

801.1(a)(2)

September 22, 1988

Richard Smith, Esq.
Pre-Merger Notification Office
Bureau of Competition
Room 303
Federal Trade Commission
Washington, DC 20580

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SEP 26 3 08 PM '88
PRE MERGER NOTIFICATION OFFICE

Re: SALE OF PROPERTY BY REDEVELOPMENT AGENCY

Dear Mr. Smith,

This letter concerns our conversations of September 21 and 22, 1988, regarding the filing of a Pre-Merger Notification with respect to, among other things, the sale of certain buildings and equipment by a Redevelopment Agency.

This letter confirms your interpretation, based on the following facts, that a Pre-Merger Notification is not required with respect to such sale.

As we discussed, Redevelopment Agencies are created pursuant to the Public Works and Economic Development Act of 1965 (42 U.S.C. Section 3121, 3171(b)). In California, pursuant to the Community Redevelopment Law (Cal. H. & S. Code Section 33000) such agencies are created by, and exist at the pleasure of, local governments (Cal. H. & S. Code Section 33003, 33101, 33141). Notwithstanding that Redevelopment Agencies have the power to enter into contracts in pursuit of their enumerated objectives (Cal. H. & S. Code Section 33125), such agencies perform primarily governmental functions (Cal. H. & S. Code Section 33122).

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For the foregoing reasons, Redevelopment Agencies are therefore "agencies" and not "corporations engaging in commerce", as such terms are used in 16 C.F.R. Section 801.1(a)(2). As such, Redevelopment Agencies are not included within the definition of "entity" as provided by 16 C.F.R. Section 801.1(a)(2), and are thereby exempted from the notification requirements of the Hart-Scott-Rodino Act (15 U.S.C. Section 18a).

If you have any questions or comments concerning this please do not hesitate to call.

Sincerely,

[Redacted signature]

cc:

[Redacted recipient list]

9/27 checked with
Wayne. At his suggestion
checked CA sites. Advised
[Redacted] that Penley Agency
does not appear to be a
corporation and thus not exempt.
P. Smith