

COOPERATION AGREEMENT FOR AGENCY FUNDING OF BUENA CLINTON YOUTH AND
FAMILY CENTER

April 27, 2010

Page 2

The Summary Report that includes estimates of the amount of the taxes proposed to be used to pay for the construction and installation of the publicly-owned Center, including interest payments, if any; the facts supporting the determinations required to be made by the City Council, and the redevelopment purpose for which the taxes are being used to pay for the construction and installation of the publicly-owned Center, has been made available for public review.

DISCUSSION

The new Center once completed, will be a two-level, 6,600 square foot facility with an outdoor multi-sports court. The first floor multi-purpose room will house homework clubs and day camps. A Teen Center upstairs will serve as headquarters for the teen leadership group program, the "True Neighborhood Teens." The Center will also have an area dedicated to counseling and case management.

The Center will primarily be financed using \$2.45 million in funds awarded as a Murray-Hayden Urban Parks and Youth Service Grant ("Grant"), however, this grant program was temporarily frozen by the State of California ("State") due to the State's ongoing budget crisis, causing delays in the construction schedule. Due to the construction delays, there are now overages in the construction budget for the Center. The Grant is insufficient to fund certain construction costs, including soft costs (specifically design and consulting costs), and the installation of additional improvements required as part of the project including the installation of fiber optic cables and permanent affixed interior fixtures, including cubicles, counters, cabinets, and a server. The City has examined using general funds and has attempted to find other City funds for the construction of the Center; however, due to the current economic crisis and projected budget constraints on the City, no other funding sources are available to pay these costs other than Agency tax increment funds. Financing sources and mechanisms other than the Agency's tax increment are committed to the development of other required public improvements and projects within the City.

Agency staff prepared a Cooperation Agreement between the City and the Agency for the Agency to fund \$460,000 of tax increment revenues towards the Center's construction overages, certain soft construction costs, and the aforementioned additional improvements.

The Center is located within the Buena Clinton Project Area and will benefit the Project Area by:

- (a) replacing a demolished roller hockey rink and thereby replacing a blighted property in the Project Area with a new facility that will serve the community,
- (b) enhancing the natural and spatial values of the Project Area,

COOPERATION AGREEMENT FOR AGENCY FUNDING OF BUENA CLINTON YOUTH AND FAMILY CENTER

April 27, 2010

Page 3

- (c) providing youth and families with recreational space and providing a location for various community programs that will benefit residents of the neighborhood,
- (d) helping the neighborhood achieve the vision of empowered residents living in a safe, healthy, and educated community and a well-maintained neighborhood,
- (e) improving the safety and aesthetic qualities of the property on which the Center is being constructed, and
- (f) enabling social and supportive services to be provided to the surrounding community, in which numerous persons and families of low and moderate income reside, by providing a Center that will serve as a proper and convenient location for social and supportive services and programs, community activities, and other activities and services that will benefit the Project Area, the neighborhood surrounding the Center, and the residents in the surrounding community.

Completion of the new Center is consistent with the objectives of the Project Area's Redevelopment Plan and is consistent with the Redevelopment Agency's 2010-2014 Five Year Implementation Plan that states that the Agency plans to implement public improvements in the Project Area through partnerships with the City.

FINANCIAL IMPACT

- Pursuant to the Cooperation Agreement, Agency assistance is in the amount of \$460,000 to be funded by tax increment revenues from the Buena Clinton Project Area.

RECOMMENDATION

Staff recommends the following:

- The City Council and Agency conduct the Joint Public Hearing.
- The City Council adopt the attached City Council Resolution approving the Cooperation Agreement and authorizing the City Manager to execute the Cooperation Agreement on behalf of the City.
- The Agency adopt the attached Agency Resolution approving the Cooperation Agreement and authorizing the Agency Director to execute the Cooperation Agreement on behalf of the Agency.

COOPERATION AGREEMENT FOR AGENCY FUNDING OF BUENA CLINTON YOUTH AND
FAMILY CENTER

April 27, 2010

Page 4



CHET YOSHIZAKI
Economic Development Director



By: Kathleen McCall-Angel
Economic Development Specialist

- Attachment 1: City Council Resolution
- Attachment 2: Agency Resolution
- Attachment 3: 33679 Summary Report
- Attachment 4: Cooperation Agreement

mm(h:Staff/KMA/BC Youth & Family Center sr 042710v2.doc)
DOCSOC/1403462v3/022012-0034

Approved for Agenda Listing



Matthew Fertal
City Manager

RESOLUTION NO.

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GARDEN GROVE APPROVING A COOPERATION AGREEMENT WITH THE GARDEN GROVE AGENCY FOR COMMUNITY DEVELOPMENT; CONSENTING TO PAYMENT BY THE AGENCY OF THE COST OF INSTALLATION AND CONSTRUCTION OF THE BUENA CLINTON YOUTH AND FAMILY CENTER AND CERTAIN FIXTURES THEREIN; AND MAKING CERTAIN FINDINGS IN CONNECTION THEREWITH.

WHEREAS, the Garden Grove Agency for Community Development ("Agency") is a community redevelopment agency organized under the California Community Redevelopment Law (Health and Safety Code Section 33000, *et seq.*; "Redevelopment Law") and has been authorized to transact business and exercise the powers of a redevelopment agency pursuant to action of the City Council ("City Council") of the City of Garden Grove ("City"); and

WHEREAS, the City Council adopted the Redevelopment Plan ("Redevelopment Plan") for the Buena-Clinton Project Area ("Redevelopment Project" or "Project Area") by Ordinance 1742, adopted on December 16, 1980, and amended the Redevelopment Plan by Ordinance 2303, adopted January 1, 1994 and Ordinance 2747, adopted May 26, 2009; and

WHEREAS, the Agency is engaged in activities necessary and appropriate to carry out the Redevelopment Plan for the Redevelopment Project; and

WHEREAS, Section 33445 of the Redevelopment Law authorizes the Agency, with the consent of the City Council, to pay all or a part of the value of the land for and the cost of the installation and construction of any building, facility, structure, or other improvement that is publicly owned and is located inside or contiguous to the Project Area, if the legislative body determines all of the following:

(1) the acquisition of land or the installation or construction of the buildings, facilities, structures, or other improvements that are publicly owned are of benefit to the Project Area by helping to eliminate blight within the Project Area or providing housing for low- or moderate-income persons;

(2) no other reasonable means of financing the acquisition of the land or installation or construction of the buildings, facilities, structures, or other improvements that are publicly owned, are available to the community; and

(3) the payment of funds for the acquisition of land or the cost of buildings, facilities, structures, or other improvements that are publicly owned is consistent with the implementation plan adopted pursuant to Section 33490 of the Redevelopment Law; and

WHEREAS, the City owns certain real property generally located at 12661 Sunswept Avenue, within the Project Area and the City, on which the City is in the process of constructing the Buena Clinton Youth and Family Center ("Center"); and

WHEREAS, the Agency proposes to enter into a Cooperation Agreement with the City, whereby the Agency would commit to pay up to \$460,000 to the City for the cost of construction and installation of capital improvements at the Center, including, without limitation, certain hard and soft construction costs including design and consulting costs and the installation of improvements including affixed cubicles, counters, cabinets, and a server, and the installation of fiber-optic cables; and

WHEREAS, Section V.G.2. of the Redevelopment Plan authorizes the Agency to install and construct public improvements in the Project Area as necessary to carry out the Redevelopment Plan, pursuant to Section 33445 of the Redevelopment Law; and

WHEREAS, the public improvements to be assisted by the Agency pursuant to the Cooperation Agreement will benefit the Project Area by (1) improving the safety and aesthetic qualities of the property on which the Center is being constructed and (2) enabling social and supportive services to be provided to the surrounding community, in which numerous persons and families of low and moderate income reside, by providing a Center that will serve as a proper and convenient location for social and supportive services and programs, community activities, and other activities and services that will benefit the Project Area, the neighborhood surrounding the Center, and the residents in the surrounding community; and

WHEREAS, the construction and installation of the Center will further benefit the Project Area and eliminate blight by replacing a demolished roller hockey rink and thereby eliminating a blighted property and enhancing the natural and spatial values of the Project Area, pursuant to the Redevelopment Plan and the Agency's Implementation Plan for the Project Area; and

WHEREAS, the construction and installation of the Center will also eliminate blight in the Project Area by providing youth and families with recreational space and providing a location for various community programs that will benefit residents of the Buena Clinton neighborhood and help the neighborhood achieve the vision of empowered residents living in a safe, healthy, and educated community and a well-maintained neighborhood; and

WHEREAS, in accordance with Section 33679 of the Redevelopment Law, the City and Agency prepared a summary report ("Summary Report") which sets forth (a) estimates of the amount of the taxes proposed to be used to pay for the construction and installation of the publicly-owned Center, including interest payments, if any; (b) the facts supporting the determinations required to be made by the City Council pursuant to Section 33445 of the Redevelopment Law; and (c) the redevelopment purpose for which the taxes

are being used to pay for the construction and installation of the publicly-owned Center; and

WHEREAS, the City Council has reviewed the Summary Report and the proposed Cooperation Agreement between the City and the Agency; and

WHEREAS, pursuant to the information contained in the Summary Report and the entire record before the City Council, the City has determined that: (1) the installation and construction of the Center is of benefit to the Project Area by helping to eliminate blight within the Project Area; (2) no other reasonable means of financing the installation and construction of the Center are available to the community; and (3) the payment of funds for the cost of constructing and installing the Center is consistent with the Agency's implementation plan adopted pursuant to Section 33490 of the Redevelopment Law; and

WHEREAS, a copy of the Summary Report was made available for public inspection and copying at least two (2) weeks prior to the joint public hearing ("Public Hearing") of the City and Agency concerning this matter; and

WHEREAS, pursuant to Section 33679 of the Redevelopment Law, notice of the Public Hearing was duly published in the Garden Grove Journal for two successive weeks prior to the Public Hearing; and

WHEREAS, pursuant to Section 33679 of the Redevelopment Law, the City and Agency held the Public Hearing concerning the Cooperation Agreement on April 27, 2010; and

WHEREAS, the City previously determined that the construction of the Center and related activities are categorically exempt from the requirements of the California Environmental Quality Act ("CEQA"), pursuant to Title 14 California Code of Regulations Section 15303(c), and a Notice of Exemption dated March 19, 2007 was filed with the Orange County Clerk/Recorder in accordance with the requirements of CEQA; and

WHEREAS, all other legal prerequisites to the adoption of this Resolution have occurred.

NOW THEREFORE, the City Council of the City Garden Grove finds, determines and resolves as follows:

1. The City Council finds and determines that the construction and installation of the Center will be of benefit to the Redevelopment Project and will help to eliminate blight within the Project Area by: (a) replacing a demolished roller hockey rink and thereby replacing a blighted property in the Project Area with a new facility that will serve the community, (b) enhancing the natural and spatial values of the Project Area, (c) providing youth and families with recreational space and providing a location for various community programs that will benefit residents of the Buena Clinton neighborhood, (d)

helping the neighborhood achieve the vision of empowered residents living in a safe, healthy, and educated community and a well-maintained neighborhood, (e) improving the safety and aesthetic qualities of the property on which the Center is being constructed, and (e) enabling social and supportive services to be provided to the surrounding community, in which numerous persons and families of low and moderate income reside, by providing a Center that will serve as a proper and convenient location for social and supportive services and programs, community activities, and other activities and services that will benefit the Project Area, the neighborhood surrounding the Center, and the residents in the surrounding community, all pursuant to the Redevelopment Law, the Redevelopment Plan, and the Agency's Implementation Plan for the Project Area.

2. The City Council finds and determines that no other reasonable means of financing the construction and installation of the Center are available to the community. The City previously anticipated receiving a grant through the 2002 Resource Bond Act Murray-Hayden Parks and Youth Service Program; however, this grant program was temporarily frozen by the State of California due to the State's ongoing budget crisis. The unexpected lack of funding caused construction delays, requiring the project to be re-bid at higher costs. As a result, the City lacks sufficient funds to complete the construction and installation of the Center without the use of tax increment from the Agency. The prudent budget constraints of the City prevent the City from financing the construction and installation of the Center by any means other than the Agency's tax increment. Financing sources and mechanisms other than the Agency's tax increment are committed to the development of other required public improvements and projects within the City.

3. The City Council finds and determines that the Cooperation Agreement is consistent with the Five-Year Implementation Plan for the Garden Grove Community Project Area and Buena Clinton Project Area adopted by the Agency for the period beginning January 1, 2010 and ending December 31, 2014 pursuant to Section 33490 of the Redevelopment Law.

4. Construction and installation of the Center is provided for in Section V.I.1.c.(2) of the Redevelopment Plan. Further, the public improvements provided for by the Cooperation Agreement will further the Agency's goals to "provide for and maintain an environment for the social, economic, and psychological growth and well-being of all citizens in the Project Area" pursuant to Section III(4) of the Redevelopment Plan.

5. The City Council hereby finds that construction and installation of the Center is categorically exempt from the requirements of the California Environmental Quality Act, pursuant to Title 14 California Code of Regulations Section 15303(c).

6. The City Council hereby consents to payment by the Garden Grove Agency for Community Development of \$460,000 for the construction and installation of the Center to provide a much needed community facility in the Project Area.

7. The City Council hereby approves the attached Cooperation Agreement between the City and the Agency to construct and install the Center and authorizes the Mayor and City Clerk to execute the Agreement on behalf of the City.

8. The City Clerk shall certify to the adoption of this Resolution.

APPROVED AND ADOPTED this 27th day of April, 2010.

CITY OF GARDEN GROVE,
a California municipal corporation

Mayor

ATTEST:

City Clerk

STATE OF CALIFORNIA)
COUNTY OF ORANGE)
CITY OF GARDEN GROVE)

I, Kathy Bailor, City Clerk of the City of Garden Grove, do hereby certify that the foregoing Resolution No. _____ was introduced and adopted at a regular meeting of the City Council held on the 27th day of April, 2010 by the following vote of the members thereof:

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:

CITY OF GARDEN GROVE

City Clerk

RESOLUTION NO.

RESOLUTION OF THE GARDEN GROVE AGENCY FOR COMMUNITY DEVELOPMENT APPROVING A COOPERATION AGREEMENT WITH THE CITY OF GARDEN GROVE; AUTHORIZING PAYMENT BY THE AGENCY OF THE COST OF INSTALLATION AND CONSTRUCTION OF THE BUENA CLINTON YOUTH AND FAMILY CENTER AND CERTAIN FIXTURES THEREIN; AND MAKING CERTAIN FINDINGS IN CONNECTION THEREWITH.

WHEREAS, the Garden Grove Agency for Community Development ("Agency") is a community redevelopment agency organized under the California Community Redevelopment Law (Health and Safety Code Section 33000, *et seq.*; "Redevelopment Law") and has been authorized to transact business and exercise the powers of a redevelopment agency pursuant to action of the City Council ("City Council") of the City of Garden Grove ("City"); and

WHEREAS, the City Council adopted the Redevelopment Plan ("Redevelopment Plan") for the Buena-Clinton Project Area ("Redevelopment Project" or "Project Area") by Ordinance 1742, adopted on December 16, 1980, and amended the Redevelopment Plan by Ordinance 2303, adopted January 1, 1994 and Ordinance 2747, adopted May 26, 2009; and

WHEREAS, the Agency is engaged in activities necessary and appropriate to carry out the Redevelopment Plan for the Redevelopment Project; and

WHEREAS, Section 33445 of the Redevelopment Law authorizes the Agency, with the consent of the City Council, to pay all or a part of the value of the land for and the cost of the installation and construction of any building, facility, structure, or other improvement that is publicly owned and is located inside or contiguous to the Project Area, if the legislative body determines all of the following:

(1) the acquisition of land or the installation or construction of the buildings, facilities, structures, or other improvements that are publicly owned are of benefit to the Project Area by helping to eliminate blight within the Project Area or providing housing for low- or moderate-income persons;

(2) no other reasonable means of financing the acquisition of the land or installation or construction of the buildings, facilities, structures, or other improvements that are publicly owned, are available to the community; and

(3) the payment of funds for the acquisition of land or the cost of buildings, facilities, structures, or other improvements that are publicly owned is consistent with the implementation plan adopted pursuant to Section 33490 of the Redevelopment Law; and

WHEREAS, the City owns certain real property generally located at 12661 Sunswapt Avenue, within the Project Area and the City, on which the City is in the process of constructing the Buena Clinton Youth and Family Center ("Center"); and

WHEREAS, the City proposes to enter into a Cooperation Agreement with the Agency, whereby the Agency would commit to pay up to \$460,000 to the City for the cost of construction and installation of capital improvements at the Center, including, without limitation, certain hard and soft construction costs including design and consulting costs and the installation of improvements including affixed cubicles, counters, cabinets, and a server, and the installation of fiber-optic cables; and

WHEREAS, Section V.G.2. of the Redevelopment Plan authorizes the Agency to install and construct public improvements in the Project Area as necessary to carry out the Redevelopment Plan, pursuant to Section 33445 of the Redevelopment Law; and

WHEREAS, the public improvements to be assisted by the Agency pursuant to the Cooperation Agreement will benefit the Project Area by (1) improving the safety and aesthetic qualities of the property on which the Center is being constructed and (2) enabling social and supportive services to be provided to the surrounding community, in which numerous persons and families of low and moderate income reside, by providing a Center that will serve as a proper and convenient location for social and supportive services and programs, community activities, and other activities and services that will benefit the Project Area, the neighborhood surrounding the Center, and the residents in the surrounding community; and

WHEREAS, the construction and installation of the Center will further benefit the Project Area and eliminate blight by replacing a demolished roller hockey rink and thereby eliminating a blighted property and enhancing the natural and spatial values of the Project Area, pursuant to the Redevelopment Plan and the Agency's Implementation Plan for the Project Area; and

WHEREAS, the construction and installation of the Center will also eliminate blight in the Project Area by providing youth and families with recreational space and providing a location for various community programs that will benefit residents of the Buena Clinton neighborhood and help the neighborhood achieve the vision of empowered residents living in a safe, healthy, and educated community and a well-maintained neighborhood; and

WHEREAS, in accordance with Section 33679 of the Redevelopment Law, the City and Agency prepared a summary report ("Summary Report") which sets forth (a) estimates of the amount of the taxes proposed to be used to pay for the construction and installation of the publicly-owned Center, including interest payments, if any; (b) the facts supporting the determinations required to be made by the City Council pursuant to Section 33445 of the Redevelopment Law; and (c) the redevelopment purpose for which the taxes

are being used to pay for the construction and installation of the publicly-owned Center; and

WHEREAS, the Agency has reviewed the Summary Report and the proposed Cooperation Agreement between the City and the Agency; and

WHEREAS, pursuant to the information contained in the Summary Report and the entire record before the Agency, the Agency has determined that: (1) the installation and construction of the Center is of benefit to the Project Area by helping to eliminate blight within the Project Area; (2) no other reasonable means of financing the installation and construction of the Center are available to the community; and (3) the payment of funds for the cost of constructing and installing the Center is consistent with the Agency's implementation plan adopted pursuant to Section 33490 of the Redevelopment Law; and

WHEREAS, a copy of the Summary Report was made available for public inspection and copying at least two (2) weeks prior to the joint public hearing ("Public Hearing") of the City and Agency concerning this matter; and

WHEREAS, pursuant to Section 33679 of the Redevelopment Law, notice of the Public Hearing was duly published in the Garden Grove Journal for two successive weeks prior to the Public Hearing; and

WHEREAS, pursuant to Section 33679 of the Redevelopment Law, the City and Agency held the Public Hearing concerning the Cooperation Agreement on April 27, 2010; and

WHEREAS, the City previously determined that the construction of the Center and related activities are categorically exempt from the requirements of the California Environmental Quality Act ("CEQA"), pursuant to Title 14 California Code of Regulations Section 15303(c), and a Notice of Exemption dated March 19, 2007 was filed with the Orange County Clerk/Recorder in accordance with the requirements of CEQA; and

WHEREAS, all other legal prerequisites to the adoption of this Resolution have occurred.

NOW THEREFORE, the Garden Grove Agency for Community Development finds, determines and resolves as follows:

1. The Agency finds and determines that the construction and installation of the Center will be of benefit to the Redevelopment Project and will help to eliminate blight within the Project Area by: (a) replacing a demolished roller hockey rink and thereby replacing a blighted property in the Project Area with a new facility that will serve the community, (b) enhancing the natural and spatial values of the Project Area, (c) providing youth and families with recreational space and providing a location for various community programs that will benefit residents of the Buena Clinton neighborhood,

(d) helping the neighborhood achieve the vision of empowered residents living in a safe, healthy, and educated community and a well-maintained neighborhood, (e) improving the safety and aesthetic qualities of the property on which the Center is being constructed, and (e) enabling social and supportive services to be provided to the surrounding community, in which numerous persons and families of low and moderate income reside, by providing a Center that will serve as a proper and convenient location for social and supportive services and programs, community activities, and other activities and services that will benefit the Project Area, the neighborhood surrounding the Center, and the residents in the surrounding community, all pursuant to the Redevelopment Law, the Redevelopment Plan, and the Agency's Implementation Plan for the Project Area.

2. The Agency finds and determines that no other reasonable means of financing the construction and installation of the Center are available to the community. The City previously anticipated receiving a grant through the 2002 Resource Bond Act Murray-Hayden Parks and Youth Service Program; however, this grant program was temporarily frozen by the State of California due to the State's ongoing budget crisis. The unexpected lack of funding caused construction delays, requiring the project to be re-bid at higher costs. As a result, the City lacks sufficient funds to complete the construction and installation of the Center without the use of tax increment from the Agency. The prudent budget constraints of the City prevent the City from financing the construction and installation of the Center by any means other than the Agency's tax increment. Financing sources and mechanisms other than the Agency's tax increment are committed to the development of other required public improvements and projects within the City.

3. The Agency finds and determines that the Cooperation Agreement is consistent with the Five-Year Implementation Plan for the Garden Grove Community Project Area and Buena Clinton Project Area adopted by the Agency for the period beginning January 1, 2010 and ending December 31, 2014 pursuant to Section 33490 of the Redevelopment Law.

4. Construction and installation of the Center is provided for in Section V.I.1.c.(2) of the Redevelopment Plan. Further, the public improvements provided for by the Cooperation Agreement will further the Agency's goals to "provide for and maintain an environment for the social, economic, and psychological growth and well-being of all citizens in the Project Area" pursuant to Section III(4) of the Redevelopment Plan.

5. The Agency hereby finds that construction and installation of the Center is categorically exempt from the requirements of the California Environmental Quality Act, pursuant to Title 14 California Code of Regulations Section 15303(c).

6. The Agency hereby authorizes use of the Agency's tax increment revenues in an amount of up to \$460,000 for the construction and installation of the Center to provide a much needed community facility in the Project Area.

7. The Agency hereby approves the attached Cooperation Agreement between the City and the Agency to construct and install the Center and authorizes the Agency Chair and Secretary to execute the Agreement on behalf of the Agency.

8. The Agency Secretary shall certify to the adoption of this Resolution.

APPROVED AND ADOPTED this 27th day of April, 2010.

GARDEN GROVE AGENCY FOR
COMMUNITY DEVELOPMENT,
a public body, corporate and politic

Chair

ATTEST:

Agency Secretary

STATE OF CALIFORNIA)
COUNTY OF ORANGE)
CITY OF GARDEN GROVE)

I, Kathy Bailor, Secretary of the Garden Grove Agency for Community Development, do hereby certify that the foregoing Resolution No. _____ was introduced and adopted at a regular meeting of the Agency held on the 27th day of April, 2010 by the following vote of the members thereof:

AYES: MEMBERS:

NOES: MEMBERS:

ABSENT: MEMBERS:

ABSTAIN: MEMBERS:

GARDEN GROVE AGENCY FOR
COMMUNITY DEVELOPMENT

Agency Secretary

33679 SUMMARY REPORT

BUENA CLINTON YOUTH AND FAMILY CENTER

Introduction

Agency staff prepared a Cooperation Agreement between the City of Garden Grove ("City") and Garden Grove Agency for Community Development ("Agency") for the Agency to fund \$460,000 towards hard and soft construction costs associated with the installation and construction of the new Buena Clinton Youth and Family Center ("Center") located on 12661 Sunswept Avenue, Garden Grove, California. The Center is located in the Agency's Buena Clinton Redevelopment Project Area ("Project Area"). The Cooperation Agreement will be considered during a joint public hearing by the Agency and City Council, currently scheduled to occur April 27, 2010 at 6:30 p.m. in the Council Chamber of the Community Meeting Center, 11300 Stanford Avenue, Garden Grove, CA 92840.

Section 33679 of the California Community Redevelopment Law, Health and Safety Code Section 33000, *et seq.* ("CRL"), sets forth legislative requirements for a redevelopment agency to follow before the agency commits to use tax increment revenues for the purpose of paying the cost of installation and construction of any publicly owned building. CRL Section 33679 requires the legislative body of the agency to hold a public hearing, notice of which must be published for two successive weeks prior to the public hearing. At the time of the first publication, the agency must cause to be available for public review, a Summary Report that includes estimates of the amount of tax increment proposed to be used to pay for the construction and installation of the publicly owned building along with facts supporting the determinations required to be made under CRL Section 33445 and a statement of the redevelopment purpose for which tax increment will be used to pay for the construction and installation of such building. This Summary Report was prepared pursuant to CRL Section 33679.

Estimate of Tax Increment Revenues to Be Used

Pursuant to the proposed Cooperation Agreement, the Agency will provide \$460,000 of tax increment revenues generated from the Buena Clinton Redevelopment Project Area towards hard and soft construction costs associated with the installation and construction of the Center.

Facts Supporting Section 33445 Findings

Before the Agency uses tax increment to pay for the Center, CRL Section 33445 requires the City Council to determine that the Center will benefit the Agency's Project Area by helping to eliminate blight within the Project Area, that no other reasonable means of financing the Center is

available to the community, and the payment of funds for the installation or construction of the Center is consistent with the Agency's five year implementation plan adopted pursuant to CRL Section 33490.

Benefit to the Project Area

The Center is located within the Project Area and, once constructed, will serve families and youth in the surrounding neighborhood. The Project Area is an approximately one-quarter square mile area, mostly developed with multifamily apartment complexes that house an estimated 3,500 residents, including more than 2,100 under the age of 18.

The Center will benefit the Project Area and help to eliminate blight within the Project Area by: (a) replacing a demolished roller hockey rink and thereby replacing a blighted property in the Project Area with a new facility that will serve the community, (b) enhancing the natural and spatial values of the Project Area, (c) providing youth and families with recreational space and providing a location for various community programs that will benefit residents of the Buena Clinton neighborhood, (d) helping the neighborhood achieve the vision of empowered residents living in a safe, healthy, and educated community and a well-maintained neighborhood, (e) improving the safety and aesthetic qualities of the property on which the Center is being constructed, and (f) enabling social and supportive services to be provided to the surrounding community, in which numerous persons and families of low and moderate income reside, by providing a Center that will serve as a proper and convenient location for social and supportive services and programs, community activities, and other activities and services that will benefit the Project Area, the neighborhood surrounding the Center, and the residents in the surrounding community, all pursuant to the Redevelopment Law, the Redevelopment Plan, and the Agency's Implementation Plan for the Project Area.

Means of Financing Available to the Project

The project will primarily be financed using \$2.45 million in funds awarded as part of the Murray-Hayden Urban Parks and Youth Service Grant ("Grant"), however these funds were temporarily frozen by the State, causing delays in the construction schedule. Due to the construction delays, there are now overages in the construction budget for this project. The construction delays were outside of the city's control and related to the availability of Grant funds. The Grant is also insufficient to fund certain soft costs (specifically design and consulting costs) and the installation of additional improvements required as part of the project including the installation of fiber optic cables and permanent affixed interior fixtures, including cubicles, counters, cabinets, and a server. The City has examined using general funds and has attempted to find other City funds for the project; however due to the current economic crisis and projected budget constraints on the City, no

other funding sources are available to pay these costs other than Agency tax increment funds.

The prudent fiscal practices of the City prevent the City from financing the construction and installation of the Center by any means other than the Agency's tax increment. Financing sources and mechanisms other than the Agency's tax increment are committed to the development of other required public improvements and projects within the City.

Conformance with the Buena Clinton Project Area Redevelopment Plan and the Five-Year Implementation Plan

As stated in the Redevelopment Plan for the Project Area ("Redevelopment Plan"), the Project Area suffers from physical and economic blight. The development of the Center meets the following redevelopment purposes and objectives stated in Redevelopment Plan:

- (1) To upgrade the Project Area with the construction of new facilities;
- (2) To provide for and maintain an environment for the social, economic, and psychological growth and well-being of all citizens in the Project Area;
- (3) To encourage and attract private investment to the Project Area in an effort to improve property values and the resulting tax flow to all public taxing agencies.

Construction and installation of the Center will meet these objectives by adding a new attractive facility, thereby improving the physical aesthetics in an area characterized by declining structures and encouraging more private investment in the area. The community services and resources to be offered at the Center are focused on empowering residents who will be responsible for ensuring a safe, healthy, educated and well-maintained neighborhood. By providing quality public facilities and adequate resources for the Buena Clinton residents, construction and installation of the Center will facilitate economic development in the area leading to the alleviation of blight and benefiting the health, safety and welfare of the residents in the Project Area. The project is consistent with the goals and objectives of the Redevelopment Agency's 2010-2014 Five Year Implementation Plan that states that the Agency plans to implement public improvements in the Project Area through partnerships with the City.

COOPERATION AGREEMENT

This **COOPERATION AGREEMENT** ("Cooperation Agreement") is entered into this 27th day of April, 2010, by and between the **CITY OF GARDEN GROVE**, a California municipal corporation ("City") and the **GARDEN GROVE AGENCY FOR COMMUNITY DEVELOPMENT**, a public body, corporate and politic ("Agency").

RECITALS

A. The Redevelopment Plan ("Redevelopment Plan") for the Buena-Clinton Project Area ("Project Area") was approved and adopted by the City Council of the City of Garden Grove ("City Council") by Ordinance No. 1742, adopted on December 16, 1980, and was amended by Ordinance No. 2303, adopted January 1, 1994, and Ordinance No. 2747, adopted May 26, 2009.

B. The City and the Agency desire to implement the construction and installation of the Buena Clinton Youth and Family Center ("Center"), which Center is owned by the City and generally located at 12661 Sunswept Avenue in the City. The Center is located in the Project Area.

D. The Agency proposes to pay part of the costs for the construction and installation of capital improvements at the Center, including, without limitation, certain hard and soft construction costs including design and consulting costs and the installation of improvements including affixed cubicles, counters, cabinets, and a server, and the installation of fiber-optic cables.

E. Pursuant to Section 33445 of the California Community Redevelopment Law (Health & Safety Code Section 33000, *et seq.*; "Redevelopment Law"), the Agency is authorized to pay all or a part of the value of the land for and the cost of the installation and construction of any building, facility, structure, or other improvement that is publicly owned and is located inside or contiguous to the Project Area, if the legislative body determines all of the following:

(1) the acquisition of land or the installation or construction of the buildings, facilities, structures, or other improvements that are publicly owned are of benefit to the Project Area by helping to eliminate blight within the Project Area or providing housing for low- or moderate-income persons;

(2) no other reasonable means of financing the acquisition of the land or installation or construction of the buildings, facilities, structures, or other improvements that are publicly owned, are available to the community; and

(3) the payment of funds for the acquisition of land or the cost of buildings, facilities, structures, or other improvements that are publicly owned is consistent with the implementation plan adopted pursuant to Section 33490 of the Redevelopment Law.

F. The determinations required by Section 33445 of the Redevelopment Law and the facts supporting the same are set forth herein, in a summary report prepared by City and Agency staff in accordance with Section 33679 of the Redevelopment Law, and in the City Council and Agency resolutions approving this Cooperation Agreement.

G. Section V.G.2. of the Redevelopment Plan authorizes the Agency to install and construct public improvements in the Project Area as necessary to carry out the Redevelopment Plan, pursuant to Section 33445 of the Redevelopment Law.

H. The construction and installation of the Center will be of benefit to the Project Area and will help to eliminate blight within the Project Area by: (a) replacing a demolished roller hockey rink and thereby replacing a blighted property in the Project Area with a new facility that will serve the community, (b) enhancing the natural and spatial values of the Project Area, (c) providing youth and families with recreational space and providing a location for various community programs that will benefit residents of the Buena Clinton neighborhood, (d) helping the neighborhood achieve the vision of empowered residents living in a safe, healthy, and educated community and a well-maintained neighborhood, (e) improving the safety and aesthetic qualities of the property on which the Center is being constructed, and (e) enabling social and supportive services to be provided to the surrounding community, in which numerous persons and families of low and moderate income reside, by providing a Center that will serve as a proper and convenient location for social and supportive services and programs, community activities, and other activities and services that will benefit the Project Area, the neighborhood surrounding the Center, and the residents in the surrounding community, all pursuant to the Redevelopment Law, the Redevelopment Plan, and the Agency's Implementation Plan for the Project Area.

I. The foregoing Recitals are true and correct and constitute a substantive part of this Cooperation Agreement.

NOW THEREFORE, in consideration of the above Recitals and all of the covenants and conditions set forth in this Cooperation Agreement, the Agency and the City agree as follows:

1. Agency Contribution. Agency agrees to pay the amount of \$460,000 to the City for the cost of installation and construction of the Center in the Project Area.

2. City's Use of Agency's Funds. City agrees to use the funds provided by the Agency pursuant to this Cooperation Agreement to pay part of the costs for the construction and installation of the Center, including, without limitation, certain hard and soft construction costs including design and consulting costs and the installation of improvements including affixed cubicles, counters, cabinets, and a server, and the installation of fiber-optic cables, consistent with the requirements of the Redevelopment Law.

3. Indebtedness. The obligations of the Agency under this Cooperation Agreement shall constitute an indebtedness of the Agency for the purposes of carrying out public improvements, which indebtedness shall be payable from tax increment funds generated from the Buena Clinton Project Area pursuant to Section 33670, *et seq.*, of the Redevelopment Law. Notwithstanding anything to the contrary set forth in this Cooperation Agreement, the Agency's payment obligation hereunder is not, and shall not be deemed to be, a pledge of tax increment or any other revenues of the Agency.

4. General Provisions.

a. Agency Approvals and Actions. The Agency shall maintain the authority to implement this Cooperation Agreement through the Agency Director (or his or her duly authorized representative). The Agency Director shall have the authority to make approvals, issue interpretations, waive provisions, and/or enter into certain amendments of this Cooperation Agreement on behalf of the Agency so long as such actions do not add to the costs incurred or to be incurred by the Agency as specified herein. Such approvals, interpretations, waivers and/or amendments may include extensions of time to perform. All material and/or substantive interpretations, waivers, or amendments shall require consideration and action by the Agency Board.

b. City Approvals and Actions. The City shall maintain the authority to implement this Cooperation Agreement through the City Manager (or his or her duly authorized representative). The City Manager shall have the authority to make approvals, issue interpretations, waive provisions, and/or enter into certain amendments of this Cooperation Agreement on behalf of the City so long as such actions do not add to the costs incurred or to be incurred by the City as specified herein. Such approvals, interpretations, waivers and/or amendments may include extensions of time to perform. All material and/or substantive interpretations, waivers, or amendments shall require consideration and action by the City Council.

c. Modifications. Any alteration, change or modification of or to this Cooperation Agreement, in order to become effective, shall be made in writing and in each instance signed on behalf of each party.

d. Severability. If any term, provision, condition or covenant of this Cooperation Agreement or its application to any party or circumstances shall be held, to any extent, invalid or unenforceable, the

remainder of this Cooperation Agreement, or the application of the term, provision, condition or covenant to persons or circumstances other than those as to whom or which it is held invalid or unenforceable, shall not be affected, and shall be valid and enforceable to the fullest extent permitted by law.

e. No Third Party Beneficiaries. The terms and provisions of this Cooperation Agreement are for the benefit of the Agency and City and not for the benefit of any other person or entity.

f. Cooperation. Each party agrees to cooperate with the other in this transaction and, in that regard, to sign any and all documents which may be reasonably necessary, helpful, or appropriate to carry out the purposes and intent of this Cooperation Agreement including, but not limited to, releases or additional agreements.

[Signature blocks on following page.]

IN WITNESS WHEREOF, the City and the Agency have executed this Cooperation Agreement as of the date first set forth above.

CITY:

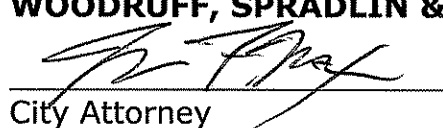
CITY OF GARDEN GROVE,
a California municipal corporation

By: _____
Mayor

ATTEST:

City Clerk

APPROVED AS TO FORM:
WOODRUFF, SPRADLIN & SMART



City Attorney

AGENCY:


**GARDEN GROVE AGENCY FOR
COMMUNITY DEVELOPMENT,**
a public body, corporate and politic

By: _____
Chairperson

ATTEST:

Agency Secretary

APPROVED AS TO FORM:
STRADLING YOCCA CARLSON & RAUTH



Agency Counsel