

**CONSOLIDATED OVERSIGHT BOARD FOR THE COUNTY OF MONTEREY OF THE
SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF SEASIDE
STAFF REPORT**

DATE: _____

TO: Consolidated Oversight Board

FROM:

BY:

**SUBJECT: RESOLUTION NO. OB _____ - MAKING A FINDING TO RE-ESTABLISH
LOANS MADE PURSUANT TO A FINANCING AGREEMENT BETWEEN THE
REDEVELOPMENT AGENCY OF THE CITY OF SEASIDE AND THE CITY OF
SEASIDE PURSUANT TO HEALTH AND SAFETY CODE SECTION 34191.4**

Background:

Pursuant to AB X1 26 and the California Supreme Court's decision in *California Redevelopment Association, et al. v. Ana Matosantos, et al.* (53 Cal.4th 231(2011)), the Redevelopment Agency of the City of Seaside (the "Former Agency") was dissolved as of February 1, 2012, and the Successor Agency to the Redevelopment Agency of the City of Seaside (the "Successor Agency") was constituted. Pursuant to AB X1 26, with narrow exceptions, agreements by and between the City of Seaside (the "City") and the Former Agency became unenforceable as of February 1, 2012, when the Former Agency was dissolved.

The Successor Agency has provided information to the Consolidated Oversight Board that before dissolution, the Former Agency undertook a program to redevelop the Gateway Redevelopment Project, the Gateway Auto Center Expansion Redevelopment Project, the Del Monte Heights Redevelopment Project, the Noche Buena Redevelopment Project, the Hannon Redevelopment Project, the Laguna Grande Redevelopment Project, and the City Center Revitalization Redevelopment Project (collectively, the "Projects" or "Project Areas"). In that regard the City assisted the Former Agency from time to time by loaning moneys to the Former Agency. The City and Former Agency entered into a Financing Agreement, dated June 15, 1995, which agreement was approved by the City Council pursuant to its Resolution No. 95-47, adopted on June 15, 1995, and approved by the Former Agency pursuant to its Resolution No. 95-4, adopted on June 15, 1995 (the "Financing Agreement").

Pursuant to the Article 3 of the Financing Agreement, the City made loans to the Former Agency in the aggregate sum of \$9,872,000 for public improvements to be undertaken by the City for the benefit of the Project Areas (collectively, the "Loans"). In its Resolution No. 95-47, and in accordance with Health and Safety Code ("HSC") Section 33445, the City Council found that the completion of the public improvements in or for each Project Area would be of benefit to the Project Area and would assist in the elimination of one or more blighting conditions in

the Project Area for which the public improvements were developed. This, in turn, would revitalize the Project Areas and stimulate private sector development in the Project Areas.

As of the date of this Resolution, the total principal amount of the Loans (\$9,872,000) remains outstanding and unpaid in the aggregate amount of \$2,333,430.82.

HSC Section 34191.4 was amended to provide for the re-establishment of the Financing Agreement as an enforceable obligation, if certain prerequisites have been met and other requirements are followed. HSC Section 34191.4 now defines a "loan agreement" to include agreements between a city and former redevelopment agency pursuant to which the city contracted with a third party on behalf of the former agency for the development of infrastructure in connection with a redevelopment project and the former agency was obligated to reimburse the city for the payments made by the city to the third party.

One prerequisite is the Successor Agency's receipt of a Finding of Completion from the State Department of Finance (the "DOF"). The Successor Agency received its Finding of Completion on March 28, 2014.

Another prerequisite is a finding by the Consolidated Oversight Board for the County of Monterey that the Loans were made for legitimate redevelopment purposes. By adopting its Resolution No. _____, the Successor Agency requested the Consolidated Oversight Board to make such a finding.

Any repayment of the Loans must be listed on a Recognized Obligation Payment Schedule (the "ROPS"), and approved by the Consolidated Oversight Board and the DOF, commencing with the ROPS for fiscal year 2021-22. HSC Section 34191.4 provides that 20 percent of each Loan repayment must be deducted and transferred to the Low and Moderate Income Housing Asset Fund held by the housing successor to the Former Agency.

HSC Section 34191.4 imposes an annual cap on the amount that may be repaid for all re-established loans. Twice a year (on January 2 and June 1), taxing entities receive residual moneys ("Taxing Entities Residual") if any moneys remain in the Redevelopment Property Tax Trust Fund ("RPTTF") after the County Auditor-Controller disburses moneys required for pass-through payments, enforceable obligations of the Successor Agency, and administrative costs. Each fiscal year, the aggregate amount for the repayment of all re-established loans must not exceed one-half of the increase between the amount of the Taxing Entities Residual in that fiscal year and Taxing Entities Residual in the 2012-13 base year. The actual repayment amount will be subject to the availability of RPTTF funds and the annual cap imposed by HSC Section 34191.4. Therefore, the Successor Agency's Resolution No. ____ authorizes the Finance Officer of the Successor Agency to develop, and modify from time to time, a repayment schedule in accordance with the requirements of HSC Section 34191.4 and the availability of RPTTF funds.

Financial Impact:

If the Oversight Board adopts the attached resolution making a finding that the Loans were for legitimate redevelopment purposes (and the resolution is subsequently approved by the DOF), the Loans will be re-established and the Financing Agreement will be deemed an enforceable obligation. The amount of each repayment will be subject to availability of RPTTF funds.

Environmental Impact

There will be no new environmental impact associated with adoption of the attached Resolution.

Recommended Action:

Staff recommends that the Consolidated Oversight Board adopt Resolution No. _____, to make a finding that the Loans made pursuant to the Financing Agreement were made for legitimate redevelopment purposes.

Attachments:

1. Financing Agreement, dated as of June 15, 1995
2. City Council Resolution No. 95-47
3. Redevelopment Agency Resolution No. 95-4
4. Successor Agency Resolution No. _____
5. Consolidated Oversight Board Resolution No. _____

FINANCING AGREEMENT

This Financing Agreement (the "Agreement") is entered into as of June 15, 1995, by and between the Redevelopment Agency of the City of Seaside, a public body, corporate and politic (the "Agency") and the City of Seaside, a municipal corporation (the "City"), on the basis of the following facts, intentions and purposes.

RECITALS

A. These Recitals refer to and utilize certain capitalized terms which are defined in Article I of this Agreement. The parties intend to refer to those definitions in connection with the use thereof in this Agreement.

B. Pursuant to the Community Redevelopment Law, the Agency has prepared and the City has adopted the Redevelopment Plans. The Redevelopment Plans provide for the use of the redevelopment process to assist in financing Public Improvements in the Project Areas. Copies of the Redevelopment Plans and the accompanying Reports on the Redevelopment Plans are on file with the Agency Secretary and are incorporated in this Agreement by this reference.

C. The Agency and the City will each benefit from the timely completion of the Public Improvements and desire to work cooperatively to achieve that end. Further, the parties agree that the City possesses the administrative and legal resources and capability to assist the Agency in implementing the objectives of the Redevelopment Plans with regards to the Public Improvements and the City is prepared to make such administrative and legal resources and capability available to the Agency in accordance with the provisions of the Agreement.

D. The City and the Agency have determined that it is in the best interest of the City and the Agency to consider merging the Project Areas pursuant to Health and Safety Code Section 33485 et seq.

E. The City and the Agency have determined that it is in the best interest of the City to consider the amendment of the Redevelopment Plans to extend certain limits for completion of redevelopment activities.

F. The Agency is vested with the responsibility for administering the Redevelopment Plans, including the merger of the Project Areas and the amendment of the Redevelopment Plans.

C. With execution of this Agreement the City is appropriating the City Loan to the Agency for the purpose of administering the Redevelopment Plans and funding the activities of the Agency with regards to the merger of the Project Areas and the amendment of the Redevelopment Plans until such time as the Agency receives tax increment funds for these purposes.

H. The City Loan will be used by the Agency to fund staff time, expenses, overhead costs, consultants contract costs, use of City facilities and other related expenses in the administration of the Redevelopment Plans.

I. In addition, the City and the Agency have entered into this Agreement to provide for implementation by the City, on behalf of the Agency, of all local actions required to complete the Public Improvements and for payment by the Agency of specified revenues and bond proceeds that are necessary to meet the costs of the Public Improvements and to provide for the City Loan for administrative purposes.

J. The City Council pursuant to Resolution No. 95-47 adopted on June 15, 1995 has determined in accordance with Health and Safety Code Section 33445 that (i) the Public Improvements in each Project Area are of benefit to the Project Area or the area surrounding the Project Area; (ii) that no other reasonable means of financing the Public Improvements is available to the community and (iii) payment of the costs for the Public Improvements in each Project Area will assist in the elimination of one or more blighting conditions in the Project Area for which the Public Improvements are developed and is consistent with the implementation plan adopted for each Project Area.

NOW, THEREFORE, the City and the Agency agree as follows:

ARTICLE 1

DEFINITIONS

Section 1.1 General Definitions.

The following general definitions shall govern this Agreement:

(a) "Agency" means the Redevelopment Agency of the City of Seaside, California.

- (b) "Agreement" means this Financing Agreement.
- (c) "City" means the City of Seaside, California.
- (d) "City Loan" means the advances of funds made by the City on behalf of the Agency to pay for General Administrative Costs for each of the Redevelopment Plans and Merger Amendment Costs.
- (e) "Community Redevelopment Law" means the California Community Redevelopment (Health and Safety Code Section 33000 et seq.)
- (f) "Fiscal Year" means the period commencing on July 1 and ending the following June 30.
- (g) "General Administrative Costs" means the Agency's reasonable costs related to accounting, reporting, statutory compliance, conduct of Agency meetings, administration of this Agreement, the Fiscal Agreements, statutory pass-through payments and other similar matters necessary for the general administration of the Redevelopment Plans in the amounts set forth in Exhibit A, attached hereto and incorporated herein, which Exhibit may be amended from time to time.
- (h) "Fiscal Agreements" means any fiscal agreements entered into by the Agency with affected taxing agencies pursuant to former Health and Safety Code Section 33401 in connection with the adoption of any of the Redevelopment Plans.
- (i) "Housing Fund" means the Agency's Low and Moderate Income Housing Fund established pursuant to Health and Safety Code Section 33334.3, into which the Agency is required to make annual deposits pursuant to Health and Safety Code Sections 33334.2 and 33334.6.
- (j) "Merger Administrative Costs" means the costs of preparing the merger amendment of the Redevelopment Plans and the amendments to the Redevelopment Plans, including staff time, consultants' contract costs, legal costs and other related expenses, as such costs are set forth in Exhibit B, attached hereto and incorporated herein, which Exhibit may be amended from time to time.
- (k) "Net Public Improvements Tax Increment Revenue" for a given Fiscal Year means Tax Increment for that Fiscal Year received by the Agency from the County Auditor- Controller less the sum of the following amounts for that Fiscal Year:

(i) the amount owed by the Agency to the County pursuant to the provisions of Revenue and Taxation Code Section 97 (or any successor statute) for property tax collection services;

(ii) the deposits to the Housing Fund required pursuant to Health and Safety Code Sections 33334.2 and 33334.6;

(iii) any other payments mandated to be made by the Agency pursuant to the Community Redevelopment Law or other applicable statute;

(iv) the amounts required to be paid by the Agency pursuant to the terms of the Fiscal Agreements or the terms of Health and Safety Code Section 33607.7 (regarding statutory pass-through payments);

(v) the amount required to repay the City Loan; and

(vi) payments by the Agency of principal, interest, and any other amounts due during the Fiscal Year, and any prepayments of principal or interest (including premiums paid thereon) made during the Fiscal Year, with respect to any indebtedness or other costs issued or incurred by the Agency for the purpose of financing or refinancing the activities of the Redevelopment Plans which is in whole or in part payable from or secured by a pledge of Tax Increment Revenue from the Project Areas.

(l) "Project Areas" means for each Redevelopment Plan the area over which the Agency has redevelopment authority.

(m) "Public Improvements" means the public improvements to be undertaken for the benefit of each Project Area listed in Exhibit C attached hereto and incorporated herein, which may be amended from time to time. Exhibit C list the applicable Public Improvements and the allocable share of each Public Improvements by representing the proportional benefit of such Public Improvement to the applicable Project Area.

(n) "Redevelopment Plans" means collectively the Gateway Redevelopment Plan adopted by the City on January 12, 1967; the Gateway Auto Center Expansion Redevelopment Plan adopted by the City on July 6, 1989; the Del Monte Heights Redevelopment Plan adopted by the City on January 10, 1963; the Noche Buena Redevelopment Plan adopted by the City on March 31, 1960; the Hannon Redevelopment Plan adopted by the City on January 21, 1965; the Laguna Grande Redevelopment Plan adopted by the City on January 22, 1970; and the City Center Redevelopment Plan adopted

by the City on June 20, 1991, as such Plans may be amended from time to time.

(o) "Tax Increment Revenue" means those taxes which the Agency is entitled to claim and have allocated to it pursuant to the provisions of the Redevelopment Plans.

ARTICLE 2

CITY LOAN

Section 2.1 City Loan.

The City hereby agrees to advance to the Agency the City Loan for the purpose of paying General Administrative Costs and Merger Administrative Costs. The City shall advance the City Loan to the Agency from time to time in amounts necessary to pay the General Administrative Costs and the Merger Administrative Costs as such costs are incurred by the Agency. In the event the City disburses additional funds for the payment of General Administrative Costs or Merger Administrative Costs, such funds shall be added to the principal balance of the City Loan and shall become a debt of the Agency and Exhibit A and Exhibit B shall be amended to reflect these additional costs.

Section 2.2 Loan Repayment.

(a) Loan Repayment Terms. The Agency hereby agrees to repay the City Loan to the City using Tax Increment Revenue from the respective Project Areas for which the City Loan proceeds were expended to pay General Administrative Costs and/or Merger Administrative Costs. The City Loan shall bear interest at the rate of one percent (1%) per annum above the reference rate charged by Wells Fargo Bank, San Francisco, California from time to time. The outstanding principal balance of the City Loan shall bear interest from the date loan funds were advanced by the City on behalf of the Agency until such time as the City Loan is paid in full. In the event the Tax Increment Revenues from any Project Area are insufficient to repay the portion of the City Loan used for General Administrative Costs or Merger Administrative Costs for that Project Area, the Agency is under no obligations to the City to make such repayment from any other funds or resources it may have or acquire.

(b) Term. The Term of the City Loan shall begin as of the date of this Agreement and shall continue until the full amount of the City Loan with interest is repaid.

ARTICLE 3

PUBLIC IMPROVEMENTS

Section 3.1 City Obligations.

(a) General. The City shall perform, on the Agency's behalf, all local actions under the Redevelopment Plans necessary to design, acquire, install and construct the Public Improvements in a timely manner, including but not limited to: acquisition of right-of-way; utility relocations; preconstruction activities including environmental reviews and mitigation, engineering studies, traffic studies and surveys; demolitions; site preparation; and construction. Prior to undertaking any Public Improvements, the City shall be responsible for conducting any environmental reviews necessary under State law.

(b) Applications of Funds. To meet its obligations under this Section 3.1, the City shall apply the Net Public Improvements Tax Increment Revenue from a specific Project Area paid by the Agency to the City pursuant to this Agreement for Public Improvements in or of benefit to that Project Area. All payments received by the City from the Agency shall be used for the purpose of financing the Public Improvements and until so used shall be invested in the same manner the City may invest other City revenues.

Section 3.2 Agency Payments.

The Agency shall pay to the City, by not later than the last day of each Fiscal Year, the Net Public Improvements Tax Increment Revenue from each Project Area for that Fiscal Year. By not later than September 1 of each Fiscal Year, the Agency and the City shall meet and confer to determine the estimated amount of the Net Public Improvement Tax Increment Revenue with respect to each Project Area for that Fiscal Year, and the Agency shall report on its annual statement of indebtedness for the respective Project Area prepared pursuant to Health and Safety Code Section 33675 such estimated amounts as the amount payable by the Agency under this Section 3.2 for that Fiscal Year.

Section 3.3 Term.

This Article 3 shall control the rights and obligations of the parties with regard to the Public Improvements from execution of this Agreement until the earlier to occur of the following:

(a) Completion of and payment in full for the Public Improvements; or

(b) Last day for receipt of Tax Increment Revenue by the Agency under the Redevelopment Plans.

Section 3.4 Records and Inspection.

The City shall maintain adequate books and records regarding its activities pursuant to this Agreement, including, without limitation, records of all receipts, investments and expenditures of funds received from the Agency and from all other sources for purposes of completing the Public Improvements. Such books and records shall be available for inspection by the officers and agents of the Agency at all reasonable times. Within ninety (90) days after the end of each Fiscal Year and concurrently with termination of this Agreement, the City shall provide to the Agency an accounting of the use of the funds received from the Agency and from all other sources for purposes of completing the Public Improvements.

ARTICLE 4

GENERAL PROVISIONS

Section 4.1 Indebtedness of Agency.

The obligations of the Agency to make payments to the City as specified in this Agreement shall constitute indebtedness of the Agency incurred in carrying out the activities under the Redevelopment Plans and a pledge of Tax Increment Revenue from the respective Project Areas to repay such indebtedness under the provisions of Section 16 of Article XVI of the Constitution of the State of California and under the Community Redevelopment Law. The indebtedness created by this Agreement is separate from and in addition to any prior debts the Agency may have incurred to the City with respect to loans, advances or services made or provided to the Agency in any Fiscal Year prior to Fiscal Year 1994-95.

The obligations of the Agency to make payments to the City as specified in this Agreement are expressly subordinated to any and all payments necessary to satisfy the Agency's obligations in connection with bonded indebtedness secured in whole or in part by an Agency pledge of Tax Increment Revenue. The City Manager, on behalf of the City, shall execute such documents as may be required to evidence the subordination of payments provided for in this Agreement.

Section 4.2 Default.

Failure or delay by either party to perform any term or provision of this Agreement constitutes a default under this Agreement. The injured party shall give written notice of default to the defaulting party and no action may be instituted against the defaulting party until thirty (30) days after giving such notice. Failure or delay in giving such notice shall not constitute a waiver of default.

Upon receipt of written notice of default, the defaulting party must immediately commence to cure, correct, or remedy such default and shall complete such cure, correction or remedy with reasonable diligence. If the defaulting party fails to cure, correct or remedy the default within thirty (30) days of receipt of the written notice of default, the injured party may exercise any rights at law or in equity to remedy the default.

Section 4.3 Title of Parts and Sections.

Any title of the parts, sections or subsections of this Agreement is intended for convenience of reference only and shall be disregarded in construing or interpreting any part of its provisions.

Section 4.4 Applicable Law.

The laws of the State of California shall govern the interpretation of this Agreement.

Section 4.5 Severability.

If any provision of this Agreement is determined to be unenforceable for any reason, it shall be adjusted rather than voided, if possible, to achieve the intent of the parties. In any event, all other provisions shall be deemed valid and enforceable to the greatest extent possible.

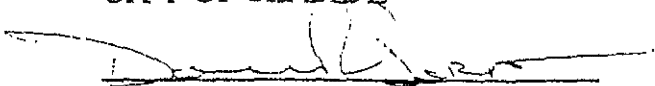
IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

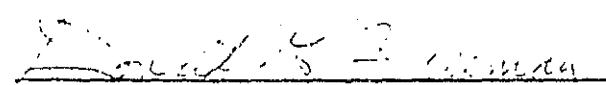
Attest:


TIMOTHY O. BROWN, Secretary

Approved As To Form

REDEVELOPMENT AGENCY OF THE
CITY OF SEASIDE


DON R. JORDAN, Chairperson


DONALD G. FREEMAN, Legal Counsel

Attest:


ARLENE SOTO, City Clerk

Approved As To Form:

CITY OF SEASIDE


DON R. JORDAN, Chairperson


DONALD G. FREEMAN, City Attorney

EXHIBIT A

| GENERAL ADMINISTRATIVE COSTS | Gateway Auto | | Del Monte | | Hannon | aguna Grand | City Center | Total |
|-----------------------------------|--------------|---------------|-----------|-------------|--------|-------------|-------------|-----------|
| | Gateway | Cntr Expansio | Heights | Noche Buena | | | | |
| Employee Services | 13,191 | 13,191 | 13,191 | 13,191 | 13,191 | 13,191 | 13,191 | 92,340 |
| Legal Services | 1,429 | 1,429 | 1,429 | 1,429 | 1,429 | 1,429 | 1,429 | 10,000 |
| Accounting and Audit | 714 | 714 | 714 | 714 | 714 | 714 | 714 | 5,000 |
| Training & Education | 29 | 29 | 29 | 29 | 29 | 29 | 29 | 200 |
| Consultant | 4,041 | 4,041 | 6,091 | 6,091 | 6,091 | 9,295 | 4,041 | 28,290 |
| Copy/Mail Machine | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 1,070 |
| Typewriter | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 350 |
| Outside Printing Service | 71 | 71 | 71 | 71 | 71 | 71 | 71 | 500 |
| Publishing & Legal Advertisements | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 1,000 |
| Meetings & Travel | 214 | 214 | 214 | 214 | 214 | 214 | 214 | 1,500 |
| Books and Periodicals | 71 | 71 | 71 | 71 | 71 | 71 | 71 | 500 |
| Employee Auto Reimbursement | 86 | 86 | 86 | 86 | 86 | 86 | 86 | 600 |
| Miscellaneous | 2,203 | 2,203 | 2,203 | 2,203 | 2,203 | 2,203 | 2,203 | 15,420 |
| | 22,396 | 22,396 | 24,446 | 24,446 | 24,446 | 27,649 | 22,396 | \$156,770 |

EXHIBIT B

| MERGER ADMINISTRATIVE COSTS | Gateway | Gateway Auto Ctr Expansio | Del Monte Heights | Noche Buena | Hannon | aguna Grand | City Center | Total |
|-----------------------------|----------------|------------------------------|----------------------|-------------|--------|-------------|-------------|----------|
| | Legal Services | 571 | 571 | 571 | 571 | 571 | 571 | 571 |
| Redevelopment Consultant | 3,143 | 3,143 | 3,143 | 3,143 | 3,143 | 3,143 | 3,143 | 22,000 |
| | 3,714 | 3,714 | 3,714 | 3,714 | 3,714 | 3,714 | 3,714 | \$26,000 |

EXHIBIT C

| | Gateway | Gateway Auto Cntr Expansio | Del Monte Heights | Noche Buena | Hannon | Laguna Grande | City Center | Total |
|------------------------------------------------------------|-----------|-------------------------------|----------------------|-------------|-----------|---------------|-------------|-------------|
| PUBLIC IMPROVEMENTS | | | | | | | | |
| Fremont Blvd Handicap Ramps | 83,333 | | | | | 83,333 | 83,333 | 250,000 |
| Broadway Reconstruction | | | | | | | 1,768,000 | 1,768,000 |
| Seaside Motor City Complete Rehabilitation | 225,000 | | | | | | | 225,000 |
| Seaside Motor City Curb, Gutter and Sidewalk | 15,000 | | | | | | | 15,000 |
| Seaside Motor City Pylon Signs | 40,000 | | | | | | | 40,000 |
| Seaside Motor City Fountain Landscaping | 15,000 | | | | | | | 15,000 |
| Citywide North/South Corridor Study | 725,000 | 725,000 | 725,000 | 725,000 | 725,000 | 725,000 | 725,000 | 5,075,000 |
| Broadway Gate Road Improvements | | | | | | | 44,000 | 44,000 |
| Hilby Ave Connection Road Improvements | | | 33,000 | 33,000 | | | | 66,000 |
| La Salle Ave Connection Road Improvements | | | 33,000 | | 33,000 | | | 75,000 |
| Kimball Ave Connection Road Improvements | | | | | | 75,000 | | 75,000 |
| Hamilton/Trinity Storm Drain | | | | | | | 30,000 | 30,000 |
| Vallejo St Area Storm Drain | | | | | 25,000 | | | 25,000 |
| Laguna St Storm Drain Extension | | | | | | | 25,000 | 25,000 |
| Traffic Signalization at Del Monte and Fremont | | 396,000 | | | | | | 396,000 |
| Intersection Improvements at Fremont and Broadway | | | | | | | 720,000 | 720,000 |
| Citywide Travel Time Study and Speed Survey | 4,286 | 4,286 | 4,286 | 4,286 | 4,286 | 4,286 | 4,286 | 30,000 |
| Citywide Digitalize Parcels into Base Map | 14,286 | 14,286 | 14,286 | 14,286 | 14,286 | 14,286 | 14,286 | 100,000 |
| Oldemeyer Horse Shoe Pit Lights | | | 10,500 | 10,500 | | | | 21,000 |
| Oldemeyer Addn'l Parking Lot Lights | | | 7,500 | 7,500 | | | | 15,000 |
| Baseball/Soccer Fields at King Middle School | | | 162,000 | | | | | 162,000 |
| Basketball Courts at Highland, Martin and Cunningham Parks | | | 40,000 | | | | | 40,000 |
| Warning Track and Fence at Cutino Park | | | | | 15,000 | | | 15,000 |
| Automatic Valves at Water Storage Tanks | | | 15,000 | | | | | 15,000 |
| New Well and Connect to System New Water | | | 200,000 | | 200,000 | | | 400,000 |
| Water Transmissions Mains | | | 115,000 | | 115,000 | | | 230,000 |
| | 1,121,905 | 1,139,571 | 1,359,571 | 784,571 | 1,131,571 | 901,905 | 3,413,905 | \$9,872,000 |

STAFF REPORT REGARDING THE ADOPTION OF A RESOLUTION
ON THE PROPOSED FINANCING AGREEMENT AND THE NECESSARY FINDINGS
PURSUANT TO SECTION 33445 OF THE STATE OF CALIFORNIA HEALTH AND SAFETY CODE

I. Summary Of The Proposed Financing Agreement

The Redevelopment Agency of the City of Seaside (the "Agency") and the City of Seaside (the "City") are proposing to enter into a Financing Agreement (the "Agreement") regarding the funding of certain public improvements related to the Agency's redevelopment projects: Gateway, Laguna Grande, Gateway Auto Center Expansion, City Center, Hannon, Del Monte Heights, and Noche Buena Redevelopment Projects (the "Projects").

Under the Agreement, the City would advance to the Agency a City Loan for the purpose of paying for administering the Redevelopment Plans (as detailed on Exhibit A to the Agreement) and the activities of the Agency with regards to the merger of the Project Areas (as detailed on Exhibit B to the Agreement) until such time as the Agency receives tax increment funds for these purposes. The Agency would repay the City Loan to the City using tax increment revenue from the respective Project Areas for which the City Loan proceeds were expended.

In addition, pursuant to the Agreement, the City would provide for all local actions required for the implementation of certain public improvements (as detailed on Exhibit C to the Agreement), on behalf of the Agency. In turn, the Agency would pay, from specified revenues, certain amounts that are necessary to meet the costs of the Public Improvements to the City. Pursuant to Section 33445 of the State of California Health and Safety Code, the Agency and the City must make certain findings in reference to the funding of public improvements. These findings are summarized below.

II. Summary of Findings Pursuant to Section 33445 of the Health and Safety Code

Pursuant to Health and Safety Code Section 33445, the Agency is authorized, with the consent of City Council, to pay all or a part of the cost of construction of any improvement which is publicly owned either within or without the project areas. The Agency and City Council must determine (a) that the public improvements are of benefit to the Project Area or to the immediate neighborhood in which the improvements are located, (b) that no other reasonable means of financing the public improvements are available to the community, and (c) that assisting in the development of the public improvements will assist in the elimination of one or more blighting conditions inside the Project Area and is consistent with the implementation plan adopted pursuant to Section 33490 of the Community Redevelopment Law ("CRL").

A. Estimate Of The Amount Of Tax Increment To Be Used By The Agency For The Construction of Public Improvements

Under the proposed Agreement, the Agency would estimate the amount of tax increment to be used by the Agency for the Construction of Public Improvements from time to time and this amount would be shown on Exhibit C and attached to the Agreement. Pursuant to the Agreement, by not later than September 1 of each Fiscal Year, the Agency and the City shall meet and confer to determine the estimated amount of tax increment revenue to be paid to the City by the Agency for costs of improvement with respect to each Project Area for that Fiscal Year. The Agency would then pay to the City, by not later than the last day of each Fiscal Year, the tax increment revenue necessary for the public improvements from each Project Area for that Fiscal Year. Based on the Agency's estimate of the cost of construction of the applicable public improvements the amount of tax increment to be used by the Agency for the construction of proposed public improvements is summarized below by Project Area.

| | Gateway Auto Ctr Expansion | Del Monte Heights | Noche Buena | Hannon | Laguna Grande | Agency City Center | Agency Total |
|---------|----------------------------------|----------------------|----------------|---------|------------------|-----------------------|-----------------|
| Gateway | 1,121,905 | 1,139,571 | 1,359,571 | 794,571 | 1,131,571 | 901,905 | 3,413,905 |
| | | | | | | | \$9,872,000 |

B. Facts Supporting The Findings To Be Made Pursuant To Health And Safety Code Section 33445.

1. Facts Supporting The Finding That The Improvements Are Of Benefit To The Project Areas Or The Immediate Neighborhoods In Which the Projects Are Located.

- a. **Public Improvements For All Project Areas -**
Certain public improvements have been proposed for all of the Agency's seven redevelopment Project Areas. These include studies of north/south corridors of the Project Areas, surveys of travel time and speed, and the digitalization of Project Area parcels into base maps. Each of these projects will be of benefit to the public improvement system of the Project Areas and immediate neighborhoods by providing a more efficiently designed and monitored traffic and infrastructure system. In addition, these projects will enable the City to deliver services in a faster and more efficient manner by not only managing today's needs, but also identifying tomorrow's.
- b. **Gateway Redevelopment Project -**
Construction of the improvements to the Seaside Motor City are the cornerstone of the Agency's strategy for redevelopment of the Gateway Project. To keep the Seaside Motor City's competitive edge, the Agency proposes certain improvements to make the area more attractive and to mitigate the inadequate storage-parking for auto dealers within the Gateway Project. The ability of the Agency to attract new investors and to encourage existing businesses and surrounding property owners to maintain and reinvest in their properties in many ways depends on the success of the Seaside Motor City. The Agency proposes the installation of handicap ramps along certain portions of Fremont Boulevard. The Project Area will benefit through improved accessibility to the disabled.
- c. **Gateway Auto Center Expansion Redevelopment Project -**
The Agency's objective for the Gateway Auto Center Expansion Project is to encourage the development of auto dealerships in the Project Area that would build upon the Seaside Motor City's market. As a result, the Agency is proposing the street improvements along Del Monte Boulevard to improve access to properties along the boulevard and thereby make the Project Area more attractive to prospective dealerships. The proposed traffic signalization of Del Monte Boulevard and Fremont will benefit the Project Area through improved traffic flow and safety.
- d. **Del Monte Heights Redevelopment Project -**
Currently, the street system in the Del Monte Heights Project are not connected to the streets located within the boundaries of Fort Ord. To mitigate this infrastructure deficiency, the Agency is proposing street improvements on Hilby Avenue and La Salle Avenue that will connect

the respective streets directly to Fort Ord. Through this proposed public improvement, the Project Area will benefit from improved traffic circulation and improved access to new facilities to be located at Fort Ord. The Agency has proposed the funding of improvements to Oldemeyer Park, baseball/soccer fields at King Middle School and basketball courts at certain parks in the Project Area and nearby neighborhoods. The upgrading and renovation of recreational uses will greatly benefit the Project Area, because parks provide a recreational amenity for the daytime population as well as for the weekend population found in the surrounding residential neighborhoods of the Project Area. The City of Seaside generates and maintains a portion of the water needs for their City's population. The City's water well, which is located in the Del Monte Heights Redevelopment Project, provides water services the Del Monte Heights and Hannon Projects as well as neighborhoods immediately north. As a result, the improvements of this well will directly benefit the Project Area by continued and improved water quality.

e. Noche Buena Redevelopment Project -

As mentioned above, the Agency has proposed the funding of certain improvements to Oldemeyer Park. This park is utilized by the residents of the Noche Buena Project as well as the immediate neighborhoods. Noche Buena is primarily a residential project and includes the Noche Buena School. The funding of the proposed public improvements will allow for the installation of horse shoe pit lights and parking lot lights. Parks in a residential and school neighborhood benefit to the Project Area by providing a safe and enjoyable environment for recreational uses. The Project Area will benefit even further from the safety that additional lighting will provide to Oldemeyer Park.

f. Hannon Redevelopment Project -

As mentioned previously, the City of Seaside water wells service the Hannon Redevelopment Project. As a result, the Agency's proposed improvements to the wells are of direct benefit to the Project and the immediate neighborhoods. In addition, the Agency proposes to fund certain improvements to the Vallejo Street storm drain. The construction of certain improvements to the storm drain will mitigate the current flooding problems often experienced within the Project Area. Cutino Park is located in the boundaries of the Hannon Project. The proposed funding of a warning track and fence will increase the safety of the park for residents in the Project Area and surrounding neighborhoods. La Salle Avenue runs across the north perimeter of the Hannon Project. The Agency is proposing the funding of certain street improvements that will benefit the Project Area and surrounding neighborhoods as the street conditions improve and the traffic safety is increased.

- g. Laguna Grande Redevelopment Project -
The proposed public improvements, such as the construction of handicap ramps along Fremont Boulevard, are aimed at improving the quality of the Laguna Grande Project's physical environment. Kimball Avenue is located directly outside the boundaries of the Laguna Grande Project, but the street improvements proposed by the Agency on Kimball Avenue will improve the accessibility of the Laguna Grande Project. The direct benefit will accrue to the Project Area because the revitalization of the street will assist in the Agency's effort to attract commercial and in particular visitor-oriented commercial uses to the Project Area.
- h. City Center Redevelopment Project -
The Agency's objective for this Project Area is, among other things, to develop neighborhood serving commercial uses that are of benefit to the Project Area. The Agency proposes to attract these uses by improving the infrastructure of the area and completing the reconstruction and rehabilitation of the Broadway Avenue. Seen as a primary gateway in the City of Seaside, Broadway Avenue's enhancement is meant to serve as a catalyst toward the revitalization of the entire City Center Project. The Agency is aiming to attract new businesses as well as support the existing businesses through a rehabilitation of the infrastructure. In addition, improvements are proposed for the intersection of Fremont and Del Monte Boulevard, which is located within the boundaries of the Project Area. Based on reported storm drain deficiencies in the Project Area, the Agency is proposing certain improvements to the Hamilton/Trinity and Laguna Street storm drains. The Project Area and surrounding neighborhoods will directly benefit from the mitigation of flooding tendencies in the area.

2. Facts Supporting The Finding That There Are No Other Reasonable Means Of Financing The Improvements Available To The City.

The City of Seaside 1994-95 Six Year Capital Improvement Program identifies approximately \$34 million of improvements needed throughout the City. The City has attempted to secure all customary resources for public improvements identified in the Program: coastal conservancy and EDA grants, gas tax revenue, state energy loans, developer contributions, Community Development Block Grant funds, water enterprise and assessment district revenues, Proposition 116 funds, and other sources of revenue. These resources are inadequate to cover the full cost of the public improvements identified in the Capital Improvement Program and as a result, approximately \$20 million in improvements are designated as Unfunded. Of this Unfunded amount, approximately \$10 million in public improvements are located in or near the Project Areas. Although these improvements are needed and will benefit the Project Areas greatly, they cannot be funded by the City due to the lack of available resources.

The Agency, in order to promote the benefits discussed in Section III (A) above, has approached the City and offered to fund the proposed public improvement projects that are located in or near the Redevelopment Project Areas. As discussed earlier, the City has determined that it cannot provide additional funds without reducing funding of essential City activities. Thus the Agency's

participation is the only reasonable means of financing these proposed public improvements for each Project Area.

3. Facts Supporting The Finding That Assisting The Development Of The Public Improvements Will Assist In The Elimination Of One Or More Blighting Conditions Inside Each Of Project Area And Is Consistent With The Implementation Plans.

Assisting the development of the public improvements will assist in the elimination of blighting conditions found in each of the Project Areas because it will do the following:

- a. provide public improvements as needed, which cannot be funded by private governmental action without redevelopment;
- b. mitigate the age, obsolescence and deterioration of the infrastructure of the Project Areas;
- c. encourage and ensure the building and development of certain areas so as to eliminate the prevalence of depreciated values, impaired investments and economic maladjustment;
- d. stimulate economic activity in the Project Areas that is in turn expected to induce private sector investment in and revitalization of the Project Areas;
- e. ensure that the recreational park system serving the Project Areas will have the physical capacity to serve the residents of the Project Areas and surrounding neighborhoods;
- f. eliminate or ameliorate existing environmental deficiencies, including substandard vehicular circulation and parking system, inadequate infrastructure, insufficient off-street parking, and other similar public deficiencies adversely affecting the Project Areas; and,
- g. promote new and continuing private sector investment within the Project Area to prevent the loss of existing and to facilitate the increase of commercial sales activity.

As shown on pages 17 through 21 of the Implementation Plan adopted pursuant to Section 33490, the proposed public improvements shown on the exhibit attached to the Agreement are consistent with the goals and objectives that the Agency has in each Project Area.

4. Redevelopment Purpose For Which Tax Increment Revenues Are Being Used To Pay For The Improvements.

The Financing Agreement between the Agency and the City will advance the redevelopment purpose of revitalizing the Project Areas and stimulating private sector development in the Project Areas. As described in Part III (A) above, there are certain public improvements that are needed within each of the Project Areas. As described in Part III (B) above, the benefits to be provided to the Project Areas and immediate

neighborhoods by the construction of these public improvements are at risk of not materializing without Agency funding. As described in Part III (C) above, the proposed public improvements will eliminate one or more blighting condition within the Project Areas and as a result, the Financing Agreement will advance the redevelopment purposes of the Agency.

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RESOLUTION NO. 95-47

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SEASIDE
MAKING FINDINGS REQUIRED BY HEALTH AND SAFETY CODE
SECTION 33445, AGREEING TO MAKE A LOAN TO THE
REDEVELOPMENT AGENCY FOR ADMINISTRATIVE COSTS AND
AGREEING TO ENTER INTO A FINANCING AGREEMENT WITH THE
REDEVELOPMENT AGENCY

WHEREAS, the City Council of the City of Seaside (the "City Council") adopted the Gateway Redevelopment Plan on January 12, 1967; the Gateway Auto Center Expansion Redevelopment Plan on July 6, 1989; the Del Monte Heights Redevelopment Plan on January 10, 1963; the Noche Buena Redevelopment Plan on March 31, 1960; the Hannon Redevelopment Plan on January 21, 1965; the Laguna Grande Redevelopment Plan on January 22, 1970 and the City Center Redevelopment Plan on June 20, 1991 (collectively the "Redevelopment Plans") which grant to the Redevelopment Agency of the City of Seaside (the "Agency") redevelopment powers in the project areas designated in each Redevelopment Plan (the "Project Areas"); and

WHEREAS, the Agency is vested with responsibility pursuant to the Community Redevelopment Law (Part I of Division 24 of the Health and Safety Code of the State of California) (the "Law") to implement the Redevelopment Plans in the Project Areas; and

WHEREAS, the Redevelopment Plans provide for the use of the redevelopment process to assist in financing certain public improvements in the Project Areas as more particularly described in Exhibit A to this resolution attached hereto and incorporated herein (the "Public Improvements"); and

WHEREAS, the Agency and the City will each benefit from the timely completion of the Public Improvements and desire to work cooperatively to achieve that end; and

WHEREAS, the City possesses the administrative and legal resources and capability to assist the Agency in implementing the objectives of the Redevelopment Plans with regards to the Public Improvements and the City is prepared to make such administrative and legal resources and capability available to the Agency; and

WHEREAS, the Agency and the City desire to enter into that certain Financing Agreement, a copy of which is attached to this Resolution as Exhibit B which provides for the City to administer the activities necessary to install the Public Improvements and

for the Agency to advance to the City costs associated with the Public Improvements in the amounts specified in the Financing Agreement; and

WHEREAS, a staff report has been prepared and considered by the City Council and the Agency and has been made available to the public (the "Staff Report", a copy of which is attached to this Resolution as Exhibit C), which (1) sets forth facts supporting the findings made in this Resolution pursuant to Section 33445 of the Law, and (2) sets forth the redevelopment purposes to be served by the proposed expenditure for the Public Improvements; and

WHEREAS, pursuant to Section 33445 of the Law, the Agency may, with the consent of the City Council pay part or all of the cost of installation of the Public Improvements, if the City Council makes certain specified findings; and

WHEREAS, the Agency is vested with the responsibility for administering the Redevelopment Plans; and

WHEREAS, the City and the Agency have determined that it is in the best interest of the City and the Agency to consider the amendment of the Redevelopment Plans to extend certain limits for completion of redevelopment activities; and

WHEREAS, the City and the Agency have determined that it is in the best interest of the City and the Agency to consider merging the Project Areas pursuant to Health and Safety Code Section 33485 et seq.; and

WHEREAS, the City has agreed to loan the Agency funds (the "City Loan") for the purpose of paying administrative costs associated with the Redevelopment Plans and funding the activities of the Agency with regards to the merger of the Project Areas and the amendment of the Redevelopment Plans until such time as the Agency receives tax increment funds for these purposes pursuant to the terms of the Financing Agreement.

NOW, THEREFORE, based on the information presented to the City Council and the Agency, including the information in the Staff Report, and in compliance with Section 33445 of the Law, the City Council hereby resolves as follows:

1. All of the above recitals are true and correct, and the City Council has based the findings and actions set forth in this Resolution, in part, on such recitals.

2. The City Council hereby finds and determines that (a) completion of the Public Improvements in or for each of the

Project Areas will be of benefit to that Project Area; (b) no other reasonable means of financing the Public Improvements to be funded by the Agency is available to the community; and (c) payment of the costs for the Public Improvements in each Project Area will assist in the elimination of one or more blighting conditions in the Project Area for which the Public Improvements are developed and is consistent with the Agency's implementation plan adopted for the Project Areas.

3. The City Council hereby consents to the expenditure by the Agency of \$9,872,000 of Tax Increment Revenue for the purpose of undertaking the Public Improvements, such amount being subject to adjustment from time to time in the manner provided in the Financing Agreement.

4. The City Council hereby agrees to make the City Loan to the Agency for administrative costs associated with the Redevelopment Plans and the amendment and merger of the Redevelopment Plans under the terms and conditions set forth in the Financing Agreement.

5. The City Manager is hereby authorized and directed to execute the Financing Agreement in substantially the form attached to this Resolution on behalf of the City and to take such other actions as are necessary to implement the provisions of the Financing Agreement.

6. The attached Exhibits A, B, and C are incorporated in this Resolution by this reference.

7. This Resolution shall take immediate effect from and after its passage and approval.

Passed and adopted at a Regular Meeting of the City Council of the City of Seaside held on fifteenth day of June, 1995, by the following vote:

AYES: Councilmembers: Choates, Foreman, Mancini, Jordan

NOES: Councilmembers: None

ABSENT: Councilmembers: None

ABSTAIN: Councilmembers: Rucker

SO ORDERED:

ATTEST


Arlene Soto, City Clerk


DON R. JORDAN, Mayor

**STAFF REPORT REGARDING THE ADOPTION OF A RESOLUTION
ON THE PROPOSED FINANCING AGREEMENT AND THE NECESSARY FINDINGS
PURSUANT TO SECTION 33445 OF THE STATE OF CALIFORNIA HEALTH AND SAFETY CODE**

I. Summary Of The Proposed Financing Agreement

The Redevelopment Agency of the City of Seaside (the "Agency") and the City of Seaside (the "City") are proposing to enter into a Financing Agreement (the "Agreement") regarding the funding of certain public improvements related to the Agency's redevelopment projects: Gateway, Laguna Grande, Gateway Auto Center Expansion, City Center, Hannon, Del Monte Heights, and Noche Buena Redevelopment Projects (the "Projects").

Under the Agreement, the City would advance to the Agency a City Loan for the purpose of paying for administering the Redevelopment Plans (as detailed on Exhibit A to the Agreement) and the activities of the Agency with regards to the merger of the Project Areas (as detailed on Exhibit B to the Agreement) until such time as the Agency receives tax increment funds for these purposes. The Agency would repay the City Loan to the City using tax increment revenue from the respective Project Areas for which the City Loan proceeds were expended.

In addition, pursuant to the Agreement, the City would provide for all local actions required for the implementation of certain public improvements (as detailed on Exhibit C to the Agreement), on behalf of the Agency. In turn, the Agency would pay, from specified revenues, certain amounts that are necessary to meet the costs of the Public Improvements to the City. Pursuant to Section 33445 of the State of California Health and Safety Code, the Agency and the City must make certain findings in reference to the funding of public improvements. These findings are summarized below.

II. Summary of Findings Pursuant to Section 33445 of the Health and Safety Code

Pursuant to Health and Safety Code Section 33445, the Agency is authorized, with the consent of City Council, to pay all or a part of the cost of construction of any improvement which is publicly owned either within or without the project areas. The Agency and City Council must determine (a) that the public improvements are of benefit to the Project Area or to the immediate neighborhood in which the improvements are located, (b) that no other reasonable means of financing the public improvements are available to the community, and (c) that assisting in the development of the public improvements will assist in the elimination of one or more blighting conditions inside the Project Area and is consistent with the implementation plan adopted pursuant to Section 33490 of the Community Redevelopment Law ("CRL").

A. Estimate Of The Amount Of Tax Increment To Be Used By The Agency For The Construction of Public Improvements

Under the proposed Agreement, the Agency would estimate the amount of tax increment to be used by the Agency for the Construction of Public Improvements from time to time and this amount would be shown on Exhibit C and attached to the Agreement. Pursuant to the Agreement, by not later than September 1 of each Fiscal Year, the Agency and the City shall meet and confer to determine the estimated amount of tax increment revenue to be paid to the City by the Agency for costs of improvement with respect to each Project Area for that Fiscal Year. The Agency would then pay to the City, by not later than the last day of each Fiscal Year, the tax increment revenue necessary for the public improvements from each Project Area for that Fiscal Year. Based on the Agency's estimate of the cost of construction of the applicable public improvements the amount of tax increment to be used by the Agency for the construction of proposed public improvements is summarized below by Project Area.

| | | | | | | | |
|----------------|---------------------|----------------------|----------------|---------------|------------------|--------------------|-----------------|
| | Gateway Auto Ctr | Del Monte Heights | Noche Buena | Hannon | Laguna Grande | City Center | Agency Total |
| <u>Gateway</u> | <u>Expansion</u> | <u>Heights</u> | <u>Buena</u> | <u>Hannon</u> | <u>Grande</u> | <u>City Center</u> | <u>Agency</u> |
| 1,121,905 | 1,139,571 | 1,359,571 | 794,571 | 1,131,571 | 901,905 | 3,413,905 | \$9,872,000 |

B. Facts Supporting The Findings To Be Made Pursuant To Health And Safety Code Section 33445.

1. Facts Supporting The Finding That The Improvements Are Of Benefit To The Project Areas Or The Immediate Neighborhoods In Which the Projects Are Located.

a. Public Improvements For All Project Areas -

Certain public improvements have been proposed for all of the Agency's seven redevelopment Project Areas. These include studies of north/south corridors of the Project Areas, surveys of travel time and speed, and the digitalization of Project Area parcels into base maps. Each of these projects will be of benefit to the public improvement system of the Project Areas and immediate neighborhoods by providing a more efficiently designed and monitored traffic and infrastructure system. In addition, these projects will enable the City to deliver services in a faster and more efficient manner by not only managing today's needs, but also identifying tomorrow's.

b. Gateway Redevelopment Project -

Construction of the improvements to the Seaside Motor City are the cornerstone of the Agency's strategy for redevelopment of the Gateway Project. To keep the Seaside Motor City's competitive edge, the Agency proposes certain improvements to make the area more attractive and to mitigate the inadequate storage-parking for auto dealers within the Gateway Project. The ability of the Agency to attract new investors and to encourage existing businesses and surrounding property owners to maintain and reinvest in their properties in many ways depends on the success of the Seaside Motor City. The Agency proposes the installation of handicap ramps along certain portions of Fremont Boulevard. The Project Area will benefit through improved accessibility to the disabled.

c. Gateway Auto Center Expansion Redevelopment Project -

The Agency's objective for the Gateway Auto Center Expansion Project is to encourage the development of auto dealerships in the Project Area that would build upon the Seaside Motor City's market. As a result, the Agency is proposing the street improvements along Del Monte Boulevard to improve access to properties along the boulevard and thereby make the Project Area more attractive to prospective dealerships. The proposed traffic signalization of Del Monte Boulevard and Fremont will benefit the Project Area through improved traffic flow and safety.

d. Del Monte Heights Redevelopment Project -

Currently, the street system in the Del Monte Heights Project are not connected to the streets located within the boundaries of Fort Ord. To mitigate this infrastructure deficiency, the Agency is proposing street improvements on Hilby Avenue and La Salle Avenue that will connect

the respective streets directly to Fort Ord. Through this proposed public improvement, the Project Area will benefit from improved traffic circulation and improved access to new facilities to be located at Fort Ord. The Agency has proposed the funding of improvements to Oldemeyer Park, baseball/soccer fields at King Middle School and basketball courts at certain parks in the Project Area and nearby neighborhoods. The upgrading and renovation of recreational uses will greatly benefit the Project Area, because parks provide a recreational amenity for the daytime population as well as for the weekend population found in the surrounding residential neighborhoods of the Project Area. The City of Seaside generates and maintains a portion of the water needs for their City's population. The City's water well, which is located in the Del Monte Heights Redevelopment Project, provides water services the Del Monte Heights and Hannon Projects as well as neighborhoods immediately north. As a result, the improvements of this well will directly benefit the Project Area by continued and improved water quality.

e. Noche Buena Redevelopment Project -

As mentioned above, the Agency has proposed the funding of certain improvements to Oldemeyer Park. This park is utilized by the residents of the Noche Buena Project as well as the immediate neighborhoods. Noche Buena is primarily a residential project and includes the Noche Buena School. The funding of the proposed public improvements will allow for the installation of horse shoe pit lights and parking lot lights. Parks in a residential and school neighborhood benefit to the Project Area by providing a safe and enjoyable environment for recreational uses. The Project Area will benefit even further from the safety that additional lighting will provide to Oldemeyer Park.

f. Hannon Redevelopment Project -

As mentioned previously, the City of Seaside water wells service the Hannon Redevelopment Project. As a result, the Agency's proposed improvements to the wells are of direct benefit to the Project and the immediate neighborhoods. In addition, the Agency proposes to fund certain improvements to the Vallejo Street storm drain. The construction of certain improvements to the storm drain will mitigate the current flooding problems often experienced within the Project Area. Cutino Park is located in the boundaries of the Hannon Project. The proposed funding of a warning track and fence will increase the safety of the park for residents in the Project Area and surrounding neighborhoods. La Salle Avenue runs across the north perimeter of the Hannon Project. The Agency is proposing the funding of certain street improvements that will benefit the Project Area and surrounding neighborhoods as the street conditions improve and the traffic safety is increased.

- g. **Laguna Grande Redevelopment Project -**
The proposed public improvements, such as the construction of handicap ramps along Fremont Boulevard, are aimed at improving the quality of the Laguna Grande Project's physical environment. Kimball Avenue is located directly outside the boundaries of the Laguna Grande Project, but the street improvements proposed by the Agency on Kimball Avenue will improve the accessibility of the Laguna Grande Project. The direct benefit will accrue to the Project Area because the revitalization of the street will assist in the Agency's effort to attract commercial and in particular visitor-oriented commercial uses to the Project Area.
- h. **City Center Redevelopment Project -**
The Agency's objective for this Project Area is, among other things, to develop neighborhood serving commercial uses that are of benefit to the Project Area. The Agency proposes to attract these uses by improving the infrastructure of the area and completing the reconstruction and rehabilitation of the Broadway Avenue. Seen as a primary gateway in the City of Seaside, Broadway Avenue's enhancement is meant to serve as a catalyst toward the revitalization of the entire City Center Project. The Agency is aiming to attract new businesses as well as support the existing businesses through a rehabilitation of the infrastructure. In addition, improvements are proposed for the intersection of Fremont and Del Monte Boulevard, which is located within the boundaries of the Project Area. Based on reported storm drain deficiencies in the Project Area, the Agency is proposing certain improvements to the Hamilton/Trinity and Laguna Street storm drains. The Project Area and surrounding neighborhoods will directly benefit from the mitigation of flooding tendencies in the area.

2. **Facts Supporting The Finding That There Are No Other Reasonable Means Of Financing The Improvements Available To The City.**

The City of Seaside 1994-95 Six Year Capital Improvement Program identifies approximately \$34 million of improvements needed throughout the City. The City has attempted to secure all customary resources for public improvements identified in the Program: coastal conservancy and EDA grants, gas tax revenue, state energy loans, developer contributions, Community Development Block Grant funds, water enterprise and assessment district revenues, Proposition 116 funds, and other sources of revenue. These resources are inadequate to cover the full cost of the public improvements identified in the Capital Improvement Program and as a result, approximately \$20 million in improvements are designated as Unfunded. Of this Unfunded amount, approximately \$10 million in public improvements are located in or near the Project Areas. Although these improvements are needed and will benefit the Project Areas greatly, they cannot be funded by the City due to the lack of available resources.

The Agency, in order to promote the benefits discussed in Section III (A) above, has approached the City and offered to fund the proposed public improvement projects that are located in or near the Redevelopment Project Areas. As discussed earlier, the City has determined that it cannot provide additional funds without reducing funding of essential City activities. Thus the Agency's

participation is the only reasonable means of financing these proposed public improvements for each Project Area.

3. Facts Supporting The Finding That Assisting The Development Of The Public Improvements Will Assist In The Elimination Of One Or More Blighting Conditions Inside Each Of Project Area And Is Consistent With The Implementation Plans.

Assisting the development of the public improvements will assist in the elimination of blighting conditions found in each of the Project Areas because it will do the following:

- a. provide public improvements as needed, which cannot be funded by private governmental action without redevelopment;
- b. mitigate the age, obsolescence and deterioration of the infrastructure of the Project Areas;
- c. encourage and ensure the building and development of certain areas so as to eliminate the prevalence of depreciated values, impaired investments and economic maladjustment;
- d. stimulate economic activity in the Project Areas that is in turn expected to induce private sector investment in and revitalization of the Project Areas;
- e. ensure that the recreational park system serving the Project Areas will have the physical capacity to serve the residents of the Project Areas and surrounding neighborhoods;
- f. eliminate or ameliorate existing environmental deficiencies, including substandard vehicular circulation and parking system, inadequate infrastructure, insufficient off-street parking, and other similar public deficiencies adversely affecting the Project Areas; and,
- g. promote new and continuing private sector investment within the Project Area to prevent the loss of existing and to facilitate the increase of commercial sales activity.

As shown on pages 17 through 21 of the Implementation Plan adopted pursuant to Section 33490, the proposed public improvements shown on the exhibit attached to the Agreement are consistent with the goals and objectives that the Agency has in each Project Area.

4. Redevelopment Purpose For Which Tax Increment Revenues Are Being Used To Pay For The Improvements.

The Financing Agreement between the Agency and the City will advance the redevelopment purpose of revitalizing the Project Areas and stimulating private sector development in the Project Areas. As described in Part III (A) above, there are certain public improvements that are needed within each of the Project Areas. As described in Part III (B) above, the benefits to be provided to the Project Areas and immediate

neighborhoods by the construction of these public improvements are at risk of not materializing without Agency funding. As described in Part III (C) above, the proposed public improvements will eliminate one or more blighting condition within the Project Areas and as a result, the Financing Agreement will advance the redevelopment purposes of the Agency.

EXHIBIT A

| | Gateway | Gateway Auto Cntr Expansio | Del Monte Heights | Noche Buena | Hannon | Laguna Grande | City Center | Total |
|-------------------------------------------------------------|-----------|-------------------------------|----------------------|-------------|-----------|---------------|-------------|-------------|
| <u>PUBLIC IMPROVEMENTS</u> | | | | | | | | |
| Fremont Blvd Handicap Ramps | 83,333 | | | | | 83,333 | 83,333 | 250,000 |
| Broadway Reconstruction | | | | | | | 1,768,000 | 1,768,000 |
| Seaside Motor City Complete Rehabilitation | 225,000 | | | | | | | 225,000 |
| Seaside Motor City Curb, Gutter and Sidewalk | 15,000 | | | | | | | 15,000 |
| Seaside Motor City Pylon Signs | 40,000 | | | | | | | 40,000 |
| Seaside Motor City Fountain Landscaping | 15,000 | | | | | | | 15,000 |
| Citywide North/South Corridor Study | 725,000 | 725,000 | 725,000 | 725,000 | 725,000 | 725,000 | 725,000 | 5,075,000 |
| Broadway Gate Road Improvements | | | | | | | 44,000 | 44,000 |
| Hilby Ave Connection Road Improvements | | | 33,000 | 33,000 | | | | 66,000 |
| La Salle Ave Connection Road Improvements | | | 33,000 | | 33,000 | | | 75,000 |
| Kimball Ave Connection Road Improvements | | | | | | 75,000 | | 75,000 |
| Hamilton/Trinity Storm Drain | | | | | | | 30,000 | 30,000 |
| Vallejo St Area Storm Drain | | | | | 25,000 | | | 25,000 |
| Laguna St Storm Drain Extension | | | | | | | 25,000 | 25,000 |
| Traffic Signalization at Del Monte and Fremont | | 396,000 | | | | | | 396,000 |
| Intersection Improvements at Fremont and Broadway | | | | | | | 720,000 | 720,000 |
| Citywide Travel Time Study and Speed Survey | 4,286 | 4,286 | 4,286 | 4,286 | 4,286 | 4,286 | 4,286 | 30,000 |
| Citywide Digitalize Parcels into Base Map | 14,286 | 14,286 | 14,286 | 14,286 | 14,286 | 14,286 | 14,286 | 100,000 |
| Oldemeyer Horse Shoe Pit Lights | | | 10,500 | 10,500 | | | | 21,000 |
| Oldemeyer Addn'l Parking Lot Lights | | | 7,500 | 7,500 | | | | 15,000 |
| Baseball/Soccer Fields at King Middle School | | | 162,000 | | | | | 162,000 |
| Basketball Courts at Hightland, Martin and Cunningham Parks | | | 40,000 | | | | | 40,000 |
| Warning Track and Fence at Cutino Park | | | | | 15,000 | | | 15,000 |
| Automatic Valves at Water Storage Tanks | | | 15,000 | | | | | 15,000 |
| New Well and Connect to System New Water | | | 200,000 | | 200,000 | | | 400,000 |
| Water Transmissions Mains | | | 115,000 | | 115,000 | | | 230,000 |
| | 1,121,905 | 1,139,571 | 1,359,571 | 794,571 | 1,131,571 | 901,905 | 3,413,905 | \$9,872,000 |

FINANCING AGREEMENT

This Financing Agreement (the "Agreement") is entered into as of June 15, 1995, by and between the Redevelopment Agency of the City of Seaside, a public body, corporate and politic (the "Agency") and the City of Seaside, a municipal corporation (the "City"), on the basis of the following facts, intentions and purposes.

RECITALS

A. These Recitals refer to and utilize certain capitalized terms which are defined in Article I of this Agreement. The parties intend to refer to those definitions in connection with the use thereof in this Agreement.

B. Pursuant to the Community Redevelopment Law, the Agency has prepared and the City has adopted the Redevelopment Plans. The Redevelopment Plans provide for the use of the redevelopment process to assist in financing Public Improvements in the Project Areas. Copies of the Redevelopment Plans and the accompanying Reports on the Redevelopment Plans are on file with the Agency Secretary and are incorporated in this Agreement by this reference.

C. The Agency and the City will each benefit from the timely completion of the Public Improvements and desire to work cooperatively to achieve that end. Further, the parties agree that the City possesses the administrative and legal resources and capability to assist the Agency in implementing the objectives of the Redevelopment Plans with regards to the Public Improvements and the City is prepared to make such administrative and legal resources and capability available to the Agency in accordance with the provisions of the Agreement.

D. The City and the Agency have determined that it is in the best interest of the City and the Agency to consider merging the Project Areas pursuant to Health and Safety Code Section 33485 et seq.

E. The City and the Agency have determined that it is in the best interest of the City to consider the amendment of the Redevelopment Plans to extend certain limits for completion of redevelopment activities.

F. The Agency is vested with the responsibility for administering the Redevelopment Plans, including the merger of the Project Areas and the amendment of the Redevelopment Plans.

G. With execution of this Agreement the City is appropriating the City Loan to the Agency for the purpose of administering the Redevelopment Plans and funding the activities of the Agency with regards to the merger of the Project Areas and the amendment of the Redevelopment Plans until such time as the Agency receives tax increment funds for these purposes.

H. The City Loan will be used by the Agency to fund staff time, expenses, overhead costs, consultants contract costs, use of City facilities and other related expenses in the administration of the Redevelopment Plans.

I. In addition, the City and the Agency have entered into this Agreement to provide for implementation by the City, on behalf of the Agency, of all local actions required to complete the Public Improvements and for payment by the Agency of specified revenues and bond proceeds that are necessary to meet the costs of the Public Improvements and to provide for the City Loan for administrative purposes.

J. The City Council pursuant to Resolution No. _____ adopted on _____, 1995 has determined in accordance with Health and Safety Code Section 33445 that (i) the Public Improvements in each Project Area are of benefit to the Project Area or the area surrounding the Project Area; (ii) that no other reasonable means of financing the Public Improvements is available to the community and (iii) payment of the costs for the Public Improvements in each Project Area will assist in the elimination of one or more blighting conditions in the Project Area for which the Public Improvements are developed and is consistent with the implementation plan adopted for each Project Area.

NOW, THEREFORE, the City and the Agency agree as follows:

ARTICLE 1

DEFINITIONS

Section 1.1 General Definitions.

The following general definitions shall govern this Agreement:

(a) "Agency" means the Redevelopment Agency of the City of Seaside, California.

(b) "Agreement" means this Financing Agreement.

(c) "City" means the City of Seaside, California.

(d) "City Loan" means the advances of funds made by the City on behalf of the Agency to pay for General Administrative Costs for each of the Redevelopment Plans and Merger Amendment Costs.

(e) "Community Redevelopment Law" means the California Community Redevelopment (Health and Safety Code Section 33000 et seq.)

(f) "Fiscal Year" means the period commencing on July 1 and ending the following June 30.

(g) "General Administrative Costs" means the Agency's reasonable costs related to accounting, reporting, statutory compliance, conduct of Agency meetings, administration of this Agreement, the Fiscal Agreements, statutory pass-through payments and other similar matters necessary for the general administration of the Redevelopment Plans in the amounts set forth in Exhibit A, attached hereto and incorporated herein, which Exhibit may be amended from time to time.

(h) "Fiscal Agreements" means any fiscal agreements entered into by the Agency with affected taxing agencies pursuant to former Health and Safety Code Section 33401 in connection with the adoption of any of the Redevelopment Plans.

(i) "Housing Fund" means the Agency's Low and Moderate Income Housing Fund established pursuant to Health and Safety Code Section 33334.3, into which the Agency is required to make annual deposits pursuant to Health and Safety Code Sections 33334.2 and 33334.6.

(j) "Merger Administrative Costs" means the costs of preparing the merger amendment of the Redevelopment Plans and the amendments to the Redevelopment Plans, including staff time, consultants' contract costs, legal costs and other related expenses, as such costs are set forth in Exhibit B, attached hereto and incorporated herein, which Exhibit may be amended from time to time.

(k) "Net Public Improvements Tax Increment Revenue" for a given Fiscal Year means Tax Increment for that Fiscal Year received by the Agency from the County Auditor- Controller less the sum of the following amounts for that Fiscal Year:

- (i) the amount owed by the Agency to the County pursuant to the provisions of Revenue and Taxation Code Section 97 (or any successor statute) for property tax collection services;
- (ii) the deposits to the Housing Fund required pursuant to Health and Safety Code Sections 33334.2 and 33334.6;
- (iii) any other payments mandated to be made by the Agency pursuant to the Community Redevelopment Law or other applicable statute;
- (iv) the amounts required to be paid by the Agency pursuant to the terms of the Fiscal Agreements or the terms of Health and Safety Code Section 33607.7 (regarding statutory pass-through payments);
- (v) the amount required to repay the City Loan; and
- (vi) payments by the Agency of principal, interest, and any other amounts due during the Fiscal Year, and any prepayments of principal or interest (including premiums paid thereon) made during the Fiscal Year, with respect to any indebtedness or other costs issued or incurred by the Agency for the purpose of financing or refinancing the activities of the Redevelopment Plans which is in whole or in part payable from or secured by a pledge of Tax Increment Revenue from the Project Areas.

(l) "Project Areas" means for each Redevelopment Plan the area over which the Agency has redevelopment authority.

(m) "Public Improvements" means the public improvements to be undertaken for the benefit of each Project Area listed in Exhibit C attached hereto and incorporated herein, which may be amended from time to time. Exhibit C list the applicable Public Improvements and the allocable share of each Public Improvements by representing the proportional benefit of such Public Improvement to the applicable Project Area.

(n) "Redevelopment Plans" means collectively the Gateway Redevelopment Plan adopted by the City on January 12, 1967; the Gateway Auto Center Expansion Redevelopment Plan adopted by the City on July 6, 1989; the Del Monte Heights Redevelopment Plan adopted by the City on January 10, 1963; the Noche Buena Redevelopment Plan adopted by the City on March 31, 1960; the Hannon Redevelopment Plan adopted by the City on January 21, 1965; the Laguna Grande Redevelopment Plan adopted by the City on January 22, 1970; and the City Center Redevelopment Plan adopted

by the City on June 20, 1991, as such Plans may be amended from time to time.

(o) "Tax Increment Revenue" means those taxes which the Agency is entitled to claim and have allocated to it pursuant to the provisions of the Redevelopment Plans.

ARTICLE 2

CITY LOAN

Section 2.1 City Loan.

The City hereby agrees to advance to the Agency the City Loan for the purpose of paying General Administrative Costs and Merger Administrative Costs. The City shall advance the City Loan to the Agency from time to time in amounts necessary to pay the General Administrative Costs and the Merger Administrative Costs as such costs are incurred by the Agency. In the event the City disburses additional funds for the payment of General Administrative Costs or Merger Administrative Costs, such funds shall be added to the principal balance of the City Loan and shall become a debt of the Agency and Exhibit A and Exhibit B shall be amended to reflect these additional costs.

Section 2.2 Loan Repayment.

(a) Loan Repayment Terms. The Agency hereby agrees to repay the City Loan to the City using Tax Increment Revenue from the respective Project Areas for which the City Loan proceeds were expended to pay General Administrative Costs and/or Merger Administrative Costs. The City Loan shall bear interest at the rate of one percent (1%) per annum above the reference rate charged by Wells Fargo Bank, San Francisco, California from time to time. The outstanding principal balance of the City Loan shall bear interest from the date loan funds were advanced by the City on behalf of the Agency until such time as the City Loan is paid in full. In the event the Tax Increment Revenues from any Project Area are insufficient to repay the portion of the City Loan used for General Administrative Costs or Merger Administrative Costs for that Project Area, the Agency is under no obligations to the City to make such repayment from any other funds or resources it may have or acquire.

(b) Term. The Term of the City Loan shall begin as of the date of this Agreement and shall continue until the full amount of the City Loan with interest is repaid.

ARTICLE 3

PUBLIC IMPROVEMENTS

Section 3.1 City Obligations.

(a) General. The City shall perform, on the Agency's behalf, all local actions under the Redevelopment Plans necessary to design, acquire, install and construct the Public Improvements in a timely manner, including but not limited to: acquisition of right-of-way; utility relocations; preconstruction activities including environmental reviews and mitigation, engineering studies, traffic studies and surveys; demolitions; site preparation; and construction. Prior to undertaking any Public Improvements, the City shall be responsible for conducting any environmental reviews necessary under State law.

(b) Applications of Funds. To meet its obligations under this Section 3.1, the City shall apply the Net Public Improvements Tax Increment Revenue from a specific Project Area paid by the Agency to the City pursuant to this Agreement for Public Improvements in or of benefit to that Project Area. All payments received by the City from the Agency shall be used for the purpose of financing the Public Improvements and until so used shall be invested in the same manner the City may invest other City revenues.

Section 3.2 Agency Payments.

The Agency shall pay to the City, by not later than the last day of each Fiscal Year, the Net Public Improvements Tax Increment Revenue from each Project Area for that Fiscal Year. By not later than September 1 of each Fiscal Year, the Agency and the City shall meet and confer to determine the estimated amount of the Net Public Improvement Tax Increment Revenue with respect to each Project Area for that Fiscal Year, and the Agency shall report on its annual statement of indebtedness for the respective Project Area prepared pursuant to Health and Safety Code Section 33675 such estimated amounts as the amount payable by the Agency under this Section 3.2 for that Fiscal Year.

Section 3.3 Term.

This Article 3 shall control the rights and obligations of the parties with regard to the Public Improvements from execution of this Agreement until the earlier to occur of the following:

(a) Completion of and payment in full for the Public Improvements; or

(b) Last day for receipt of Tax Increment Revenue by the Agency under the Redevelopment Plans.

Section 3.4 Records and Inspection.

The City shall maintain adequate books and records regarding its activities pursuant to this Agreement, including, without limitation, records of all receipts, investments and expenditures of funds received from the Agency and from all other sources for purposes of completing the Public Improvements. Such books and records shall be available for inspection by the officers and agents of the Agency at all reasonable times. Within ninety (90) days after the end of each Fiscal Year and concurrently with termination of this Agreement, the City shall provide to the Agency an accounting of the use of the funds received from the Agency and from all other sources for purposes of completing the Public Improvements.

ARTICLE 4.

GENERAL PROVISIONS

Section 4.1 Indebtedness of Agency.

The obligations of the Agency to make payments to the City as specified in this Agreement shall constitute indebtedness of the Agency incurred in carrying out the activities under the Redevelopment Plans and a pledge of Tax Increment Revenue from the respective Project Areas to repay such indebtedness under the provisions of Section 16 of Article XVI of the Constitution of the State of California and under the Community Redevelopment Law. The indebtedness created by this Agreement is separate from and in addition to any prior debts the Agency may have incurred to the City with respect to loans, advances or services made or provided to the Agency in any Fiscal Year prior to Fiscal Year 1994-95.

The obligations of the Agency to make payments to the City as specified in this Agreement are expressly subordinated to any and all payments necessary to satisfy the Agency's obligations in connection with bonded indebtedness secured in whole or in part by an Agency pledge of Tax Increment Revenue. The City Manager, on behalf of the City, shall execute such documents as may be required to evidence the subordination of payments provided for in this Agreement.

Section 4.2 Default.

Failure or delay by either party to perform any term or provision of this Agreement constitutes a default under this Agreement. The injured party shall give written notice of default to the defaulting party and no action may be instituted against the defaulting party until thirty (30) days after giving such notice. Failure or delay in giving such notice shall not constitute a waiver of default.

Upon receipt of written notice of default, the defaulting party must immediately commence to cure, correct, or remedy such default and shall complete such cure, correction or remedy with reasonable diligence. If the defaulting party fails to cure, correct or remedy the default within thirty (30) days of receipt of the written notice of default, the injured party may exercise any rights at law or in equity to remedy the default.

Section 4.3 Title of Parts and Sections.

Any title of the parts, sections or subsections of this Agreement is intended for convenience of reference only and shall be disregarded in construing or interpreting any part of its provisions.

Section 4.4 Applicable Law.

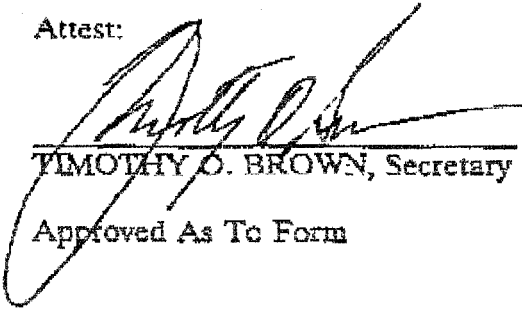
The laws of the State of California shall govern the interpretation of this Agreement.

Section 4.5 Severability.

If any provision of this Agreement is determined to be unenforceable for any reason, it shall be adjusted rather than voided, if possible, to achieve the intent of the parties. In any event, all other provisions shall be deemed valid and enforceable to the greatest extent possible.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

Attest:


TIMOTHY O. BROWN, Secretary
Approved As To Form

REDEVELOPMENT AGENCY OF THE
CITY OF SEASIDE


DON R. JORDAN, Chairperson


DONALD G. FREEMAN, Legal Counsel

Attest:


ARLENE SOTO, City Clerk

CITY OF SEASIDE


DON R. JORDAN, Chairperson

Approved As To Form:


DONALD G. FREEMAN, City Attorney

EXHIBIT A

| GENERAL ADMINISTRATIVE COSTS | Gateway | Gateway Auto Cntr Expansio | Del Monte Heights | Noche Buena | Hannon | aguna Grand | City Center | Total |
|----------------------------------|---------|-------------------------------|----------------------|-------------|--------|-------------|-------------|-----------|
| Employee Services | 13,191 | 13,191 | 13,191 | 13,191 | 13,191 | 13,191 | 13,191 | 92,340 |
| Legal Services | 1,429 | 1,429 | 1,429 | 1,429 | 1,429 | 1,429 | 1,429 | 10,000 |
| Accounting and Audit | 714 | 714 | 714 | 714 | 714 | 714 | 714 | 5,000 |
| Training & Education | 29 | 29 | 29 | 29 | 29 | 29 | 29 | 200 |
| Consultant | 4,041 | 4,041 | 6,091 | 6,091 | 6,091 | 9,295 | 4,041 | 28,290 |
| Copy/Mail Machine | 153 | 153 | 153 | 153 | 153 | 153 | 153 | 1,070 |
| Typewriter | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 350 |
| Outside Printing Service | 71 | 71 | 71 | 71 | 71 | 71 | 71 | 500 |
| Publising & Legal Advertisements | 143 | 143 | 143 | 143 | 143 | 143 | 143 | 1,000 |
| Meetings & Travels | 214 | 214 | 214 | 214 | 214 | 214 | 214 | 1,500 |
| Books and Periodicals | 71 | 71 | 71 | 71 | 71 | 71 | 71 | 500 |
| Employee Auto Reimbursement | 86 | 86 | 86 | 86 | 86 | 86 | 86 | 600 |
| Miscellaneous | 2,203 | 2,203 | 2,203 | 2,203 | 2,203 | 2,203 | 2,203 | 15,420 |
| | 22,396 | 22,396 | 24,446 | 24,446 | 24,446 | 27,649 | 22,396 | \$156,770 |

EXHIBIT B

| <u>MERGER ADMINISTRATIVE COSTS</u> | <u>Gateway</u> | <u>Gateway Auto Cntr Expansio</u> | <u>Del Monte Heights</u> | <u>Noche Buena</u> | <u>Hannon</u> | <u>aguna Grand</u> | <u>City Center</u> | <u>Total</u> |
|------------------------------------|----------------|---------------------------------------|------------------------------|--------------------|---------------|--------------------|--------------------|--------------|
| Legal Services | 571 | 571 | 571 | 571 | 571 | 571 | 571 | 4,000 |
| Redevelopment Consultant | 3,143 | 3,143 | 3,143 | 3,143 | 3,143 | 3,143 | 3,143 | 22,000 |
| | 3,714 | 3,714 | 3,714 | 3,714 | 3,714 | 3,714 | 3,714 | \$26,000 |

EXHIBIT C

| | Gateway | Gateway Auto Cntr Expansio | Del Monte Heights | Noche Buena | Hannon | Laguna Grande | City Center | Total |
|--------------------------------------------------------------|-----------|-------------------------------|----------------------|-------------|-----------|---------------|-------------|-------------|
| PUBLIC IMPROVEMENTS | | | | | | | | |
| Fremont Blvd Handicap Ramps | 83,333 | | | | | 83,333 | 83,333 | 250,000 |
| Broadway Reconstruction | | | | | | | 1,768,000 | 1,768,000 |
| Seaside Motor City Complete Rehabilitation | 225,000 | | | | | | | 225,000 |
| Seaside Motor City Curb, Gutter and Sidewalk | 15,000 | | | | | | | 15,000 |
| Seaside Motor City Pylon Signs | 40,000 | | | | | | | 40,000 |
| Seaside Motor City Fountain Landscaping | 15,000 | | | | | | | 15,000 |
| Citywide North/South Corridor Study | 725,000 | 725,000 | 725,000 | 725,000 | 725,000 | 725,000 | 725,000 | 5,075,000 |
| Broadway Gate Road Improvements | | | | | | | 44,000 | 44,000 |
| Hilby Ave Connection Road Improvements | | | 33,000 | 33,000 | | | | 66,000 |
| La Salle Ave Connection Road Improvements | | | 33,000 | | 33,000 | | | 75,000 |
| Kimball Ave Connection Road Improvements | | | | | | 75,000 | | 75,000 |
| Hamilton/Trainity Storm Drain | | | | | | | 30,000 | 30,000 |
| Vallejo St Area Storm Drain | | | | | 25,000 | | | 25,000 |
| Laguna St Storm Drain Extension | | | | | | | 25,000 | 25,000 |
| Traffic Signalization at Del Monte and Fremont | | 396,000 | | | | | | 396,000 |
| Intersection Improvements at Fremont and Broadway | | | | | | | 720,000 | 720,000 |
| Citywide Travel Time Study and Speed Survey | 4,286 | 4,286 | 4,286 | 4,286 | 4,286 | 4,286 | 4,286 | 30,000 |
| Citywide Digitalize Parcels into Base Map | 14,286 | 14,286 | 14,286 | 14,286 | 14,286 | 14,286 | 14,286 | 100,000 |
| Oldemeyer Horse Shoe Pit Lights | | | 10,500 | 10,500 | | | | 21,000 |
| Oldemeyer Addn'l Parking Lot Lights | | | 7,500 | 7,500 | | | | 15,000 |
| Baseball/Soccer Fields at King Middle School | | | 162,000 | | | | | 162,000 |
| Basketball Courrts at Hightland, Martin and Cunningham Parks | | | 40,000 | | | | | 40,000 |
| Warning Track and Fence at Cutino Park | | | | | 15,000 | | | 15,000 |
| Automatic Valves at Water Storage Tanks | | | 15,000 | | | | | 15,000 |
| New Well and Connect to System New Water | | | 200,000 | | 200,000 | | | 400,000 |
| Water Transmissions Mains | | | 115,000 | | 115,000 | | | 230,000 |
| | 1,121,905 | 1,139,571 | 1,359,571 | 794,571 | 1,131,571 | 901,905 | 3,413,905 | \$9,872,000 |

**STAFF REPORT REGARDING THE ADOPTION OF A RESOLUTION
ON THE PROPOSED FINANCING AGREEMENT AND THE NECESSARY FINDINGS
PURSUANT TO SECTION 33445 OF THE STATE OF CALIFORNIA HEALTH AND SAFETY CODE**

I. Summary Of The Proposed Financing Agreement

The Redevelopment Agency of the City of Seaside (the "Agency") and the City of Seaside (the "City") are proposing to enter into a Financing Agreement (the "Agreement") regarding the funding of certain public improvements related to the Agency's redevelopment projects: Gateway, Laguna Grande, Gateway Auto Center Expansion, City Center, Hannon, Del Monte Heights, and Noche Buena Redevelopment Projects (the "Projects").

Under the Agreement, the City would advance to the Agency a City Loan for the purpose of paying for administering the Redevelopment Plans (as detailed on Exhibit A to the Agreement) and the activities of the Agency with regards to the merger of the Project Areas (as detailed on Exhibit B to the Agreement) until such time as the Agency receives tax increment funds for these purposes. The Agency would repay the City Loan to the City using tax increment revenue from the respective Project Areas for which the City Loan proceeds were expended.

In addition, pursuant to the Agreement, the City would provide for all local actions required for the implementation of certain public improvements (as detailed on Exhibit C to the Agreement), on behalf of the Agency. In turn, the Agency would pay, from specified revenues, certain amounts that are necessary to meet the costs of the Public Improvements to the City. Pursuant to Section 33445 of the State of California Health and Safety Code, the Agency and the City must make certain findings in reference to the funding of public improvements. These findings are summarized below.

II. Summary of Findings Pursuant to Section 33445 of the Health and Safety Code

Pursuant to Health and Safety Code Section 33445, the Agency is authorized, with the consent of City Council, to pay all or a part of the cost of construction of any improvement which is publicly owned either within or without the project areas. The Agency and City Council must determine (a) that the public improvements are of benefit to the Project Area or to the immediate neighborhood in which the improvements are located, (b) that no other reasonable means of financing the public improvements are available to the community, and (c) that assisting in the development of the public improvements will assist in the elimination of one or more blighting conditions inside the Project Area and is consistent with the implementation plan adopted pursuant to Section 33490 of the Community Redevelopment Law ("CRL").

A. Estimate Of The Amount Of Tax Increment To Be Used By The Agency For The Construction of Public Improvements

Under the proposed Agreement, the Agency would estimate the amount of tax increment to be used by the Agency for the Construction of Public Improvements from time to time and this amount would be shown on Exhibit C and attached to the Agreement. Pursuant to the Agreement, by not later than September 1 of each Fiscal Year, the Agency and the City shall meet and confer to determine the estimated amount of tax increment revenue to be paid to the City by the Agency for costs of improvement with respect to each Project Area for that Fiscal Year. The Agency would then pay to the City, by not later than the last day of each Fiscal Year, the tax increment revenue necessary for the public improvements from each Project Area for that Fiscal Year. Based on the Agency's estimate of the cost of construction of the applicable public improvements the amount of tax increment to be used by the Agency for the construction of proposed public improvements is summarized below by Project Area.

| | | | | | | | |
|----------------|------------------|----------------|--------------|---------------|---------------|--------------------|--------------|
| | Gateway | | | | | | Agency |
| | Auto Ctr | Del Monte | Noche | | Laguna | | |
| <u>Gateway</u> | <u>Expansion</u> | <u>Heights</u> | <u>Buena</u> | <u>Hannon</u> | <u>Grande</u> | <u>City Center</u> | <u>Total</u> |
| 1,121,905 | 1,139,571 | 1,359,571 | 794,571 | 1,131,571 | 901,905 | 3,413,905 | \$9,872,000 |

B. Facts Supporting The Findings To Be Made Pursuant To Health And Safety Code Section 33445.

1. Facts Supporting The Finding That The Improvements Are Of Benefit To The Project Areas Or The Immediate Neighborhoods In Which the Projects Are Located.

- a. **Public Improvements For All Project Areas -**
Certain public improvements have been proposed for all of the Agency's seven redevelopment Project Areas. These include studies of north/south corridors of the Project Areas, surveys of travel time and speed, and the digitalization of Project Area parcels into base maps. Each of these projects will be of benefit to the public improvement system of the Project Areas and immediate neighborhoods by providing a more efficiently designed and monitored traffic and infrastructure system. In addition, these projects will enable the City to deliver services in a faster and more efficient manner by not only managing today's needs, but also identifying tomorrow's.
- b. **Gateway Redevelopment Project -**
Construction of the improvements to the Seaside Motor City are the cornerstone of the Agency's strategy for redevelopment of the Gateway Project. To keep the Seaside Motor City's competitive edge, the Agency proposes certain improvements to make the area more attractive and to mitigate the inadequate storage-parking for auto dealers within the Gateway Project. The ability of the Agency to attract new investors and to encourage existing businesses and surrounding property owners to maintain and reinvest in their properties in many ways depends on the success of the Seaside Motor City. The Agency proposes the installation of handicap ramps along certain portions of Fremont Boulevard. The Project Area will benefit through improved accessibility to the disabled.
- c. **Gateway Auto Center Expansion Redevelopment Project -**
The Agency's objective for the Gateway Auto Center Expansion Project is to encourage the development of auto dealerships in the Project Area that would build upon the Seaside Motor City's market. As a result, the Agency is proposing the street improvements along Del Monte Boulevard to improve access to properties along the boulevard and thereby make the Project Area more attractive to prospective dealerships. The proposed traffic signalization of Del Monte Boulevard and Fremont will benefit the Project Area through improved traffic flow and safety.
- d. **Del Monte Heights Redevelopment Project -**
Currently, the street system in the Del Monte Heights Project are not connected to the streets located within the boundaries of Fort Ord. To mitigate this infrastructure deficiency, the Agency is proposing street improvements on Hilby Avenue and La Salle Avenue that will connect

the respective streets directly to Fort Ord. Through this proposed public improvement, the Project Area will benefit from improved traffic circulation and improved access to new facilities to be located at Fort Ord. The Agency has proposed the funding of improvements to Oldemeyer Park, baseball/soccer fields at King Middle School and basketball courts at certain parks in the Project Area and nearby neighborhoods. The upgrading and renovation of recreational uses will greatly benefit the Project Area, because parks provide a recreational amenity for the daytime population as well as for the weekend population found in the surrounding residential neighborhoods of the Project Area. The City of Seaside generates and maintains a portion of the water needs for their City's population. The City's water well, which is located in the Del Monte Heights Redevelopment Project, provides water services the Del Monte Heights and Hannon Projects as well as neighborhoods immediately north. As a result, the improvements of this well will directly benefit the Project Area by continued and improved water quality.

e. Noche Buena Redevelopment Project -

As mentioned above, the Agency has proposed the funding of certain improvements to Oldemeyer Park. This park is utilized by the residents of the Noche Buena Project as well as the immediate neighborhoods. Noche Buena is primarily a residential project and includes the Noche Buena School. The funding of the proposed public improvements will allow for the installation of horse shoe pit lights and parking lot lights. Parks in a residential and school neighborhood benefit to the Project Area by providing a safe and enjoyable environment for recreational uses. The Project Area will benefit even further from the safety that additional lighting will provide to Oldemeyer Park.

f. Hannon Redevelopment Project -

As mentioned previously, the City of Seaside water wells service the Hannon Redevelopment Project. As a result, the Agency's proposed improvements to the wells are of direct benefit to the Project and the immediate neighborhoods. In addition, the Agency proposes to fund certain improvements to the Vallejo Street storm drain. The construction of certain improvements to the storm drain will mitigate the current flooding problems often experienced within the Project Area. Cutino Park is located in the boundaries of the Hannon Project. The proposed funding of a warning track and fence will increase the safety of the park for residents in the Project Area and surrounding neighborhoods. La Salle Avenue runs across the north perimeter of the Hannon Project. The Agency is proposing the funding of certain street improvements that will benefit the Project Area and surrounding neighborhoods as the street conditions improve and the traffic safety is increased.

- g. **Laguna Grande Redevelopment Project -**
The proposed public improvements, such as the construction of handicap ramps along Fremont Boulevard, are aimed at improving the quality of the Laguna Grande Project's physical environment. Kimball Avenue is located directly outside the boundaries of the Laguna Grande Project, but the street improvements proposed by the Agency on Kimball Avenue will improve the accessibility of the Laguna Grande Project. The direct benefit will accrue to the Project Area because the revitalization of the street will assist in the Agency's effort to attract commercial and in particular visitor-oriented commercial uses to the Project Area.
- h. **City Center Redevelopment Project -**
The Agency's objective for this Project Area is, among other things, to develop neighborhood serving commercial uses that are of benefit to the Project Area. The Agency proposes to attract these uses by improving the infrastructure of the area and completing the reconstruction and rehabilitation of the Broadway Avenue. Seen as a primary gateway in the City of Seaside, Broadway Avenue's enhancement is meant to serve as a catalyst toward the revitalization of the entire City Center Project. The Agency is aiming to attract new businesses as well as support the existing businesses through a rehabilitation of the infrastructure. In addition, improvements are proposed for the intersection of Fremont and Del Monte Boulevard, which is located within the boundaries of the Project Area. Based on reported storm drain deficiencies in the Project Area, the Agency is proposing certain improvements to the Hamilton/Trinity and Laguna Street storm drains. The Project Area and surrounding neighborhoods will directly benefit from the mitigation of flooding tendencies in the area.

2. **Facts Supporting The Finding That There Are No Other Reasonable Means Of Financing The Improvements Available To The City.**

The City of Seaside 1994-95 Six Year Capital Improvement Program identifies approximately \$34 million of improvements needed throughout the City. The City has attempted to secure all customary resources for public improvements identified in the Program: coastal conservancy and EDA grants, gas tax revenue, state energy loans, developer contributions, Community Development Block Grant funds, water enterprise and assessment district revenues, Proposition 116 funds, and other sources of revenue. These resources are inadequate to cover the full cost of the public improvements identified in the Capital Improvement Program and as a result, approximately \$20 million in improvements are designated as Unfunded. Of this Unfunded amount, approximately \$10 million in public improvements are located in or near the Project Areas. Although these improvements are needed and will benefit the Project Areas greatly, they cannot be funded by the City due to the lack of available resources.

The Agency, in order to promote the benefits discussed in Section III (A) above, has approached the City and offered to fund the proposed public improvement projects that are located in or near the Redevelopment Project Areas. As discussed earlier, the City has determined that it cannot provide additional funds without reducing funding of essential City activities. Thus the Agency's

participation is the only reasonable means of financing these proposed public improvements for each Project Area.

3. Facts Supporting The Finding That Assisting The Development Of The Public Improvements Will Assist In The Elimination Of One Or More Blighting Conditions Inside Each Of Project Area And Is Consistent With The Implementation Plans.

Assisting the development of the public improvements will assist in the elimination of blighting conditions found in each of the Project Areas because it will do the following:

- a. provide public improvements as needed, which cannot be funded by private governmental action without redevelopment;
- b. mitigate the age, obsolescence and deterioration of the infrastructure of the Project Areas;
- c. encourage and ensure the building and development of certain areas so as to eliminate the prevalence of depreciated values, impaired investments and economic maladjustment;
- d. stimulate economic activity in the Project Areas that is in turn expected to induce private sector investment in and revitalization of the Project Areas;
- e. ensure that the recreational park system serving the Project Areas will have the physical capacity to serve the residents of the Project Areas and surrounding neighborhoods;
- f. eliminate or ameliorate existing environmental deficiencies, including substandard vehicular circulation and parking system, inadequate infrastructure, insufficient off-street parking, and other similar public deficiencies adversely affecting the Project Areas; and,
- g. promote new and continuing private sector investment within the Project Area to prevent the loss of existing and to facilitate the increase of commercial sales activity.

As shown on pages 17 through 21 of the Implementation Plan adopted pursuant to Section 33490, the proposed public improvements shown on the exhibit attached to the Agreement are consistent with the goals and objectives that the Agency has in each Project Area.

4. Redevelopment Purpose For Which Tax Increment Revenues Are Being Used To Pay For The Improvements.

The Financing Agreement between the Agency and the City will advance the redevelopment purpose of revitalizing the Project Areas and stimulating private sector development in the Project Areas. As described in Part III (A) above, there are certain public improvements that are needed within each of the Project Areas. As described in Part III (B) above, the benefits to be provided to the Project Areas and immediate

neighborhoods by the construction of these public improvements are at risk of not materializing without Agency funding. As described in Part III (C) above, the proposed public improvements will eliminate one or more blighting condition within the Project Areas and as a result, the Financing Agreement will advance the redevelopment purposes of the Agency.

RESOLUTION NO. 95-4 GEN

RESOLUTION OF THE REDEVELOPMENT AGENCY OF THE CITY OF SEASIDE MAKING FINDINGS REQUIRED BY HEALTH AND SAFETY CODE SECTION 33445, ACCEPTING A LOAN FROM THE CITY FOR ADMINISTRATIVE COSTS, COMMITTING TO ADVANCE FUNDS FOR SPECIFIED PUBLIC IMPROVEMENTS, AND AGREEING TO ENTER INTO A FINANCING AGREEMENT WITH THE CITY OF SEASIDE

WHEREAS, the City Council of the City of Seaside (the "City Council") adopted the Gateway Redevelopment Plan on January 12, 1967; the Gateway Auto Center Expansion Redevelopment Plan on July 6, 1989; the Del Monte Heights Redevelopment Plan on January 10, 1963; the Noche Buena Redevelopment Plan on March 31, 1960; the Hannon Redevelopment Plan on January 21, 1965; the Laguna Grande Redevelopment Plan on January 22, 1970 and the City Center Redevelopment Plan on June 20, 1991 (collectively the "Redevelopment Plans") which grant to the Redevelopment Agency of the City of Seaside (the "Agency") redevelopment powers in the project areas designated in each Redevelopment Plan (the "Project Areas"); and

WHEREAS, the Agency is vested with responsibility pursuant to the Community Redevelopment Law (Part I of Division 24 of the Health and Safety Code of the State of California) (the "Law") to implement the Redevelopment Plans in the Project Areas; and

WHEREAS, the Redevelopment Plans provide for the use of the redevelopment process to assist in financing certain public improvements in the Project Areas as more particularly described in Exhibit A to this resolution attached hereto and incorporated herein (the "Public Improvements"); and

WHEREAS, the Agency and the City will each benefit from the timely completion of the Public Improvements and desire to work cooperatively to achieve that end; and

WHEREAS, the City possesses the administrative and legal resources and capability to assist the Agency in implementing the objectives of the Redevelopment Plans with regards to the Public Improvements and the City is prepared to make such administrative and legal resources and capability available to the Agency; and

WHEREAS, the Agency and the City desire to enter into that certain Financing Agreement, a copy of which is attached to this Resolution as Exhibit B which provides for the City to administer the activities necessary to install the Public Improvements and

for the Agency to advance to the City all costs associated with the Public Improvements in the amounts specified in the Financing Agreements; and

WHEREAS, a staff report has been prepared and considered by the City Council and the Agency and has been made available to the public (the "Staff Report", a copy of which is attached to this Resolution as Exhibit C), which (1) sets forth facts supporting the findings made in this Resolution pursuant to Section 33445 of the Law, and (2) sets forth the redevelopment purposes to be served by the proposed expenditure for the Public Improvements; and

WHEREAS; pursuant to Section 33445 of the Law, the Agency may, with the consent of the City Council pay part or all of the cost of installation of the Public Improvements, if the City Council makes certain specified findings; and

WHEREAS, the City Council made the required findings pursuant to Section 33445 of the Law by resolution of June 15, 1995; and

WHEREAS, the Agency is vested with the responsibility for administering the Redevelopment Plans; and

WHEREAS, the City and the Agency have determined that it is in the best interest of the City and the Agency to consider the amendment of the Redevelopment Plans to extend certain limits for completion of redevelopment activities; and

WHEREAS, the City and the Agency have determined that it is in the best interest of the City and the Agency to consider merging the Project Areas pursuant to Health and Safety Code Section 33485 et seq.; and

WHEREAS, the City has agreed to loan the Agency funds (the "City Loan") for the purpose of paying administrative costs associated with the Redevelopment Plans and funding the activities of the Agency with regards to the merger of the Project Areas and the amendment of the Redevelopment Plans until such time as the Agency receives tax increment funds for these purposes pursuant to the terms of the Financing Agreement.

NOW, THEREFORE, based on the information presented to the City Council and the Agency, including the information in the Staff Report, and in compliance with Section 33445 of the Law, the Agency hereby resolves as follows:

1. All of the above recitals are true and correct, and the Agency has based the findings and actions set forth in this Resolution, in part, on such recitals.

2. The Agency hereby finds and determines that (a) completion of the Public Improvements in or for each of the Project Areas will be of benefit to that Project Area; (b) no other reasonable means of financing the Public Improvements to be funded by the Agency is available to the community; and (c) payment of the costs for the Public Improvements in each Project Area will assist in the elimination of one or more blighting conditions in the Project Area for which the Public Improvements are developed and is consistent with the Agency's implementation plan adopted for the Project Areas.

3. The Agency hereby commits to the expenditure of \$9,872,000 of Tax Increment Revenue for the purpose of undertaking the Public Improvements, such amount being subject to adjustment from time to time in the manner provided in the Financing Agreement.

4. The Agency hereby agrees to accept the City Loan from the City for administrative costs associated with the Redevelopment Plans and the amendment and merger of the Redevelopment Plans under the terms and conditions set forth in the Financing Agreement.

5. The Executive Director is hereby authorized and directed to execute the Financing Agreement in substantially the form attached to this Resolution on behalf of the Agency and to take such other actions as are necessary to implement the provisions of the Financing Agreement.

6. The attached Exhibits A, B, and C are incorporated in this Resolution by this reference.

7. This Resolution shall take immediate effect from and after its passage and approval.

Passed and adopted at a Regular Meeting of the Redevelopment Agency of the City of Seaside held on fifteenth day of June, 1995, by the following vote:

AYES: Choates, Foreman, Jordan, Mancini, Rucker

NOES: None

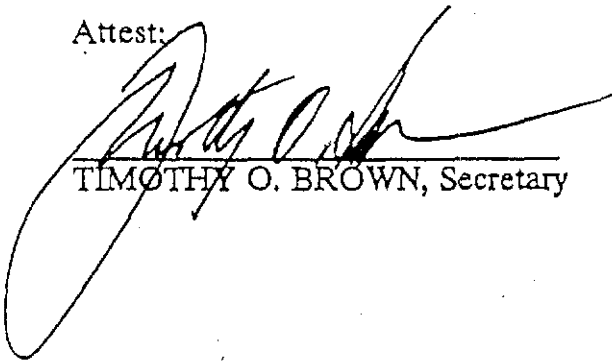
ABSENT: None

SO ORDERED:

Approved:


DON R. JORDAN, Chairperson

Attest:


TIMOTHY O. BROWN, Secretary

Approved As To Form


DONALD G. FREEMAN, Legal Counsel

EXHIBIT A

| | Gateway | Gateway Auto Cntr Expansio | Del Monte Heights | Noche Buena | Hannon | Laguna Grande | City Center | Total |
|-----------------------------------------------------------------------------------------------------|-----------|-------------------------------|----------------------|-------------|-----------|---------------|-------------|-------------|
| PUBLIC IMPROVEMENTS | | | | | | | | |
| Fremont Blvd Handicap Ramps | 83,333 | | | | | 83,333 | 83,333 | 250,000 |
| Broadway Reconstruction | | | | | | | 1,768,000 | 1,768,000 |
| Seaside Motor City Complete Rehabilitation | 225,000 | | | | | | | 225,000 |
| Seaside Motor City Curb, Gutter and Sidewalk | 15,000 | | | | | | | 15,000 |
| Seaside Motor City Pylon Signs | 40,000 | | | | | | | 40,000 |
| Seaside Motor City Fountain Landscaping | 15,000 | | | | | | | 15,000 |
| Citywide North/South Corridor Study | 725,000 | 725,000 | 725,000 | 725,000 | 725,000 | 725,000 | 725,000 | 5,075,000 |
| Broadway Gale Road Improvements | | | | | | | 44,000 | 44,000 |
| Hilby Ave Connection Road Improvements | | | 33,000 | 33,000 | | | | 66,000 |
| La Salle Ave Connection Road Improvements | | | 33,000 | | 33,000 | | | 75,000 |
| Kimball Ave Connection Road Improvements | | | | | | 75,000 | | 75,000 |
| Hamilton/Trainky Storm Drain | | | | | | | 30,000 | 30,000 |
| Vallejo St Area Storm Drain | | | | | 25,000 | | | 25,000 |
| Laguna St Storm Drain Extension | | | | | | | 25,000 | 25,000 |
| Traffic Signalization at Del Monte and Fremont Intersection Improvements at Fremont and Broadway | | 396,000 | | | | | 720,000 | 720,000 |
| Citywide Travel Time Study and Speed Survey | 4,286 | 4,286 | 4,286 | 4,286 | 4,286 | 4,286 | 4,286 | 30,000 |
| Citywide Digitalize Parcels into Base Map | 14,286 | 14,286 | 14,286 | 14,286 | 14,286 | 14,286 | 14,286 | 100,000 |
| Oldemeyer Horse Shoe Pit Lights | | | 10,500 | 10,500 | | | | 21,000 |
| Oldemeyer Addn'l Parking Lot Lights | | | 7,500 | 7,500 | | | | 15,000 |
| Baseball/Soccer Fields at King Middle School | | | 162,000 | | | | | 162,000 |
| Basketball Courts at Highland, Martin and Cunningham Parks | | | 40,000 | | | | | 40,000 |
| Warning Track and Fence at Cutino Park | | | | | 15,000 | | | 15,000 |
| Automatic Valves at Water Storage Tanks | | | 15,000 | | | | | 15,000 |
| New Well and Connect to System New Water | | | 200,000 | | 200,000 | | | 400,000 |
| Water Transmissions Mains | | | 115,000 | | 115,000 | | | 230,000 |
| | 1,121,905 | 1,139,571 | 1,359,571 | 794,571 | 1,131,571 | 901,905 | 3,413,905 | \$9,872,000 |

RESOLUTION NO. _____

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF SEASIDE REQUESTING THE CONSOLIDATED OVERSIGHT BOARD FOR THE COUNTY OF MONTEREY TO MAKE A FINDING TO RE-ESTABLISH LOANS MADE PURSUANT TO A FINANCING AGREEMENT BETWEEN THE REDEVELOPMENT AGENCY OF THE CITY OF SEASIDE AND THE CITY OF SEASIDE PURSUANT TO HEALTH AND SAFETY CODE SECTION 34191 AND TAKING CERTAIN RELATED ACTIONS

Recitals:

A. The Redevelopment Agency of the City of Seaside (the “Former Agency”) was a duly constituted redevelopment agency pursuant to provisions of the Community Redevelopment Law (the “Redevelopment Law”) set forth in Section 33000 et seq. of the California Health and Safety Code (“HSC”).

B. Pursuant to the Community Redevelopment Law, the Former Agency undertook a program to redevelop the Gateway Redevelopment Project, the Gateway Auto Center Expansion Redevelopment Project, the Del Monte Heights Redevelopment Project, the Noche Buena Redevelopment Project, the Hannon Redevelopment Project, the Laguna Grande Redevelopment Project, and the City Center Revitalization Redevelopment Project (each a “Project Area” and collectively, the “Projects” or Project Areas”) and, in that connection, the City of Seaside (the “City”) from time to time assisted the Former Agency to finance the implementation of the redevelopment program.

C. The City assisted the Former Agency by entering into a Financing Agreement with the Former Agency, dated as of June 15, 1995 (the “Financing Agreement”), pursuant to Article 3 of which the City made loans to the Former Agency in the aggregate sum of \$9,872,000 for public improvements identified in the Financing Agreement to be undertaken by the City for the benefit of the Project Areas (collectively, the “Loans”). The City Council previously found that the completion of the public improvements in or for each Project Area would be of benefit to the Project Area and would assist in the elimination of one or more blighting conditions in the Project Area for which the public improvements were developed.

D. As of the date of adoption of this Resolution, the Loans remain outstanding in the total principal amount of \$2,333,430.82.

E. Pursuant to AB X1 26 (which became effective in June 2011), and the California Supreme Court’s decision in *California Redevelopment Association, et al. v. Ana Matosantos, et al.* (53 Cal. 4th 231(2011)), the Former Agency was dissolved as of February 1, 2012, and the Successor Agency to the Redevelopment Agency of the City of Seaside was constituted as the successor entity to the Former Agency.

F. Pursuant to HSC Section 34171(d), an “enforceable obligation” generally does not include any agreement between the City and the Former Agency as of February 1, 2012; provided, however, that pursuant to HSC Section 34191.4(b), upon application by the Successor

Agency and approval by the Consolidated Oversight Board for the County of Monterey (“Oversight Board”), a loan agreement between the Former Agency and City shall be deemed to be an enforceable obligation after the Successor Agency receives a finding of completion (“Finding of Completion”) from the State Department of Finance (the “DOF”) under HSC 34179.7, if the Oversight Board makes a finding that the loan was for legitimate redevelopment purposes.

G. For purposes of HSC Section 34191.4(b), a “loan agreement” includes the Financing Agreement, which is an agreement between the Former Agency and the City under which the City contracted with a third party on behalf of the Former Agency for the development of infrastructure in connection with the Projects and the Former Agency was obligated to reimburse the City for the payments made by the City to the third party.

H. Pursuant to HSC Section 34191.4(b), the repayment amount authorized each fiscal year for all loans re-established pursuant to HSC Section 34191.4(b) to be repaid by the Successor Agency to the City shall not exceed one-half of the increase between the amount distributed to taxing entities pursuant to HSC Section 34183(a)(4) in that fiscal year and the amount distributed to taxing entities pursuant to HSC Section 34183(a)(4) in the 2012-13 base year.

I. Pursuant to HSC Section 34191.4(b), 20 percent of each loan repayment for loans re-established pursuant to HSC Section 34191.4(b) shall be deducted and transferred to the Low and Moderate Income Housing Asset Fund established and held by the housing successor to the Former Agency pursuant to HSC Section 34176.

J. The DOF issued a Finding of Completion to the Successor Agency on March 28, 2014.

K. The Board of Directors desires to adopt this Resolution to request the Oversight Board to make a finding that the Loans were made for legitimate redevelopment purposes and serve as an application pursuant to HSC Section 34191.4(b).

NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF SEASIDE HEREBY FINDS, DETERMINES, RESOLVES, AND ORDERS AS FOLLOWS:

Section 1. The above recitals are true and correct and are a substantive part of this Resolution.

Section 2. The Board of Directors hereby requests the Oversight Board to make a finding that the Loans made pursuant to the Financing Agreement were made for legitimate redevelopment purposes.

Section 3. The Finance Officer of the Successor Agency is hereby authorized to develop a repayment schedule for the Loans in accordance with repayment terms modified in accordance with the requirements of Section 34191.4(b). Recognizing that the actual dollar amount to be repaid by the Successor Agency for each scheduled repayment is subject to the availability of funds from the Redevelopment Property Tax Trust Fund and the limitations set forth in HSC Section 34191.4(b), the Finance Officer of the Successor Agency is hereby authorized to modify the repayment schedule from time to time based on the requirements of HSC Section 34191.4(b) and the actual circumstances at the time of the modification.

Section 4. The Secretary of the Successor Agency is hereby authorized and directed to transmit a copy of this Resolution to the Oversight Board.

Section 5. The members of the Board of Directors and the officers of the Successor Agency are hereby authorized, jointly and severally, to do all things which they may deem necessary or proper to effectuate the purposes of this Resolution, and any such actions previously taken by such members and officers are hereby ratified and confirmed.

PASSED, APPROVED AND ADOPTED by the Board of Directors of the Successor Agency to the Redevelopment Agency of the City of Seaside at a meeting held on the ____ day of _____, 2021.

Chair

ATTEST:

Secretary

RESOLUTION NO. _____

A RESOLUTION OF THE CONSOLIDATED OVERSIGHT BOARD FOR THE COUNTY OF MONTEREY OF THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF SEASIDE MAKING A FINDING PURSUANT TO HEALTH AND SAFETY CODE SECTION 34191.4 THAT LOANS MADE PURSUANT TO A FINANCING AGREEMENT BETWEEN THE REDEVELOPMENT AGENCY OF THE CITY OF SEASIDE AND THE CITY OF SEASIDE WERE FOR LEGITIMATE REDEVELOPMENT PURPOSES AND RE-ESTABLISHING THE LOANS

RECITALS

WHEREAS, the California state legislature enacted Assembly Bill X1 26 (as amended by AB 1484, the "Dissolution Act") to dissolve redevelopment agencies formed under the Community Redevelopment Law (Health and Safety Code Section 33000 et seq.); and

WHEREAS, on January 9, 2012, City Council of the City of Seaside adopted Resolution No. 12-01 agreeing to serve as the Successor Agency to the former Redevelopment Agency of the City of Seaside; and

WHEREAS, on February 1, 2012, the former Redevelopment Agency of the City of Seaside was dissolved pursuant to Health and Safety Code Section 34172; and

WHEREAS, pursuant to the Dissolution Act, the Successor Agency is declared to be a separate legal entity from the City of Seaside; and

WHEREAS, the Dissolution Act provides for the appointment of a consolidated oversight board (the "Consolidated Oversight Board"), as of July 1, 2018, with specific duties; and

WHEREAS, pursuant to Health and Safety Code Section 34191.4, on _____, the Successor Agency adopted Resolution No. _____, requesting the Consolidated Oversight Board to make a finding to re-establish loans (collectively, the "Loans") made pursuant to a financing agreement between the Redevelopment Agency of the City of Seaside and the City of Seaside, dated as of June 15, 1995, (the "Financing Agreement"); and

WHEREAS, as set forth in Resolution No. _____, pursuant to Article 3 of the Financing Agreement, the City of Seaside made the Loans to the former Redevelopment Agency of the City of Seaside for public improvements identified in the Financing Agreement to be undertaken by the City for the benefit of the Gateway Redevelopment Project, the Gateway Auto Center Expansion Redevelopment Project, the Del Monte Heights Redevelopment Project, the Noche Buena Redevelopment Project, the Hannon Redevelopment Project, the Laguna Grande Redevelopment Project, and the City Center Revitalization Redevelopment Project (each, a "Project Area") and the City Council previously found that the completion of the public improvements in or for each Project Area would be of benefit to the Project Area and would

assist in the elimination of one or more blighting conditions in the Project Area for which the public improvements were developed; and

WHEREAS, as the date of adoption of this Resolution, the Loans remain outstanding in the total principal amount of \$2,333,430.82; and

WHEREAS, notwithstanding subdivision (d) of Health and Safety Code Section 34171, Health and Safety Code Section 34191.4(b) provides that upon application by the Successor Agency and approval by the Consolidated Oversight Board, the Financing Agreement between the former Redevelopment Agency of the City of Seaside and the City of Seaside shall be deemed to be an enforceable obligation after the Successor Agency receives a finding of completion from the State Department of Finance under Health and Safety Code Section 34179.7, if the Consolidated Oversight Board makes a finding that the Loans were for legitimate redevelopment purposes; and

WHEREAS, the Department of Finance issued a Finding of Completion to the Successor Agency on March 28, 2014; and

WHEREAS, the Consolidated Oversight Board has reviewed Successor Agency Resolution No. _____ and any comments from the public related thereto.

NOW, THEREFORE, BE IT RESOLVED that the Consolidated Oversight Board hereby finds and determines that the foregoing recitals are true and correct, and together with information provided by the Successor Agency staff and the public, form the basis for the approvals, findings, resolutions and determinations set forth below.

Section 1. After having reviewed the information relating to the Financing Agreement, the Consolidated Oversight Board hereby finds that the Loans were made for legitimate redevelopment purposes and re-establishes the Loans, thereby authorizing repayment of the Loans by the Successor Agency subject to the requirements of Health and Safety Code Section 34191.4(b).

Section 2. This Resolution shall take effect at the time and in the manner prescribed in Health and Safety Code Section 34179(h).

PASSED AND ADOPTED by the Consolidated Oversight Board at a meeting held on the _____ day of _____, 2022

AYES: Board Members: _____

NOES: Board Members: _____

ABSENT: Board Members: _____

ABSTAIN: Board Members: _____

_____, Chair

ATTEST:

