LRPMP, which may have included obtaining clarification for various items.

The Agency received a Finding of Completion on April 18, 2014. Further, based on our review and application of the law, we are approving the Agency's use or disposition of all the properties listed on the LRPMP. It is our understanding that the properties identified with a proposed disposition of "Retain for future development" will be transferred to the County of Riverside for future development.

In accordance with HSC section 34191.4 (a), upon receiving a Finding of Completion from Finance and approval of a LRPMP, all real property and interests in real property shall be transferred to the Community Redevelopment Property Trust Fund of the Agency, unless that property is subject to the requirements of an existing enforceable obligation. Pursuant to HSC section 34191.3 (a) 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.

Please direct inquiries to Cindie Lor, Supervisor, or Satveer Ark, Lead Analyst at (916) 445-1546.

Sincerely,

JUSTYN HOWARD  
Program Budget Manager

cc: Ms. Rohini Dasika, Senior Management Analyst, Riverside County  
Ms. Pam Elias, Chief Accountant Property Tax Division, Riverside County