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October 18, 2016

Via Electronic and U.S. Mail

Mr. Alan Hofmann
Chair
Oversight Board for the Successor Agency to
the Redevelopment Agency of the City of
Fresno
2344 Tulare Street, Suite 200
Fresno, California 93711

Re: Board Item Concerning Parking Lot 2, 1900 Tuolumne/1911 Merced (APNs 466-206-50T & 466-206-51T)

Dear Mr. Hofmann:

This office represents the Housing Authority of the City of Fresno. I understand that at your next regularly-scheduled meeting on October 19, 2016, the Oversight Board will discuss and consider a change to the method of disposition for Parking Lot 2, 1900 Tuolumne/1911 Merced (APNs 466-206-50T & 466-206-51T) (collectively, the "Property"). This agenda item, I am informed, pertains to an offer by Mr. Cliff Tutelian to acquire the Property without auction. The purpose of this letter is to encourage the Board to continue with its plan to auction the Property as the best means of disposition to maximize the value of the Property.

As you know, Health & Safety Code sections 34177(e) and 34181(a) provide that the Oversight Board shall direct the Successor Agency to dispose of all properties of the former RDA in a way that is "done expeditiously and in a manner that is aimed at maximizing value." The Oversight Board's Property Disposition Guidelines specifies various methods to accomplish these objectives. One of these methods is to bring the property to auction so long as the minimum bid shall not be less than the fair market value of the parcels in question.

The Housing Authority's Board of Directors has not yet made a decision about whether or not to bid on the Property. However, the Authority's senior management believes that, given the location of the Property, the agency may have significant interest in bidding on the Property. As you know, the Housing Authority's administrative offices are located directly adjacent to the Property and, as a result, the Property could serve as an integral part of redevelopment of the Authority's property. Moreover, even if the Housing Authority does not bid, it is certainly possible that a bid by a third party could result in a much greater value than

that by a known developer. We believe that this approach would be consistent with the taxing authority's interest to enhance the value of the Property.

As a result, we respectfully request that the Oversight Board auction the Property, rather than consider an open market solicitation or request for offer, which we believe would not maximize the value of the Property.

Very truly yours,

Kenneth J. Price
BAKER MANOCK & JENSEN, PC

KJP:sdg

cc: Mr. Preston Prince
Chief Executive Officer
Fresno Housing Authority

Ms. Marlene Murphey
Executive Director
Successor Agency

Mr. Jerome Behrens
Counsel
Oversight Board for the Successor Agency to the
Redevelopment Agency of the City of Fresno