

# **LANCASTER REDEVELOPMENT AGENCY**

## **ASSET TRANSFER REVIEW**

### Review Report

*January 1, 2011, through January 31, 2012*



**BETTY T. YEE**  
California State Controller

June 2015



**BETTY T. YEE**  
California State Controller

June 23, 2015

Barbara Boswell, Finance Director  
City of Lancaster  
44933 Fern Avenue  
Lancaster, CA 93534-2461

Dear Ms. Boswell:

Pursuant to Health and Safety Code section 34167.5, the State Controller's Office (SCO) reviewed all asset transfers made by the Lancaster Redevelopment Agency (RDA) to the City of Lancaster (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 to the City or any other public agency have been reversed.

Our review found that the RDA transferred \$162,913,930 in assets after January 1, 2011, including unallowable transfers to the City totaling \$24,867,705, or 15.26% of transferred assets.

However, on August 21, 2012, the City turned over \$14,558,645 in capital assets to the Successor Agency. Therefore, the remaining \$10,309,060 in unallowable transfers must be turned over to the Successor Agency.

If you have any questions, please contact Elizabeth González, Chief, Local Government Compliance Bureau, by telephone at (916) 324-0622 or by email at [egonzalez@sco.ca.gov](mailto:egonzalez@sco.ca.gov).

Sincerely,

*Original signed by*

**JEFFREY V. BROWNFIELD, CPA**  
Chief, Division of Audits

JVB/lis

cc: John Naimo, Auditor-Controller  
Los Angeles County  
Elizabeth Brubaker, Oversight Board Chair  
Lancaster Redevelopment/Successor Agency  
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  
Cecilia Michaels, Auditor-in-Charge  
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 Lancaster 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 \$162,913,930 in assets after January 1, 2011, including unallowable transfers to the City of Lancaster (City) totaling \$24,867,705, or 15.26% of transferred assets.

However, on August 21, 2012, the City turned over \$14,558,645 in capital assets to the Successor Agency. Therefore, the remaining \$10,309,060 in unallowable transfers 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 and oversight boards 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 asset transfers that occurred after January 1, 2011, between the RDA, the City and/or any other public agency. 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's operations and procedures.
- Reviewed meeting minutes, resolutions, and ordinances of the City, the RDA, the Successor Agency, and the Oversight Board.
- 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 Lancaster Redevelopment Agency transferred \$162,913,930 in assets after January 1, 2011, including unallowable transfers to the City of Lancaster (City) totaling \$24,867,705, or 15.26% of transferred assets.

However, on August 21, 2012, the City turned over \$14,558,645 in capital assets to the Successor Agency. Therefore, the remaining \$10,309,060 in unallowable transfers 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**

We issued a draft review report on October 16, 2014. Barbara Boswell, Finance Director, responded by letter dated October 28, 2014. In its response the City disagreed with the review results and provided additional evidence in response to the Order of the Controller. The City's response is included in this final review report as an attachment.

**Restricted Use**

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

*Original signed by*

JEFFREY V. BROWNFIELD, CPA  
Chief, Division of Audits

June 23, 2015

# Finding and Order of the Controller

## **FINDING— Unallowable asset transfers to the City of Lancaster**

Our review found that the Lancaster Redevelopment Agency (RDA) made unallowable asset transfers of \$24,867,705 to the City of Lancaster (City). The transfers occurred after January 1, 2011, and the assets were not contractually committed to a third party prior to June 28, 2011.

Unallowable asset transfers were as follows:

- The RDA repaid long term loans from the City, specifically:
  - On March 22, 2011, the RDA transferred \$9,206,660 in bond proceeds to the City in repayment of long-term loans.
  - On August 30, 2011, the RDA transferred \$14,558,645 in land held for resale to the City, in repayment of City loans.
- On September 14, 2011, the RDA transferred an auto mall parking lot, with a book value of \$1,102,400, 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 must be turned over to the Successor Agency for disposition in accordance with H&S Code section 34177(d) and (e).

### Order of the Controller

Pursuant to H&S Code section 34167.5, the City is ordered to reverse the transfer, in the amount of \$24,867,705, and turn over the assets to the Successor Agency. However, on August 21, 2012, the City turned over \$14,558,645 in capital assets to the Successor Agency. Therefore, the remaining \$10,309,060 in unallowable transfers must be turned over to the Successor Agency.

### City's Response

The City stated in its response that it believes the transfers noted in the review report should be allowed. It further states that the cash used to repay the loans from the City were from bond proceeds and that the cash was used by the City to pay contracts with third parties. It further states that the transfer of land to the City was approved by the Oversight Board. A complete response to the report has been included in this final review report.

### SCO's Comment

The SCO's authority under H&S Code section 34167.5 extends to all assets transferred after January 1, 2011, by the RDA to the city or county, or city and county that created the RDA, or any other public agency. This responsibility is not limited by the other provisions of the RDA dissolution legislation. As a result, the cash and property transfers made by the RDA to the City during the periods of January 1, 2011 through January 31, 2012,



were unallowable. In the response by the City the auditor noted the following:

- The city asserts that the RDA used bond proceeds to repay loans from the City. However, the payments were for previous years' expenditures, which is considered an RDA loan. On August 7, 2013, the Successor Agency received a Finding of Completion from the Department of Finance. The Successor Agency can utilize the Recognized Obligation Payment Schedule process to obtain authorization to make the previous years' loan payments to the City.
- A letter from the Department of Finance (DOF) to the Successor Agency dated January 4, 2013, discusses various transfers of property, including the Lancaster Municipal Stadium parking lot, all which were approved by the Oversight Board (see Attachment 4). However, the DOF did not concur with the Oversight Board's intention regarding the parking lot, as they determined it to be for non-government use.

The Finding and Order of the Controller remain as stated.

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**Schedule 1—  
Unallowable Asset Transfers to  
the City of Lancaster  
January 1, 2011, through January 31, 2012**

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## Current assets

On March 8, 2011, the RDA transferred bond proceeds to the City in repayment of long-term loans \$ 9,206,660

## Capital assets

On August 30, 2011, the RDA transferred land held for resale to the City in repayment of long-term loans 14,558,645

On September 14, 2011, the RDA transferred a parcel known as the Auto Mall parking lot to the City 1,102,400

Total transfers 24,867,705

## Adjustments

On August 21, 2012, the City turned over the land held for resale to the Successor Agency (14,558,645)

Total transfers subject to Health and Safety Code section 34167.5 \$ 10,309,060

**Attachment 1—  
City's Response to  
Draft Review Report**

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R. Rex Parris Mayor  
 Marvin E. Crist Vice Mayor  
 Ronald D. Smith Council Member  
 Ken Mann Council Member  
 Sandra Johnson Council Member  
 Mark V. Bozigian City Manager

October 28, 2014

Jeffrey Brownfield, CPA  
 California State Controller  
 PO Box 942850  
 Sacramento, CA 94250-5874

RE: H & S Code Section 34167.5 Review of Assets Transferred by the Lancaster  
 Redevelopment Agency to the City of Lancaster

Dear Mr. Brownfield,

This letter is response to your letter dated October 16, 2014, which we received October 22, 2014, detailing the results of your Health & Safety Code Section 34167.5 review of assets transferred by the Lancaster Redevelopment Agency to the City of Lancaster after January 1, 2011.

Your final report indicates \$10,309,060 in unallowable transfers: \$9,206,660 in bond proceeds to the City in repayment of long-term loans and \$1,102,400 of an auto mall parking lot. The City of Lancaster believes these transfers should be allowed based on the following facts:

\$9,206,660 Transfer of Bond Proceeds

The Bond Proceeds transferred from the Lancaster Redevelopment Agency to the City of Lancaster were funding sources for Capital Improvement Projects for which contracts were issued to third parties prior to June 28, 2011, specifically:

AWARD DATE	PROJECT	VENDOR	AMOUNT
February 9, 2010	Downtown Lancaster Infrastructure	Hanes & Associates	\$9,525,497.65 + 10% Contingency
September 23, 2010	Energy Efficiency Improvements	Johnson Controls, Inc.	\$4,636,458

These contracts were issued prior to June 28, 2011, and the transfer was done to enable the projects to be completed pursuant to the contractual obligation. A copy of the contracts is attached.

Jeffrey Brownfield, CPA  
October 28, 2014  
Page 2

\$1,102,400 Auto Mall Parking Lot

On November 21, 2012, the Oversight Board of the Successor Agency to the Lancaster Redevelopment Agency took action to direct the transfer of ownership of assets constructed and used for a government purpose to the City of Lancaster, pursuant to HSC section 34181(a). This parking lot was one of the properties included in this action. On January 4, 2013, a letter was received from the Department of Finance (DOF) approving the transfer of this parking lot. The determination letter is attached.

We respectfully request that this additional information be taken into consideration and that the finding be adjusted to reflect that the transfers were allowable under the law and no further action is necessary.

I would also like to take the opportunity to commend Cecelia Michaels for the professionalism and courtesy she demonstrated throughout this review. She was a pleasure to work with and should be recognized for her efforts.

If you need any additional information, please don't hesitate to contact me at your convenience.

Sincerely,



Barbara Boswell  
Finance Director

BB/jw

Enclosures

**Attachment 2—  
Performance Contract (front page) between the  
City of Lancaster and Johnson Controls, Inc.**

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## PERFORMANCE CONTRACT

This Performance Contract (this "Agreement") is made this 23<sup>rd</sup> day of September, 2010 between:

### PARTIES

JOHNSON CONTROLS, INC. ("JCI")  
12393 Slauson Avenue  
Whittier, CA 90606

and

CITY OF LANCASTER ("Customer")  
44933 Fern Avenue  
Lancaster, CA 93534

### RECITALS

WHEREAS, Customer desires to retain JCI to perform the work specified in Schedule 1 (Scope of Work) hereto (the "Work") relating to the installation of the improvement measures (the "Improvement Measures") described therein; and

WHEREAS, Customer is authorized and empowered under applicable Laws (as defined below) to enter into this Agreement, and has taken all necessary action under applicable Laws to enter into this Agreement; and

WHEREAS, Customer has selected JCI to perform the Work after it determined JCI's proposal was the most advantageous to Customer in accordance with all applicable procurement and other Laws.

NOW, THEREFORE, in consideration of the mutual promises set forth herein, the parties agree as follows:

### AGREEMENT

1. **SCOPE OF THE AGREEMENT.** JCI shall perform the Work set forth in Schedule 1. After the Work is Substantially Complete (as defined below) and the Certificate of Substantial Completion is executed by Customer and JCI, JCI shall provide the assured performance guarantee (the "Assured Performance Guarantee") and the measurement and verification services (the "M&V Services") set forth in Schedule 2 (Assured Performance Guarantee) and/or Schedule 2A (Assured Performance Guarantee - Utility Meters), as applicable. Customer shall make payments to JCI for the Work and the M&V Services in accordance with Schedule 4 (Price and Payment Terms).
2. **AGREEMENT DOCUMENTS:** In addition to the terms and conditions of this Agreement, the following Schedules are incorporated into and shall be deemed an integral part of this Agreement:
  - Schedule 1 - Scope of Work
  - Schedule 2 - Assured Performance Guarantee
  - Schedule 2A - Assured Performance Guarantee - Utility Meters
  - Schedule 3 - Customer Responsibilities
  - Schedule 4 - Price and Payment Terms
3. **NOTICE TO PROCEED; SUBSTANTIAL COMPLETION; M&V SERVICES.** This Agreement shall become effective on the date of the last signature on the signature page below. JCI shall commence performance of the Work within ten (10) business days of receipt of Customer's Notice to Proceed, a form of which is attached

**Attachment 3—  
Agreement between the City of Lancaster  
and Hans & Associates, Inc.**

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## AGREEMENT

THIS AGREEMENT, made and entered into at Lancaster, California, by and between the City of Lancaster, hereinafter designated as the Contracting Agency, and Hanes & Associates, Inc., hereinafter designated as the Contractor,

WITNESSETH: That the parties hereto have mutually covenanted and agreed, and by these presents do covenant and agree with each other as follows:

### ARTICLE I

That the Contract consists of this Agreement and the Notice to Contractors, the Bid Instructions, the Bid Security Forms for Check or Bond, the Accepted Bid, the Performance Bond, the Payment Bond, the Non-Collusion Affidavit, the Specifications, the Construction Drawings and all addenda as prepared prior to date of bid opening setting forth any modifications or interpretations of any of said documents, and any and all supplemental agreements heretofore or herewith executed amending or extending the work contemplated and which may be required to complete the work in a substantial and acceptable manner, all of which are referred to as the Contract Documents. All of the provisions of all of said Contract Documents are hereby incorporated in and made a part of this Agreement as if fully set forth herein.

### ARTICLE II

For and in consideration of the payments and agreements to be made and performed by the Contracting Agency as set forth in said Contract Documents, the Contractor agrees with the Contracting Agency to do the work and furnish the materials in accordance with the said Contract Documents, which work is generally referred to as **Public Works Construction Project No. 09-030 – Downtown Lancaster**, and to furnish at his own cost and expense all tools, equipment, services, labor and materials necessary therefor, to pay all applicable taxes, and to do everything required herein and by said Contract Documents. Substitution of securities for any monies withheld by the City of Lancaster to ensure performance under this contract will be permitted in accordance with Section 22300 of the State of California Public Contract Code.

### ARTICLE III

For, and only in the event of, the furnishing of all of the said services and materials, the obtaining of all permits and licenses of a temporary nature; the furnishing and removing of all debris and temporary work structures and temporary work installations, tools and equipment, and the doing of all of the work contemplated and embraced in the said Contract Documents, also in full payment for all loss and damage arising out of the nature or performance of the aforesaid work during its progress or prior to its acceptance, from the action of the elements, and from any unforeseen difficulties which may arise or be encountered in the prosecution of the work, and for and from all other risks of any description connected with the said work, also in full payment for all expenses incurred by or in consequence of the suspension or discontinuance of the said work, except such as in the said Contract Documents are expressly stipulated to be borne by the Contracting Agency and for well and faithfully completing the work and the whole thereof within the stipulated time and in the manner shown and described in said Contract Documents and in accordance with the requirements of the Engineer of said Agency under them, the Contracting Agency will pay and the Contractor shall receive in full compensation therefor the prices set forth in the Accepted Bid.

ARTICLE VIII

This contract shall enforce the compliance for payment by the Agency for any authorized extra work to be paid on a Time and Materials basis shall be based upon the most current State of California General Prevailing Wage Rate. Equipment costs shall be paid based upon the State of California Department of Transportation, Division of Construction Labor Surcharge and Equipment Rental Rates (latest edition).

ARTICLE IX

The Contractor must verify the identity and employment eligibility of anyone to be hired, which includes completing the Employment Eligibility Verification Form (I-9). The Contractor shall establish appropriate procedures and controls so no services or products under the Contract Documents will be performed or manufactured by any business or individual who is not legally eligible to perform such services or employment.

ARTICLE X

It is expressly understood between the parties to this Contract that no employee/employer relationship is intended; Contractor is an independent contractor.

IN WITNESS WHEREOF: The Parties hereto have caused this Contract to be executed the 24th day of February, 2010.

CITY OF LANCASTER  
LANCASTER, CALIFORNIA

BY: [Signature]  
MARK V. BOZIGIAN  
City Manager

Hanes & Associates, Inc.  
CONTRACTOR

Attest: [Signature]  
GERI K. BRYAN, CMC  
City Clerk

By: [Signature]  
President  
TITLE

Approved by Dept. Head [Signature]

and \_\_\_\_\_

Approved As To Form:  
[Signature]  
DAVID R. MC EWEN, City Attorney

\_\_\_\_\_  
TITLE  
317085 / A, B, C-8 / 08-31-11  
LICENSE NO./CLASS/EXP. DATE

Originals: 3

Bond No. CA 1613995

Premium: \$77,916.00

PERFORMANCE BOND

KNOW ALL MEN BY THESE PRESENTS: THAT

WHEREAS, the City of Lancaster, County of Los Angeles, State of California, on February 9, 2010, has awarded to Hanes & Associates, Inc., hereinafter designated as the "Principal," a contract to provide Downtown Lancaster, per Public Works Construction Project No. 09-030 together with appurtenances thereto; and

WHEREAS, said Principal is required under the terms of said contract to furnish a bond for the faithful performance of said contract;

NOW THEREFORE, we, Hanes & Associates, Inc. as Principal, and Great American Insurance Company as Surety, are held and firmly bound unto the City of Lancaster, California, hereinafter called the Contracting Agency in the penal sum of one hundred percent (100%) of the amount of **Nine Million, Five Hundred Twenty-Five Thousand, Four Hundred Ninety-Seven Dollars and Sixty-Five Cents (\$9,525,497.65)** lawful money of the United States of America, for payment of which sum well and truly to be made, we bind ourselves, our heirs, executors, administrators, successors, jointly and severally, firmly by these presents.

THE CONDITION OF THE OBLIGATION IS SUCH THAT, if the hereby bonded Principal, his or its heirs, executors, administrators, successors, or assigns, shall in all things stand to and abide by and well and truly keep and perform all the undertakings, terms, covenants, conditions and agreements in the said contract and any alteration thereof, made as therein provided, all within the time and in the manner therein designated and in all respects according to their true intent and meaning, then this obligation shall become null and void, otherwise it shall be and remain in full force and effect. The obligation of Surety hereunder shall continue so long as any obligation of Principal remains.

FURTHER, the said Surety, for value received, hereby stipulates and agrees that no change, extension of time, alteration or modification of the Contract Document or of the work to be performed thereunder, shall in any way affect its obligation on this bond, and it does hereby waive notice of any such change, extension of time, alteration or modification of the Contract Documents or of work to be performed thereunder.

IN WITNESS WHEREOF, three (3) identical counterparts of this instrument, each of which shall for all purposes be deemed an original thereof, have been duly executed by the Principal and Surety herein named on the 11th day of February, 20 10.

The name and corporate seal of each corporate party being hereto affixed and these presents duly signed by its undersigned representative pursuant to authority of its governing body.

Hanes & Associates, Inc.  
Principal

By: 

Great American Insurance Company  
Surety

By: 

Donna J. Frowd, Attorney-in-Fact

Originals: 3

Bond No. CA 1613995

Premium: Incl. on Performance Bond

LABOR AND MATERIAL BOND

KNOW ALL MEN BY THESE PRESENTS: THAT

WHEREAS, the City of Lancaster, County of Los Angeles, State of California, on February 9, 2010 has awarded to Hanes & Associates, Inc., hereinafter designated as the "Principal," a contract for the construction of Downtown Lancaster, per Public Works Construction Project No. 09-030 together with appurtenances thereto, and

WHEREAS, said Principal is required to furnish a bond in connection with said contract providing that if said Principal, or any of his or its subcontractors, shall fail to pay for any materials, provisions, provender, or other supplies or equipment used in, upon or about the performance of the work contracted to be done, or for any work or labor done thereon of any kind, the Surety of this bond will pay the same to the extent hereinafter set forth;

NOW THEREFORE, we, Hanes & Associates, Inc. as Principal, and Great American Insurance Company as Surety, are held and firmly bound unto the City of Lancaster, California, hereinafter called the "Contracting Agency" in the penal sum of hundred percent (100%) of bid **Nine Million, Five Hundred Twenty-Five Thousand, Four Hundred Ninety-Seven Dollars and Sixty-Five Cents (\$9,525,497.65)** lawful money of the United States of America, for the payment of which sum well and truly to be made, we bind ourselves, our heirs, executors, administrators and successors, jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH THAT if said principal, his or its heirs, executors, administrators, successors or assigns, shall fail to pay for any materials, provisions, provender, or other supplies or equipment used in, upon, for or about the performance of the work contracted to be done, or for amounts due under applicable State law for any work or labor thereon of any kind, and provided that the persons, companies or corporations so furnishing said materials, provisions, provender, or other supplies, equipment, appliances or power used in, upon, for or about the performance of the work contracted to be executed or performed, or any persons, company or corporation renting or hiring teams, implements, machinery or power, for or contributing to said work to be done, or any person who performs work or labor upon the same, or any person who supplies both work and material therefor, shall have complied with the provisions of applicable State law, then said Surety will pay the same in or to an amount not exceeding the amount hereinabove set forth, and also will pay in case suit is brought upon this bond, such reasonable attorney's fees as shall be fixed by the court, awarded and taxes as in the above mentioned Statute provided. The bond shall insure to the benefit of any and all persons, companies and corporations entitled to file claims under applicable State law, so as to give a right of action to them or their assigns in any suit brought upon this bond.

FURTHER, the said Surety, for value received, hereby stipulates and agrees that no change, extension of time, alteration or modification of the Contract Documents or of the work to be performed thereunder shall in any way affect its obligations on this bond, and it does hereby waive notice of such change, extension of time, alteration or modification of the Contract Documents or of work to be performed thereunder.

**CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT**

State of California

County of MARIN

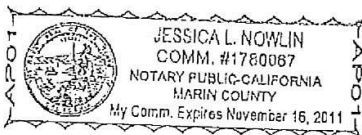
On February 11, 2010 before me, Jessica L. Nowlin, Notary Public, personally appeared Donna J. Frowd who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/~~are~~ subscribed to the within instrument and acknowledged to me that he/~~she/they~~ executed the same in his/~~her/their~~ authorized capacity(ies), and that by his/~~her/their~~ signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

(seal)

Signature Jessica L. Nowlin



**Attachment 4—  
Letter from the Department of Finance regarding the  
Determination of Oversight Board Actions**

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EDMUND G. BROWN JR. • GOVERNOR

915 L STREET ■ SACRAMENTO CA ■ 95814-3706 ■ WWW.DOF.CA.GOV

January 4, 2013

Ms. Elizabeth Brubaker, Director  
City of Lancaster  
44933 North Fern Avenue  
Lancaster, CA 93534

Dear Ms. Brubaker:

Subject: Determination of Oversight Board Actions

The City of Lancaster Successor Agency (Agency) notified the California Department of Finance (Finance) of its oversight board (OB) resolution OB 09-12, OB 14-12, OB 17-12 and OB 18-12 on November 21, 2012. Pursuant to Health and Safety Code (HSC) section 34179 (h), Finance has completed its review of the OB resolutions, which may have included obtaining clarification of various items.

Based on our review and application of the law, our review of the oversight board resolutions noted the following:

Resolution OB 09-12

It is our understanding the re-conveyance of real property from the City of Lancaster to the Agency is in compliance with a State Controller's Office audit. Finance concurs with this determination; therefore, this transfer is allowed.

This is our determination with respect to OB 09-12.

Resolution OB 14-12

It is our understanding the re-conveyance of real property from the City of Lancaster to the Agency is in compliance with a State Controller's Office audit. Finance concurs with this determination; therefore, this transfer is allowed.

This is our determination with respect to OB 14-12.

Resolution OB 17-12

HSC section 34181 (a) gives the oversight board the authority to direct the successor agency to transfer ownership of those assets that were constructed and used for a government purpose to the appropriate public jurisdiction pursuant to any existing agreements relating to the construction or use of such an asset. Finance concurs that the following properties meet the definition of a government purpose and are therefore, eligible for transfer.

Ms. Brubaker  
January 4, 2013  
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The process and guidelines related to the disposition of former RDA assets are available at Finance's website below:

[http://www.dof.ca.gov/redevelopment/property\\_disposition/](http://www.dof.ca.gov/redevelopment/property_disposition/)

As authorized by HSC section 34179 (h), Finance is returning your OB action to the board for reconsideration.

Please direct inquiries to Kylie Le, Supervisor or Michael Barr, Lead Analyst, at (916) 445-1546.

Sincerely,



STEVE SZALAY  
Local Government Consultant

cc: Ms. Barbara Boswell, Finance Director, City of Lancaster  
Ms. Kristina Burns, Manager, Los Angeles County Department of Auditor-Controller  
California State Controller's Office



### Public Use List

Attachment A

Description	APN	Disposition Purpose 34191.5. (c) 2 of AB 1484
Los Angeles County Lancaster Sheriff's Station	3134-012-928	Transfer to City Government per Section 34181
	3134-012-927	Transfer to City Government per Section 34181
	3134-012-926	Transfer to City Government per Section 34181
	3134-012-925	Transfer to City Government per Section 34181
	3134-012-924	Transfer to City Government per Section 34181
	3134-012-923	Transfer to City Government per Section 34181
	3134-012-922	Transfer to City Government per Section 34181
	3134-012-921	Transfer to City Government per Section 34181
	3134-012-920	Transfer to City Government per Section 34181
	3134-012-919	Transfer to City Government per Section 34181
	3134-012-918	Transfer to City Government per Section 34181
	3134-012-917	Transfer to City Government per Section 34181
	3134-012-916	Transfer to City Government per Section 34181
	3134-012-915	Transfer to City Government per Section 34181
	3134-012-914	Transfer to City Government per Section 34181
	3134-012-913	Transfer to City Government per Section 34181
	3134-012-912	Transfer to City Government per Section 34181
	3134-012-911	Transfer to City Government per Section 34181
	3134-012-910	Transfer to City Government per Section 34181
	3134-012-909	Transfer to City Government per Section 34181
	3134-012-908	Transfer to City Government per Section 34181
	3134-012-906	Transfer to City Government per Section 34181
	3134-012-905	Transfer to City Government per Section 34181
	3134-012-904	Transfer to City Government per Section 34181
	3134-012-903	Transfer to City Government per Section 34181
	3134-012-902	Transfer to City Government per Section 34181
	3134-012-901	Transfer to City Government per Section 34181
	3134-005-920	Transfer to City Government per Section 34181
	3134-005-918	Transfer to City Government per Section 34181
	3134-005-916	Transfer to City Government per Section 34181
	3134-005-908	Transfer to City Government per Section 34181
	3134-005-907	Transfer to City Government per Section 34181
	3134-005-901	Transfer to City Government per Section 34181
	3134-005-900	Transfer to City Government per Section 34181
Overflow Parking Adjacent to Lancaster City Park	3125-024-940	Transfer to City Government per Section 34181
	3125-024-939	Transfer to City Government per Section 34181
Downtown Arts Center <i>not</i>	3134-015-018	Transfer to City Government per Section 34181
Lancaster Small Business Incubator <i>not</i>	3126-032-909	Transfer to City Government per Section 34181
City of Lancaster Maintenance Yard	3118-014-907	Transfer to City Government per Section 34181
50th District Agricultural Association Antelope Valley Fairgrounds Parking Lot	3114-011-906	Transfer to City Government per Section 34181
Lancaster Municipal Stadium Parking Lot <i>not</i>	3153-015-940	Transfer to City Government per Section 34181
Lancaster University Center	3176-005-922	Transfer to City Government per Section 34181

*not*

*not* *to be included* *Per 34181(a)*

*not* *gar*

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

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