

FOLSOM REDEVELOPMENT AGENCY

ASSET TRANSFER REVIEW

Review Report

January 1, 2011, through January 31, 2012



JOHN CHIANG
California State Controller

June 2014



JOHN CHIANG
California State Controller

June 18, 2014

Evert Palmer, City Manager
City of Folsom Redevelopment/Successor Agency
50 Natoma Street
Folsom, CA 95630

Dear Mr. Palmer:

Pursuant to Health and Safety Code section 34167.5, the State Controller's Office (SCO) reviewed all asset transfers made by the Folsom Redevelopment Agency (RDA) to the City of Folsom (City) or any other public agency after January 1, 2011. This statutory provision states, "The Legislature hereby finds that a transfer of assets by a redevelopment agency during the period covered in this section is deemed not to be in furtherance of the Community Redevelopment Law and is thereby unauthorized." Therefore, our review included an assessment of whether each asset transfer was allowable and whether the asset should be turned over to the Successor Agency.

Our review applied to all assets including, but not limited to, real and personal property, cash funds, accounts receivable, deeds of trust and mortgages, contract rights, and rights to payment of any kind. We also reviewed and determined whether any unallowable transfers of assets to the City or any other public agencies have been reversed.

Our review found that the RDA transferred \$41,926,602 in assets after January 1, 2011, including an unallowable transfer totaling \$381,150 to the City, or 0.91% of transferred assets, which must be turned over to the Successor Agency.

If you have any questions, please contact Elizabeth González, Bureau Chief, Local Government Compliance Bureau, by telephone at (916) 324-0622.

Sincerely,

Original signed by

JEFFREY V. BROWNFIELD, CPA
Chief, Division of Audits

JVB/kw

Attachment

cc: Stacey L. Tomagni, Financial Analyst
Folsom Redevelopment Successor Agency
Kerri Howell, Chair of the Oversight Board
City of Folsom Successor Agency
Julie Valverde, Director of Finance
County Of Sacramento Auditor-Controller
David Botelho, Program Budget Manager
California Department of Finance
Richard J. Chivaro, Chief Legal Counsel
State Controller's Office
Elizabeth González, Bureau Chief
Division of Audits, State Controller's Office
Betty Moya, Audit Manager
Division of Audits, State Controller's Office
Nesha Neycheva, Auditor-in-Charge
Division of Audits, State Controller's Office
Mathew Rios, Audit Staff
Division of Audits, State Controller's Office

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Asset Transfer Review Report

Summary

The State Controller's Office (SCO) reviewed the asset transfers made by the Folsom Redevelopment Agency (RDA) after January 1, 2011. Our review included, but was not limited to, real and personal property, cash funds, accounts receivable, deeds of trust and mortgages, contract rights, and rights to payments of any kind from any source.

Our review found that the RDA transferred \$41,926,602 in assets after January 1, 2011, including an unallowable transfer totaling \$381,150 to the City of Folsom (City), or 0.91% of transferred assets, which must be turned over to the Successor Agency.

Background

In January of 2011, the Governor of the State of California proposed statewide elimination of redevelopment agencies (RDAs) beginning with the fiscal year (FY) 2011-12 State budget. The Governor's proposal was incorporated into Assembly Bill 26 (ABX1 26, Chapter 5, Statutes of 2011, First Extraordinary Session), which was passed by the Legislature, and signed into law by the Governor on June 28, 2011.

ABX1 26 prohibited RDAs from engaging in new business, established mechanisms and timelines for dissolution of the RDAs, and created RDA Successor Agencies to oversee dissolution of the RDAs and redistribution of RDA assets.

A California Supreme Court decision on December 28, 2011 (*California Redevelopment Association et al. v. Matosantos*), upheld ABX1 26 and the Legislature's constitutional authority to dissolve the RDAs.

ABX1 26 was codified in the Health and Safety (H&S) Code beginning with section 34161.

H&S Code section 34167.5 states in part, ". . . the Controller shall review the activities of redevelopment agencies in the state to determine whether an asset transfer has occurred after January 1, 2011, between the city or county, or city and county that created a redevelopment agency or any other public agency, and the redevelopment agency."

The SCO identified an asset transfer that occurred after January 1, 2011, between the RDA, the City, and/or other public agencies. By law, the SCO is required to order that such assets, except those that already had been committed to a third party prior to June 28, 2011, the effective date of ABX1 26, be turned over to the Successor Agency. In addition, the SCO may file a legal action to ensure compliance with this order.

Objective, Scope, and Methodology

Our review objective was to determine whether asset transfers that occurred after January 1, 2011, and the date upon which the RDA ceased to operate, or January 31, 2012, whichever was earlier, between the city or county, or city and county that created an RDA, or any other public agency, and the RDA, were appropriate.

We performed the following procedures:

- Interviewed Successor Agency personnel to gain an understanding of the Successor Agency operations and procedures.
- Reviewed meeting minutes, resolutions, and ordinances of the RDA, the City, and the Successor Agency.
- Reviewed accounting records relating to the recording of assets.
- Verified the accuracy of the Asset Transfer Assessment Form. This form was sent to all former RDAs to provide a list of all assets transferred between January 1, 2011, and January 31, 2012.
- Reviewed applicable financial reports to verify assets (capital, cash, property, etc.).

Conclusion

Our review found that the Folsom Redevelopment Agency transferred \$41,926,602 in assets after January 1, 2011, including an unallowable transfer totaling \$381,150 to the City of Folsom, or 0.91% of transferred assets, which must be turned over to the Successor Agency.

Details of our finding are described in the Finding and Order of the Controller section of this report.

Views of Responsible Officials

At an exit conference on November 22, 2013, we discussed the review results with Stacey Tamagni, Financial Analyst, Folsom Redevelopment/Successor Agency. At the exit conference, we stated that the final report will include the views of responsible officials.

Restricted Use

This report is solely for the information and use of the RDA, the City, the Successor Agency, and the SCO; it is not intended to be and should not be used by anyone other than these specified parties. This restriction is not intended to limit distribution of this report, which is a matter of public record when issued final.

Original signed by

JEFFREY V. BROWNFIELD, CPA
Chief, Division of Audits

June 18, 2014

Finding and Order of the Controller

FINDING— Unallowable asset transfer to the City of Folsom

The Folsom Redevelopment Agency (RDA) made an unallowable transfer totaling \$381,150 to the City of Folsom (City). The transfer occurred after January 1, 2011, and the asset was not contractually committed to a third party prior to June 28, 2011.

On March 4, 2011, the RDA transferred a public parking lot valued at \$381,150, to the City.

Pursuant to Health and Safety (H&S) Code section 34167.5, the RDA may not transfer assets to a city, county, city and county, or any other public agency after January 1, 2011. Those assets should be turned over to the Successor Agency for disposition in accordance with H&S Code sections 34177(e) and 34181(a).

Order of the Controller

Pursuant to H&S Code section 34167.5, the City of Folsom is ordered to reverse the transfer of the above asset in the amount of \$381,150 to the Successor Agency.

The Successor Agency is directed to properly dispose of this asset in accordance with H&S Code sections 34177(e) and 34181(a).

City's Response to the Draft Report

The City responded to the draft review report with a letter dated May 15, 2014, and the City disagrees with the draft report, preliminary conclusions, and the draft Finding and Order of the Controller, and respectfully requests that the transfer of the subject parking lot to the City not be reversed.

The City stated that “transferring the Traders Lane Public Parking Area to the City of Folsom was a lawful and valid exercise of its authority under the California Community Redevelopment Law existing at the time prior to the enactment of ABX1 26.

In addition, the City believes the reported asset valuation of \$381,150 for the public parking lot is inaccurate due to a lack of current appraisal for the property, and more specifically due to the parcel's current General Plan Land Use designation of PUB (Public).

See attachment for details of the City of Folsom's response.

SCO's Comment

The State Controller's Office (SCO) disagrees with the City's request for the report to be revised, and for the transfer of the subject parking lot to the City to not be reversed.

On March 4, 2011 the RDA transferred a capital asset, a public parking lot with a book value of \$381,150, to the City of Folsom, and the asset was not contractually committed to a third party prior to June 28, 2011.

The reported asset value is based on the accounting records of the asset that were provided to the SCO during the review. It is not within the scope of this review to assign or determine current fair market value for an asset transfer.

The Finding and Order of the Controller remain as stated for the transfer of the Traders Lane Public Parking Area to the City.

**Attachment—
City of Folsom’s Response to
Draft Review Report**



CITY OF
FOLSOM
DISTINCTIVE BY NATURE

May 15, 2014

Mr. Jeffrey V. Brownfield, CPA
Chief, Division of Audits
California State Controller
P.O. Box 942850
Sacramento, CA 94250-5874

Re: Asset Transfer Review - Folsom Redevelopment Agency

Dear Mr. Brownfield,

Thank you for your letter dated May 7, 2014 and a draft Report on the Asset Transfer Review. The draft Report contains a preliminary finding that the Folsom Redevelopment Agency (“RDA”) transferred a public parking lot valued at \$381,150.00 to the City on March 4, 2011, and proposes an order that the transfer be reversed.

The purpose of this letter is to provide the State Controller with the City’s comments on the draft Report, to specifically address certain inaccuracies in the Report’s findings, and to respectfully request that the Report be revised, with appropriate findings and conclusions, that the transfer of the subject parking lot to the City not be reversed.

A. TRADERS LANE PUBLIC PARKING AREA

The subject parking lot is a 1.28-acre parcel located on the southeast corner of Wool Street and Leidesdorff Street, commonly known as the “Traders Lane Public Parking Area.” The parking lot was initially purchased by the RDA from Southern Pacific Transportation Company for \$381,150.00 on August 1, 1988 (RDA Resolution No. 049-R) for the specific purpose of constructing parking facilities. A copy of RDA Resolution No. 049-R is enclosed for your reference.

Soon after acquiring this property, public parking improvements were constructed and installed on the Traders Lane Public Parking Area, which has been used continuously as a public parking facility ever since. The Traders Lane Public Parking Area, located within the RDA project area, has been an essential and heavily used public parking facility in the City’s revitalized Historic District for more than a quarter of a century.

B. LAWFUL TRANSFER OF ASSET

Pursuant to Section 33445 of the Health and Safety Code¹, the RDA Board, with the consent of the City Council of the City of Folsom, authorized to pay for all of the value of the land and the cost of the installation and construction of public parking facilities on Traders Lane Public Parking Area which is publicly owned and located inside the RDA project area². The Board's action is supported by determinations made by the Folsom City Council that: (1) the acquisition of land and the installation or construction of the public parking facilities that are publicly owned are of benefit to the RDA project area in that they help to eliminate blight within the project area; (2) no other reasonable means of financing the acquisition of land or installation or construction of the public parking facilities that are publicly owned are available to the community; and (3) the payment of funds for the acquisition of land or the cost of the public parking facilities that are publicly owned is consistent with the implementation plan adopted pursuant to Section 33490³.

The aforementioned determinations are "final and conclusive" pursuant to Section 33445(b)(1), and based upon those determinations the RDA Board acted at its public meeting on March 3, 2011 (Resolution 339-R) to transfer the Traders Lane Public Parking Area to the City of Folsom as permitted under Section 33125 of the Health and Safety Code. A copy of RDA Resolution No. 339-R is enclosed for your reference.

The action of the RDA Board on March 3, 2011 transferring the Traders Lane Public Parking Area to the City of Folsom was a lawful and valid exercise of its authority under the California Community Redevelopment Law⁴ existing at the time prior to the enactment of ABX1 26 (June 29, 2011) and the dissolution of redevelopment agencies throughout California.

C. ASSET VALUATION

The draft Report assigned a value of \$381,150.00 for the Traders Lane Public Parking Area, which was the amount paid by the RDA to acquire this property in 1988 from its former owner, Southern Pacific Transportation Company, under the then-General Plan Land Use designation of Specialty Commercial for this parcel. This valuation is likely inaccurate due to a lack of current appraisal for the property, and more specifically due to the parcel's current General Plan Land Use designation of PUB (Public). Under the General Plan Land Use designation of PUB, the Traders Lane Public Parking Area is zoned OSC (Open Space Conservation District). Permitted uses for OSC-zoned properties are limited, as the zone is intended to be maintained in an open or undeveloped state, or developed for permanent open uses such as parks or greenbelts. Valuation for the Traders Lane Public Parking Area is likely to be substantially less under an OSC zoning designation than when it was zoned Specialty Commercial. Pursuant to City ordinance (Folsom

¹ All further legislative references are to the Health and Safety Code unless otherwise indicated.

² See RDA Resolution No. 339-R.

³ See City Council Resolution No. 8817 (copy enclosed for your reference).

⁴ Health and Safety Code Sections 33000 *et seq.*

Mr. Jeffrey V. Brownfield, CPA
Re: Asset Transfer Review–Folsom Redevelopment Agency
May 15, 2014
Page 3

Municipal Code Section 10.20.380) charging for parking in the Historic District is not permitted, thus there is virtually no commercial value for this location as a parking lot.

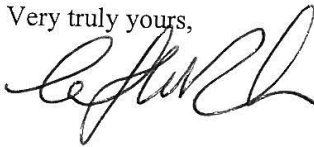
The accuracy of the valuation is particularly important given the proposed language in the order of the Controller that “the City of Folsom is ordered to reverse the transfer of the above asset *in the amount of \$381,150* to the Successor Agency.” (Emphasis added). The ambiguity, i.e., whether the City is ordered to transfer the Traders Lane Public Parking Area or to remit \$381,150.00 to the Successor Agency, needs to be clarified.

D. CONCLUSION

Based upon the foregoing, the City respectfully disagrees with the draft Report, the preliminary conclusions, and the draft Finding and Order of the Controller, given the lawful nature of the transfer and the lawful exercise of the RDA’s authority under the Community Redevelopment Law existing at the time of RDA Resolution No. 339-R, prior to the effective date of ABX1 26. Accordingly, the City respectfully requests that the State Controller revise the draft Report, with appropriate findings and conclusions, that the transfer of the Traders Lane Public Parking Area to the City not be reversed.

I hope this is helpful in clarifying the City’s position. Please do not hesitate to contact me if you have any questions.

Very truly yours,



Evert W. Palmer
City Manager

EWP:clg

Enclosures

cc: Bruce C. Cline, City Attorney, City of Folsom
Jim Francis, Finance Director, City of Folsom
David Miller, Director, Public Works and Community Development Department,
City of Folsom

RESOLUTION NO. 049-R

A RESOLUTION AUTHORIZING THE CHAIRMAN OF THE FOLSOM
REDEVELOPMENT AGENCY TO ENTER INTO AN AGREEMENT TO PURCHASE
THE SOUTHERN PACIFIC PROPERTY AND DECLARING INTENT TO CONDEMN PROPERTY

WHEREAS, the Central Folsom Redevelopment Plan has identified properties in the Historic District for acquisition for the purpose of redevelopment and to construct parking facilities; and

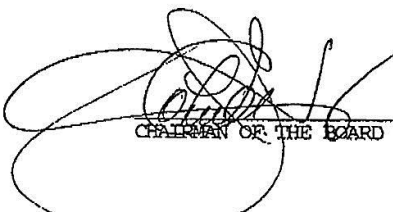
WHEREAS, the Agency has reached agreement under the terms identified in the purchase contract.

BE IT RESOLVED by the Redevelopment Agency of the City of Folsom the Executive Director is authorized to enter into the proposed agreement for the Redevelopment Agency to purchase land located between Wool and Riley Streets from Southern Pacific Transportation Company for \$381,150.00.

BE IT FURTHER RESOLVED that the Redevelopment Agency acquires this property under threat of eminent domain.

PASSED AND ADOPTED this 1st day of August, 1988 by the following roll call vote:

AYES: Directors: Hannaford, Carmody, Gibson, Goodell, Kipp
NOES: Directors: None
ABSENT: Directors: None
ABSTAIN: Directors: None


CHAIRMAN OF THE BOARD

ATTEST:


CITY CLERK

RECORDING REQUESTED BY

BOOK PAGE
88 1130 3617

CRG.

Founders title Company #700016-KM
AND WHEN RECORDED MAIL TO

Name [Redevelopment Agency of the
Street City of Folsom
Address 50 Natoma Street
City Folsom, Ca. 95630
State
Zip ATTN: LOUTHER W. FALER

271060

OFFICIAL RECORDS
SACRAMENTO COUNTY, CALIF.
NOV 30 PM 4:21
County Clerk's Office

FEE
\$13
0

SPACE ABOVE THIS LINE FOR RECORDER'S USE

PARCEL NO. 990-0872-000-4018

Approved As To Form
By General Counsel
June 15, 1987

THE UNDERSIGNED GRANTOR(S) DECLARE:
DOCUMENTARY TRANSFER TAX \$ -0- R. & T. 11922
 Computed on full value of property
 City of Folsom

GRANT DEED

SOUTHERN PACIFIC TRANSPORTATION COMPANY, a Delaware corporation, Grantor, hereby grants to REDEVELOPMENT AGENCY OF THE CITY OF FOLSOM, Grantee, that certain real property situated at or near Folsom, County of Sacramento, State of California, and more particularly described in Exhibit "A" attached and hereby made a part hereof.

Grantor excepts from the property hereby conveyed and reserves unto itself, its successors and assigns, all minerals and mineral rights, interests, and royalties, including without limiting the generality thereof, oil, gas and other hydrocarbon substances, as well as metallic or other solid minerals, in and under said property; however, Grantor or its successors and assigns, shall not have the right for any purpose whatsoever to enter upon, into or through the surface of said property in connection therewith.

This grant is made subject to easements, covenants, conditions, reservations and restrictions of record.

IN WITNESS WHEREOF, Grantor has caused these presents to be executed in duplicate this 22 day of November, 1988.

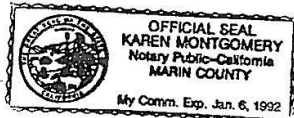
SOUTHERN PACIFIC TRANSPORTATION COMPANY

By: [Signature]
Title: Vice President - Real Estate

A A A A

CORPORATE ACKNOWLEDGMENT

State of California }
County of SAN FRANCISCO } SS.



On this the 22nd day of NOVEMBER, 1988, before me, KAREN MONTGOMERY, the undersigned Notary Public, personally appeared

W. B. CURTIS AND T. E. O'DONNELL
 personally known to me
 proved to me on the basis of satisfactory evidence to be the person(s) who executed the within instrument as VICE PRESIDENT AND SECRETARY or on behalf of the corporation therein named, and acknowledged to me that the corporation executed it. WITNESS my hand and official seal.

[Signature]
Notary's Signature

CAL-24

88 1130 3618
PAGE

BOOK

EXHIBIT "A"

A parcel of land situated in the City of Folsom, County of Sacramento, State of California, being all of that parcel of land described as Parcel 2 in deed dated November 18, 1966, from City of Folsom to Southern Pacific Company, recorded January 12, 1967, in Book 67-01-12, Page 268, Official Records of said County, and more particularly described therein as follows:

"Commencing at the granite monument marking the point of intersection of the center lines of Leidesdorff Street and Reading Street, as said streets are shown on the Map of the Town of Folsom filed December 27, 1855, in the Office of the County Recorder of Sacramento County, now Recorded in Book 1 of Maps, Page No. 7, records of said County; thence South $74^{\circ}25'14''$ East, 54.21 feet to the most westerly corner of the area numbered 20 and designated "Depot Ground" on said map; thence North $53^{\circ}05'31''$ East, along the southeasterly line of said Leidesdorff Street to the intersection with the northeasterly line of Wool Street, 932.00 feet and the actual Point of Beginning of the parcel of land to be described; thence North $53^{\circ}05'31''$ East, along said southeasterly line, 336.20 feet to a point; thence easterly, on a curve to the right having a

radius of 132.00 feet, through a central angle of $20^{\circ}29'02''$ (tangent to said curve at last mentioned point bears North $78^{\circ}44'$ East), an arc distance of 47.19 feet; thence South $80^{\circ}46'58''$ East, 25.00 feet to a point, thence southeasterly, on a curve to the right having a radius of 90.00 feet, through a central angle of $43^{\circ}52'29''$ (tangent to last said curve at last mentioned point is last described course), an arc distance of 68.92 feet; thence South $36^{\circ}54'29''$ East, 32.08 feet to a point, thence South $53^{\circ}05'31''$ West, 416.67 feet to a point in the northeasterly line of said Wool Street; thence North $36^{\circ}54'43''$ West, along last said line, 140.00 feet to the point of beginning, ~~_____~~ "

CERTIFICATE OF ACCEPTANCE

REDEVELOPMENT AGENCY OF THE CITY OF FOLSOM

This is to certify that the interest in real property conveyed by the deed dated November 22, 1988, from Southern Pacific Transportation Company to Redevelopment Agency of the City of Folsom is hereby accepted by order of the Redevelopment Agency of the City of Folsom by the undersigned officer on behalf of the Redevelopment Agency of the City of Folsom pursuant to the authority conferred by resolution of the Redevelopment Agency of Folsom adopted August 1, 1988, and the grantee consents to the recordation thereof.

DATE: November 29, 1988.

REDEVELOPMENT AGENCY OF THE
CITY OF FOLSOM

By: 

John E. "Jack" Kipp, Jr.
Chairman

RESOLUTION 339-R

**RESOLUTION OF THE REDEVELOPMENT AGENCY OF THE
CITY OF FOLSOM AUTHORIZING THE CONVEYANCE OF CERTAIN REAL
PROPERTY TO THE CITY OF FOLSOM FOR PUBLIC PURPOSES**

WHEREAS, on November 29, 1983, the City Council of the City of Folsom (City Council) adopted Ordinance No. 512 approving and adopting the Redevelopment Plan for the Central Folsom Redevelopment Project (Project Area); and

WHEREAS, the Redevelopment Agency of the City of Folsom (Agency) is designated as the official redevelopment agency to carry out in the City of Folsom (City) the functions and requirements of the California Community Redevelopment Law (Health and Safety Code Section 33000 *et seq.*; the "CRL") and to carry out the Redevelopment Plan for the Central Folsom Redevelopment Project; and

WHEREAS, in implementation of the Redevelopment Plan for the Project Area, the Agency has acquired certain real properties, specifically the public parking lot on Traders Lane adjacent to Leidesdorff Street (APN 070-001-018), referenced in the staff report accompanying this resolution (Properties), for parkland, open space, public facilities and other uses; and

WHEREAS, the Properties were acquired for ownership ultimately by the City; and

WHEREAS, Section 33445 of the CRL provides that the Agency is authorized, with the consent of the City Council, to pay all or a part of the value of the land and the cost of the installation and construction of any building, facility, structure or other improvement that is publicly owned and that is located inside or contiguous to the Project Area if the City Council determines (1) that the acquisition of land or the installation or construction of the buildings, facilities, structures or other improvements that are publicly owned are of benefit to the Project Area by helping to eliminate blight within the Project Area or providing housing for low- or moderate-income persons; (2) that no other reasonable means of financing the acquisition of the land or installation or construction of the buildings, facilities, structures or other improvements that are publicly owned, are available to the community; and (3) that the payments of funds for acquisition of land or the cost of buildings, facilities, structures or other improvements that are publicly owned is consistent with the Implementation Plan for the Project Area adopted pursuant to CRL Section 33490; and

NOW, THEREFORE, THE REDEVELOPMENT AGENCY OF THE CITY OF FOLSOM DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. The Agency hereby finds and determines that the facts set forth above are true and correct and are incorporated herein by this reference.

Section 2. The Agency hereby determines that the acquisition of the Properties was and is of benefit to the Project Area because the Properties will help aid in the elimination of blight within the Project Area. This determination is based on the facts set forth in the

staff report accompanying this resolution.

Section 3. The Agency hereby determines that no other reasonable means of financing the acquisition of the Properties was or is available to the community. This determination is based on the facts set forth in the staff report accompanying this resolution.

Section 4. The Agency hereby determines that the payment of funds by the Agency for the acquisition of the Properties is consistent with the Implementation Plan adopted by the Agency pursuant to Section 33490 of the CRL. This determination is based on the facts set forth in the staff report accompanying this resolution.

Section 5. The Agency hereby authorizes the transfer of the Properties from the Agency to the City by grant deed, the form of which shall be satisfactory to Agency Counsel and the City Attorney. The Executive Director is hereby authorized and directed to transfer the Properties on behalf of the Agency, and to execute such other documents and take such other actions as are necessary to carry out and implement the transfer of the Properties to the City.

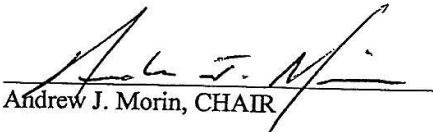
PASSED AND ADOPTED on this 3rd day of March, 2011 by the following roll-call vote:

AYES: Board Member(s): Howell, Miklos, Sheldon, Morin

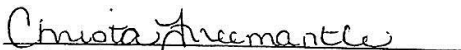
NOES: Board Member(s): None

ABSENT: Board Member(s): Starsky

ABSTAIN: Board Member(s): None


Andrew J. Morin, CHAIR

ATTEST:


Christa Freemantle, SECRETARY

RESOLUTION 8817

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
FOLSOM AUTHORIZING AND ACCEPTING THE CONVEYANCE OF CERTAIN
REAL PROPERTY FROM THE REDEVELOPMENT AGENCY OF THE
CITY OF FOLSOM TO THE CITY OF FOLSOM FOR PUBLIC PURPOSES**

WHEREAS, on November 29, 1983, the City Council of the City of Folsom (City Council) adopted Ordinance No. 512 approving and adopting the Redevelopment Plan for the Central Folsom Redevelopment Project (Project Area); and

WHEREAS, the Redevelopment Agency of the City of Folsom (Agency) is designated as the official redevelopment agency to carry out in the City of Folsom (City) the functions and requirements of the California Community Redevelopment Law (Health and Safety Code Section 33000 *et seq.*; the "CRL") and to carry out the Redevelopment Plan for the Central Folsom Redevelopment Project; and

WHEREAS, in implementation of the Redevelopment Plan for the Project Area, the Agency has acquired certain real properties, specifically the public parking lot on Traders Lane adjacent to Leidesdorff Street (APN 070-001-018), referenced in the staff report accompanying this resolution (Properties), for parkland, open space, public facilities and other uses; and

WHEREAS, the Properties were acquired for ownership ultimately by the City; and

WHEREAS, Section 33445 of the CRL provides that the Agency is authorized, with the consent of the City Council, to pay all or a part of the value of the land and the cost of the installation and construction of any building, facility, structure or other improvement that is publicly owned and that is located inside or contiguous to the Project Area if the City Council determines (1) that the acquisition of land or the installation or construction of the buildings, facilities, structures or other improvements that are publicly owned are of benefit to the Project Area by helping to eliminate blight within the Project Area or providing housing for low- or moderate-income persons; (2) that no other reasonable means of financing the acquisition of the land or installation or construction of the buildings, facilities, structures or other improvements that are publicly owned, are available to the community; and (3) that the payments of funds for acquisition of land or the cost of buildings, facilities, structures or other improvements that are publicly owned is consistent with the Implementation Plan for the Project Area adopted pursuant to CRL Section 33490; and

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF FOLSOM DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. The City Council hereby finds and determines that the facts set forth above are true and correct and are incorporated herein by this reference.

Section 2. The City Council hereby determines that the acquisition of the Properties was and is of benefit to the Project Area because the Properties will help aid in the elimination

of blight within the Project Area. This determination is based on the facts set forth in the staff report accompanying this resolution.

Section 3. The City Council hereby determines that no other reasonable means of financing the acquisition of the Properties was or is available to the community. This determination is based on the facts set forth in the staff report accompanying this resolution.

Section 4. The City Council hereby determines that the payment of funds by the Agency for the acquisition of the Properties is consistent with the Implementation Plan adopted by the Agency pursuant to Section 33490 of the CRL. This determination is based on the facts set forth in the staff report accompanying this resolution.

Section 5. The City Council hereby authorizes the transfer of the Properties from the Agency to the City by grant deed, the form of which shall be satisfactory to Agency Counsel and the City Attorney. The City Manager is hereby authorized and directed to accept the transfer the Properties on behalf of the City, and to execute such other documents and take such other actions as are necessary to carry out and implement the transfer of the Properties to the City.

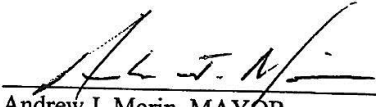
PASSED AND ADOPTED this 3rd day of March, 2011, by the following roll-call vote:

AYES: Council Member(s): Howell, Miklos, Sheldon, Morin

NOES: Council Member(s): None

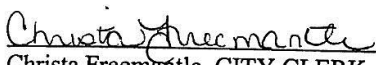
ABSENT: Council Member(s): Starsky

ABSTAIN: Council Member(s): None



Andrew J. Morin, MAYOR

ATTEST:



Christa Freeman, CITY CLERK

**State Controller's Office
Division of Audits
Post Office Box 942850
Sacramento, CA 94250-5874**

<http://www.sco.ca.gov>