CITY OF WOODLAND
300 FIRST STREET
WOODLAND, CALIFORNIA

CITY COUNCIL
CLOSED SESSION AGENDA

JUNE 21, 2011

5:00 P.M.

A. CALL TO ORDER

B. CLOSED SESSION

B.1 Conference with Legal Counsel – Existing Litigation, Pursuant to Section 54956.9(a)
Name of Case: CARES v. County of Yolo et al.

B.2 Conference with Real Property Negotiators, Pursuant to Section 54956.8
Property: APN 006-602-02 (320 – 324 Main Street) State Theater
Agency Negotiator: Agency Executive Director and Agency Attorney
Negotiating Parties: Mark Deven, Ed Quinn and Richard Mann, Dave Corkill
Under Negotiation: Price and Terms of Payment

JOINT REGULAR CITY COUNCIL/
WOODLAND FINANCE AUTHORITY/
REDEVELOPMENT AGENCY BOARD

6:00 P.M.

All times are approximate

A. CALL TO ORDER

B. ROLL CALL

C. PLEDGE OF ALLEGIANCE

D. COMMUNICATIONS-PUBLIC COMMENT (6:03)

updated a/o 10/4/2018

This an opportunity for the public to speak to the Council on any item other than those listed for public hearing on this agenda. Speakers are requested to use the microphone in front of the Council and to begin by stating their name, whether they reside in Woodland and the name of the organization they represent if any. The Mayor may impose a time limit on any speaker depending on the number of people wanting to speak and time available for the rest of the agenda. In the event comments are related to an item scheduled on the agenda, speakers may be required to wait to make their comments until that item is considered.

E. COMMUNICATIONS–COUNCIL/STAFF STATEMENTS AND REQUESTS (6:06)

This is an opportunity for the Council Members and Staff to make comments and announcements, to express concerns, or to request Council's consideration of any items a Council Member would like to have discussed at a future Council meeting.

F. COMMITTEE REPORTS (6:08)

F.1 Receive the Minutes of the Library Board of Trustees Meeting of May 12, 2011

G. PRESENTATIONS (6:09)

1. Receive Report on 4th of July Events

H. CONSENT CALENDAR (6:12)

2. Receive the Monthly Status Report from Public Works Department

3. Award Construction Contract for Pioneer-Parkland Extension, CIP 09-27 to DeSilva Gates Construction

4. Accept as Complete Contract with Hemington Landscape Construction for Jack Slaven Park, CIPs 05-27, 08-62 and 09-19; Authorize Notice of Completion

5. Adopt Ordinance Amending Section 23C-7-3 of the Woodland Municipal Code Regarding Establishing Capacity Charges for Water Services

6. Approve Revisions to Job Descriptions for Firefighter, Fire Engineer and Fire Captain

7. Receive Manufactured Home Fair Practices Commission Annual Report for 2010

I. PUBLIC HEARINGS – COUNCIL (6:15)

8. Continue Public Hearing for Gibson Ranch L&L; North Park L&L; West Wood L&L and Streng Pond Maintenance Districts from June 21, 2011 to Council Meeting of July 5, 2011 (5 minutes)
9. Conduct Public Hearing Regarding Arrow Construction's Bid Protest for 2011 ADA Improvement Project, No. 10-06 (10 minutes)

10. Hold Public Hearing Regarding Renewal of the 2011-2012 Annual Assessment for Woodland Visitor Attraction District (BID); Adopt Resolution Confirming Annual Assessment Report (10 minutes)

J. REPORTS OF THE CITY MANAGER (6:40)

11. Adopt Resolution Opposing the Realignment of Woodland into Three (3) Board of Supervisor Districts (5 minutes)

12. Adopt Preliminary Fiscal Year 2012 Operating and Capital Budget and Fiscal Policy (10 minutes)

K. REDEVELOPMENT AGENCY REPORTS (6:55)

13. Adopt Resolution Approving Fiscal Year 2012 Redevelopment Agency Budget (10 minutes)

14. Approve Allocation of Redevelopment Agency Bond Proceeds; Consider and Approve Companion Items; Direct Staff and Agency Attorney to Finalize Applicable Agreements (30 minutes)

15. Adopt Resolution Authorizing Agreement with YoloArts for Implementation of Art in Public Places Pilot Program (5 minutes)

16. Adopt Resolution to Authorize Execution of Owner Participation Agreement for Woodland Opera House Children's Performing Arts Center at the State Theater (5 minutes)

17. Adopt Resolution to Authorize Execution of Owner Participation Agreement for Burger Restaurant Loan, 210 Main Street; Authorize Allocation of Redevelopment Bond Funds for Building Renovation and Site Improvements (5 minutes)

18. Adopt Resolution to Authorize Execution of Owner Participation Agreement for Gorman's Roadhouse; Authorize Allocation of

Redevelopment Bond Funds for Interior and Exterior Improvements (5 minutes)

19. Adopt Resolution to Authorize Execution of Owner Participation Agreement for Globe Rice Mill Building, 1059 Court Street; Authorize Allocation of Redevelopment Bond Funds for Interior and Exterior Improvements (5 minutes)

20. Adopt Resolution to Authorize Execution of Relocation Agreement for Hoblit Dealership (5 minutes)

21. Adopt Resolution to Authorize Execution of Contract with Indigo for Freeman Park and Farmer's Market Design; Authorize Allocation of Redevelopment Bond Funds (5 minutes)

22. Adopt Resolution to Authorize Execution of Owner Participation Agreement for Porter Building; Authorize Allocation of Redevelopment Bond Funds (5 minutes)

23. Adopt Resolution to Authorize Execution of Owner Participation Agreement for Muscle World Building, 514-518 Main Street; Authorize Allocation of Redevelopment Bond Funds (5 minutes)

24. Adopt Resolution to Authorize Execution of Owner Participation Agreement for Oddfellows Building Second Floor Interior Loan; Authorize Allocation of Redevelopment Agency Funds (5 minutes)

L. ADJOURN (8:25)

I declare under penalty of perjury that the foregoing Agenda for the Joint Regular City Council/Woodland Finance Authority/Redevelopment Agency Board of the City of Woodland scheduled for Tuesday, June 21, 2011 was posted on June 17, 2011 in the outside display case at City Hall, 300 First Street, Woodland, CA, and was available to the public during normal business hours.

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Ana B. Gonzalez, City Clerk

Upon request, agendas and documents in the agenda packet will be made available in appropriate alternative formats to persons with a disability, as required by law. Any such request must be made in writing to the Office of the City Clerk of the City of Woodland. Requests will be valid for the calendar year in which the request is received, and must be renewed prior to January 1st.
Persons needing disability-related modifications or accommodations in order to participate in public meetings, including persons requiring auxiliary aids or services, may request such modifications or accommodations by calling the Office of the City Clerk (530-661-5806) at least 48 hours prior to the meeting.

City of Woodland

REPORT TO MAYOR AND CITY COUNCIL

AGENDA ITEM

TO: THE HONORABLE MAYOR
AND CITY COUNCIL

DATE: June 21, 2011

SUBJECT: Library Board of Trustees minutes for May 12, 2011

Report in Brief

Staff recommends that the City Council receive the Library Board meeting minutes for May 12, 2011 regular meeting.

Recommendation for Action

No action required.

Prepared by: Heather Muller
Library Services Director

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Mark G. Deven
City Manager

Attachment

WOODLAND PUBLIC LIBRARY
BOARD OF TRUSTEES
Minutes, May 12, 2011

Present: Alain Traig, Bud Goding, Jorel Difuntorum, Kay Hodges

Staff: Heather Muller, Sue Bigelow

The Library Board of Trustees meeting was called to order at 4:00 p.m.

I. Welcome Visitors
Alain welcomed Diane Adams and Bobby Harris.

II. Public Comment: None

III. Review of Agenda
The agenda was accepted as submitted.

IV. Approval of Minutes
Upon motion made by Bud and seconded by Jorel, the minutes of the April 21, 2011 meeting were approved.

V. Communications
- Heather has received a request to hold a small wedding in the Rose Garden. Pending approval by the Rose Club and the City Special Events Commission, the Board has no objection to granting this request.
- The exterior of the library building will be power-washed in the near future; this service will be provided by the City.

VI. Old Business

A. Staff Hiring Update
No new information has been received. .

B. Literacy Coordinator position update
A letter is being sent to Mayor Art Pimentel and Vice-Mayor Skip Davies that includes suggested wording for the City budget addressing the Literacy Coordinator position. This wording will provide for a “sliding” FTE based on funding as agreed upon in the Board’s recent “two by two” meeting with the City. Cc’s of the letter will be provided to the remaining members of the City Council, City Manager Mark Deven, Human Resources and Finance,

C Literacy Update
Two Employment Literacy Program workshops have been successfully conducted and two more are scheduled. These workshops are funded by a grant awarded by the California State Library for a joint project between the Woodland Public Library and its Literacy Service. Literacy Coordinator Sue Bigelow continues to pursue grant opportunities for the Literacy program and she recently met with United Way. Based on statistics from the California Library Literary Services department, Woodland's literacy program is among the top three in the state.

D. Budget Update
Heather provided the Board with the current Expenditure Status Reports. There will be a budget workshop on May 24, 2011; however, the department heads have not been given any information as yet

E. Toy Library
Heather will meet with a contact from the toy library, but it is agreed that a partnership cannot be established at this time.

VII. New Business

A. Bookflix!
This on-line book application in now available on the children's page of the library website. It pairs a fiction book with a non-fiction book and includes some animation. This is a state-wide program that is the result of a two-year federal grant.

VIII. Reports

A. Director
Heather requested the Board's input on various proposed policy changes regarding item checkout limitations. Patty Lakie is working on programming the checkout system to default to e-mail receipts vs. printed paper receipts. The Sacramento Public Library has begun charging patrons for failure to pick up hold items.

B. Board
Alain reviewed the recent "two by two" meeting with the City. There is mutual interest in securing long-term, stable funding for the library and various options were discussed. Indirect costs applied to the library are also being reviewed.

Diane reported that the Friends are working with a vendor who will do web book sales for them. The profit from Mystery Night was $4,679 and from Woodland Reads, $2,000. Board members for the next year are currently being recruited.

The meeting was adjourned at 5:22 pm
The next meeting will be June 9, 2011
Minutes prepared by Kay Hodges

City of Woodland

REPORT TO MAYOR AND CITY COUNCIL

AGENDA ITEM

TO: THE HONORABLE MAYOR
AND CITY COUNCIL

DATE: June 21, 2011

SUBJECT: 4th of July Celebration

Report in Brief

This report is provided so that the City Council may receive information on the upcoming 4th of July event.

Background

The Woodland Recreation Foundation voted on September 23, 2003 to be the primary organization sponsoring and organizing the Annual 4th of July celebration in Woodland. The Parks and Recreation divisions also take a lead role in assisting the Foundation with the organization and operation of the 4th of July Special Event.

The Foundation has the critical task of soliciting sponsorships for the fireworks (discussed in the next section) and also for the following events held throughout the day. Event sponsors have the option to use the event to raise funds for their respective organization.

1. Fun Run
   A 5K/10K run/walk for all ages that kicks off the day's events at 8 am at Pioneer High School. The Woodland Schools Foundation is this year's sponsor for the fun run with the goal of raising funds in support of extracurricular school activities (i.e., arts, music) that are currently under funded.

2. Stars and Stripes Bike Parade
   This family favorite is held at Heritage Plaza and begins around 9am with kids decorating their bikes or scooters and then "parading" before celebrity judges. Prizes are awarded in various categories and after winners are announced, all participants "parade" down Main Street to Freeman Park. This event currently does not have a sponsor and therefore may not be offered this year.

3. Family Fun Day
   A family event where participants can enjoy food, music and old fashioned games like sack races and balloon tosses. This event is held at Freeman Park and begins as the Bike Paraders enter the park at 11:00am and ending at 1pm. This event will be sponsored by B3 Inspection Services, a local small business.

4. Swim Fest
   A FREE event for all ages, this popular Swim Fest is held at the Charles Brooks Community Swim Center from 1pm to 4pm. This event is currently not sponsored but will be held even if a sponsor is not secured, as it is run by the Recreation staff. A sponsor could use the snack bar to sell snacks to participants and/or provide BBQ lunch items.

5. Ice Cream Social
   This event is held at the Woodland Community & Senior Center and is sponsored and run by the Senior Center Computer Club.

Fiscal Impact

The City of Woodland provides $5,000 to cover overtime costs for full-time staff and hourly wages for part-time staff. The balance of the funding is provided by sponsors at varying donation levels:

Sponsorship Level:	Sponsors to Date:
Grand Finale $10,000	PG&E at $7,500
Shooting Star $1,500-$4,000	Best, Best & Krieger ($1500), Adams Grain ($2500), Woodland Elks Lodge ($3000), Conaway Ranch ($4000)
Roman Candle $500-$1,499	Woodland Chamber of Commerce (in-kind), WAVE Broadband (in-kind)
Sparkler $100-$499	Approximately 11 sponsors with an estimated total of $1,400

Total sponsorships “promised” but not necessarily received total about $21,000. It is anticipated that the total will grow to $25,000 or more by the date of the event (including a sponsorship by Waste Management – amount to be determined). More up to date information will be presented by Tanya McKay, President of the Woodland Recreation Foundation at the City Council Meeting on June 21, 2011.

Public Contact

Posting of the City Council Agenda.

Recommendation

Staff recommends that the City Council receive the information on the 4th of July event.

Prepared by: Elle Murphy
Recreation Manager

Reviewed by: Dan Bellini
Chief of Police

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Mark G. Deven
City Manager

City of Woodland

REPORT TO MAYOR AND CITY COUNCIL

AGENDA ITEM

TO: THE HONORABLE MAYOR AND CITY COUNCIL

DATE: June 21, 2011

SUBJECT: Public Works Monthly Status Report

Report in Brief

The Public Work's Department Monthly Status Report includes an executive summary of the monthly activity of all divisions within the Department. This report also includes information regarding key projects and/or activities throughout the months.

Highlights

- Staff completed 79.5 hours of training in the month of March.
- Staff dedicated 1,300.75 hours to the Branigan Sink Hole Emergency.
- The Public Works Department has 6 Vacancies as of April 30, 2011.

The operations detail contained in this report is for the month of April 2011 and all project related information is current as of June 6, 2011.

Prepared by: Stephanie Frank
Administrative Secretary

Reviewed by: Gregor G. Meyer
Public Works Director

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Mark G. Deven
City Manager

Attachment

Public Works Department

Monthly Status Report

Summary – April 2011

For the Month of April 2011		
Division	**Service Requests**	**Work Orders**
Administration	729	
Electrical	71	76
Environmental Services		49
Facilities	36	43
Fleet		106
Sewer	23	119
Signs & Markings	4	59
Storm Drain	3	10
Streets	28	56
Urban Forestry	47	27
Water	488	233
Grand Total	1,429	778

Service Request – Every time a request for Public Works services is made by phone call, written request, emailed request, or an actual one-on-one request to a PW employee, a **'Service Request'** is generated. This builds a computerized record of all requests made.

Work Order – A **'work order**' is created each time a work crew or individual is assigned a task as a result of either service requests, pre-planned maintenance projects, or by other situations as they arise. This produces a database of work accomplished and the time and materials it took to do the work.

Total for Calendar Year 2011 Through 4/30/2011	
Service Requests	Work Orders Complete
5,487	**3,758**

With **1,429 Service Requests received**, Public Works crews handled **778 Work Orders** for the month of April. They included:

Operations & Maintenance

Administration:

- The administration team received 1,429 Service Requests; 729 of which were handled through the front desk, and the other 700 requests were distributed to the appropriate division. (see chart above)
    - ♦ 43 Backflow Notifications were mailed to responsible parties regarding testing requirements
    - ♦ 285 Underground Service Alert (USA's) requests processed
    - ♦ 153 Delinquent Water Shut-Off's
        - 144 Residential Accounts
        - 9 Commercial Accounts

Electrical:

- 3 Lift Station Work Orders
- 10 Street Light Work Orders
    - ♦ Group Lamp Change Out
    - ♦ 6 Street Light Services
    - ♦ 1 Locate Electrical Line Request

    - 1 Damaged Fixture Repair
    - 1 Handhole Cover Repair
- 13 Traffic Signal Repairs
    - Bi-Monthly Check
    - Conflict Monitor Testing
    - 1 Damaged/Exposed Wiring Work Order
    - 1 Installation/Upgrade
    - 1 Locate Electrical Line Request
    - 8 Signal Repairs
- 2 Facility Service Requests
- 22 Park Facility Service Requests
- 11 Water Pollution Control Facility Service Requests
- 10 Well Site Services (Install/Upgrade, Testing, Data Retrieval, SCADA Modification)
- Received/marked 285 Underground Service Alerts (USA's)

Environmental Services:
- 44 Green Waste Investigations
- 1 Public Nuisance Investigation
- 4 Water Conservation Service Requests
    - 3 Metered Consumption Investigations
    - 1 Water Conservation Investigations

Facilities:
- 8 Repairs to City Hall
- 3 Repairs to Fire Stations 1, 2 &3
- 6 Repairs to the Library
- 8 Repairs to the Municipal Service Center
- 15 Repairs to the Police Department
- 1 Repairs to the Water Pollution Control Facility

Facilities has a backlog of 40 Service Requests

Fleet:
- 236 Work Order Repairs to 106 different units (vehicles, apparatus & equipment)

Sewer:
- 25 Sewer Cleanout Services
    - 2 Inspections
    - 18 Preventive Maintenance Services – Installation
    - 5 Repairs
- 60 Gravity Main Services
    - 1 Blockage Cleared
    - 3 Inspections
    - 48 Preventive Maintenance Service Utilizing the CCTV (Closed Circuit Television)
        - 901 Events
            - 11,208 Linear Feet Inspected
    - 4 Preventive Maintenance service utilizing the HVVC (High Velocity Vacuum Truck)
        - 6,238 Linear Feet Cleaned

    - 4 Repairs
    - Routine Inspection
    - Routine Maintenance
- 22 Sewer Lateral Services
    - 2 Blockages Cleared
    - 5 Inspections
    - 7 Service Location Requests
    - 1 Preventive Maintenance Service utilizing the CCTV
    - 4 Lateral Line Replacement
    - 5 Sanitary Sewer Overflow Events
        - 2 Private
- 9 Manhole Services (flushing/repair/inspection)
- Received/marked 285 Underground Service Alerts (USA's)

Signs & Markings:

- 1 Departmental Duty Services
    - 1 Banner Service
- 5 Guide Sign Services
    - 5 Routine Maintenance Services
        - 8 Signs
- 4 Object Marker Services
    - 4 Routine Maintenance Services
        - 1 Marker
- 27 Regulatory Sign Services
    - 1 Cleaning Service
    - 1 Graffiti Services
        - 2 Signs
    - 3 Knockdown Repairs
    - 19 Routine Maintenance Services
        - 31 Signs
    - Surveying
- 20 Street Marking Services
    - 1 Curb Painting Service
        - 31,299 Linear Feet
- 2 Warning Sign Services
    - 1 Sign Cleaning Service
    - 1 Survey

Storm Drain:

- 3 Gravity Main Services
    - 2 Inspections
    - 1 Replacement
- 1 Gutter Service
    - 1 Illicit Discharge
- 4 Inlet Point Services
    - 2 Illicit Discharges
    - 2 Inspections
- 1 Lift Station Service
    - Pump Replacement
- Open Channel Maintenance/Inspection

Streets:

- Road Edge Services
    - ♦ Curb & Gutter Spot Repair
        - 87 Square Feet
    - ♦ Fixed Barrier Maintenance
- Parking Lot Services
    - ♦ Maintenance
    - ♦ Skin Patch Service
        - 200 Square Feet
- Sidewalk Path Services
    - ♦ Graffiti Removal
    - ♦ 11 Spot Repair Service Requests
        - 137 Square Feet
    - ♦ Trash & Debris Clean-Up
- 37 Road Services
    - ♦ 7 base Failure Repairs
        - 5,967 Square Feet
    - ♦ Bike Lane Sweeping
        - 10 Miles
    - ♦ Crack Sealing
        - 10,130 Linear Feet
    - ♦ Pot Hole Patching
        - 43 Pot Holes Patched
    - ♦ 2 Road Grading Services
    - ♦ 1 Sink Hole Response
    - ♦ 3 Skin Patch Services
        - 1,634 Square Feet
    - ♦ 2 Spill Responses
    - ♦ Surveying
    - ♦ Traffic Control
    - ♦ Trash & Debris Clean-Up

Urban Forestry:

- 8 Hazardous Situation Responses
- 1 Tree Planting
- Tree Pruning's
    - ♦ 17 Trees
- 4 Trees Removed
- Small Tree Care
- Right of Way Clearing
- Inspection
- Investigation
- Stump Grinding

Water:

- Produced 295,370,220 gallons of drinking water in April
- Received/marked 285 Underground Service Alerts (USA's)
- 1 Backflow Investigation

- 13 Control Valve Services (exercise, locate, repair, replace, water turn off/on)
- 2 Enclosed Storage Facility Services
  - 1 Maintenance Service
  - 1 Pressure Reading
- 9 Hydrant Services
  - 2 Hydrant Flushing Services
  - 3 Maintenance Services
  - 3 Repair Services
  - 1 Replacement Service
- 3 Lateral Line Services
  - 3 Line Location Services
- 40 Lateral Valve Services
  - 9 Leak Detection Services
  - 15 Locate Services
  - 2 Valve Replacement Services
  - 11 Water On/Off Services (Finance, Contractor, Homeowner Request)
- 51 Meter Services
  - 33 Meter Investigations
  - 5 Meter Repairs
  - 7 Meter Maintenance Services
  - 2 Meter Box Replacements
- 2 Pressurized Main Services
- 110 Production Well Services
  - 19 Inspections
  - 80 Maintenance Services
  - Sampling
  - No3 Monitoring
  - Disinfection Procedures
  - Security Services

Environmental Services

General:

- Distributed literature and answered resident questions about water meters and water conservation, green waste program guidelines, waste reduction and recycling, and storm water pollution prevention at the Yolo County Master Gardeners Spring Gardening Workshops, the Downtown Sidewalk Sale, the Master Gardeners spring composting workshop, Earth Day events at Woodland Community College and Head Start, and Día de los Niños.

Solid waste/recycling:

- Monitored C&D debris recycling for 64 active project units. Opened 2 new projects and closed out 4, all of which met the diversion requirement.
- Co-sponsored the annual Bulky Waste Collection, at which 700 vehicle trips were logged delivering an estimated 38 tons of recoverable/recyclable wood, metal, plastic, and cardboard items; 37 tons of bulky waste; 1,097 tires; and over 12 tons of e-waste.
- Distributed recycling and waste reduction materials at public events: 160 recycling activity booklets and coloring books and 70 sets of recycle-theme stickers, 70 recycled-content rulers and 80 Woodland Recycles pens, 40 Woodland Recycles tote bags, 85 calendars, and 80 recycle-theme bookmarks with embedded seeds.

Green waste:

- Issued 186 green waste violation door hangers and conducted 44 code compliance follow-ups for illegal piles/pile content. April green waste statistics show that 80% (933 tons) was collected in carts while 20% (238 tons) was collected in street piles.
- Processed 7 compost bin and 2 mulching mower rebates.
- Distributed 55 composting guides, 15 pesticide management guides, and 19 free compost bins to workshop attendees and Woodland Community College classes.

Water conservation:

- With Yolo County Resource Conservation District, held a community workshop on Landscaping for Water Conservation with approximately 60 attendees.
- Provided on-site troubleshooting assistance at 2 residences with excessive metered water use/evidence of leaks.
- Distributed 100 brochures on indoor and outdoor water conservation; 45 hose nozzles; 50 moisture meters; 10 toilet-leak dye tablet packets; and 500 kids water conservation items, including water conservation and stormwater activity booklets, water conservation sticker sets, and activity kits.
- Issued 1 rebate for a weather-based irrigation controller.

<u>Water Pollution Control Facility</u>

Laboratory

- Collected samples and performed over 300 process control and National Pollutant Discharge Elimination System (NPDES) permit compliance tests for the wastewater treatment plant.
- Collected monthly influent, effluent and receiving water monitoring samples; submitted to contract laboratories.
- Collected samples and performed 45 tests on treatment plant storage ponds.
- Collected/tested numerous additional samples and continued to work closely with Operations to troubleshoot and resolve issues with the UV disinfection system.
- Kept Regional Board staff up to date on our efforts to resolve issues with UV disinfection system.
- Completed annual QC testing, submitted results to SWRCB.
- WIMS implementation and training, April 12 – 15th.
- Prepared monthly Discharge Monitoring Reports and electronic Self-Monitoring Reports; submitted to the Regional Water Quality Control Board (RWQCB).
- Collected samples and performed 150 regulatory compliance tests for potable water.

Pretreatment

- Inspections
    - ♦ Auto Related Businesses – 1
    - ♦ Food Service Business – 17
    - ♦ Business of Concern – 1
- Plan review for Building/CDD - 3
- Permit applications or permits - 15
- Public education & outreach visits - 13

- FOG (WEF English/Spanish) brochures mailed in the month of April to approximately 14,700 COW water/sewer users via their utility bill.
- FOG Pan to Can brochures and can lids handed-out at COW/Historic Woodland Downtown Business Association Spring Sidewalk Event.
- FOG Pan to Can brochures and can lids handed-out at Día De Los Niños event.
- FOG Pan to Can outreach/ads placed with Daily Democrat and to run twice in May newspaper, and in June Around Town publication.
- Pollution Prevention Program web page created for City web site.
- Call-outs for spills/illicit discharges: 2
- Admin Citations Issued: 1
- Quarterly Local Limits monitoring
- Reviewed 1 SIU self-monitoring report
- SSO/Illicit Discharge Meeting
- Development Review Committee meeting
- City GIS Training
- Monthly staff meeting/safety tailgate
- WPCF Safety Committee meeting

Utility Engineering

Utility Engineering Legend: **Bolded text** indicates new information

The initials enclosed in ( )'s denotes the lead PW staff on the project.

(DB) Doug Baxter, Principal Civil Engineer	(MC) Mark Cocke, Senior Civil Engineer
(AO) Akin Okupe, Senior Civil Engineer	(CO) Clara Olmedo, Associate Civil Engineer
(MS) Mark Severeid, Lab Supervisor	

Project: Yolo Bypass/City Storm Flows (MC)

Status: The information was sent in for publication in the Federal Register on January 7, 2011. **The notification was published in the Federal Register on May 10, 2011. Two notifications were printed in the Daily Democrat and Sacramento Bee, the first was May 24 and the second on May 31.** This will start the formal 90 day Appeal Process for the PMR. After the appeal process is finished in **August 29, 2011** assuming, the map will be finalized, publication in the Federal Register will be done, and the map will become effective **180** days after publication of the map in the Federal register.

What's Next*:* **After the appeal period ends in August, any corrections will need to be made before the map can be finalized. These delays have pushed back the effective date to May of 2012,**

Project: Wastewater Treatment Plant/NPDES Permit (5 Year Renewal) (MS/DB)

Status: In February 2009 the final NPDES permit was issued by the RWQCB. The new permit requires the City of Woodland to move to an improved source water supply. It also requires significantly more testing and studies that will substantially increase operating costs. The California

Sportfishing Protection Alliance (CSPA) has petitioned the adopted NPDES to the State Water Board and requested the State Water Board to hold the NPDES in abeyance for an unspecified period of time. The immediate impact on the permit is unclear at this time. But CSPA wants limits imposed on: Oil and Grease, and Settleable Solids. CSPA has also requested a complete rewrite of the NPDES permit. The State Water Board will hold a hearing to make a decision at some point in the future.

On April 12, 2010, Mayor Skip Davies, Councilmember Bill Marble, City Staff and City's permit writing consultant Dan Rich met with senior staff from the Regional Water Quality Control Board (RWQCB). The purpose of this City requested meeting was to verify that boron, salt and selenium final limits will be in our waste discharge permit, and that these limits will cause the City to move to an improved water quality supply or other substantially more expensive treatment processes. We discussed all the conceivable alternatives and why improving our water quality supply is the least costly viable option. RWQCB made it clear that boron, salt and selenium final limits will be in our permit. RWQCB also said that they would enforce these limits with fines to eliminate all incentives to delay moving forward and that fines could be as high as $10 per gallon per day of wastewater not in compliance (at current flows the fines would be up to $60,000,000 per day). Under our current permit each year we have to submit compliance reports on moving to an improved source water supply. If we delay for example 2 years and saved $11,000,000 in interest, the fines would exceed that amount to eliminate any incentive to delay implementation of salt reduction.

In July **2010**, staff met again with RWQCB staff to discuss the recent establishment of Selenium discharge limits and the process for requesting a 5 year Time Schedule Order (TSO) for compliance (to place minimum mandatory fines in abeyance) since we're pursuing completion of the surface water project. Woodland will experience minimum mandatory fines of up to $12K per month. To date, the WPCF has 4 selenium violations and anticipates getting a Notice of Violation from the RWQCB soon. This will trigger the Mandatory Minimum Penalty stage of the violation process and will continue until the TSO is submitted and adopted by the RWQCB, in the August of 2011.

What's Next: The surface water project will continue to be pursued. Fiscal impacts of the permit will continue to be evaluated. Woodland staff met with the City Attorney to discuss options to the CSPA action. Staff advised the City attorney to meet with the Regional Board, to see if the Board would support a meeting with CSPA and the City. Regional Board said they will not support opening the NPDES discharge permit as a result of any agreements between the City and CSPA. So the City will wait and see if the State Water Board will agree to open the NPDES permit based on CSPA's petition at some later date. The hearing at the State Board could take up to two years before it's heard. Staff is looking into long-term planning options. Wastewater treatment long-term planning is underway.

The City of Woodland and the City of Davis evaluated the feasibility of combining treatment into a regional facility. The City of Davis is pursuing their own treatment facility. Both cities will continue to look for ways to work together when in the mutual interest of both cities. The City of Woodland will be updating the long-term facility plan for the Water Pollution Treatment Facility.

Project: Flood Protection (MC)

Status: The Final Cost Sharing Agreement was presented to the Central Valley Flood Protection Board meeting of February 25, 2011. Then the documents will be sent the Corps District HQ in San Francisco for review and signature. **The Corps has signed the Final Cost Sharing Agreement in the last week of May.**

What's Next: After Corps District HQ in San Francisco approval in early June the Feasibility Study can begin. The Final 2011 budget has been approved but the final appropriation fund amount ($100,000 or $500,000) has not been released from Washington. **There is no appropriation in the 2012 Federal Budget.** The initial study action will be to seek Corps approval of the hydrology developed for Cache Creek by FloodSafe Yolo. This will allow the Study to explore flood solutions that may involve modification of the Cache Creek Settling Basin.

Project: Storm Drainage Enterprise Operation (MC)

Status: The RCD is developing the plan for the East detention Pond and beginning a control program for management and eradication of invasive non native plants that have begun to occupy the site (tamarisk trees and pepper weed). The vegetation program in Storz Pond and around Fire Station 3 is proceeding well and greened up with the fall rains.

What's Next: The RCD has developed the site plan using native salt tolerant vegetation, and management of the existing vegetation. Native seed collection has been done and the adapted plant will be grown out over the winter. A draft plan for the East Detention Pond was received in December and is under review. A broad leaf weed control program will be started in March for Storz Pond.

Project: Surface Water Program (DB)

Status: The Woodland-Davis Clean Water Agency (Joint Powers Authority or JPA) is overseeing the Davis-Woodland Water Supply Project. Agency Board meeting times are currently held quarterly. Meeting locations alternate between the Woodland and Davis City Halls. The new project website at wdcwa.com contains the meeting agendas and any notices for variations in meeting schedules or locations. The current Agency focus includes pursuit of Federal and State supplemental funding opportunities, further analysis and development of innovative facility procurement options, and further development and implementation of community outreach and education opportunities.

Summer water purchase, land easements and use of the Sacramento River Intake agreements have been signed.

On April 15th the JPA received 5 responses to the Request for Qualifications. Responses are from experienced high quality firms. The 5 have been narrowed down to 3. Those three will be invited to Participate in the Request for Proposal phase of procurement.

What's Next: Focus is now on the Design-Build-Operate (DBO) "Request for Proposal" process and clearing up land acquisition for the intake site and water treatment plant site.

Project: Supervisory Control and Data Acquisition (SCADA) (DB/AO)

Status: SCADA contract has been awarded to Auburn Constructors and work has commenced. Work should be completed by summer 2011. Ecologic Engineering Inc. is the construction management firm and did an independent review of the design. FCC license has been obtained. Work has proceeded very well and smoothly.

The SCADA system and water-meter radio systems are totally separate operating systems. The water-meter radio system collects data via radio signals from the individual water-meters, sends it to a central location where the data is compiled, and then forwarded to our finance department for inclusion in customer's water bills. SCADA, on the other hand, is used to coordinate the functional workings of the City water system; including the storage tank and all 18 of our wells.

SCADA:

1. Allows the wells to operate in a coordinated manner so as to keep the tank at a near full condition to improve water pressure throughout the day.
2. Continuously monitor nitrate levels in our pumped groundwater to assure that it meets regulatory water quality standards without fail.
3. Monitors wells for operational readiness and physical condition.
4. Allows for the most efficient wells to be operated most frequently reducing overall pumping costs.
5. Monitor security issues
6. SCADA is also needed to coordinate the groundwater pumping with the planned surface water supplies scheduled for 2016.

What's New: Work began September 2010. System should be operational by end of July 2011.

Project: Water Focus Study (DB)

Status: Hydraulic modeling has been done. The sections of the report dealing with the coordination of the use of wells and surface water supplies are being written. Likewise, the report has been amended to reflect the expected 15% water conservation that should occur with the City being fully metered.

What's Next: Additional modeling is being done to determine best location of ground level tanks to blend surface water throughout the city. Water system calibration work was done in September 2010 which will allow the modeling to be more accurate.

Draft of study has been submitted to the City and City staff has commented on this document. Focus Study will be finalized once we get the results from a separate evaluation done on how best to blend and move the surface water throughout the City. This study may affect tank sizing and location. Modeling is also being done to determine the size and location of water transmission lines and tanks for the Surface Water Supply Project. **To maximize the use of our future Sacramento River water we plan on in the winter injecting surplus treated water into our groundwater wells. This will both recharge the groundwater and improve the groundwater quality so we can pump it back out during summer peak day periods.** This work is underway.

Project: Meter Implementation Phase 2 (DB/AO)

Status: City staff received grant funding to install meters on 10,000 houses in the City. Council awarded contract to Teichert Construction, notice to proceed was issued on September 17, 2009. A construction management firm has been selected to manage the project.

Phase 1 metering involved about 5,000 water users and this work was recently completed. It included putting automated meter reading (AMR) equipment on existing meters of businesses as well as homes built post 1991. Phase 1 work is essentially completed. Actual water consumption based billing began for Phase 1 meter users in December 2010.

Phase 2 metering is for installing meters plus AMR on all the remaining 10,000 properties. In addition to installing water meters, many water service lines from water mains will need to be replaced due to their poor condition. Funding is provided by federal stimulus fund of $14.8M (half low interest loan and half grant) plus $2.3M in City Water Enterprise Funds. Staff successfully worked with the State to allow City share to be used last and not first which is normal and was previously required. Project is 85% complete; staff attended training session with CDPH on claim reporting. Staff hopes to both completed the work and keep most of the cost within the federal stimulus fund so as to minimize the utilization of the $2.3M in City Water Enterprise Funds. Staff has completed the modification work that was needed on some of the older meter registers so more accurate data can be obtained to help homeowners with determining if they have leaks in their water plumbing system. By **end of July** 2011 Phase 2 meters should be installed, except possibly for a few condominium and parks that may take a little bit longer.

What's Next: Staff has been submitting quarterly report as indicated in the funding agreement to CDPH. Staff is continuing to work with the State to obtain grant/loan reimbursement funding checks for costs incurred for construction and staff time.

Project: Well #1 Replacement (CO)

Status: The new Yolo County Courthouse project will displace the existing location of Well #1. Construction of a new well to replace existing Well 1 will need to be completed prior to construction of the new courthouse that is scheduled to begin December 2011. The new site for the new well location has been selected to be in the northeast area of Freeman Park in an area of minimal impact to the area normally used by park visitors. West Yost has completed design for the well drilling. The well that will replace Well #1 will be called Well #28. **Bids were received for below ground construction; award is pending Council approval June 7th.**

What's Next: **Construction of below ground well drilling is anticipated to begin late June 2011.** The above ground pump station is planned to be bid summer 2011 and Well #28 completed by April 2012**.**

Project: First New Ground Level Tank and Booster Pump Station (AO/DB)

Status: The City has a deficit in water storage of about 3 million gallons and about 6,000 gallon per minute deficit in water pumping capacity. This project will significantly reduce these problems.

Letters went out to residences located within 300 feet of the tank site as well as those adjacent to the park to invite them to a public meeting. The meeting was held on March 16th at the Community Center. Only one person showed up and he was supportive of the project. . On April 25 this project was presented to the Parks Commission who approved its location on a vote of 4-0 in favor of the project.

What's Next: Water modeling has been done to confirm the best location for the tank to address hydraulic deficiencies and to optimize the distribution of the higher quality water that will result from the surface water supply project.

The project will be located at the west end of David Douglass Park. The CEQA process is underway.

Project: East Street to Pioneer 36" Water Main (MC/CO)

Status: City is coordinating with four Spring Lake area developers to install a 36" water main instead of constructing a 12 inch water main that was part their obligation to front their developments in order for the City to save money and to meet the needs of the surface water project

What's Next: **The scope of the project has changed to include the pipeline from Pioneer to Road 102 and the future connection the Regional Water Supply Project.**

City of Woodland

REPORT TO MAYOR AND CITY COUNCIL

AGENDA ITEM

TO: THE HONORABLE MAYOR
AND CITY COUNCIL

DATE: June 21, 2011

SUBJECT: Pioneer-Parkland Extension, CIP 09-27; Award Construction Contract

Report in Brief

On June 7, 2011, the received nine bids for construction of the segment of Pioneer Avenue and Parkland between Farmers Central Avenue and Heritage Parkway. The initial roadway construction will be a two-lane road including sidewalk on one side, street lights, City utilities (water, sewer, and storm) and portions of future PGE, ATT & Telecommunications infrastructure. The roadway will provide for more efficient traffic circulation and enable future development of the adjacent lands. On May 3, 2011, Council approved plans and specifications for the project, and the bid period commenced.

Staff recommends that the City Council award the base bid Construction Contract in the amount of $2,197,856.00 to DeSilva Gates Construction, Dublin, CA.

Background

The Spring Lake Specific Plan (SLSP) circulation element includes a four lane arterial road (extension of Pioneer Avenue and Parkland Road) between Farmers Central Road and Heritage Parkway. The Spring Lake Mello Roos bond district includes financing for two of the four lanes.

In 2004, the City sold bonds to fund the initial infrastructure needed to support development in the Spring Lake area. In order to meet their respective schedules, the Spring Lake developers constructed all of the major improvements included in the bond documents except this project. There is not a development interest that can carry the cost of these improvements (subject to reimbursement) and may not be for some time. Therefore, the City is stepping forward to complete the necessary infrastructure listed in the bond documents.

The City Council approved the purchase and dedication agreement for the right of way at the April 5, 2011 meeting. The right of way deed recorded on May 25, 2011, thereby transferring title to the City.

Discussion

On June 7, 2011, the City opened the following bids:

Bidder's Name	Base Bid Amount	Add Alternate
DeSilva Gates Construction[1]	$2,197,856.00	$240,000.00
Teichert Construction Co.	$2,225,841.80	$128,000.00
Lund Construction Co.[1]	$2,296,220.90	$156,800.00
Ghilotti Construction Co.	$2,304,006.00	$124,000.00
Marques Pipeline, Inc.	$2,331,024.00	$240,000.00
Argonaut Constructors	$2,359,450.55	$144,000.00
Granite Construction Co	$2,536,536.00	$122,600.00
Doug Veerkamp General Engineering, Inc.	$2,541,073.86	$334,400.00
Dewitt Bros & Co Inc.	$2,638,294.35	$124,800.00
Engineer's Estimate	$2,705,700.00	$350,000.00

Note 1: Total of Bid Item Amounts recalculated.

Staff has performed due diligence in reviewing the bids and all bids comply with the technical submittal requirements, except as indicated in the notes above. The basis of award is based on the base bid amount only. The add alternate was for exporting excess soils in the event agreement wasn't reached with adjacent landowners to take the soil for future development use. Because agreement with the adjoining land owners was accomplished, the add alternate is being excluded from the project.

Staff anticipates construction starting in early July 2011 and finishing around late December 2011. It should be noted that the completion date could be delayed due to weather related time extensions. Staff anticipates that all earth disturbing activities will be substantially complete by the end of October. Items such as the signal poles and street lights take about four months from ordering to delivery and will likely be installed as one of the last items of work. Therefore, the new roadway, though paved, will not be open to the public until after acceptance of the entire project. Since this project constructs a new roadway, there should be few disruptions to existing traffic. All necessary notifications will be made when disturbances are expected.

Construction of this project will provide the following benefits:

- Improve traffic circulation and emergency vehicle response times for the residents in the Beeghly Ranch area;
- Allow the Bond District to take advantage of the continued good bid climate;
- Improve the local economy by providing additional construction jobs;

- Allow the City to determine if there will be any remaining bond money that can be reallocated to other projects within the Bond District or returned to the developers;
- Address a concern expressed by Spring Lake homeowners during the March 15 City Council meeting and during a follow up meeting with over 100 homeowners on March 30; and
- Improve the marketability of land in the SLSP area

Fiscal Impact

The total project budget is $3.5 million, which consists of Spring Lake bond funding (IFR-Initial Facilities Release). These funds are available and the project budget is consistent with the Spring Lake Capital Improvement Plan (CIP) which is the basis for the Spring Lake Infrastructure Fees (SLIF). The difference between the total project budget and the contract award amount is the amount budgeted for design, right of way, construction management and construction contingency.

There is no impact to the General Fund.

Public Contact

Posting of the City Council agenda.

Recommendation for Action

Staff recommends that the City Council award the base bid Construction Contract in the amount of $2,197,856.00 to DeSilva Gates Construction, Dublin, CA.

Prepared by: Michael Karoly, P.E.
Senior Civil Engineer

Reviewed by: Brent Meyer, P.E.
Principal Civil Engineer
City Engineer

Reviewed by: Paul Siegel
Deputy Director
Community Development

____

Mark G. Deven
City Manager

City of Woodland

REPORT TO MAYOR AND CITY COUNCIL

AGENDA ITEM

TO: THE HONORABLE MAYOR AND CITY COUNCIL

DATE: June 21, 2011

SUBJECT: Final Acceptance and Notice of Completion for SLSP Park N2 (Jack Slaven Park) CIPs 05-27, 08-62 and 09-19

Report in Brief

In June 2, 2009 the City awarded a construction contract to Hemington Landscape Construction in the amount of $2,312,689 to construct Jack Slaven Park. The work was performed in accordance with the plans and specifications and is ready for acceptance by City Council.

Staff recommends that the City Council accept Jack Slaven Park as complete and authorize the City Clerk to file a Notice of Completion.

Background

The SLSP Park N2 is the first of four parks to be built in the specific plan area. It is an 8 acre neighborhood park located between Miekle Avenue, Ortiz Avenue, Camacho Way, and a future development project to the south.

The project included the Neighborhood Park (05-27), Greenbelt improvements along Camacho Way from Farmer's Central Road to Parkway Drive (08-62), adjacent Streetscape improvements along Miekle Avenue and Ortiz Avenue (09-19), and traffic calming features on Ortiz.

Discussion

The contractor began work on June 22, 2009 and was substantially completed on May 1, 2010 when the park was opened for public use. Additional construction contract funding was approved at the February 15, 2011 Council meeting to add a separate chemical storage facility. The purpose of this was to move the chemical storage out of the electrical room. The additional work was completed on May 13, 2011.

Seventeen (17) change orders (including the chemical storage) were issued in the amount of $196,838.15. The change orders covered a variety of issues encountered including adding reinforcement to sidewalks that may be driven on, amending the soils to allow plant growth, placing bark on the site of the previously planned parking lot, one-time mowing of the weeds along the perimeter and commercial property adjacent to the park, graffiti protection coating, and the separate chemical storage area.

Fiscal Impact

This park project was funded from Park SLIF in the amount of $3,548,000. The Greenbelt was funded from Springlake Bond Funding in the amount of $639,180. The Streetscape work was funded by developer deposits in the amount of $46,500. The total aggregate budget is $4,233,730 as authorized in the Capital Budget. The original contract awarded was $2,312,689.00 and, including change orders, the final contract amount is $2,509,527.15. Total project expenditures are about $3,925,000.

The difference between the total project costs and the construction contract represents the amount expended for design, construction management, inspection and land purchase. There is no impact to the General Fund.

Public Contact

Posting of the City Council agenda.

Recommendation for Action

Staff recommends that the City Council accept Jack Slaven Park as complete and authorize the City Clerk to file a Notice of Completion.

Prepared by: Tamera Burnham, P.M.P.
Assistant Engineer

Michael Karoly, P.E.
Senior Civil Engineer

Reviewed by: Brent Meyer, P.E.
Principal Civil Engineer/City Engineer

Reviewed by: Paul Siegel
Deputy Director
Community Development Department

____
Mark G. Deven
City Manager

City of Woodland

REPORT TO MAYOR AND CITY COUNCIL

AGENDA ITEM

TO: THE HONORABLE MAYOR
AND CITY COUNCIL

DATE: June 21, 2011

SUBJECT: Surface Water Supply Fee Ordinance

Report in Brief

In April 2009, the City contracted with HDR, Inc. to develop a surface water supply fee based on Council direction to pursue surface water as a way to meet future wastewater discharge requirements and to improve the City's water quality. The new development fee is intended for new customers connecting to the City's water system to provide funds to finance part of the capital improvements needed to serve and accommodate the new customer growth. This fee is in addition to the City's water connection fee which typically covers the cost for new wells. Both the existing fee and proposed new fee are "capacity charges" under California law, and are subject to different requirements than most other development-related fees.

Staff spent the past couple years working with HDR on the Surface Water Supply Fee Study, adjusting assumptions several times during the process as various components of the Surface Water Supply project changed. Additionally, since the fall of 2010, staff has worked with members of the development community to review proposed fee methodologies and to look at alternatives to the new fee.

On June 7, 2011, Council received the Water Supply Fee Study dated May 2011, reviewed the proposed surface water fee as well as the revisions to the water development impact fee, listened to comments from the public and the development community and read by title only the proposed ordinance which would adopt the new surface water supply fee.

Staff recommends that the City Council adopt Ordinance No. _______ amending section 23C-7-3 of the Municipal Code of the City of Woodland relating to charges for connection to City water and temporarily reducing the water development impact fee.

Background

In September 2009 Council authorized the formation of the Woodland Davis Clean Water Agency, a joint powers authority between the cities of Woodland and Davis, and the University of California, Davis. The sole purpose of the Agency is to build and manage a surface water supply facility that will provide river water to the participating communities to blend with their existing ground water. This blended water will be of a higher water quality for the customers and will also help meet State discharge standards for the wastewater system.

In December 2009, Council approved the Water Rate Study and adopted water rate increases through FY 2013. Included in that Rate Study is the cost of the first four years of the Surface Water Project as well as estimated development fees to fund the "upsizing" of the facility to accommodate future growth in the community.

The Surface Water Supply Fee Study provides the analysis and nexus for this new surface water supply fee which will provide the revenue from new customers for the construction of the upsized facility. On December 17, 2002, the City Council adopted the City of Woodland General Plan Policy Document. Goals 4.B.1 and 4.B.3 of the General Plan require that any new development pay its fair share of the cost of providing new public services and/or the costs of upgrading all existing facilities it uses based on the demand for these facilities attributable to the new development. Essentially, this means that new development must contribute towards the cost of infrastructure that will support new growth in the community.

In the past, development contributed towards expansion of the water system through the payment of the water MPFP fee. This revenue was used to expand the capacity of the water system through the addition of piping and water wells. With surface water meeting much of the demand for future water capacity, the need for future additional water wells was reduced. The water projects included in the adopted MPFP were therefore reviewed to determine whether they would be needed to support the future water infrastructure once surface water is in place. This analysis was done very quickly so that the two fees, surface water and water MPFP, could be brought together to Council for consideration.

The preliminary analysis shows that the City can eliminate all future wells through 2020 and add in one aquifer storage and recovery (ASR) well. With this modification, the water MPFP fee was significantly reduced, from $3,038 to $500 per single-family home. Should the need for additional development related water infrastructure occur before an update to the MPFP is done, this reduction in water facilities development impact fees could be modified by resolution or ordinance to levels not exceeding the amounts in effect prior to the effective date of the proposed ordinance.

During the introduction of the proposed ordinance on June 7, developers stated their concern regarding the "temporary" decrease of the water development impact fee. This concern was based on the ability for the City to lift the temporary reduction prior to the next update of the MPFP. In response to developer concern over the "temporary" decrease to the water development impact fee, Section 4 of the ordinance was expanded to address the intent of the reduction and commits the City to an update of the MPFP in the next six to twelve months. The expanded language has been incorporated into the ordinance for the second reading.

Discussion

The updated surface water supply fee was calculated utilizing average single family water demand for a typical Spring Lake home which was intended to reflect the fact that toilets, faucets and landscaping are more water-efficient in newer homes than in older ones and fact that Spring Lake homes are already metered. Current and future residential units, future demand for water and the cost of the infrastructure required to provide surface water to the community was also factored into the calculation. The proposed Surface Water Supply Fee for a 1-inch meter is $2,675 for FY11. If a single-family home is required to have a larger meter to meet fire flow requirements, they will still pay the fee for a 1" meter. The surface water supply fee increases based on larger connections (meter size) paying proportionately more for their connections. The larger size meter would typically be used on a commercial or industrial project. This approach differs from the other impact fees which are based on type of land use. The proposed fee will be increased annually between FY 2011 and FY 2016 by the Engineering News Record (ENR) CCI index.

Once the surface water project is complete, the surface water supply fee will be re-evaluated and updated to reflect the final project costs and financing plan, estimated to be FY 2016. Additionally, the per capita consumption data will be updated based on more accurate water usage information as a result of implementing consumption based billing. Although the proposed fee is now based on consumption from more than 900 homes in the Spring Lake area, staff will have even more consumption information available after the entire community is metered.

To minimize the impact this fee may have on any current residential projects, staff is recommending that any existing agreements between a developer and the City that reference City fees take priority over the imposition of this new fee.

If the proposed ordinance is adopted on June 21, the fee will go into effect 30 days later on July 21, 2011. The reduction in the Water Facilities Development Impact Fee will take effect concurrently with the effective date of the new surface water supply fee.

Fiscal Impact

The new surface water supply fee has been included in the 10-year Capital Improvement Program (CIP) for planning and cash flow based on anticipated residential development. Any larger projects such as commercial or industrial will create additional revenue that is not currently included in the projections. Additionally, the revenue estimates in the CIP for the water development fund have been decreased based on the proposed fee reduction. The combined surface water development fee and revised water MPFP fee is $3,175, only $137 more than what is currently being paid without the surface water development fee and with the existing MPFP fee.

The costs for the Surface Water Project are programmed in the CIP are based on external borrowing. Any financing associated with the Surface Water Project will be based on backing from the rate-based Water Enterprise Fund. Any revenue generated from the Surface Water Supply Fee will be used to pay down the debt more quickly, reducing interest expense. Delay in adoption of the new

Surface Water Supply Fee will reduce revenue available to pay the debt service thereby putting greater burden on existing water rate payers.

Public Contact

Meetings were held with interested parties in the development community on January 19, March 25, April 15, and May 3, 2011. Public notice has also been accomplished through posting of the City Council Agenda.

Council Committee Recommendation

The Infrastructure Subcommittee reviewed this issue on August 31, 2010 and recommended bringing the discussion forward to the full City Council.

Alternative Courses of Action

1. Adopt Ordinance No. _______ amending section 23C-7-3 of the Municipal Code of the City of Woodland relating to charges for connection to City water and temporarily reducing the water development impact fee.

2. Provide alternative direction for staff.

Recommendation for Action

Staff recommends that the City Council approve Alternative No. 1.

Prepared by: Lynn Johnson
Sr. Management Analyst

____
Mark G. Deven
City Manager

Attachment: Proposed Ordinance, Attachment1, Attachment 2.

ORDINANCE NO.

AN ORDINANCE OF THE CITY OF WOODLAND, CALIFORNIA, AMENDING SECTION 23C-7-3 OF THE WOODLAND MUNICIPAL CODE REGARDING ESTABLISHING CAPACITY CHARGES FOR WATER SERVICES

WHEREAS, the Woodland City Council has previously established water rates, and fees for physically connecting new construction to the City's potable water system; and

WHEREAS, the Woodland City Council has not previously established charges for acquiring water rights and constructing water treatment and conveyance infrastructure necessary to supply new customers with potable water derived from surface water; and

WHEREAS, California law allows the City to recover the full cost of providing water service to customers, including the cost of sources of water, treatment facilities, pipelines, and other infrastructure, through the imposition of a capacity charge pursuant to Government Code Section 66013; and

WHEREAS, changes in the regulatory environment and the difficulty and expense of meeting standards for the discharge of treated wastewater derived from local groundwater that has been used as potable water necessitate shifting the City's water supply partially from groundwater to surface water; and

WHEREAS, the significant expense of acquiring surface water rights, constructing treatment facilities for surface water, and constructing facilities to convey surface water from the Sacramento River to the City's water distribution system makes it necessary for the City to impose capacity charges for water service in order to recover the City's costs of providing public facilities and the City's other capital expenditures, within the meaning of Government Code Section 66013(b)(3); and

WHEREAS, the City has commissioned a study entitled "Water Supply Fee Study," estimating the cost of providing necessary water treatment facilities, pipelines, and other facilities in connection with the partial shift from groundwater to surface water as a source of supply; and

WHEREAS, the Water Supply Fee Study is incorporated herein by reference;

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF WOODLAND DOES ORDAIN AS FOLLOWS:

SECTION 1. The City Council adopts the recitals set forth above as its findings in connection with the adoption of this ordinance, and further finds that the charges established pursuant to this ordinance do not exceed the cost to the City of providing the service for which the fees and charges are imposed, as set forth in more detail in the Water Supply Fee Study.

SECTION 2. Section 23C-7-3 of the Woodland Municipal Code is hereby amended to read as follows:

> Sec. 23C-7-3. - Charges for connection with city water service.
>
> (a) It is hereby found by the City Council that the prospective development of the city by construction of residential, commercial and manufacturing structures and buildings and the occupancy thereof, will cause the city to incur costs estimated to be $195,086,000 to provide the necessary water treatment facilities, pipelines, and sources of surface water to serve such new development. It is further found that equity and proper fiscal management of the city require that such additional water system improvements as caused by such future development be financed in part by those persons constructing and using such buildings. Based on the foregoing, any applicant for new water service shall pay a water capacity charge to the city at the time of application. These charges may be adopted by ordinance or by resolution.
>
> (b) The charge imposed pursuant to subsection (a) is intended to comprise a "capacity charge" within the meaning of Government Code section 66013 as it exists as of the date of adoption of this ordinance. All revenue derived from this capacity charge shall be held and maintained in compliance with subsections (c) and (d) of section 66013 as they may be amended, and in accordance with other applicable law.

> (c) In addition to the water capacity charge described in subsection (a), prior to connection to the city water system each person making such request shall pay a water connection charge for initial connection of his or her premises to the city water system. The amount of the charge shall be fixed by resolution of the city council which, among other things, may take into account administrative expense and the cost of installing various water taps, service pipes, meters and shutoff valves and provide for varying charges in accordance with the relative right, difficulty or cost to connect.

SECTION 3. The City Council hereby adopts the schedule of surface water capacity charges set forth in Attachment "1" attached hereto and incorporated herein by reference. Such charges may be amended at any time by ordinance or by resolution. The adoption of the charges set forth in Attachment "1" does not and shall not repeal or rescind any other charges, fees, rates, or other impositions assessed, collected, or imposed by the City of Woodland as of the effective date of this ordinance. The capacity charges shown in Attachment "1" shall be increased every January 1 based on the increase, if any, in the most recent Engineering News Record (ENR) Construction Cost Index (CCI) index figure from one year previous.

SECTION 4. Concurrently with the effective date of this ordinance, the existing capacity charge for water facilities imposed by the City of Woodland in connection with new development shall be temporarily decreased to reflect the schedule set forth in Attachment "2" attached hereto and incorporated herein by reference. It is the intention of the City Council that such reduction not be permanent, and that such charges may be restored by resolution or ordinance to levels not exceeding the amounts in effect prior to the effective date of this ordinance. The City Council's intent in treating the reduction as non-permanent is to allow the City Council to restore the existing capacity charge in the event that such a change becomes necessary prior to the completion of the City's nexus study for the Major Projects Financing Plan update, which is anticipated to occur within the next six to twelve months.

SECTION 5. Notwithstanding the adoption of the schedule of surface water capacity charges, no capacity charges established pursuant to this ordinance shall be imposed on any residential development to the extent such development is governed by an agreement with the City of Woodland regarding the payment of development impact fees which predates the effective date of this ordinance and which precludes the application of the fee adopted hereby.

SECTION 6. The City Council hereby determines that the adoption of this ordinance is exempt from the requirements of the California Environmental Quality Act (CEQA), pursuant to Public Resources Code section 21080(b)(8) and Title 14, section 15273 of the California Code of Regulations, which exempt from CEQA the establishment of charges by a public agency where necessary to obtain funds for capital projects necessary to maintain service in existing service areas. The establishment of surface water capacity charges by this ordinance is necessary in order to obtain funds for various facilities and infrastructure which are necessary to maintain water service within the City of Woodland. The City Clerk shall file a Notice of Exemption with the County of Yolo.

SECTION 7. This ordinance shall take effect thirty (30) days after its adoption and, within fifteen (15) days after its passage, shall be published at least once in a newspaper of general circulation published and circulated within the City of Woodland.

PASSED AND ADOPTED this ______ day of June, 2011 by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

Artemio Pimentel
Mayor

ATTEST:

Ana Gonzalez
City Clerk

APPROVED AS TO FORM:

Andrew Morris
City Attorney

ATTACHMENT 1

CITY OF WOODLAND
SURFACE WATER CAPACITY CHARGES
FY 2010/11

Meter Size	Meter Weighting Factor (1)	Calculated Fee
1"	1.00	$2,675
1 1/2"	2.00	5,350
2	3.20	8,560
3	6.00	16,050
4	10.00	26,750
6	20.00	53,500
8	32.00	85,600

Based on standard 1” meter size weighting factors associated with maximum continuous flow.

ATTACHMENT 2

CITY OF WOODLAND
MAJOR PROJECTS FINANCING PLAN FEE

2008 MPFP Fee Nexus Study Update
2011 Update of Water Costs
Water Facilities Development Impact Fee

Land Use	Land Use Unit	DUE Factor	2011 Fee per Dwelling Unit or Building Square Foot
		[1]	[2]
Single-Family	Dwelling Unit	1.00	**$ 500**
Downtown Single-Family	Dwelling Unit	1.00	$ 500
High Density Single-Family	Dwelling Unit	0.61	$ 307
Age Restricted SF	Dwelling Unit	0.60	$ 300
Multifamily	Dwelling Unit	0.61	$ 307
Age Restricted MF	Dwelling Unit	0.49	$ 245
Retail	Square Foot	0.27	$ 0.14
Service	Square Foot	0.30	$ 0.15
Office	Square Foot	0.21	$ 0.10
Industrial	Square Foot	0.27	$ 0.14

fee water

[1] See Table B-9
[2] See Table F-6 for single-family fee.
Multifamily fee per dwelling unit = single-family fee * due factor
Nonresidential fees per bldg. sq. ft. = single-family fee * due factor/1,000

City of Woodland

REPORT TO MAYOR AND CITY COUNCIL

AGENDA ITEM

TO: THE HONORABLE MAYOR
AND CITY COUNCIL

DATE: June 21, 2011

SUBJECT: Approve Job Description Changes

Report in Brief

Staff recently conducted a review of job descriptions related to providing fire protection services resulting in minor changes to several job descriptions.

Staff recommends that the City Council approve revisions to the job descriptions for Firefighter, Fire Engineer and Fire Captain as described herein.

Background

Recent changes in driver's license requirements for driving fire engines necessitated a review of the fire protection related job descriptions. Those operating a fire engine must now possess a "Fire Fighter Endorsement" to their California Driver's License. During the review, the license and certificate requirements were also reviewed resulting in changes to the Firefighter classification.

Discussion

Driver's license requirements have been changed to include the "Fire Fighter Endorsement" for Firefighter, Fire Engineer, and Fire Captain. Additionally, license and certificate requirements have been changed for the Firefighter classification. Previously many requirements for the Firefighter classification were accomplished during the probation period. The proposed job description requires these requirements to be achieved prior to employment with the City. Specifically, firefighters previously would complete the "Fire Service Basic Training Academy" and acquire a California State Fire Marshall (CSFM) Firefighter I certificate and Emergency Medical Technician D (EMT-D) certificate during the probation period. The proposed job description requires proof of a valid Candidate Physical Ability Test, valid EMT-D, and one of the following: completion of a firefighter academy, a CSFM Firefighter I certificate, or five years of full-time paid firefighter experience in California. The higher level of license and certificate requirements will allow the City to hire better trained and more experienced individuals. The Woodland Professional Firefighters Association has approved the changes to the job descriptions.

Fiscal Impact

Changes to these job descriptions do not result in any fiscal impacts.

Public Contact

Posting of the City Council agenda. As stated previously, the changes were discussed with and approved by the Woodland Professional Firefighters Association.

Recommendation for Action

Staff recommends that the City Council approve revisions to the job descriptions for Firefighter, Fire Engineer and Fire Captain as described herein.

Prepared by: Christine Engel
HR Analyst

Mark G. Deven
City Manager

Attachments: Firefighter, Fire Engineer, and Fire Captain Job Descriptions

City of Woodland

FIREFIGHTER

DEFINITION

To respond to fire alarms, medical emergency, and other emergency activities in the protection of life and property; and to participate in fire prevention, training and station and equipment maintenance activities.

SUPERVISION RECEIVED AND EXERCISED

General supervision is provided by a Fire Captain. Responsibilities may include supervision of volunteer firefighters.

EXAMPLES OF DUTIES

The following are typical illustrations of duties encompassed by the job class, not an all-inclusive or limiting list:

ESSENTIAL JOB FUNCTIONS

Respond to fire alarms with assigned company; lay and connect hose lines; hold nozzles and direct water streams; raise and climb ladders. Provide basic life support during medical incidents, assessing and initiating patient care until relieved by proper medical personnel. Operate all types of portable fire extinguishers, hand tools, hose lines, power tools and appliances, salvage covers, forcible entry tooks, emergency medical equipment and other rescue equipment. Participate in fire drills; serve as instructor as assigned; attend training sessions. Maintain regular and consistent attendance. Promote and maintain safety in the workplace. Work cooperatively with others.

OTHER JOB FUNCTIONS

Shut down natural gas and electrical services to structure. Respond to hazardous materials incidents. Participate in fire inspection activities and other fire prevention and public education activities as assigned; ensure that businesses are operating in compliance with the fire code. Participate in the Fire Prevention Program providing various public relations services, including facility tours, public education seminars and other public events. Respond to inquiries from the public. Assist in investigating fire origin and cause. May be requested to respond to fire calls during non-duty hours. Control traffic. Participate as member of the County HazMat Team. Inventory supplies; maintain records. Can serve as “acting positions” when certified. Clean station quarters and equipment and maintain a clean and orderly condition in and about the fire hosue; perform minor building maintenance. Operate radio-telephone equipment. Assist in overhaul and salvage operations. Perform related duties as assigned. Test and maintain fire hoses and hydrants.

QUALIFICATIONS

Knowledge of:

Rules, regulations and operational procedures of the Fire Department.
Fire fighting methods, techniques, and procedures; operating and mechanical principles involved in the operation of fire apparatus and equipment. Dangers and disposition of hazardous materials. Emergency medical technician skills including basic life support, CPR, defibrillation, and blood borne pathogens. Fire prevention codes and ordinances; building construction; natural gas and electrical shut off procedures.

Skill to:

Learn fire fighting methods and techniques, the operation of fire fighting equipment, street location and physical layout of the City, and major fire hazards. Demonstrate mechanical aptitude as required in the operation of fire fighting equipment. Retain presence of mind in emergencies; analyze fire and emergency situations and report to officer. Understand and follow oral and written directions promptly and accurately.
Deal courteously and effectively with the general public. Efficiently operate a personal computer. Establish and maintain effective work relationships with those contacted in the performance of required duties.

Ability to:

Tactfully and effectively interact with all people regardless of race, ethnicity, sex, age or economic status. Perform heavy lifting and physical maneuvering. Perform general office and clerical duties in support of assigned activities. Communicate effectively, both orally and in writing. Meet the physical requirements necessary to safely and effectively perform the assigned duties.

Minimum Education and Experience

Education:

High school diploma or equivalent. College-level coursework in fire science, general management, or related field desirable.

Experience:

Any experience that would likely provide the required ability is qualifying; fire fighting experience is desirable.

<u>License or Certificate:</u>

<u>Required Upon Hire and Continued Employment:</u>
Possession of a valid California Driver's License.

Proof of valid Candidate Physical Ability Test (valid for one year from issuance date).

Proof of completion of CSFM accredited Firefighter Academy or CSFM Firefighter I certificate or 5 years of full-time paid firefighter experience in California.

Emergency Medical Technician I Certificate (EMT-D).

Valid CPR card.

<u>Required Prior to Permanent Appointment:</u>

Acquire and maintain a Firefighter endorsement to a California Driver's License.

Council Action:

FIRE ENGINEER

DEFINITION
To Operate and maintain fire apparatus, fire fighting, and rescue equipment and hazardous material equipment to respond to fire alarms, medical emergencies, and other activities in the protection of life and property and to participate in fire prevention activities.

SUPERVISION RECEIVED AND EXERCISED
General supervision is provided by a Fire Captain. Responsibilities may include supervision of personnel at emergencies.

EXAMPLES OF DUTIES
The following are typical illustrations of duties encompassed by the job class, not an all-inclusive or limiting list:

ESSENTIAL JOB FUNCTIONS
Respond to fire alarms with assigned company; lay and connect hose lines; maintain pumping apparatus; hold nozzles and direct water streams; raise and climb ladders.
Drive and operate fire apparatus and equipment effectively in a safe manner; operate pumps to supply water or foam under pressure to hose lines or appliances from tanks, hydrants, develop water supplies by draft; maintain fire apparatus and other emergency vehicles; inspect equipment, perform lubrication, make minor adjustments and repairs, and maintain fuel and oil supply. Provide basic life support during medical incidents, assessing and initiating patient care until relieved by proper medical personnel. Operate all types of portable fire extinguishers, pike poles, hand lines, smoke ejectors, salvage covers, forcible entry tools, aerial ladder equipment, emergency medial equipment and other rescue equipment. Participate in fire drills; serve as instructor as assigned; attend training sessions. Maintain regular and consistent attendance. Work cooperatively with others. Promote and maintain safety in the workplace.

OTHER JOB FUNCTIONS
Respond to hazardous materials incidents. Participate in fire inspection activities and other fire prevention and public education activities as assigned; ensure that businesses are operating in compliance with the fire code; maintain appropriate records and files. Participate in the Fire Prevention Program providing various public relations services, including facility tours, public education seminars and other public events. Respond to inquiries from the public. Assist in investigating fire origin and cause. Participate as member of the County HazMat Team. Prepare reports with respect to equipment maintenance and work operations. Instruct fire personnel in the operation and maintenance of fire equipment. Perform collateral assignments as requested. May be requested to respond to fire calls during non-duty hours. Maintain fire hydrants and fire hoses. Serve as Acting Fire Captain when certified. Perform related duties as assigned. Assist in overhaul and salvage operations. Operate radio-telephone equipment, power equipment and hand tools. Clean

station quarters and equipment and maintain a clean and orderly condition in and about the fire house; perform minor building maintenance.

QUALIFICATIONS

Knowledge of:

Local geography, types of building construction, major fire hazards, water supply, street system, the physical layout of the City and the location of fire hydrants. Fire fighting methods, techniques, strategies and procedures; operating and mechanical principles involved in the operation of fire apparatus and equipment. Water systems, driving laws, and fire hydraulics. Dangers and disposition of hazardous materials. Fire behavior and fire investigation techniques. Emergency medical technician skills including basic life support, CPR, defibrillation, and blood borne pathogens. Fire prevention codes and ordinances; building construction. Rules, regulations and operational procedures of the Woodland Fire Department.

Skill to:

Retain presence of mind in emergencies; analyze fire and emergency situations, adopt effective courses of action, and report to Officer.
Understand and follow both oral and written instructions quickly and correctly. Maintain fire equipment and apparatus; perform field calculations in hydraulics for proper and safe operations at emergency scenes. Write clear, concise and accurate reports; maintain records. Deal courteously and effectively with the general public. Efficiently operate a personal computer.

Ability to:

Tactfully and effectively interact with all people regardless of race, ethnicity, sex, age or economic status. Act calmly and quickly in emergency situations and make effective decisions in such cases. Perform heavy lifting and physical maneuvering. Meet the physical requirements necessary to safely and effectively perform the assigned duties.

Minimum Education and Experience:

Education:

High school diploma or equivalent. Completion of college level coursework in Fire Science is desirable.

Experience:

Two years of fire fighting experience in a governmental fire department providing services similar to those provided by the City of Woodland Fire Department. City of Woodland fire fighting experience is desirable. Successful completion of the City of Woodland Fire Department Fire Engineer Certification Program may substitute for up to one year of experience.

License or Certificate:

Possession of a valid California Driver's License with a Firefighter endorsement; possession of an Emergency Medical Technician I Certificate (EMT – D); possession of a valid CPR card; successful completion of the City of Woodland Fire Department Fire Engineer Certification Program is required to complete probation.

Council Action:

FIRE CAPTAIN

DEFINITION
To supervise and oversee a fire company including activities involving fire suppression, emergency medical services, fire prevention activities, training, and administration; to provide staff assistance to assigned higher level management staff.

SUPERVISION RECEIVED AND EXERCISED
Direction is provided by higher level management staff. Exercises direct and indirect supervision over assigned personnel.

EXAMPLES OF DUTIES
The following are typical illustrations of duties encompassed by the job class, not an all-inclusive or limiting list:

ESSENTIAL JOB FUNCTIONS
Respond to fire alarms as Incident Commander and, as such, be responsible for the supervision, performance and safety of assigned fire fighting personnel; instruct and train fire department personnel in fire fighting methods, techniques and related subjects; direct fire fighting and other emergency operations until relieved by a superior officer; Supervise and participate in fire prevention inspections as required by State laws and City ordinances. Serve as a first responder to emergency medical incidents, assessing and taking command of patient care with full responsibility for the patient(s) until relieved by proper medical personnel. Work cooperatively with others. Maintain regular and consistent attendance. Promote and maintain safety in the work place. Plan and execute work assignments of fire personnel in an assigned company.

OTHER JOB FUNCTIONS
Operate all types of portable fire extinguisher, pike poles, hand lines, smoke ejectors, salvage covers, forcible entry tools, aerial ladder equipment, emergency medical equipment and other rescue equipment. Write, recommend and assist in the implementation of subordinate goals and objectives; establish schedules and methods for assigned work/projects; implement policies and procedures; prepare reports; maintain records, log books, and perform other administrative procedures of the company. Assist management staff in maintaining and improving the operations of the Department. Participate in monitoring employee performance objectives; prepare employee performance reviews; monitor assigned personnel for effects of incident stress, personal problems, substance abuse or other influences that could jeopardize company effectiveness; provide or coordinate staff training; work with employees to correct deficiencies, implement discipline procedures. Inspect station house, building, grounds, fire engines and related equipment; direct the cleaning of quarters, equipment and apparatus at fire station; perform equipment maintenance when necessary. Assist in planning and conducting the City-wide fire prevention program and education

program. Participate as member of County HazMat Team. Issue correction notices for fire prevention violations. May be requested to respond to fire calls during non-duty hours. Perform collateral assignments as requested. Assist in investigating fire cause and origin. Serve as Acting Duty Chief when certified. Operate radio-telephone equipment. Supervise the maintenance of fire hydrants. Perform related duties as assigned.

QUALIFICATIONS

Knowledge of:

Modern fire fighting and rescue principles, practices, techniques, and procedures, including the operation and maintenance of the various types of fire apparatus and equipment. Rules, regulations and operational procedures of the Woodland Fire Department. Emergency medical technician skills including basic life support CPR, defibrillation, and blood borne pathogens. Mechanical, chemical and related characteristics of a wide variety of hazardous materials. Building construction; fire codes; hazardous material safety procedures; natural gas and electrical shut off procedures. Principles of supervision, training and performance evaluation. Local geography, types of building construction, major fire hazards, water supply, fire and building laws and regulations as they relate to the City of Woodland. OSHA, NFPA, SB 198 and Health and Safety Codes that pertain to fire department services and employees. Fire training principles, methods and practices.

Skill to:

Plan, direct and review fire suppression, fire and life safety code compliance and emergency medical service activities, hazardous materials responses, and City-wide disaster preparedness efforts. Analyze feasibility of projects and proposed programs; prepare complete and accurate reports. Lead and motivate individuals and groups toward the successful accomplishment of assigned projects. Operate apparatus and equipment used in modern emergency scene activities. Develop programs through collateral assignments. Deal courteously and effectively with the general public. Interpret and enforce codes and ordinances. Efficiently operate a personal computer. Establish and maintain effective work relationships with those contacted in the performance of required duties.

Ability to:

Perform heavy lifting and physical maneuvering. Act calmly and quickly in emergency situations and make effective decisions in such cases. Effectively deploy personnel and equipment in fire suppression, rescue, and other emergency operations. Tactfully and effectively interact with all people regardless of race, ethnicity, sex, age or economic status. Effectively lead, motivate, train and evaluate personnel. Meet the physical requirements necessary to safely and effectively perform the assigned duties.

Minimum Education and Experience:

Education:
High school diploma or equivalent required. AA or AS degree in fire science and / or a Bachelor's degree is desired.

Experience:
Five years of fire fighting experience in a governmental fire department providing services similar to those provided by the City of Woodland Fire Department. Experience as a Fire Engineer or Acting Fire Engineer is desirable. Successful completion of the City of Woodland Fire Department Fire Captain Certification Program may substitute for up to two years of experience.

License or Certificate:
Possession of a valid California Driver's License with a Firefighter endorsement; possession of an Emergency Medical Technician I (EMT - D) certificate; possession of a valid CPR card; successful completion of the City of Woodland Fire Department Fire Captain Certification Program is required to complete probation.

Council Action:

City of Woodland

REPORT TO MAYOR AND CITY COUNCIL

AGENDA ITEM

TO: THE HONORABLE MAYOR AND
CITY COUNCIL

DATE: June 21, 2011

SUBJECT: Annual Report from the Manufactured Home Fair Practices Commission

Report in Brief

The City of Woodland's Manufactured Home Space Rent Control Ordinance stipulates that the Manufactured Home Fair Practices Commission (MHFPC) provide a comprehensive written report on the Commission's activities to the City Council on at least a semiannual basis. The attached report covers the Commission's activities for program year 2010.

Staff recommends that the City Council receive and file the Manufactured Home Fair Practices Commission Annual Report for the 2010 program year.

Background

The City Council approved the Manufactured Home Space Rent Control Ordinance (Chapter 16B of the Woodland City Code) in 2001 and the ordinance went into effect the following year. The purpose of the ordinance is to protect the owners and residents of manufactured homes from unreasonable space rental increases while simultaneously recognizing and providing for the need of park owners to receive a just and reasonable return on their property. The ordinance also established a commission, the Manufactured Home Fair Practices Commission, to review all proposed rent increases for mobile home spaces subject to the rent control provisions of the ordinance.

Discussion

The following table provides a summary of the actions taken by the MHFPC with respect to individual mobile home parks in 2010.

SUMMARY OF ACTIONS TAKEN BY THE MANUFACTURED HOME FAIR PRACTICES COMMISSION FOR 2010	
Mobile Home Park	**Action**
Bells Trailer Village	Approved an increase to the space rent ceiling of 1.41%.
Casa del Sol	Approved an increase to the space rent ceiling of 1.41%.
Leisureville	No action taken as Leisureville is exempt from the Manufactured Home Space Rent Control Ordinance by not having the minimum number (2) of rental spaces.
Idle Wheel	Approved an increase to the space rent ceiling of 1.41%.
Royal Palm	Approved an increase to the space rent ceiling of 1.41%.

Fiscal Impact

For 2010, the City collected registration fees of $10,230 from the five mobile home parks located in Woodland and incurred $6,370 in estimated expenses for the operation of the MHFPC. The running balance of fees collected minus expenses incurred remains positive at $16,741. This program has a neutral impact on the General Fund. Revenues generated are budgeted to reimburse for staff costs for administering the program.

Public Contact

The Commission met once in 2010 on May 5.

Recommendation for Action

Staff recommends that the City Council receive and file the Manufactured Home Fair Practices Commission Annual Report for the 2010 program year.

Prepared by: Dan Sokolow
Senior Planner

Reviewed by: Cynthia Shallit
Redevelopment Manager

____
Mark G. Deven
City Manager

Attachment
Manufactured Home Fair Practices Commission Annual Report for 2010

City of Woodland

ANNUAL REPORT 2010 MANUFACTURED HOME FAIR PRACTICES COMMISSION

AUTHORITY

The City of Woodland's mobile home rent control ordinance specifies that the Manufactured Home Fair Practices Commission (MHFPC) renders "at lease semiannually a comprehensive written report to the city council concerning the commission's activities, holdings, actions results of hearings and all other matters pertinent to this chapter…" (§16.B4(m)(6).) The City Council is provided copies of minutes of MHFPC meetings during the year, but this document represents a more formal reporting of the Commission's activities for the 2010 program year.

The City's ordinance also specifies: "The city manager is hereby directed to maintain an accurate accounting of all direct and indirect costs of administering the regulations contained in this chapter. The city manager shall submit a report to the commission and city council of such costs and any recommendation for a change in the registration fee at least annually from and after the effective date of this chapter." (§ 16.B6(e).)

FINANCIAL STATUS

For program years 2002 through 2005, park owners were required to pay an annual registration fee of $137 per-space. Starting in program year 2006, the Commission recommended and the City Council approved a lower registration fee of $30 per space. The $30 per-space fee continues to remain in effect until changed by the City Council upon the recommendation of the Commission. In program year 2010, revenue from fees collected exceeded the expenses of the Commission.

Since the Commission's inception in 2001, the running balance of fees collected minus expenses incurred remains positive at $16,741. The following table summarizes the Commission revenue and expenses:

Program Year	Fees Collected	Expenses Incurred	Surplus (Deficit)
2002	$30,550	$102,292	($71,742)
2003	$44,807	$27,186	$17,621
2004	$44,388	$13,300	$31,088

Program Year	Fees Collected	Expenses Incurred	Surplus (Deficit)
2005	$44,251	$10,735	$33,516
2006	$10,248	$11,157	($909)
2007	$10,375	$12,128	($1,753)
2008	$10,230	$ 7,917	$ 2,313
2009	$10,230	$ 7,483	$ 2,747
2010	$10,230	$ 6,370	$ 3,860
TOTAL	**$ 215,309**	**$ 198,568**	**$ 16,741**

MHFPC COMMISSIONERS AND STAFF

In 2010, the MHFPC Commissioners were:

Name	Term Expires
Bill Marcus, Chairperson	12/31/2011
George Gumpy, Vice Chairperson	12/31/2010
Erica Abel-Algren, Member	12/31/2010
Tom Bills, Member	12/31/2011
Robert Noren, Member	12/31/2011
Alan Gering, Alternate Member	12/31/2011
VACANCY, Alternate Member	12/31/2011

Commission members Bill Marcus, Tom Bills, and Robert Noren are serving 3-year terms ending 12/31/2011. Members Erica Abel-Algren and George Gumpy are serving 3-year terms ending 12/31/2010. Alternate Member Alan Gering was re-appointed to another 2-year term ending 12/31/2011. There is a current vacancy in the other Alternate Member seat, with a term ending 12/31/2011. That vacancy remains open.

Andrew P. Pugno continues to serve as the Commission's Attorney, and temporarily provides staff support to the Commission, until the Community Development Department assigns a permanent City staff member to support the Commission.

2010 STATISTICS

In 2010, there were a total of 630 manufactured home spaces in the City of Woodland, of which 341 spaces are subject to the registration and rent ceiling provisions of the City of Woodland's Manufactured Home Space Rent Control ordinance.

Mobile Home Park	Spaces in Park	Regulated Spaces
Bells	40	40
Casa del Sol	156	18
Leisureville	150	0
Idle Wheel	153	152
Royal Palm	131	131
TOTAL	**630**	**341**

2010 ACTIVITY BY PARK:

Bells Trailer Village:

- All 40 spaces at Bells Trailer Village were registered with the Commission.
- Registration fees of $1200 were paid to the City in 2010.
- All regulated space rents as of December 31, 2009 appeared to be within the 0.06% increase in the space rent ceiling previously approved by the Commission.
- Bells completed their annual re-registration process on time and requested a permissive adjustment in 2010.
- The MHFPC approved a permissive adjustment increase to the space rent ceiling of 1.41% in 2010.

Casa Del Sol:

- Management at CHOC reported a total of 156 spaces, but registered only those 18 spaces determined by the Commission in prior program years to be held out for median-income households and, therefore, subject to the rent control ordinance.
- The remaining 138 spaces in the park are claimed to be subject to recorded affordable housing covenants which restrict tenants to very-low or low income levels and, as such, are recognized as exempt from the rent control ordinance.
- Registration fees of $540 were paid to the City in 2010.
- All regulated space rents as of December 31, 2009 appeared to be the same as reported the prior year, or lower, notwithstanding the 0.06% increase to the space rent ceiling granted in 2009. This leaves unused "headroom" below the space rent ceiling.
- Casa Del Sol completed their annual re-registration process on time and requested a permissive adjustment in 2010.
- The MHFPC approved a permissive adjustment increase to the space rent ceiling of 1.41% in 2010.

Leisureville:

- There are 150 spaces at Leisureville. Management claims there are no "renters," and that all residents have an ownership interest in the park. Because Leisureville did not have a minimum of 2 spaces rented or held out for rent, it appears that Leisureville is exempt from the Ordinance, and no action was taken by the Commission.

Idle Wheel:

- Idle Wheel reported 153 total spaces, and registered 152 spaces. Space #111, which had been claimed as a manager's coach in 2009, is now claimed exempt as a rental unit (the resident does not own the mobile home). Also, Space #263 is registered as exempt from the space rent ceiling pursuant to a long-term rental agreement, pursuant to state law.
- Registration fees of $4560 were paid.
- All regulated space rents as of December 31, 2009 appeared to be at the same level as the prior year's annual registration, notwithstanding the 0.06% increase to

the space rent ceiling granted in 2009. This leaves unused "headroom" below the space rent ceiling.

- Idle Wheel completed their annual re-registration process on time and requested a permissive adjustment in 2010.
- The MHFPC approved a permissive adjustment increase to the space rent ceiling of 1.41% in 2010.

Royal Palm:

- This year, Royal Palms registered 131 spaces and paid the $3930 registration fee, the same as the prior year.
- Royal Palm is owned by the same owner of Idle Wheel and the on-site management is provided from Idle Wheel.
- All regulated space rents as of December 31, 2009 appeared to be at the same level as the prior year's annual registration, notwithstanding the 0.06% increase to the space rent ceiling granted in 2009. This leaves unused "headroom" below the space rent ceiling.
- Royal Palm completed their annual re-registration process on time and requested a permissive adjustment in 2010.
- The MHFPC approved a permissive adjustment increase to the space rent ceiling of 1.41% in 2010.

Commission Meetings for Program Year 2010

For Program Year 2010, the Manufactured Home Fair Practices Commission held one meeting on May 5, 2010.

Net Operating Income or Special Adjustment Requests.

There were no Special Adjustment/Fair Return Hearing requests submitted in 2010 by any of the manufactured home park owners.

Respectfully Submitted,

Andrew P. Pugno

Andrew P. Pugno
MHFPC Attorney

Dated: April 12, 2011

City of Woodland

REPORT TO MAYOR AND CITY COUNCIL

AGENDA ITEM

TO: THE HONORABLE MAYOR
AND CITY COUNCIL

DATE: June 21, 2011

SUBJECT: Continued Public Hearing for Gibson Ranch L&L; North Park L&L; West Wood L&L and Streng Pond Maintenance Districts

Report in Brief

At the June 7th Council meeting, the Council approved and adopted resolutions to Initiate Proceedings for the Annual Levy and Collection of Assessments; Preliminarily Approved the Engineer's Annual Levy Report and Declared its Intention to Levy and Collect Annual Assessments for the Gibson Ranch, West Wood, North Park and Streng Pond L&L Districts, and called for a public hearing on June 21, 2011. The information necessary to conduct the Public Hearing is not ready for presentation. Therefore, staff requests that the City Council continue the Public Hearing to July 5, 2011.

Staff recommends that the Council continue the Public Hearing from June 21, 2011 to the Council meeting of July 5, 2011.

Public Contact

Posting of the City Council agenda.

Recommendation for Action

Staff recommends that the City Council Continue the Public Hearing from June 21, 2011 to the Council meeting of July 5, 2011.

Prepared by: Ana Gonzalez
City Clerk

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Mark G. Deven
City Manager

City of Woodland

REPORT TO MAYOR AND CITY COUNCIL

AGENDA ITEM

TO: THE HONORABLE MAYOR
AND CITY COUNCIL

DATE: June 21, 2011

SUBJECT: 2011 ADA Improvement Project, Project No. 10-06;
Public Hearing for Bid Protest

Report in Brief

On May 3, 2011, the City Council approved the plans and specifications for the 2011 ADA Improvement Project, CIP No. 10-06 and authorized the City Manager to award the construction contract to the lowest, responsive, responsible bidder up to $145,000.

On June 2, 2011, City staff received and opened bids for the Project (see bid summary in background section). The apparent low bidder for the project was United Building Contractors. Following bid opening, it was determined that United Building Contractors was not responsive because they failed to acknowledge the bid addendum in conformance with the bid documents and failed to submit the signature page of the bid form binding themselves to their bid and listing their contractor license information, as required by the bid documents. The second low bidder, RSC General and Engineering Inc. (RSC) was notified that they were the lowest responsible bidder.

On June 8, the third low bidder, Arrow Construction, submitted a bid protest to the City Engineer, arguing that RSC's bid should be deemed non-responsive because RSC initialed Addendum #1 and included Addendum #1 with their bid instead of signing the cover sheet for Addendum #1 and including the cover sheet with its bid proposal. On June 9, the City Engineer denied the protest from Arrow Construction. On June 10th, Diepenbrock-Harrison, Arrow Constructions legal counsel, submitted an appeal to the City Clerk (see attachments for all correspondence). City staff consulted the City Attorney's office regarding the protest and subsequent appeal.

As set forth above, Arrow Construction's protest stated that RSC should be considered non-responsive because RSC did not sign the cover sheet of the Addendum #1. Staff concluded that although RSC did not sign the cover sheet of Addendum #1, RSC acknowledged Addendum #1 by initialing the Addendum #1 at the bottom of the page. Staff determined that RSC complied with Section B-5 of the Instructions to Bidders that, "Bids shall include all addenda or clarifications issued during the bidding period acknowledged by the bidder's signature thereon. Failure to so include <u>or acknowledge</u> an addendum or clarification will result in the bid being rejected as not responsive." (Emphasis added.) To the extent that RSC's bid could be deemed to not comply with the bid documents requirements, staff found that such irregularity could be waived as an immaterial bid error that would not impact the bid price as Section A-7 of the Notice Inviting Bids provides that the, "City reserves the right to waives any informalities or irregularities in the bids."

In summary, the City required that bidders sign Addendum #1 in order to ensure that bidders acknowledge that they had received the addenda for the project and that bidders base their bids on the bid documents, including all addenda for the project. By initialing Addendum #1, RSC complied with the bid requirements that it acknowledge the addenda for the project. Even if RSC's initialing of the Addendum #1 could be deemed to be an irregularity, waiving the signing of the cover sheet, would not provide RSC with a material advantage not afforded other bidders in that it would not impact their bid price as discussed below. The City Council has the clear discretion to waive bid irregularities.

Staff recommends that the City Council conduct a public hearing regarding Arrow Construction's bid protest, deny their appeal, find that any deviations in RSC's bid are inconsequential and immaterial, waive any such irregularities and affirm the City Manager's award of the contract to RSC.

Background

On June 2, 2011, the City opened the following bids for the 2011 ADA Improvement Project:

Bidder's Name	Base Bid Amount	Add Alternates	Base Bid Plus Add Alternates
RSC General and Engineering	$108,789.27	$166,324.32	**$275,113.58**
Arrow Construction	$122,631.32	$181,753.68	$304,384.99
Nor-Cal Concrete	$118,757.55	$186,204.33	$304,961.88
United Building Contractors*	$91,274.00	$159,904.25	$251,178.25
Engineer's Estimate	$119,382.76	$231,459.09	$350,841.85

* Non-responsive

The basis of award for this project is the base bid plus all additive alternates. Staff determined that RSC General and Engineering is the lowest responsible, responsive bidder after United Building Contractors was deemed non-responsive.

Pursuant to Section B-14 of the Invitation to Bidders, a bidder that protests the bid results may submit an appeal and request a hearing before the City Council. The hearing provides Arrow Construction with the opportunity to address this matter further and to present any additional facts they would like the City Council to consider prior to consideration of Arrow Construction's protest. After Arrow Construction has the opportunity to present its appeal, City staff may then rebut Arrow Construction's presentation as necessary and/or appropriate.

As stated previously, the City Council had authorized the City Manager on May 3 to award the bid for the project up to $145,000. The RSC bid is well below $145,000; therefore, the City Manager has the authority to award the bid to RSC pending the outcome of the City Council's consideration of the appeal.

<u>Discussion</u>

City staff is thorough when reviewing project bid submissions so that all bids are correctly processed and evaluated. It is important to maintain this consistency and ensure the integrity of the bidding process. Staff understands that the process of compiling a bid can be an expensive undertaking for contractors. Providing a consistent process for bidding avoids the need to reject bids and rebid projects.

The process of accepting bids includes the public reading of all bids received by the City Clerk's office by the bid opening time and date. At this public reading, City staff calculates and announces the "apparent" low bidder for the project. In many cases contractors include minor irregularities in their bids. After bids are evaluated for completeness with the bidding instructions, final determination is made on the low bidder and bid results are made available on the City website.

As discussed above, Arrow Construction's bid protest is based on the fact that RSC initialed the second page of Addendum #1 in lieu of signing the cover page of Addendum #1. The first question then is whether RSC's initials constitute a signature. In California, the general rule for signatures is set forth in *In re Estate of Manchester* (1917) 174 Cal. 417. The *Manchester* court held that "[t]o sign an instrument or document is to make any mark upon it in token of knowledge, approval, acceptance, or obligation. The signature is the sign thus made." (*Id*. at p. 421.) In the Supreme Court's decision in *Ohl & Co. v. A.L. Smith Iron Works* (1933) 288 U.S. 170, the Court found that while signature by initials is an informal method, it is "clearly a method of signing." (*Id*. at p. 176-77.) The Court held and a California court later reaffirmed that "[s]ignature by initials has been held to be sufficient under the statute of frauds and the statute of wills and in other transactions." (*Id*.; *See Weiner v. Mullaney* (1943) 59 Cal.App.2d 620, 634.) The court in *Weiner* explained that the signatory's intent rather than the characteristics of the signature are determinative of whether a valid signature exists. (*Weiner*, supra, 59 Cal.App.2d at p. 634.)

Applying the above rules to the issue presented here, the City can safely conclude that the initials of RSC constitute a legal signature. So long as RSC intended his or her initials to be a "token of knowledge, approval, acceptance, or obligation" with respect to the addenda, the initials will be considered a valid legal signature. (*Manchester*, supra, 174 Cal. at p. 421; *Weiner*, supra, 59 Cal.App.2d at p.634.) By initialing Addendum #1, RSC <u>signed</u> Addendum #1. The question then is whether RSC's signing of page two of Addendum #1, and not the cover page, constitutes a bid error and, if so, whether such an error may be waived by the City.

As stated above, Section B-5 of the Instructions to Bidders that, "Bids shall include all addenda or clarifications issued during the bidding period acknowledged by the bidder's signature thereon. Failure to so include <u>or acknowledge</u> an addendum or clarification will result in the bid being rejected as not responsive." (Emphasis added.) By initialing the second page of Addendum #1 and including that signed page with its bid, RSC acknowledged Addendum #1 in conformance with the Instructions to Bidders. Addendum #1 reiterated the acknowledgement requirement but further specified that a signed copy of the cover sheet be included with the sealed bid. "Bidder shall acknowledge receipt and examination of this addendum by attaching a signed copy of this cover sheet to the sealed bid proposal. Failure to do so shall result in the disqualification of your bid."

Arrow Construction's legal counsel contends that this statement meant that failure to sign and submit the cover page of Addendum #1 would result in bid disqualification. However, there are two issues with this argument. First, Addendum #1 includes in it the replacement of the front cover page of the bid documents, which may have created an ambiguity as to whether bidders were required to sign the replacement cover page for the bid documents set forth in Addendum #1 or the cover page to Addendum #1. RSC signed both the second page of the Addendum #1 and the front cover page to the bid documents which was included in Addendum #1. In light of this ambiguity, the City looks to the intent of the signature requirement, which is discussed in the next paragraph as the second issue.

Second, consistent with the Instructions to Bidders, Addendum #1 required that bidders <u>acknowledge</u> the Addendum. The phrase "failure to do so," referenced the requirement that bidders acknowledge Addendum #1 and meant that bidders, such as the low bidder, United Building Contractors, who did not acknowledge the addenda, would have their bids rejected by the City as non-responsive, which the City has done. The intent of the requirement that bidders acknowledge the addenda was to protect the City to ensure that bids were based on the complete set of bid documents, including any addenda. That RSC chose to acknowledge Addendum #1 by signing and submitting the cover sheet to the bid documents and the second page instead of the cover sheet to Addendum #1 is a technicality which does not impact RSC's compliance with the requirement that RSC acknowledge Addendum #1.

Even if one were to interpret the language in Addendum #1 to require bidders to sign the cover sheet and that RSC's signing on the second page of the Addendum #1 was an error, the City has the flexibility to waive RSC's deviation. Section A-7 of the Notice Inviting Bids and Section B-15 of the Instructions to Bidders, provide the City with the right to waive any informalities or irregularities in the bids. "'A basic rule of competitive bidding is that bids must conform to specifications, and that if a bid does not so conform, it may not be accepted. [Citations.] **<u>However</u>**, it is further well established that a bid which substantially conforms to a call for bids may, though it is not strictly responsive, be accepted *if the variance cannot have affected the amount of the bid or given the bidder an advantage or benefit not allowed other bidders* or, in other words, if the variance is inconsequential. [Citations.]'" (Emphasis added; *Konica Business Machines U.S.A., Inc. v. Regents of University of California* (1988) 206 Cal. App. 3d 449, 454, *quoting* 47 Ops.Cal.Atty.Gen. 129, 130-131 (1966), italics in *Konica*.)

That is, "[t]he rule of strict compliance with bidding requirements does not preclude the contracting entity from waiving inconsequential deviations. (*Ghilotti Construction Co. v. City of Richmond* (1996) 45 Cal. App. 4th 897, 908.)

Arrow Construction’s legal counsel claims that the holding in *Konica Business Machines U.S.A., Inc. v. Regents of University of California,* supra, 206 Cal.App.3d 449, controls here. However, in *Konica*, the university issued a "Request for Quotation" in which the university required that the copiers sought had to meet certain performance specifications. The university awarded the contract to Copy-Line whose copiers did not meet the performance specifications. The *Konica* court held the award must be set aside because the solicitation document did not allow bidders to bid machines not meeting the performance specifications. The university's failure to require conformity with the performance specifications in the bid gave Copy-Line a competitive advantage over the other bidders. (*Konica*, supra, 206 Cal.App.3d at p. 457.)

Here, unlike the deviation from the performance specifications in *Konica*, which goes directly to price the waiver of the requirement to sign the cover sheet versus the second page of Addenda #1 does not impact the bid amounts received by the City. That is, any error does not go to price. The signing of the second page versus the cover page of Addendum #1 appears to be exactly the type of “inconsequential deviation” contemplated by the courts.

The City, in waiving any alleged error in RSC’s bid, would not give RSC a competitive advantage over the other bidders who had similarly met the City’s requirement that they acknowledge the Addenda #1. This analytical process is faithful to the bid documents and Addenda #1, does not relieve RSC of the duty to acknowledge the Addenda #1 by signing and submitting a copy of Addend #1 with its bid and does not give RSC a competitive advantage over the other bidders.

City staff has reviewed Arrow Construction’s initial bid protest, its appeal and the relevant facts and circumstances surrounding the Project bid. Based upon this review, City staff remains convinced that Arrow Construction’s bid protest is without merit, and that to the extent that there may have been minor irregularities in RSC’s bid, the City may waive such irregularities per Section A-7 of the Notice Inviting Bids and Section B-15 of the Instructions to Bidders. The City reserves the right to waive any bid irregularity which has been the City's standard practice.

<u>Fiscal Impact</u>

It is difficult to estimate the fiscal impact of granting Arrow Construction’s appeal. The City does have the option of awarding the contract to Arrow Construction at an additional cost, although RSC would likely appeal that decision. The City could also reject all bids and re-bid the project.

<u>Public Contact</u>

Posting of the City Council agenda.

Recommendation for Action

Staff recommends that the City Council conduct a public hearing regarding Arrow Construction's bid protest, deny their appeal, find that any deviations in RSC's bid are inconsequential and immaterial, waive any such irregularities and affirm the City Manager's award of the contract to RSC.

Prepared by: Jair Camacho
Associate Engineer

Reviewed by: Brent Meyer, PE
Principal Civil Engineer
City Engineer

Reviewed by: Paul Siegel
Deputy Director
Community Development

Reviewed by: Sophie A. Akins
Partner
Best Best & Krieger LLP

____

Mark G. Deven
City Manager

Attachments: Arrow Construction bid protest letter (June 8, 2011)
City Engineer response to bid protest (June 9, 2011)
Diepenbrock-Harrison appeal letter (June 10, 2011)

ARROW
CONSTRUCTION

1850 Diesel Drive
Sacramento, CA 95838

916.640.0600
FAX 916.640.0700

June 8, 2011

Mr. Brent Meyer
City Engineer
CITY OF WOODLAND
300 First Street
Woodland, CA 95695

Subject: ADA Improvement Project, CIP #10-06
BID PROTEST

Mr. Meyer:

I am writing to file a protest on the subject project in accordance with the Specifications Part I, Paragraph B-14. Arrow Construction attended the bid opening wherein our firm submitted the third lowest bid to the City. Mr. Jair Camacho, Associate Engineer for the City of Woodland, read aloud the bid results. Mr. Camacho also announced that neither of the two lowest bidders submitted a signed copy of Addendum #1. This morning, we have been informed Mr. Camacho that the City disqualified the apparent low bidder, United Building Contractors, for neglecting to submit Addendum #1. Furthermore, Mr. Camacho stated that the City received a portion of Addendum #1 from the second bidder with initials indicating acknowledgment, but did not receive a signed copy of the cover sheet. Nevertheless, the City has determined that RSC's bid is responsive.

Section B-5 of the Specifications stipulates that "bids shall include all addenda or clarifications issued during the bidding period acknowledged by the bidder's signature thereon. Failure to so include or acknowledge an addendum or clarification will result in the bid being rejected as not responsive". It is important to note that this section defines "acknowledgment by signature" as a requirement.

Addendum #1 stipulates that the "bidder shall acknowledge receipt and examination of this addendum by <u>attaching a signed copy of this cover sheet</u> to the sealed bid proposal. Failure to do so shall result in the disqualification of your bid". The City even underlined the requirement to provide a signed copy of the cover sheet.

We do not believe that Section B-5 contradicts Addendum #1 in any way. To the contrary, Section B-5 specifically requires a signature. The method required to acknowledge the addendum is defined both in Section B-5 and in the addendum and that is with a signature. Nowhere in the specifications does the City define initials as being an acceptable method for acknowledgment. Initials can easily be added by a person other than the individual responsible for the bid and is not a reasonable substitute for a signature on the cover sheet.

The City has taken a position to reject the apparent low bid on the grounds that they did not provide a signed copy of Addendum #1's cover sheet and we respectfully submit that the same criteria should be applied to the second low bidder, RSC General Engineering.

Sincerely,

Michael P. Wegener

Michael P. Wegener, President
ARROW CONSTRUCTION

City of Woodland

Community Development Department – Engineering Division
300 First Street Woodland, CA 95695 (530) 661-5961 (530) 661-5844 Fax

Bid Opening Date Bids To Be Opened On: June 2, 2011 @ 2:00 p.m.	CITY OF WOODLAND Contract Documents For ADA Improvement Project, CIP #10-06	Sign & Attach Cover Sheet Addendum #1 to Bid

ADDENDUM NO. 1
Issued May 20, 2011

This addendum (pages 1 through 5) shall hereby be made a part of the contract documents to the same extent as though it was originally included. This addendum consists of the following items:

Pages/Sheets

Description of Change	Pages/Sheets
Update Part I Notice Inviting Bids	Front Cover Signature Page & I-2
Update Part I Notice Inviting Bids	I-3

BIDDER SHALL ACKNOWLEDGE RECEIPT AND EXAMINATION OF THIS ADDENDUM BY ATTACHING A SIGNED COPY OF THIS COVER SHEET TO THE SEALED BID PROPOSAL. FAILURE TO DO SO SHALL RESULT IN THE DISQUALIFICATION OF YOUR BID.

Approved by:

Brent Meyer, P.E.
City Engineer

Prepared by:

Jair Camacho,
Associate Engineer

Receipt and examination of Addendum No. 1 is hereby acknowledged:

By : ____________________

Title : ____________________

Date: ____________________

the case may be, for which it proposes to supply the labor, materials, supplies or machinery, and perform the work required by the plans and specifications. If the bid is made by an individual, it shall be signed by the individual and the individual's full name and address shall be given. If the bid is made by a partnership, it shall be signed with the co-partnership name by a member of the partnership, who shall also sign its own name, and the name and address of each member of such partnership shall be given. If the bid is made by a corporation the name of the corporation shall be given and it shall be signed by its duly authorized officer or officers attested by the corporate seal, the name and titles of all officers of the corporation shall be given, and the address of the corporation and the state in which incorporated shall be stated.

(b) Bids will be considered only from persons licensed as required in Section E-10 of the Supplemental Conditions, and under applicable provisions of the Contractors License Law (Business and Professions Code § 7000 *et seq.*) and rules and regulations adopted pursuant thereto; and each bidder shall insert its type of contractor's license, license number, and other requested information in the place provided in the bid. No oral, telephonic or telegraphic bid or modification of a bid will be considered.

B-5 SUBMISSION OF BIDS

All bids must be submitted not later than the time prescribed, at the place and in the manner set forth in the Notice Inviting Bids. Bids must be made on the prescribed bid forms. A complete bid requires submission of fully completed bid, bid security, and any addenda. Each bid must be submitted in a sealed envelope, so marked as to indicate its contents without being opened, and addressed in conformance with the instructions in the Notice Inviting Bids. The bidder is wholly responsible to see that its bid is submitted at the time and place named for the opening of bids.

Bids shall include all addenda or clarifications issued during the bidding period acknowledged by the bidder's signature thereon. Failure to so include or acknowledge an addendum or clarification will result in the bid being rejected as not responsive.

Bids shall be opened at the time and place specified in the Notice Inviting Bids, unless changed by addendum.

B-6 PREPARATION OF THE BID

Blank spaces in the bid shall be properly completed. The language and form of the bid must not be changed and no additions shall be made to the items mentioned therein. Unauthorized conditions, limitations or provisions attached to a bid will render the bid nonconforming and may cause its rejection. If erasures, interlineations or other changes appear on the form, each erasure, interlineation or change must be initialed by the person signing the bid. Alternative bids will not be considered unless specifically provided for in the bid. No bid received after the time fixed, or received at any place other than the place stated in the Notice

diepenbrock• harrison
A PROFESSIONAL CORPORATION

JOHN V. "JACK" DIEPENBROCK
KAREN L. DIEPENBROCK
KEITH W. McBRIDE
BRADLEY J. ELKIN
EILEEN M. DIEPENBROCK
GENE K. CHEEVER
JON D. RUBIN
JENNIFER L. DAUER
CHRIS A. McCANDLESS
DAVID A. DIEPENBROCK

JONATHAN R. MARZ
MARK E. PETERSON

R. JAMES DIEPENBROCK
(1929 - 2002)

June 10, 2011

Via Email: ***ana.gonzalez@cityofwoodland.org***

Ana Gonzalez
City Clerk
City of Woodland
300 First Street
Woodland, CA 95695

Re: ADA Improvement Project, CIP # 10-06:
Appeal of Intended Award to RSC

Dear Ms. Gonzalez:

I am writing on behalf of my client, Arrow Construction ("Arrow"), in response to the indication from the City of Woodland ("City") that it intends to proceed with the award of the above-referenced contract ("Contract") to RSC, the second-low bidder. Arrow hereby appeals that intended award.

Arrow has not seen RSC's bid, but is informed that RSC failed to submit a signed copy of the cover sheet for Addendum #1, instead submitting an initialed copy of the addendum. Arrow further is informed that the City acknowledges that RSC's bid was non-responsive, but that it intends to waive RSC's deviation as "immaterial" and to accept RSC's bid.

Arrow appeals on the ground that it is the lowest responsive, responsible bidder and that, if a contract is awarded, it can only be awarded to Arrow. The City cannot waive RSC's deviation as an immaterial deviation. Rather, the City must comply with its own bidding rules, including those stated in its solicitation document, in identifying the bidder to which it will award any contract. *See Pozar*

400 CAPITOL MALL
SUITE 1800
SACRAMENTO, CA 95814

WWW.DIEPENBROCK.COM 916 492.5000
FAX: 916 446.4535

v. California Dep't of Transp., 145 Cal. App. 3d 269, 271 (1983) (holding that a public agency must follow its own procurement rules).

On Addendum #1, the City emphasized the following:

> BIDDER SHALL ACKNOWLEGE RECEIPT AND EXAMINATION OF THIS ADDENDUM BY ATTACHING A SIGNED COPY OF THIS COVER SHEET TO THE SEALED BID PROPOSAL. FAILURE TO DO SO SHALL RESULT IN THE DISQUALIFICATION OF YOUR BID.

(Emphasis in original.) That is, the City **expressly required** that bidders sign the cover sheet. RSC failed to do so, making its bid non-responsive (as we understand the City to recognize). Moreover, the City warned bidders that failure to include the signed cover sheet "shall" cause their bid to be rejected. Stated another way, the City committed that it would not or could not waive the failure of a bidder to include the signed cover sheet. The City cannot now change that commitment.

In conducting a public procurement, all bidders must be treated fairly and equally. The Legislature has declared its intent to "eliminate favoritism, fraud, and corruption in the awarding of public contracts" (Pub. Cont. Code § 100), and numerous cases echo that mandate and purpose of pubic bidding requirements. *See, e.g., Domar Elec., Inc. v. City of Los Angeles*, 9 Cal. 4th 161, 175-76 (1994); *Ghilotti Constr. Co. v. City of Richmond*, 45 Cal. App. 4th 897, 907-08 (1996). In an often-quoted passage, one court explained:

> Because of the potential for abuse arising from deviations from strict adherence to standards which promote these public benefits, the letting of public contracts universally receives close judicial scrutiny and contracts awarded without strict compliance with bidding requirements will be set aside. This preventative approach is applied even where it is certain there was in fact no corruption or adverse effect upon the bidding process, and the deviations would save the entity money. [citations] The importance of maintaining integrity in government and the ease with

> which policy goals underlying the requirement for open competitive bidding may be surreptitiously undercut, mandate strict compliance with bidding requirements. [citation]

Konica Bus. Mach. USA, Inc. v. Regents Univ. of Cal., 206 Cal. App. 3d 449, 456-57 (1988). As reflected in statute and caselaw, including the *Pozar* case cited above, the City cannot now change its admonishment to bidders that their bids **would be rejected** if they failed to include the signed Addendum cover sheet.

We understand the City's position to be that paragraph B-5 of the Instructions to Bidders did not require bidders to sign the cover sheet of the addenda, as long as each addendum was acknowledged by a signature. Paragraph B-5 provides that

> Bids shall include all addenda . . . issued during the bidding period acknowledged by the bidder's signature thereon. Failure to so include or acknowledge an addendum . . . will result in the bid being rejected as not responsive.

If the City had said nothing else, then the protest would be limited to the question of whether the initials affixed by RSC were sufficient to constitute a "signature."[1] However, in Addendum #1, the City specified how bidders were required to acknowledge the addendum – by signing the cover sheet. That specific requirement controls over the general statement that addenda must be acknowledged. *E.g.,* Civ. Proc. Code § 1859. RSC failed to comply with the specific requirement in Addendum #1, and the City cannot now waive its requirement.

In conclusion, we request that the City reconsider its position that it intends to recommend that the Contract be awarded to RSC. RSC's bid was materially non-responsive, and unavailable for award. Any putative award to RSC would result in an illegal contract. Arrow respectfully requests that the City award the Contract

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1 It is unclear whether initials – which are more readily forged – would be sufficient when the instructions specifically require a "signature." However, Arrow's protest must be sustained even if RSC's initials were sufficient to substitute for the required signature.

to Arrow, which is a fully responsive bidder, well-experienced and qualified to perform the work of the Contract, and with a bid within the Engineer's estimate.

Thank you for your consideration of this matter.

Very truly yours,

DIEPENBROCK HARRISON
A Professional Corporation

Eileen M. Diepenbrock

Eileen M. Diepenbrock

EMD:mj

Cc: City Engineer: Brent Meyer, P.E.
(via email: brent.meyer@cityofwoodland.org)

City Attorney: Andrew Morris
(via hand delivery)

Arrow Construction

City of Woodland

Community Development Engineering 520 Court Street, Woodland, CA 95695 (530) 661-5961 www.cityofwoodland.org

June 9, 2011

Arrow Construction
Attn: Michael P. Wegener
1850 Diesel Drive
Sacramento, CA 95838

SUBJECT: RE: ADA Improvement Project, CIP#10-06 BID PROTEST

Dear Mr. Wegener,

We have received your letter of protest dated June 8, 2011 for the above project. Per your letter, you requesting that the City declare the second low bidder, RSC General & Engineering Inc., ("RSC") non-responsive because RSC did not sign the cover sheet of Addendum 1 as provided for by Addendum #1 and of Section B-5 of the Instructions to Bidders.

To clarify, the intent of both the language in Addendum #1 and in Section B-5 of the Instructions to Bidders was that the bidder acknowledge Addendum #1 in its bid package. The purpose for this acknowledgement is to protect the City during the contract by ensuring that the contractor who is awarded the project complies not only with the contract but with the any addenda. The acknowledgement requirement helps to ensure that the contractor would not have the potential to claim that the addendum is not part of the contract.

Per Section B-15 of the Instructions to Bidders, the City reserves the right to waive any informality or irregularity in any bid. The City's standard practice has been to waive minor irregularities. Although the second low bidder did not include a signed cover sheet of Addendum #1, they did acknowledge Addendum #1 by initialing Addendum #1 at the bottom of the page and including it with their bid package. California law permits the waiver of immaterial bid errors if the waiver of such errors would not provide the bidder with an unfair competitive advantage. (*Menefee v. County of Fresno* (1985) 163 Cal. App. 3d 1175.) In *Menefee*, the Court held that the lowest bidder's failure to sign the bid on the appropriate line of the proposal sheet did not invalidate the bid because the bid was signed in other places and the accompanying bid bond was signed. Similar to *Menefee*, RSC's error in acknowledging Addendum #1 by initialing the bottom of Addendum #1 in lieu of signing the cover page of Addendum #1 does not change the amounts bid or otherwise provide RSC with a financial, material bid advantage. The failure to sign the cover page as a means of acknowledging the receipt, review and inclusion of Addendum #1 does not affect the amounts of RSC's bid or otherwise provide RSC with an advantage not afforded other bidders.

Based on these facts, I have determined that RSC General and Engineering has substantially complied with the bid requirements. I am hereby denying your protest.

City of Woodland

Community Development Engineering 520 Court Street, Woodland, CA 95695 (530) 661-5961 www.cityofwoodland.org

This project's funding source requires an expedited project schedule. If you would like to appeal this decision to the City Council, your appeal request letter will need to be submitted to the City Clerk, Ana Gonzalez, by Friday June 10th, 2011 by 3:00 PM. In order to provide adequate processing of your request, please provide a cc: to me for any correspondence that you send to the City Clerk. An e-mail communication to Ana Gonzalez ana.gonzalez@cityofwoodland.org and myself brent.meyer@cityofwoodland.org is acceptable as long as the signed original is sent via mail to 300 First St Woodland, CA 95695.

Sincerely,

Brent Meyer

Brent Meyer, P.E.
Principal Civil Engineer
City Engineer

City of Woodland

REPORT TO MAYOR AND CITY COUNCIL

AGENDA ITEM

TO: THE HONORABLE MAYOR
AND CITY COUNCIL

DATE: June 21, 2011

SUBJECT: Public Hearing to Receive Comments Concerning the Renewal of Assessment for Woodland Visitor Attraction District; Adoption of Resolution Confirming the Assessment Report

Report in Brief

In July 2004 the City Council approved the formation of the Woodland Visitor Attraction District at the request of Woodland hoteliers. This action included the collection of a 1% assessment on room occupancy charges that was provided as an annual payment to the Yolo County Visitors Bureau. The hoteliers have remained supportive of the District since 2004 and the City Council has annually adopted Renewal of the District since its formation. The hoteliers request that the City adopt its renewal for 2011-2012.

On June 7, 2011 Council unanimously approved Resolution No. 5190 to renew the Hotel Visitor Attraction District (BID) and set a public hearing to review comments concerning the renewal of the 2011-2012 Annual Assessment. This action supports consideration adoption of a Resolution Confirming the 2011-2012 Annual Assessment Report.

Staff recommends that the City Council hold a Public Hearing to receive comments concerning the renewal of the 2011-2012 Annual Assessment for the Woodland Visitor Attraction District (BID) and adopt Resolution No. ____ to confirm the 2011-2012 Annual Assessment Report.

Background

On July 6, 2004, the City Council unanimously supported the adoption of a Resolution of Intention to establish the Woodland Visitor Attraction District ("District") pursuant to the Parking and Business Improvement Area Law of 1989. On July 27, 2004, Council held a public hearing to approve Ordinance No. 1404 establishing the District. Ordinance No. 1404 authorized the levying of a 1% assessment on room occupancy, in addition to the Transient Occupancy Tax (TOT), upon all hotel/motel establishments in the City of Woodland. Council has annually adopted the Renewal of the District since that time.

A requirement of the Parking and Business Improvement Area Law of 1989 is that the assessment levy be renewed every fiscal year. On June 7, 2011, as required by statute, the City Council approved the Visitor Attraction District (BID) Assessment Report for FY 2012 and adopted Resolution No. 5190, a Resolution of Intention of the City Council of the City of Woodland to Levy an Assessment for Improvements and Activities for FY 2012 within the Woodland Visitor Attraction District.

In order to renew the assessment, the City Council is required to conduct a public hearing to consider any written or oral protests and adopt a resolution confirming the Visitor Attraction District (BID) Assessment Report for FY 2012. Once adopted, the confirming resolution will constitute the levy of the assessment for the District for FY 2012. Notice of the public hearing has been published. The hotel owners/operators may submit written protests at or before the public hearing.

If written protests are received from businesses which pay 50% or more of the assessments to be levied, no further proceedings to levy the assessment may be taken for a period of one year from the date of the finding of the majority protest by the City Council. If the majority protest concerns only the furnishing of specified types of activities within the District, only those types of activities must be eliminated.

The assessment is to be forwarded to the Yolo County Visitor's Bureau ("Bureau"), which promotes tourism and visitor attraction. The Bureau, which is governed by a Board of Directors, is a non-profit entity. The Visitors' Bureau is also financially supported by its partners, including the cities of Davis, Winters, and Woodland, as well as the University of California at Davis.

Discussion

The hoteliers have voted to assess themselves in order to provide an entity, in this case, the Bureau, with funds to assist in increasing travel, tourism and overnight stays in Woodland. The work that the Bureau has done continues to be productive as is highlighted in the attached Annual Report.

As was stated in the June 7th staff report to Council, the City is seeing a greater number of events, such as planned Yolo County Senior Softball Western National Championship in July 2011. Over this past year, the total 1% assessment collected exceeded the FY 2010 assessment of $77,000 which was the lowest assessment collected since the inception of the District. Records show that FY 2011 contributions will reach approximately $84,000 based on approximate total TOT revenue of $840,000. With the addition of the regularly scheduled youth and adult sports events primarily held at the Community Center, staff believes that the increase in the TOT also reflects the Visitor's Bureau and City staff efforts to actively market Woodland. This includes negotiating host hotel opportunities that offer discounts to visitors attending specific events and the greater collaboration of all Woodland hotels to market their facilities in order to attract visitors.

Since the former Executive Director's departure and Alan Humason's arrival as the new Executive Director in spring 2011, the Visitors Bureau continues to implement a more flexible, collaborative approach to working with its partner local governments. The Board has increased from 9 to 12 with a greater representation of hotel establishments. The mission of the Visitors Bureau is to enhance the visitors' experience by facilitating the integration of the community and regional resources and assets. Board meetings now rotate among the partner communities and regular updates are provided by city partners in a constant effort to work together and market Yolo County, and the Visitors Bureau has redirected its focus to local and regional marking.

In addition to the past year's activities, the Visitors Bureau has proposed the following additional activities to market Yolo County regionally.

New Publications –

1. Map of walking tour of historic buildings, to be a collaboration with the Stroll Through history;
2. Winery Guide – This extremely popular county-wide guide is slated for an update in the second half of the year (2011);
3. Restaurant Guide – Restaurants change often and this guide is the most requested piece offered. A Woodland specific guide is being considered as the preferred option, rather than a county-wide guide.

Updated Web Site –

1. Overhaul of existing site;
2. Add landing pages to highlight special interests like wineries or historic buildings;
3. Provide a Woodland specific link on the homepage, with the landing page tantamount to a Woodland centered homepage within the YCVB site;
4. Provide, if feasible, a hotel-booking service within the site for direct booking with hotels;
5. Provide assistance to hoteliers with Trip Advisor and other travel sites;
6. Development of mobile application for smartphone travelers that will link to a version developed in collaboration with the Central Valley Tourism Association;
7. Expanded use of an application to improve smartphone access such as linking to specific pages on the YCVB website;
8. Development of diverse, engaging, inviting video content highlighting the county's and each city's significant attractions, with call to action for visitors.

Increase Sales Program –

1. Add full-time staff to generate leads on conferences, meeting planners, sports groups and other travelers to support increased hotel occupancy;
2. Provide greater support to hoteliers with outreach and direct involvement in Bureau activities;
3. Increase collaboration between hoteliers and other groups such as restaurants and attractions;
4. Introduction of "familiarization tours" for travel professionals as well as travel/tourism media personnel.

Fiscal Impact

The renewal of the one percent (1%) assessment has minimal direct fiscal impact on the City. Hoteliers submit their 1% assessment to the City along with their ten percent (10%) Transient Occupancy Tax (TOT). City staff processes the 1% assessment and pass it through to the Bureau. Annual staff costs for the pass through of funds are estimated to be approximately $1,500 and are contributed in-kind.

Public Contact

On May 25, 2011, staff met with YCVB Executive Director and Board President to discuss progress made over the past year and plans for FY 2012. Staff has provided the YCVB Board with a copy of this report.

The FY 2012 Assessment Report was received, and this public hearing was set; Resolution No. 5190 was approved by City Council on June 7, 2011.

This item has been included in the City Council Agenda and the Public Hearing has been noticed in the Daily Democrat as required.

Alternative Courses of Action

1. Hold a Public Hearing to receive comments concerning the renewal of the 2011-2012 Annual Assessment for the Woodland Visitor Attraction District (BID) and adopt Resolution No. ____ to confirm the 2011-2012 Annual Assessment Report.

2. Cease further consideration for the renewal of the Visitor Attraction District.

Recommendation for Action

Staff recommends that the City Council approve Alternative No. 1.

Prepared by: Wendy Ross
Economic Dvlpt. Mgr.

____

Mark G. Deven
City Manager

Attachments:
1. Resolution Confirming Assessment and Renewal of Levy
2. 2011/2012 Annual Assessment Report and accompanying budget

RESOLUTION NO. ____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WOODLAND CONFIRMING THE ASSESSMENT REPORT AND APPROVING THE LEVY OF AN ASSESSMENT FOR THE VISITOR ATTRACTION DISTRICT FOR FISCAL YEAR 2011-2012 PURSUANT TO THE PARKING AND BUSINESS IMPROVEMENT AREA LAW OF 1989

WHEREAS, the Parking and Business Improvement Area Law of 1989, California Streets & Highways Code section 36500 et seq., authorizes cities to levy assessments through a business improvement district;

WHEREAS, on September 7, 2004, the City Council of the City of Woodland adopted Ordinance No. 1404 establishing a Woodland Visitor Attraction District ("District") and levying assessments;

WHEREAS, the Parking and Business Improvement Area Law of 1989 requires the City to renew the levy of the assessment for each fiscal year;

WHEREAS, the City Council approved the Visitor Attraction District (BID) Assessment Report for Fiscal Year 2011-2012 and a resolution of intention to levy the assessment by Resolution No. 5190 on June 7, 2011;

WHEREAS, the City provided notice of a public hearing to be held by causing the resolution of intention to levy the assessment to be published in the *Daily Democrat* not less than seven (7) days prior to the public hearing;

WHEREAS, the City Council conducted a public hearing on the Visitor Attraction District (BID) Assessment Report for Fiscal Year 2011-2012 pursuant to the Parking and Business Improvement Area Law of 1989, on June 21, 2011; and

WHEREAS, the City Council has found no majority protest as defined by Section 36525 of the California Streets & Highways Code.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF WOODLAND DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. Assessment Report

The City Council confirms its adoption of the Visitor Attraction District (BID) Assessment Report for Fiscal Year 2011-2012, which identifies the assessment to be levied and collected to pay the costs of improvements and activities described in the report, in the same form as adopted on June 7, 2011.

Section 2. Levy of Assessment

Pursuant to the Parking and Business Improvement Area Law of 1989, the adoption of this resolution shall constitute the levy of the assessment for the Visitor Attraction District for fiscal year 2011-2012.

PASSED AND ADOPTED this 21st day of June, 2011 by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

____
Artemio Pimentel, Mayor

ATTEST:

____
Ana Gonzalez, City Clerk

APPROVED AS TO FORM:

____
Andrew Morris, City Attorney

Yolo COUNTY VISITORS BUREAU

2011 – 2012 Annual Assessment Report
April 2010 – March 2011

Prepared for

The City of Woodland

May 18, 2011

Yolo County Visitors Bureau
604 Second Street • Davis, CA 95616 • (530) 297-1900 • www.yolocvb.org

Yolo County Visitors Bureau
2011 – 2012 Annual Assessment Report
April 2010 – March 2011

Our Mission: *To enrich the lives of our citizens by stimulating the economic activity of Davis, Woodland, Winters and unincorporated Yolo County businesses and organizations; to promote cultural, athletic, and educational events and programs that build upon the strengths of our region and the quality of our community life; and to enhance the visitors experience by facilitating the integration of the community and regional resources and assets.*

In order to accomplish our mission, the Yolo County Visitors Bureau is committed to the following core objectives:

- To market the region in a way that maximizes the visitors experience while respecting the exceptional quality of life and environment we enjoy
- To compete aggressively with destinations throughout the region in attracting visitors
- To offer outstanding customer service in all aspects of the organization
- To be a regional destination marketing organization that emphasizes partnerships, productivity, and maximum return on investment
- To share expertise on industry issues, trends, and product development with customers and stakeholders
- To measure and report the effectiveness of the organization in generating economic benefits for the community

Our Vision: The Yolo County Visitors Bureau (YCVB) is the recognized leader of an integrated and influential tourism destination team representing three primary cities of Davis, Woodland, and Winters, plus the adjacent areas of Yolo County. West Sacramento is being actively recruited.

Summary of 2010 / 2011 Operations: The YCVB successfully negotiated a challenging year, marked by organizational and staffing changes, major events, and the initiation of major projects. The Board of Directors was expanded to 12 members from nine, new officers elected, and several significant policies adopted. A new Executive Director was hired – Alan Humason, replacing Diane Parro – in February 2011, culminating a three-month search. The organization's proactive leadership remains firmly committed to engaging the community it serves, to keeping up the momentum and spirit of cooperation that has marked the YCVB's progress over the past few years, and to bringing even more visitors to our doors.

Organizational Goals:

- Collaborate with local groups to provide attractions for visitors
- Explore partnerships with mutual interest in developing tourism for our region
- Promote our attractions and events to visitors
- Provide services that support local organizations in their tourism efforts
- Serve as a resource for travel industry perspective and knowledge
- Maintain a professional organization
- Strive to be positive and respectful in all aspects of our work

Strategies:

- Maintain a Board of Directors that represents different areas and types of attractions but operates for the good of the whole region
- Build and enhance cooperation with local entities
- Take an active role in planning events that draw visitors
- Market our attractions and events to visitors
    - Provide a Visitors Center with abundant resources
    - Produce and distribute visitor publications
    - Maintain a website that is attractive to visitors and residents and promotes all regional attractions and events without bias
    - Participate in events and utilize the booth and publications
- Pursue an aggressive program of outreach to generate press coverage
- Maintain association and seek active cooperation with local and regional tourism organizations

2010 / 2011 Accomplishments

The YCVB was recognized for excellence by two Destination Marketing Organizations (DMO) member organizations. We won a Central Valley Tourism Association Marketing Award for the Best Public Relations Campaign for the U.S. Bicycling Hall of Fame. We also won recognition for Best Strategic Marketing for the Tour de Cluck from the Western Association of Conference and Visitors Bureaus. Going forward, we hope to take a more active role in developing events and coordinating promotional activities with our partners.

Active Event Planning and Participation

- Annual Woodland Tomato Festival
- Alternative Energy Fair
- Gable Mansion Tour
- Senior Softball USA Tournament 2010
- First-ever Woodland Free Museum Day
- Yolo County Fair
- Festival of Trees
- Woodland Dynamite Chili Cook-Off
- 134th Annual Woodland Scottish Festival and Games
- YoloArts workshop
- Annual Mill-In (Yolo Wool Mill)
- Yocha Dehe Celebration of the Arts
- Amgen Tour of California 2010

- ➢ Breakaway Ride 2010
- ➢ U.S. Bicycle Hall of Fame Grand Opening
- ➢ U.S. Bicycle Hall of Fame Induction Dinner
- ➢ Yolo County Booth at the California State Fair
- ➢ UC Davis Decision Day
- ➢ Celebrate Davis

Professional Organization Development

- ➢ Expansion of Board of Directors from nine to 12 members
- ➢ Adoption of Board Responsibilities Policy
- ➢ Adoption of Document Retention, Whistleblower, and Expense Reimbursement Policies
- ➢ Drafting of comprehensive YCVB Employee Handbook

Distribution of Publications

The YCVB produces and distributes comprehensive visitor guide/maps for Yolo County, Davis/UC Davis, Woodland, and Winters. We also produce a guide to county wineries "Exceptional Wines, Surprisingly Close," and dining directory, "Bon Appétit". The Visitor Center makes numerous other publications, directories, and promotional materials available to visitors.

The YCVB did not produce any new publications in the year (the Davis/UC Davis guide was updated and reprinted in April 2011) but anticipates updating/revising the most popular guides after the launch of the new website, in order to have a consistent look to all marketing materials. Points of distribution include:

- ❖ *YCVB Visitor Center*
- ❖ *Davis City Offices*
- ❖ *Davis Amtrak Station*
- ❖ *Davis Chamber of Commerce*
- ❖ *Davis Downtown Business Association*
- ❖ *Woodland City Offices*
- ❖ *Woodland Chamber of Commerce*
- ❖ *Heidrick Ag History Center*
- ❖ *Winters City Offices*
- ❖ *Winters Visitor Center & Chamber of Commerce*
- ❖ *Yolo County Offices*
- ❖ *UC Davis Visitor Center, Conference Center, and other locations on campus*
- ❖ *Various local places: restaurants, hotels, shops, attractions, galleries*
- ❖ *Various tradeshows*

Total Number of Printed Publications Distributed: 36,590

- ❖ *Davis Guide*: 19,630
- ❖ *Winters Guide*: 3500
- ❖ *Woodland Guide*: 2640 (the City of Woodland worked with the YCVB to revise the maps and paid for printing; the City kept the majority of the production for their own distribution to local hotels and attractions)
- ❖ *Yolo County Guide*: 5,075
- ❖ *Restaurant Guide*: 3,745
- ❖ *Winery Guide*: 1500

www.yolocvb.org
The current website was created in 2010 after the prior site was destroyed by hackers. While it is serviceable, it is the position of the Bureau and the Board of Directors that a more modern, versatile, and attractive website should be developed and deployed. As of this writing, several potential design partners have been sent a RFP detailing the specifications for this project; a decision is forthcoming and the project will move forward, aiming for completion by late summer 2011.

Website Features Maintained:

- Comprehensive events calendar
- Listings, photographs, and links for all hotels
- Listings for all restaurants – expanded and fully searchable by destination and cuisine
- Details for every attraction
- Travel information
- Downloadable maps that can be printed at home or in a place of business
- Homepage with new interactive text, "Coming This Weekend", and "Don't Miss . . ." prompts
- Featured Restaurant of the Week (Woodland selections include: Paco's, Silvina's Basket, Fat Cat Café, Savory Café, Tazzina Bistro, Osaka Sushi, Ludy's, and Capital Saloon & Grill).
- Search function that covers the entire site
- RFP, Request for Information, and Contact Us pages
- Press Room pages with information for inquiring media

New Features Planned:

- More robust sections for Meeting Planners and Travel Professionals
- More deployment of special landing pages to promote specific events or activities, and to highlight understood visitor preferences
- Reintroduction of hotel-driven promotional/pricing packages
- Hotel search/booking function on the website with direct links to hotels
- Increased cache of tightly focused video segments
- Development of a travel-oriented blog with in-house generated content
- More robust interactive maps

Website Usage
We compared the years April 1 2010 – March 31, 2011 versus April 1, 2009 – March 31, 2010. In the most recent year, our website had 39,118 visits, up from 28,444 the prior year, an increase of 10,674 or 27%. Page views were 211,756, an increase of 32,690 year over year, or 15.3%. Top content was "Where to Stay / Davis", "What to Do", "Where to Stay", "Where to Eat", "Maps / Transportation", "Calendar", "What to Do / Family Fun", "What to Do / Festivals & Events". The average time spent on the site in 2010-11 was 3:39, a decrease of 0:15 from the prior year.

Social Media
Facebook and Twitter accounts are now being actively used to post news, events, and information, and to help support the businesses of our many "friends" and fans.

Mobile Phone Application
The YCVB participated in the development of a mobile phone application with the Central Valley Tourism Association. The "app" provides many of the same features as a website, in a compact, downloadable, interactive, user-friendly way. Features include searchable hotels, events, restaurants, shopping, special offers, wineries, and more. It is easily updated by YCVB staff on a

24/7 basis. It is set to launch fully in late May 2011. We are developing ideas for promoting this new tool in conjunction with the CVTA and separately on our own.

New YCVB Board Committees

In the winter of 2011, the Bureau created three new committees to focus on certain aspects of its operation. They are:

Executive Committee: This consists of the Executive Director, the Board President, Vice-President, and Secretary, the Past President, and one other Woodland-based member of the Board. High-level, financial, personnel, and policy matters are the main topics of discussion. Recommendations by this committee will generally be given to the full Board at regular meetings for consideration and approval or modification.

Website Redesign Committee: a group of six persons was charged with developing a RFP, selecting potential vendors to receive it, reviewing the responses, and ultimately making a decision about whom to engage in the actual work. This committee will also participate in website development.

Sales Committee: This group consists of roughly 20 regular members, mostly drawn from hotelier staffs including General Managers and Sales Directors from Woodland and Davis. This group is tasked with identifying potential new business opportunities for events, group functions, and meetings that would increase visitation and exposure. There are now also three subcommittees addressing sports, key trade, and government agencies. Part of the plan in this effort includes hiring a dedicated salesperson to implement programs designed to bring more tourism business to Yolo County.

Public Relations

We are continuing to use our social media platforms on Facebook and Twitter to promote events and activities as well as acknowledge events and activities announced by our partners and like-minded organizations within the region. We are also expanding our list of press contacts further into the surrounding region, as well as revamping our electronic newsletter with more content and more appealing graphics.

Our efforts on behalf of local events produced results. Noted below is the coverage generated through our program:

- TV segments – 38. Outlets include: *News 10, NBC Sacramento, Good Day Sacramento, KCRA, Fox 40,* and *Sac & Co*
- Website Articles or Event Listings – 27. Sites include: *Cycling Examiner, LA Times Travel Calendar, California Outdoors,* and *Weekend Adventures*
- Website Third Party Listings: approximately 500
- Regional Magazine Articles or Event Listings – 15. Publications include: *Sunset, SacTown, Destination, RV Journal, Via,* and *Association News*
- Newspaper Articles or Event Listings – 32. Newspapers include: *LA Times, Daily Democrat, Sacramento Bee, Modesto Bee, Vacaville Reporter,* and *Contra Costa News*

Woodland-specific coverage included: **Woodland Opera House Concert Series:** Destination Magazine; **Tomato Festival:** Daily Democrat, Via Magazine, KCRA, Fox40; **Gable Mansion Tour:** News10, Sac & Co; **Chili Cook-Off:** Daily Democrat; **Yolo County Fair:** Destination Magazine; **Annual Mill-in:** News10, Sacramento Bee, Destination Magazine; **Festival of Trees**: Destination

Magazine, LA Times online travel calendar, West Sacramento Press; **Scottish Games:** Destination Magazine.

Continuing and Potential New Collaboration
We enjoy excellent working relationships with: The cities of Davis, Woodland, and Winters; the Chambers of Commerce for Davis, Woodland, and Winters; the Davis Downtown Business Association; the Yolo County Historical Society; and UC Davis departments, chiefly UC Davis Conference and Events Services.

We are renewing outreach efforts to West Sacramento, with an eye to bringing that community into our operation. We know, for example, certain hotels in West Sacramento are marketing in the same arenas as the YCVB, as well as building a relationship with UC Davis. Moreover, managers of these properties have expressed a keen interest in working with the YCVB. While there may be obstacles, we feel the time may be right to meet them head-on and include the fourth city that is clearly within our county's borders.

2011 / 2012 Goals

- **Increase collaborative efforts with particular emphasis on:**
  - West Sacramento's participation
  - Local hoteliers
  - Area museums
  - New UC Davis Conference facilities
  - Underutilized attractions (such as River Cats and Cache Creek Resort)
  - Winery associations: Roots to Wine and Clarksburg Wine Growers Association

- **Take an active role in planning events and initiatives:**
  - Stroll Through History (Fall 2011)
  - LiveSTRONG Challenge Davis (July 2011)
  - US Bicycling Hall of Fame Induction Weekend (October 2011) and Spring fundraising event and ride
  - Yolo County Booth at the California State Fair (July 2011)
  - Installation of a new Yolo County Exhibit at the State Capitol

- **Develop a thoughtful, target sales plan and hire a sales representative to implement the plan**
- **Promote the redesigned website and mobile phone application; produce QR Codes targeted to specific activities, interests, and audiences**
- **Continue to enhance Visitors Center**
- **Work with UC Davis Bookstore (opening in downtown Davis in June 2011) to make Yolo County products available for sale**
- **Provide service to partner Visitor Centers**
- **Increase public relation efforts**
- **Increase use of social media**
- **Develop sources of funding, particularly in relation to West Sacramento**
- **Develop and maintain best practices for the organization**

YCVB Board of Directors

Wes Ervin, President
Manager, Economic Development
Yolo County, Woodland CA

Reed Youmans, Past President
Hallmark Inn, Davis CA

Wayne Ginsburg
Yolo County Historical Society,
Woodland CA

Lina Layiktez
Director, UC Davis CEVS, Davis CA

Vinod Patel
Holiday Inn Express, Woodland CA

Randi MacNear
Davis Farmers Market, Davis CA

Meg Stallard
Woodland CA

Ashok Patel
Royal Guest Hotels, Davis CA

Charles Roe
Pyramid Construction, Davis CA

Howard Hupe
Winters Chamber of Commerce,
Winters CA

Arvind Patel
Valley Oaks Inn, Woodland CA

Guneet Bajwa
Presidio Companies
Hyatt Place, Davis CA

YCVB Staff

Alan Humason
Executive Director
alan@yolocvb.org

Tiffany Dozier
Communications and Public Relations Manager
tiffany@yolocvb.org

Stacey Ettl
Office Manager
stacey@yolocvb.org

604 Second Street
Davis, CA 95616
(530) 297-1900
www.yolocvb.org

Yolo County Visitors Bureau Budget Forecast 2011-2012

REVENUE		**Forecast**
	Woodland BID	$ 85,000
	Davis BID	$ 110,000
	City of Davis	$ 30,000
	City of Winters	$ 7,000
	Winters Chamber of Commerce	$ 1,000
	UC Davis	$ -
	Advertising	$ -
TOTAL REVENUE		$ 233,000
MARKETING		
80 on 80 Co-op Effort		$ -
Publications		
	Davis Map & Guide	$ 5,000
	Winters Map & Guide	$ 2,500
	Woodland Map & Guide	$ 2,000
	Yolo County Map & Guide	$ 2,000
	UC Davis Map	$ 1,500
	Restaurant Guide	$ -
	Gallery Guide	$ -
	Davis Bike Loop	$ 500
	Winery Guide	$ 2,000
	Electronic Media Kits	$ -
	Trip Advisor	$ 3,000
	Photo Fees & Reproduction	$ 2,500
	Video Production	$ 10,000
	Gift Baskets	$ 400
	Sales Efforts	
	Hospitaltiy	$ 2,000
	Mileage	$ 2,000
	Web Site Design	$ 15,000
	Web Site Hosting	$ 1,500
	Domain Names	$ 1,000
Total Marketing Expense		$ 52,900
Trade Shows		
	Celebrate Davis	$ 150
	Fall Welcome	$ 250
	UC Davis EPE Fair	$ 300
	PowWow	$ 1,200
Total Trade Shows(reg, trav,exp)		$ 1,900
Membership Organizations		
	CVTA	$ 500
	Cal TIA	$ 650

	WACVB	$	650
Total Membership Organizations		$	1,800
Professional Staff			
Employee Expense			
	Payroll (Staff)	$	106,300
	Payroll Taxes (employer, Federal)	$	8,632
	Payroll Taxes (employer, State)	$	1,637
	Insurance (Work Comp)	$	1,200
	Parking Permits	$	350
Employee Coverage			
	Medical Insurance	$	-
	Dental Insurance	$	-
Total Employee Expense		$	118,119
Administration			
Bank Fees		$	360
Bookeeper		$	1,800
Computer (Maintenance)		$	1,500
Computer Equipment		$	2,500
Copies		$	4,325
Tax Preparation		$	1,200
Property Tax		$	100
Taxes/Tax Filing Fees		$	150
Insurance (D&O)		$	1,500
Insurance (Liability)		$	2,750
Legal Council		$	500
Letterhead Printing		$	500
Office Cleaning		$	900
Office Supplies		$	2,000
Payroll Services		$	1,000
Postage & Delivery (postage)		$	1,200
Postage & Delivery(equipment)		$	360
Professional Consultation		$	-
Rent		$	9,600
Storage		$	-
Telephone & DSL		$	3,500
Utilities		$	-
Total Administration Expense		$	35,745
Professional Conferences			
CVTA Ed Summit		$	500
Cal TIA Conference on Tourism		$	1,200
WACVB CEO Forum		$	1,800
CTTC Forum		$	250
CTTC Sustainable Tourism		$	150

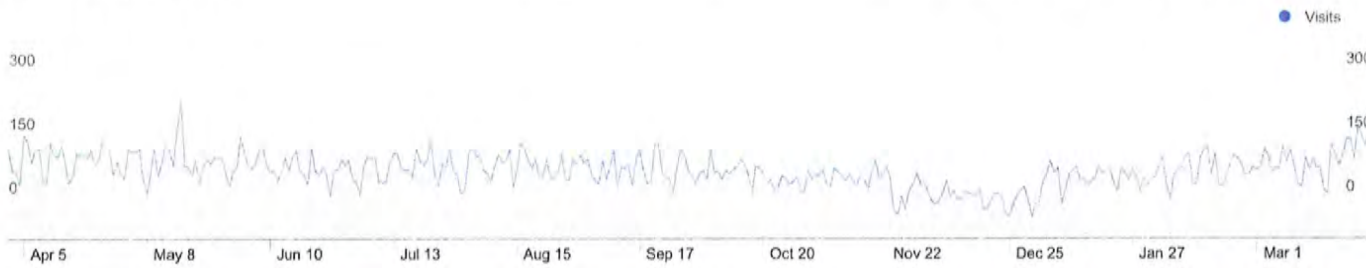
Total Conferences (reg, trav,exp)		$ 3,900
Contingency		$ 15,000
	Total Revenue	$ 233,000
	Total Expense	$ 229,364
	Operating Surplus	$ 3,636

www.yolocvb.org

Dashboard

Apr 1, 2010 - Mar 31, 2011

Comparing to: Site



Site Usage

39,118 Visits

211,756 Pageviews

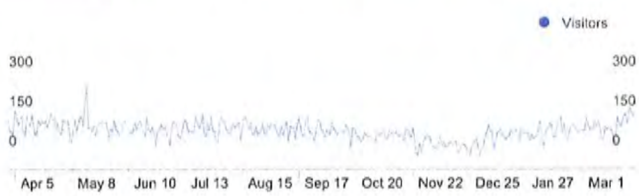
5.41 Pages/Visit

38.22% Bounce Rate

00:03:39 Avg. Time on Site

77.61% % New Visits

Visitors Overview



Visitors

30,889

Map Overlay

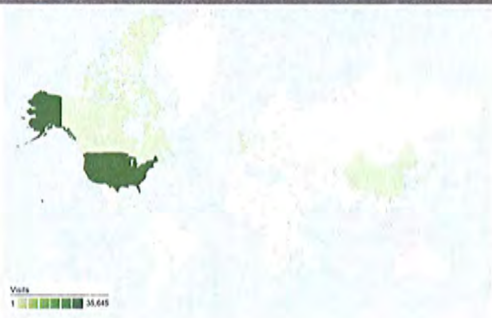
Traffic Sources Overview

- Referring Sites 24,170.00 (61.79%)
- Search Engines 10,119.00 (25.87%)
- Direct Traffic 4,829.00 (12.34%)

Content Overview

Pages	Pageviews	% Pageviews
/	32,349	15.28%
/stay/davis	21,243	10.03%
/to-do	14,292	6.75%
/stay	11,482	5.42%
/eat	7,574	3.58%

Map Overlay



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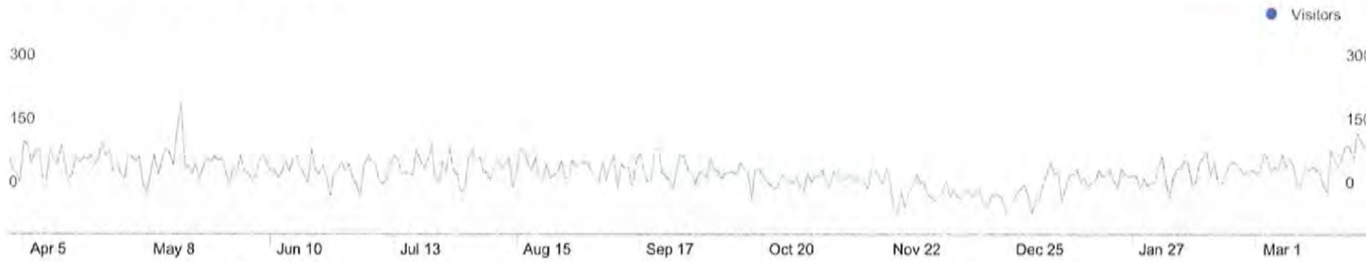
Visitors Overview

Apr 1, 2010 - Mar 31, 2011

Comparing to: Site



30,889 people visited this site

39,118 Visits

30,889 Absolute Unique Visitors

211,756 Pageviews

5.41 Average Pageviews

00:03:39 Time on Site

38.22% Bounce Rate

77.61% New Visits

Technical Profile

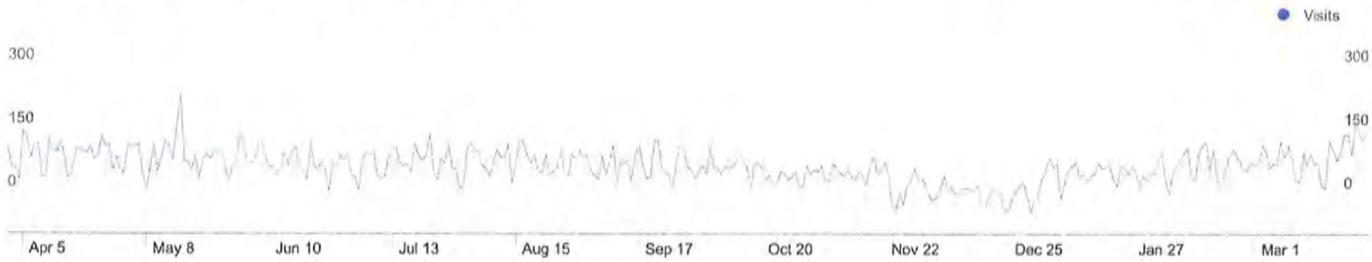
Browser	Visits	% visits
Internet Explorer	18,317	46.82%
Firefox	10,603	27.11%
Safari	6,963	17.80%
Chrome	2,787	7.12%
Opera	127	0.32%

Connection Speed	Visits	% visits
Cable	11,470	29.32%
DSL	11,045	28.24%
Unknown	10,408	26.61%
T1	5,658	14.46%
Dialup	266	0.68%

www.yolocvb.org

Traffic Sources Overview

Apr 1, 2010 - Mar 31, 2011
Comparing to: Site



All traffic sources sent a total of 39,118 visits

12.34% Direct Traffic

61.79% Referring Sites

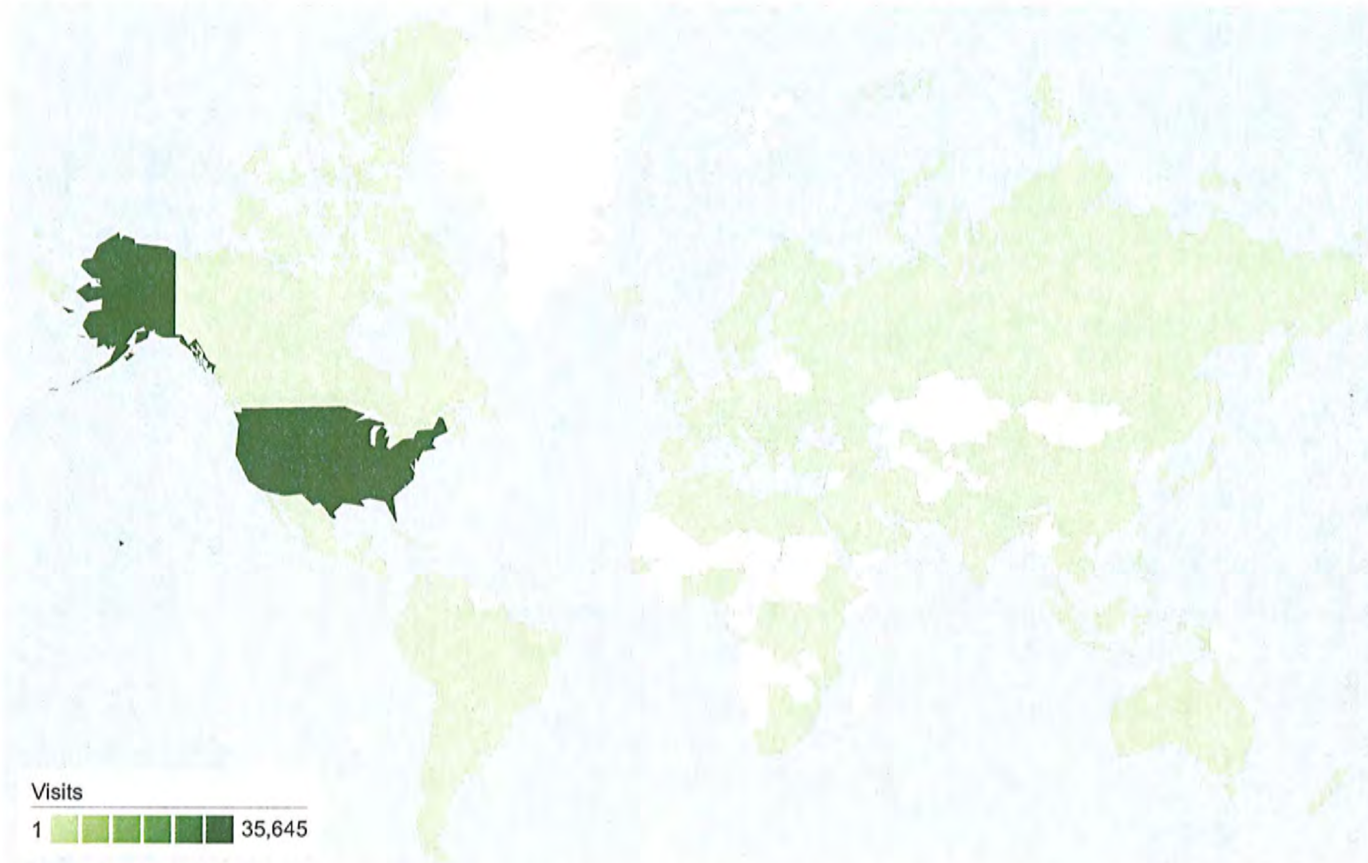
25.87% Search Engines

Top Traffic Sources

Sources	Visits	% visits	Keywords	Visits	% visits
cityofdavis.org (referral)	9,374	23.96%	yolo county visitors bureau	695	6.87%
google (organic)	8,316	21.26%	yolo county	275	2.72%
(direct) ((none))	4,829	12.34%	putah creek lodge	247	2.44%
ucdavis.edu (referral)	3,560	9.10%	taber ranch	160	1.58%
visit.ucdavis.edu (referral)	1,020	2.61%	winters community center	153	1.51%

Map Overlay

Apr 1, 2010 - Mar 31, 2011
Comparing to: Site



39,118 visits came from 124 countries/territories

Site Usage

Visits	Pages/Visit	Avg. Time on Site	% New Visits	Bounce Rate
39,118 % of Site Total: 100.00%	5.41 Site Avg: 5.41 (0.00%)	00:03:39 Site Avg: 00:03:39 (0.00%)	77.70% Site Avg: 77.61% (0.12%)	38.22% Site Avg: 38.22% (0.00%)

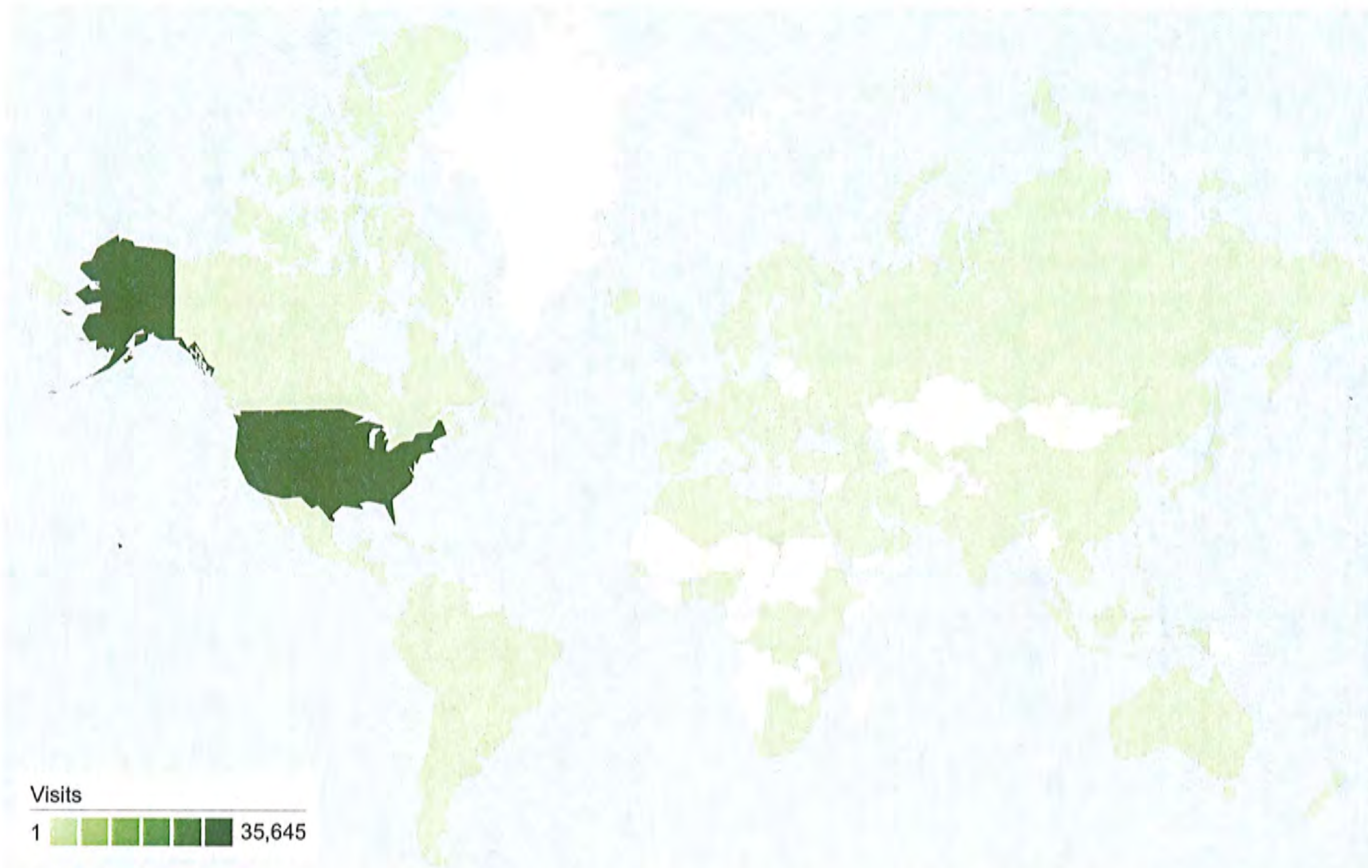
Country/Territory	Visits	Pages/Visit	Avg. Time on Site	% New Visits	Bounce Rate
United States	35,645	5.44	00:03:40	77.31%	37.78%
Canada	336	5.22	00:02:49	86.61%	34.82%
China	239	3.84	00:03:23	86.19%	62.76%
Japan	214	5.13	00:03:02	80.37%	45.33%
United Kingdom	202	5.76	00:03:40	84.16%	30.69%
South Korea	166	6.56	00:04:26	81.33%	37.35%
Brazil	158	6.01	00:03:35	79.11%	33.54%
Germany	147	4.99	00:02:24	85.71%	36.05%
France	139	4.73	00:02:34	82.01%	47.48%

India	122	3.17	00:01:40	87.70%	53.28%

1 - 10 of 124

Map Overlay

Apr 1, 2010 - Mar 31, 2011
Comparing to: Site



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China	239	3.84	00:03:23	86.19%	62.76%
Japan	214	5.13	00:03:02	80.37%	45.33%
United Kingdom	202	5.76	00:03:40	84.16%	30.69%
South Korea	166	6.56	00:04:26	81.33%	37.35%
Brazil	158	6.01	00:03:35	79.11%	33.54%
Germany	147	4.99	00:02:24	85.71%	36.05%
France	139	4.73	00:02:34	82.01%	47.48%

India	122	3.17	00:01:40	87.70%	53.28%
					1 - 10 of 124

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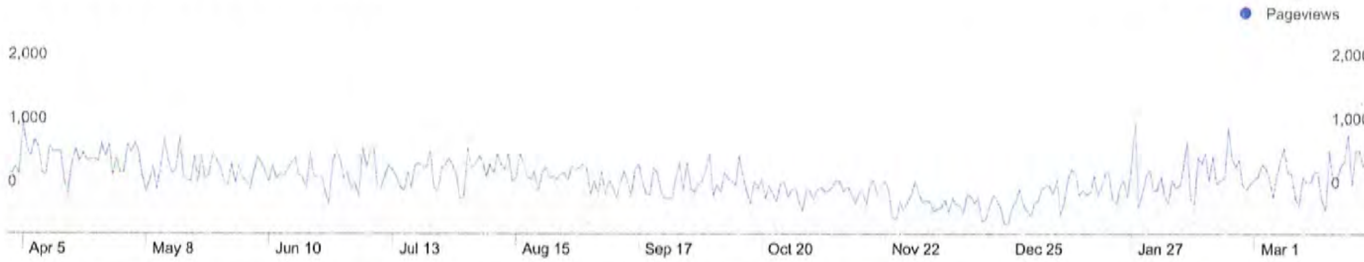

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/eat	7,574	3.58%

City of Woodland

REPORT TO MAYOR AND CITY COUNCIL

AGENDA ITEM

TO: THE HONORABLE MAYOR
AND CITY COUNCIL

DATE: June 21, 2011

SUBJECT: Resolution Stating City Position on County Board of Supervisors Districts

Report in Brief

During the June 7 City Council meeting, the City Council directed staff to return to a future Council meeting that stated the City's position regarding Yolo County's Board of Supervisor's redistricting plan. The issue that concerned the City Council is the potential for the City of Woodland to be realigned in a manner that created three separate Board of Supervisor districts. Members of the City Council have received comments from Woodland residents who are opposed to the creation of three separate districts and Council members believe it is appropriate to adopt a resolution that formally states the City's opposition to any such plan.

Staff recommends that the City Council adopt Resolution No. ____ to formally express opposition to any County plan that realigns the City of Woodland into three separate Board of Supervisor districts.

Background

On February 1, 2011, the Yolo County Board of Supervisors established a Redistricting Advisory Committee (RAC) composed of County residents appointed by each member of the Board of Supervisors. The Board charged the RAC to redraw Board of Supervisor district boundaries in manner that aligns the districts based on the 2010 census. Specific duties directed by the Board to the RAC included the following items:

- Provide a maximum of five alternative plans to the Board of Supervisors without ranking for Consideration;

- The population of each of the five districts shall equal one another to the greatest extent possible (deviation between districts not to exceed a maximum of ten percent), based on the results of the 2010 U.S. Census;

- District boundaries shall follow precinct lines, to the greatest extent feasible;

- In recommending district boundaries, consideration shall be given to topography, geography, cohesiveness, contiguity, integrity, compactness of territory and community of interests of the districts;

- The redistricting process shall comply with all applicable state and local statutes;

- All meetings of the RAC shall be noticed and open to the public, in compliance with the Brown Act; and

- The RAC shall make its final report to the Board of Supervisors no later than August 1, 2011.

The RAC has held several meetings, including a meeting in the Woodland City Council Chambers on June 6. During that meeting the RAC discussed alternatives that included realignment within the City of Woodland that would split the community into three separate districts.

In response to this particular alternative, Council members received comments from several constituents who expressed their opposition. During the June 7 Council meeting, the City Council directed staff to place a resolution on a future agenda that expresses the City position on this alternative.

Discussion

The City Council understands and supports the need for the County to revise the Board of Supervisor districts based on the results of the 2010 census. Nonetheless, the degree of concerns expressed by Woodland citizens regarding the establishment of three separate Supervisor districts compelled the Council to express a formal position on this proposal. Based on comments from constituents, the concern is primarily focused on the potential to fracture Woodland in a manner that would dilute the views of City residents on matters considered by the Board of Supervisors. In that regard, the alignment of three separate districts would not favorably apply the RAC's responsibility to consider topography, geography, cohesiveness, contiguity, integrity, compactness of territory and community of interests as such consideration is provided to the City of Woodland.

Fiscal Impact

Adoption of the attached resolution will not have a financial impact on any City funds.

Public Contact

Posting of the City Council agenda. A copy of the resolution and staff report will be sent to the Board of Supervisors if the City Council approves the staff recommendation.

Recommendation for Action

Staff recommends that the City Council adopt Resolution No. ____ to formally express opposition to any County plan that realigns the City of Woodland into three separate Board of Supervisor districts.

____
Mark G. Deven
City Manager

Attachments: Resolution No. _____

RESOLUTION NO. ____

A RESOLUTION STATING THE CITY OF WOODLAND POSITION ON COUNTY BOARD OF SUPERVISOR DISTRICTS

WHEREAS, Yolo County must redraw the boundaries of its Board of Supervisor districts in order to reflect the population changes that occurred with the results of the 2010 census; and

WHEREAS, the Board of Supervisors has appointed a Redistricting Advisory Committee (RAC) composed of five Yolo County citizens appointed by each member of the Board of Supervisors; and

WHEREAS, the RAC is responsible for conducting meetings to hear the views of County residents in order to develop five alternative plans which will be presented to the Board of Supervisors on August 1, 2011; and

WHEREAS, the population of each of the five districts shall equal one another to the greatest extent possible (deviation between districts not to exceed a maximum of ten percent), based on the results of the 2010 U.S. Census; and

WHEREAS, in recommending district boundaries, consideration shall be given to topography, geography, cohesiveness, contiguity, integrity, compactness of territory and community of interests of the districts; and

WHEREAS, a meeting held on June 6 in the Woodland City Council Chambers included a discussion of an alternative that would have realigned Woodland into three separate Board of Supervisor districts which many Woodland residents believe will fracture the community and dilute Woodland's views on matters that would be considered by the Board; and

WHEREAS, many Woodland citizens expressed their opposition to this specific alternative to members of the Woodland City Council who believe it is their duty to represent these concerns by expressing their formal position to the Yolo County Board of Supervisors.

THEREFORE, BE IT RESOLVED that the Woodland City Council formally states its opposition to any Board of Supervisor redistricting alternative that establishes three separate Supervisor districts within the City of Woodland.

PASSED AND ADOPTED this ___ day of _____________, 2011 by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

____
Artemio Pimentel, Mayor

ATTEST:

____
Ana B. Gonzalez, City Clerk

APPROVED AS TO FORM:

____
Andrew J. Morris, City Attorney

City of Woodland

REPORT TO MAYOR AND CITY COUNCIL

AGENDA ITEM

TO: THE HONORABLE MAYOR AND CITY COUNCIL

DATE: June 21, 2011

SUBJECT: Fiscal Year 2012 Preliminary Operating Budget and City Budget and Fiscal Policy

<u>Report in Brief</u>

On March 29 and May 24, staff presented information regarding the FY 2012 budget that included recommended actions to restructure the organization, mitigate the structural deficit and present a balanced 10-year Financial Plan for the General Fund. The City Council provided direction on May 24 that supported the recommended actions. A 10-year Financial Plan was also presented which will, based on the assumptions discussed on May 24, maintain a balanced General Fund that will actually add to the reserves in a manner that is consistent with the City's Budget and Fiscal Policy.

In order to facilitate the City Council's consideration and adoption of the FY 2012 preliminary operating budget, the following information will be presented in this report: (1) summary of changes to the General Fund from the information presented on May 24 that need to be considered as part of budget adoption; (2) revenues and expenditures for all operating funds; and (3) 10-year Financial Plans for all operating funds.

In addition to consideration and adoption of the FY 2012 budget, staff is also asking the City Council to review and approve the Budget and Fiscal Policy. As the Council is aware, the Budget and Fiscal Policy was originally approved as part of the FY 2009 budget adoption. Last year, the Council approved two revisions to the Policy based on recommendations from the Chamber of Commerce Budget Task Force and previous comments from Council members. There are no changes to the Policy proposed this year; however, staff believes it is appropriate to review the document each year in order to validate that the proposed budget is consistent with the Policy.

Staff recommends that the City Council (1) adopt the Preliminary Fiscal Year 2012 budget as described herein, including the issuing of layoff notices for up to three employees; and (2) reaffirm the Budget and Fiscal Policy and certify that the proposed preliminary budget is consistent with the Policy.

Background

On March 29 and May 24, the City Council received information regarding the FY 2012 General Fund budget during scheduled workshops. The information presented during the workshops focused on actions necessary to restructure the organization in order to mitigate the structural deficit and present a balanced 10-year Financial Plan. These actions included the following strategies:

- Implementation of a Public Safety Management Consolidation;
- Modifications to the Building Division and Fire Prevention;
- Restructuring of the Community Development Department;
- Meet and Confer Process with Bargaining Units to Implement Pension Reform;
- Consideration of Alternative Expenditure Reductions

At the conclusion of the May 24 meeting, the City Council expressed support for the Public Safety Management Consolidation, Building/Fire Prevention modifications, Community Development restructuring and continuing the Meet/Confer process with bargaining units to implement pension reform. In addition, the City Council approved a set of expenditure reductions totaling $976,806 which would offset a $664,444 deficit and contribute $312,362 to the General Fund reserves. The contribution to the reserves was a high priority because a revenue shortfall last year caused the City to utilize $963,000 of the General Fund reserves to balance in FY 2010.

In addition, staff announced during the May 24 workshop that the City had received a $1.2 million federal grant to hire six additional firefighters for two years and is in the process of finalizing an extension of the solid waste franchise agreement that will result in a $1,000,000 cash payment as one of the conditions. These recent developments, combined with the expenditure reductions and organizational restructuring, provides a healthy fund balance which, if managed prudently, will insulate the City to withstand the sunset of the supplemental sales tax measure in FY 2015 and maintain present service levels. Implementation of pension reform expressed as ending the Employer Paid Member Contribution (EPMC) is the additional critical strategy that will further reduce costs and support fiscal stability through the end of the 10-year Financial Plan.

Since the May 24 workshop, staff has been engaged in the following activities to finalize the FY 2012 budget:

- Refine the service levels and expenditures for the Woodland Cemetery to avoid the impacts described during the May 24 workshop;
- Finalize agreements with Police bargaining units that include compensation concessions necessary to meet FY 2012 General Fund expenditure assumptions; and

- Address a changed condition within the Fire Department that will impact the Building/Fire Prevention modification.

The information within the Discussion section of this report will provide the City Council with a summary of the activities and changes described herein and the impact to the proposed FY 2012 General Fund budget. In addition, staff will provide an overview of the other funds by reviewing the updated 10-year Financial Plans in order to seek Council approval of the entire FY 2012 preliminary operating budget.

The City Council should note that the action under consideration will be limited to the FY 2012 operating budget. The Capital Budget is still in the process of being updated and will be presented to the Council on July 19. This will not have an adverse impact on capital projects because the City Council annually approves a three-year expenditure plan for Capital Improvement Program; therefore, staff has authority to continue the work associated with the various projects. The delay in bringing the CIP to the City Council for FY 2012-2014 is primarily due to the schedule for major infrastructure projects including surface water and reviewing strategies for addressing internal debt between the various categorical funds. The Council may recall that one of the amendments to the Budget and Fiscal Policy approved last year focused on addressing the internal debt issue.

Discussion

The following section of this report will summarize the changed conditions listed in the preceding section. Please note that these conditions apply to the General Fund. Information associated with the remaining funds will be summarized within the remainder of this section

General Fund – Changed Conditions

Refine Service Levels/Expenditure Assumptions for the Woodland Cemetery

On May 24, the City Council directed staff to refine the service levels and expenditure assumptions for the Woodland Cemetery. The Council's direction was based on the description of maintenance activity that would have closed the Cemetery during certain periods and may have allowed improvements such as the installation of new sod on the west side of the facility to deteriorate.

Staff's May 24 recommendation was based on the Public Works Department's request to add an additional $185,000 in General Fund resources to the Cemetery operating budget. While the Cemetery does generate income, the total General Fund support for the program would have increased from $200,000 to $385,000. The City Manager's Budget Review Team evaluated this request as unsustainable and proposed the reduction.

Following the May 24 meeting, Public Works and Finance staff reviewed the Cemetery expenditures and agreed on reductions primarily focused on part time staff hours. These reductions will decrease the level of maintenance in certain areas such as mowing, edging and weeding. There will be extended time periods between mowing, edging and weeding cycles that will cause the Cemetery grounds to appear less well kept. However, the reductions will not require the Cemetery to be closed and the resources necessary to irrigate the grounds have been restored. Providing irrigation is essential to maintaining the sod that was installed in 2007-2009.

Staff also believes that the Cemetery provides an excellent community volunteer opportunity for organizations that are interested in supporting a highly valued historical resource. Much of the work necessary to maintain the grounds can be provided by volunteers capable of operating power trimmers, picking up debris and using a paint brush. Many Woodland residents have strong connections to this historic facility which could generate commitments to help in some way.

Finalization of Agreements with Police Bargaining Units

As the Council is aware, progress has been made with Police bargaining units that involved the need for compensation concessions necessary implement the balanced budget presented on May 24. The details are still being finalized so it is not appropriate to summarize the information at this time. Information discussed during the closed sessions of May 17 and June 7 will be drafted into amendments to the current labor agreements that representatives of the respective units and management will need to review. Despite the fact that work is still in progress, staff believes that the concessions will allow the City to maintain a balanced budget and show progress on the pension reform issue.

Changed Condition Associated with the Building/Fire Prevention Modification

The May 24 report summarized the modifications to Building and Fire Prevention as stated below:

- Reduce one Fire Prevention Specialist;
- The vacancy for the Fire Prevention Specialist would be generated by an incumbent staff member who has met requirements necessary to qualify as an entry professional firefighter;
- Hire that staff member as an entry level firefighter;
- Reassign the current Fire Marshall to a newly created position of Deputy Fire Marshall that is similar in classification and compensation to a Fire Captain position;
- Designate the Deputy Fire Marshall as the authorized representative to enforce the State Fire Code who would report to the Deputy Fire Chief and Public Safety Chief;
- The Deputy Fire Marshall will be responsible for field inspections and not primarily focused on management as is currently the case with the Fire Marshall;
- Coordinate all plans review activity within the Building Division in order to streamline the development process.

Unfortunately, this plan now must be adjusted to account for a change. The Fire Prevention Specialist has declined the opportunity to become a firefighter. As a result, the incumbent staff member will remain as Fire Prevention Specialist. Based on existing labor agreements, the incumbent Fire Marshall will be discharged through the layoff process. Staff will need to hire a part time Deputy Fire Marshall to support Fire Prevention during FY 2012. In addition, the Deputy Fire Chief and Public Safety Chief will be tasked with preparing one of the two remaining Fire Prevention Specialists to become the full time Deputy Fire Marshall beginning in FY 2013.

<u>10-Year Financial Plan</u>

Attachment No 1 is the General Fund 10-year Financial Plan. Total appropriations for FY 2012 are **$36,914,030** against total revenues of **$38,721,392.** The Plan shows the one time revenue of $1.6 million generated by the solid waste franchise agreement extension and year 1 of the fire grant in FY 2012 and $600,000 for year 2 of the fire grant in FY 2013. In addition, the Plan assumes all of the expenditure reductions discussed on May 24 are approved, implemented and maintained for the balance of the ten years. The Plan assumes a two-year phase in for the end of the Employer Paid Member Contribution in FY 2013 and 2014; over those two years, the benefits line item will be reduced by $957,000. Other notable expenditure assumptions include an annual 2% cost of living adjustment which, if implemented as shown, would allow all salaries to increase by a cumulative 20% by FY 2021. Another critical assumption is that the supplemental sales tax measure shown as Measure V will end as scheduled in September 2014.

Despite the loss of Measure V, the combined impact of one time revenue and the expenditure reductions discussed on May 24 will enable the General Fund to remain balanced with reserves exceeding the minimum standards set forth in the Budget and Fiscal Policy. The annual operating budget would run deficits ranging from $87,000 to $222,500 beginning in FY 2017 through FY 2021. While these deficits are concerning, the fact that the fund retains reserves of over 20% is an indicator of fiscal stability. With deficits beginning in FY 2017, staff will have time to develop and propose strategies to correct the problem and bring the expenditures and revenues into balance.

It is also important for the Council to note that the 10-year Plan assumes that a successful Proposition 218 election will occur in FY 2012 so that the $242,000 General Fund subsidy for storm drainage ends in FY 2013. If that does not occur, then expenditure reductions will need to be implemented in order to maintain a balanced Plan.

As stated verbally during the May 24 presentation, long range financial planning is very difficult during these uncertain economic periods. Nonetheless, the projections provide some understanding of potential trends that staff can use to guide the development of strategies for Council consideration. The General Fund 10-year Plan will be reviewed following the close out of the current fiscal year and as key economic information is received throughout next year.

Water Enterprise Fund

Attachment No. 2 is the 10-year Financial Plan for the Water Enterprise Fund. The FY 2012 Preliminary Budget projects revenues generated by utility service charges of $10,903,680, other miscellaneous revenues of $20,400 and bonds issued for the Surface Water Project of $7,554,267 for total revenues of **$18,479,347.** The operating expenditure for the preliminary budget is $7,925,882 and the capital expenditure is $10,044,267 for total expenditures of **$17,970,149.** Net income for FY 2012 is **$508,198** which will increase the working capital fund balance to **$5,291,738.**

Reinvestment in the water utility infrastructure remains a major priority for this fund with the focus beginning to shift away from metering and water distribution to the Surface Water Project. The 10-year Plan shows the projected full impact of Surface Water within revenue and expenditure line items. The revenue projections assume the continuation of the 20% rate increases approved in November 2009 through FY 2013. In order to support an additional bond issue for the final phase of Surface Water, three additional years of 20% rate increases will be necessary through FY 2016. After that, rate increases are projected at the rate of inflation or approximately 3% annually. An update to the Water Rate Study is underway and staff expects to initiate the required 218 process in early 2012. It is critical that additional rate increases are adopted prior to seeking additional bonding for the Surface Water project.

The expenditure projections show major increases in the capital budget of approximately $22 million in FY 2013, $68 million in FY 2014, $64 million in FY 2015 and $26 million in FY 2016. Debt service associated with the Surface Water Project increases from $153,000 in FY 2013 to nearly $14 million in FY 2016 - FY 2021. In addition, Summer Water Purchases are shown as beginning in FY 2016 based on the agreement approved by the City Council last December. Finally, Anticipated JPA Operations primarily associated with the water treatment plant are estimated at $780,000 in FY 2016 and increased to $1,160,000 in FY 2017 – FY 2021.

The Council should note that the projections for the Surface Water Project impacts could change depending on many factors. Project scheduling could cause increases or decreases in the allocation of capital costs within various years. Bond issuance may be delayed or scheduled sooner than expected based on the project scheduling. These factors could change the debt service payments. Finally, the cost of the project could also change depending on many factors, including the global economy. It is hoped that the selection of Design Build Operate as the delivery model will provide long range cost savings for the Surface Water Project as has been the result in other projects.

Despite the significant expenditures, the Water Enterprise Fund retains reserves that meet the City's Budget and Fiscal policy. The Committed and Operational Reserves are maintained at the combined total of 13% and the Unassigned Reserve increases significantly as the additional obligations associated with Surface Water are implemented. As part of issuing the debt for the Surface Water project, the City must maintain debt service coverage in a range of 120% to 150% of the annual debt service in order to receive the high rating from bonding agencies and meet covenants in existing bond documents. In addition, the healthy Unassigned Reserve will allow the City to continue reinvestment into the water utility infrastructure in future years without having to issue debt.

Sewer Enterprise Fund

Attachment No. 3 is the 10-year Financial Plan for the Sewer Enterprise Fund. The FY 2012 preliminary budget projects revenues generated by utility service charges of **$10,931,291** against expenditures of **$10,092,334.** Capital budget requests totaling **$2,631,000** will be partially offset by the net operating income of **$880,956;** however, there will be a net reduction in working capital of **$1,750,044** in order to complete projects such as Annual Sewer Repair and Replacement and Trunk Line Repairs scheduled for FY 2012. It should be noted that the Beginning Working Capital for FY 2012 includes $9,000,000 of unspent bond funds issued in FY 2009. The Plan shows that these bonds would be expended over the next two years on various projects that will be discussed when the Capital Improvement Program is reviewed with the City Council next month.

Reinvesting in the City’s sewer collection infrastructure and Waste Water Treatment Plant are major priorities over the next ten years. Approximately $24.7 million in capital projects are shown as funded in the 10-year Plan. The Plan also shows approximately $23 million in unfunded projects that are currently being evaluated. Moving these projects forward will be discussed in more detail when the capital program is presented next month.

The Sewer Enterprise Fund retains healthy reserves that meet the City’s Budget and Fiscal Policy. Operational and Assigned reserves at 10% and 3% respectively are projected every year. Unassigned reserves range at $13.8 to $17.5 million which would support reinvestment into the infrastructure. The need for a healthy Unassigned Reserve will allow the Sewer Enterprise Fund to issue future debt for major repairs, if necessary, by meeting debt service coverage requirements set by financial institutions.

Public Works staff has proposed the addition of equipment and staffing costs throughout the 10-year Plan primarily based on anticipated regulatory changes. These additional costs are not included in Attachment No. 3. The City Manager’s Budget Review Team will evaluate these additional requests and, if appropriate, schedule review by the Council’s Infrastructure Committee and the entire City Council as part of a workshop. Staff believes all additional costs proposed by the Public Works Department require a thorough review because such costs will have an impact on future rates and would affect the levels of reserve balances discussed above. A consultant has been retained to complete an evaluation of the current sewer rates; results are expected to be available this fall.

Combined Transportation Funds

Attachment No. 4 is the 10-year Financial Plan for the Combined Transportation Funds. The sources of revenue for this Financial Plan include Net Transportation Development Act (TDA) funds and Gas Tax payments. For FY 2012, total revenues of **$2,566,750** are projected against expenditures of **$2,864,367** which will require a contribution from Measure E. In 2007, the City Council authorized the contribution not to exceed $750,000 which is used for maintenance activities that support road rehabilitation and repair projects.

Staff has summarized the continuous concern regarding the transportation program based on the assumption that TDA funding will eventually diminish to the point that additional Measure E funds will be needed to maintain the present level of street maintenance. Last year, staff believed that FY 2012 would be the year that the $750,000 Measure E funding would not be enough and service level reductions ranging from reduced sign replacement to turning off street lights would need to be considered. These unpleasant alternatives were summarized within the March 29 report.

Fortunately, the Yolo County Transportation District has implemented strategies to efficiently operate the transit system that has saved resources and allowed the Net TDA allocation to Woodland and other cities to remain at a higher level than expected. Based on current projections, net TDA funding will allow the Council authorized Measure E contribution to keep the program funded at current service levels until FY 2016 when an increase to $800,000 will be necessary. In future years, over $1,000,000 will be needed. After Measure E expires in FY 2018, the City will need another funding source or the unpleasant alternatives presented on March 29 will need to be implemented.

Since Measure E is linked to the Capital Program, staff believes more discussion of this matter should be provided when the CIP is reviewed on July 19. Additional allocation of Measure E funds will have an impact on capital projects and the Measure E Implementation Plan. This discussion should generate support for investigating alternatives that would supplement the Gas Tax revenues and keep the transportation program at the levels necessary to provide a safe and efficient circulation system.

Budget and Fiscal Policy

The FY 2010 budget adoption on June 16, 2009 included the approval of the Budget and Fiscal Policy. Staff believes that it is appropriate to review the Policy each year to determine if changes should be considered and certify that the proposed budget is consistent with the Policy conditions.

Attachment No. 5 is the Budget and Fiscal Policy. Staff believes the FY 2012 Preliminary Operating Budget is consistent with the Policy based on the following conditions:

- All funds presented herein maintain reserve levels as established per Section 1.0;

- 10-year Financial Plans have been developed with the exception of the Capital Program which will be presented to the City Council on July 19 and the remaining conditions of Section 2.0 are continuously implemented;

- Implementation of a Performance Based Budget remains a high priority with the targeted implementation in FY 2014;

- Staff suggests deferring comment on Section 3.0 until the 10-year Capital Program is presented on July 19;

- Implementation of all Internal Service Funds listed in Section 5.0 remains scheduled for FY 2014;

- Enterprise funds have been managed in a manner consistent with Section 6.0 and all revenue generating agreements are periodically reviewed;

- A Performance Based Budget, once developed as scheduled for FY 2014, will be presented annually as the City Council's operating and performance document.

Fiscal Impact

The Preliminary Fiscal Year 2012 Operating Budget being presented for adoption reflects the current economic conditions, the Budget and Fiscal Policy and balance of services desired by Woodland's residents, business and the City Council.

The following appropriations associated with the Preliminary FY 2012 Budget are presented for adoption:

General Fund - $36,914,030

Water Enterprise Fund - $17,970,149

Sewer Enterprise Fund - $12,723,334

Transportation Program - $2,864,367

Public Contact

Posting of the City Council Agenda. There was also extensive discussion of the FY 2012 budget on March 29 and May 24. A copy of the May 24 and March 29 reports are provided as an attachment for the Council and community's reference.

Alternative Courses of Action

1. Adopt the Preliminary Fiscal Year 2012 budget as described herein, including the issuing of layoff notices for up to three employees; and reaffirm the Budget and Fiscal Policy and certify that the proposed preliminary budget is consistent with the Policy.

2. Provide alternate direction to staff.

Recommendation for Action

Staff recommends that the City Council approve Alternative No. 1

____

Mark G. Deven
City Manager

Attachment No. 1: General Fund 10-year Financial Plan
Attachment No. 2: Water Enterprise Fund 10-year Financial Plan
Attachment No. 3: Sewer Enterprise Fund 10-year Financial Plan
Attachment No. 4: Combined Transportation Funds 10-year Financial Plan
Attachment No. 5: Budget and Fiscal Policy

City of Woodland
General Fund 10 Year Forecast - Recommended Scenario

	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
Estimated Beginning Fund Balance	$ 4,171,851	$ 5,979,213	$ 7,602,238	$ 9,229,854	$ 9,631,458	$ 9,773,640	$ 9,677,819	$ 9,455,344	$ 9,283,851	$ 9,157,885
Revenues by Source										
Tax Revenues (Property, Sales, Other)	$ 22,324,177	$ 23,091,435	$ 23,945,246	$ 24,970,999	$ 26,046,508	$ 26,839,611	$ 27,657,749	$ 24,247,348	$ 25,209,043	$ 26,212,000
Special Tax - Measure V	$ 1,850,000	$ 1,887,000	$ 1,924,740	$ 481,185	$ -	$ -	$ -	$ -	$ -	$ -
Fees, Fines, Revenue from Other Sources	$ 8,090,548	$ 8,288,884	$ 8,492,283	$ 8,700,878	$ 8,914,808	$ 9,134,213	$ 9,359,240	$ 9,590,038	$ 9,826,760	$ 10,069,565
Indirects	$ 3,950,636	$ 4,171,872	$ 4,405,496	$ 4,652,204	$ 4,912,728	$ 5,187,840	$ 5,478,359	$ 5,785,148	$ 6,109,116	$ 6,451,226
Other Miscellaneous Revenue	$ 906,031	$ 921,832	$ 935,501	$ 949,444	$ 963,665	$ 839,793	$ 854,589	$ 869,680	$ 885,074	$ 900,775
ONE TIME Money (including SAFER Grant)	$ 1,600,000	$ 600,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total Revenues	$ 38,721,392	$ 38,961,023	$ 39,703,266	$ 39,754,710	$ 40,837,709	$ 42,001,457	$ 43,349,938	$ 40,492,214	$ 42,029,994	$ 43,633,566
Expenditures by Category										
Salaries, Benefits, Overtime	$ 22,476,080	$ 22,752,306	$ 23,108,408	$ 23,953,567	$ 24,849,058	$ 25,788,694	$ 26,785,953	$ 27,845,615	$ 28,960,527	$ 30,134,007
Meetings, Supplies and Services	$ 3,983,951	$ 4,055,006	$ 4,127,482	$ 4,201,407	$ 4,276,811	$ 4,353,723	$ 4,432,174	$ 4,512,193	$ 4,593,812	$ 4,677,065
Non-Discretionary Costs	$ 10,211,999	$ 10,530,685	$ 10,839,761	$ 10,998,131	$ 11,369,657	$ 11,754,861	$ 12,154,286	$ 8,105,900	$ 8,401,620	$ 8,709,325
Storm Drain Subsidy	$ 242,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Gateway Subsidy	$ -	$ -	$ -	$ 200,000	$ 200,000	$ 200,000	$ 200,000	$ 200,000	$ 200,000	$ 200,000
Total Expenditures	$ 36,914,030	$ 37,337,998	$ 38,075,650	$ 39,353,105	$ 40,695,527	$ 42,097,278	$ 43,572,413	$ 40,663,707	$ 42,155,959	$ 43,720,396
Net Surplus (Deficit)	$ 1,807,362	$ 1,623,025	$ 1,627,616	$ 401,604	$ 142,182	$ (95,821)	$ (222,475)	$ (171,493)	$ (125,966)	$ (86,830)
Fund Balance										
Contingency (10%)	$ 3,872,139	$ 3,896,102	$ 3,970,327	$ 3,975,471	$ 4,083,771	$ 4,200,146	$ 4,334,994	$ 4,049,221	$ 4,202,999	$ 4,363,357
Unrestricted Fund Balance	$ 2,107,074	$ 3,706,136	$ 5,259,527	$ 5,655,987	$ 5,689,869	$ 5,477,673	$ 5,120,350	$ 5,234,629	$ 4,954,886	$ 4,707,699
Ending Fund Balance	$ 5,979,213	$ 7,602,238	$ 9,229,854	$ 9,631,458	$ 9,773,640	$ 9,677,819	$ 9,455,344	$ 9,283,851	$ 9,157,885	$ 9,071,055

Water Enterprise Fund
10 Year Plan - Full Inclusion of Surface Water

	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
Beginning Working Capital	**$4,783,540**	**$5,291,738**	**$6,893,406**	**$32,893,825**	**$29,536,005**	**$26,767,696**	**$25,632,499**	**$25,633,036**	**$25,728,807**	**$29,870,926**
Revenues										
Utility Service Charges	10,903,680	13,283,299	16,271,508	20,041,292	24,722,939	26,177,638	27,717,927	29,348,851	31,075,738	32,904,235
Other Revenues	20,400	20,808	21,224	21,649	22,082	22,523	22,974	23,433	23,902	24,380
Bonds - Surface Water	7,554,267	19,092,000	94,625,267	62,185,000	24,184,000	-	-	-	-	-
Operating Expenditures										
Salaries and Benefits	3,307,500	3,314,789	3,369,753	3,490,515	3,618,690	3,753,351	3,896,512	4,048,885	4,209,397	4,378,543
Requested new staff	77,915	355,333	409,833	432,784	503,719	531,928	561,716	593,172	626,389	661,467
Supplies & Services	1,942,189	2,017,147	2,095,339	2,176,915	2,262,034	2,350,859	2,443,565	2,540,332	2,641,351	2,746,822
Vehicles/Equipment	291,003	299,733	308,725	317,987	327,526	337,352	347,473	357,897	368,634	379,693
Education/Training	46,177	46,177	46,177	46,177	46,177	46,177	46,177	46,177	46,177	46,177
Indirects	364,693	385,116	406,682	429,457	453,506	478,902	505,721	534,041	563,948	595,529
Transfers	44,500	45,835	47,210	48,626	50,085	51,588	53,135	54,729	56,371	58,062
Debt Service	1,643,920	1,648,235	2,408,735	1,935,228	1,935,178	1,795,760	1,798,035	1,794,090	1,798,320	-
New Debt - Surface Water	152,985	534,825	7,246,127	12,008,074	13,860,014	13,860,014	13,860,014	13,860,014	13,860,014	13,860,014
Summer Water Purchases					1,401,400	1,429,428	1,458,017	1,487,177	1,516,920	1,516,920
Requested new equipment	40,000	125,000	-	25,000	45,000	-	-	-	-	-
Requested new other costs	15,000	10,250	-	10,000	-	30,000	-	-	-	-
Anticipated Future JPA Operations	-	-	-	-	780,000	1,160,000	1,160,000	1,160,000	1,160,000	1,160,000
Total Operating Expenditures	7,925,882	8,782,439	16,338,581	20,920,761	25,283,329	25,825,359	26,130,364	26,476,513	26,847,521	25,403,227
Capital Budget	10,044,267	22,012,000	68,579,000	64,685,000	26,414,000	1,510,000	1,610,000	2,800,000	110,000	330,000
Net Income (Loss)	**$ 508,198**	**$ 1,601,668**	**$ 26,000,418**	**$ (3,357,820)**	**$(2,768,309)**	**$(1,135,198)**	**$ 537**	**$ 95,771**	**$ 4,142,119**	**$ 7,195,388**
Ending Working Capital	**$5,291,738**	**$6,893,406**	**$32,893,825**	**$29,536,005**	**$26,767,696**	**$25,632,499**	**$25,633,036**	**$25,728,807**	**$29,870,926**	**$37,066,314**
Committed Op Reserve (10%)	**$792,588**	**$878,244**	**$1,633,858**	**$2,092,076**	**$2,528,333**	**$2,582,536**	**$2,613,036**	**$2,647,651**	**$2,684,752**	**$2,540,323**
Assigned Op Reserve (3%)	**$237,776**	**$263,473**	**$490,157**	**$627,623**	**$758,500**	**$774,761**	**$783,911**	**$794,295**	**$805,426**	**$762,097**
Unassigned Op Reserve	**$4,261,373**	**$5,751,689**	**$30,769,809**	**$26,816,306**	**$23,480,863**	**$22,275,202**	**$22,236,089**	**$22,286,860**	**$26,380,748**	**$33,763,894**
Unfunded Capital Projects	1,135,000	375,000	300,000	300,000	300,000	300,000	300,000	300,000	-	-

Sewer Enterprise Fund
10 Year Plan

	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
Beginning Working Capital	**$20,160,671**	**$18,410,627**	**$15,292,162**	**$15,093,187**	**$16,011,073**	**$16,854,559**	**$17,872,777**	**$18,494,665**	**$19,035,941**	**$17,908,348**
Revenues										
Utility Service Charges	$10,973,291	$11,339,200	$11,717,389	$12,115,849	$12,535,476	$12,977,413	$13,434,383	$13,907,136	$14,396,208	$14,902,153
Operating Expenditures										
Salaries and Benefits	$3,462,674	$3,498,612	$3,546,728	$3,672,489	$3,805,939	$3,946,119	$4,095,113	$4,253,659	$4,420,648	$4,596,590
Supplies & Services	$3,071,401	$3,175,336	$3,283,295	$3,395,450	$3,511,982	$3,633,081	$3,758,945	$3,889,781	$4,025,807	$4,167,249
Vehicles/Equipment	$453,151	$466,746	$480,748	$495,170	$510,025	$525,326	$541,086	$557,319	$574,038	$591,259
Education/Training	$68,164	$68,164	$68,164	$68,164	$68,164	$68,164	$68,164	$68,164	$68,164	$68,164
Indirects	$404,850	$427,522	$451,463	$476,745	$503,442	$531,635	$561,407	$592,846	$626,045	$661,103
Taxes	$3,000	$3,030	$3,060	$3,091	$3,122	$3,153	$3,185	$3,216	$3,249	$3,281
Debt Service	$2,329,094	$1,818,256	$2,008,316	$2,012,267	$2,004,725	$2,007,127	$2,010,006	$2,000,874	$2,005,850	$2,007,900
Settlement	$300,000									
Total Operating Expenditures	$10,092,334	$9,457,666	$9,841,774	$10,123,375	$10,407,400	$10,714,606	$11,037,906	$11,365,860	$11,723,800	$12,095,547
Operating Income (Loss)	$880,956	$1,881,535	$1,875,614	$1,992,474	$2,128,076	$2,262,807	$2,396,477	$2,541,276	$2,672,407	$2,806,606
Capital Budget	$2,631,000	$5,000,000	$2,074,589	$1,074,589	$1,284,589	$1,244,589	$1,774,589	$2,000,000	$3,800,000	$3,800,000
Net Chg in Working Capital	($1,750,044)	($3,118,465)	($198,975)	**$917,885**	**$843,487**	**$1,018,218**	**$621,888**	**$541,276**	($1,127,593)	($993,394)
Ending Working Capital	**$18,410,627**	**$15,292,162**	**$15,093,187**	**$16,011,073**	**$16,854,559**	**$17,872,777**	**$18,494,665**	**$19,035,941**	**$17,908,348**	**$16,914,955**
Committed Op Reserve (10%)	**$1,009,233**	**$945,767**	**$984,177**	**$1,012,337**	**$1,040,740**	**$1,071,461**	**$1,103,791**	**$1,136,586**	**$1,172,380**	**$1,209,555**
Assigned Op Reserve (3%)	**$302,770**	**$283,730**	**$295,253**	**$303,701**	**$312,222**	**$321,438**	**$331,137**	**$340,976**	**$351,714**	**$362,866**
Unassigned Op Reserve	**$17,098,624**	**$14,062,665**	**$13,813,757**	**$14,695,034**	**$15,501,597**	**$16,479,879**	**$17,059,737**	**$17,558,379**	**$16,384,254**	**$15,342,534**
Unfunded Capital Projects	$4,569,206	$2,177,628	$5,776,302	$1,871,000	$1,669,000	$2,889,000	$2,856,000	$1,215,000	$0	$0

NOTE: Beginning working capital for FY11/12 includes unspent bond proceeds of $9m from the $11m 2009 Sewer Bonds.

Combined Transportation Tax Funds (TDA & Gas Tax)
10-year Projections

	Projected 2012	Projected 2013	Projected 2014	Projected 2015	Projected 2016	Projected 2017	Projected 2018	Projected 2019	Projected 2020	Projected 2021
Revenues (3% annual Inc)										
Net TDA Revenue (354-4537)	$ 1,055,294	$ 798,825	$ 785,389	$ 770,508	$ 754,106	$ 736,103	$ 716,417	$ 694,961	$ 671,644	$ 646,373
Fund 355 Gas Tax Revenues	$ 1,511,456	$ 1,541,685	$ 1,572,519	$1,603,969	$ 1,636,049	$ 1,668,770	$ 1,702,145	$ 1,736,188	$1,770,912	$1,806,330
Available Streets	**$ 2,566,750**	**$ 2,340,510**	**$ 2,357,908**	**$ 2,374,477**	**$ 2,390,154**	**$ 2,404,873**	**$ 2,418,562**	**$ 2,431,149**	**$ 2,442,556**	**$ 2,452,702**
Expenditures										
Salaries/benefits	$ 1,506,852	$ 1,527,236	$ 1,553,575	$ 1,612,850	$ 1,675,772	$ 1,741,885	$ 1,812,179	$ 1,887,006	$ 1,965,838	$ 2,063,180
Prof / Contract Svs	$ 100,388	$ 102,396	$ 104,444	$ 106,533	$ 108,663	$ 110,836	$ 113,053	$ 115,314	$ 117,621	$ 119,973
Supplies & Services 52xx	$ 374,734	$ 382,229	$ 389,873	$ 397,671	$ 405,624	$ 413,737	$ 422,011	$ 430,452	$ 439,061	$ 447,842
Utilities	$ 233,700	$ 245,385	$ 257,654	$ 270,537	$ 284,064	$ 298,267	$ 313,180	$ 328,839	$ 345,281	$ 362,545
Vehicles										
Fixed	$ 52,406	$ 53,978	$ 55,598	$ 57,265	$ 58,983	$ 60,753	$ 62,576	$ 64,453	$ 66,386	$ 68,378
Variable	$ 224,477	$ 231,211	$ 238,148	$ 245,292	$ 252,651	$ 260,230	$ 268,037	$ 276,078	$ 284,361	$ 292,892
Lease Payments	$ 97,745	$ 100,677	$ 103,698	$ 106,809	$ 110,013	$ 113,313	$ 116,713	$ 120,214	$ 123,820	$ 127,535
DP Charges	$ 66,968	$ 70,718	$ 74,678	$ 78,860	$ 83,277	$ 87,940	$ 92,865	$ 98,065	$ 103,557	$ 109,356
Education & Training 53xx	$ 19,103	$ 19,103	$ 19,103	$ 19,103	$ 19,103	$ 19,103	$ 19,103	$ 19,103	$ 19,103	$ 19,103
Machinery & Equipment	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Indirect Expenditures 56xx	$ 187,994	$ 193,634	$ 199,443	$ 205,426	$ 211,589	$ 217,937	$ 224,475	$ 231,209	$ 238,145	$ 245,290
Total	**$ 2,864,367**	**$ 2,926,567**	**$ 2,996,213**	**$ 3,100,346**	**$ 3,209,739**	**$ 3,324,001**	**$ 3,444,192**	**$ 3,570,734**	**$ 3,703,173**	**$ 3,856,093**
MSE Contributions	$ 750,000	$ 750,000	$ 750,000	$ 800,000	$ 800,000	$ 800,000	$ 800,000			
Add'l MSE/Alternative Funds.					**$ 19,585**	**$ 119,129**	**$ 225,630**	**$ 1,139,585**	**$ 1,260,617**	**$ 1,403,391**
Net Surplus (Loss)	**$ 452,383**	**$ 163,943**	**$ 111,694**	**$ 74,131**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**

Assumptions
(1) Revenues based on historical averages; and conservative projections on future growth
(2) Net TDA revenues represent that portion that is available to Cities after Transit use. Staff worked with YCTD on future projections and adjusted net City revenues to be consistent with their strategic long term plans
(3) Council approved using up to $750,000 of MSE to support the City's road program

City of Woodland

POLICY AND PROCEDURE

Policy No:	**15-102**	**Effective Date:**	**June 16, 2009**
Division:	**City Manager**	**Distribution:**	**All Departments**
Related Policy:		**Last Revision:**	

SUBJECT **Budget and Fiscal Policy**

POLICY This Policy will guide City budget decisions toward maintaining long-term financial stability, ensure that basic City services are delivered, and protect past and future investments in the City's infrastructure and facilities.

APPLICABILITY This Policy applies to all City of Woodland elected and appointed officials and all employees. Budget and Fiscal Policy are intended to establish a more comprehensive approach to achieving financial stability presently and into the future. This policy is intended to formalize the application of the Guiding Principles introduced in December 2007 for all City funds, including the General Fund, Enterprise Funds, Redevelopment Agency, Capital Improvement Funds and Internal Service Funds. Each year at the time the City budget is considered, the City Council shall review the Budget and Fiscal Policy and conduct a review of the proposed budget for consistency with this Budget and Fiscal Policy. As noted, specific procedures will require a long term commitment in order to become fully implemented.

APPROVALS			
Name	**Date**	**Name**	**Date**
Associations			
Director			

PROCEDURES

1.0 Reserve Funds

1.1 Reserve funds will be designated in the following terms:

1.1.1 ***Committed Operational Reserve:*** Established to maintain self imposed limitations to facilitate financial stability of each operating fund and the City organization;

1.1.2 ***Assigned Operational Reserve:*** Established to reflect the intended use of resources primarily associated with unforeseen events that have a financial impact on the City organization;

1.1.3 ***Unassigned Operational Reserve:*** The working capital that can be utilized to offset the year to year fluctuations between operating revenues and expenses within a specific fund.

1.2 The ***Committed Operational Reserve*** shall be established **as part of the FY 2009-10 budget** in an amount equal to 10% of the specific fund operating expenses. This fund balance shall be maintained at all times and may only be utilized if specifically approved by the City Council. If the use of any or all of the ***Committed Operational Reserve*** is approved by the City Council during any fiscal year, than in the following Fiscal Year budget adoption the ***Committed Operational Reserve*** must be restored to an amount equal to 10% of the operating expenses in accordance with this policy. The City Council may establish a ***Committed Operational Reserve*** at an amount that is less or more than 10% of operating expenses by approving a specific change to the Budget and Fiscal Policy during a regular City Council meeting. The ***Committed Operational Reserve*** must be maintained at the level adopted by City Council for each year of the 10-Year Plan for each fund.

1.3 The ***Assigned Operational Reserve*** shall be established in an amount equal to 3% of the specific fund operating expenses in order to address unanticipated financial impacts. These impacts may include state borrowing or possession of local revenues, economic contingencies and natural or man-made disasters. Use of the ***Assigned Operational Reserve*** requires the specific approval of the City Council. If the use is approved, the City Council has the option, based on the availability of revenues to support such action, to replenish the ***Assigned Operational Reserve*** at any amount as described herein.

1.4 The ***Unassigned Operational Reserve*** is the amount within each fund that is in excess of designated operating funds, Committed Operational

Reserve and Assigned Operational Reserve. The ***Unassigned Operational Reserve*** is essentially surplus funds that can be utilized as working capital to offset the year to year fluctuations within each fund.

2.0 10-Year Financial Planning

2.1 The City Manager will present a budget (Capital and Operating) that is balanced over the 10-year planning period for all funds.

2.2 Utilize the 10-Year Plan as the basis for making long-range financial planning decisions.

2.3 Develop and maintain a revenue monitoring and forecasting system to assist in trend analysis and revenue forecasting for the 10-year planning period.

2.4 Document all assumptions for revenue and expenditure forecasts each year.

2.5 Establish a financial plan for the Redevelopment Agency that ensures a positive cash balance at the end of the life of the Agency.

2.6 Seek reimbursement for State and Federal mandated programs and projects.

2.7 Produce fee schedules that recapture the cost of providing programs and/or services at a level consistent with Council Policy.

2.8 Conduct periodic audits for sales tax (point-of-sale), franchises and concessions, and transient occupancy tax (TOT).

2.9 Pursue grants that can be sustained or where reliable replacement funding may become available.

3.0 Performance Based Budgeting (PBB)

3.1 **Effective with the FY 2013-14 budget,** establish the PBB as the City Council's service delivery policy document.

3.2 Establish a PBB that measures service levels, efficiency and effectiveness.

3.3 Follow the principles of outcome management in utilizing the PBB.

3.4 Ensure all costs (direct and indirect) are charged against each program budget.

3.5 Measure work efficiency and effectiveness to ensure an optimal allocation of human and fiscal resources to budget approved services and programs.

3.6 Ensure all operating programs have measurable performance objectives which identify the service and level of service, and the resources required to accomplish the objectives.

3.7 Complete year-end reports and audits to measure the work accomplished against what was planned at the beginning of the fiscal year and evaluate future service levels.

4.0 Capital Improvement Program

4.1 Develop a 10-year plan for CIP.

4.2 Seek grants for needed capital projects which can offset use of other City funds; these funds can then be utilized for other needed projects.

4.3 Develop the capacity to maintain capital improvements to the level required to adequately protect the City's capital investment and to minimize future maintenance and replacement costs.

4.4 Include resources required to maintain and operate new capital improvements commencing the year the project is completed and continuing through the balance of the 10-Year Plan.

4.5 Ensure capital budgets contain all costs to complete the project (design, right-of-way, construction, inspection, contract management and contingency).

4.6 Ensure all proposed projects in the 10-Year Plan have a viable source of funding for both construction and maintenance.

4.7 Fund projects proposed for Enterprise programs by revenues derived from user fees.

4.8 Fully evaluate the financing of capital improvements to determine the most economical means to complete the work.

4.9 Discontinue the practice of internal borrowing between enterprise and categorical funds; funding for capital projects must be determined based on the available resources within each fund to meet its cash payment or debt service requirements and strategies to balance each fund and implement fund integrity should be continued.

4.10 Discontinue the practice of issuing bonds for desired capital improvements based on projected development and the collection of impact fees associated with development. This source of revenue is dependent on the level of economic activity within the region and is uncertain and unstable.

5.0 Internal Service Funds

5.1 **Effective with the FY 2013-14 budget,** develop Internal Service Funds for Workers' Compensation, Risk Management, Storm Water, Fleet Maintenance and Replacement, Technology Maintenance and Replacement (including all computer/software and communications equipment), Building Maintenance and Replacement, and Miscellaneous/Office Equipment Maintenance and Replacement.

5.2 Develop a 10-year financial plan for all Internal Service Funds.

5.3 Develop projections that include cost of operation, maintenance and replacement in the 10-year financial plans.

5.4 Develop the capacity to charge all costs (operation, maintenance and replacement) associated with each Internal Service Fund to the appropriate user department.

5.5 Develop the capacity to maintain equipment and facilities to the level required to adequately protect the City's investment and to minimize future maintenance and replacement costs.

6.0 Enterprise Funds

6.1 Maintain a 10-year financial plan for all Enterprise Funds.

6.2 All costs associated with providing administrative support (finance, personnel, legal, etc.) shall be charged to the appropriate Enterprise Fund.

6.3 The cost of each enterprise shall be completely offset by user charges and fees derived from the enterprise activity. Costs shall include operating, maintenance, capital, debt service, contingency and administrative costs.

6.4 Periodically review and adjust user fees in order to avoid large one-time fee increases.

6.5 Periodically review concession agreements, lease agreements and all other revenue generating agreements in order to determine if the City is receiving a return that reflects the market for similar agreements.

7.0 Review and Adopt a Performance Based Budget

7.1 The budget will be adopted as shown in the operating and Performance Based Budget document annually.

7.2 Full review of revenue assumptions and preparation of the Capital Improvement Program and Ten-Year Plans on all funds will be done annually.

7.3 The City Council will hold public hearings and formally approve a budget for the City annually.

City of Woodland

REPORT TO REDEVELOPMENT AGENCY BOARD

AGENDA ITEM

TO: HONORABLE CHAIR AND MEMBERS OF THE REDEVELOPMENT AGENCY

DATE: June 21, 2011

SUBJECT: Adoption of the Redevelopment Agency Preliminary FY 2012 Budget

Report in Brief

Previous budget adoptions by the City Council and Redevelopment Agency Board have included the City and Redevelopment Agency budgets as a consolidated action. In order to be more consistent with State law, adoption of the Redevelopment Agency budget should be completed as a separate action by the Redevelopment Agency Board. Therefore, staff has prepared a separate budget document for the Redevelopment Agency and a resolution for the Redevelopment Agency Board's consideration.

Staff recommends that the Redevelopment Agency Board adopt Resolution No. _____, approving the Redevelopment Agency's FY 2012 Annual Budget in the amount of $1,864,865 for carried over Fund Balances and new revenues associated with the RDA and Housing Set Aside funds and approve the FY 2012 – FY 2021 RDA and Housing Set Aside 10-Year Financial Plans.

Background

California State Health and Safety Code Section 33606 require that redevelopment agencies adopt an annual budget including the following specific information, including all activities to be funded by the Low and Moderate Income Housing Fund:

a) The proposed expenditures of the Agency;
b) The proposed indebtedness to be incurred by the Agency;
c) The anticipated revenues of the Agency;
d) The work program for the coming year including goals; and
e) An examination of the previous year's achievements and a comparison of the achievements with the goals of the previous year.

The budget and 10-year Plan for tax increment funds is shown in Attachment I, the budget and 10-year Plan for the Low and Moderate Income Housing Fund is shown in Attachment II. The budget and 10-year Plan for the bond fund is will be discussed under item 14; this budget and 10-year Plan will need to be updated following the June 21 meeting.

Discussion

The preliminary FY 2012 Operating Budget for staff essentially stays the same from the previous year. Tax increment will be contributed to the City Manager/Executive Director and support will continue for 30% of a Community Development Division Manager. Beginning in FY 2010 the Agency absorbed a Planner from the Community Development Department to save General Fund staff costs and support the Courts project as well as other Agency projects.

Goals

The goals for the redevelopment project area included in the 2010-2014 Implementation Plan, which was prepared by the Redevelopment Advisory Committee and approved by the Agency Board in December 2009. The primary focus of the redevelopment investment strategy is to assist the historic downtown core area in transitioning from a general retail location to an entertainment center with restaurants and unique destination retail shops. The three investment strategy goals for the downtown are to:

- Create new entertainment venues and activities;
- Increase residential units; and
- Develop currently underutilized or vacant sites, while renovating and preserving existing structures.

Work Program

- Focus on the priority project for next year which is the construction of a new multiplex theater for downtown;

- Design the streetscape improvements along Main from 3rd Street to East Street; and

- Complete the projects approved for the allocation/obligation of bond funds that may include the Porter Building rehabilitation, relocation of the Hoblit dealership, rehabilitation of the Oddfellows Building, facilitating the three restaurants identified under the BlackPine project proposal, rehabilitation of the historic State Theater, initiation of a new redevelopment Art in Public Places Pilot Project and City Hall Consolidation/Parking Improvements;

Low and Moderate Income Housing Activities

- Strengthen the financial situation for Casa del Sol by applying for a HUD 108 loan to repay the $1.3 million HELP loan; and

- Facilitate and help finance a new affordable multi-family housing project using HOME funds developed by Sacramento Mutual Housing.

Accomplishments

- Acquired the parcels involved for the new Woodland Courthouse site;

- Completed Memorandum of Understanding with the State Administrative Office of the Courts (AOC) for reimbursement of Agency costs/ expenditures;

- Negotiated value of City well # 1 site and obtained commitment from the AOC to provide funding for a portion of the costs for constructing a replacement well and coordinated with Public Works for removal of the well and relocation to Freeman Park;

- Worked with the State to include funding for a new traffic signal and related improvements at the intersection of Fifth and Main streets as part of the budget for the new Yolo County Courthouse Project;

- Identified a viable site for the relocation of businesses affected by the theater project, analyzed costs and assisted auto dealers in structuring a financially viable project;

- Completed three facades for a total of approximately $179,063 in grant funds that leveraged approximately $2.2 million in private funds including renovation of the Porter Building and starting two additional façade projects; and

- Submitted an Urban Greening Project (Proposition 84) grant application for streetscape improvements on Main Street between Third and East streets.

The affordable housing program was also very active. Some of the accomplishments include the following:

Casa del Sol

Staff worked closely with the California Housing Opportunities Corporation (CHOC) and California Department of Housing and Community Development to close the $3.2 million HOME loan which supported the completion of all construction. The new 15,000 square foot community center is ready for lease. Construction and installation of improvements to infrastructure, including roads, water, and sewer is completed. An additional $3.6 million in loans were secured and closed escrow in May. Over $9 million in loans and grants had been received previously. Thirty new trailers can now be purchased and installed on site to complete the 12.8-acre park with a total of 156 mobile home units.

First Time Homebuyer Program

- Organized monthly orientation meetings attended by over 80 families interested in the affordable housing programs;
- Coordinated loan closing process with lenders, title companies, Neighbor Works and developers' sales teams;
- Committed or expended the entire $800,000 in HOME funds for First Time Homebuyer funds; and
- Closed 18 loans for $ $774,675 in HOME funds, $450,000 in BEGIN funds, $590,000 in CalHOME funds, and $120,000 in redevelopment housing set-aside funds.

Housing Monitoring

- Monitored the portfolio of 12 apartment buildings for compliance with approved parking reductions, density bonuses, and Inclusionary units;
- Completed an extensive long-term monitoring of Sycamore Pointe Apartments and Terracina Spring Lake Apartments for the State Department of Housing and Community Department HOME Program; and
- Monitored over 975 housing units funded under HOME, CDBG, inclusionary, and density bonus projects.

EXPENDITURES

The primary expenditure was for the purchase of the Woodland Courthouse site for $3,109,000. Almost all of the expenditures required are expected to be reimbursed by the state AOC. Additional funds were spent on the installation of a new storm drain at the intersection of East and Main to serve new development along Main Street, especially the new Woodland Courthouse.

ANTICIPATED EXPENDITURES

Next year, the theater project will be the priority project; however the primary major expenses are associated with the obligation of Agency Bond proceeds as described on the June 21 agenda. Staff will focus on implementing the projects identified by the Board for expenditure of the approximate $4.8 million in bond funds.

Anticipated expenditures for Low and Moderate Income Housing

The low and moderate-income housing funds will continue to be used to pay the debt service on the HUD 108 loan for the Casa del Sol project.

10-year Financial Plan

The Redevelopment Agency 10-year Plan is included as Attachment I. This plan is presented with a summary of projected Tax Increment that will add to the current base amount. The projected Tax Increment is based on various projects that staff expects will be completed over the next ten years. The major Redevelopment tax increment expenditure for capital projects in FY 2012 is a contribution for the well relocation. All other capital expenses have been obligated through the Agency bond proceeds which are discussed within item 14. These projects include the Main Street Streetscape Improvements, East/Main Storm Drain Improvements and pre-engineering and planning for other redevelopment projects.

FY 2012 revenues generated by Tax Increment, project revenue and interest are projected at **$1,126,074** against expenditures of **$1,411,858.** The net change during FY 2012 is a reduction of **$285,784.** The primary cause of the reduction to the fund balance is the **$250,000** contribution to the well relocation project. Following FY 2012, the remaining years show a positive annual net change for the operating budget. The 10-year Plan shows a positive fund balance throughout the plan period with reserve levels that meet the City's Budget and Fiscal Policy. At the conclusion of the plan period, there is a positive fund balance.

The Agency Board should note that the 10-year Financial Plan will need to be reviewed and updated in early in FY 2012 for two reasons. First, the allocation of Agency bond proceeds will have an impact on projected tax increment. Depending on the allocation, staff may need to revise the tax increment based on the impact of the projects on revenue sources.

The other major issue is the potential impact on the proposed elimination of redevelopment. Despite the Legislative action on June 15, it is still unclear as to the exact impact that will occur or even if redevelopment will be eliminated. At this point the best staff can do is stay engaged in the process through the California Redevelopment Association and League of California Cities as well as through the City's and Agency legal team at Best Best & Krieger.

The 10-year Financial Plan for the Housing Fund is included as Attachment II. This Plan is funded by a 20% "set aside" for the RDA Tax Increment that must be used for providing/facilitating Low and Moderate Income Housing. FY 2012 projected revenues are **$320,987** against expenditures of **$453,007.** The net change in FY 2012 is a reduction of **$132,020** which is primarily due to a $200,000 allocation for Homebuyer Assistance approved by the Agency Board in October 2010. The allocation has been equally split between FY 2012 and 2013 to reflect the projected use of the funds as the residential home market recovers. Staff is using these funds as a reserve amount while other sources of funding are sought such as State and Federal homebuyer assistance grants.

While the $200,000 allocation has an impact on the Housing Fund reserves, the entire fund remains compliant with the Budget & Fiscal Policy. Reserves are maintained at levels between 28% to 164% which is appropriate given the amount of resources in the fund.

Fiscal Impact

There is no impact on the General funds. Redevelopment bond funds allocated to various construction projects will be directed to the Art in Public Places Pilot Project.

Public Contact

Posting of the City Council/Redevelopment Agency Board agenda.

Alternative Courses of Action

1. Adopt Resolution No. _____, approving the Redevelopment Agency's FY 2012 Annual Budget in the amount of $1,864,865 for carried over Fund Balances and new revenues associated with the RDA and Housing Set Aside funds and approve the FY 2012 – FY 2021 RDA and Housing Set Aside 10-Year Financial Plans.

2. Provide alternate direction to staff.

Recommendation for Action

Staff recommends that the Redevelopment Agency Board approve Alternative No 1.

Prepared by: Cynthia Shallit
Redevelopment Manager

____
Mark G. Deven
Executive Director

Attachment No. 1 - RDA Tax Increment 10-year Plan
Attachment No. 2 - Housing Set Aside 10-year Plan
Attachment No. 3 - Resolution No. ___

Redevelopment Agency (Fund 520)
10 Year Plan

	Requested 2012	Projected 2013	Projected 2014	Projected 2015	Projected 2016	Projected 2017	Projected 2018	Projected 2019	Projected 2020	Projected 2021
Beginning Fund Balance	$638,513	$352,729	$389,709	$499,923	$629,530	$902,817	$1,185,557	$1,477,605	$1,777,036	$2,083,225
Revenues										
Projected Tax Increment	$1,093,593	$1,115,465	$1,137,774	$1,160,530	$1,183,740	$1,207,415	$1,231,563	$1,256,195	$1,281,318	$1,306,945
Other Revenues										
Working Capital Interest Earned	$3,193	$1,764	$3,897	$4,999	$6,295	$9,028	$11,856	$14,776	$17,770	$20,832
Additional Expected Revenue from Projects	$29,288	$91,474	$150,904	$169,922	$314,920	$321,219	$327,643	$334,196	$340,880	$347,697
Total	**$1,126,074**	**$1,208,703**	**$1,292,575**	**$1,335,451**	**$1,504,956**	**$1,537,662**	**$1,571,062**	**$1,605,166**	**$1,639,969**	**$1,675,474**
Staff Salaries/Benefits	$359,075	$363,130	$368,464	$382,038	$396,425	$411,525	$427,556	$444,407	$462,127	$480,766
Supplies & Services 52xx	$119,408	$121,796	$124,232	$126,717	$129,251	$131,836	$134,473	$137,162	$139,906	$142,704
Education & Training 53xx	$9,550	$9,550	$9,550	$9,550	$9,550	$9,550	$9,550	$9,550	$9,550	$9,550
Indirect Expenditures 56xx	$92,466	$97,644	$103,112	$108,886	$114,984	$121,423	$128,223	$135,403	$142,986	$150,993
Debt Service 59xx	$581,359	$579,603	$577,003	$578,653	$581,459	$580,587	$579,212	$579,212	$579,212	$579,212
Capital Projects	$250,000									
Total	**$1,411,858**	**$1,171,723**	**$1,182,360**	**$1,205,844**	**$1,231,669**	**$1,254,921**	**$1,279,014**	**$1,305,735**	**$1,333,780**	**$1,363,224**
Net Change during year	**($285,784)**	**$36,980**	**$110,214**	**$129,607**	**$273,287**	**$282,740**	**$292,048**	**$299,431**	**$306,188**	**$312,250**
Ending Fund Balance	**$352,729**	**$389,709**	**$499,923**	**$629,530**	**$902,817**	**$1,185,557**	**$1,477,605**	**$1,777,036**	**$2,083,225**	**$2,395,475**

Operating Budget	$ 1,161,858	$ 1,171,723	$ 1,182,360	$ 1,205,844	$ 1,231,669	$ 1,254,921	$ 1,279,014	$ 1,305,735	$ 1,333,780	$ 1,363,224
Ending Fund Balance	352,729	389,709	499,923	629,530	902,817	1,185,557	1,477,605	1,777,036	2,083,225	2,395,475
Fund Balance as % of Budget	30.36%	33.26%	42.28%	52.21%	73.30%	94.47%	115.53%	136.09%	156.19%	175.72%

Redevelopment Agency - Housing Set Aside Fund
10 Year Plan

	Requested 2012	Projected 2013	Projected 2014	Projected 2015	Projected 2016	Projected 2017	Projected 2018	Projected 2019	Projected 2020	Projected 2021
Beginning Fund Balance	$397,491	$265,471	$138,954	$118,210	$99,595	$180,196	$258,053	$332,677	$403,618	$470,391
Revenues										
Projected Tax Set-Aside	$319,000	$325,380	$331,888	$338,525	$345,296	$352,202	$359,246	$366,431	$373,759	$381,235
Working Capital Interest Earned	$1,987	$1,327	$1,390	$1,182	$996	$1,802	$2,581	$3,327	$4,036	$4,704
Total Available	**$320,987**	**$326,707**	**$333,277**	**$339,707**	**$346,292**	**$354,004**	**$361,826**	**$369,758**	**$377,796**	**$385,938**
Staffing Expenditures										
Staff Salaries/Benefits	$148,845	$150,614	$152,948	$158,737	$164,880	$171,333	$178,192	$185,407	$193,001	$200,995
Supplies & Services 52xx	$40,515	$41,325	$42,152	$42,995	$43,855	$44,732	$45,626	$46,539	$47,470	$48,419
Education & Training 53xx	$1,125	$1,125	$1,125	$1,125	$1,125	$1,125	$1,125	$1,125	$1,125	$1,125
Indirect Expenditures 56xx	$44,897	$47,411	$50,066	$52,870	$55,831	$58,957	$62,259	$65,745	$69,427	$73,315
Debt Service 54xx	$117,625	$112,750	$107,730	$102,595	$0	$0	$0	$0	$0	$0
Homebuyer Assistance	$100,000	$100,000								
Total	**$453,007**	**$453,225**	**$354,021**	**$358,322**	**$265,691**	**$276,147**	**$287,202**	**$298,816**	**$311,023**	**$323,854**
Net Change	**($132,020)**	**($126,518)**	**($20,744)**	**($18,615)**	**$80,601**	**$77,857**	**$74,624**	**$70,941**	**$66,773**	**$62,085**
Ending Fund Balance	$ 265,471	$ 138,954	$ 118,210	$ 99,595	$ 180,196	$ 258,053	$ 332,677	$ 403,618	$ 470,391	$ 532,476

Operating Budget	$ 453,007	$ 453,225	$ 354,021	$ 358,322	$ 265,691	$ 276,147	$ 287,202	$ 298,816	$ 311,023	$ 323,854
Ending Fund Balance	265,471	138,954	118,210	99,595	180,196	258,053	332,677	403,618	470,391	532,476
Fund Balance as % of Budget	58.60%	30.66%	33.39%	27.79%	67.82%	93.45%	115.83%	135.07%	151.24%	164.42%

AGENCY RESOLUTION NO. _____

HEREBY AUTHORIZES THE APPROVAL OF THE
REDEVELOPMENT AGENCY ANNUAL BUDGET FOR FY 2012

WHEREAS, pursuant to California Health and Safety Code Section 33606, a Final Budget for Fiscal Year 2010-2011 is submitted to the Redevelopment Agency Board by the Redevelopment Executive Director and is attached to the Council Communication report; and

WHEREAS, Redevelopment Agency staff reviewed the Final Budget and recommends its adoption; and

WHEREAS, the deposit of twenty per cent (20%) of the net tax increment is budgeted in Fund 521, Housing Set-aside and

WHEREAS, the public improvements set forth in the Agency 2011-2012 Final Budget are of benefit to the Redevelopment Project Area; and

WHEREAS, the payments of the costs of such improvements is consistent with the Agency's adopted Implementation Plans; and

WHEREAS, no other reasonable means of financing such improvements are available; and

WHEREAS, to the benefit of the Redevelopment Agency, Woodland staff provide valuable program management, planning, and financial management of the Redevelopment Agency; and

WHEREAS, all designated reserves are released for designated projects or re-budgeted due to the termination of projects; and

WHEREAS, the proposed planning and administrative expenses are necessary for the production, improvement, or preservation of low-and-moderate-income housing during the Fiscal Year 2011-2012 Redevelopment Agency budget year; and

WHEREAS, pursuant to California Health and Safety Code Section 333334.2(g), the use of monies from the Housing Set-aside Fund to fund housing projects outside of the Redevelopment Project Area will be of benefit to the Redevelopment Project Area.

NOW THEREFORE BE IT RESOLVED by the Woodland Redevelopment Agency Board that

1) The Redevelopment Agency Fiscal Year 2011-2012 Annual Budget is hereby adopted.

2) The Executive Director is authorized to take all actions necessary to implement the activities described in this report.

IT IS HEREBY CERTIFIED THAT the foregoing Resolution No. ____ was duly and regularly adopted by the Redevelopment Agency of the City of Woodland, County of Yolo, State of California on the 21st day of June, 2011 by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

____
Artemio Pimentel, President

ATTEST:

____
Ana B. Gonzalez, Secretary

APPROVED AS TO FORM:

____
Andrew J. Morris, City Attorney

City of Woodland

REPORT TO REDEVELOPMENT AGENCY BOARD

AGENDA ITEM

TO: HONORABLE CHAIR AND MEMBERS OF THE REDEVELOPMENT AGENCY

DATE: June 21, 2011

SUBJECT: Redevelopment Investment Strategy Overview

Report in Brief

As the Agency Board is well aware, the Governor's proposal to abolish redevelopment agencies as part of the budget process could result in diverting all unobligated redevelopment funds to the State as early as July 1, 2011. In response, many of the agencies are reexamining their project implementation activities in order to expedite completion of projects that are underway or initiate projects that have been identified as high priorities.

On April 5, staff presented the Agency Board with a report that examined the status of projects that were identified as high priorities in the 2010-2014 Woodland Redevelopment Implementation Plan and presented options that would obligate the remaining redevelopment funds in certain projects. The priority goals in the Implementation Plan are to (1) create new entertainment venues and activities for downtown, (2) increase residential development, and (3) develop currently underutilized or vacant sites while renovating and preserving existing structures.

The Agency Board provided feedback that resulted in staff providing additional work on certain projects. This included defining the terms and conditions for agreements that would obligate the funds and other factors intended to facilitate Agency Board action. This report will summarize the amount of Agency bond funds that are available to obligate and provide a staff recommendation regarding projects and levels of funding.

Staff recommends that the Redevelopment Agency Board approve the allocation of Agency bond proceeds for the Opera House Children's Theater/State Theater, BlackPine Holdings projects, Hoblit Relocation, Farmer's Market, Porter Building and City Hall Consolidation/Parking Improvements as described herein; consider and approve the companion items on the June 21 agenda; and direct staff and the Agency Attorney to finalize all applicable agreements that would obligate the funds.

Background

Governor Brown's proposal to abolish California redevelopment agencies as a way to capture tax increment funds and future revenue to benefit the State's FY 2012 budget has gained some momentum. After the legislature held several hearings on the bill, the State Department of Finance released language for a proposed budget trailer bill.

Briefly summarized, unobligated redevelopment agency funds would be transferred to the State, the existing agencies abolished and "successor agencies" established to oversee the dissolution of the existing obligations and completion of projects of the agencies. The exact method for implementing this direction is presently unclear.

Since the Department of Finance released the proposed language, several alternatives have been discussed. The latest alternative, developed during the week of June 6 and approved by the Legislature on June 15, is described as the "two bill" redevelopment elimination proposal. This alternative would 1) abolish redevelopment agencies; 2) exempt agencies from elimination that make an up-front and potentially annual payment to local schools. Total payments from redevelopment agencies have not been defined; however, the "rumors" floating around the Capitol are $1.4 billion for the current budget year and annual payments thereafter of $400 million. Analysis by the League of California Cities and the California Redevelopment Association suggest that the "two bill" alternative is an elimination bill because the payments are so steep that many redevelopment agencies would not be able to afford the cost. This alternative is so vague that it is impossible to determine what the impact would be on Woodland.

The Governor's proposed elimination of redevelopment is widely believed by most local government advocates and municipal law specialists to be illegal and, in light of the passage of Proposition 22, unconstitutional. If implemented, legal challenges will occur later and could result in an outcome that would reinstate redevelopment agencies. Nevertheless, local agencies are attempting to expedite their existing projects, obligate funds to projects that are currently underway and initiate projects of high priority as any legal challenge would take many years to prosecute and such a challenge may not succeed.

Therefore, staff believes it is prudent for the Woodland Redevelopment Agency to obligate most of the remaining unobligated bond funds through agreements with business and community partners that would allow the funds to be expended in Woodland. The obligation of the funds should be consistent with the 2010-2014 Redevelopment Implementation Plan. This Plan was adopted by the Agency Board on December 15, 2009.

Obligating funds means to either spend funds on projects already underway and then, to the extent reasonable, obligate remaining redevelopment funds in third party agreements such as loans, grants, and eligible capital projects etc. by July 1. In Woodland, approximately $5 million in bond funds are available for projects.

It is essential for the Agency Board to be aware of the bond proceeds that are available and how staff arrived at the estimate of $5 million for obligation at this time. The following information summarizes the status of the bond proceeds.

The Tax Allocation Bonds issued by the Agency during FY 2008 generated net proceeds of $6,518,227 to spend on approved projects. Other sources of funding that have generated additional cash for project expenditure since the issuance of the bonds include interest earned on unspent proceeds totaling $442,000, reimbursement from the State Administrative Offices of the Courts (AOC) of $2.67 million, and loan repayments and rental income of $21,000. Additionally, based on the MOU with the AOC, an additional reimbursement of $750,000 is expected during FY 2012, and additional loan repayments of $71,000 are anticipated from recipients of façade improvement loans. The total of all these revenue sources provides expected available cash of $10.47 million.

Since receipt of the bond proceeds, the Agency has expended a total of $4.1 million on projects. These expenditures include $2.7 million for the Courts project, $500,000 on façade improvements, $535,000 for purchase of a well site from the City and the remaining $365,000 on miscellaneous other projects for infrastructure improvements, project pre-engineering efforts and design for the Opera House renovation. In addition to actual expenditures, the Agency has also committed through Board action another $1.6 million of proceeds for various projects. These commitments include additional façade improvements of $330,000 which includes the Jackson Building, replacement of the well related to the Courts project of $725,000, assistance to the Sacramento Valley Historic Railroad of $50,000 and other infrastructure improvements of $295,000 which includes the East/Main Storm Drain Improvements. The total for actual project expenditures and remaining committed items is $5.7 million.

Accounting for all available cash received and expected to be received during FY 2012 as well as the actual project expenditures and commitments discussed herein, approximately $4.8 million remains available for allocation by the Board during the June 21 meeting. The following section of the report presents the staff analysis for the allocation as the foundation for the recommend action.

Discussion

Allocation of the bond proceeds has considered the 2010-2014 Redevelopment Implementation Plan, Agency Board member interest, community interest and economic development/tax increment return. The projects that have been extensively reviewed by staff are the projects that were discussed by the Board on April 5. Gaining a perfect sense of the priorities from all of these factors and the somewhat differing views of Agency Board members has been a challenge. In summary, there is some level of consensus regarding the highest priority projects and no clear consensus on the amount that should be allocated. Therefore, staff has provided the best recommendation under the circumstances with the understanding, even expectation that the discussion during the Board meeting will result in changes. As the Agency Board is aware, staff serves at the pleasure of the City Council/Agency Board and will implement the outcome of the discussion. With that in mind, the following allocation is presented.

Children's Theater/Opera House and Adaptive Reuse of the State Theater

The Children's Theater/Opera House is project that was expressed as a priority in the 2006 Measure E election as an advisory measure that was approved. This project will construct the Performing Arts Center for Youth. The new facility will contain a flexible performance space capable of holding approximately 80 audience in different configurations such as "in the round", "3/4 seating", "alley" (audience on two opposite sides) or "traditional seating". This space will also be used as a rehearsal hall, classroom, reception hall and be available for community events. The second floor will contain a professional level dance studio with mirrors, sprung wooden floor with dance surface, dance bars, and audio visual center. There will also be three offices and a technology room on the second floor. As an addition to the current Opera House, the estimated cost for the project is $2.2 million.

During the April 5 meeting, Board member Marble proposed that this project incorporate the community interest to preserve the State Theater. With Agency Board concurrence, this concept has been explored through collaboration between the Opera House Board of Directors and various community members who have expressed a strong desire to develop a plan that would reuse the State for the Children's Theater. The Agency engaged McCandless Architects and a cost estimate was developed that shows that the concept is feasible.

Given the feasibility of incorporating the Children's Theater/Opera House within the State Theater and the application of this project to facilitate its adaptive reuse, the recommended allocation is **$2,000,000.** Additional details regarding this proposed project is included under item 15 of the agenda.

BlackPine Restaurants

BlackPine Holdings is a development company recently formed by Woodland resident Jeff Morgan. The company has completed projects in Woodland, including a remodel of the former Senior Center and is completing a new restaurant at Sixth and Court.

BlackPine has proposed the development of three restaurants through the utilization of bond proceeds for a low interest loan amortized and paid back within five years. The restaurants are unique and would utilize a currently vacant building, a restored building and a blighted/vacant site. The first project, the "Burger Joint", would utilize the vacant building at 210 Main Street. Project No. 2 is the re-creation of Gorman's Roadhouse which would utilize the vacant property at 1004 Court Street. The third project would convert the Globe Rice Mill at 1059 Court Street into a restaurant, wine bar and various other amenities.

Staff has evaluated the company's assets and determined that the loan is feasible as long as the company agrees to the protection required by the Agency through liens and similar measures. As the proposed Agency assistance is a loan that would be fully paid back in five years, the approved amount would be available for reinvestment back into the community, assuming redevelopment is not eliminated. In addition, the rehabilitation of an unused building, improvements to an existing building and construction of a new building on a vacant site will add tax increment, create jobs and generate traffic and interest in the downtown core.

Based on the factors described above, the recommended allocation for the BlackPine projects is $750,000 for the Burger Joint, $750,000 for Gorman's Roadhouse and $500,000 for the Globe Rice Mill for a total of **$2,000,000.** Additional details regarding the proposed projects are included under items 16, 17 and 18 of the agenda.

Hoblit Relocation

During the April 5 meeting the Agency Board allocated $200,000 for the relocation of the Hoblit dealership based on State redevelopment law. This action was associated with the fact that Redevelopment Agency actions which designated the Third/Main site for the multiplex cinema required the relocation of the dealership.

Since the April 5 meeting staff has worked to draft an agreement that addressed the concerns of some Agency Board members regarding how the funds can be used. These concerns included insertion of a condition that would have prevented the funds from being used to support the dealership's temporary relocation to the former Woodland Motors site at 333 Main Street and facilitating relocation to a permanent site elsewhere in Woodland.

Unfortunately, redevelopment law does not permit these conditions. In order to meet a commitment to use redevelopment funds to relocate the dealership, the relocation agreement must be based on relocation expenses in accordance with the Relocation Assistance and Real Property Acquisition Guidelines provided by the California Department of Housing and Community Development. This does mean that the dealership could use the funds to relocate outside of Woodland.

Staff has had extensive discussions with owner Dave Hoblit and has concluded that Mr. Hoblit wants to keep his dealership in Woodland. The company has had much success in Woodland and has many employees who live in Woodland. Based on the mutual interest of the Agency and the dealership to remain in Woodland and State redevelopment law, the recommended allocation for the Hoblit relocation is **$200,000.** Additional details regarding the Relocation Agreement is included as item 19 of the agenda.

Farmers Market

Agency Board members have expressed an interest in funding improvements at Freeman Park to support the Farmers Market. Facilities for a Farmers Market would likely include installation of permanent facilities for displaying produce and other sale items, improved utilities, expanded parking and other amenities within Freeman Park. Estimated costs could be as high as $1 million.

Following the April 5 meeting, staff reviewed the capital improvement program and identified approximately $400,000 in available funds to contribute to this project. These funds include Measure E funds allocated for park rehabilitation and the Proposition 50 grant funds that are intended to support irrigation improvements. Within the scope of this project, landscaping, walkways and other amenities would be improved.

In addition to the park rehabilitation and irrigation improvements, Freeman Park will also receive some improvements in association with the well relocation. While the focus of this project is the new well, nearby infrastructure and landscape would be improved as part of the project.

In reviewing this information, staff believes it would be appropriate to move forward with the Farmers Market Improvements by engaging a landscape design firm that would define the concept and leverage the other projects in a manner that would coordinate work and maximize resources. In so doing, the Agency Board can gain a full understanding of the cost for the project, what would be accomplished and the funds that could be utilized.

Staff issued a Request for Proposals landscape design services following the April 5 meeting, received and reviewed proposals and identified three firms for an interview. The outcome of the process was the selection of Indigo Architects of Davis at a cost of $50,000. The firm has excellent experience and understands the concept.

Given the need to define the scope, coordinate projects and leverage the various resources, staff recommends that the allocation for the Farmers Market at Freeman Park be established at **$50,000.** Once the design work is completed, the Agency will receive a better estimate and can decide the funding sources to utilize in the future. The consulting work can be completed during FY 2012. Additional details regarding the Farmers Market Improvements are included as item 20 of the agenda.

<u>Porter Building</u>

Allocation of funds for a second loan for the Porter Building is recommended by staff for consideration by the Board. This project would complete improvements to the second floor and utilities in order to expand the successful use of the first floor that will generate additional use within a historic building in the downtown core.

The Agency has provided a façade grant of $180,000 in 2009 and a $200,000 loan in 2010. These funds restored the façade and completed the improvements that allowed Cambridge College to occupy the first floor. The additional loan will create more useable space and enhance the ability of the owners to payoff all loans that are outstanding to the Agency.

Based on the continuation of the work necessary to restore an historic building and enhance its use, staff recommends the allocation of **$200,000** as a five year loan for this project. Additional details regarding the Porter Building loan are included as item 21 of the agenda.

<u>City Hall Consolidation/Parking Improvements</u>

During presentation of the City budget on March 29 and May 24, staff discussed the consolidation of office and public space between the two City buildings at 520 Court Street (Community Development) and 300 First Street (City Hall). The concept is associated with the downsizing of City staff as over 100 positions have been reduced throughout the organization. Based on the reduced positions, staff believes that all of the remaining employees can be consolidated into the

City Hall building which would render the current Community Development building as surplus. The building would be demolished with the site modified to accommodate additional parking for the downtown area.

Relocating staff and demolishing the building would save the City's General Fund $38,000 annually; these savings have been assumed into the FY 2012 preliminary budget. Moreover, the consolidation would also save future building component costs such as replacement of the roof and Heating, Ventilation and Air Conditioning (HVAC) system. The future costs would exceed $200,000 over the 10-year Plan and these resources are not into the Plan at this time.

The Agency Board may suggest that City staff could relocate to City Hall without demolishing the Community Development building. While that is an option, staff believes it is a very poor option. Relocation of the staff to the City Hall would leave the Community Development building vacant and subject to the problems common to other vacant buildings, including vandalism, illegal activity and homeless camping. In addition, staff is concerned that community nonprofit organizations will solicit the City to use the unoccupied building under conditions such as free or reduced rent for an unlimited term which will end up becoming a burden to the General Fund.

Given the favorable impact on consolidating City operations, saving General Fund resources and improving parking for the downtown area, staff recommends the allocation of **$300,000** for the City Hall Consolidation and Parking Improvements.

Summary of Recommended Projects

• Children's Theater/Opera House and Adaptive Reuse of the State Theater -	$2,000,000
• BlackPine Restaurants (Loan) -	$2,000,000
• Hoblit Relocation -	$200,000
• Farmers Market -	$50,000
• Porter Building* (Loan) -	$200,000
• City Hall Consolidation/Parking Improvements -	$300,000
Total	$4,750,000

The total allocation for the recommended projects is $4,750,000 which is within the $4.8 million allocation limit summarized previously herein.

Other Potential Projects

The following projects are not recommended by staff. Two of the projects were discussed April 5 and Owner Participation Agreements have been drafted.

514-518 Main Street (Muscle World Building)

514-518 Main Street is a building that has been known by various names, including the Simmons/Diggs Block Building, Muscle World, Foy's Toys and Mario Obledo Center. The building is currently vacant and in need of serious repair in order to facilitate reinvestment. The owners, David and Vivian Matsuo have requested a five year loan of $200,000 and a $90,000 façade grant that requires a $1:$1 match.

This building is one of the largest structures in the downtown core and its continuous vacant state generates the appearance of blight in the area. Redevelopment staff has been working with the owners in order to facilitate their active participation in reinvesting in the property. Additional information regarding this project is included as item 22 on the agenda.

Oddfellows Interior Loan – 725 Main Street

The Agency has been working with the owners of the Oddfellows building to provide a $125,000 loan for interior improvements that would support expanded rentable office space on the second floor. Creating more rental space for this historical building would preserve the asset and enhance professional offices in the downtown area. Additional information is included as item 23 on the agenda.

Adams Grain Company

The Adams Grain Company at East and Gibson has requested Agency bond proceeds for three separate projects ranging from $26,000 to $427,000. Staff received this request on June 10 and has not had time to evaluate the projects or conduct discussion with company representatives. The projects are included as Attachment No. 2.

While all of the projects would improve the appearance of the southern edge of the redevelopment area, the Adams Grain Company is outside of the downtown core and was not discussed on April 5. Staff believes that this project should be referred to a future redevelopment project list.

Fiscal Impact

The recommendations described herein would obligate $4,750,000 in available redevelopment bond proceeds for the high priority projects described herein. There would be no impact on the General Fund with the exception of the City Hall Consolidation/Parking Improvements which would support assumed savings within the FY 2012 General Fund budget.

Public Contact

Posting of the City Council/Redevelopment Agency Board agenda.

Alternative Courses of Action

1. Approve the allocation of Agency bond proceeds for the Opera House Children's Theater/State Theater, BlackPine Holdings projects, Hoblit Relocation, Farmer's Market Porter Building and City Hall Consolidation/Parking Improvements as described herein; consider and approve the companion items on the June 21 agenda; and direct staff and the Agency Attorney to finalize all applicable agreements that would obligate the funds.

2. Direct staff to allocate the funds in an alternate manner and finalize the applicable agreements to obligate the funds accordingly.

Recommendation for Action

Staff recommends that the Redevelopment Agency Board approve Alternative No 1.

____
Mark G. Deven
Executive Director

Attachment I – Adams Grain Company Projects.

Redevelopment Request from the Adams Grain Company

Infrastructure Projects:

1) **Connect to City of Woodland water service**
   a. **Infrastructure Improvement**
   b. **Requested Funding:** $26,000.00
   c. **Type of Funding:** Low Interest Loan
      i. **Description:** The purpose of this project is to connect the Adams Grain facility on Gibson Road and East Street to City of Woodland water services. Currently the facility is serviced via a domestic water well. When the property was incorporated into the city in the late 1960's city water services were never connected and to this date have yet to be connected.
      ii. **Why:** Currently the water being used at the facility is not potable. Because of food safety and work safety we feel that it is necessary to have potable water on site. To date we have supplied our employees with bottled water to suffice food safety and worker safety requirements.
      iii. **Scope:** Connect to City of Woodland water located on East Street. Install 2 inch water line from East Street to Adams Grain facility via East Street. Install 2 inch radio water meter with 2 inch back flow preventer. Water line is located west of East Street and east of Union Pacific railroad track thus the project will not disrupt East Street traffic nor disrupt the roadway.

2) **Connect to City of Woodland sewer service**
   a. Infrastructure Improvement
   b. Requested Funding: $150,000.00
   c. Type of Funding: Low Interest Loan
      i. **Description:** The purpose of this project is to connect the Adams Grain facility on Gibson Road and East Street to City of Woodland sanitary sewer service. Currently the facility is serviced via a domestic septic tank system. When the property was incorporated into the city in the late 1960's city sewer service was never connected and to this date have yet to be connected.
      ii. Why: Infrastructure modernization to help improve local water quality.
      iii. Scope: Connect to sanitary sewer service located on Gibson Road. Install new sanitary sewer line into Adams Grain facility via Gibson Road. Control traffic on Gibson Road during construction with message boards and traffic arrows. Repair asphalt on Gibson Road and asphalt at Adams Grain Co.

Beautification Projects:

3) **Teardown and Remove Old Grain Dryer**
   a. **Beautification**
   b. **Requested Funding:** $64,000.00
   c. **Type of Funding:** Grant
      i. **Description:** The purpose of this project is the teardown and remove the old grain dryer located on the north end of the grain facility. The dryer is no longer operational and is a blemish to the overall aesthetics of the facility and the East Street corridor.
      ii. **Why:** Improve the aesthetic appeal of the facility while also beautifying the overall corridor. This facility is one of the most prominent structures in the area. This is one of the first structures residents and visitors notice when traveling in the East Street corridor. This dryer also is home to resident birds. By removing the old dryer we are also reducing the places for these birds to roost.
      iii. **Scope:** Teardown and remove old steel structure and spouting.

4) **Paint Facility**
   a. **Beautification**
   b. **Requested Funding:** $427,100.00
   c. **Type of Funding:** Grant
      i. **Description:** The purpose of this project is to repaint the entire facility and surrounding structures. The facility has not been painted for several years and is in need of repainting.
      ii. **Why:** Facility improvement and beautification. Prevent corrosion while also sealing silos from the elements to protect product in storage.
      iii. **Scope:** High pressure water wash facility. Prime and paint all silos, augers, spouting, elevators, and surrounding structures.

City of Woodland

REPORT TO REDEVELOPMENT AGENCY BOARD

AGENDA ITEM

TO: HONORABLE CHAIR AND MEMBERS OF THE REDEVELOPMENT AGENCY

DATE: June 21, 2011

SUBJECT: Redevelopment Support for the Art In Public Places Pilot Program

Report in Brief

The Redevelopment Agency staff is implementing projects consistent with the Redevelopment 2010-2014 Implementation Plan. An initial list of projects was discussed in concept at the meeting of April 5, 2011. During that meeting and a subsequent meeting on May 3, the Agency Board directed staff to pursue projects identified and bring back the terms of financing for the Board's review.

The Board continues to supplement and revise the investment strategy as new projects are considered. After receiving conceptual approval, the process has been to give staff direction to further investigate the advantages of the projects, determine financial feasibility and when the projects are ready for construction, return to the Board to request allocation of funds and authorization to execute development agreements and related documents.

One project being considered in this report is the initiation of a pilot project for public art associated with redevelopment-financed projects. All of the projects being financing are required to provide public art in accordance with the Community Design Standards adopted in 1998, and updated in April 2004. Other than requiring approval by the Planning Commission there are no guidelines, criteria or procedures established. This pilot project requests that YoloArts establish procedures and criteria and install some significant art pieces in the redevelopment project area. The experience gained in the Pilot Project would demonstrate how an Art in Public Places Program could be established Citywide. The resolution attached requests authorization for the Executive Director to execute a contract with YoloArts.

Staff recommends that the Agency Board adopt Resolution No. ____ authorizing the Executive Director to execute an agreement with YoloArts to implement the Arts In Public places Pilot Program as described herein.

Background

On April 5, 2011, Redevelopment Agency staff brought forward a strategy on how to encumber and spend the nearly $5 million of Redevelopment Tax Increment Bond proceeds available. Staff presented the Board with different projects that could utilize the funding and received direction on which projects to proceed.

To be considered, projects must meet the redevelopment priority goals of (1) creating new entertainment venues and activities for downtown, (2) increasing residential development, and (3) developing currently underutilized or vacant sites, while renovating and preserving existing structures. Once projects have received conceptual approval or identified as priorities of the Board, staff is directed to further investigate those projects and, as they become ready for construction financing, return to the Board with terms of the financing and funding requirements.

The project to be considered in this report is the establishment of an Art in Public Places Pilot Project to augment the redevelopment construction projects planned for downtown.

Discussion

All development projects in the City are required to install some kind of public art as a means of enhancing the sense of place within the Woodland community. The City's current design standard provides little guidance or assistance for businesses in determining and securing quality and place making public art that benefits their properties and the community. Many communities have structured their public art process by establishing a proper framework for soliciting/selecting qualified artists, establishing criteria, engaging the public and leveraging the arts to create livable, sustainable neighborhoods and downtown areas.

One option that was under development in 2008 involved the drafting of an Arts In Public Places Ordinance. This option would have levied fees and required the establishment of an Arts Commission. As the recessionary economy began to seriously impact development and City resources, this effort was set aside. Despite this setback, creating opportunities for high quality public art remains an interest to many residents and business owners in the community.

One option for facilitating public art is to implement a pilot program with YoloArts in association with the redevelopment projects currently under consideration by the Board. YoloArts is a non-profit organization supported by *the California Arts Council, a state agency, the National Endowment for the Arts, a federal agency, Metropolitan Arts Partnership, a regional agency, and by YoloArts' membership and partners.* This organization has overseen similar programs in many communities, including Davis, West Sacramento and the unincorporated areas of Yolo County. The redevelopment funds that are now available for projects provide the Board opportunity to install notable public art that could be a significant landmark for the City and its residents. In addition, YoloArts would establish procedures for soliciting qualified artists, establishing community criteria and would supervise the installation of the art. Staff is proposing to set aside 1.5% of the funds under consideration for obligation to projects under consideration (about $71,000).

Aggregating a significant amount of money in this way for the program will result in quality, place making art being installed in the redevelopment area than would occur by having each property owner act independently. It also relieves the individual property owner of the responsibility for installing public art and the related work of soliciting qualified artists, determining compatibility with community standards and meeting public governing bodies' expectations. A description of the pilot program is shown in Attachment I. Based on the experiences of the pilot program, a draft public art guidelines, policy or ordinance could be prepared for City Council consideration in the future.

Fiscal Impact

There is no impact on the General funds. Redevelopment bond funds allocated to various construction projects will be directed to the Art in Public Places Pilot Project.

Public Contact

Posting of the City Council/Redevelopment Agency Board agenda.

Alternative Courses of Action

1. Adopt Resolution No. ____ authorizing the Executive Director to execute an agreement with YoloArts to implement the Arts In Public places Pilot Program as described herein.

2. Cease further consideration of the Art In Public Places Pilot Program at this time.

Recommendation for Action

Staff recommends that the Redevelopment Agency Board approve Alternative No 1.

Prepared by: Cynthia Shallit
Redevelopment Manager

____
Mark G. Deven
Executive Director

Attachment I – Yolo Arts Proposal
Attachment II – Arts In Public Places Resolution

Overview

The City of Woodland in an effort to further art and art activities for the benefit of the residents of Woodland is dedicated to expanding experiences with art in the public realm. Such art has enabled people in all societies to better understand their communities and individual lives; while strengthening our economy and tourism. YoloArts (popular name for Yolo County Arts Council) having the requisite expertise to assist the City in art related activities and public art, as a result, the City has an interest in partnering with YoloArts as the City's consultant ("Art Consultant") to enhance the city of Woodland's Redevelopment Area (RDA) through public art activities and pilot public art project(s).

The Project Description

The Project to be undertaken is to design an outline of public art and art activities in the of City of Woodland's Redevelopment Area by researching and defining opportunities to increase public value for the arts, define the means to connect the diverse residents of our community through arts engagement activities; enhance existing community cultural programs such as art walks; define locations for public art and implement public art project(s) in the RDA.

The Art Consultant, under the direction of the City of Woodland, shall establish the means to define art-based activities and pilot public art projects. The projects will work to develop a vision for collaboration and economic progress through community-based partnerships that incorporate the arts and the National Endowment for the Arts (NEA) livability principles, highlight the diverse cultural characteristics of our communities and recommend art engagement concepts for the future.

The process shall take into consideration the framework of the history, architecture and design of the community at large and the RDA specifically, including considerations for existing activities and art, security concerns, and considerations for hard and softscape (public art infrastructure only), the project(s) budget(s), and the time frame for the completion of construction of the projects.

Specific building and project(s) are under the direction of the City of Woodland; current locations include the Redevelopment Area only. Art Activities will take into account existing leadership roles within the community groups and recommend enrichment.

Expense Category:	**Project Cost**	**City of Woodland**	**YoloArts** **Grant funded**
Project Management for art activity study; administers selection of public art (2 total) including approvals through city and artist contracts.	$33,000	$25,000	$8,000
Administration of Art Projects – (2 max. admin fee included in above PM cost) artist fees, supplies, insurance, transportation, installation and selected site preparation	1.5% of redevelopment projects	1.5% of redevelopment projects	
Outreach; informational meetings; research supplies & final report	$4,200		$2,000
TOTAL	$87,200	TBD	$10,000

P.O. Box 8250 Woodland, CA 95776 530-406-4844 director@yoloarts.org www.yoloarts.org

Deliverables:

PHASE I – Immersion

Convene a Public Art Advisory Focus Group (PAA Group), which may include representatives from the City of Woodland City Council, representatives from the Historical Downtown Merchants Association, representation from the arts community, and other appropriate community members. The members would meet as necessary to gain input to define concepts, review current activities and public art projects for the RDA of Woodland. YoloArts will provide written reports (minutes of meetings and quarterly evaluations of progress) on these meetings to a designated City Council members and to city staff.

PHASE II – Project Activities

With the Public Art Advisory Group (PAA Group) the art consultant will:

1) Audit the city's current art collection in the RDA;
2) Define locations for new art installations in the RDA;
3) Define the value of art to the community;
4) Examine current arts engagement activities bringing our residents to the RDA core
5) Discuss enhancements of current arts engagement activities.
6) Consider context language for RDA public art projects,
7) Define budget, suggest locations and approach for proposals for RDA pilot public art projects.

Included in the discussion will be considerations for:

- Establishing the context – what role do the arts, history and economics play in shaping the community?
- Establish criteria and process for selection
- Considerations for long term maintenance
- Identification of sites; transitional and permanent; lighting; safety and functional issues.

PHASE III – Request for Qualifications and/or Proposals for RDA funded projects

1) Review project, budget and billing;
2) Issue request for qualifications/proposal for project to artistic pool;
3) Review proposals and assemble panel;
4) Submit design to City of Woodland planning commission and/or city council for approval;
5) Administer contract to artist including payment with stages of review;
6) Provide ongoing oversight of the installation of work including requirements for site preparations (depending on the clients selection some sites preparation may be required)

PHASE IV – Final Report

1) Final Report from group findings, surveys, audit and recommendations for activities and public art projects including locations;
2) Documentation and final reporting, including acceptance, maintenance requirements (public art only) and applicable transfer of intellectual Property Rights.

Tentative timeline: July 1, 2011 – June 30, 2012

Activity	Benchmark	Timeline
Assemble key stakeholders, collaborative partners, businesses and artistic consultants	Project timeline, budget & goals.	August - September 2011
Schedule/convene initial and subsequent meetings/outreach. (4 meetings total)	Calendar of meetings Define outreach; audit and group tasks.	Outreach - October – January 2012 Marketing - October meetings /month Nov 2011 – May 2012
Conduct groups conversations	Components completed	October-February 2011
Define and enhance existing community cultural art activities in the RDA ;and Audit current collection	Strategies for activities; establish context, value and next steps.	March - June 2012
Administer Public Art Projects (Admin. Fees for 2 project max included)	Define locations, outline RFQ/P; call for proposals; review & contract with artists; installation and dedication	July, 2011 – June, 2012

Additional funding to support the integration and expansion of art engagement activities to further economic development; such as tours of public art installations, community art walks with technology (mobile apps, county/city wide events calendar and online touring sequencing is currently being considered by the County of Yolo. Discussions on these concepts may be integrated into the City of Woodland conversations in an effort to build a collaborative model program to enhance the city's and county's public art projects while furthering economic development for the city and the county.

Thank you in advance for your consideration and your interest in the arts to benefit the economy, livability and residents of Woodland.

Sincerely,

Danielle WThomas

Danielle W. Thomas
Executive Director

AGENCY RESOLUTION NO. _______________

A RESOLUTION OF THE REDEVELOPMENT AGENCY OF THE CITY OF WOODLAND TO EXECUTE A CONTRACT WITH YOLOARTS FOR THE ART IN PULBIC PLACES PILOT PROJECT

WHEREAS, on April 5, 2011, the Agency Board provided staff with direction in regards to projects to implement and allocate the Agency Bond funds in accordance with the primary Implementation Plan goals (1) creating new entertainment venues and activities for downtown, (2) increasing residential development, and (3) developing currently underutilized or vacant sites, while renovating and preserving existing structures.

WHEREAS, the redevelopment project area would be further enhanced by establishing public art in conjunction with the development projects financed with redevelopment bond funds.

NOW THEREFORE BE IT RESOLVED THAT the Redevelopment Agency Board does hereby:

Section 1. Authorize the Executive Director to execute a contract with YoloArts to establish the Art in Public Places Pilot Project and install art pieces in the redevelopment project area.

I HEREBY CERTIFY THAT the foregoing resolution was duly and regularly adopted by the Redevelopment Agency of the City of Woodland, County of Yolo, State of California on the 7th day of June 2011 by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

____
Artemio Pimentel, Chairperson

ATTEST: APPROVED AS TO FORM:

______________________________ ______________________________
Ana Gonzalez, Secretary Ed Quinn, Agency Counsel

City of Woodland

REPORT TO REDEVELOPMENT AGENCY BOARD

AGENDA ITEM

TO: THE REDEVELOPMENT AGENCY BOARD

DATE: June 21, 2011

SUBJECT: Woodland Opera House Children's Performing Arts Center at the State Theater

Report in Brief

The Redevelopment Agency staff is implementing projects consistent with the Redevelopment 2010-2014 Implementation Plan. The projects were discussed in concept at the meeting of April 5, 2011. During that meeting and a subsequent meeting on May 3, the Agency Board directed staff to pursue projects identified and bring back the terms associated with the allocation for the Board's review.

One project identified as a priority was the rehabilitation of the State Theater to accommodate the Woodland Opera House Children's Theatre. Though this project is not yet ready for construction and the acquisition of the site needs to be resolved, there is a significant level of Agency Board and community interest in obligating Agency bond funds to meet commitments to the Opera House and preserve an historic building.

Staff recommends that the Redevelopment Agency Board adopt Resolution No. _____ allocating $2,000,000 for architectural pre-design and rehabilitation work for the State Theater and authorizing execution of the Owner Participation Agreement substantially in the form shown in Attachment I.

Background

On April 5, 2011, Redevelopment Agency staff brought forward a strategy on how to encumber and spend the nearly $5 million of Redevelopment Tax Increment Bond proceeds available. Staff presented the Board with different projects that could utilize the funding and received direction on which projects to proceed.

One of the projects discussed by the Agency Board was the adaptive reuse of the historic State Theater located at 320-324 Main Street in order to accommodate the Woodland Opera House. The concept associated with this project is to meet a commitment to develop a Children's Theater for the Opera House expressed by one of the advisory measures approved with Measure in 2006 and restore and reuse the State Theater which was expressed by Woodland citizens during the selection process for the downtown cinema project.

As the Council/Agency Board is aware, projections for Measure E revenue over its 12-year term have been decreased by about $19 million due to the recessionary economy. The loss of sales tax revenue will make it impossible for the City to meet all of commitments expressed in the advisory measures. Agency Board members have stated that the creative use of the Agency Bond funds to develop the Opera House Children's Performing Arts Center would be an acceptable alternative strategy to meet the commitment.

Community interest in preserving the State Theater is also well documented. The downtown cinema selection process generated the formation of the Friends of the State Theater which included over 1,000 members. This group supported the proposal offered by Ron Caceres that proposed a multiplex cinema constructed around the State Theater that would have allowed adaptive reuse of the building as part of the complex. In December 2010, the Agency Board suspended the selection process and directed staff to work with Cinema West developer Dave Corkill to facilitate an application to build the multiplex cinema at Third and Main. The Agency Board clearly expressed that the Third and Main location was the preferred site which is also consistent with the Downtown Specific Plan.

Following the Agency Board's decision, the option to purchase the State Theater held by Mr. Caceres expired. The option is now held by Mr. Corkill and Agency staff has been authorized to negotiate acquisition of the site.

Following the April 5 meeting, several community meetings have been held involving members of the Opera House Board of Directors, supporters of the State Theater and City officials. Staff believes there is a strong desire by many people to make this project successful. As a result, staff has brought forward the action to obligate Agency bond funds at this time.

Discussion

Agency staff and the Woodland Opera House are in discussions with the State Theater building owner regarding moving the Children's Performing Arts Center to the State Theater building. The Agency is contracting with McCandless Architects to prepare preliminary plans for rehabilitation of the building to accommodate the new use. When completed, the project will restore the historic façade of the theater as well as accommodating the Children's Performing Arts Center.

The initial steps require entering into a contract with McCandless Architects to plan the rehabilitation of the exterior as well as prepare plans and specifications for interior construction to accommodate the Children's Performing Arts Center's needs. McCandless Architects was chosen for their knowledge based on their involvement with the State Theater proposal that was submitted as part of the Agency's Multiplex RFP and the firm's excellent understanding of historical buildings. Staff believes the firm understands what is needed to bring the State Theater up to current codes and designing the adaptive reuse which will restore the building as much as possible. As an example, McCandless Architects has already demonstrated an understanding of what is needed to restore the historic marquee.

The State Theatre will be restored and re-used as the Performing Arts Center for Youth and will be operated by the Woodland Opera House Theater Company. As currently envisioned, the new facility will contain a flexible performance space capable of holding approximately an 80-member or larger audience in different configurations such as "in the round" and three-quarters seating". The Theater Company would like to have an "alley" hall, classroom, reception hall and would be available for community events. There will also be a professional level dance studio with e-mirrors, sprung wooden floor with dance surface, dance bars, and an audiovisual center. Space for three offices and a technology room will be provided as well.

The Project is to design and construct an adaptive reuse of the State Theater building including a reconstruction of the original marquee. The priority is to re-design and refurbish the interior so that it can adequately house the Performing Arts Center for Youth. Based on a very preliminary cost estimate prepared by McCandless Architects (Attachment III), the recommended allocation should accomplish the first priority which would be to accommodate the Opera House needs.

No agency funds will be disbursed on this project until the Agency and the Woodland Opera House can demonstrate site control. This can be provided in a myriad of ways including fee title, an option or an executed purchase and sale agreement. As stated previously, the State Theater has a signed option agreement with Dave Corkill of Cinema West. Before the funds can be spent, Mr. Corkill will need to relinquish his option on the property. The funds allocated will not be required to be paid back unless the Woodland Opera House does not perform or does not meet the requirements stated in the OPA. In this way the funds can be looked at as more of a "grant" or a "performance loan."

Fiscal Impact

There will be no impact on the General Fund from this project. The $2,000,000 will be allocated from the Agency's bond funds.

Public Contact

Posting of the Redevelopment Agency Board Agenda. The Woodland Opera House has also sponsored community meetings to show their plans for the rehabilitation and reuse of the State Theater. The most notable community meeting occurred on Saturday, June 4 and was attended by over 40 people.

Alternative Courses of Action

1. Adopt Resolution No. _____ allocating $2,000,000 for architectural pre-design and rehabilitation work for the State Theater and authorizing execution of the Owner Participation Agreement substantially in the form shown in Attachment I.

2. Do not approve the Agreements and provide alternate direction to staff.

Recommendation for Action

Staff recommends that the Redevelopment Agency Board approve Alternative No. 1.

Prepared by: Jamie McLeod
Redevelopment/Housing
Analyst II

Reviewed by: Cynthia Shallit
Redevelopment Manager

____
Mark G. Deven
Executive Director

Attachment I:	State Theater Agency Resolution
Attachment II:	Owner Participation Agreement
Attachment III:	Project Cost Estimate

AGENCY RESOLUTION NO. _______________

A RESOLUTION OF THE REDEVELOPMENT AGENCY OF THE CITY OF WOODLAND APPROVING THE ALLOCATION OF FUNDS AND OWNER PARTICIPATION AGREEMENT FOR THE WOODLAND OPERA HOUSE CHILDREN'S PERFORMING ARTS CENTER AT THE STATE THEATER

WHEREAS, on April 5, 2011, the Agency Board provided staff with direction in regards to projects to implement and allocate the Agency Bond funds;

WHEREAS, the Agency Board instructed staff to return to the Board with rates, terms, and funding allocations as the projects were deemed feasible; and

WHEREAS, Staff has identified projects that are ready to move forward and require funding.

NOW THEREFORE BE IT RESOLVED THAT the Redevelopment Agency Board does hereby:

Section 1. Authorize the Executive Director to execute an Owner Participation Agreement substantially in the form attached to the staff report and any related documents for the Woodland Opera House Children's Performing Arts Center at the State Theater and grant in the amount of $2,000,000, and

Section 2. Allocate $2,000,000 in redevelopment bond funds and amend the Agency budget accordingly.

PASSED AND ADOPTED this 21st day of June, 2011 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

____
Artemio Pimentel, Chair

ATTEST:

____
Ana B. Gonzalez, Secretary

APPROVED AS TO FORM:

____
Andrew J. Morris, Agency Attorney

NO FEE DOCUMENT
Entitled to free recording
per Government Code 6103
When Recorded, return to:

City Clerk, City of Woodland
300 First Street
Woodland, CA 95695

OWNER PARTICIPATION AGREEMENT

HISTORIC STATE THEATER PROJECT
320-324 MAIN STREET
[Loan for Building Construction]

TERM	DEFINITION
"Agency"	Woodland Redevelopment Agency
"Agency Address"	300 First Street, Woodland, CA 95695
"Participant"	Woodland Opera House Theater Company
"Participant Legal Status"	A non-profit, 501 (c) (3) organization
"Participant Address"	340 Second Street, Woodland, CA 95695
"Project Area or Target Area"	320-324 Main Street, Woodland, CA 95695 Woodland Redevelopment Project Area
"Effective Date"	June 22, 2011
"Loan Amount"	$2,000,000
"Funding Source"	Redevelopment Bond Funds

Agency and Participant enter into this Owner Participation Agreement (hereinafter "OPA") as of the Effective Date. [For purposes of this OPA, the capitalized terms shall have the meanings assigned in the above table and in
Section 11.2.]

RECITALS

A. Participant is interested in the Site, consisting of that real property located generally at 320-324 Main Street , in the City of Woodland, California, more particularly described in Exhibit A: Legal Description, incorporated herein by this reference, and as shown on the Map attached hereto as Exhibit A-1, together with the building existing thereon commonly referred to as the Historic State Theater Building.

B. Agency is a redevelopment agency formed and acting under the Community Redevelopment Law (California Health & Safety Code Sections 33000 *et seq.*), and this document is governed by the Community Redevelopment Law. The Funding Source of the Loan is Tax Increment Funds (as defined in the Community Redevelopment Law) generated in the Project Area and is subject to the applicable provisions of the Community Redevelopment Law and the Redevelopment Plan for the Project Area. This OPA is made in accordance with provisions of the Redevelopment Plan for participation by Participants in the redevelopment of the Project Area (adopted in accordance with California Health & Safety Code Section 33339). This OPA is consistent with, and furthers, the Redevelopment Plan and the

"Implementation Plan" adopted for the Project Area in that it will remediate blight by improving and upgrading the appearance of commercial properties in the Project Area.

AGREEMENT

NOW THEREFORE, in consideration of the following mutual covenants, obligations and agreements and for other good and valuable consideration, the receipt and adequacy of which are acknowledged, the parties agree as follows:

1. **PURPOSE.** The purpose of this OPA is to provide for the rehabilitation of the improvements existing on the Site, and for the Agency to loan funds for the project. No repayment of the funds is required as long as the Participant complies with the performance requirements described in this OPA. The Agency represents that the use of the funds, under this OPA, and the fulfillment generally of this OPA, are (1) in the vital and best interests of the City and the health, safety, morals and welfare of its residents, (2) for the purpose of community improvement and welfare, (3) for the benefit of the Project Area and in accordance with the Agency's Redevelopment Plan, and (4) consistent with the Redevelopment Plan and the Implementation Plan. Participant represents and agrees that its promise to improve the Site under the OPA is not intended for speculation in land holding.

2. **TERM**. This OPA shall commence as of the date first written above and shall terminate upon the occurrence of all of the following:

   2.1 Fulfillment by the parties of their obligations under this OPA, including completion of the Project by the Participant; and

   2.2 Fulfillment of all performance requirements stated in the OPA.

3. **LOAN PROVISIONS**

   3.1 Loan Amount. Agency hereby agrees to loan to Participant up to TWO MILLION DOLLARS ($2,000,000.00) (the "Loan") and Participant hereby does not need to make any repayments of the as long as the Participant complies with the terms of this OPA for the rehabilitation of the Site. One-and-a-half percent (1.5%) of the loan amount, or $15,000 will be withheld for contribution towards a public art program administered by the Yolo County Arts Council. The Loan proceeds shall be used solely to pay the costs incurred by the Participant for constructing the Historic State Theater located at 320-324 Main Street (the "Consrtuction Work"). The Loan shall be evidenced by a promissory note (the "Note") to be executed by Participant in favor of the Agency, in substantially the form attached hereto as Exhibit B and incorporated herein by reference. The Note shall be secured by a deed of trust ("Deed of Trust") to be executed by Participant, in substantially the form attached as Exhibit C and incorporated herein by reference. The Deed of Trust shall be recorded against the Site as a condition to and concurrently with disbursement of any portion of the Loan Amount.

   3.2 Disbursement Procedures. The Loan shall be disbursed to Participant as follows:

      3.2.1 Conditions Precedent. Agency shall not be obligated to make any disbursement of the Loan Amount until the following conditions precedent have been met:

         3.2.1.1 Participant has legal control and ownership of the site

3.2.1.2 Participant is not in default of any provision of this OPA;

3.2.1.3 The Participant has executed and delivered to the Agency the Note and Deed of Trust evidencing the Loan;

3.2.1.4 The Participant has provided the Agency with a CLTA standard form lender's policy of title insurance in the amount of the Loan, acceptable to Agency in its reasonable discretion, containing those endorsements reasonably requested by Agency that will insure the Deed of Trust as a valid first priority lien on the Site, subject only to those exceptions to title approved, in writing, by the Agency;

3.2.1.5 All conditions precedent to commencement of construction set forth in Section 4.3 of this Agreement shall have been satisfied, and the Participant shall be prepared to commence the Construction Work on the Site promptly following disbursement of the Loan;

3.2.1.6 The Participant shall have delivered to the Agency, and the Agency shall have approved, the Participant's budget for the Construction Work to be completed on the Site; and

3.2.1.6 The Participant shall have delivered to the Agency, and the Agency shall have approved, evidence satisfactory to the Agency that the Participant has financing or other funding available to it to undertake and complete the Construction Work in accordance with this Agreement.

3.2.2 Disbursement. Upon satisfaction of all conditions precedent set forth in this Section 3.2, the Agency will deliver to the Participant the Loan Amount, less the 1.5% for public art, and less a 10% contingency amount which shall be held by the Agency and disbursed upon full completion of the Construction Work and recordation of mechanics lien releases relating to such Construction Work.

3.3 **Repayment**. The Loandoes not have to be repaid as long as the Participant is in compliance with the terms and conditions set forth in the Note (Exhibit B). If construction has not been started by January 1, 2012, the funds may be disencumbered and this OPA is voided

4. **LOAN OBLIGATIONS**.

4.1 Agency Acceptance of Plans. This OPA is a financing document of the Agency and not a land use or planning document. Approval of the Project under this OPA by the Agency is not and shall not be considered an approval of land use entitlements or structural design of the Project, or the aesthetic design of the Project except as an approval by the Agency of the Project design concept to affect the purpose of this OPA. Participant shall comply with all applicable land use, planning and design laws, rules and regulations of each governmental agency acting in proper exercise of their respective jurisdictions, including without limitation, departments, staff, boards and commissions of the City. Agency's approval of Plans is not an assurance of their adequacy or correctness. Agency has reserved approval rights solely (a) to assure that the Plans further the Redevelopment Plan; and (b) to assure that the Project is developed as intended by this OPA.

4.2 Zoning and Condition of the Site. As between the Agency and Participant, Participant is solely responsible for investigating the condition of the Site for the Rehabilitation Work to be undertaken (including zoning and Hazardous Materials conditions, if any) and for placing the Site in a suitable condition for construction.

4.3 Conditions Precedent to Commencement of Construction. Participant shall not begin the construction work pursuant to this OPA until the following conditions precedent have been satisfied:

4.3.1 Participant has secured legal control of the site,

4.3.2 Participant has obtained City approval of all Plans, and a building permit and all other permits required for the Rehabilitation Work, if any;

4.3.3 Participant has submitted to Agency the certificates of insurance required by Section 8; and

4.343 Participant has entered into a Construction Contract with a licensed general contractor or directly with subcontractors for the construction work to be completed on the Site and has provided a copies of the applicable executed contracts to the Agency.

4.3.5 Participant has entered into a contract with a licensed general contractor to supervise and direct all rehabilitation work requiring a building permit, encroachment permit, or inspection of work by Pacific Gas and Electric (PG&E) and has provided a copy of applicable executed contract to the Agency. The Participant shall obtain Agency's approval of the selected general contractor.

5. **CONSTRUCTION**. The Participant shall carry out the Construction of and manage the Project according to the requirements established in this OPA, the Plans, and in conformity with all applicable laws, including without limitation all applicable building codes and labor standards. Participant shall promptly begin, diligently prosecute and timely complete the construction of the Project. In interpreting the provisions of this OPA, the provisions which specifically enforce the Redevelopment Plan and the applicable provisions of the Community Redevelopment Law and / or the Code of Federal Regulations shall control.

5.1 Completion of Construction. Participant shall promptly begin construction and shall complete construction of the Site pursuant to Exhibit D, Scope of Work/Schedule of Performance.

5.2 Public Safety Protections**.** Participant shall assure that all necessary steps are taken (including the erection of fences, barricades and warning devices) to protect private contractors and their employees and the public from the risk of injury arising out of the condition of the Site or Participant's activities in connection with the Site, including without limitation, fire, or the failure, collapse or deterioration of any improvements or buildings.

5.3 Antidiscrimination During Construction. The Participant for itself and its successors and assigns, agrees that the following provisions shall apply to, and be contained in all contracts and subcontracts for the construction of the Site. (For purposes of this Section 5.3, Participant shall also mean Contractor or Subcontractor.)

5.3.1 Employment. The Participant shall not discriminate against any employee or applicant for employment on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955 and Section 12955.2 of the Government Code. The Participant will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955 and Section 12955.2 of the Government Code. Such action shall include, but not limited to, the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layout or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Participant agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the Agency setting forth the provisions of this nondiscrimination clause.

5.3.2 Advertising. The Participant shall, in all solicitations or advertisements for employees placed by or on behalf of the Participant, state that all qualified applicants will receive consideration for employment without regard to any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955 and Section 12955.2 of the Government Code.

5.4 Lead-Based Paint. Participant shall not use lead-based paint in the construction of the Site.

5.5 Hazardous Materials**.** If "Hazardous Substances" are known to be or discovered on the Site, Participant shall remediate all Hazardous Substances on the Site as and to the extent required by any federal, state or local agency having jurisdiction regarding Hazardous Substances standards or remediation and as may be necessary to avoid incurring liability or further liability under any federal, State and local law or regulation. Participant shall bear all costs related to such remediation.

5.6 Changes in the Work. Participant shall, prior to its occurrence, notify Agency of all changes in the construction which result in a net increase in cost, alter the scope of the work, or extend the period for construction beyond the Completion Date set forth in the Scope of Work/Schedule of Performance (Exhibit D). Agency shall have the right to approve or reject such changes. Agency shall make such approval or rejection in writing within a reasonable time. If the cost of construction of the Project or any part of the Project exceeds the costs projected by Participant, the Participant shall, nevertheless, bear the responsibility to complete, at his/her cost, the construction of the Project in accordance with this OPA.

5.7 Notification of Contractors, Architects and Engineers. Participant shall ensure that the Construction Contract shall fully comply with this OPA. Participant shall notify his/her Project Contractors, architects and engineers of the requirements of this OPA. Participant shall include, where applicable, the provisions of this OPA in contracts and subcontracts for the Project, and Participant shall enforce such provisions.

5.8 Agency Inspection and Access to Site. Agency shall have the right to inspect all books and records of Participant related to the Project and the construction and changes in construction during normal business hours to assure Participant's compliance with the provisions of this OPA and Plans. Participant shall permit Agency representatives' access, without charge, to the entire Site at any time during normal business hours and for any purpose which Agency reasonably considers necessary to carry out its obligations and protect its interests under this OPA. Purposes for Agency entry may include, without limitation, inspection of all work being performed in connection with the construction of the Site.

5.9 Supervision of the Work. Participant shall be solely responsible for monitoring all Construction Work and the construction of the Site, ensuring that the Construction Work is performed in a workmanlike manner, and enforcing the terms of this OPA and the Construction Contracts. Agency inspection of Construction Work shall be solely for the purpose of monitoring disbursements of Agency funds, assuring Participant's performance under this OPA and protecting Agency's interest in the Site.

6. COVENANTS REGARDING USE AND NONDISCRIMINATION.

Participant, its successors and assigns, shall not discriminate on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955 and Section 12955.2 of the Government Code in the sale, lease or rental or in the use or occupancy of the Site. Participant shall use the Site in accordance and conformity with the Redevelopment Plan.

7. INDEMNIFICATION

7.1 Indemnification. Participant shall indemnify, protect and defend the Agency, its officers, directors, employees and agents, and hold them harmless from any and all claims and liability for bodily injury, death and property damage caused by or resulting from the acts or omissions of Participant, its officers, employees, agents or independent contractors and for any and all costs incurred by the Agency in defending against such claims, including investigator's, witness' and attorney's fees and court costs. This Section 7.1 shall survive the termination of this OPA, irrespective of the reason for its termination.

7.2 Indemnification of Agency for Hazardous Materials. Participant acknowledges that the Agency is not and has not been the owner of, or in possession of, all or any part of the Site. Participant shall indemnify, protect and defend Agency and hold Agency harmless from any and all costs, fees, penalties and claims related to the existence of Hazardous Materials on the Site and to the removal or discharge of Hazardous Materials from the Site by Participant, or its employees, agents or contractors. The indemnity provisions regarding Hazardous Materials set out in this Section 7.2 shall survive the expiration or other termination of this OPA, irrespective of the reason for its termination.

8. INSURANCE AND PUBLIC SAFETY PROTECTIONS.

Participant shall promptly take steps to protect private contractors and their employees and the public from the risk of injury whether from the condition of the Site or Participant's activities in connection with the Site. The Participant shall obtain and maintain, or require the Contractor and subcontractors for the Project to purchase and maintain the following insurance for claims which may result from the operations under the OPA of the Participant, any Contractor, subcontractor or anyone directly or indirectly employed by any of them, or by anyone for whose acts any of them may be liable:

8.1 Liability Insurance Policy Limits. The insurance required by this Section shall be written with a deductible of not more than TWENTY-FIVE THOUSAND DOLLARS ($25,000) or a lower amount approved in writing by Agency Executive Director or Agency Counsel and for not less than the following limits of liability:

8.1.1 Worker's Compensation. Claims under workers' compensation benefit acts: Worker's Compensation Statutory Limits shall be as required by Article 1 (commencing with Section 3700) of Chapter 4 of Part 1 of Division 4 of the California Labor Code (as it may, from time to time, be amended).

8.1.2 Comprehensive General Liability. Claims for damages because of bodily injury, occupational sickness or disease, or death of his employees and of any person other than his employees; claims for damages insured by usual personal injury liability coverage which are sustained (1) by any person as a result of an offense directly or indirectly related to the employment of such person by the Participant, or (2) by any other person; claims for damages, other than to the construction itself, because of injury to or destruction of tangible property, including resulting loss of use; and claims for contractual liability arising from the Participant's obligations under this OPA.

8.1.3 Commercial General Liability coverage which shall include Site-Operations, Independent Contractor's Protective, Products and Completed Operation (for four years), Broad Form Property Damage, or other coverage as approved by Agency Counsel, in the following limits of liability:

8.1.2.1 Bodily Injury. Bodily injury liability of $500,000 each occurrence and $500,000 Aggregate, Products and Completed Operations.

8.1.2.2 Property Damage. Property damage liability of $500,000 each occurrence; $500,000 single limit and $500,000 aggregate.

8.1.2.3 Contractual Liability. Contractual liability for Bodily Injury of $500,000 each occurrence; for Property Damage of $500,000 each occurrence and $500,000 aggregate; and Personal Injury with Employment Exclusion Deleted of $500,000 aggregate.

8.1.3 Comprehensive Automobile Liability. Claims for damages because of bodily injury or death of any person or property damage arising out of the ownership, maintenance or use of any motor vehicle: Comprehensive Automobile Liability for any vehicle used for or in connection with the Rehabilitation Work (Owned, Non-owned, hired, leased): $500,000.

8.1.4 Fire, Hazard and Extended Coverage Insurance**.** For the duration of this OPA, Participant shall obtain and maintain fire and hazard insurance to the full insurable value of the Site with endorsements of extended coverage, vandalism, and malicious mischief, and with such other endorsements and in such amounts as the Agency may reasonably require to protect the Project. In the event of damage to the Project, Participant shall use the proceeds of such insurance to reconstruct the Project and the public improvements.

8.2 Insurance Provisions.

8.2.1 Provider. Each policy of insurance required under this OPA shall be obtained from a provider licensed to do business in California and having a current rating as may be approved in writing by Agency's legal counsel.

8.2.2 Additional Insured. The Agency and the City of Woodland shall be additional insured on all insurance policies, except the worker's compensation policy.

8.2.3 Cancellation. Each policy shall bear an endorsement precluding cancellation or termination of the policy or reduction in coverage unless the Agency has been given written notice of such intended action at least thirty (30) days prior to its effective date.

8.2.4 Certificates and Policies. Participant shall provide to Agency certificates of said insurance prior to commencing the work of this OPA and shall provide to Agency true copies of the policies of said insurance as soon as available.

8.2.5 Failure to Maintain. If Participant fails to obtain or maintain, or cause to be obtained and maintained, any insurance required by this OPA, the Agency shall have the right to purchase the insurance and withhold from the Agency Funding the full costs to Agency of obtaining such insurance and treat the funds withheld as an additional disbursement in accordance with this OPA.

8.2.6 Modification. The requirements of the foregoing insurance provisions shall not be modified except upon prior written approval of Agency Counsel.

9. PROHIBITIONS AGAINST ASSIGNMENT AND TRANSFER.

Assignment and transfer of Participant's interests in the Site or any interest under this OPA without Agency's prior written approval are prohibited. Agency's approval shall not be unreasonably withheld.

10. DEFAULTS AND REMEDIES.

Subject to any extension of time permitted by this OPA, a failure or delay by a party to perform any term or provision of this OPA constitutes a default of this OPA.

10.1 Cure. Except as otherwise provided in the OPA, if either party shall default in, or breach, this OPA, such party shall immediately commence and diligently proceed to cure such default or breach within ten (10) days after receipt of written notice from the other party of such default or breach. If the defaulting party does not promptly begin and diligently pursue a cure of the default or fails to cure the default within a reasonable time, the aggrieved party may institute proceedings to cure and remedy such default or breach, including, but not limited to, proceedings to compel specific performance by the party in default. While Agency is not relieved of any obligation under this OPA to give notice, mere failure of Agency to notify Participant shall not be deemed a waiver of Participant's default.

10.2 No Waiving by Delay. Any delay by a party in asserting any rights under this Section shall not operate as a waiver of such rights or to deprive such party of, or limit, such rights in any way. Any waiver in fact made by a party with respect to any specific default shall not be considered as a waiver of the rights of such party with respect to any other defaults or with respect to the particular default except to the extent specifically waived in writing.

10.3 Delay for Causes Beyond Control of Party. For the purposes of any of the provisions of this OPA, neither Agency nor Participant shall be considered in breach of, or default in, its obligations with respect to the preparation of the Site for rehabilitation, or the beginning, prosecution and completion of construction of the Improvements, if delay in the performance of such obligations is due to unforeseeable causes beyond the delayed party's control and without its fault or negligence. Unforeseeable causes shall include acts of God, acts of the public enemy, acts of the federal government, acts of the other party, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, a general moratorium on financing for projects of the same type, and unusually severe weather (as for example, floods, tornadoes, or hurricanes) or delays of subcontractors due to such causes. In the event of the occurrence of any such enforced delay, the time or times for performance of such obligations of the Agency and Participant shall be extended for the period of the enforced delay, as determined by the Agency, provided that the party seeking the benefit of the provisions of this Section shall, within thirty (30) days after Participant has or should have knowledge of any such enforced delay, have first notified the other party, in writing, of the delay and its cause, and requested an extension for the period of the enforced delay.

10.4 Commencement of Construction. Participant shall begin construction of the rehabilitation work not later than January 1, 2012.. This will require Participant to receive a building permit issued by the City of Woodland for the project site at 1004 Court Street and have at least one contractor working at the site. In the event that the Participant fails to begin construction by the aforementioned date or does not obtain an extension approved by the Agency Board of Directors, the OPA shall no longer be valid and all funding will be disencumbered.

11. GENERAL PROVISIONS

11.1 Time for Actions. Agency and Participant shall each do the actions required of them, on or before the times specified in this OPA. Unless otherwise provided, Agency shall give required approvals or disapprovals within forty-five (45) days after submission of request for approval.

11.2 Definitions. The following definitions shall apply for the purposes of this OPA:

11.2.1 "Agency" is the Redevelopment Agency of the City of Woodland. The Agency is a public body, corporate and politic, exercising governmental functions and powers, and organized and existing under the Community Redevelopment Law of the State of California. The principal office of the Agency is located at 300 First Street, Woodland, CA 95695. "Agency" as used in this OPA includes the Redevelopment Agency of the City of Woodland and any assignee of, or successor to, its rights, powers and responsibilities.

11.2.2 "Completion Date" is the date stated in the Scope of Work/Schedule of Performance (Exhibit D) for the completion of the Construction Work to be performed on the Site.

11.2.3 “Construction Contract” is the contract (or contracts) to be entered into with the Contractor for the Rehabilitation Work to be undertaken and completed on the Site.

11.2.4 "Contractor" is the contractor or contractors with whom Participant has contracted for the construction, and "subcontractors" are those contractors or materialmen with whom Contractor has contracted or with whom another subcontractor has contracted for a portion of the construction. Contractor (and all subcontractors who must, by law, hold a contractor's license) shall have a current and valid contractor's license, issued by the California Contractors' State License Board, for the work they are performing.

11.2.5 "Hazardous Materials" shall include, but not be limited to, all substances, wastes and materials designated or defined as hazardous or toxic pursuant to any of the following statutes, as they may be amended or superseded, from time to time: the Clean Water Act (33 U.S.C. §1321 et. seq.); the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (42 U.S.C. §9601 et seq.); the Resource Conservation and Recovery Act (42 U.S.C. §6901 et seq.); the United States Department of Transportation Hazardous Materials Table (49 CFR 172.101); the Environmental Protection Agency list of hazardous materials (40 CFR Part 302) and California Health and Safety Code Sections 25115, 25117, 25122.7, 25140 (Hazardous Waste Control Law), 25316 (Carpenter-Presley-Tanner Hazardous Substances Account Act), 25501 (Hazardous Materials Release Response Plans and Inventory) and 25281 (Underground Storage of Hazardous Substances); all applicable local regulations; and all regulations and promulgations pursuant to said laws.

11.2.6 "Improvements" are the works of improvement, including rehabilitation, to be constructed on the Site in accordance with this OPA.

11.2.7 “Loan Amount” is the maximum amount the Agency shall pay to or on behalf of the Participant for the completion of the Construction Work. The Loan Amount is $2,000,000, minus the public art contribution.

11.2.8 “Map”, is the map of the project site attached as Exhibit A-1, and incorporated herein by this reference.

11.2.9 "OPA" is this Owner Participation Agreement which includes this document and the Plans and referenced attachments to this OPA which are incorporated in this OPA as if set forth in full in the body of the OPA. A default of any of the referenced attachments shall be deemed a default of this OPA.

11.2.10 "Plans" are the full and final plans, drawings and specifications for the Project, including the work write-up, or scope of work, which have been approved by the City and reviewed by the Agency as suitable for Agency funding and which are on file with the Agency.

11.2.11. "Site" is that real property which the Participant owns, as more particularly described in <u>Exhibit A: Legal Description,</u> and as shown on the Map attached hereto as Exhibit A-2. The Site includes all existing improvements currently located on the Site.

11.2.12 "Project" is the construction of the Site, as more particularly set out in the Plans and this OPA.

11.2.13 "Project Area" is the redevelopment project area, as defined in the Redevelopment Plan and referred to in Recital B of this OPA.

11.2.14 "Participant" is the Woodland Opera House. The mailing address for the Participant is 340 Second Street, , Woodland, CA. 95695.

11.2.15 "Redevelopment Plan" is the Redevelopment Plan for the Woodland Redevelopment Project adopted in 1988 by Ordinance No. 1129 (as it may be amended from time to time) as adopted by the City Council of the City of Woodland. References to the Redevelopment Plan include all rules, regulations, plans and strategies duly adopted in accordance with the Redevelopment Plan.

11.2.16 “Construction Work” means the construction work to be undertaken and completed on the Site pursuant to this OPA, as set forth in the Scope of Work/Schedule of Performance (Exhibit D).

11.2.17 "Subcontractors List" is the list, prepared by Participant, of all subcontractors employed in the work of construction if any, the work to be performed by each subcontractor, and the total amount to be paid to each subcontractor.

11.2.18 "Unavoidable Delay" is a delay in the performance by a party of any obligation which delay is beyond the control of such party. Unavoidable Delay is further defined in Section 10.3.

11.3 Inspection of Books and Records and Site Access. Agency has the right, at all reasonable times, to inspect the books and records of the Participant pertaining to the Site as necessary to assure compliance with the provisions of this OPA. Participant shall keep such books and records as Agency may reasonably require assuring Participant's performance of its obligations under this OPA. Participant shall permit Agency representatives’ access, without charge, to the entire Site at any time and for any purpose which Agency reasonably considers necessary to carry out its obligations and protect its interests under the OPA.

11.4 Fees, Commissions, Gifts or Interests. Agency shall not be liable for any real estate commissions, brokerage fees or finder’s fees which may arise from this OPA. Agency and Participant each represent that neither has engaged any broker, agent or finder, and that neither claims such a commission or fee, in connection with this OPA. Participant shall pay no fee or commission, make no gifts and provide no interest in the Loan to any employee or official of the Agency or the City of Woodland.

11.5 Entire Agreement. This OPA integrates all of the terms and conditions related or incidental to its subject matter, and supersedes all negotiations or previous agreements between the parties with respect to its subject matter.

11.6 Waivers and Amendments. All waivers of the provisions of this OPA must be in writing and signed by the appropriate authorities of the Agency or the Participant, and all amendments hereto must be in writing and signed by the appropriate authorities of the Agency and the Participant.

11.7 Nonliability of Agency Officials and Employees. No member, official or employee of the Agency shall be personally liable to the Participant, or any successor in interest, in the event of any default or breach by the Agency or for any amount which may become due to the Participant or its successors, or on any obligations under the terms of this OPA.

11.8 Local, State and Federal Laws . The Participant shall assure that the construction of the Project is carried out in conformity with all applicable laws and regulations, including all applicable federal and state labor standards. Before commencement of construction or development of any buildings, structures or other work of improvement upon the Site, Participant shall at its own expense secure any and all certifications and permits which may be required by any governmental agency having jurisdiction over such construction, development or work. Agency shall cooperate in securing certifications and permits which require consent of the owner of the property. Participant shall permit only persons or entities that are duly licensed in the State of California, County of Yolo and City of Woodland, as applicable, to perform work on or for the Project.

11.9 Notices And Demands. A notice, demand or other communication under the OPA by either party to the other shall be in writing and shall be sufficiently given or delivered if it is dispatched by registered or certified mail, postage prepaid, return receipt requested, or delivered personally, to the address set out above, or at such other address with respect to either such party as that party may, from time to time, designate in writing and forward to the other as provided for a notice in this Section.

THIS AGREEMENT IS EXECUTED as of _______________________ in Woodland, California.

PARTICIPANT:

Woodland Opera House Theater Company

By: __________________________
Jeff Kean
Its: Executive Director

AGENCY:

REDEVELOPMENT AGENCY OF THE
CITY OF WOODLAND

By: ______________________________
MARK G. DEVEN
Agency Executive Director

APPROVED AS TO FORM:

By: _______________________________
Agency Counsel

EXHIBIT A

LEGAL DESCRIPTION OF THE PROPERTY

The land described herein is situated in the State of California, County of Yolo, City of Woodland, and is described as follows:

TO BE PROVIDED

EXHIBIT A - 2

MAP OF THE SITE

To Be Included

EXHIBIT B

PROMISSORY NOTE

$2,000,000 __________________, 2011

Woodland, California

EXHIBIT C

DEED OF TRUST

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

REDEVELOPMENT AGENCY OF THE
CITY OF WOODLAND
300 First Street
Woodland, CA 95695
Attn: Executive Director

EXHIBIT D

SCOPE OF WORK/SCHEDULE OF PERFORMANCE
(Interior and Exterior Rehabilitation)

SCOPE OF WORK/SCHEDULE OF PERFORMANCE:

To Be Completed

McCANDLESS & ASSOCIATES ARCHITECTS, INC.

THE PERFORMING ARTS CENTER AT THE STATE THEATER

The proposed project includes basic building shell improvements, functional interior improvements necessary for operating a black box performance theater, and the interior and exterior restoration of the style defining elements of the original 1937 Moderne State Theater. Shell improvements include work necessary to repair and/or replace damaged features, upgrade mechanical and electrical systems, provide fire sprinklers and protection systems, and selective structural upgrades. Functional upgrades necessary for Woodland Opera House needs include the construction of a black box theater, greenroom and dressing rooms within the volume of the original auditorium. The loge of the original auditorium will be walled-off and will now contain sound control rooms and storage space. Former office and storage spaces above the lobby will be improved to be used as office space. The original retail spaces in the front of the theater that were most recently used as small movie theaters will be remodeled into dance rehearsal spaces. New accessible restrooms will be installed in concealed spaces of the original floor plan design. The functional improvement budget also includes fixtures and equipment such as theatrical lighting, lighting and sound controls, risers, chairs, etc. Although the project budget is conceived-of and presented as three components, it is not being suggested as a method of project phasing. The components are interdependent and together represent the full scope. Although this project in some ways compromises the integrity of the original auditorium, it can be accomplished in such a manner as to allow new performance theater-goers to experience a sense of the original movie theater as many interior features will be restored and remain visible such as the proscenium arch, restored light fixtures, decorative painting, etc. The lobby will be fully restored to its original condition as will the exterior including reconstruction of the marquee.

666 DEAD CAT ALLEY ▲ WOODLAND, CA 95695
LOCAL (530) 662-9146 ▲ FROM SACRAMENTO (916) 447-2782 ▲ FAX (530) 662-3425
mccandlessarch.com ▲ info@mccandlessarch.com

APRIL 29, 2011
ESTIMATE OF
PROBABLE CONSTRUCTION COST

Since the design professional has no control over the cost of labor, materials, or equipment, or over the contractor’s method of determining prices, or over competitive bidding or market conditions, his opinions of probable construction cost provided for herein are to be made on the basis of his experience and qualifications. These opinions represent his best judgment as a design professional familiar with the construction industry, however, he cannot and does not guarantee that proposals, bids or the construction cost will not vary from opinions of probable cost prepared by him.

SHELL IMPROVEMENTS:

Selective Demolition	$ 33,000
Toxic Materials Survey & Abatement	$ 30,000
Misc. Steel	$ 40,000
Rough Carpentry/Seismic Improvements	$158,000
Finish/Misc. Carpentry: Misc	$ 20,000
Insulation	$ 22,000
Roof Diaphragm and Roofing	$ 53,000
Misc. Caulking	$ 6,200
Door Package (Frames/Doors/Hardware)	$ 38,000
Door Package Installation	$ 12,000
Access Panels	$ 300
Gypsum Board	$ 40,000
Metal Stud Framing	$ 35,000
Ceramic Tile	$ 15,000
Interior Painting	$ 20,000
Ceiling Repair	$ 8,000
Floor Prep	$ 2,500
Flooring	$ 5,000
Bathroom Partitions	$ 2,500
Bathroom Accessories	$ 3,000
Interior Signs	$ 1,500
Fire Extinguishers	$ 480
Plumbing	$ 40,000
Fire Sprinklers	$ 85,000
HVAC	$154,000
Electrical	$110,000
Fire Alarm System	$ 7,500
SUB-TOTAL	$941,980

OPERA HOUSE FUNCTIONAL IMPROVEMENTS:

Theater Walls	$ 48,600
Wall Coverings	$ 11,000
Raised Floor/Ramps	$ 36,000

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Greenroom/Dressing Room Construction	$ 38,500	
Lighting Booth	$ 30,000	
Light Grid	$ 10,000	
Offices	$ 40,500	
Intermediate Wall Construction	$ 8,200	
Dance Studio Finishes	$ 84,000	
New Accessible Restroom	$ 20,000	
Electrical	$ 79,500	
Plumbing	$ 10,000	
Theatrical Lighting, Audio/Visual, etc.	$116,000	
Risers	$ 65,000	
Chairs	$ 60,000	
SUB-TOTAL	$657,300	
RESTORATION IMPROVEMENTS:		
Demolition	$ 12,000	
Marquee Restoration	$130,000	
Storefronts & Lobby Doors	$ 28,000	
Windows	$ 3,000	
Exterior Painting	$ 15,000	
Decorative Interior Painting	$ 15,000	
Decorative Interior Light Fixtures	$ 25,000	
Misc. Restoration	$ 20,000	
SUB-TOTAL	$248,000	
TOTAL		$1,847,280
General Conditions 8%	$147,782	
Architecture/Engineering Fees 8%	$147,782	
Contingency 15%	$277,092	
GRAND TOTAL		$2,419,936

City of Woodland

REPORT TO REDEVELOPMENT AGENCY BOARD

AGENDA ITEM

TO: THE REDEVELOPMENT AGENCY BOARD

DATE: June 21, 2011

SUBJECT: BlackPine Burger Restaurant Loan, 210 Main Street

Report in Brief

The Redevelopment Agency staff is implementing projects consistent with the Redevelopment 2010-2014 Implementation Plan. The priority goals in the Implementation Plan are to (1) create new entertainment venues and activities for downtown, (2) increase residential development, and (3) develop currently underutilized or vacant sites near the Main Street corridor, while renovating and preserving existing structures. Agency staff presented a Redevelopment Investment Strategy at the April 5, 2011 Agency meeting. The Strategy included a description of multiple projects proposed by BlackPine Holdings, Inc., a Woodland-based management company established by Woodland resident Jeff Morgan. The projects included a complete renovation of the site currently known as the Woodland Auto Plaza at 210 Main Street at the southwest corner of Main and Walnut streets. BlackPine is requesting a loan of $1,000,000 for the construction of a "retro burger joint with a twist". Staff is recommending that the allocation be reduced to $750,000 based on the reasons described herein.

Staff recommends that the Redevelopment Agency Board adopt Resolution No. _____ approving execution of an Owner Participation Agreement for the Burger Restaurant and allocating $750,000 in redevelopment bond funds for building renovation and site improvements.

Background

On April 5, 2011, Redevelopment Agency staff brought forward a strategy on how to encumber and spend the approximately $5 million of Redevelopment Tax Increment Bond proceeds. Staff presented the Board with different projects that could utilize the funding and received direction on which projects to proceed. To be considered, projects must meet one or more of the redevelopment priority goals of (1) creating new entertainment venues and activities for downtown, (2) increasing residential development, and (3) developing currently underutilized or vacant sites, while renovating and preserving existing structures. This project meets the two goals, including creating new entertainment venues and renovating and developing underutilized sites. This project will also preserve an existing structure although it should be noted that the building which would be preserved is not an historic structure.

For this project, the developer envisions renovating the building at the old car sales lot. Early conceptual design ideas envision planting a row of palm trees along Main Street with an attractive shade structure over the front part of the parking lot. The cost of the project is estimated at slightly over $2 million dollars or $383/s.f.

Discussion

BlackPine Holdings is seeking a $1,000,000 loan for renovation of the 210 Main Street property. BlackPine will upgrade and renew the old car lot site into a 1950's retro Burger Joint "with a twist". The estimated construction cost provided by BlackPine which covers buildings, facilities, and offsite and onsite improvements is $2,029,825. Detailed construction documents have not yet been prepared for the project.

In recommending that the loan be limited to $750,000, staff considered two issues. First, the construction costs are considerably higher than those normally found for restaurant construction. While the BlackPine Company has sufficient assets to cover any debt payments, the property and building for this project would likely appraise at approximately $700,000 depending on the capitalization rate used and the rental income expected from a restaurant of this type. BlackPine also has other assets which provide sufficient collateral for the proposed loan.

The second issue is the Agency's interest in allocating the bond funds for other projects. By reducing the loan amount, the Agency retains some flexibility to allocate more funds for other priorities, if desired.

The loan conditions also propose that a small portion of the RDA loan funds in the amount of 1.5%, or $11,250 will be withheld for contribution for public art.

The project is in the early stages of development and the developer will be working on completing conceptual designs, submitting plans and designs for entitlements and planning review and then preparing preliminary and final construction specifications. To protect the Agency's interests, the Agency will record a deed of trust against this property and other assets owned by BlackPine. As with all the Agency development agreements given the state budget climate, if the developer has not started construction by January 1, 2012, the funds will be disencumbered and reallocated to other projects.

The terms of the Agency's $750,000 loan will be at the Applicable Federal Rate (AFR), an interest rate set by the Federal government, for a five year term. The rate will be set at the time the OPA, currently in draft form, (Attachment I) is executed.

Normally, private sector lenders would not provide a loan on this project based on the fact that it is an untried, restaurant start-up and the high construction costs. Staff is bringing this project forward for the Agency Board's consideration based on the high quality of Mr. Morgan's previous projects and the strength of the assets of the holding company.

Fiscal Impact

The loan will be funded with Redevelopment Agency bond proceeds and will not have an impact on the General Fund. Per the Owner Participation Agreement, the loan would be completely repaid in five years.

Public Contact

This Redevelopment Agency item was also posted on the joint City Council/Agency agenda.

Alternative Courses of Action

1. Adopt Resolution No. _____ approving execution of an Owner Participation Agreement for the Burger Restaurant and allocating $750,000 in redevelopment bond funds for building renovation and site improvements.

2. Do not approve the OPA and cease further consideration of Agency assistance for the Burger Restaurant.

Recommendation for Action

Staff recommends that the Redevelopment Agency Board approve Alternative No. 1.

Prepared by: Cynthia Shallit
Redevelopment Manager

____
Mark G. Deven
Executive Director

Attachments: Attachment 1 – Draft Owner Participation Agreement
Attachment 2 – Resolution No. _____

NO FEE DOCUMENT
Entitled to free recording
per Government Code 6103
When Recorded, return to:

City Clerk, City of Woodland
300 First Street
Woodland, CA 95695

OWNER PARTICIPATION AGREEMENT

210 MAIN STREET
BURGER RESTAURANT
[Loan for Building Rehabilitation]

TERM	DEFINITION
"Agency"	Woodland Redevelopment Agency
"Agency Address"	300 First Street, Woodland, CA 95695
"Participant"	BlackPine Holdings, Inc
"Participant Legal Status"	Morgan 2001 Revocable Trust
"Participant Address"	630 Lincoln Woodland, CA. 95695
"Project Area or Target Area"	Burger Restaurant 210 Main Street, Woodland, CA 95695 Woodland Redevelopment Project Area
"Effective Date"	June 22, 2011
"Loan Amount"	$750,000
"Funding Source"	Redevelopment Bond Funds

Agency and Participant enter into this Owner Participation Agreement (hereinafter "OPA") as of the Effective Date. [For purposes of this OPA, the capitalized terms shall have the meanings assigned in the above table and in
Section 11.2.]

RECITALS

A. Participant is the owner of the Site, consisting of that real property located generally at 210 Main Street , in the City of Woodland, California, more particularly described in Exhibit A: Legal Description, incorporated herein by this reference, and as shown on the Map attached hereto as Exhibit A-1, together with the building existing thereon commonly referred to as theBurger Restaurant Building.

B. Agency is a redevelopment agency formed and acting under the Community Redevelopment Law (California Health & Safety Code Sections 33000 *et seq.*), and this document is governed by the Community Redevelopment Law. The Funding Source of the Loan is Redevelopment Bond Funds (as defined in the Community Redevelopment Law) generated in the Project Area and is subject to the applicable provisions of the Community Redevelopment Law and the Redevelopment Plan for the Project Area. This OPA is made in accordance with provisions of the Redevelopment Plan for participation by Participants in the redevelopment of the Project Area (adopted in accordance with California Health & Safety Code Section 33339). This OPA is consistent with, and furthers, the Redevelopment Plan and the

"Implementation Plan" adopted for the Project Area in that it will remediate blight by improving and upgrading the appearance of commercial properties in the Project Area.

AGREEMENT

NOW THEREFORE, in consideration of the following mutual covenants, obligations and agreements and for other good and valuable consideration, the receipt and adequacy of which are acknowledged, the parties agree as follows:

1. **PURPOSE.** The purpose of this OPA is to provide for the rehabilitation of the improvements existing on the Site, and for the Agency to loan funds for a term not to exceed five years from January 1, 2012 in order to assist the Participant with the rehabilitation. The Agency represents that the use of the funds, under this OPA, and the fulfillment generally of this OPA, are (1) in the vital and best interests of the City and the health, safety, morals and welfare of its residents, (2) for the purpose of community improvement and welfare, (3) for the benefit of the Project Area and in accordance with the Agency's Redevelopment Plan, and (4) consistent with the Redevelopment Plan and the Implementation Plan. Participant represents and agrees that its promise to improve the Site under the OPA is not intended for speculation in land holding.

2. **TERM**. This OPA shall commence as of the date first written above and shall terminate upon the occurrence of all of the following:

   2.1 Fulfillment by the parties of their obligations under this OPA, including completion of the Project by the Participant; and

   2.2 Repayment of the Loan by Participant.

3. **LOAN PROVISIONS**

   3.1 Loan Amount. Agency hereby agrees to loan to Participant up to SEVEN HUNDRED AND FIFTY THOUSAND DOLLARS ($750,000) (the "Loan") and Participant hereby agrees to repay the Loan in accordance with this OPA and comply with the terms of this OPA for the rehabilitation of the Site. One-and-a-half percent (1.5%) of the loan amount, or $15,000 will be withheld for contribution towards a public art program administered by the Yolo County Arts Council. The Loan proceeds shall be used solely to pay the costs incurred by the Participant for rehabilitating the Burger Restaurant Building located at 210 Main Street (the "Rehabilitation Work"). The Loan shall be evidenced by a promissory note (the "Note") to be executed by Participant in favor of the Agency, in substantially the form attached hereto as Exhibit B and incorporated herein by reference. The Note shall be secured by a deed of trust ("Deed of Trust") to be executed by Participant, in substantially the form attached as Exhibit C and incorporated herein by reference. The Deed of Trust shall be recorded against the Site as a condition to and concurrently with disbursement of any portion of the Loan Amount.

   3.2 Disbursement Procedures. The Loan shall be disbursed to Participant as follows:

      3.2.1 Conditions Precedent. Agency shall not be obligated to make any disbursement of the Loan Amount until the following conditions precedent have been met:

         3.2.1.1 Participant is not in default of any provision of this OPA; and

3.2.1.2 The Participant has executed and delivered to the Agency the Note and Deed of Trust evidencing the Loan;

3.2.1.3 The Participant has provided the Agency with a CLTA standard form lender's policy of title insurance in the amount of the Loan, acceptable to Agency in its reasonable discretion, containing those endorsements reasonably requested by Agency that will insure the Deed of Trust as a valid first priority lien on the Site, subject only to those exceptions to title approved, in writing, by the Agency;

3.2.1.4 All conditions precedent to commencement of construction set forth in Section 4.3 of this Agreement shall have been satisfied, and the Participant shall be prepared to commence the Rehabilitation Work on the Site promptly following disbursement of the Loan;

3.2.1.5 The Participant shall have delivered to the Agency, and the Agency shall have approved, the Participant's budget for the Rehabilitation Work to be completed on the Site; and

3.2.1.6 The Participant shall have delivered to the Agency, and the Agency shall have approved, evidence satisfactory to the Agency that the Participant has financing or other funding available to it to undertake and complete the Rehabilitation Work in accordance with this Agreement.

3.2.2 Disbursement. Upon satisfaction of all conditions precedent set forth in this Section 3.2, the Agency will deliver to the Participant the Loan Amount, less the 1.5% for public art, and less a 10% contingency amount which shall be held by the Agency and disbursed upon full completion of the Rehabilitation Work and recordation of mechanics lien releases relating to such Rehabilitation Work.

3.3 **Repayment**. The Loan shall be repaid in accordance with the terms and conditions set forth in the Note (Exhibit B). If construction has not been started by January 2012, the funds may be disencumbered and this OPA is voided. The Loan shall be repaid in full by the Participant within five (5) years or otherwise provided in the Note. Following repayment of all amounts due and owing under the Note, the Agency shall execute and deliver to the Participant such documents as may be necessary to release the Agency's lien under the Deed of Trust from the Site.

4. **LOAN OBLIGATIONS**.

4.1 Agency Acceptance of Plans. This OPA is a financing document of the Agency and not a land use or planning document. Approval of the Project under this OPA by the Agency is not and shall not be considered an approval of land use entitlements or structural design of the Project, or the aesthetic design of the Project except as an approval by the Agency of the Project design concept to affect the purpose of this OPA. Participant shall comply with all applicable land use, planning and design laws, rules and regulations of each governmental agency acting in proper exercise of their respective jurisdictions, including without limitation, departments, staff, boards and commissions of the City. Agency's approval of Plans is not an assurance of their adequacy or correctness. Agency has reserved approval rights solely (a) to assure that the Plans further the Redevelopment Plan; and (b) to assure that the Project is developed as intended by this OPA.

4.2 Zoning and Condition of the Site. As between the Agency and Participant, Participant is solely responsible for investigating the condition of the Site for the Rehabilitation Work to be undertaken (including zoning and Hazardous Materials conditions, if any) and for placing the Site in a suitable condition for construction.

4.3 Conditions Precedent to Commencement of Construction. Participant shall not begin the rehabilitation work pursuant to this OPA until the following conditions precedent have been satisfied:

4.3.1 Participant has obtained City approval of all Plans, and a building permit and all other permits required for the Rehabilitation Work, if any;

4.3.2 Participant has submitted to Agency the certificates of insurance required by Section 8; and

4.3.3 Participant has entered into a Construction Contract with a licensed general contractor or directly with subcontractors for the rehabilitation work to be completed on the Site and has provided a copies of the applicable executed contracts to the Agency.

4.3.4 Participant has entered into a contract with a licensed general contractor to supervise and direct all rehabilitation work requiring a building permit, encroachment permit, or inspection of work by Pacific Gas and Electric (PG&E) and has provided a copy of applicable executed contract to the Agency. The Participant shall obtain Agency’s approval of the selected general contractor.

5. **REHABILITATION**. The Participant shall carry out the rehabilitation of and manage the Project according to the requirements established in this OPA, the Plans, and in conformity with all applicable laws, including without limitation all applicable building codes and labor standards. Participant shall promptly begin, diligently prosecute and timely complete the construction of the Project. In interpreting the provisions of this OPA, the provisions which specifically enforce the Redevelopment Plan and the applicable provisions of the Community Redevelopment Law and / or the Code of Federal Regulations shall control.

5.1 Completion of Construction. Participant shall promptly begin rehabilitation and shall complete rehabilitation of the Site pursuant to Exhibit D, Scope of Work/Schedule of Performance.

5.2 Public Safety Protections**.** Participant shall assure that all necessary steps are taken (including the erection of fences, barricades and warning devices) to protect private contractors and their employees and the public from the risk of injury arising out of the condition of the Site or Participant's activities in connection with the Site, including without limitation, fire, or the failure, collapse or deterioration of any improvements or buildings.

5.3 Antidiscrimination During Rehabilitation. The Participant for itself and its successors and assigns, agrees that the following provisions shall apply to, and be contained in all contracts and subcontracts for the rehabilitation of the Site. (For purposes of this Section 5.3, Participant shall also mean Contractor or Subcontractor.)

5.3.1 Employment. The Participant shall not discriminate against any employee or applicant for employment on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955 and Section 12955.2 of the Government Code. The Participant will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955 and Section 12955.2 of the Government Code. Such action shall include, but not limited to, the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layout or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Participant agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the Agency setting forth the provisions of this nondiscrimination clause.

5.3.2 Advertising. The Participant shall, in all solicitations or advertisements for employees placed by or on behalf of the Participant, state that all qualified applicants will receive consideration for employment without regard to any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955 and Section 12955.2 of the Government Code.

5.4 Lead-Based Paint. Participant shall not use lead-based paint in the rehabilitation of the Site.

5.5 Hazardous Materials**.** If "Hazardous Substances" are known to be or discovered on the Site, Participant shall remediate all Hazardous Substances on the Site as and to the extent required by any federal, state or local agency having jurisdiction regarding Hazardous Substances standards or remediation and as may be necessary to avoid incurring liability or further liability under any federal, State and local law or regulation. Participant shall bear all costs related to such remediation.

5.6 Changes in the Work. Participant shall, prior to its occurrence, notify Agency of all changes in the construction which result in a net increase in cost, alter the scope of the work, or extend the period for construction beyond the Completion Date set forth in the Scope of Work/Schedule of Performance (Exhibit D). Agency shall have the right to approve or reject such changes. Agency shall make such approval or rejection in writing within a reasonable time. If the cost of construction of the Project or any part of the Project exceeds the costs

projected by Participant, the Participant shall, nevertheless, bear the responsibility to complete, at his/her cost, the construction of the Project in accordance with this OPA.

5.7 Notification of Contractors, Architects and Engineers. Participant shall ensure that the Construction Contract shall fully comply with this OPA. Participant shall notify his/her Project Contractors, architects and engineers of the requirements of this OPA. Participant shall include, where applicable, the provisions of this OPA in contracts and subcontracts for the Project, and Participant shall enforce such provisions.

5.8 Agency Inspection and Access to Site. Agency shall have the right to inspect all books and records of Participant related to the Project and the rehabilitation and changes in rehabilitation during normal business hours to assure Participant's compliance with the provisions of this OPA and Plans. Participant shall permit Agency representatives' access, without charge, to the entire Site at any time during normal business hours and for any purpose which Agency reasonably considers necessary to carry out its obligations and protect its interests under this OPA. Purposes for Agency entry may include, without limitation, inspection of all work being performed in connection with the rehabilitation of the Site.

5.9 Supervision of the Work. Participant shall be solely responsible for monitoring all Rehabilitation Work and the rehabilitation of the Site, ensuring that the Rehabilitation Work is performed in a workmanlike manner, and enforcing the terms of this OPA and the Construction Contracts. Agency inspection of Rehabilitation Work shall be solely for the purpose of monitoring disbursements of Agency funds, assuring Participant's performance under this OPA and protecting Agency's interest in the Site.

6. COVENANTS REGARDING USE AND NONDISCRIMINATION.

Participant, its successors and assigns, shall not discriminate on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955 and Section 12955.2 of the Government Code in the sale, lease or rental or in the use or occupancy of the Site. Participant shall use the Site in accordance and conformity with the Redevelopment Plan.

7. INDEMNIFICATION

7.1 Indemnification. Participant shall indemnify, protect and defend the Agency, its officers, directors, employees and agents, and hold them harmless from any and all claims and liability for bodily injury, death and property damage caused by or resulting from the acts or omissions of Participant, its officers, employees, agents or independent contractors and for any and all costs incurred by the Agency in defending against such claims, including investigator's, witness' and attorney's fees and court costs. This Section 7.1 shall survive the termination of this OPA, irrespective of the reason for its termination.

7.2 Indemnification of Agency for Hazardous Materials. Participant acknowledges that the Agency is not and has not been the owner of, or in possession of, all or any part of the Site. Participant shall indemnify, protect and defend Agency and hold Agency harmless from any and all costs, fees, penalties and claims related to the existence of Hazardous Materials on the Site and to the removal or discharge of Hazardous Materials from the Site by Participant, or its employees, agents or contractors. The indemnity provisions regarding Hazardous Materials set out in this Section 7.2 shall survive the expiration or other termination of this OPA, irrespective of the reason for its termination.

8. INSURANCE AND PUBLIC SAFETY PROTECTIONS.

Participant shall promptly take steps to protect private contractors and their employees and the public from the risk of injury whether from the condition of the Site or Participant's activities in connection with the Site. The Participant shall obtain and maintain, or require the Contractor and subcontractors for the Project to purchase and maintain the following insurance for claims which may result from the operations under the OPA of the Participant, any Contractor, subcontractor or anyone directly or indirectly employed by any of them, or by anyone for whose acts any of them may be liable:

8.1 Liability Insurance Policy Limits. The insurance required by this Section shall be written with a deductible of not more than TWENTY-FIVE THOUSAND DOLLARS ($25,000) or a lower amount approved in writing by Agency Executive Director or Agency Counsel and for not less than the following limits of liability:

8.1.1 Worker's Compensation. Claims under workers' compensation benefit acts: Worker's Compensation Statutory Limits shall be as required by Article 1 (commencing with Section 3700) of Chapter 4 of Part 1 of Division 4 of the California Labor Code (as it may, from time to time, be amended).

8.1.2 Comprehensive General Liability. Claims for damages because of bodily injury, occupational sickness or disease, or death of his employees and of any person other than his employees; claims for damages insured by usual personal injury liability coverage which are sustained (1) by any person as a result of an offense directly or indirectly related to the employment of such person by the Participant, or (2) by any other person; claims for damages, other than to the construction itself, because of injury to or destruction of tangible property, including resulting loss of use; and claims for contractual liability arising from the Participant's obligations under this OPA.

8.1.3 Commercial General Liability coverage which shall include Site-Operations, Independent Contractor's Protective, Products and Completed Operation (for four years), Broad Form Property Damage, or other coverage as approved by Agency Counsel, in the following limits of liability:

8.1.2.1 Bodily Injury. Bodily injury liability of $500,000 each occurrence and $500,000 Aggregate, Products and Completed Operations.

8.1.2.2 Property Damage. Property damage liability of $500,000 each occurrence; $500,000 single limit and $500,000 aggregate.

8.1.2.3 Contractual Liability. Contractual liability for Bodily Injury of $500,000 each occurrence; for Property Damage of $500,000 each occurrence and $500,000 aggregate; and Personal Injury with Employment Exclusion Deleted of $500,000 aggregate.

8.1.3 Comprehensive Automobile Liability. Claims for damages because of bodily injury or death of any person or property damage arising out of the ownership, maintenance or use of any motor vehicle: Comprehensive Automobile Liability for any vehicle used for or in connection with the Rehabilitation Work (Owned, Non-owned, hired, leased): $500,000.

8.1.4 Fire, Hazard and Extended Coverage Insurance**.** For the duration of this OPA, Participant shall obtain and maintain fire and hazard insurance to the full insurable value of the Site with endorsements of extended coverage, vandalism, and malicious mischief, and with such other endorsements and in such amounts as the Agency may reasonably require to protect the Project. In the event of damage to the Project, Participant shall use the proceeds of such insurance to reconstruct the Project and the public improvements.

8.2 Insurance Provisions.

8.2.1 Provider. Each policy of insurance required under this OPA shall be obtained from a provider licensed to do business in California and having a current rating as may be approved in writing by Agency's legal counsel.

8.2.2 Additional Insured. The Agency and the City of Woodland shall be additional insured on all insurance policies, except the worker's compensation policy.

8.2.3 Cancellation. Each policy shall bear an endorsement precluding cancellation or termination of the policy or reduction in coverage unless the Agency has been given written notice of such intended action at least thirty (30) days prior to its effective date.

8.2.4 Certificates and Policies. Participant shall provide to Agency certificates of said insurance prior to commencing the work of this OPA and shall provide to Agency true copies of the policies of said insurance as soon as available.

8.2.5 Failure to Maintain. If Participant fails to obtain or maintain, or cause to be obtained and maintained, any insurance required by this OPA, the Agency shall have the right to purchase the insurance and withhold from the Agency Funding the full costs to Agency of obtaining such insurance and treat the funds withheld as an additional disbursement in accordance with this OPA.

8.2.6 Modification. The requirements of the foregoing insurance provisions shall not be modified except upon prior written approval of Agency Counsel.

9. PROHIBITIONS AGAINST ASSIGNMENT AND TRANSFER.

Assignment and transfer of Participant's interests in the Site or any interest under this OPA without Agency's prior written approval are prohibited. Agency's approval shall not be unreasonably withheld.

10. DEFAULTS AND REMEDIES.

Subject to any extension of time permitted by this OPA, a failure or delay by a party to perform any term or provision of this OPA constitutes a default of this OPA.

10.1 Cure. Except as otherwise provided in the OPA, if either party shall default in, or breach, this OPA, such party shall immediately commence and diligently proceed to cure such default or breach within ten (10) days after receipt of written notice from the other party of such default or breach. If the defaulting party does not promptly begin and diligently pursue a cure of the default or fails to cure the default within a reasonable time, the aggrieved party may institute proceedings to cure and remedy such default or breach, including, but not limited to, proceedings to compel specific performance by the party in default. While Agency is not relieved of any obligation under this OPA to give notice, mere failure of Agency to notify Participant shall not be deemed a waiver of Participant's default.

10.2 No Waiving by Delay. Any delay by a party in asserting any rights under this Section shall not operate as a waiver of such rights or to deprive such party of, or limit, such rights in any way. Any waiver in fact made by a party with respect to any specific default shall not be considered as a waiver of the rights of such party with respect to any other defaults or with respect to the particular default except to the extent specifically waived in writing.

10.3 Delay for Causes Beyond Control of Party. For the purposes of any of the provisions of this OPA, neither Agency nor Participant shall be considered in breach of, or default in, its obligations with respect to the preparation of the Site for rehabilitation, or the beginning, prosecution and completion of construction of the Improvements, if delay in the performance of such obligations is due to unforeseeable causes beyond the delayed party's control and without its fault or negligence. Unforeseeable causes shall include acts of God, acts of the public enemy, acts of the federal government, acts of the other party, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, a general moratorium on financing for projects of the same type, and unusually severe weather (as for example, floods, tornadoes, or hurricanes) or delays of subcontractors due to such causes. In the event of the occurrence of any such enforced delay, the time or times for performance of such obligations of the Agency and Participant shall be extended for the period of the enforced delay, as determined by the Agency, provided that the party seeking the benefit of the provisions of this Section shall, within thirty (30) days after Participant has or should have knowledge of any such enforced delay, have first notified the other party, in writing, of the delay and its cause, and requested an extension for the period of the enforced delay.

10.4 Commencement of Construction. Participant shall begin construction of the rehabilitation work not later than January 1, 2012.. This will require Participant to receive a building permit issued by the City of Woodland for the project site at 1059 Court Street and have at least one contractor working at the site. In the event that the Participant fails to begin construction by the aforementioned date or does not obtain an extension approved by the Agency Board of Directors, the OPA shall no longer be valid and all funding will be disencumbered.

11. GENERAL PROVISIONS

11.1 Time for Actions. Agency and Participant shall each do the actions required of them, on or before the times specified in this OPA. Unless otherwise provided, Agency shall give required approvals or disapprovals within forty-five (45) days after submission of request for approval.

11.2 Definitions. The following definitions shall apply for the purposes of this OPA:

11.2.1 "Agency" is the Redevelopment Agency of the City of Woodland. The Agency is a public body, corporate and politic, exercising governmental functions and powers, and organized and existing under the Community Redevelopment Law of the State of California. The principal office of the Agency is located at 300 First Street, Woodland, CA 95695. "Agency" as used in this OPA includes the Redevelopment Agency of the City of Woodland and any assignee of, or successor to, its rights, powers and responsibilities.

11.2.2 "Completion Date" is the date stated in the Scope of Work/Schedule of Performance (Exhibit D) for the completion of the Rehabilitation Work to be performed on the Site.

11.2.3 "Construction Contract" is the contract (or contracts) to be entered into with the Contractor for the Rehabilitation Work to be undertaken and completed on the Site.

11.2.4 "Contractor" is the contractor or contractors with whom Participant has contracted for the construction, and "subcontractors" are those contractors or materialmen with whom Contractor has contracted or with whom another subcontractor has contracted for a portion of the construction. Contractor (and all subcontractors who must, by law, hold a contractor's license) shall have a current and valid contractor's license, issued by the California Contractors' State License Board, for the work they are performing.

11.2.5 "Hazardous Materials" shall include, but not be limited to, all substances, wastes and materials designated or defined as hazardous or toxic pursuant to any of the following statutes, as they may be amended or superseded, from time to time: the Clean Water Act (33 U.S.C. §1321 et. seq.); the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (42 U.S.C. §9601 et seq.); the Resource Conservation and Recovery Act (42 U.S.C. §6901 et seq.); the United States Department of Transportation Hazardous Materials Table (49 CFR 172.101); the Environmental Protection Agency list of hazardous materials (40 CFR Part 302) and California Health and Safety Code Sections 25115, 25117, 25122.7, 25140 (Hazardous Waste Control Law), 25316 (Carpenter-Presley-Tanner Hazardous Substances Account Act), 25501 (Hazardous Materials Release Response Plans and Inventory) and 25281 (Underground Storage of Hazardous Substances); all applicable local regulations; and all regulations and promulgations pursuant to said laws.

11.2.6 "Improvements" are the works of improvement, including rehabilitation, to be constructed on the Site in accordance with this OPA.

11.2.7 “Loan Amount” is the maximum amount the Agency shall pay to or on behalf of the Participant for the completion of the Rehabilitation Work. The Loan Amount is $1,000,000, minus the public art contribution.

11.2.8 “Map”, is the map of the project site attached as Exhibit A-1, and incorporated herein by this reference.

11.2.9 "OPA" is this Owner Participation Agreement which includes this document and the Plans and referenced attachments to this OPA which are incorporated in this OPA as if set forth in full in the body of the OPA. A default of any of the referenced attachments shall be deemed a default of this OPA.

11.2.10 "Plans" are the full and final plans, drawings and specifications for the Project, including the work write-up, or scope of work, which have been approved by the City and reviewed by the Agency as suitable for Agency funding and which are on file with the Agency.

11.2.11. "Site" is that real property which the Participant owns, as more particularly described in <u>Exhibit A: Legal Description,</u> and as shown on the Map attached hereto as Exhibit A-2. The Site includes all existing improvements currently located on the Site.

11.2.12 "Project" is the rehabilitation of the Site, as more particularly set out in the Plans and this OPA.

11.2.13 "Project Area" is the redevelopment project area, as defined in the Redevelopment Plan and referred to in Recital B of this OPA.

11.2.14 "Participant" is theJeffrey D. Morgan and Kellie M. Morgan, as Settlors and as Trustees for the Morgan 2001 Revocable Trust. The mailing address for the Participant is 630 Lincoln Avenue, Woodland, CA. 95695..

11.2.15 "Redevelopment Plan" is the Redevelopment Plan for the Woodland Redevelopment Project adopted in 1988 by Ordinance No. 1129 (as it may be amended from time to time) as adopted by the City Council of the City of Woodland. References to the Redevelopment Plan include all rules, regulations, plans and strategies duly adopted in accordance with the Redevelopment Plan.

11.2.16 “Rehabilitation Work” means the rehabilitation work to be undertaken and completed on the Site pursuant to this OPA, as set forth in the Scope of Work/Schedule of Performance (Exhibit D).

11.2.17 "Subcontractors List" is the list, prepared by Participant, of all subcontractors employed in the work of construction if any, the work to be performed by each subcontractor, and the total amount to be paid to each subcontractor.

11.2.18 "Unavoidable Delay" is a delay in the performance by a party of any obligation which delay is beyond the control of such party. Unavoidable Delay is further defined in Section 10.3.

11.3 <u>Inspection of Books and Records and Site Access</u>. Agency has the right, at all reasonable times, to inspect the books and records of the Participant pertaining to the Site as necessary to assure compliance with the provisions of this OPA. Participant shall keep such books and records as Agency may reasonably require assuring Participant's performance of its obligations under this OPA. Participant shall permit Agency representatives’ access, without charge, to the entire Site at any time and for any purpose which Agency reasonably considers necessary to carry out its obligations and protect its interests under the OPA.

11.4 Fees, Commissions, Gifts or Interests. Agency shall not be liable for any real estate commissions, brokerage fees or finder's fees which may arise from this OPA. Agency and Participant each represent that neither has engaged any broker, agent or finder, and that neither claims such a commission or fee, in connection with this OPA. Participant shall pay no fee or commission, make no gifts and provide no interest in the Loan to any employee or official of the Agency or the City of Woodland.

11.5 Entire Agreement. This OPA integrates all of the terms and conditions related or incidental to its subject matter, and supersedes all negotiations or previous agreements between the parties with respect to its subject matter.

11.6 Waivers and Amendments. All waivers of the provisions of this OPA must be in writing and signed by the appropriate authorities of the Agency or the Participant, and all amendments hereto must be in writing and signed by the appropriate authorities of the Agency and the Participant.

11.7 Nonliability of Agency Officials and Employees. No member, official or employee of the Agency shall be personally liable to the Participant, or any successor in interest, in the event of any default or breach by the Agency or for any amount which may become due to the Participant or its successors, or on any obligations under the terms of this OPA.

11.8 Local, State and Federal Laws . The Participant shall assure that the construction of the Project is carried out in conformity with all applicable laws and regulations, including all applicable federal and state labor standards. Before commencement of construction or development of any buildings, structures or other work of improvement upon the Site, Participant shall at its own expense secure any and all certifications and permits which may be required by any governmental agency having jurisdiction over such construction, development or work. Agency shall cooperate in securing certifications and permits which require consent of the owner of the property. Participant shall permit only persons or entities that are duly licensed in the State of California, County of Yolo and City of Woodland, as applicable, to perform work on or for the Project.

11.9 Notices And Demands. A notice, demand or other communication under the OPA by either party to the other shall be in writing and shall be sufficiently given or delivered if it is dispatched by registered or certified mail, postage prepaid, return receipt requested, or delivered personally, to the address set out above, or at such other address with respect to either such party as that party may, from time to time, designate in writing and forward to the other as provided for a notice in this Section.

THIS AGREEMENT IS EXECUTED as of ______________________ in Woodland, California.

PARTICIPANT:

Morgan 2001 Revocable Trust

By: __________________________
Jeffrey D. Morgan
Its: _________________________
Settlor and Trustee

By:___________________________
Kellie M. Morgan

Its: _________________________
Settlor and Trustee
____

AGENCY:

REDEVELOPMENT AGENCY OF THE CITY OF WOODLAND

By: ______________________________
MARK G. DEVEN
Agency Executive Director

APPROVED AS TO FORM:

By: _______________________________
Agency Counsel

EXHIBIT A

LEGAL DESCRIPTION OF THE PROPERTY

The land described herein is situated in the State of California, County of Yolo, City of Woodland, and is described as follows:

TO BE PROVIDED

EXHIBIT A - 2

MAP OF THE SITE

To Be Included

EXHIBIT B

PROMISSORY NOTE

$1,000,000 ____________________, 2011
Woodland, California

EXHIBIT C

DEED OF TRUST

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

REDEVELOPMENT AGENCY OF THE
CITY OF WOODLAND
300 First Street
Woodland, CA 95695
Attn: Executive Director

EXHIBIT D

SCOPE OF WORK/SCHEDULE OF PERFORMANCE
(Interior and Exterior Rehabilitation)

SCOPE OF WORK/SCHEDULE OF PERFORMANCE:

To Be Completed

AGENCY RESOLUTION NO. ______________

A RESOLUTION OF THE REDEVELOPMENT AGENCY OF THE CITY OF WOODLAND APPROVING THE ALLOCATION OF FUNDS AND OWNER PARTICIPATION AGREEMENT FOR THE BURGER RESTAURANT AT 210 MAIN STREET

WHEREAS, on April 5, 2011, the Agency Board provided staff with direction in regards to projects to implement and allocate the Agency Bond funds;

WHEREAS, the Agency Board instructed staff to return to the Board with rates, terms, and funding allocations as the projects were deemed feasible; and

WHEREAS, Staff has identified projects that are ready to move forward and require funding.

NOW THEREFORE BE IT RESOLVED THAT the Redevelopment Agency Board does hereby:

Section 1. Approve an Owner Participation Agreement for the Burger Restaurant Project located at 210 Main Street in the amount of $750,000 in substantially the form attached to the staff report,

Section 2. Authorize the Executive Director to execute the OPA and any necessary related documents needed for the project, and

Section 3. Allocate $750,000 in redevelopment bond funds and amend the Agency budget accordingly.

PASSED AND ADOPTED this 21st day of June, 2011 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

____
Artemio Pimentel, Chair

ATTEST:

____
Ana B. Gonzalez, Secretary

APPROVED AS TO FORM:

____
Andrew J. Morris, Agency Attorney

City of Woodland

REPORT TO REDEVELOPMENT AGENCY BOARD

AGENDA ITEM

TO: THE REDEVELOPMENT AGENCY BOARD

DATE: June 21, 2011

SUBJECT: Owner Participation Agreement for Gorman's Roadhouse, 1004 Court Street

Report in Brief

The Redevelopment Agency staff is implementing projects consistent with the Redevelopment 2010-2014 Implementation Plan. The priority goals in the Implementation Plan are to (1) create new entertainment venues and activities for downtown, (2) increase residential development, and (3) develop currently underutilized or vacant sites, while renovating and preserving existing structures. Agency staff presented a Redevelopment Investment Strategy at the April 5, 2011 Agency meeting. The Strategy included a description of multiple projects proposed by BlackPine Holdings, Inc., a Woodland-based management company established by Woodland resident Jeff Morgan, including a re-creation of the Gorman's Roadhouse, located at the corner of Court and Sixth streets. This project would build a working replica of Gorman's Roadhouse that was located in the town of Yolo on vacant property on the eastern edge of the City's historic downtown.

Staff recommends that the Redevelopment Agency Board adopt Resolution No. _____ approving execution of an Owner Participation Agreement for the Gorman's Roadhouse and allocating $750,000 in redevelopment bond funds for interior and exterior improvements.

Background

On April 5, 2011, Redevelopment Agency staff brought forward a strategy on how to encumber and spend the approximately $5 million of Redevelopment Tax Increment Bond proceeds. Staff presented the Board with different projects that could utilize the funding and received direction on which projects to proceed. To be considered, projects must meet the redevelopment priority goals of (1) creating new entertainment venues and activities for downtown, (2) increasing residential development, and (3) developing currently underutilized or vacant sites, while renovating and preserving existing structures. This project creates new entertainment venues and develops a currently underused and vacant site. It should be noted that as new construction it does not renovate or preserve an historic structure.

At the April 5 meeting Agency staff presented the Board a description of multiple projects proposed by BlackPine Holdings, including the construction of the Gorman's Roadhouse to utilize the property for a restaurant. Agency staff purposes that the Agency Board approve a $1,000,000 loan to BlackPine Holdings, Inc., the owner of the Gorman's Roadhouse property, to assist with the planning and construction of the restaurant.

The Gorman's Roadhouse which is located at 1004-1016 Court Street and 317 Sixth Street consists of three separate parcels totaling 27,500 square feet. As proposed, the project would be a re-creation of the Historic Gorman's Roadhouse located in the town of Yolo. Gorman's was a local landmark and generates many memories for the citizen's of Yolo County. The developer believes that the nostalgia of that original restaurant will carry over to this restaurant and generate the needed sales to succeed.

Discussion

BlackPine Holdings is seeking a $1,000,000 loan from the Agency to assist with the construction of the Gorman's Roadhouse. BlackPine will construct a new restaurant that has the "look and feel" of the Gorman's Roadhouse in Yolo. It is hoped that this and other BlackPine projects will become part of an enlivened Court Street "east end" with new restaurants, each with a different theme. The other projects proposed by BlackPine for the east end include the construction of a new restaurant in the Globe Mills Rice Mill at the corner of Court and East streets, and the nearly complete Maria's Cantina restaurant across Sixth from the Gorman's site.

RDA funding would assist BlackPine with the construction planned for the property. This includes the construction of the 3,000 square foot restaurant as well as the 750 square foot outdoor dining area. The estimated construction cost provided by BlackPine which covers buildings, facilities, offsite and onsite improvements is $2,662,627 or $887.54 per building square foot. Detailed construction documents have not yet been prepared for the project.

In recommending that the loan be limited to $750,000, staff considered two issues. First, it was difficult to evaluate the financial capacity for this project because those details are in progress. Staff notes that the construction costs are considerably higher than those normally found for restaurant construction. As with the other projects, the BlackPine Company has sufficient assets to cover any debt payments. To protect the Agency's interests, the Agency will record a deed of trust against the property and against additional corporation assets as needed. BlackPine Company officials are aware of this requirement.

The second issue is the Agency's interest in allocating the bond funds for other projects. By reducing the loan amount, the Agency retains some flexibility to allocate more funds for other priorities, if desired.

Gorman's will recreate the feel of the historic restaurant in a modern setting. This will include the trademark red and white awnings as well as the knotty pine interior. There will also be additional dining space that was not in the original Gorman's as well as a larger kitchen. The restaurant will also have outdoor seating that front Sixth Street, much like Maria's Cantina next door will as well. Based on other projects that have been completed by this developer, the high quality of the completed building and site improvements should be excellent. It is proposed within the conditions that a small portion of the RDA loan funds in the amount of 1.5%, or $11,250, will be withheld for contribution for public art.

The terms of the Agency's $750,000 loan will be at the Applicable Federal Rate (AFR), an interest rate set by the Federal government, for a five year term. The rate will be set at the time the OPA (draft shown in Attachment I) is executed. As with all the redevelopment projects currently being considered, if construction has not started by January 1, 2012, the funds can be disencumbered and re-allocated to other projects. The tight timeframe is in reaction to the proposed state budget debate and the urgency to secure redevelopment funds as tightly as possible with third party agreements and a firm construction schedule.

Fiscal Impact

The loan will be funding through Redevelopment Agency bond proceeds and will not have an impact on the General Fund.

Public Contact

This Redevelopment Agency item was also posted on the joint City Council/Agency agenda.

Alternative Courses of Action

1. Adopt Resolution No. _____ approving execution of an Owner Participation Agreement for the Gorman's Roadhouse and allocating $750,000 in redevelopment bond funds for interior and exterior improvements.

2. Do not approve the OPA and cease further consideration of Agency assistance for the Gorman's Roadhouse property.

<u>Recommendation for Action</u>

Staff recommends that the Redevelopment Agency Board approve Alternative No. 1.

Prepared by: Jamie McLeod
Redevelopment/Housing
Analyst II

Cynthia Shallit
Redevelopment Manager

____
Mark G. Deven
Executive Director

Attachments: Attachment 1 – Draft Owner Participation Agreement
Attachment 2 – Resolution No. _____

NO FEE DOCUMENT
Entitled to free recording
per Government Code 6103
When Recorded, return to:

City Clerk, City of Woodland
300 First Street
Woodland, CA 95695

OWNER PARTICIPATION AGREEMENT

1004 COURT STREET
GORMAN'S ROADHOUSE
[Loan for Building Construction]

TERM	DEFINITION
"Agency"	Woodland Redevelopment Agency
"Agency Address"	300 First Street, Woodland, CA 95695
"Participant"	BlackPine Holdings, Inc
"Participant Legal Status"	Standard Holdings LLC
"Participant Address"	630 Lincoln Avenue, Woodland, CA 95695
"Project Area or Target Area"	Groman's Roadhouse 1004 Court Street, Woodland, CA 95695 Woodland Redevelopment Project Area
"Effective Date"	June 22, 2011
"Loan Amount"	$750,000
"Funding Source"	Redevelopment Tax Increment

Agency and Participant enter into this Owner Participation Agreement (hereinafter "OPA") as of the Effective Date. [For purposes of this OPA, the capitalized terms shall have the meanings assigned in the above table and in
Section 11.2.]

RECITALS

A. Participant is the owner of the Site, consisting of that real property located generally at 1004 Court Street , in the City of Woodland, California, more particularly described in Exhibit A: Legal Description, incorporated herein by this reference, and as shown on the Map attached hereto as Exhibit A-1, together with the building existing thereon commonly referred to as the Globe Rice Milll Building.

B. Agency is a redevelopment agency formed and acting under the Community Redevelopment Law (California Health & Safety Code Sections 33000 *et seq.*), and this document is governed by the Community Redevelopment Law. The Funding Source of the Loan is Tax Increment Funds (as defined in the Community Redevelopment Law) generated in the Project Area and is subject to the applicable provisions of the Community Redevelopment Law and the Redevelopment Plan for the Project Area. This OPA is made in accordance with provisions of the Redevelopment Plan for participation by Participants in the redevelopment of the Project Area (adopted in accordance with California Health & Safety Code Section 33339). This OPA is consistent with, and furthers, the Redevelopment Plan and the

"Implementation Plan" adopted for the Project Area in that it will remediate blight by improving and upgrading the appearance of commercial properties in the Project Area.

AGREEMENT

NOW THEREFORE, in consideration of the following mutual covenants, obligations and agreements and for other good and valuable consideration, the receipt and adequacy of which are acknowledged, the parties agree as follows:

1. **PURPOSE.** The purpose of this OPA is to provide for the rehabilitation of the improvements existing on the Site, and for the Agency to loan funds for a term not to exceed five years from January 1, 2012 in order to assist the Participant with the rehabilitation. The Agency represents that the use of the funds, under this OPA, and the fulfillment generally of this OPA, are (1) in the vital and best interests of the City and the health, safety, morals and welfare of its residents, (2) for the purpose of community improvement and welfare, (3) for the benefit of the Project Area and in accordance with the Agency's Redevelopment Plan, and (4) consistent with the Redevelopment Plan and the Implementation Plan. Participant represents and agrees that its promise to improve the Site under the OPA is not intended for speculation in land holding.

2. **TERM**. This OPA shall commence as of the date first written above and shall terminate upon the occurrence of all of the following:

   2.1 Fulfillment by the parties of their obligations under this OPA, including completion of the Project by the Participant; and

   2.2 Repayment of the Loan by Participant.

3. **LOAN PROVISIONS**

   3.1 Loan Amount. Agency hereby agrees to loan to Participant up to SEVEN HUNDRED AND FIFTY THOUSAND DOLLARS ($750,000.00) (the "Loan") and Participant hereby agrees to repay the Loan in accordance with this OPA and comply with the terms of this OPA for the rehabilitation of the Site. One-and-a-half percent (1.5%) of the loan amount, or $7,500 will be withheld for contribution towards a public art program administered by the Yolo County Arts Council. The Loan proceeds shall be used solely to pay the costs incurred by the Participant for constructing the Gorman's Roadhouse Building to be located at 1004 Court Streett (the "Consrtuction Work"). The Loan shall be evidenced by a promissory note (the "Note") to be executed by Participant in favor of the Agency, in substantially the form attached hereto as Exhibit B and incorporated herein by reference. The Note shall be secured by a deed of trust ("Deed of Trust") to be executed by Participant, in substantially the form attached as Exhibit C and incorporated herein by reference. The Deed of Trust shall be recorded against the Site as a condition to and concurrently with disbursement of any portion of the Loan Amount.

   3.2 Disbursement Procedures. The Loan shall be disbursed to Participant as follows:

      3.2.1 Conditions Precedent. Agency shall not be obligated to make any disbursement of the Loan Amount until the following conditions precedent have been met:

      3.2.1.1 Participant is not in default of any provision of this OPA; and

3.2.1.2 The Participant has executed and delivered to the Agency the Note and Deed of Trust evidencing the Loan;

3.2.1.3 The Participant has provided the Agency with a CLTA standard form lender's policy of title insurance in the amount of the Loan, acceptable to Agency in its reasonable discretion, containing those endorsements reasonably requested by Agency that will insure the Deed of Trust as a valid first priority lien on the Site, subject only to those exceptions to title approved, in writing, by the Agency;

3.2.1.4 All conditions precedent to commencement of construction set forth in Section 4.3 of this Agreement shall have been satisfied, and the Participant shall be prepared to commence the Construction Work on the Site promptly following disbursement of the Loan;

3.2.1.5 The Participant shall have delivered to the Agency, and the Agency shall have approved, the Participant's budget for the Construction Work to be completed on the Site; and

3.2.1.6 The Participant shall have delivered to the Agency, and the Agency shall have approved, evidence satisfactory to the Agency that the Participant has financing or other funding available to it to undertake and complete the Construction Work in accordance with this Agreement.

3.2.2 Disbursement. Upon satisfaction of all conditions precedent set forth in this Section 3.2, the Agency will deliver to the Participant the Loan Amount, less the 1.5% for public art, and less a 10% contingency amount which shall be held by the Agency and disbursed upon full completion of the Construction Work and recordation of mechanics lien releases relating to such Construction Work.

3.3 **Repayment**. The Loan shall be repaid in accordance with the terms and conditions set forth in the Note (Exhibit B). If construction has not been started by January 1, 2012, the funds may be disencumbered and this OPA is voided. The Loan shall be repaid in full by the Participant within five (5) years or otherwise provided in the Note. Following repayment of all amounts due and owing under the Note, the Agency shall execute and deliver to the Participant such documents as may be necessary to release the Agency's lien under the Deed of Trust from the Site.

4. **LOAN OBLIGATIONS**.

4.1 Agency Acceptance of Plans. This OPA is a financing document of the Agency and not a land use or planning document. Approval of the Project under this OPA by the Agency is not and shall not be considered an approval of land use entitlements or structural design of the Project, or the aesthetic design of the Project except as an approval by the Agency of the Project design concept to affect the purpose of this OPA. Participant shall comply with all applicable land use, planning and design laws, rules and regulations of each governmental agency acting in proper exercise of their respective jurisdictions, including without limitation, departments, staff, boards and commissions of the City. Agency's approval of Plans is not an assurance of their adequacy or correctness. Agency has reserved approval rights solely (a) to assure that the Plans further the Redevelopment Plan; and (b) to assure that the Project is developed as intended by this OPA.

4.2 Zoning and Condition of the Site. As between the Agency and Participant, Participant is solely responsible for investigating the condition of the Site for the Rehabilitation Work to be undertaken (including zoning and Hazardous Materials conditions, if any) and for placing the Site in a suitable condition for construction.

4.3 Conditions Precedent to Commencement of Construction. Participant shall not begin the construction work pursuant to this OPA until the following conditions precedent have been satisfied:

4.3.1 Participant has obtained City approval of all Plans, and a building permit and all other permits required for the Rehabilitation Work, if any;

4.3.2 Participant has submitted to Agency the certificates of insurance required by Section 8; and

4.3.3 Participant has entered into a Construction Contract with a licensed general contractor or directly with subcontractors for the construction work to be completed on the Site and has provided a copies of the applicable executed contracts to the Agency.

4.3.4 Participant has entered into a contract with a licensed general contractor to supervise and direct all rehabilitation work requiring a building permit, encroachment permit, or inspection of work by Pacific Gas and Electric (PG&E) and has provided a copy of applicable executed contract to the Agency. The Participant shall obtain Agency's approval of the selected general contractor.

5. **CONSTRUCTION**. The Participant shall carry out the Construction of and manage the Project according to the requirements established in this OPA, the Plans, and in conformity with all applicable laws, including without limitation all applicable building codes and labor standards. Participant shall promptly begin, diligently prosecute and timely complete the construction of the Project. In interpreting the provisions of this OPA, the provisions which specifically enforce the Redevelopment Plan and the applicable provisions of the Community Redevelopment Law and / or the Code of Federal Regulations shall control.

5.1 Completion of Construction. Participant shall promptly begin construction and shall complete construction of the Site pursuant to Exhibit D, Scope of Work/Schedule of Performance.

5.2 Public Safety Protections**.** Participant shall assure that all necessary steps are taken (including the erection of fences, barricades and warning devices) to protect private contractors and their employees and the public from the risk of injury arising out of the condition of the Site or Participant's activities in connection with the Site, including without limitation, fire, or the failure, collapse or deterioration of any improvements or buildings.

5.3 Antidiscrimination During Construction. The Participant for itself and its successors and assigns, agrees that the following provisions shall apply to, and be contained in all contracts and subcontracts for the construction of the Site. (For purposes of this Section 5.3, Participant shall also mean Contractor or Subcontractor.)

5.3.1 Employment. The Participant shall not discriminate against any employee or applicant for employment on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955 and Section 12955.2 of the Government Code. The Participant will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955 and Section 12955.2 of the Government Code. Such action shall include, but not limited to, the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layout or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Participant agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the Agency setting forth the provisions of this nondiscrimination clause.

5.3.2 Advertising. The Participant shall, in all solicitations or advertisements for employees placed by or on behalf of the Participant, state that all qualified applicants will receive consideration for employment without regard to any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955 and Section 12955.2 of the Government Code.

5.4 Lead-Based Paint. Participant shall not use lead-based paint in the construction of the Site.

5.5 Hazardous Materials**.** If "Hazardous Substances" are known to be or discovered on the Site, Participant shall remediate all Hazardous Substances on the Site as and to the extent required by any federal, state or local agency having jurisdiction regarding Hazardous Substances standards or remediation and as may be necessary to avoid incurring liability or further liability under any federal, State and local law or regulation. Participant shall bear all costs related to such remediation.

5.6 Changes in the Work. Participant shall, prior to its occurrence, notify Agency of all changes in the construction which result in a net increase in cost, alter the scope of the work, or extend the period for construction beyond the Completion Date set forth in the Scope of Work/Schedule of Performance (Exhibit D). Agency shall have the right to approve or reject such changes. Agency shall make such approval or rejection in writing within a reasonable time. If the cost of construction of the Project or any part of the Project exceeds the costs projected by Participant, the Participant shall, nevertheless, bear the responsibility to complete, at his/her cost, the construction of the Project in accordance with this OPA.

5.7 Notification of Contractors, Architects and Engineers. Participant shall ensure that the Construction Contract shall fully comply with this OPA. Participant shall notify his/her Project Contractors, architects and engineers of the requirements of this OPA. Participant shall include, where applicable, the provisions of this OPA in contracts and subcontracts for the Project, and Participant shall enforce such provisions.

5.8 Agency Inspection and Access to Site. Agency shall have the right to inspect all books and records of Participant related to the Project and the construction and changes in construction during normal business hours to assure Participant's compliance with the provisions of this OPA and Plans. Participant shall permit Agency representatives' access, without charge, to the entire Site at any time during normal business hours and for any purpose which Agency reasonably considers necessary to carry out its obligations and protect its interests under this OPA. Purposes for Agency entry may include, without limitation, inspection of all work being performed in connection with the construction of the Site.

5.9 Supervision of the Work. Participant shall be solely responsible for monitoring all ConstructionWork and the construction of the Site, ensuring that the Construction Work is performed in a workmanlike manner, and enforcing the terms of this OPA and the Construction Contracts. Agency inspection of Construction Work shall be solely for the purpose of monitoring disbursements of Agency funds, assuring Participant's performance under this OPA and protecting Agency's interest in the Site.

6. COVENANTS REGARDING USE AND NONDISCRIMINATION.

Participant, its successors and assigns, shall not discriminate on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955 and Section 12955.2 of the Government Code in the sale, lease or rental or in the use or occupancy of the Site. Participant shall use the Site in accordance and conformity with the Redevelopment Plan.

7. INDEMNIFICATION

7.1 Indemnification. Participant shall indemnify, protect and defend the Agency, its officers, directors, employees and agents, and hold them harmless from any and all claims and liability for bodily injury, death and property damage caused by or resulting from the acts or omissions of Participant, its officers, employees, agents or independent contractors and for any and all costs incurred by the Agency in defending against such claims, including investigator's, witness' and attorney's fees and court costs. This Section 7.1 shall survive the termination of this OPA, irrespective of the reason for its termination.

7.2 Indemnification of Agency for Hazardous Materials. Participant acknowledges that the Agency is not and has not been the owner of, or in possession of, all or any part of the Site. Participant shall indemnify, protect and defend Agency and hold Agency harmless from any and all costs, fees, penalties and claims related to the existence of Hazardous Materials on the Site and to the removal or discharge of Hazardous Materials from the Site by Participant, or its employees, agents or contractors. The indemnity provisions regarding Hazardous Materials set out in this Section 7.2 shall survive the expiration or other termination of this OPA, irrespective of the reason for its termination.

8. INSURANCE AND PUBLIC SAFETY PROTECTIONS.

Participant shall promptly take steps to protect private contractors and their employees and the public from the risk of injury whether from the condition of the Site or Participant's activities in connection with the Site. The Participant shall obtain and maintain, or require the Contractor and subcontractors for the Project to purchase and maintain the following insurance for claims which may result from the operations under the OPA of the Participant, any Contractor, subcontractor or anyone directly or indirectly employed by any of them, or by anyone for whose acts any of them may be liable:

8.1 Liability Insurance Policy Limits. The insurance required by this Section shall be written with a deductible of not more than TWENTY-FIVE THOUSAND DOLLARS ($25,000) or a lower amount approved in writing by Agency Executive Director or Agency Counsel and for not less than the following limits of liability:

8.1.1 Worker’s Compensation. Claims under workers' compensation benefit acts: Worker's Compensation Statutory Limits shall be as required by Article 1 (commencing with Section 3700) of Chapter 4 of Part 1 of Division 4 of the California Labor Code (as it may, from time to time, be amended).

8.1.2 Comprehensive General Liability. Claims for damages because of bodily injury, occupational sickness or disease, or death of his employees and of any person other than his employees; claims for damages insured by usual personal injury liability coverage which are sustained (1) by any person as a result of an offense directly or indirectly related to the employment of such person by the Participant, or (2) by any other person; claims for damages, other than to the construction itself, because of injury to or destruction of tangible property, including resulting loss of use; and claims for contractual liability arising from the Participant's obligations under this OPA.

8.1.3 Commercial General Liability coverage which shall include Site-Operations, Independent Contractor's Protective, Products and Completed Operation (for four years), Broad Form Property Damage, or other coverage as approved by Agency Counsel, in the following limits of liability:

8.1.2.1 Bodily Injury. Bodily injury liability of $500,000 each occurrence and $500,000 Aggregate, Products and Completed Operations.

8.1.2.2 Property Damage. Property damage liability of $500,000 each occurrence; $500,000 single limit and $500,000 aggregate.

8.1.2.3 Contractual Liability. Contractual liability for Bodily Injury of $500,000 each occurrence; for Property Damage of $500,000 each occurrence and $500,000 aggregate; and Personal Injury with Employment Exclusion Deleted of $500,000 aggregate.

8.1.3 Comprehensive Automobile Liability. Claims for damages because of bodily injury or death of any person or property damage arising out of the ownership, maintenance or use of any motor vehicle: Comprehensive Automobile Liability for any vehicle used for or in connection with the Rehabilitation Work (Owned, Non-owned, hired, leased): $500,000.

8.1.4 Fire, Hazard and Extended Coverage Insurance**.** For the duration of this OPA, Participant shall obtain and maintain fire and hazard insurance to the full insurable value of the Site with endorsements of extended coverage, vandalism, and malicious mischief, and with such other endorsements and in such amounts as the Agency may reasonably require to protect the Project. In the event of damage to the Project, Participant shall use the proceeds of such insurance to reconstruct the Project and the public improvements.

8.2 Insurance Provisions.

8.2.1 Provider. Each policy of insurance required under this OPA shall be obtained from a provider licensed to do business in California and having a current rating as may be approved in writing by Agency's legal counsel.

8.2.2 Additional Insured. The Agency and the City of Woodland shall be additional insured on all insurance policies, except the worker's compensation policy.

8.2.3 Cancellation. Each policy shall bear an endorsement precluding cancellation or termination of the policy or reduction in coverage unless the Agency has been given written notice of such intended action at least thirty (30) days prior to its effective date.

8.2.4 Certificates and Policies. Participant shall provide to Agency certificates of said insurance prior to commencing the work of this OPA and shall provide to Agency true copies of the policies of said insurance as soon as available.

8.2.5 Failure to Maintain. If Participant fails to obtain or maintain, or cause to be obtained and maintained, any insurance required by this OPA, the Agency shall have the right to purchase the insurance and withhold from the Agency Funding the full costs to Agency of obtaining such insurance and treat the funds withheld as an additional disbursement in accordance with this OPA.

8.2.6 Modification. The requirements of the foregoing insurance provisions shall not be modified except upon prior written approval of Agency Counsel.

9. **PROHIBITIONS AGAINST ASSIGNMENT AND TRANSFER**.

Assignment and transfer of Participant's interests in the Site or any interest under this OPA without Agency's prior written approval are prohibited. Agency's approval shall not be unreasonably withheld.

10. **DEFAULTS AND REMEDIES**.

Subject to any extension of time permitted by this OPA, a failure or delay by a party to perform any term or provision of this OPA constitutes a default of this OPA.

10.1 Cure. Except as otherwise provided in the OPA, if either party shall default in, or breach, this OPA, such party shall immediately commence and diligently proceed to cure such default or breach within ten (10) days after receipt of written notice from the other party of such default or breach. If the defaulting party does not promptly begin and diligently pursue a cure of the default or fails to cure the default within a reasonable time, the aggrieved party may institute proceedings to cure and remedy such default or breach, including, but not limited to, proceedings to compel specific performance by the party in default. While

Agency is not relieved of any obligation under this OPA to give notice, mere failure of Agency to notify Participant shall not be deemed a waiver of Participant's default.

10.2 No Waiving by Delay. Any delay by a party in asserting any rights under this Section shall not operate as a waiver of such rights or to deprive such party of, or limit, such rights in any way. Any waiver in fact made by a party with respect to any specific default shall not be considered as a waiver of the rights of such party with respect to any other defaults or with respect to the particular default except to the extent specifically waived in writing.

10.3 Delay for Causes Beyond Control of Party. For the purposes of any of the provisions of this OPA, neither Agency nor Participant shall be considered in breach of, or default in, its obligations with respect to the preparation of the Site for rehabilitation, or the beginning, prosecution and completion of construction of the Improvements, if delay in the performance of such obligations is due to unforeseeable causes beyond the delayed party's control and without its fault or negligence. Unforeseeable causes shall include acts of God, acts of the public enemy, acts of the federal government, acts of the other party, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, a general moratorium on financing for projects of the same type, and unusually severe weather (as for example, floods, tornadoes, or hurricanes) or delays of subcontractors due to such causes. In the event of the occurrence of any such enforced delay, the time or times for performance of such obligations of the Agency and Participant shall be extended for the period of the enforced delay, as determined by the Agency, provided that the party seeking the benefit of the provisions of this Section shall, within thirty (30) days after Participant has or should have knowledge of any such enforced delay, have first notified the other party, in writing, of the delay and its cause, and requested an extension for the period of the enforced delay.

10.4 Commencement of Construction. Participant shall begin construction of the rehabilitation work not later than January 1, 2012.. This will require Participant to receive a building permit issued by the City of Woodland for the project site at 1004 Court Street and have at least one contractor working at the site. In the event that the Participant fails to begin construction by the aforementioned date or does not obtain an extension approved by the Agency Board of Directors, the OPA shall no longer be valid and all funding will be disencumbered.

11. GENERAL PROVISIONS

11.1 Time for Actions. Agency and Participant shall each do the actions required of them, on or before the times specified in this OPA. Unless otherwise provided, Agency shall give required approvals or disapprovals within forty-five (45) days after submission of request for approval.

11.2 Definitions. The following definitions shall apply for the purposes of this OPA:

11.2.1 "Agency" is the Redevelopment Agency of the City of Woodland. The Agency is a public body, corporate and politic, exercising governmental functions and powers, and organized and existing under the Community Redevelopment Law of the State of California. The principal office of the Agency is located at 300 First Street, Woodland, CA 95695. "Agency" as used in this OPA includes the Redevelopment Agency of the City of Woodland and any assignee of, or successor to, its rights, powers and responsibilities.

11.2.2 "Completion Date" is the date stated in the Scope of Work/Schedule of Performance (Exhibit D) for the completion of the Construction Work to be performed on the Site.

11.2.3 “Construction Contract” is the contract (or contracts) to be entered into with the Contractor for the Rehabilitation Work to be undertaken and completed on the Site.

11.2.4 "Contractor" is the contractor or contractors with whom Participant has contracted for the construction, and "subcontractors" are those contractors or materialmen with whom Contractor has contracted or with whom another subcontractor has contracted for a portion of the construction. Contractor (and all subcontractors who must, by law, hold a contractor's license) shall have a current and valid contractor's license, issued by the California Contractors' State License Board, for the work they are performing.

11.2.5 "Hazardous Materials" shall include, but not be limited to, all substances, wastes and materials designated or defined as hazardous or toxic pursuant to any of the following statutes, as they may be amended or superseded, from time to time: the Clean Water Act (33 U.S.C. §1321 et. seq.); the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (42 U.S.C. §9601 et seq.); the Resource Conservation and Recovery Act (42 U.S.C. §6901 et seq.); the United States Department of Transportation Hazardous Materials Table (49 CFR 172.101); the Environmental Protection Agency list of hazardous materials (40 CFR Part 302) and California Health and Safety Code Sections 25115, 25117, 25122.7, 25140 (Hazardous Waste Control Law), 25316 (Carpenter-Presley-Tanner Hazardous Substances Account Act), 25501 (Hazardous Materials Release Response Plans and Inventory) and 25281 (Underground Storage of Hazardous Substances); all applicable local regulations; and all regulations and promulgations pursuant to said laws.

11.2.6 "Improvements" are the works of improvement, including rehabilitation, to be constructed on the Site in accordance with this OPA.

11.2.7 “Loan Amount” is the maximum amount the Agency shall pay to or on behalf of the Participant for the completion of the Construction Work. The Loan Amount is $1,000,000, minus the public art contribution.

11.2.8 “Map”, is the map of the project site attached as Exhibit A-1, and incorporated herein by this reference.

11.2.9 "OPA" is this Owner Participation Agreement which includes this document and the Plans and referenced attachments to this OPA which are incorporated in this OPA as if set forth in full in the body of the OPA. A default of any of the referenced attachments shall be deemed a default of this OPA.

11.2.10 "Plans" are the full and final plans, drawings and specifications for the Project, including the work write-up, or scope of work, which have been approved by the City and reviewed by the Agency as suitable for Agency funding and which are on file with the Agency.

11.2.11. "Site" is that real property which the Participant owns, as more particularly described in Exhibit A: Legal Description, and as shown on the Map attached hereto as Exhibit A-2. The Site includes all existing improvements currently located on the Site.

11.2.12 "Project" is the construction of the Site, as more particularly set out in the Plans and this OPA.

11.2.13 "Project Area" is the redevelopment project area, as defined in the Redevelopment Plan and referred to in Recital B of this OPA.

11.2.14 "Participant" is the Standard Holdings LLC. The mailing address for the Participant is 630 Lincoln Avenue, Woodland, CA. 95776.

11.2.15 "Redevelopment Plan" is the Redevelopment Plan for the Woodland Redevelopment Project adopted in 1988 by Ordinance No. 1129 (as it may be amended from time to time) as adopted by the City Council of the City of Woodland. References to the Redevelopment Plan include all rules, regulations, plans and strategies duly adopted in accordance with the Redevelopment Plan.

11.2.16 “Construction Work” means the construction work to be undertaken and completed on the Site pursuant to this OPA, as set forth in the Scope of Work/Schedule of Performance (Exhibit D).

11.2.17 "Subcontractors List" is the list, prepared by Participant, of all subcontractors employed in the work of construction if any, the work to be performed by each subcontractor, and the total amount to be paid to each subcontractor.

11.2.18 "Unavoidable Delay" is a delay in the performance by a party of any obligation which delay is beyond the control of such party. Unavoidable Delay is further defined in Section 10.3.

11.3 Inspection of Books and Records and Site Access. Agency has the right, at all reasonable times, to inspect the books and records of the Participant pertaining to the Site as necessary to assure compliance with the provisions of this OPA. Participant shall keep such books and records as Agency may reasonably require assuring Participant's performance of its obligations under this OPA. Participant shall permit Agency representatives’ access, without charge, to the entire Site at any time and for any purpose which Agency reasonably considers necessary to carry out its obligations and protect its interests under the OPA.

11.4 Fees, Commissions, Gifts or Interests. Agency shall not be liable for any real estate commissions, brokerage fees or finder’s fees which may arise from this OPA. Agency and Participant each represent that neither has engaged any broker, agent or finder, and that neither claims such a commission or fee, in connection with this OPA. Participant shall pay no fee or commission, make no gifts and provide no interest in the Loan to any employee or official of the Agency or the City of Woodland.

11.5 Entire Agreement. This OPA integrates all of the terms and conditions related or incidental to its subject matter, and supersedes all negotiations or previous agreements between the parties with respect to its subject matter.

11.6 Waivers and Amendments. All waivers of the provisions of this OPA must be in writing and signed by the appropriate authorities of the Agency or the Participant, and all amendments hereto must be in writing and signed by the appropriate authorities of the Agency and the Participant.

11.7 Nonliability of Agency Officials and Employees. No member, official or employee of the Agency shall be personally liable to the Participant, or any successor in interest, in the event of any default or breach by the Agency or for any amount which may become due to the Participant or its successors, or on any obligations under the terms of this OPA.

11.8 Local, State and Federal Laws . The Participant shall assure that the construction of the Project is carried out in conformity with all applicable laws and regulations, including all applicable federal and state labor standards. Before commencement of construction or development of any buildings, structures or other work of improvement upon the Site, Participant shall at its own expense secure any and all certifications and permits which may be required by any governmental agency having jurisdiction over such construction, development or work. Agency shall cooperate in securing certifications and permits which require consent of the owner of the property. Participant shall permit only persons or entities that are duly licensed in the State of California, County of Yolo and City of Woodland, as applicable, to perform work on or for the Project.

11.9 Notices And Demands. A notice, demand or other communication under the OPA by either party to the other shall be in writing and shall be sufficiently given or delivered if it is dispatched by registered or certified mail, postage prepaid, return receipt requested, or delivered personally, to the address set out above, or at such other address with respect to either such party as that party may, from time to time, designate in writing and forward to the other as provided for a notice in this Section.

THIS AGREEMENT IS EXECUTED as of ______________________ in Woodland, California.

PARTICIPANT:

STANDARD HOLDINGS LLC

By: ___________________________
Jeffrey D. Morgan
Its: ___________________________

AGENCY:

REDEVELOPMENT AGENCY OF THE CITY OF WOODLAND

By: ________________________________
MARK G. DEVEN
Agency Executive Director

APPROVED AS TO FORM:

By: ________________________________
Agency Counsel

EXHIBIT A

LEGAL DESCRIPTION OF THE PROPERTY

The land described herein is situated in the State of California, County of Yolo, City of Woodland, and is described as follows:

TO BE PROVIDED

EXHIBIT A - 2

MAP OF THE SITE

To Be Included

EXHIBIT B

PROMISSORY NOTE

$1,000,000 ____________________, 2011
Woodland, California

EXHIBIT C

DEED OF TRUST

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

REDEVELOPMENT AGENCY OF THE
CITY OF WOODLAND
300 First Street
Woodland, CA 95695
Attn: Executive Director

EXHIBIT D

SCOPE OF WORK/SCHEDULE OF PERFORMANCE
(Interior and Exterior Rehabilitation)

SCOPE OF WORK/SCHEDULE OF PERFORMANCE:

To Be Completed

AGENCY RESOLUTION NO. _______________

A RESOLUTION OF THE REDEVELOPMENT AGENCY OF THE CITY OF WOODLAND APPROVING THE ALLOCATION OF FUNDS AND OWNER PARTICIPATION AGREEMENT FOR THE GORMAN'S ROADHOUSE NEW CONSTRUCTION PROJECT

WHEREAS, on April 5, 2011, the Agency Board provided staff with direction in regards to projects to implement and allocate the Agency Bond funds;

WHEREAS, the Agency Board instructed staff to return to the Board with rates, terms, and funding allocations as the projects were deemed feasible; and

WHEREAS, Staff has identified projects that are ready to move forward and require funding.

NOW THEREFORE BE IT RESOLVED THAT the Redevelopment Agency Board does hereby:

Section 1. Approve an Owner Participation Agreement for the Gorman's Roadhouse located 1004 Court Street, for a new construction project in the amount of $750,000, in substantially the form attached to the staff report.

Section 2. Authorize the Executive Director to execute the OPA and any necessary related documents needed for the project, and

Section 3. Allocate $750,000 in redevelopment bond funds and amend the Agency budget accordingly.

PASSED AND ADOPTED this 21st day of June, 2011 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

____
Artemio Pimentel, Chair

ATTEST:

____
Ana B. Gonzalez, Secretary

APPROVED AS TO FORM:

____
Andrew J. Morris, Agency Attorney

City of Woodland

REPORT TO REDEVELOPMENT AGENCY BOARD

AGENDA ITEM

TO: THE REDEVELOPMENT AGENCY BOARD

DATE: June 21, 2011

SUBJECT: Owner Participation Agreement for Globe Rice Mill Property, 1059 Court Street

Report in Brief

The Redevelopment Agency staff is implementing projects consistent with the Redevelopment 2010-2014 Implementation Plan. The priority goals in the Implementation Plan are to (1) create new entertainment venues and activities for downtown, (2) increase residential development, and (3) develop currently underutilized or vacant sites, while renovating and preserving existing structures. Agency staff presented a Redevelopment Investment Strategy at the April 5, 2011 Agency meeting. The Strategy included a description of multiple projects proposed by BlackPine Holdings, Inc., a Woodland-based management company established by Woodland resident Jeff Morgan, including improvements at the Globe Rice Mill, located at the corner of Court and East streets, to upgrade the property for a restaurant, a café, other businesses, and residential units.

Staff recommends that the Redevelopment Agency Board adopt Resolution No. _____ approving execution of an Owner Participation Agreement for the Globe Rice Mill Building and allocating $500,000 in redevelopment bond funds for interior and exterior improvements.

Background

On April 5, 2011, Redevelopment Agency staff brought forward a strategy on how to encumber and spend the approximately $5 million of Redevelopment Tax Increment Bond proceeds. Staff presented the Board with different projects that could utilize the funding and received direction on which projects to proceed. To be considered, projects must meet the redevelopment priority goals of (1) creating new entertainment venues and activities for downtown, (2) increasing residential development, and (3) developing currently underutilized or vacant sites, while renovating and preserving existing structures. Once projects have received conceptual approval or identified as priorities of the Board, staff is directed to further investigate those projects and, as they become ready for construction financing, return to the Board with terms of the financing and funding requirements. This project meets the goals of creating new entertainment venues and renovating and preserving existing structures. It does not meet the goal of restoring historic structures. The historic preservation of this building was already completed twenty years ago. The project would update and enhance the current building to better attract tenants in today's market.

At the April 5 meeting Agency staff presented the Board a description of multiple projects proposed by BlackPine Holdings, including improvements at the Globe Rice Mill to fully utilize the property for a restaurant, a café, other businesses, and residential units. Agency staff purposes that the Agency Board approve a $500,000 loan to BlackPine Holdings, Inc., the owner of the Globe Rice Mill property, to assist with the necessary exterior and interior improvements.

The Globe Rice Mill which is located at 1059 Court Street consists of three separate buildings on a 1.8-acre property. While it has been many years since the property was used as a rice mill, the buildings were restored and have supported a number of businesses and uses over the years including offices, a book store, a fitness facility and residential units. Approximately 34,000 square feet of space is provided in the existing buildings. The original rice mill was constructed in 1930.

Discussion

BlackPine Holdings is seeking a $500,000 loan from the Agency to assist with exterior and interior improvements at the Globe Rice Mill property. BlackPine will upgrade and renew that facility to become part of an enlivened Court Street "east end" with a theme reflecting rice agriculture. The other projects proposed by BlackPine for the east end include the construction of a new restaurant, Gorman's, at the corner of Court and Sixth streets, and the nearly complete Maria's Cantina restaurant across Sixth from the Gorman's site. This project would retain office spaces, create a courtyard for a café entrance, remodel the ground floor for a restaurant and wine bar, extend a raised walkway to create an outdoor eating opportunity and enhance the parking and landscape improvements. The conditions propose that a small portion of the RDA loan funds in the amount of 1.5%, or $7,500, will be withheld for contribution for public art.

RDA funding would assist BlackPine with both the exterior and interior improvements planned for the property. Key improvements for the Globe Rice Mill property include the construction of a raised courtyard, installation of an elevator, renovation of second and third spaces to accommodate residential units, installation of a central heating/ventilation/air condition system, construction of staircases, and the replacement of windows. The estimated construction cost provided by BlackPine which covers buildings, facilities, offsite and onsite improvements is $1,427,120. Detailed construction documents have not yet been prepared for the project.

Agency staff, in review of the application, has concluded that the developer corporation has sufficient cash flow and collateral to protect the Agency's investment incase of default. The project is in the early stages of development and the developer will be working on completing conceptual designs, submitting plans and designs for entitlements and planning review, and then preparing preliminary and final construction specifications. To protect the Agency's interests, the Agency will record a deed of trust against the property.

The terms of the Agency's $500,000 loan will be at the Applicable Federal Rate (AFR), an interest rate set by the Federal government, for a five year term. The rate will be set at the time the OPA (Attachment I) is executed. As with all the redevelopment projects currently being considered, if construction has not started by January 1, 2012, the funds can be disencumbered and re-allocated to other projects. Also, if current tenants are displaced in this project, there will be additional costs for relocation benefits required under redevelopment law.

Fiscal Impact

The loan will be funding through Redevelopment Agency bond proceeds and will not have an impact on the General Fund.

Public Contact

This Redevelopment Agency item was also posted on the joint City Council/Agency agenda.

Alternative Courses of Action

1. Adopt Resolution No. _____ approving execution of an Owner Participation Agreement for the Globe Rice Mill Building and allocating $500,000 in redevelopment bond funds for interior and exterior improvements.

2. Do not approve the OPA and cease further consideration of Agency assistance for the Globe Rice Mill property.

Recommendation for Action

Staff recommends that the Redevelopment Agency Board approve Alternative No. 1.

Prepared by: Cynthia Shallit
Redevelopment Manager

____
Mark G. Deven
Executive Director

Attachments: Attachment 1 – Owner Participation Agreement
Attachment 2 – Resolution No. _____

NO FEE DOCUMENT
Entitled to free recording
per Government Code 6103
When Recorded, return to:

City Clerk, City of Woodland
300 First Street
Woodland, CA 95695

OWNER PARTICIPATION AGREEMENT SECOND FLOOR RETROFIT PROGRAM

1059 COURT STREET
RICE MILL
[Loan for Building Rehabilitation]

TERM	DEFINITION
“Agency”	Woodland Redevelopment Agency
“Agency Address”	300 First Street, Woodland, CA 95695
“Participant”	BlackPine Holdings, Inc
“Participant Legal Status”	Morgan 2001 Revocable Trust
“Participant Address”	17240 Clearview Drive, Los Gatos, CA 95032
“Project Area or Target Area”	Globe Rice Mill Building 1059 Court Street, Woodland, CA 95695 Woodland Redevelopment Project Area
“Effective Date”	June 22, 2011
“Loan Amount”	$500,000
"Funding Source"	Redevelopment Tax Increment

Agency and Participant enter into this Owner Participation Agreement (hereinafter "OPA") as of the Effective Date. [For purposes of this OPA, the capitalized terms shall have the meanings assigned in the above table and in
Section 11.2.]

RECITALS

A. Participant is the owner of the Site, consisting of that real property located generally at 1059 Court Street , in the City of Woodland, California, more particularly described in Exhibit A: Legal Description, incorporated herein by this reference, and as shown on the Map attached hereto as Exhibit A-1, together with the building existing thereon commonly referred to as the Globe Rice Milll Building.

B. Agency is a redevelopment agency formed and acting under the Community Redevelopment Law (California Health & Safety Code Sections 33000 *et seq.*), and this document is governed by the Community Redevelopment Law. The Funding Source of the Loan is Tax Increment Funds (as defined in the Community Redevelopment Law) generated in the Project Area and is subject to the applicable provisions of the Community Redevelopment Law and the Redevelopment Plan for the Project Area. This OPA is made in accordance with provisions of the Redevelopment Plan for participation by

Participants in the redevelopment of the Project Area (adopted in accordance with California Health & Safety Code Section 33339). This OPA is consistent with, and furthers, the Redevelopment Plan and the "Implementation Plan" adopted for the Project Area in that it will remediate blight by improving and upgrading the appearance of commercial properties in the Project Area.

AGREEMENT

NOW THEREFORE, in consideration of the following mutual covenants, obligations and agreements and for other good and valuable consideration, the receipt and adequacy of which are acknowledged, the parties agree as follows:

1. **PURPOSE.** The purpose of this OPA is to provide for the rehabilitation of the improvements existing on the Site, and for the Agency to loan funds for a term not to exceed five years from January 1, 2012 in order to assist the Participant with the rehabilitation. The Agency represents that the use of the funds, under this OPA, and the fulfillment generally of this OPA, are (1) in the vital and best interests of the City and the health, safety, morals and welfare of its residents, (2) for the purpose of community improvement and welfare, (3) for the benefit of the Project Area and in accordance with the Agency's Redevelopment Plan, and (4) consistent with the Redevelopment Plan and the Implementation Plan. Participant represents and agrees that its promise to improve the Site under the OPA is not intended for speculation in land holding.

2. **TERM**. This OPA shall commence as of the date first written above and shall terminate upon the occurrence of all of the following:

   2.1 Fulfillment by the parties of their obligations under this OPA, including completion of the Project by the Participant; and

   2.2 Repayment of the Loan by Participant.

3. **LOAN PROVISIONS**

   3.1 Loan Amount. Agency hereby agrees to loan to Participant up to FIVE HUNDRED THOUSAND DOLLARS ($500,000.00) (the "Loan") and Participant hereby agrees to repay the Loan in accordance with this OPA and comply with the terms of this OPA for the rehabilitation of the Site. One-and-a-half percent (1.5%) of the loan amount, or $3,000 will be withheld for contribution towards a public art program administered by the Yolo County Arts Council. (One and –a-half percent (1.5%) will also be withheld from the façade maintenance easement agreement for this building).The Loan proceeds shall be used solely to pay the costs incurred by the Participant for rehabilitating the Globe Rice Mill Building located at 1059 Court Streett (the "Rehabilitation Work"). The Loan shall be evidenced by a promissory note (the "Note") to be executed by Participant in favor of the Agency, in substantially the form attached hereto as Exhibit B and incorporated herein by reference. The Note shall be secured by a deed of trust ("Deed of Trust") to be executed by Participant, in substantially the form attached as Exhibit C and incorporated herein by reference. The Deed of Trust shall be recorded against the Site as a condition to and concurrently with disbursement of any portion of the Loan Amount.

   3.2 Disbursement Procedures. The Loan shall be disbursed to Participant as follows:

      3.2.1 Conditions Precedent. Agency shall not be obligated to make any disbursement of the Loan Amount until the following conditions precedent have been met:

3.2.1.1 Participant is not in default of any provision of this OPA; and

3.2.1.2 The Participant has executed and delivered to the Agency the Note and Deed of Trust evidencing the Loan;

3.2.1.3 The Participant has provided the Agency with a CLTA standard form lender's policy of title insurance in the amount of the Loan, acceptable to Agency in its reasonable discretion, containing those endorsements reasonably requested by Agency that will insure the Deed of Trust as a valid first priority lien on the Site, subject only to those exceptions to title approved, in writing, by the Agency;

3.2.1.4 All conditions precedent to commencement of construction set forth in Section 4.3 of this Agreement shall have been satisfied, and the Participant shall be prepared to commence the Rehabilitation Work on the Site promptly following disbursement of the Loan;

3.2.1.5 The Participant shall have delivered to the Agency, and the Agency shall have approved, the Participant's budget for the Rehabilitation Work to be completed on the Site; and

3.2.1.6 The Participant shall have delivered to the Agency, and the Agency shall have approved, evidence satisfactory to the Agency that the Participant has financing or other funding available to it to undertake and complete the Rehabilitation Work in accordance with this Agreement.

3.2.2 Disbursement. Upon satisfaction of all conditions precedent set forth in this Section 3.2, the Agency will deliver to the Participant the Loan Amount, less the 1.5% for public art, and less a 10% contingency amount which shall be held by the Agency and disbursed upon full completion of the Rehabilitation Work and recordation of mechanics lien releases relating to such Rehabilitation Work.

3.3 **Repayment**. The Loan shall be repaid in accordance with the terms and conditions set forth in the Note (Exhibit B). If construction has not been started by January 2012, the funds may be disencumbered and this OPA is voided. The Loan shall be repaid in full by the Participant within five (5) years or otherwise provided in the Note. Following repayment of all amounts due and owing under the Note, the Agency shall execute and deliver to the Participant such documents as may be necessary to release the Agency's lien under the Deed of Trust from the Site.

4. **LOAN OBLIGATIONS**.

4.1 Agency Acceptance of Plans. This OPA is a financing document of the Agency and not a land use or planning document. Approval of the Project under this OPA by the Agency is not and shall not be considered an approval of land use entitlements or structural design of the Project, or the aesthetic design of the Project except as an approval by the Agency of the Project design concept to affect the purpose of this OPA. Participant shall comply with all applicable land use, planning and design laws, rules and regulations of each governmental agency acting in proper exercise of their respective jurisdictions, including without limitation, departments, staff, boards and commissions of the City. Agency's approval of Plans is not an assurance of their adequacy or correctness. Agency has reserved approval rights solely (a) to assure that the Plans further the Redevelopment Plan; and (b) to assure that the Project is developed as intended by this OPA.

4.2 Zoning and Condition of the Site. As between the Agency and Participant, Participant is solely responsible for investigating the condition of the Site for the Rehabilitation Work to be undertaken (including zoning and Hazardous Materials conditions, if any) and for placing the Site in a suitable condition for construction.

4.3 Conditions Precedent to Commencement of Construction. Participant shall not begin the rehabilitation work pursuant to this OPA until the following conditions precedent have been satisfied:

4.3.1 Participant has obtained City approval of all Plans, and a building permit and all other permits required for the Rehabilitation Work, if any;

4.3.2 Participant has submitted to Agency the certificates of insurance required by Section 8; and

4.3.3 Participant has entered into a Construction Contract with a licensed general contractor or directly with subcontractors for the rehabilitation work to be completed on the Site and has provided a copies of the applicable executed contracts to the Agency.

4.3.4 Participant has entered into a contract with a licensed general contractor to supervise and direct all rehabilitation work requiring a building permit, encroachment permit, or inspection of work by Pacific Gas and Electric (PG&E) and has provided a copy of applicable executed contract to the Agency. The Participant shall obtain Agency's approval of the selected general contractor.

5. **REHABILITATION**. The Participant shall carry out the rehabilitation of and manage the Project according to the requirements established in this OPA, the Plans, and in conformity with all applicable laws, including without limitation all applicable building codes and labor standards. Participant shall promptly begin, diligently prosecute and timely complete the construction of the Project. In interpreting the provisions of this OPA, the provisions which specifically enforce the Redevelopment Plan and the applicable provisions of the Community Redevelopment Law and / or the Code of Federal Regulations shall control.

5.1 Completion of Construction. Participant shall promptly begin rehabilitation and shall complete rehabilitation of the Site pursuant to Exhibit D, Scope of Work/Schedule of Performance.

5.2 Public Safety Protections**.** Participant shall assure that all necessary steps are taken (including the erection of fences, barricades and warning devices) to protect private contractors and their employees and the public from the risk of injury arising out of the condition of the Site or Participant's activities in connection with the Site, including without limitation, fire, or the failure, collapse or deterioration of any improvements or buildings.

5.3 Antidiscrimination During Rehabilitation. The Participant for itself and its successors and assigns, agrees that the following provisions shall apply to, and be contained in all contracts and subcontracts for the rehabilitation of the Site. (For purposes of this Section 5.3, Participant shall also mean Contractor or Subcontractor.)

5.3.1 Employment. The Participant shall not discriminate against any employee or applicant for employment on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955 and Section 12955.2 of the Government Code. The Participant will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955 and Section 12955.2 of the Government Code. Such action shall include, but not limited to, the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layout or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Participant agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the Agency setting forth the provisions of this nondiscrimination clause.

5.3.2 Advertising. The Participant shall, in all solicitations or advertisements for employees placed by or on behalf of the Participant, state that all qualified applicants will receive consideration for employment without regard to any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955 and Section 12955.2 of the Government Code.

5.4 Lead-Based Paint. Participant shall not use lead-based paint in the rehabilitation of the Site.

5.5 Hazardous Materials**.** If "Hazardous Substances" are known to be or discovered on the Site, Participant shall remediate all Hazardous Substances on the Site as and to the extent required by any federal, state or local agency having jurisdiction regarding Hazardous Substances standards or remediation and as may be necessary to avoid incurring liability or further liability under any federal, State and local law or regulation. Participant shall bear all costs related to such remediation.

5.6 Changes in the Work. Participant shall, prior to its occurrence, notify Agency of all changes in the construction which result in a net increase in cost, alter the scope of the work, or extend the period for construction beyond the Completion Date set forth in the Scope of Work/Schedule of Performance (Exhibit D). Agency shall have the right to approve or reject such changes. Agency shall make such approval or rejection in writing within a reasonable time. If the cost of construction of the Project or any part of the Project exceeds the costs

projected by Participant, the Participant shall, nevertheless, bear the responsibility to complete, at his/her cost, the construction of the Project in accordance with this OPA.

5.7 Notification of Contractors, Architects and Engineers. Participant shall ensure that the Construction Contract shall fully comply with this OPA. Participant shall notify his/her Project Contractors, architects and engineers of the requirements of this OPA. Participant shall include, where applicable, the provisions of this OPA in contracts and subcontracts for the Project, and Participant shall enforce such provisions.

5.8 Agency Inspection and Access to Site. Agency shall have the right to inspect all books and records of Participant related to the Project and the rehabilitation and changes in rehabilitation during normal business hours to assure Participant's compliance with the provisions of this OPA and Plans. Participant shall permit Agency representatives' access, without charge, to the entire Site at any time during normal business hours and for any purpose which Agency reasonably considers necessary to carry out its obligations and protect its interests under this OPA. Purposes for Agency entry may include, without limitation, inspection of all work being performed in connection with the rehabilitation of the Site.

5.9 Supervision of the Work. Participant shall be solely responsible for monitoring all Rehabilitation Work and the rehabilitation of the Site, ensuring that the Rehabilitation Work is performed in a workmanlike manner, and enforcing the terms of this OPA and the Construction Contracts. Agency inspection of Rehabilitation Work shall be solely for the purpose of monitoring disbursements of Agency funds, assuring Participant's performance under this OPA and protecting Agency's interest in the Site.

6. COVENANTS REGARDING USE AND NONDISCRIMINATION.

Participant, its successors and assigns, shall not discriminate on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955 and Section 12955.2 of the Government Code in the sale, lease or rental or in the use or occupancy of the Site. Participant shall use the Site in accordance and conformity with the Redevelopment Plan.

7. INDEMNIFICATION

7.1 Indemnification. Participant shall indemnify, protect and defend the Agency, its officers, directors, employees and agents, and hold them harmless from any and all claims and liability for bodily injury, death and property damage caused by or resulting from the acts or omissions of Participant, its officers, employees, agents or independent contractors and for any and all costs incurred by the Agency in defending against such claims, including investigator's, witness' and attorney's fees and court costs. This Section 7.1 shall survive the termination of this OPA, irrespective of the reason for its termination.

7.2 Indemnification of Agency for Hazardous Materials. Participant acknowledges that the Agency is not and has not been the owner of, or in possession of, all or any part of the Site. Participant shall indemnify, protect and defend Agency and hold Agency harmless from any and all costs, fees, penalties and claims related to the existence of Hazardous Materials on the Site and to the removal or discharge of Hazardous Materials from the Site by Participant, or its employees, agents or contractors. The indemnity provisions regarding Hazardous Materials set out in this Section 7.2 shall survive the expiration or other termination of this OPA, irrespective of the reason for its termination.

8. **INSURANCE AND PUBLIC SAFETY PROTECTIONS**.

Participant shall promptly take steps to protect private contractors and their employees and the public from the risk of injury whether from the condition of the Site or Participant's activities in connection with the Site. The Participant shall obtain and maintain, or require the Contractor and subcontractors for the Project to purchase and maintain the following insurance for claims which may result from the operations under the OPA of the Participant, any Contractor, subcontractor or anyone directly or indirectly employed by any of them, or by anyone for whose acts any of them may be liable:

8.1 Liability Insurance Policy Limits. The insurance required by this Section shall be written with a deductible of not more than TWENTY-FIVE THOUSAND DOLLARS ($25,000) or a lower amount approved in writing by Agency Executive Director or Agency Counsel and for not less than the following limits of liability:

8.1.1 Worker’s Compensation. Claims under workers' compensation benefit acts: Worker's Compensation Statutory Limits shall be as required by Article 1 (commencing with Section 3700) of Chapter 4 of Part 1 of Division 4 of the California Labor Code (as it may, from time to time, be amended).

8.1.2 Comprehensive General Liability. Claims for damages because of bodily injury, occupational sickness or disease, or death of his employees and of any person other than his employees; claims for damages insured by usual personal injury liability coverage which are sustained (1) by any person as a result of an offense directly or indirectly related to the employment of such person by the Participant, or (2) by any other person; claims for damages, other than to the construction itself, because of injury to or destruction of tangible property, including resulting loss of use; and claims for contractual liability arising from the Participant's obligations under this OPA.

8.1.3 Commercial General Liability coverage which shall include Site-Operations, Independent Contractor's Protective, Products and Completed Operation (for four years), Broad Form Property Damage, or other coverage as approved by Agency Counsel, in the following limits of liability:

8.1.2.1 Bodily Injury. Bodily injury liability of $500,000 each occurrence and $500,000 Aggregate, Products and Completed Operations.

8.1.2.2 Property Damage. Property damage liability of $500,000 each occurrence; $500,000 single limit and $500,000 aggregate.

8.1.2.3 Contractual Liability. Contractual liability for Bodily Injury of $500,000 each occurrence; for Property Damage of $500,000 each occurrence and $500,000 aggregate; and Personal Injury with Employment Exclusion Deleted of $500,000 aggregate.

8.1.3 Comprehensive Automobile Liability. Claims for damages because of bodily injury or death of any person or property damage arising out of the ownership, maintenance or use of any motor vehicle: Comprehensive Automobile Liability for any vehicle used for or in connection with the Rehabilitation Work (Owned, Non-owned, hired, leased): $500,000.

8.1.4 Fire, Hazard and Extended Coverage Insurance**.** For the duration of this OPA, Participant shall obtain and maintain fire and hazard insurance to the full insurable value of the Site with endorsements of extended coverage, vandalism, and malicious mischief, and with such other endorsements and in such amounts as the Agency may reasonably require to protect the Project. In the event of damage to the Project, Participant shall use the proceeds of such insurance to reconstruct the Project and the public improvements.

8.2 Insurance Provisions.

8.2.1 Provider. Each policy of insurance required under this OPA shall be obtained from a provider licensed to do business in California and having a current rating as may be approved in writing by Agency's legal counsel.

8.2.2 Additional Insured. The Agency and the City of Woodland shall be additional insured on all insurance policies, except the worker's compensation policy.

8.2.3 Cancellation. Each policy shall bear an endorsement precluding cancellation or termination of the policy or reduction in coverage unless the Agency has been given written notice of such intended action at least thirty (30) days prior to its effective date.

8.2.4 Certificates and Policies. Participant shall provide to Agency certificates of said insurance prior to commencing the work of this OPA and shall provide to Agency true copies of the policies of said insurance as soon as available.

8.2.5 Failure to Maintain. If Participant fails to obtain or maintain, or cause to be obtained and maintained, any insurance required by this OPA, the Agency shall have the right to purchase the insurance and withhold from the Agency Funding the full costs to Agency of obtaining such insurance and treat the funds withheld as an additional disbursement in accordance with this OPA.

8.2.6 Modification. The requirements of the foregoing insurance provisions shall not be modified except upon prior written approval of Agency Counsel.

9. PROHIBITIONS AGAINST ASSIGNMENT AND TRANSFER.

Assignment and transfer of Participant's interests in the Site or any interest under this OPA without Agency's prior written approval are prohibited. Agency's approval shall not be unreasonably withheld.

10. DEFAULTS AND REMEDIES.

Subject to any extension of time permitted by this OPA, a failure or delay by a party to perform any term or provision of this OPA constitutes a default of this OPA.

10.1 Cure. Except as otherwise provided in the OPA, if either party shall default in, or breach, this OPA, such party shall immediately commence and diligently proceed to cure such default or breach within ten (10) days after receipt of written notice from the other party of such default or breach. If the defaulting party does not promptly begin and diligently pursue a cure of the default or fails to cure the default within a reasonable time, the aggrieved party may institute proceedings to cure and remedy such default or breach, including, but not limited to, proceedings to compel specific performance by the party in default. While Agency is not relieved of any obligation under this OPA to give notice, mere failure of Agency to notify Participant shall not be deemed a waiver of Participant's default.

10.2 No Waiving by Delay. Any delay by a party in asserting any rights under this Section shall not operate as a waiver of such rights or to deprive such party of, or limit, such rights in any way. Any waiver in fact made by a party with respect to any specific default shall not be considered as a waiver of the rights of such party with respect to any other defaults or with respect to the particular default except to the extent specifically waived in writing.

10.3 Delay for Causes Beyond Control of Party. For the purposes of any of the provisions of this OPA, neither Agency nor Participant shall be considered in breach of, or default in, its obligations with respect to the preparation of the Site for rehabilitation, or the beginning, prosecution and completion of construction of the Improvements, if delay in the performance of such obligations is due to unforeseeable causes beyond the delayed party's control and without its fault or negligence. Unforeseeable causes shall include acts of God, acts of the public enemy, acts of the federal government, acts of the other party, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, a general moratorium on financing for projects of the same type, and unusually severe weather (as for example, floods, tornadoes, or hurricanes) or delays of subcontractors due to such causes. In the event of the occurrence of any such enforced delay, the time or times for performance of such obligations of the Agency and Participant shall be extended for the period of the enforced delay, as determined by the Agency, provided that the party seeking the benefit of the provisions of this Section shall, within thirty (30) days after Participant has or should have knowledge of any such enforced delay, have first notified the other party, in writing, of the delay and its cause, and requested an extension for the period of the enforced delay.

10.4 Commencement of Construction. Participant shall begin construction of the rehabilitation work not later than January 1, 2012.. This will require Participant to receive a building permit issued by the City of Woodland for the project site at 1059 Court Street and have at least one contractor working at the site. In the event that the Participant fails to begin construction by the aforementioned date or does not obtain an extension approved by the Agency Board of Directors, the OPA shall no longer be valid and all funding will be disencumbered.

11. GENERAL PROVISIONS

11.1 Time for Actions. Agency and Participant shall each do the actions required of them, on or before the times specified in this OPA. Unless otherwise provided, Agency shall give required approvals or disapprovals within forty-five (45) days after submission of request for approval.

11.2 Definitions. The following definitions shall apply for the purposes of this OPA:

11.2.1 "Agency" is the Redevelopment Agency of the City of Woodland. The Agency is a public body, corporate and politic, exercising governmental functions and powers, and organized and existing under the Community Redevelopment Law of the State of California. The principal office of the Agency is located at 300 First Street, Woodland, CA 95695. "Agency" as used in this OPA includes the Redevelopment Agency of the City of Woodland and any assignee of, or successor to, its rights, powers and responsibilities.

11.2.2 "Completion Date" is the date stated in the Scope of Work/Schedule of Performance (Exhibit D) for the completion of the Rehabilitation Work to be performed on the Site.

11.2.3 "Construction Contract" is the contract (or contracts) to be entered into with the Contractor for the Rehabilitation Work to be undertaken and completed on the Site.

11.2.4 "Contractor" is the contractor or contractors with whom Participant has contracted for the construction, and "subcontractors" are those contractors or materialmen with whom Contractor has contracted or with whom another subcontractor has contracted for a portion of the construction. Contractor (and all subcontractors who must, by law, hold a contractor's license) shall have a current and valid contractor's license, issued by the California Contractors' State License Board, for the work they are performing.

11.2.5 "Hazardous Materials" shall include, but not be limited to, all substances, wastes and materials designated or defined as hazardous or toxic pursuant to any of the following statutes, as they may be amended or superseded, from time to time: the Clean Water Act (33 U.S.C. §1321 et. seq.); the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (42 U.S.C. §9601 et seq.); the Resource Conservation and Recovery Act (42 U.S.C. §6901 et seq.); the United States Department of Transportation Hazardous Materials Table (49 CFR 172.101); the Environmental Protection Agency list of hazardous materials (40 CFR Part 302) and California Health and Safety Code Sections 25115, 25117, 25122.7, 25140 (Hazardous Waste Control Law), 25316 (Carpenter-Presley-Tanner Hazardous Substances Account Act), 25501 (Hazardous Materials Release Response Plans and Inventory) and 25281 (Underground Storage of Hazardous Substances); all applicable local regulations; and all regulations and promulgations pursuant to said laws.

11.2.6 "Improvements" are the works of improvement, including rehabilitation, to be constructed on the Site in accordance with this OPA.

11.2.7 “Loan Amount” is the maximum amount the Agency shall pay to or on behalf of the Participant for the completion of the Rehabilitation Work. The Loan Amount is $500,000, minus the public art contribution.

11.2.8 “Map”, is the map of the project site attached as Exhibit A-1, and incorporated herein by this reference.

11.2.9 "OPA" is this Owner Participation Agreement which includes this document and the Plans and referenced attachments to this OPA which are incorporated in this OPA as if set forth in full in the body of the OPA. A default of any of the referenced attachments shall be deemed a default of this OPA.

11.2.10 "Plans" are the full and final plans, drawings and specifications for the Project, including the work write-up, or scope of work, which have been approved by the City and reviewed by the Agency as suitable for Agency funding and which are on file with the Agency.

11.2.11. "Site" is that real property which the Participant owns, as more particularly described in Exhibit A: Legal Description, and as shown on the Map attached hereto as Exhibit A-2. The Site includes all existing improvements currently located on the Site.

11.2.12 "Project" is the rehabilitation of the Site, as more particularly set out in the Plans and this OPA.

11.2.13 "Project Area" is the redevelopment project area, as defined in the Redevelopment Plan and referred to in Recital B of this OPA.

11.2.14 "Participant" is theJeffrey D. Morgan and Kellie M. Morgan, as Settlors and as Trustees for the Morgan 2001 Revocable Trust. The mailing address for the Participant is PO Box 888, Woodland, CA. 95776.

11.2.15 "Redevelopment Plan" is the Redevelopment Plan for the Woodland Redevelopment Project adopted in 1988 by Ordinance No. 1129 (as it may be amended from time to time) as adopted by the City Council of the City of Woodland. References to the Redevelopment Plan include all rules, regulations, plans and strategies duly adopted in accordance with the Redevelopment Plan.

11.2.16 "Rehabilitation Work" means the rehabilitation work to be undertaken and completed on the Site pursuant to this OPA, as set forth in the Scope of Work/Schedule of Performance (Exhibit D).

11.2.17 "Subcontractors List" is the list, prepared by Participant, of all subcontractors employed in the work of construction if any, the work to be performed by each subcontractor, and the total amount to be paid to each subcontractor.

11.2.18 "Unavoidable Delay" is a delay in the performance by a party of any obligation which delay is beyond the control of such party. Unavoidable Delay is further defined in Section 10.3.

11.3 Inspection of Books and Records and Site Access. Agency has the right, at all reasonable times, to inspect the books and records of the Participant pertaining to the Site as necessary to assure compliance with the provisions of this OPA. Participant shall keep such books and records as Agency may reasonably require assuring Participant's performance of its obligations under this OPA. Participant shall permit Agency representatives' access, without charge, to the entire Site at any time and for any purpose which Agency reasonably considers necessary to carry out its obligations and protect its interests under the OPA.

11.4 Fees, Commissions, Gifts or Interests. Agency shall not be liable for any real estate commissions, brokerage fees or finder's fees which may arise from this OPA. Agency and Participant each represent that neither has engaged any broker, agent or finder, and that neither claims such a commission or fee, in connection with this OPA. Participant shall pay no fee or commission, make no gifts and provide no interest in the Loan to any employee or official of the Agency or the City of Woodland.

11.5 Entire Agreement. This OPA integrates all of the terms and conditions related or incidental to its subject matter, and supersedes all negotiations or previous agreements between the parties with respect to its subject matter.

11.6 Waivers and Amendments. All waivers of the provisions of this OPA must be in writing and signed by the appropriate authorities of the Agency or the Participant, and all amendments hereto must be in writing and signed by the appropriate authorities of the Agency and the Participant.

11.7 Nonliability of Agency Officials and Employees. No member, official or employee of the Agency shall be personally liable to the Participant, or any successor in interest, in the event of any default or breach by the Agency or for any amount which may become due to the Participant or its successors, or on any obligations under the terms of this OPA.

11.8 Local, State and Federal Laws . The Participant shall assure that the construction of the Project is carried out in conformity with all applicable laws and regulations, including all applicable federal and state labor standards. Before commencement of construction or development of any buildings, structures or other work of improvement upon the Site, Participant shall at its own expense secure any and all certifications and permits which may be required by any governmental agency having jurisdiction over such construction, development or work. Agency shall cooperate in securing certifications and permits which require consent of the owner of the property. Participant shall permit only persons or entities that are duly licensed in the State of California, County of Yolo and City of Woodland, as applicable, to perform work on or for the Project.

11.9 Notices And Demands. A notice, demand or other communication under the OPA by either party to the other shall be in writing and shall be sufficiently given or delivered if it is dispatched by registered or certified mail, postage prepaid, return receipt requested, or delivered personally, to the address set out above, or at such other address with respect to either such party as that party may, from time to time, designate in writing and forward to the other as provided for a notice in this Section.

THIS AGREEMENT IS EXECUTED as of ______________________ in Woodland, California.

PARTICIPANT:	**AGENCY:**
Morgan 2001 Revocable Trust	REDEVELOPMENT AGENCY OF THE CITY OF WOODLAND
By: _________________________ Jeffrey D. Morgan Its: ________________________ Settlor and Trustee	By: ______________________________ MARK G. DEVEN Agency Executive Director
By:__________________________ Kellie M. Morgan	APPROVED AS TO FORM:
Its: ________________________ Settlor and Trustee ____________________	By: ______________________________ Agency Counsel

EXHIBIT A

LEGAL DESCRIPTION OF THE PROPERTY

The land described herein is situated in the State of California, County of Yolo, City of Woodland, and is described as follows:

TO BE PROVIDED

EXHIBIT A - 2

MAP OF THE SITE

To Be Included

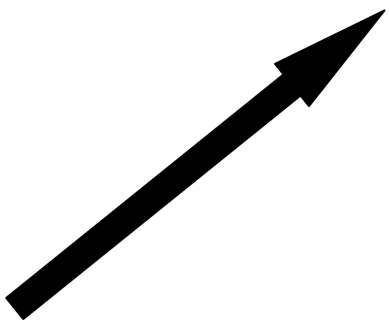


EXHIBIT B

PROMISSORY NOTE

$500,000 ___________________, 2011

Woodland, California

EXHIBIT C

DEED OF TRUST

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

REDEVELOPMENT AGENCY OF THE
CITY OF WOODLAND
300 First Street
Woodland, CA 95695
Attn: Executive Director

EXHIBIT D

SCOPE OF WORK/SCHEDULE OF PERFORMANCE
(Interior and Exterior Rehabilitation)

SCOPE OF WORK/SCHEDULE OF PERFORMANCE:

To Be Completed

AGENCY RESOLUTION NO. ______________

A RESOLUTION OF THE REDEVELOPMENT AGENCY OF THE CITY OF WOODLAND APPROVING THE ALLOCATION OF FUNDS AND OWNER PARTICIPATION AGREEMENT FOR THE GLOBE RICE MILL REHABILITATION/IMPROVEMENT PROJECT

WHEREAS, on April 5, 2011, the Agency Board provided staff with direction in regards to projects to implement and allocate the Agency Bond funds;

WHEREAS, the Agency Board instructed staff to return to the Board with rates, terms, and funding allocations as the projects were deemed feasible; and

WHEREAS, Staff has identified projects that are ready to move forward and require funding.

NOW THEREFORE BE IT RESOLVED THAT the Redevelopment Agency Board does hereby:

Section 1. Approve an Owner Participation Agreement for the Globe Rice Mill property rehabilitation/improvement in the amount of $500,000, in substantially the form attached to the staff report.

Section 2. Authorize the Executive Director to execute the OPA and any necessary related documents needed for the project, and

Section 3. Allocate $500,000 in redevelopment bond funds and amend the Agency budget accordingly.

PASSED AND ADOPTED this 21st day of June, 2011 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

____
Artemio Pimentel, Chair

ATTEST:

____
Ana B. Gonzalez, Secretary

APPROVED AS TO FORM:

____
Andrew J. Morris, Agency Attorney

City of Woodland

REPORT TO REDEVELOPMENT AGENCY BOARD

AGENDA ITEM

TO: THE REDEVELOPMENT AGENCY BOARD

DATE: June 21, 2011

SUBJECT: Relocation Agreement for Hoblit Dealership

Report in Brief

The Redevelopment Agency staff is implementing projects consistent with the Redevelopment 2010-2014 Implementation Plan. The projects were discussed in concept at the meeting of April 5, 2011. During that meeting and a subsequent meetings on May 3rd and 17th , the Agency Board directed staff to pursue projects identified and bring back the terms of funding for the Board's review.

One of the projects that was identified is the Hoblit relocation project. The Board previously allocated $200,000 for the relocation of the Chrysler/Dodge/Jeep dealership at 801 Main Street and asked staff to return to the Board for review of the agreement document. (See Attachment I-Relocation Agreement).

Staff recommends that the Redevelopment Agency Board adopt Resolution No. _____ authorizing the execution of the Relocation Agreement with Hoblit Chrysler/Dodge/Jeep based on the business terms described.

Background

On April 5, 2011, Redevelopment Agency staff brought forward a strategy on how to encumber and spend the nearly $5 million of Redevelopment Tax Increment Bond proceeds available. Staff presented the Board with different projects that could utilize the funding and received direction on which projects to proceed.

Staff was also instructed to investigate other projects and as they become ready for construction financing, return to the Board with terms of the financing or funding requirements. One project that was approved in concept and received an approval for an allocation of funds was the Hoblit Relocation project. During the April 5th meeting, the Board did allocate $200,000 in redevelopment bond funds for this project.

Discussion

To allow development of the new downtown multiplex, the existing auto dealer at Fifth and Main Street needs to be relocated. The multiplex has been identified as the highest priority project for the Agency. However, it is important to assist the car dealership in relocating within the City. Loss of the dealership would result in a significant loss of revenue. In the last 10 years, Hoblit has been responsible for several million in sales tax revenue for the City. The owner has worked closely with City and Agency staff to help find a potential new location for his dealership.

Due to the fact that redevelopment actions spurred development of the theater, the Hoblit dealership is eligible for relocation assistance. Under relocation law, the dealer would be able to use the funds for any expense as long as he was to move his dealership. There is a risk that the dealer could relocate out of Woodland; however, based on past sales revenues and assurances from the dealer and Chrysler's regional manager, staff believes Hoblit plans to remain in Woodland.

The terms of the relocation agreement are to reimburse relocation expenses of $200,000. This was an amount negotiated by the Agency's relocation consultant who identified eligible expenditures and costs allowed under California state relocation law. Under Relocation Law, any business that is displaced due to a Redevelopment Agency action is eligible for relocation assistance, regardless of the type of business. The Agency is obligated under State law to assist the dealership with some of the costs related to finding a new location.

Fiscal Impact

The Hoblit Chrysler/Dodge/Jeep Relocation project was already approved for an allocation of $200,000 during the April 5th meeting. Actions by the Board at this meeting will allow the Relocation Agreement to be executed and funds disbursed.

There is no impact on the General Fund for the relocation. However, retention of the dealership within the City will continue to generate significant dollars in sales and property tax.

Public Contact

Posting of the Redevelopment Agency Board Agenda.

Alternative Courses of Action

1. Adopt Resolution No. _____ authorizing the Executive Director to execute the Relocation Agreement, in substantially the form attached to this report and other necessary related documents for the Hoblit Chrysler/Dodge/Jeep project.

2. Do not approve the Agreement and provide alternate direction to staff.

Recommendation for Action

Staff recommends that the Redevelopment Agency Board approve Alternative No. 1.

Prepared by: Jamie McLeod
Redevelopment/Housing
Analyst II

Reviewed by: Cynthia Shallit
Redevelopment Manager

____
Mark G. Deven
Executive Director

Attachment A: Agency Resolution No. _____
Attachment I: Hoblit Dealership Relocation Agreement

AGENCY RESOLUTION NO. ________

RESOLUTION OF THE REDEVELOPMENT AGENCY OF THE CITY OF WOODLAND APPROVING THE ALLOCATION OF FUNDS AND EXECUTION OF THE RELOCATION AGREEMENT FOR THE HOBLIT RELOCATION

WHEREAS, the Redevelopment Agency of the City of Woodland ("Agency") is carrying out the Redevelopment Plan ("Redevelopment Plan") for the Woodland Redevelopment Project ("Redevelopment Project"); and

WHEREAS, pursuant to Health and Safety Code Section 33490, the Agency has adopted a Five-Year Implementation Plan for the Redevelopment Project setting out the Agency's goals and objectives for implementation of the Redevelopment Plan for period 2010 to 2014; and

WHEREAS, in light of the current economic climate and current circumstances, the Agency desires to reaffirm certain redevelopment projects and activities as high priorities and approve a strategy for investing tax increments funds in those high priority projects;

WHEREAS, the Board approved an investment strategy at its meeting of April 5, 2011, and

NOW, THEREFORE, THE REDEVELOPMENT AGENCY OF THE CITY OF WOODLAND DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. The Agency authorizes the Executive Director to Execute the Relocation Agreement and any related documents substantially in the form attached to the report of June 21, 2011, for the Hoblit Relocation project.

PASSED AND ADOPTED at the meeting of the Redevelopment Agency of the City of Woodland, duly held on June 21, 2011, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

____
Artemio Pimentel, Chairperson

ATTEST:

____
Agency Secretary

Hoblit Chrysler/Jeep/Dodge
RELOCATION AGREEMENT

This Agreement ("Agreement") is entered into as of **________________**, 2011, by and between the City of Woodland Redevelopment Agency a public body corporate and politic ("Agency"), and **Hoblit Chrysler/Jeep/Dodge, a California Corporation** ("Tenant"). Agency and Tenant are hereinafter sometimes referred to collectively as the "Parties".

RECITALS

A. Tenant operates a business commonly known as **Hoblit Chrysler Jeep Dodge** ("Tenant's Business") and holds a leasehold interest in that certain real property and improvements located at **801 Main Street,** Woodland, California (the "Property") pursuant to a Rental Agreement between Tenant and the owner of the Property, dated **_____________** ("Rental Agreement").

B. The Property is located within the Woodland Redevelopment Project Area. The Agency has identified the Property for development of a Cineplex Project ("Project") on the Property.

C. The Parties desire to enter into this Agreement to establish their respective rights and obligations with regard to the relocation of Tenant's Business to another preferred site within the City of Woodland, upon the terms and conditions set forth below.

NOW THEREFORE, The Parties hereto agree as follows:

1. Relocation of Tenant's Business

(a) Subject to and in consideration of the Relocation Payment set forth in Section 2, below, Tenant agrees to relocate Tenant's Business to allow development of the downtown multiplex theatre.

(4) Tenant wishes to occupy a Temporary Site (Temp. Site) located at 333 Main Street within the City of Woodland. Tenant realizes that the City of Woodland will allow a temporary relocation to the Temp Site while the Tenant looks for a New Site to build or lease. Tenant acknowledges that any occupancy on the Temp Site will require the Temp Site to be brought up to minimum Building Code Standards as directed by the City of Woodland Planning and Building Departments. Tenant acknowledges that a permanent relocation to the Temp Site would require the Temp Site to meet all current Building Code Standards and a Conditional Use Permit

from the City of Woodland Planning Department.

2. Relocation Payments

(a) In consideration for the relocation activities to be undertaken by Tenant as provided in Section 1, above, the Agency agrees to pay to Tenant the sum of Two Hundred Thousand Dollars (**$200,000.00**) ("Relocation Payment"), to be distributed to Tenant in accordance with the following schedule: (i) Forty Thousand Dollars ($40,000) shall be payable within ten (10) days of execution of this Agreement. (ii) Disbursal of the balance of the Relocation Payment shall be coordinated by [________], Agency's Relocation Consultant in accordance with the Relocation Assistance and Real Property Acquisition Guidelines of the California Department of Housing and Community Development (Cal. Code Regs. Title 25, Section 6000 et seq.).

(b) Tenant agrees that the Relocation Payment to be paid by the Agency pursuant to Section 2(a), above, constitutes full satisfaction of any and all Agency obligations to Tenant, including without limitation any obligations for relocation assistance, relocation benefits, goodwill, compensation for personal property, furniture, fixtures and equipment, leasehold bonus value or damages of any nature relating to Tenant's relocation of Tenant's Business from the Property to the New Site.

3. Possession Of Property

Tenant shall be entitled to remain in possession of the Property, pursuant to the terms of the Rental Agreement until **June 30, 2011** (the "Vacation Date") or such later date as may be approved by the Property Owner.

4. Vacation Of Property

Tenant represents and warrants to Agency that as of the Vacation Date, Tenant shall have completely vacated the Property and returned possession of the Property to its fee owner.

(a) As of the Vacation Date, Tenant shall have removed all its removable personal property, trade fixtures, furniture and equipment from the Property except for those items described in Exhibit "A" attached hereto and incorporated herein by reference.

(b) Upon the Vacation Date, Tenant hereby transfers any right, title and interest in the Property, the Rental Agreement and any remaining fixtures and equipment described in Exhibit A to the owner of the Property, and warrants all to be free and clear from any liens or encumbrances, including any refrigerants or any other toxic or hazardous materials, which shall have been removed and disposed of in accordance with applicable regulations.

5. Release

(a) Tenant hereby releases and forever discharges the Agency and its respective successors, assigns, officers, directors, employees, agents, and attorneys, from any and all claims, demands, causes of action, obligations, damages and liabilities, whether or not known, suspected or claimed, which Tenant may have against or claim to have against the Agency by reason of (i) Agency's acquisition of the Property, if applicable, (ii) the termination of Tenant's existing Rental Agreement, and the relocation of Tenant's Business operations pursuant to this Agreement; (ii) the taking of any of Tenant's interest in the Property in any form relating, including, but not limited to, any leasehold interest of Tenant in and to the Property or any improvements thereon; (iii) any relocation benefits or assistance to which the Tenant might have a claim in connection with the Property or the relocation of Tenant's Business therefrom pursuant to this Agreement, including without limitation relocation assistance, relocation benefits or compensation for property or goodwill from the Agency; and (iv) all claims which could be raised in connection with the relocation procedures which the Agency has followed in connection with or relating to the Tenant's relocation from the Property, including without limitation, the right to a ninety (90) day notice to vacate to which Tenant might otherwise be entitled in connection with the relocation of Tenant's Business operations from the Property as set forth in this Agreement.

(b) Tenant acknowledges that it has been advised by its attorneys concerning, and is familiar with, the provisions of California Civil Code Section 15.42, which provides as follows:

> "A general release does not extend to any claims which the creditor does not know or suspect to exist in its favor at the time of executing of the release, which if known by him must have materially affected his settlement with the debtor."

Tenant acknowledges and is fully aware that it and its attorneys may hereafter discover claims or facts in addition to or different from those which they now know or believe to exist with respect to the subject matters of this Agreement; nonetheless, it is the intention of Tenant to fully, finally and forever settle and release all possible claims. Tenant agrees that the foregoing release shall be and remain effective in all respects notwithstanding such different or additional facts or law or any party's discovery thereof. Tenant shall not be entitled to any relief in connection therewith, including, but not limited to any damages or any right or claim to set aside or rescind this Agreement.

(c) No party nor any agents nor any related entities have made any statement or representation to any other party regarding any fact relied upon in entering into this Agreement, and each party expressly states it does not rely upon any statement, representation or promise of any other party or any party's agent or related entities in executing this Agreement, except as is expressly stated in this Agreement. Each party to this Agreement has made such investigation of the facts and law pertaining to this Agreement, and of all other matters pertaining thereto, as it deems necessary, and has consulted with legal counsel concerning these matters.

6. Attorney's Fees

Should any party bring any action or proceeding against the other party hereto for the purpose of enforcing this Agreement or any of its terms or provisions, or resolving any disputes arising out of this Agreement, the prevailing party in such action shall be entitled to recover from the non-prevailing party its costs and expenses, which expenses shall include, but not be limited to, all reasonable attorneys fees and costs incurred by said party in such action or proceeding, incurred in pursuit of said action or proceeding.

7. Indemnity By Tenant

Tenant shall indemnify, defend and hold Agency harmless from and against any claims, demands, liabilities, losses, judgments, expenses and attorneys' fees resulting from the breach by Tenant of any provision of this Agreement or the falsity of any representation or warranty made by Tenant contained in this Agreement.

8. Entire Agreement

This Agreement contains the entire agreement of the parties hereto, and supersedes any prior written or oral agreements between them concerning the subject matter contained herein.

9. Partial Invalidity

In the event that any term, covenant, condition or provision of this Agreement shall be held by a court of competent jurisdiction to be invalid or against public policy, the remaining provisions shall continue in full force and effect.

10. Waiver

The provisions of this Agreement may be waived, altered amended or repealed, in whole or in part, only upon the written consent of all parties to this Agreement. The waiver by one party of the performance of provision of this Agreement shall not invalidate this Agreement, nor shall it be considered as a waiver of any subsequent breach of the same or other provisions of this Agreement.

11. Headings

The headings, subheadings and numbering of the different paragraphs of this

Agreement are inserted for convenience only and shall not be considered for any purpose in construing this Agreement.

12 Governing Law

The rights and obligations of the parties hereto shall be construed and enforced in accordance with, and governed by, the laws of the State of California.

13 Successors In Interest

Subject to any restrictions against assignment contained herein, and to any legal limitations on the power of the signatories to bind non-signatories to this Agreement, this Agreement shall inure to the benefit of, and shall be binding upon, the assigns, successors in interest, personal representatives, executors, estate, heirs, legatees, Agents and related entities of each of the parties hereto.

14. Necessary Acts

Each party to this Agreement agrees to perform any further acts and execute and deliver any further documents that may be reasonable necessary to carry out the provisions of this Agreement.

15. Advice Of Counsel

Each party hereto, by its due execution of this Agreement, represents to every other party that it has reviewed each term of this Agreement with its counsel and that hereafter no party shall deny the validity of this Agreement on the ground that the party did not have advice of counsel. Each party has had the opportunity to receive independent legal advice with respect to the advisability of making this Agreement and with respect to the meaning of California Civil Code Section 1542.

16. Parties Have Not Transferred Right Or Claims

The Parties hereto each represent and warrant to the other party that they have not, and will not, assigned, transferred or subleased to any third party any of the rights, claims, causes of action or items to be released or transferred which they are obligated to transfer of to release as part of this Agreement.

17. Authority To Execute This Agreement

Each entity executing this Agreement represents that it is authorized to execute this Agreement. Each person executing this Agreement on behalf of an entity, other than an individual executing this Agreement on his or her own behalf, represents that he or she is authorized to execute this Agreement on behalf of said entity.

18. Construction

Each party has cooperated in the drafting and preparation of this Agreement. In any construction to be made of this Agreement, or of any of its terms and provisions, the same shall not be construed against any party.

19. Notices

All notices, requests, demands and other communications required or permitted to be given under this Agreement shall be in writing and shall either be delivered in writing personally or be sent by telegram or by regular or certified first class mail, postage prepaid, deposited in the United States mail, and properly addressed to the party at its address set forth below, or at any other address that such party may designate by written notice to the other party:

To Agency: **City of Woodland Redevelopment Agency**
300 1st Street
Woodland, California 95695
Attention: Cynthia Shallit

With copy to: **Best Best & Krieger LLP**
400 Capitol Mall, 16thFloor
Sacramento, CA 95814
Attention: Edward J. Quinn, Jr.

To Tenant: **Hoblit Chrysler Jeep Dodge**

with copy to: **Business attorney, if applicable**

20. Counterparts

This Agreement may be executed in counterparts, each of which shall be deemed an original, and, when taken together with other signed counterparts, shall constitute one Agreement, which shall be binding upon and effective as to all Parties.

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

Approved as to form and content:

By: ___________________________
Attorney for Agency

AGENCY
REDEVELOPMENT AGENCY OF THE CITY OF WOODLAND

By: ________________________________

Its: ________________________________

Date: _______________________________

By: ___________________________
Attorney for Tenant

TENANT
Hoblit Chrysler Jeep Dodge

By: ________________________________

Its: ___________________________

Date: _______________________________

EXHIBIT A

(LIST OF ALL FIXTURES AND EQUIPMENT TO BE TRANSFERRED)

City of Woodland

REPORT TO REDEVELOPMENT AGENCY BOARD

AGENDA ITEM

TO: THE REDEVELOPMENT AGENCY BOARD

DATE: June 21, 2011

SUBJECT: Freeman Park, Farmer's Market Design

Report in Brief

The Redevelopment Agency staff is implementing projects consistent with the Redevelopment 2010-2014 Implementation Plan. An initial list of projects was discussed in concept at the meeting of April 5, 2011. During that meeting and a subsequent meeting on May 3, the Agency Board directed staff to pursue projects identified and bring back the conditions associated with the allocation for the Board's review.

The Board continues to supplement and revise the investment strategy as new projects are considered. After receiving conceptual approval, the process has been to give staff direction to further investigate the advantages of the projects, determine financial feasibility and when the projects are ready for construction, return to the Board to request allocation of funds and authorization to execute development agreements and related documents.

The Board indicated that it supported funding improvements at Freeman Park to support the Woodland Farmer's Market. Facilities for a Farmer's Market would likely include installation of a permanent structure for displaying produce and other sale items, improved utilities, upgraded restrooms, expanded parking, public art and other amenities. Staff believes that the first step is to engage consulting services in order to define the project and generate a cost estimate.

Staff recommends that the Redevelopment Agency Board adopt Resolution No. _____ authorizing the Executive Director to execute a contract with Indigo for design and architectural services for the improvements to Freeman Park and the Farmer's Market, and authorizing the allocation of $50,000 in redevelopment bond funds.

Background

On April 5, 2011, Redevelopment Agency staff brought forward a strategy on how to encumber and spend the nearly $5 million of Redevelopment Tax Increment Bond proceeds available. Staff presented the Board with different projects that could utilize the funding and received direction on which projects to proceed.

To be considered, projects must meet the redevelopment priority goals of (1) creating new entertainment venues and activities for downtown, (2) increasing residential development, and (3) developing currently underutilized or vacant sites, while renovating and preserving existing structures. Once projects have received conceptual approval or identified as priorities of the Board, staff is directed to further investigate those projects and, as they become ready for construction financing, return to the Board with terms of the financing and funding requirements.

Improvements to the Farmer's Market help fulfill the redevelopment goal to bring in new entertainment facilities and venues to the downtown core.

A Request for Proposals for design firms was released in May (see Attachment I). After reviewing the submittals and conducting interviews, staff committee Indigo, Hammond and Playle Architects, LLP. Though the contract scope and terms are still being negotiated, it is estimated the contract amount will be about $50,000.

The project, though still being refined, would include a visioning process to consider community input, identification of physical space needs for the present as well to accommodate future growth, consideration of public art, preparation of preliminary drawings and cost estimates, and preparation of final plans and construction specifications. Discussions in the interviews emphasized the need to design areas and activity points that would draw people to the park throughout the week.

Discussion

The current Woodland Farmer's Market has been operating in Freeman Park since 2007. The Farmer's Market is a summer season only market and features locally grown produce handicrafts, entertainment and other features. The annual Tomato Festival has become very popular and attracts about 1500-2000 people.

To accommodate the Farmer's Market and improve the experience in Freeman Park overall, substantial improvements should be made including redesign to accommodate a variety of activities, a new irrigation system, improved restrooms, shade structures for the farmers' displays, concrete pads for vendors, and enhanced landscaping.

The selection of the architect was made with the understanding that this project has unique challenges. The architect selected must be able to coordinate a variety of construction projects with their attendant funding sources, requirements and schedules. Some of those projects are the irrigation project, the well relocation, the farmer's market improvements and the Main Street streetscape improvements. The funding sources that may be involved are Proposition 50, Measure E, Proposition 98 well funds, redevelopment funds, CDBG, a Prop 98 Urban Greening grant funds, and/or SACOG Community Design Grant funds. Staff believes that these funding sources may be able to identify approximately $400,000 for the Freeman Park improvements.

The uncertainty associated with the scope of the Farmer's Market improvements has suggested that it would be prudent to wait prior to committing a set funding amount of Agency Bond funds for the project. Redevelopment funds will likely be needed to complete the project; however, in order to maximize the use of the other funding sources described herein, staff believes the scope needs to be defined based on community needs and interests.

Staff believes that the architect firm selected has the skills and experience meet the challenges of a coordinating diverse construction projects at one sit, has knowledge and experience specifically with farmer's markets, and has shown skills in community facilitation and workshop techniques.

Fiscal Impact

There is no impact on the General Fund. Redevelopment bond funds are being requested at this time in the amount of $50,000 for architectural services for the Freeman Park Project.

Public Contact

Posting of the Redevelopment Agency Board Agenda.

Alternative Courses of Action

1. Adopt Resolution No. _____ authorizing the Executive Director to execute a contract with Indigo for design and architectural services for the improvements to Freeman Park and the Farmer's Market, and authorizing the allocation of $50,000 in redevelopment bond funds.

2. Do not approve proceeding with the projects described and provide alternate direction to staff.

Recommendation for Action

Staff recommends that the Redevelopment Agency Board approve Alternative No. 1.

Prepared by: Cynthia Shallit
Redevelopment Manager

____
Mark G. Deven
Executive Director

Attachment A: Agency Resolution No. _____
Attachment I: RFQs for Woodland Farmer's Market Design and Architectural Services

AGENCY RESOLUTION NO. _______________

A RESOLUTION OF THE REDEVELOPMENT AGENCY AUTHORIZING EXECUTION OF A DESIGN/ARCHITECTURAL CONTRACT FOR THE FREEMAN PARK/FARMER'S MARKET PROJECT

WHEREAS, on April 5, 2011, the Agency Board provided staff with direction in regards to projects to implement and allocate the Agency Bond funds in accordance with the primary Implementation Plan goals (1) creating new entertainment venues and activities for downtown, (2) increasing residential development, and (3) developing currently underutilized or vacant sites, while renovating and preserving existing structures.

WHEREAS, certain it has been proposed to design improvements to Freeman Park to improve the Farmer's Market and enhance the experience of the entire park

NOW THEREFORE BE IT RESOLVED THAT the Redevelopment Agency Board does hereby:

Section 1. Authorize the Executive Director to execute a contract with Indigo, Hammond, Playle Architects, and LLP to prepare architectural plans for improvements to Freeman Park and the Farmer's market.

Section 2. Allocate $50,000 in redevelopment bond funds for the architectural services for the parking lot project, and

Section 3. Amend the Agency budget accordingly.

I HEREBY CERTIFY THAT the foregoing resolution was duly and regularly adopted by the Redevelopment Agency of the City of Woodland, County of Yolo, State of California on the 21st day of June 2011 by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

____
Artemio Pimentel, Chairperson

ATTEST: APPROVED AS TO FORM:

_________________________________ _________________________________
Ana Gonzalez, Secretary Ed Quinn, Agency Counsel

REDEVELOPMENT AGENCY
OF THE CITY OF WOODLAND

REQUEST FOR QUALIFICATIONS

Woodland
Woodland Farmer's Market
Design and Architectural Services

INTRODUCTION

The Redevelopment Agency of the City of Woodland (Agency) is seeking an architectural design firm to provide design services for improvements to Freeman Park in order to accommodate a permanent location for the Woodland Farmer's Market and other special events/attractions that take place at Freeman Park throughout the year. The project requires services of a design professional with experience in creating attractive public gathering spaces and enhancing existing park facilities.

Proposals should be submitted to:

Redevelopment Agency of the City of Woodland
520 Court Street
Woodland, CA 95695
Attn: Cynthia Shallit, Redevelopment and Housing Manager

Proposals are due no later than 3:00 on Friday, June 3, 2011

OBJECTIVES

The objectives of this RFQ are to select an architectural design firm to provide design recommendations and architectural plans to accommodate the Woodland Farmer's Market and other special events/attractions that may take place --in Freeman Park with a permanent facility to improve amenities available to both vendors and customers. Potential improvements include shade structures for vendors and customers, electrical and water service for vendors, concrete pads for vendors, improvements to the existing restroom facility, and enhanced landscaping for the park, improved signage, vehicle access points and paths of travel (should incorporate future irrigation design).

BACKGROUND

The City of Woodland (the "City") is located in the Central Valley of California. The City is 85 miles northeast of San Francisco, and, has a population of 55,468 according to the 2010 U.S. Census. Woodland lies on I-5 north of the state capital, Sacramento, and is just a 15 minute drive from the Sacramento International Airport."

The current Woodland Farmer's Market was founded in 1996 when a small group of family farmers got together and opened the market in the parking lot of the County Fair Fashion Mall. After eleven years at this location and with the support of the City of Woodland, the Market was relocated to the City's Freeman Park at 1001 Main Street between Fourth and Sixth streets in 2007.. The Farmer's Market is a summer season only market and features locally grown produce and offers fresh eggs, artisan breads, handcrafts, entertainment, and other features. Freeman Park is approximately two acres in size and provides a number of amenities for the Farmer's Market including a canopy of mature shade trees, a large children's playground, a gazebo for musical performances and other events, and on-street parking for visitors and is positioned on a YCTD bus route that circulates throughout the city.

The Woodland Farmer's Market at this location operates every Saturday from 9 am-noon from in May through September, but could extend the season if the park was renovated to accommodate a longer season. About 15-20 certified producers (farmers) currently participate with an additional 3-10 non-certified vendors participating on special occasions. . The total approximate annual sales are between $50,000 - $80,000. The site is donated by the City of Woodland, though the Farmer's Market pays for permits and insurance. The market has been very successful in organizing a Tomato Festival, now in its fourth year. (see its website http://www.woodlandtomatofestival.com) This festival attracts about 1500 -2000 people compared to the Saturday crowd of about 500. It is anticipated that this festival will continue to grow in popularity with the support of more sponsors including the Hispanic Chamber of Commerce, local chefs and restaurants. .

The City currently has a contract with Callander Associates who is providing landscape, irrigation, and minor site improvement plans for Freeman Park as part of the Woodland Parks Irrigation Rehab project. The funds allocated for the Freeman Park landscaping improvements will be approximately $300,000. Financing for those specific improvements are City Capital Improvement Program funds and Proposition 50 State grant monies. As part of those services, the landscape architect prepared a draft level design development plan in May 2011 to outline where paths, access and other hardscape improvement could be incorporated into the park. The architect selected through this RFQ shall coordinate with the project landscape architect in the conceptual design and preparation of construction documents/construction administration of the park renovation. The landscape architect's construction documents will be inserted into the architect's set of plans for bidding and construction. Additional redevelopment funds will be available for the Farmer's Market improvements.

THE PROJECT

The project is to provide amenities that accommodate the Woodland Farmer's Market and other events presence and experience in Freeman Park. We anticipate that this will be construction of a permanent facility to improve amenities available to both vendors and customers. Potential improvements include shade structures for vendors and customers, electrical and water service for vendors, concrete pads for vendors, and improvements to the existing restroom facility, and enhanced landscaping for the park. Some funds will also be available for the Yolo Arts Council to install public art in the park. Architectural and construction drawings for the renovation of the park will be prepared.

The preliminary scope of work is anticipated to include;

1. Staff and public involvement meetings to review design alternatives and budget needs
2. A costs estimate of hard and soft costs
3. Selection of a preferred alternative
4. Design development (plans and updated cost estimates)
5. Construction documents
6. Bidding through construction contract award.

The Agency envisions there will be at least one public workshop and one stake holder/staff meeting during the design process. The selected architect should illustrate experience with conducting public/stakeholder meetings and ability to provide clear, concise graphics to communicate the design.

REDEVELOPMENT AGENCY PARTICIPATION AND ASSISTANCE

Freeman Park is within the boundaries of the Woodland Redevelopment Project Area. The Redevelopment Agency successfully issued a bond in 2007 and is prepared to finance improvements to Freeman Park to accommodate a permanent location for the Woodland Farmer's Market. The Agency staff will assist in the planning and design process as necessary to obtain the information needed by the architectural team and to liaison with the Woodland Farmer's Market, interested members of the community, various city departments, and other stakeholders.

Documents that will be provided by the Agency include:

- Current Topographic survey of the site (prepared by Lagenour & Meikle in 2011) Improvement plans for domestic water well being built on the northeast corner of the site
- Freeman Park Design Development plan (prepared by Callander Associates May 2011)

STATEMENT OF QUALIFICATIONS REQUIREMENTS

The Statement of Qualifications submitted must include the following elements:

1) Letter of interest

2) Experience of the firm/team as designer of similar Farmer's Markets projects, public open space, or related types of projects of similar scale, complexity, and budget.

3) Identification and resumes of personnel to be directly involved in the project. Description of the workload of firm and personnel to be assigned to project

4) References from at least two similar projects that include key owner personnel and the project manager

5) Hourly Rate and Expense Schedule. This should be in a separate sealed envelope containing hourly rates and other applicable fees. Note: This information does not constitute a bid. Separating the fee schedule ensures an objective review of the proposals before cost information is considered.

It is preferred that a Standard Federal Form SF 330 be used to respond to the questions above in order to reduce the amount of material submitted. Submittals are expected to be concise and limited to as few pages as possible.

A copy of the Agency's Standard Agreement with insurance requirements is attached on the Agency's website. The consultant's statement of qualifications will be inserted into this document as evidence of their standard practice in providing these requested services.

Questions and Inquiries

Questions and inquiries in written form via e-mail will be accepted from any firms. Questions will be answered in writing via email and will be distributed to all firms who receive the RFQ provided that all questions are received by June 2, 2011.

For project-related questions regarding this RFQ, please send e-mails to:

Cynthia Shallit
Redevelopment and Housing Manager
Woodland Redevelopment Agency
530.661.5815
Cynthia.shallit@cityofwoodland.org

CRITERIA FOR SELECTION

The following criteria will be used for screening and selection of the design team:

1. Experience with restoration of Farmer's Market facilities or similar facilities.
2. Experience in designing public open space projects of a similar scale and complexity.
3. Experience in accuracy construction cost estimating as compared to bid/award of construction contracts. .
4. Experience in working in a collaborative environment with property owners, public entities, and community groups
5. Experience and availability of key individuals proposed for the project.
6. Reputation for thoroughness, credibility and client responsiveness as demonstrated through references.

SELECTION PROCESS

Based on the information provided, a short list of architects/firms (3-5) will be invited for interviews.

A total of seven copies of the Statement of Qualifications should be submitted to the Agency at the following address:

Cynthia Shallit
Redevelopment and Housing Manager

Redevelopment Agency of the City of Woodland
520 Court Street
Woodland, CA. 95695

SELECTION COMMITTEE

The selection committee will be comprised of the following five (5) members:

Redevelopment and Housing Manager
Farmer's Market Manager
Agency Boardmember or designee
City Public Works Director or his designee
Community Development Deputy Director or his designee

The selection committee will evaluate the firms and make a recommendation to the Agency Executive Director to select the firm and enter into negotiations to specify the final scope of work, costs, and implementation schedule. This draft contract will be brought back to the Redevelopment Agency Board for approval.

SELECTION SCHEDULE

Though attendance is not required, an informational meeting for all interested applicants will be held at 10:00 a.m. on Thursday, May 26, 2011 at:

Woodland City Hall
Council Chambers
300 First Street
Woodland, CA 95695
10:00 a.m. to 12 noon

The following is an estimated schedule for selecting a firm and negotiating a contract:

Thursday, May 26	Informational mtg. City Hall, 10:00 a.m.
Friday, June 3	Proposals due@ 3:00
Tuesday, June 7	Notification of top proposers
Wednesday, June 8	Interviews
Monday, June 13	Scoping meeting, tentative contract negotiations, and project schedule
Tuesday, June 21	Redevelopment Agency Board consideration of contract
Wednesday, June 22	Contract award

June-August	Public meeting, preliminary design, construction budget completed
September	Agency review of design and project budget

SUBMITTAL DEADLINE

Submit seven copies of your response to this Request for Qualifications to:

Cynthia Shallit
Redevelopment and Housing Manager
Redevelopment Agency of the City of Woodland
520 Court Street
Woodland, CA 95695

All proposals are due **Friday, June 3, 2011 by 3:00 pm.**

Contractual Status of RFQ

The RFQ is not binding. The Agency of the City of Woodland assumes no responsibility for costs incurred in the preparation of a Statement of Qualifications to related activities of any Respondent.

The Agency reserves the right to withdraw the RFQ at any time in its sole discretion before execution of the contract.

City of Woodland

REPORT TO REDEVELOPMENT AGENCY BOARD

AGENDA ITEM

TO: THE REDEVELOPMENT AGENCY BOARD DATE: June 21, 2011

SUBJECT: Owner Participation Agreement for the Porter Building

Report in Brief

The Redevelopment Agency staff is implementing projects consistent with the Redevelopment 2010-2014 Implementation Plan. The priority goals in the Implementation Plan are to (1) create new entertainment venues and activities for downtown, (2) increase residential development, and (3) develop currently underutilized or vacant sites, while renovating and preserving existing structures. Agency staff presented a Redevelopment Investment Strategy at the April 5, 2011 Agency meeting. One of the attachments to the Strategy listed the continued restoration/rehabilitation of the historic Porter Building, a project which is consistent with the third priority goal of the Implementation Plan.

Staff recommends that the Redevelopment Agency Board adopt Resolution No. _____ approving execution of an Owner Participation Agreement for the Porter Building and allocating $200,000 in redevelopment bond funds in order to continue efforts to restore/rehabilitate the upper floors of the building as described herein.

Background

On April 5, 2011, Redevelopment Agency staff brought forward a strategy on how to encumber and spend the approximately $5 million of Redevelopment Tax Increment Bond proceeds. Staff presented the Board with different projects that could utilize the funding and received direction on which projects to proceed. Approximately $490,000 was allocated at that meeting for two projects: $290,000 was allocated for a façade grant and interior rehabilitation loan for the Jackson Building and $200,000 was allocated for the relocation of the Hoblit Chrysler/Dodge/Jeep dealership. The Board requested that staff bring these items back with more details on the terms of the allocation and/or financing. Staff was also instructed to investigate other projects and return to the Board with funding recommendations for encumbrance of the remaining funds. Agency staff purposes that the Agency Board approves a $200,000 loan to the owners of the Porter Building, Robert and Gracelyn Martinez, to continue efforts to restore/rehabilitate the upper floors of the building located at 501 Main Street.

The Porter Building owners began work on the restoration and rehabilitation work shortly after purchasing the building in 2006. They have spent well over $1 million of their own funds thus far on rehabilitating the building.

The work accelerated when Cambridge Junior College signed a lease in 2009 to use the entire first floor. The Agency assisted with the Porter restoration/rehabilitation project by providing façade assistance in the amount of $180,000. The façade work was completed earlier this year including the reconstruction and restoration of the first floor façade and installation of energy efficient windows throughout the three-story building. Other work planned for the building included a seismic retrofit; installation of a fire suppression system in the basement and on the first floor; replacement of the existing water service; reconfiguration of the first floor to accommodate the classrooms, technical laboratories, and offices needed for Cambridge; renovation of the first floor restrooms to comply with ADA requirements; installation of new ventilation systems; upgrades to the electrical system; and installation of communication systems to allow for high speed internet access.

Cambridge began classes in fall of last year. At the same, the building owners requested a loan from the Agency to complete the necessary improvements for Cambridge's full occupancy of the first floor and begin the upper floor retrofit. The Agency Board approved a $200,000 loan in October of last year.

While the first floor work was completed this year and the City issued a permanent certificate of occupancy, improvements for the second and third floors remain incomplete. The appearance of the second floor has been improved significantly since non-window related retrofit work began late last year. Work on the second floor has included general cleanup, restoration of the original wood floors; repairs to the voids created in the floors and ceilings from the seismic retrofit, re-installation of trim, painting, and installation of a booster pump to improve water pressure. A number of work items remain to be completed before the second floor can be occupied. The key items include the installation of a new PG&E electrical transformer to provide sufficient electrical power; repair and relicensing of the elevator; retrofit of an existing second floor restroom to comply with ADA requirements; installation of additional electrical wiring, an electrical subpanel, and electrical outlets; completion of interior seismic strapping on a limited portion of exposed brick walls on the second and third floors; and installation of fire sprinklers.

The electrical transformer has already been purchased although it cannot be installed until a new electrical vault is constructed in Dead Cat Alley, electrical conduit is placed from the vault to the transformer location and to the building and a concrete pad is provided for the transformer. The fire sprinklers are not mandatory for the second floor if the historical use offices remain; however, occupancy of the second floor for a school or a use more intensive than offices will trigger a requirement for sprinklers.

Lease interest in the second floor is active with Cambridge Junior College considering a lease for a portion of the second floor in order to expand its programs. Cambridge anticipates making a decision this summer on whether to lease part of the second floor. The building owners have started working with a real estate agent to find office-oriented uses for the second floor as well. The agent brokered the lease agreement for Cambridge's use of the first floor.

Discussion

The scope for the $200,000 loan would include the completion of the remaining seismic work, installation of a PG&E pad-mounted transformer with associated trenches and high voltage lines, renovation of the second floor restroom for ADA compliance, an upgrade of the electrical and data systems, installation of fire sprinklers, improvements to the HVAC systems (if necessary), completion of improvements for the elevator, and completion of any other improvements necessary for occupancy of the second floor. A small portion of the loan funds in the amount of 1.5%, or $3,000, will be withheld for contribution for public art.

Based on a review of contractor bids for a portion of the work required and conversations with the project architect Duane Thomson and the Porter Building owners, it appears that the combined proceeds generated from the proposed $200,000 loan, remaining funds from first loan, and funds from the property owners will be sufficient to complete the improvements required for occupancy of the second floor. While some of the improvements such as the transformer and elevator will benefit the third floor, there are not sufficient funds available to complete the third floor improvements necessary for occupancy. Ideally, a partially or fully leased second floor will provide the property owners with the necessary cash flow to address remaining improvements required for occupancy of the third floor.

The only debt service on the Porter Building property is a monthly payment of $3,629 for the Agency's first $200,000 loan that was approved last year. The property owners receive a monthly lease payment of approximately $9,000 based on a multi-year lease with Cambridge Junior College.

The second $200,000 loan will be funded through Agency bond proceeds. The terms of the loan will be at the Applicable Federal Rate (AFR), an interest rate set by the Federal government, for five years. The June 2011 AFR for a five-year loan is 2.25% which results in monthly payment of $3,527 on a fully amortized loan. According to staff analysis, the rental payments from Cambridge College will cover the debt payments for both the first and second loans and most if not all of the owners insurance, property taxes, and other obligations for the building. The owners have other income-producing properties than can be used to cover the ongoing costs of the Porter Building if the rental income from Cambridge is not sufficient. The owners are current on the loan payments for the first loan. To protect the Agency's interests, the Agency would record a deed of trust against the Porter Building property. The lien would be in a second position after the Agency's first loan of $200,000. The total liens of $400,000 are well under the market value of the building.

Fiscal Impact

The loan will be funded through Redevelopment Agency bond proceeds and will not have an impact on the General Fund.

Public Contact

This Redevelopment Agency item was also posted on the joint City Council/Agency agenda.

Alternative Courses of Action

1. Adopt Resolution No. _____ approving execution of an Owner Participation Agreement for the Porter Building and allocating $200,000 in redevelopment bond funds in order to continue efforts to restore/rehabilitate the upper floors of the building as described herein.

2. Do not approve the OPA and cease further consideration of Agency assistance for the Porter Building.

Recommendation for Action

Staff recommends that the Redevelopment Agency Board approve Alternative No. 1.

Prepared by: Dan Sokolow
Senior Planner

Reviewed by: Cynthia Shallit
Redevelopment Manager

____
Mark G. Deven
Executive Director

Attachments: Attachment 1 – Owner Participation Agreement
Attachment 2 – Resolution No. ____

NO FEE DOCUMENT
Entitled to free recording
per Government Code 6103
When Recorded, return to:

City Clerk, City of Woodland
300 First Street
Woodland, CA 95695

OWNER PARTICIPATION AGREEMENT
SECOND FLOOR RETROFIT PROGRAM

501 – 511 MAIN STREET

[Loan for Building Rehabilitation]

TERM	DEFINITION
"Agency"	Woodland Redevelopment Agency
"Agency Address"	300 First Street, Woodland, CA 95695
"Participant"	Robert and Gracelyn Martinez Revocable Trust
"Participant Legal Status"	California Trust
"Participant Address"	P.O. Box 578, Carmichael, CA 95609
"Project Area or Target Area"	Porter Building, 501 – 511 Main Street, Woodland, CA 95695 Woodland Redevelopment Project Area
"Effective Date"	June 22, 2011
"Loan Amount"	$200,000
"Funding Source"	Redevelopment Tax Increment

Agency and Participant enter into this Owner Participation Agreement (hereinafter "OPA") as of the Effective Date. [For purposes of this OPA, the capitalized terms shall have the meanings assigned in the above table and in
Section 11.2.]

RECITALS

A. Participant is the owner of the Site, consisting of that real property located generally at 501 – 511 Main Street, in the City of Woodland, California, more particularly described in Exhibit A: Legal Description, incorporated herein by this reference, and as shown on the Map attached hereto as Exhibit A-1, together with the building existing thereon commonly referred to as the Porter Building.

B. Agency is a redevelopment agency formed and acting under the Community Redevelopment Law (California Health & Safety Code Sections 33000 *et seq.*), and this document is governed by the Community Redevelopment Law. The Funding Source of the Loan is Tax Increment Funds (as defined in the Community Redevelopment Law) generated in the Project Area and is subject to the applicable provisions of the Community Redevelopment Law and the Redevelopment Plan for the Project Area. This OPA is made in accordance with provisions of the Redevelopment Plan for participation by Participants in the redevelopment of the Project Area (adopted in accordance with California Health &

Safety Code Section 33339). This OPA is consistent with, and furthers, the Redevelopment Plan and the "Implementation Plan" adopted for the Project Area in that it will remediate blight by improving and upgrading the appearance of commercial properties in the Project Area.

AGREEMENT

NOW THEREFORE, in consideration of the following mutual covenants, obligations and agreements and for other good and valuable consideration, the receipt and adequacy of which are acknowledged, the parties agree as follows:

1. **PURPOSE.** The purpose of this OPA is to provide for the rehabilitation of the improvements existing on the Site, and for the Agency to loan funds for a term not to exceed five years from December 31, 2011 in order to assist the Participant with the rehabilitation. The Agency represents that the use of the funds, under this OPA, and the fulfillment generally of this OPA, are (1) in the vital and best interests of the City and the health, safety, morals and welfare of its residents, (2) for the purpose of community improvement and welfare, (3) for the benefit of the Project Area and in accordance with the Agency's Redevelopment Plan, and (4) consistent with the Redevelopment Plan and the Implementation Plan. Participant represents and agrees that its promise to improve the Site under the OPA is not intended for speculation in land holding.

2. **TERM**. This OPA shall commence as of the date first written above and shall terminate upon the occurrence of all of the following:

   2.1 Fulfillment by the parties of their obligations under this OPA, including completion of the Project by the Participant; and

   2.2 Repayment of the Loan by Participant.

3. **LOAN PROVISIONS**

   3.1 Loan Amount. Agency hereby agrees to loan to Participant up to TWO HUNDRED THOUSAND DOLLARS ($200,000.00) (the "Loan") and Participant hereby agrees to repay the Loan in accordance with this OPA and comply with the terms of this OPA for the rehabilitation of the Site. One-and-a-half percent (1.5%) of the loan amount, or $3,000 will be withheld for contribution towards a public art program administered by the Yolo County Arts Council. The Loan proceeds shall be used solely to pay the costs incurred by the Participant for rehabilitating the Porter Building located at 501 – 511 Main Street (the "Rehabilitation Work"). The Loan shall be evidenced by a promissory note (the "Note") to be executed by Participant in favor of the Agency, in substantially the form attached hereto as Exhibit B and incorporated herein by reference. The Note shall be secured by a deed of trust ("Deed of Trust") to be executed by Participant, in substantially the form attached as Exhibit C and incorporated herein by reference. The Deed of Trust shall be recorded against the Site as a condition to and concurrently with disbursement of any portion of the Loan Amount.

   3.2 Disbursement Procedures. The Loan shall be disbursed to Participant as follows:

      3.2.1 Conditions Precedent. Agency shall not be obligated to make any disbursement of the Loan Amount until the following conditions precedent have been met:

         3.2.1.1 Participant is not in default of any provision of this OPA; and

3.2.1.2 The Participant has executed and delivered to the Agency the Note and Deed of Trust evidencing the Loan;

3.2.1.3 The Participant has provided the Agency with a CLTA standard form lender's policy of title insurance in the amount of the Loan, acceptable to Agency in its reasonable discretion, containing those endorsements reasonably requested by Agency that will insure the Deed of Trust as a valid first priority lien on the Site, subject only to those exceptions to title approved, in writing, by the Agency;

3.2.1.4 All conditions precedent to commencement of construction set forth in Section 4.3 of this Agreement shall have been satisfied, and the Participant shall be prepared to commence the Rehabilitation Work on the Site promptly following disbursement of the Loan;

3.2.1.5 The Participant shall have delivered to the Agency, and the Agency shall have approved, the Participant's budget for the Rehabilitation Work to be completed on the Site; and

3.2.1.6 The Participant shall have delivered to the Agency, and the Agency shall have approved, evidence satisfactory to the Agency that the Participant has financing or other funding available to it to undertake and complete the Rehabilitation Work in accordance with this Agreement.

3.2.2 Disbursement. Upon satisfaction of all conditions precedent set forth in this Section 3.2, the Agency will deliver to the Participant the Loan Amount, less the 1.5% for public art, and less a 10% contingency amount which shall be held by the Agency and disbursed upon full completion of the Rehabilitation Work and recordation of mechanics lien releases relating to such Rehabilitation Work.

3.3 **Repayment**. The Loan shall be repaid in accordance with the terms and conditions set forth in the Note (Exhibit B). The Loan shall be repaid in full by the Participant within five (5) years or otherwise provided in the Note. Following repayment of all amounts due and owing under the Note, the Agency shall execute and deliver to the Participant such documents as may be necessary to release the Agency's lien under the Deed of Trust from the Site.

4. **LOAN OBLIGATIONS**.

4.1 Agency Acceptance of Plans. This OPA is a financing document of the Agency and not a land use or planning document. Approval of the Project under this OPA by the Agency is not and shall not be considered an approval of land use entitlements or structural design of the Project, or the aesthetic design of the Project except as an approval by the Agency of the Project design concept to affect the purpose of this OPA. Participant shall comply with all applicable land use, planning and design laws, rules and regulations of each governmental agency acting in proper exercise of their respective jurisdictions, including without limitation, departments, staff, boards and commissions of the City. Agency's approval of Plans is not an assurance of their adequacy or correctness. Agency has reserved approval rights solely (a) to assure that the Plans further the Redevelopment Plan; and (b) to assure that the Project is developed as intended by this OPA.

4.2 Zoning and Condition of the Site. As between the Agency and Participant, Participant is solely responsible for investigating the condition of the Site for the Rehabilitation Work to be undertaken (including zoning and Hazardous Materials conditions, if any) and for placing the Site in a suitable condition for construction.

4.3 Conditions Precedent to Commencement of Construction. Participant shall not begin the rehabilitation work pursuant to this OPA until the following conditions precedent have been satisfied:

4.3.1 Participant has obtained City approval of all Plans, and a building permit and all other permits required for the Rehabilitation Work, if any;

4.3.2 Participant has submitted to Agency the certificates of insurance required by Section 8; and

4.3.3 Participant has entered into a Construction Contract with a licensed general contractor or directly with subcontractors for the rehabilitation work to be completed on the Site and has provided a copies of the applicable executed contracts to the Agency.

4.3.4 Participant has entered into a contract with a licensed general contractor to supervise and direct all rehabilitation work requiring a building permit, encroachment permit, or inspection of work by Pacific Gas and Electric (PG&E) and has provided a copy of applicable executed contract to the Agency. The Participant shall obtain Agency’s approval of the selected general contractor.

5. **REHABILITATION**. The Participant shall carry out the rehabilitation of and manage the Project according to the requirements established in this OPA, the Plans, and in conformity with all applicable laws, including without limitation all applicable building codes and labor standards. Participant shall promptly begin, diligently prosecute and timely complete the construction of the Project. In interpreting the provisions of this OPA, the provisions which specifically enforce the Redevelopment Plan and the applicable provisions of the Community Redevelopment Law and / or the Code of Federal Regulations shall control.

5.1 Completion of Construction. Participant shall promptly begin rehabilitation and shall complete rehabilitation of the Site pursuant to Exhibit D, Scope of Work/Schedule of Performance.

5.2 Public Safety Protections**.** Participant shall assure that all necessary steps are taken (including the erection of fences, barricades and warning devices) to protect private contractors and their employees and the public from the risk of injury arising out of the condition of the Site or Participant's activities in connection with the Site, including without limitation, fire, or the failure, collapse or deterioration of any improvements or buildings.

5.3 Antidiscrimination During Rehabilitation. The Participant for itself and its successors and assigns, agrees that the following provisions shall apply to, and be contained in all contracts and subcontracts for the rehabilitation of the Site. (For purposes of this Section 5.3, Participant shall also mean Contractor or Subcontractor.)

5.3.1 Employment. The Participant shall not discriminate against any employee or applicant for employment on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955 and Section 12955.2 of the Government Code. The Participant will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955 and Section 12955.2 of the Government Code. Such action shall include, but not limited to, the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layout or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Participant agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the Agency setting forth the provisions of this nondiscrimination clause.

5.3.2 Advertising. The Participant shall, in all solicitations or advertisements for employees placed by or on behalf of the Participant, state that all qualified applicants will receive consideration for employment without regard to any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955 and Section 12955.2 of the Government Code.

5.4 Lead-Based Paint. Participant shall not use lead-based paint in the rehabilitation of the Site.

5.5 Hazardous Materials**.** If "Hazardous Substances" are known to be or discovered on the Site, Participant shall remediate all Hazardous Substances on the Site as and to the extent required by any federal, state or local agency having jurisdiction regarding Hazardous Substances standards or remediation and as may be necessary to avoid incurring liability or further liability under any federal, State and local law or regulation. Participant shall bear all costs related to such remediation.

5.6 Changes in the Work. Participant shall, prior to its occurrence, notify Agency of all changes in the construction which result in a net increase in cost, alter the scope of the work, or extend the period for construction beyond the Completion Date set forth in the Scope of Work/Schedule of Performance (Exhibit D). Agency shall have the right to approve or reject such changes. Agency shall make such approval or rejection in writing within a reasonable time. If the cost of construction of the Project or any part of the Project exceeds the costs

projected by Participant, the Participant shall, nevertheless, bear the responsibility to complete, at his/her cost, the construction of the Project in accordance with this OPA.

5.7 Notification of Contractors, Architects and Engineers. Participant shall ensure that the Construction Contract shall fully comply with this OPA. Participant shall notify his/her Project Contractors, architects and engineers of the requirements of this OPA. Participant shall include, where applicable, the provisions of this OPA in contracts and subcontracts for the Project, and Participant shall enforce such provisions.

5.8 Agency Inspection and Access to Site. Agency shall have the right to inspect all books and records of Participant related to the Project and the rehabilitation and changes in rehabilitation during normal business hours to assure Participant's compliance with the provisions of this OPA and Plans. Participant shall permit Agency representatives' access, without charge, to the entire Site at any time during normal business hours and for any purpose which Agency reasonably considers necessary to carry out its obligations and protect its interests under this OPA. Purposes for Agency entry may include, without limitation, inspection of all work being performed in connection with the rehabilitation of the Site.

5.9 Supervision of the Work. Participant shall be solely responsible for monitoring all Rehabilitation Work and the rehabilitation of the Site, ensuring that the Rehabilitation Work is performed in a workmanlike manner, and enforcing the terms of this OPA and the Construction Contracts. Agency inspection of Rehabilitation Work shall be solely for the purpose of monitoring disbursements of Agency funds, assuring Participant's performance under this OPA and protecting Agency's interest in the Site.

6. COVENANTS REGARDING USE AND NONDISCRIMINATION.

Participant, its successors and assigns, shall not discriminate on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955 and Section 12955.2 of the Government Code in the sale, lease or rental or in the use or occupancy of the Site. Participant shall use the Site in accordance and conformity with the Redevelopment Plan.

7. INDEMNIFICATION

7.1 Indemnification. Participant shall indemnify, protect and defend the Agency, its officers, directors, employees and agents, and hold them harmless from any and all claims and liability for bodily injury, death and property damage caused by or resulting from the acts or omissions of Participant, its officers, employees, agents or independent contractors and for any and all costs incurred by the Agency in defending against such claims, including investigator's, witness' and attorney's fees and court costs. This Section 7.1 shall survive the termination of this OPA, irrespective of the reason for its termination.

7.2 Indemnification of Agency for Hazardous Materials. Participant acknowledges that the Agency is not and has not been the owner of, or in possession of, all or any part of the Site. Participant shall indemnify, protect and defend Agency and hold Agency harmless from any and all costs, fees, penalties and claims related to the existence of Hazardous Materials on the Site and to the removal or discharge of Hazardous Materials from the Site by Participant, or its employees, agents or contractors. The indemnity provisions regarding Hazardous Materials set out in this Section 7.2 shall survive the expiration or other termination of this OPA, irrespective of the reason for its termination.

8. INSURANCE AND PUBLIC SAFETY PROTECTIONS.

Participant shall promptly take steps to protect private contractors and their employees and the public from the risk of injury whether from the condition of the Site or Participant's activities in connection with the Site. The Participant shall obtain and maintain, or require the Contractor and subcontractors for the Project to purchase and maintain the following insurance for claims which may result from the operations under the OPA of the Participant, any Contractor, subcontractor or anyone directly or indirectly employed by any of them, or by anyone for whose acts any of them may be liable:

8.1 Liability Insurance Policy Limits. The insurance required by this Section shall be written with a deductible of not more than TWENTY-FIVE THOUSAND DOLLARS ($25,000) or a lower amount approved in writing by Agency Executive Director or Agency Counsel and for not less than the following limits of liability:

8.1.1 Worker's Compensation. Claims under workers' compensation benefit acts: Worker's Compensation Statutory Limits shall be as required by Article 1 (commencing with Section 3700) of Chapter 4 of Part 1 of Division 4 of the California Labor Code (as it may, from time to time, be amended).

8.1.2 Comprehensive General Liability. Claims for damages because of bodily injury, occupational sickness or disease, or death of his employees and of any person other than his employees; claims for damages insured by usual personal injury liability coverage which are sustained (1) by any person as a result of an offense directly or indirectly related to the employment of such person by the Participant, or (2) by any other person; claims for damages, other than to the construction itself, because of injury to or destruction of tangible property, including resulting loss of use; and claims for contractual liability arising from the Participant's obligations under this OPA.

8.1.3 Commercial General Liability coverage which shall include Site-Operations, Independent Contractor's Protective, Products and Completed Operation (for four years), Broad Form Property Damage, or other coverage as approved by Agency Counsel, in the following limits of liability:

8.1.2.1 Bodily Injury. Bodily injury liability of $500,000 each occurrence and $500,000 Aggregate, Products and Completed Operations.

8.1.2.2 Property Damage. Property damage liability of $500,000 each occurrence; $500,000 single limit and $500,000 aggregate.

8.1.2.3 Contractual Liability. Contractual liability for Bodily Injury of $500,000 each occurrence; for Property Damage of $500,000 each occurrence and $500,000 aggregate; and Personal Injury with Employment Exclusion Deleted of $500,000 aggregate.

8.1.3 Comprehensive Automobile Liability. Claims for damages because of bodily injury or death of any person or property damage arising out of the ownership, maintenance or use of any motor vehicle: Comprehensive Automobile Liability for any vehicle used for or in connection with the Rehabilitation Work (Owned, Non-owned, hired, leased): $500,000.

8.1.4 Fire, Hazard and Extended Coverage Insurance**.** For the duration of this OPA, Participant shall obtain and maintain fire and hazard insurance to the full insurable value of the Site with endorsements of extended coverage, vandalism, and malicious mischief, and with such other endorsements and in such amounts as the Agency may reasonably require to protect the Project. In the event of damage to the Project, Participant shall use the proceeds of such insurance to reconstruct the Project and the public improvements.

8.2 Insurance Provisions.

8.2.1 Provider. Each policy of insurance required under this OPA shall be obtained from a provider licensed to do business in California and having a current rating as may be approved in writing by Agency's legal counsel.

8.2.2 Additional Insured. The Agency and the City of Woodland shall be additional insured on all insurance policies, except the worker's compensation policy.

8.2.3 Cancellation. Each policy shall bear an endorsement precluding cancellation or termination of the policy or reduction in coverage unless the Agency has been given written notice of such intended action at least thirty (30) days prior to its effective date.

8.2.4 Certificates and Policies. Participant shall provide to Agency certificates of said insurance prior to commencing the work of this OPA and shall provide to Agency true copies of the policies of said insurance as soon as available.

8.2.5 Failure to Maintain. If Participant fails to obtain or maintain, or cause to be obtained and maintained, any insurance required by this OPA, the Agency shall have the right to purchase the insurance and withhold from the Agency Funding the full costs to Agency of obtaining such insurance and treat the funds withheld as an additional disbursement in accordance with this OPA.

8.2.6 Modification. The requirements of the foregoing insurance provisions shall not be modified except upon prior written approval of Agency Counsel.

9. PROHIBITIONS AGAINST ASSIGNMENT AND TRANSFER.

Assignment and transfer of Participant's interests in the Site or any interest under this OPA without Agency's prior written approval are prohibited. Agency's approval shall not be unreasonably withheld.

10. DEFAULTS AND REMEDIES.

Subject to any extension of time permitted by this OPA, a failure or delay by a party to perform any term or provision of this OPA constitutes a default of this OPA.

10.1 Cure. Except as otherwise provided in the OPA, if either party shall default in, or breach, this OPA, such party shall immediately commence and diligently proceed to cure such default or breach within ten (10) days after receipt of written notice from the other party of such default or breach. If the defaulting party does not promptly begin and diligently pursue a cure of the default or fails to cure the default within a reasonable time, the aggrieved party may institute proceedings to cure and remedy such default or breach, including, but not limited to, proceedings to compel specific performance by the party in default. While Agency is not relieved of any obligation under this OPA to give notice, mere failure of Agency to notify Participant shall not be deemed a waiver of Participant's default.

10.2 No Waiving by Delay. Any delay by a party in asserting any rights under this Section shall not operate as a waiver of such rights or to deprive such party of, or limit, such rights in any way. Any waiver in fact made by a party with respect to any specific default shall not be considered as a waiver of the rights of such party with respect to any other defaults or with respect to the particular default except to the extent specifically waived in writing.

10.3 Delay for Causes Beyond Control of Party. For the purposes of any of the provisions of this OPA, neither Agency nor Participant shall be considered in breach of, or default in, its obligations with respect to the preparation of the Site for rehabilitation, or the beginning, prosecution and completion of construction of the Improvements, if delay in the performance of such obligations is due to unforeseeable causes beyond the delayed party's control and without its fault or negligence. Unforeseeable causes shall include acts of God, acts of the public enemy, acts of the federal government, acts of the other party, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, a general moratorium on financing for projects of the same type, and unusually severe weather (as for example, floods, tornadoes, or hurricanes) or delays of subcontractors due to such causes. In the event of the occurrence of any such enforced delay, the time or times for performance of such obligations of the Agency and Participant shall be extended for the period of the enforced delay, as determined by the Agency, provided that the party seeking the benefit of the provisions of this Section shall, within thirty (30) days after Participant has or should have knowledge of any such enforced delay, have first notified the other party, in writing, of the delay and its cause, and requested an extension for the period of the enforced delay.

11. GENERAL PROVISIONS

11.1 Time for Actions. Agency and Participant shall each do the actions required of them, on or before the times specified in this OPA. Unless otherwise provided, Agency shall give required approvals or disapprovals within forty-five (45) days after submission of request for approval.

11.2 Definitions. The following definitions shall apply for the purposes of this OPA:

11.2.1 "Agency" is the Redevelopment Agency of the City of Woodland. The Agency is a public body, corporate and politic, exercising governmental functions and powers, and organized and existing under the Community Redevelopment Law of the State of California. The principal office of the Agency is located at 300 First Street, Woodland, CA 95695. "Agency" as used in this OPA includes the

Redevelopment Agency of the City of Woodland and any assignee of, or successor to, its rights, powers and responsibilities.

11.2.2 "Completion Date" is the date stated in the Scope of Work/Schedule of Performance (Exhibit D) for the completion of the Rehabilitation Work to be performed on the Site.

11.2.3 "Construction Contract" is the contract (or contracts) to be entered into with the Contractor for the Rehabilitation Work to be undertaken and completed on the Site.

11.2.4 "Contractor" is the contractor or contractors with whom Participant has contracted for the construction, and "subcontractors" are those contractors or materialmen with whom Contractor has contracted or with whom another subcontractor has contracted for a portion of the construction. Contractor (and all subcontractors who must, by law, hold a contractor's license) shall have a current and valid contractor's license, issued by the California Contractors' State License Board, for the work they are performing.

11.2.5 "Hazardous Materials" shall include, but not be limited to, all substances, wastes and materials designated or defined as hazardous or toxic pursuant to any of the following statutes, as they may be amended or superseded, from time to time: the Clean Water Act (33 U.S.C. §1321 et. seq.); the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (42 U.S.C. §9601 et seq.); the Resource Conservation and Recovery Act (42 U.S.C. §6901 et seq.); the United States Department of Transportation Hazardous Materials Table (49 CFR 172.101); the Environmental Protection Agency list of hazardous materials (40 CFR Part 302) and California Health and Safety Code Sections 25115, 25117, 25122.7, 25140 (Hazardous Waste Control Law), 25316 (Carpenter-Presley-Tanner Hazardous Substances Account Act), 25501 (Hazardous Materials Release Response Plans and Inventory) and 25281 (Underground Storage of Hazardous Substances); all applicable local regulations; and all regulations and promulgations pursuant to said laws.

11.2.6 "Improvements" are the works of improvement, including rehabilitation, to be constructed on the Site in accordance with this OPA.

11.2.7 "Loan Amount" is the maximum amount the Agency shall pay to or on behalf of the Participant for the completion of the Rehabilitation Work. The Loan Amount is $200,000, minus the public art contribution.

11.2.8 "Map", is the map of the project site attached as Exhibit A-1, and incorporated herein by this reference.

11.2.9 "OPA" is this Owner Participation Agreement which includes this document and the Plans and referenced attachments to this OPA which are incorporated in this OPA as if set forth in full in the body of the OPA. A default of any of the referenced attachments shall be deemed a default of this OPA.

11.2.10 "Plans" are the full and final plans, drawings and specifications for the Project, including the work write-up, or scope of work, which have been approved by the

City and reviewed by the Agency as suitable for Agency funding and which are on file with the Agency.

11.2.11. "Site" is that real property which the Participant owns, as more particularly described in Exhibit A: Legal Description, and as shown on the Map attached hereto as Exhibit A-2. The Site includes all existing improvements currently located on the Site.

11.2.12 "Project" is the rehabilitation of the Site, as more particularly set out in the Plans and this OPA.

11.2.13 "Project Area" is the redevelopment project area, as defined in the Redevelopment Plan and referred to in Recital B of this OPA.

11.2.14 "Participant" is the Robert and Gracelyn Martinez Revocable Trust whose trustees are Robert and Gracelyn Martinez. The mailing address for the Participant is P.O. Box 578, Carmichael, CA 95609.

11.2.15 "Redevelopment Plan" is the Redevelopment Plan for the Woodland Redevelopment Project adopted in 1988 by Ordinance No. 1129 (as it may be amended from time to time) as adopted by the City Council of the City of Woodland. References to the Redevelopment Plan include all rules, regulations, plans and strategies duly adopted in accordance with the Redevelopment Plan.

11.2.16 “Rehabilitation Work” means the rehabilitation work to be undertaken and completed on the Site pursuant to this OPA, as set forth in the Scope of Work/Schedule of Performance (Exhibit D).

11.2.17 "Subcontractors List" is the list, prepared by Participant, of all subcontractors employed in the work of construction if any, the work to be performed by each subcontractor, and the total amount to be paid to each subcontractor.

11.2.18 "Unavoidable Delay" is a delay in the performance by a party of any obligation which delay is beyond the control of such party. Unavoidable Delay is further defined in Section 10.3.

11.3 Inspection of Books and Records and Site Access. Agency has the right, at all reasonable times, to inspect the books and records of the Participant pertaining to the Site as necessary to assure compliance with the provisions of this OPA. Participant shall keep such books and records as Agency may reasonably require assuring Participant's performance of its obligations under this OPA. Participant shall permit Agency representatives’ access, without charge, to the entire Site at any time and for any purpose which Agency reasonably considers necessary to carry out its obligations and protect its interests under the OPA.

11.4 Fees, Commissions, Gifts or Interests. Agency shall not be liable for any real estate commissions, brokerage fees or finder’s fees which may arise from this OPA. Agency and Participant each represent that neither has engaged any broker, agent or finder, and that neither claims such a commission or fee, in connection with this OPA. Participant shall pay no fee or commission, make no gifts and provide no interest in the Loan to any employee or official of the Agency or the City of Woodland.

11.5 Entire Agreement. This OPA integrates all of the terms and conditions related or incidental to its subject matter, and supersedes all negotiations or previous agreements between the parties with respect to its subject matter.

11.6 Waivers and Amendments. All waivers of the provisions of this OPA must be in writing and signed by the appropriate authorities of the Agency or the Participant, and all amendments hereto must be in writing and signed by the appropriate authorities of the Agency and the Participant.

11.7 Nonliability of Agency Officials and Employees. No member, official or employee of the Agency shall be personally liable to the Participant, or any successor in interest, in the event of any default or breach by the Agency or for any amount which may become due to the Participant or its successors, or on any obligations under the terms of this OPA.

11.8 Local, State and Federal Laws . The Participant shall assure that the construction of the Project is carried out in conformity with all applicable laws and regulations, including all applicable federal and state labor standards. Before commencement of construction or development of any buildings, structures or other work of improvement upon the Site, Participant shall at its own expense secure any and all certifications and permits which may be required by any governmental agency having jurisdiction over such construction, development or work. Agency shall cooperate in securing certifications and permits which require consent of the owner of the property. Participant shall permit only persons or entities that are duly licensed in the State of California, County of Yolo and City of Woodland, as applicable, to perform work on or for the Project.

11.9 Notices And Demands. A notice, demand or other communication under the OPA by either party to the other shall be in writing and shall be sufficiently given or delivered if it is dispatched by registered or certified mail, postage prepaid, return receipt requested, or delivered personally, to the address set out above, or at such other address with respect to either such party as that party may, from time to time, designate in writing and forward to the other as provided for a notice in this Section.

THIS AGREEMENT IS EXECUTED as of ______________________ in Woodland, California.

PARTICIPANT:

ROBERT AND GRACELY MARTINEZ
REVOCABLE TRUST,
a California Trust

By: _________________________
ROBERT MARTINEZ

Its: ________________________

By:_________________________
GRACELYN MARTINEZ

Its: ________________________

AGENCY:

REDEVELOPMENT AGENCY OF THE
CITY OF WOODLAND

By: _____________________________
MARK G. DEVEN
Agency Executive Director

APPROVED AS TO FORM:

By: ______________________________
Agency Counsel

EXHIBIT A

LEGAL DESCRIPTION OF THE PROPERTY

The land referred to herein is situated in the State of California, County of Yolo, City of Woodland, and is described as follows:

PARCEL ONE:

LOT 1 AND THE WESTERN 10 FEET OF LOT 2, BLOCK 1, PLAT OF THE TOWN OF WOODLAND, COMMONLY KNOWN AS FREEMAN'S WOODLAND, FILED AUGUST 25, 1863, IN BOOK D OF DEEDS, PAGE 722, YOLO COUNTY RECORDS, DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE NORTHERN LINE OF MAIN STREET WITH THE EASTERN LINE OF COLLEGE STREET, DISTANT THEREON 40 FEET NORTH FROM THE LINE COMMON TO SECTIONS 29 AND 32, TOWNSHIP 10 NORTH, RANGE 2 EAST, M.D.B.&M., ACCORDING TO THE OFFICIAL PLAT THEREOF AND EAST 16.88 FEET FROM THE ¼ SECTION LINE EXTENDING NORTH THROUGH THE CENTER OF SAID SECTION 29; THENCE NORTH ALONG THE EASTERN LINE OF COLLEGE STREET 190 FEET TO THE POINT OF INTERSECTION WITH THE SOUTHERN LINE OF A 20 FOOT ALLEY; THENCE ALONG THE SOUTHERN LINE OF SAID ALLEY EAST 108 FEET TO A POINT 10 FEET EAST FROM THE NORTHWESTERN CORNER OF SAID LOT 2; THENCE ALONG A LINE PARALLEL WITH THE WESTERN LINE OF SAID LOT 2 SOUTH 190 FEET TO A POINT 10 FEET EAST FROM THE SOUTHWESTERN CORNER THEREOF; THENCE ALONG THE SOUTHERN LINE OF SAID BLOCK 1 WEST 108 FEET TO THE POINT OF BEGINNING.

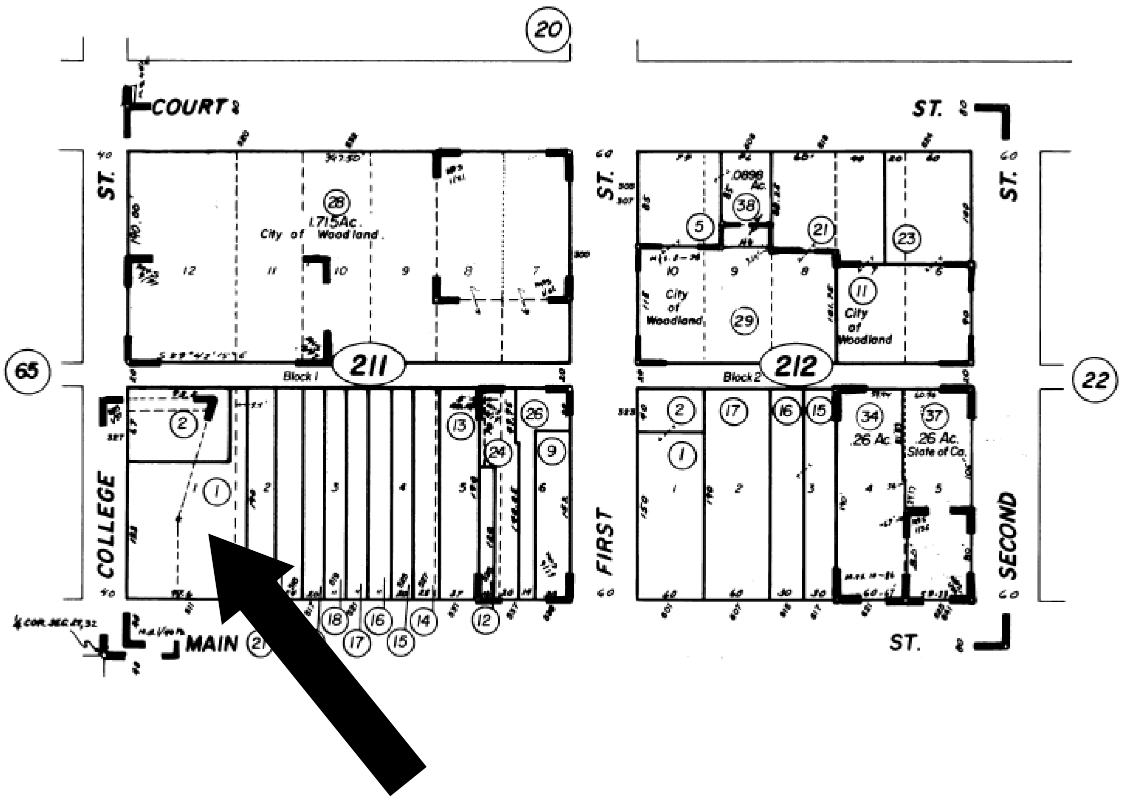
EXCEPTING THEREFROM, THE WESTERN 93.2 FEET OF THE NORTHERN 67 FEET OF SAID LOT 1.

PARCEL TWO:

THE EAST 40 FEET OF LOT 9, BLOCK D, WHITFORD AND RUGGLES ADDITION TO THE TOWN (NOW CITY) OF WOODLAND, FILED MARCH 8, 1867, IN BOOK "F" OF DEEDS, PAGE 604, YOLO COUNTY RECORDS.

EXHIBIT A - 2

MAP OF THE SITE



Project Site, 501 – 511 Main Street (APN 005-211-01)

EXHIBIT B

PROMISSORY NOTE

$200,000 ________________, 2011
Woodland, California

FOR VALUE RECEIVED, ROBERT AND GRACELYN MARTINEZ REVOCABLE TRUST, A California Trust (the "Maker") promises to pay to the REDEVELOPMENT AGENCY OF THE CITY OF WOODLAND, a public body, corporate and politic, organized and existing under the laws of the State of California (the "Holder"), or order, at 300 First Street, Woodland, California, 95695, or at such other place as Holder may direct from time to time in writing, the principal sum of TWO HUNDRED THOUSAND DOLLARS ($200,000) (the "Loan"), together with interest and other charges as set forth here in below. All sums payable hereunder shall be payable in lawful money of the United States of America.

1. **Owner Participation Agreement** – This promissory note ("Promissory Note") is made and delivered pursuant to and in implementation of that certain Owner Participation Agreement dated June 22, 2011, by and between the Holder and the Maker (the "Agreement"). The terms and conditions of such Agreement are hereby incorporated by reference. Capitalized terms not defined herein are as defined in the Agreement. In the event there is any conflict between the terms of this Promissory Note and the terms of the Agreement, the terms of the Agreement shall govern.

2. **Interest Rate; Payments** – This Promissory Note shall be repaid in the following manner:

(i) Monthly payments of $3,527.47 shall commence on January 1, 2012 or 30 days after all Building Permits have been finaled, whichever occurs first, and shall continue to be due on the first day of each month thereafter for a period five years (60 total monthly payments). The entire outstanding principal amount of this Note, together with any other amounts due and owing hereunder, shall be repaid in full by January 1, 2017. If any amount payable under this Promissory Note is not paid within ten (10) days after the applicable due date, Maker shall pay to Holder upon demand an amount equal to five percent (5%) of such unpaid sum to defray the expenses incurred by Holder in handling and processing the delinquent payment and to compensate Holder for the loss of the use of the delinquent payment, and this amount shall be secured by the Deed of Trust.

(ii) Interst shall accrue on the outstanding principal amount of this Promissory Note, from time to time, at a daily rate equal to two and twenty-five percent (2.25%), compounded interest. Such interst shall accrue upon the date of disbusement of the Loan, or any portion thereof to Maker, and continue to accrue thereafter until all amounts due and owing hereunder are paid in full. Notwithstanding any other provision hereof to the contrary, the entire outstanding principal balance of the Loan, together with all accrued and unpaid interest, shall be immediately due and payable by Maker to Holder (a) upon any refinancing of any of Maker's senior debt related to the Site; (b) upon the sale of the Site or any portion thereof by Maker, or (c) upon default by Maker under the terms of this Promissory Note and/or the Agreement.

All payments made hereunder shall be credited first to any accrued but unpaid interest, then to current interest dues and owing, and lastly to principal.

3. **Prepayment** – Maker may prepay all or any part of the outstanding principal balance of this Promissory Note at any time, without penalty. Within thirty (30) days following payment, in full, of this Note, Holder shall return this Promissory Note to Maker marked "cancelled."

4. **Deed of Trust** – This Promissory Note is secured by a deed of trust ("Deed of Trust") dated concurrently herewith, encumbering the Site (as defined in the Agreement). Maker shall cooperate with Holder to record the Deed of Trust concurrently with the execution of this Promissory Note. Upon repayment in full of this Promissory Note, Holder shall execute and deliver to Maker such documents as are necessary to release the Agency's lien under the Deed of Trust from the Site.

5. **Default** – Maker will be in default under this Promissory Note upon the occurrence of any one or more of the following events (each, an "Event of Default"):

(i) Maker fails to make any payment of principal and/or interest under this Promissory Note within ten (10) days after the date when due; or

(ii) Maker fails to comply with any other provision contained in this Promissory Note or the Agreement, and does not cure that failure within thirty (30) days after written notice from Holder; or

(iii) Maker becomes insolvent or the subject of any bankruptcy or other voluntary or involuntary proceeding, in or out of court, for the adjustment of debtor-creditor relationships; or

(iv) Any representation or warranty made or given by Maker in the Agreement proves to be false or misleading in any material respect; or

(v) An event of default under the Agreement occurs.

If an Event of Default occurs, the Holder may exercise any right or remedy which it has under this Promissory Note or the Agreement, or which is otherwise available at law or in equity or by statute, and all of Holder's rights and remedies shall be cumulative. Upon the occurrence of any Event of Default, Holder's obligation to lend under the Agreement shall automatically terminate. Upon the occurrence of any Event of Default, all of Maker's obligations under this Promissory Note and the Agreement may become immediately due and payable without notice of default, presentment or demand for payment, protest or notice of nonpayment or dishonor, or other notices or demands of any kind or character, all at Holder's option, exercisable in its sole discretion. Holder's failure to exercise such option shall not constitute a waiver of such option with respect to any subsequent event. Holder's failure in the exercise of any other right or remedy hereunder or under any agreement or other instrument which secures the indebtedness or is related thereto shall not affect any right or remedy and no single or partial exercise of any such right or remedy shall preclude any further exercise thereof.

6. **Waivers** – Maker expressly waives: (a) any defense based upon any legal disability or other defense of Maker, or other person, or by reason of the cessation or limitation of the liability of Maker from any cause other than full payment and performance of those obligations of Maker which are provided for hereunder; (b) any defense based upon any lack of authority of the members, officers, directors, partners or agents acting or purporting to act on behalf of Maker or any member of Maker or any defect in the formation of Maker or any member of Maker; (c) any defense based upon the application by Maker of the proceeds of this Promissory Note for purposes other than the purposes represented by Maker to Holder or intended or understood by Holder or Maker; (d) any defense based upon Holder's election, in any proceeding instituted under the Federal Bankruptcy Code, of the application of Section 1111(b)(2) of the Federal Bankruptcy Code or any successor statute; (e) any defense based upon any borrowing or any grant of a security interest under Section 364 of the Federal Bankruptcy Code; (f) any right of subrogation, any right to enforce any remedy which Holder may have against Maker and any right to participate in, or benefit from, any security for this Promissory Note or the other documents now or hereafter held by Holder; and (g) presentment, demand, protest and all notices other than any notice expressly provided for in this Promissory Note and/or the Agreement.

7. **Costs** – Upon the occurrence of an Event of Default, Maker promises to pay all costs, expenses and attorneys' fees incurred by the Holder in connection with the collection or enforcement of this Promissory Note or any part of it, whether or not suit is filed, including but not limited to, all costs, expenses and attorneys' fees incurred by the Holder in connection with any insolvency, bankruptcy, reorganization, arrangement or similar proceedings involving Maker. As used herein, the term "attorneys' fees" means the full costs of legal services performed in connection with the matters involved, calculated on the basis of usual fees charged by an attorney performing those services, and not limited to "reasonable attorneys' fees" as defined by any statute or rule of any court in which an action hereunder may be brought.

8. **Amendments and Modifications** – This Promissory Note may not be changed orally, and may be amended only by an agreement in writing, signed by the party against whom enforcement of any waiver, change, modification or dispute is sought.

9. **Governing Law** – This Promissory Note shall be construed and enforced in accordance with the laws of the State of California.

10. **Successors** – The terms "Maker" and "Holder" shall be construed to include the parties' respective successors and assigns.

11. **Severability** – If any provision of this Note shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions hereof shall not in any way be affected or impaired thereby.

IN WITNESS WHEREOF, the undersigned has executed this Promissory Note as of the date first set forth above.

___________________, 2011

ROBERT AND GRACELYN MARTINEZ REVOCABLE TRUST,
a California Trust

By: ___________________________
ROBERT MARTINEZ

Its: __________________________

By:___________________________
GRACELYN MARTINEZ

Its:___________________________

EXHIBIT C

DEED OF TRUST

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

REDEVELOPMENT AGENCY OF THE
CITY OF WOODLAND
300 First Street
Woodland, CA 95695
Attn: Executive Director

DEED OF TRUST AND ASSIGNMENT OF RENTS

THIS DEED OF TRUST AND ASSIGNMENT OF RENTS is made ________________, 2011, by ROBERT AND GRACELYN MARTINEZ REVOCABLE TRUST, a California Trust ("Trustor"), whose address is P.O. Box 578, Carmichael, California 95609, to and in favor of ____________________________, a California corporation ("Trustee"), as trustee for the benefit of the REDEVELOPMENT AGENCY OF THE CITY OF WOODLAND, a public body, corporate and politic ("Beneficiary"), and its successors and assigns.

This Deed of Trust is executed by Trustor in consideration of Trustor's obligation to repay to Beneficiary the proceeds of a Loan described in that certain Owner Participation Agreement entered into by and between Trustor and Beneficiary as of _____________, 2011 (the "Agreement"), and evidenced by a promissory note of even date herewith in the amount of TWO HUNDRED THOUSAND DOLLARS ($200,000) executed by Trustor in favor of Beneficiary.

In consideration of said obligation, Trustor hereby irrevocably grants, transfers and assigns to Trustee and its successors and assigns, in trust, with power of sale and right of entry and possession, for the benefit of Beneficiary, all that real property in the City of Woodland, County of Yolo, State of California, described in Exhibit A attached hereto and incorporated herein by this reference (the "Property"), together with:

A. All of Trustor's estate, right, title and interest in and to the Property, and all minerals, oil, gas and other hydrocarbon substances on the Property, as well as all development rights, air rights, water and water rights relating to the Property; and

B. All present and future structures, buildings, improvements, appurtenances and fixtures of any kind on the property, including, but not limited to, all apparatus, equipment and appliances used in connection with the operation or occupancy of the property, such as fire sprinklers and alarm systems, heating and air conditioning systems and facilities used to provide any utility services, refrigeration, ventilation, dishwashing, garbage disposal, stoves, recreation or other services on the property, and all window coverings, drapes and rods, carpeting and floor coverings, it being intended and agreed that all such items will be conclusively considered to be a part of the real property conveyed by this Deed of Trust, whether or not attached or affixed to the Property (the "Improvements"); and

C. All appurtenances of the Property and all rights of the Trustor in and to any streets, roads or public places, easements or rights of way relating to the Property; and

D. All of the rents, royalties, profits and income of the Property and all rights of Trustor under all present and future leases affecting the Property, including, but not limited to, any security deposits; and

E. All proceeds and claims arising on account of any damage to or taking of the Property or any Improvements thereon or any part thereof and all causes of action and recoveries for any loss or diminution in the value of the Property or any Improvements; and

F. All goods located on the Property and used in the operation or occupancy of the Property or in any construction on the Property but which are not effectively made real property under paragraph B, above, including, but not limited to, all appliances, furniture and furnishings, building service equipment, and building materials, supplies and equipment; and

G. All general intangibles relating to the development or use of the Property, including, but not limited to, all governmental permits relating to construction on the Property, all names under or by which the Property or any Improvements on the Property may at any time be operated or known, and all rights to carry on business under any such names or any variant thereof, and all trademarks and goodwill in any way relating to the Property.

This Deed of Trust is made and delivered, and the Property is hereby granted and assigned to Trustee, for the purpose of securing each and all of the following:

A. Payment of an indebtedness in the principal and interest as evidenced by that certain Promissory Note secured by this Deed of Trust made by Trustor and payable to the order of Beneficiary in the amount of TWO HUNDRED THOUSAND DOLLARS ($200,000) and bearing the same date as this Deed of Trust bears, and any and all renewals or extensions thereof or substitutions therefor (hereinafter referred to as the "Note"), and performance of each and all of the obligations of Trustor under the Note; and

B. Payment of sums and interest thereon that may hereafter be loaned or advanced by Beneficiary to or for the benefit of Trustor or to its successors and assigns, provided that no such additional loan or advance and no interest thereon shall be secured by this Deed of Trust unless such additional loan or advance is made to Trustor while it is the owner of record of the Property or to its successors or assigns while they are the owners of record thereof.

TO PROTECT THE SECURITY OF THIS DEED OF TRUST, TRUSTOR COVENANTS AND AGREES:

1. That it will pay the Note at the times and in the manner provided therein;

2. That it will not permit or suffer the use of any of the Property for any purpose other than the use for which the same was intended at the time this Deed of Trust was executed;

3. That the Note is incorporated in and made a part of this Deed of Trust. Upon default under the Note, the Beneficiary, at its option, may declare the whole of the indebtedness secured hereby to be due and payable;

4. That all rents, issues, profits and income from the Property covered by this Deed of Trust are hereby assigned to the Beneficiary for the purpose of discharging the debt hereby secured. Permission is hereby given to Trustor, so long as no default exists hereunder, to collect such rents, issues, profits and income for use in accordance with the provisions of the Agreement;

5. That, upon default hereunder, Beneficiary shall be entitled to the appointment of a receiver by any court having jurisdiction, without notice, to take possession and protect the Property described herein and operate same and collect the rents, issues, profits and income therefrom;

6. That Trustor will keep the improvements now existing or hereafter erected on the Property insured against loss of fire and such other hazards, casualties and contingencies as may be required by the Beneficiary, and all such insurance shall be evidenced by standard fire and extended coverage insurance policy or policies. In no event shall the amounts of coverage be less than one hundred percent (100%) of the insurable value, and in default thereof, the Beneficiary shall have the right to obtain insurance. Such policies shall be endorsed with a standard mortgagee clause with loss payable to the Beneficiary in addition to the Trustor and shall be deposited with the Beneficiary;

7. To pay, at least ten (10) days before delinquency, and before any penalty for nonpayment attaches thereto, all taxes, assessments and charges affecting said property, including, but not limited to, sewer, sidewalk and street lighting assessments and other governmental or municipal or public dues, charges, fines or impositions that affect, or are or may be levied against or imposed upon, the Property, or any portion thereof, this Deed of Trust, the Note or the Agreement, including, but not limited to, every interest that Trustee or Beneficiary may have or be deemed to have in the Property, or any portion thereof, by reason of this Deed of Trust;

8. To keep the Property in good, sanitary and safe condition and repair, not to alter, remove or demolish any improvements or buildings thereon without the prior written consent of Beneficiary; to complete, restore and replace (free from any security interest therein or encumbrance thereon) promptly and in good and workmanlike manner any and all buildings or improvements which may be constructed, damaged or destroyed thereon and to pay when due all claims for labor performed and materials furnished therefor; to comply with all laws affecting the Property or requiring any alterations or improvements to be made thereon; not to commit, suffer or permit any act upon the Property in violation of law and/or covenants, conditions and/or restrictions affecting the Property; and not to permit or suffer any material alteration of or addition to the buildings or improvements hereafter constructed in or upon the Property without the consent of the Beneficiary;

9. To appear in and defend any and all actions or proceedings purporting to affect Trustor's title to the Property, or any portion thereof, or purporting to affect the lien or priority of this Deed of Trust or the rights or powers of Beneficiary or Trustee hereunder, and to pay all costs and expenses, including cost of evidence of title and attorneys' fees in a reasonable sum, incurred in any such actions or proceedings in which Beneficiary or Trustee may appear. Trustee and Beneficiary shall each have the right, but not obligation, to appear in, defend and retain counsel for any and all adverse claims or demands therein and to pay and expend all such sums of money in that connection as it or they may deem necessary, for which Trustor agrees to reimburse Trustee and Beneficiary, as the case may be, promptly upon demand;

10. Should Trustor fail to make any payment or do any act as herein provided, then Beneficiary or Trustee, or either of them, but without obligation so to do and without notice to or demand upon Trustor, without waiver of such default and without releasing Trustor from any obligation hereof, may but shall in no event be obligated to:

a. Make such payment or do such act in such manner and to such extent as either may deem necessary to protect the security of this Deed of Trust, Beneficiary and Trustee being each authorized to enter upon the Property for such purposes;

b. Commence, appear in and defend any action or proceeding purporting to affect the security of this Deed of Trust or the rights or powers of Beneficiary or Trustee;

c. Pay, purchase, contest or compromise any encumbrance, charge or lien that, in the judgment of either Trustee or Beneficiary, appears to be prior or superior to this Deed of Trust; and

d. In exercising any such rights or powers, pay necessary costs and expenses, employ attorneys and pay their reasonable fees;

11. The Beneficiary shall have the right to pay fire and other property insurance premiums when due should Trustor fail to make any required premium payments. All such payments made by the Beneficiary shall be added to the principal sum secured hereby;

12. To pay immediately and without demand all sums so expended by Beneficiary or Trustee, under permission given under this Deed of Trust, with interest from date of expenditure at the same rate as is specified in the Note. All such sums, together with said interest, shall be secured by this Deed of Trust;

13. The Trustor further covenants that it will not voluntarily create, suffer or permit to be created against the Property subject to this Deed of Trust any lien or liens except as authorized by Beneficiary and, further, that it will keep and maintain the Property free from the claims to all persons supplying labor or materials which will enter into the construction of any and all buildings now being erected or to be erected on the Property;

14. That the improvements made upon the Property covered by the Deed of Trust, and all plans and specifications, comply with all municipal ordinances and regulations and all other regulations made or promulgated, now or hereafter, by lawful authority and that the same will upon completion comply with all such municipal ordinances and regulations and with the rules of the applicable fire rating or inspection organization, bureau, association or office.

IT IS MUTUALLY AGREED THAT:

15. If the improvements herein referred to or the work to be performed under the Agreement shall not be carried on with reasonable diligence or shall be discontinued at any time for any reason other than war; insurrection; strikes; lock-outs; riots; floods; earthquakes; fires; casualties; acts of God; acts of the public enemy; epidemics; quarantine restrictions; freight embargoes; lack of transportation; governmental restrictions or priority; litigation unusually severe weather; inability to secure necessary labor, materials or tools; delays of any contractor, subcontractor or supplier; acts of another party; acts or the failure to act of any public or governmental agency or entity, the Beneficiary, after due notice to the Trustor or any subsequent owner, is hereby invested with full and complete authority to enter upon the Property or any pertinent portion thereof, to employ watchmen to protect such improvements from

depredation or injury, to preserve and protect the personal property therein, to continue any and all outstanding contracts for the erection and completion of said building or buildings or other work, to make and enter into any contracts and obligations wherever necessary, either in its own name or in the name of the Trustor, and to pay and discharge all debts, obligations and liabilities incurred thereby. All such sums so advanced by the Beneficiary (exclusive of advances of the principal of the indebtedness secured hereby) shall be added to the principal of the indebtedness secured hereby and shall be secured by this Deed of Trust and shall be due and payable on demand with interest at the rate specified in the Note;

16. Should the Property or any part thereof be taken or damaged by reason of any public improvement or condemnation proceeding, or damaged by fire or earthquake, or in any other manner, the Beneficiary shall be entitled, subject to the rights of the holder of any deed of trust having priority over this Deed of Trust, to all compensation, awards and other payments or relief therefor and shall be entitled at its option to commence, appear in and prosecute in its own name, or settlement, in connection with such taking or damage. All such compensation, awards, damages, rights of action and proceeds, including the proceeds of any policies of fire and other insurance affecting the Property, are hereby assigned to the Beneficiary subject to the rights of the holder of any deed of trust having priority over this Deed of Trust. After deducting therefrom all its expenses, including attorneys' fees, and if Trustor is not in default, Beneficiary shall apply all such proceeds to restoring the Property, or in the event of Trustor's default or in the event Trustor determines not to rebuild, the Beneficiary shall retain the proceeds to the extent of the amount of principal and interest due under the Note, notwithstanding the fact that the amount owing thereon may not then be due and payable or that the obligations are otherwise adequately secured. Any balance of such proceeds still remaining shall be disbursed by the Beneficiary to the Trustor;

17. Upon default by Trustor in making any payments provided for herein or in the Note secured hereby, or if Trustor shall fail to perform any covenant or agreement in this Deed of Trust, then the Beneficiary may, at its sole option, declare all sums owing under the Note due and payable immediately, irrespective of the maturity date specified on the Note or in any agreement evidencing same, by delivery to Trustee of written declaration of default and demand for sale and of written notice of default and of election to cause the Property to be sold, which notice Trustee shall cause to be duly filed for record and the Beneficiary may foreclose this Deed of Trust. Beneficiary shall also deposit with Trustee this Deed, the Note and all documents evidencing expenditures secured hereby;

18. After the lapse of such time as may then be required by law following the recordation of said notice of default and notice of sale having been given as then required by law, Trustee, without demand on Trustor, shall sell the Property, or any portion thereof specified by Beneficiary, at the time and place fixed by it in said notice of sale, either as a whole or in separate parcels, and in such order as it may determine at public auction to the highest bidder for cash lawful money of the United States, payable at time of sale. Trustee may postpone sale of all or any portion of the Property by public announcement at the time and place of sale, and from time to time thereafter may postpone the sale by public announcement at the time and place of sale, and from time to time thereafter may postpone the sale by public announcement at the time fixed by the preceding postponement. Trustee shall deliver to the purchaser its deed or deeds conveying the Property so sold, but without any covenant or warranty, express or implied. The recitals in the deed or deeds of any matters or facts shall be conclusive proof of the truthfulness thereof. Any person, including Trustor, Trustee or Beneficiary, may purchase at the sale. The Trustee shall apply the proceeds of sale to payment of (1) Trustee's and Beneficiary's expenses of such sale (including cost of evidence of title), together with the reasonable expenses of this trust, including therein reasonable Trustee's fees or attorneys' fees for conducting the sale and the actual cost of publishing, recording, mailing and posting notice of the sale; (2) the cost of any search and/or other evidence of title procured in connection with such sale and revenue stamps on the Trustee's deed; (3) all sums expended by Trustee or Beneficiary under the terms hereof, not then repaid, with accrued interest at the rate specified in paragraph 12 of this Deed of Trust; (4) the Note and all other obligations not already

paid and all other sums then secured hereby; and (5) the remainder, if any, to the person or persons legally entitled thereto;

19. The failure of Beneficiary to exercise the option for acceleration of maturity or to foreclose following any default by Trustor in payment or performance of any of the obligations, or to exercise any other option granted to Beneficiary under this Deed of Trust, in any one or more instances, or the acceptance by Beneficiary of partial payments hereunder shall not constitute a waiver of any such default, nor extend or affect the grace period, if any, but such option shall remain continuously in force. Acceleration of maturity, once claimed hereunder by Beneficiary, may, at the option of Beneficiary, be rescinded by written acknowledgment to that effect by Beneficiary, but the tender and acceptance of partial payments alone shall not in any way affect or rescind such acceleration of maturity nor extend or affect the grace period, if any. No waiver of any provision hereof shall be deemed a waiver of any other requirement to perform under the same provision;

20. Upon any sale or sales made under or by virtue of paragraph 18 of this Deed of Trust, whether made under the power of sale herein granted or under or by virtue of judicial proceedings or of a judgment or decree of foreclosure and sale, Beneficiary may bid for and acquire the Property or any part thereof and, in lieu of paying cash therefor, may make settlement for the purchase price by crediting upon the indebtedness or other sums secured by this Deed of Trust the net sales price after deducting therefrom the expenses of sale and the costs of the judicial proceedings, if any, and any other sums which Trustee or Beneficiary is authorized to deduct under this Deed of Trust, and in such event, this Deed of Trust, the Note and documents evidencing expenditures secured hereby shall be presented to the person or persons conducting the sale in order that the amount so used or applied may be credited upon said indebtedness as having been paid;

21. Beneficiary may from time to time substitute a successor or successors to any Trustee named herein or acting hereunder to execute this trust. Upon such appointment, and without conveyance to the successor trustee, the latter shall be vested with all title, powers and duties conferred upon any Trustee herein named or acting hereunder. Each such appointment and substitution shall be made by written instrument executed by Beneficiary, containing reference to this deed and its place of record, which, when duly recorded in the proper office of the county in which the Property is situated, shall be conclusive proof of proper appointment of the successor trustee;

22. The pleading of any statute of limitations as a defense to any and all obligations secured by this Deed of Trust is hereby waived to the full extent permissible by law;

23. Upon written request of Beneficiary stating that all sums secured hereby have been paid, and upon surrender of this Deed of Trust and said Note to Trustee for cancellation and retention and upon payment of its fees, Trustee shall reconvey, without warranty, the Property or any portion thereof then held hereunder. The recitals in such reconveyance of any matters or facts shall be conclusive proof of the truthfulness thereof. The grantee in such reconveyance may be described as "the person or persons legally entitled thereto";

24. The trust created hereby is irrevocable by Trustor;

25. This Deed of Trust applies to, inures to the benefit of, and binds all parties hereto and their heirs, legatees, devisees, administrators, executors, successors and assigns. The term "Beneficiary" shall include not only the original Beneficiary hereunder but also any future owner and holder, including pledges of the Note secured hereby. In this Deed of Trust, whenever the context so requires, the masculine gender includes the feminine and/or neuter, and the singular includes the plural;

26. Trustee accepts this trust when this Deed of Trust, duly executed and acknowledged, is made a public record as provided by law. Except as otherwise provided by law, the Trustee is not obligated to notify any party hereto of a pending sale under this Deed of Trust or of any action or proceeding in which Trustor, Beneficiary or Trustee shall be a party unless brought by Trustee;

27. If any action be brought for the foreclosure of this Deed of Trust, Trustor agrees to pay to Beneficiary or Trustee (whichever may be the plaintiff in the foreclosure action) such reasonable sum as attorneys' fees as the court may fix and award in such action, together with a reasonable fee to the Trustee, to be fixed by the court, and all sums paid or incurred for procuring a search or searches of title to the Property or any portion thereof subsequent to the execution of this Deed of Trust, and all such sums shall be secured hereby;

28. No power or remedy herein conferred is exclusive of, or shall prejudice, any other power or remedy of Trustee or Beneficiary given by law. Each such power or remedy may be exercised from time to time as often as deemed necessary;

29. By accepting payment of any sum secured hereby after its due date, Beneficiary does not waive its right either to require prompt payment when due of all other sums so secured or to declare default for failure so to pay;

30. Trustor agrees to permit Beneficiary or any of its agents and representatives to inspect the Property, and any portion thereof, from time to time during normal business hours and as frequently as Beneficiary considers reasonable; and

31. Trustor and Beneficiary intend and believe that each provision in this Deed of Trust is lawful and complies with all applicable laws, whether local, state or federal, and with applicable judicial decisions. If any provision or provisions, or if any portion of any provision or provisions in this Deed of Trust, is, nevertheless, found by a court of competent jurisdiction to be in violation of any local, state or federal ordinance, statute, law, administrative or judicial decision or public policy, and if such court declares such portion, provision or provisions to be illegal, invalid, unlawful, void or unenforceable as written, then it is the intention both of Trustor and Beneficiary that such portion, provision or provisions shall be given force to the fullest possible extent that they are legal, valid and enforceable, that the remainder of this Deed of Trust shall be construed as if such illegal, invalid, unlawful, void or unenforceable portion, provision or provisions are not contained therein, and that the rights, obligations and interests of Trustor and Beneficiary under the remainder of this Deed of Trust shall continue in full force and effect.

32. The sole recourse of Beneficiary in the event of default under the Note or this Deed of Trust shall be by the exercise of the Trustee's power of sale under the Deed of Trust, and the Trustor shall not be personally liable for the payment of the Note or for any other default under this Deed of Trust or for the payment of any deficiency established after judicial foreclosure under this Deed of Trust.

IN WITNESS WHEREOF, the Trustor has executed this Deed of Trust as of the day and year set forth above.

ROBERT AND GRACELYN MARTINEZ REVOCABLE TRUST,
a California Trust

By: ___________________________
ROBERT MARTINEZ

Its: __________________________

By:___________________________
GRACELYN MARTINEZ

Its:___________________________

EXHIBIT D

SCOPE OF WORK/SCHEDULE OF PERFORMANCE

SCOPE OF WORK/SCHEDULE OF PERFORMANCE:

The Robert and Gracelyn Revocable Trust shall complete the following items for the rehabilitation of the Porter Building, unless agreed upon by both sides. All agreed upon work shall be completed by December 31, 2011 at the latest. All work is based on plans approved by the City and reviewed by the Agency.

	Work Items	**Description**	**Estimated Costs**	**Target Date**
1	Complete seismic work	Schedule and complete structural alternative to seismic wrap after Building Division approves plans.	10,000	July 2011
2	Improve the HVAC systems for the upper floors	HVAC contractor re-confirms existing heating infrastructure will require only minor improvements to heat upper floors, obtain bid from contractor, complete work, and schedule PG&E to set gas meter for upper floors after providing PG&E with information on required gas loads.	5,000	July 2011
3	Install new transformer	Obtain contractor bids, obtain City encroachment permit, install electrical vault in alleyway, trench for vault and electrical conduit, install conduit, backfill and compact, pour concrete transformer pad, and schedule PG&E to install transformer.	71,000	July/August 2011
4	Renovate 2nd floor restroom for ADA compliance	Complete work after Building Division approves plans.	16,000	July/August 2011
5	Upgrade electrical and data systems for upper floors	Submit plans for 2nd floor electrical upgrades (additional electrical wiring, electrical subpanel, etc.) to Building Division, obtain bids from contractors, and complete work.	50,000	August/September 2011
6	Install fire sprinklers	Prepare plans for fire sprinkler improvements, submit plans to Fire Department, obtain bids from fire suppression contractors, and complete work.	25,000	September 2011
7	Complete elevator improvements	Obtain bids (if appropriate) from elevator contractors, schedule work, and obtain State approval of license to operate elevator.	40,000	September/October 2011
8	Complete other improvements necessary for upper floors occupancy	Replace missing door hardware for 2nd floor and complete other improvements required for 2nd floor occupancy. If budget allows, any remaining loan funds shall be used for 3rd floor improvements required for occupancy.	10,000	October/November 2011
9	Construction Contingency		20,000	
10	Public Art		3,000	
Estimated	**Budget**		$250,000	

Sources of Funds	
RDA Funds	200,000
Owners' Funds	50,000
Total Project Cost	**$250,000**

AGENCY RESOLUTION NO. _______________

A RESOLUTION OF THE REDEVELOPMENT AGENCY OF THE CITY OF WOODLAND APPROVING THE ALLOCATION OF FUNDS AND OWNER PARTICIPATION AGREEMENT FOR THE PORTER BUILDING RESTORATION/REHABILITATION PROJECT

WHEREAS, on April 5, 2011, the Agency Board provided staff with direction in regards to projects to implement and allocate the Agency Bond funds;

WHEREAS, the Agency Board instructed staff to return to the Board with rates, terms, and funding allocations as the projects were deemed feasible; and

WHEREAS, Staff has identified projects that are ready to move forward and require funding.

NOW THEREFORE BE IT RESOLVED THAT the Redevelopment Agency Board does hereby:

Section 1. Approve an Owner Participation Agreement for the Porter Building restoration/rehabilitation in the amount of $200,000, in substantially the form attached to the staff report.

Section 2. Authorize the Executive Director to execute the OPA and any necessary related documents needed for the project, and

Section 3. Allocate $200,000 in redevelopment bond funds and amend the Agency budget accordingly.

PASSED AND ADOPTED this 21st day of June, 2011 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

____
Artemio Pimentel, Chair

ATTEST:

____
Ana B. Gonzalez, Secretary

APPROVED AS TO FORM:

____
Andrew J. Morris, Agency Attorney

City of Woodland

REPORT TO REDEVELOPMENT AGENCY BOARD

AGENDA ITEM

TO: THE REDEVELOPMENT AGENCY BOARD

DATE: June 21, 2011

SUBJECT: Owner Participation Agreement for Muscle World Building, 514-518 Main Street

Report in Brief

The Redevelopment Agency staff is implementing projects consistent with the Redevelopment 2010-2014 Implementation Plan. The priority goals in the Implementation Plan are to (1) create new entertainment venues and activities for downtown, (2) increase residential development, and (3) develop currently underutilized or vacant sites, while renovating and preserving existing structures. Agency staff presented a Redevelopment Investment Strategy at the April 5, 2011 Agency meeting. One of the attachments to the Strategy listed the rehabilitation of 514-518 Main Street (Muscle World Building), a project which is consistent with the third priority goal of the Implementation Plan to preserve and restore existing structures.

Staff recommends that the Redevelopment Agency Board consider adoption of Resolution No. _____ approving execution of an Owner Participation Agreement for 514-518 Main Street (Muscle World Building) and allocating $200,000 in redevelopment bond funds for a loan for interior improvements and $90,000 for exterior façade improvement rebate funds.

Background

On April 5, 2011, Redevelopment Agency staff brought forward a strategy on how to encumber and spend the approximately $5 million of Redevelopment Tax Increment Bond proceeds. Staff presented the Board with different projects that could utilize the funding and received direction on which projects to proceed. Approximately $490,000 was allocated at that meeting for two projects: $290,000 was allocated for a façade grant and interior rehabilitation loan for the Jackson Building and $200,000 was allocated for the relocation of the Hoblit Chrysler/Dodge/Jeep dealership. The Board requested that staff bring these items back with more details on the terms of the agreements. Staff was also instructed to investigate other projects and return to the Board with funding recommendations for encumbrance of the remaining funds.

During the April 5 meeting Agency staff provided the Board with a spreadsheet of possible façade/interior improvement projects which included 514-518 Main Street, the former Muscle World

Building. Agency staff proposes that the Agency Board consider approval a $200,000 loan to the owners of the building, David and Vivian Matsuo, to assist with the interior rehabilitation. This project is also eligible for $90,000 from the exterior improvement façade rebate grant program.

Historically, the property at 514 – 518 Main Street has been known as the Simmons/Diggs Block Building and has gone by other names based on former tenants such as Muscle World and the Mario Obledo Community Center. The property contains approximately 18,400 square feet of retail space, consisting of Building 1 (constructed in approximately 1873) and Building 2 (constructed in the early 1990s). Both buildings are two stories while Building 1 contains a full basement. The property owners purchased the building in 2005 and have been working with local architect Duane Thomson on design of a new Main Street façade, preliminary floor plans and cost estimates for rehabilitation of the property. Mr. Thomson prepared the attached Main Street.

Discussion

The owners of the building have requested Agency assistance for the renovation/restoration of the exterior and to upgrade the interior to attract tenants. The work on this building is being divided into two parts. The exterior work will be under the Agency's Exterior Rehabilitation Program. This program provides a dollar for dollar match on exterior work, up to $30,000 per storefront. If approved, the Agency would purchase a maintenance easement at completion of construction that requires the owner to maintain the exterior for three years after completion. This project is eligible for three storefront facades or up to $90,000 (a project total of $180,000). The façade rebate program provides 50% of the costs of the façade improvements based on a $1:$1 match of funds from the owner. Additional funds will need to be allocated to the exterior grant program for this project. This "over-the-counter" program was approved in 2008 and the "Maintenance Easement Agreement" needs no further review by the Board. For the second part of the project, the property owners are also seeking a $200,000 loan from the Agency to assist them with the interior work. A small portion of the combined façade and loan funds in the amount of 1.5%, or $4,350, will be withheld for contribution for public art.

RDA funding would assist the property owners with the rehabilitation/restoration of the front façade, exterior seismic upgrades, and improvements to a first floor restroom for ADA compliance. While the property owners do not have a tenant under contract, the proposed improvements as well as interior clean up items including painting and carpeting are the minimum improvements necessary to market the property to prospective tenants. The deteriorated façade, the lack of an ADA-compliant restroom, and other deficiencies undermine any efforts to obtain tenants. While not proposed for funding at this time, installation of an elevator and a new electrical transformer are necessary for occupancy of the property's second floor areas. Based on a preliminary cost estimate prepared by the project architect and two cost estimates provided by general contractors, the estimated cost range for the project is $320,000 to 350,000. The property owners would be responsible for covering $90,000 to match the facade grant and any other costs exceeding the current estimates.

Agency staff completed an underwriting analysis to ensure that there is sufficient cash flow for repayment of the loan and sufficient collateral in case of default. As part of the analysis, staff obtained a preliminary title report for the property that indicated there is no debt on the property. The property has an appraised value of approximately $500,000 according to the Yolo County Assessor's office. Staff also reviewed three years of income tax returns for the property owners and a recent banking statement. Staff was able to confirm that there is sufficient cash flow for repayment of the loan and sufficient collateral in case of default. To protect the Agency's interests, the Agency will record a deed of trust against the property.

The terms of the Agency's $200,000 loan will be at the Applicable Federal Rate (AFR) at the time the OPA is executed, an interest rate set by the Federal government, for a five year loan term. As an example, the June 2011 AFR for a five-year loan is 2.25% which results in monthly payment of $3,527 on a fully amortized loan.

The cost to complete a complete restoration of the building including installing a new transformer, activating the elevator, constructing interior seismic improvements, refinishing the basement and second floors and installing fire sprinklers is estimated at $1.25 million according to the owner and his architect. The use of redevelopment funds as described herein would be the first phase of this work completed in order to help the owner to attract a tenant on the first floor that will provide some rental revenue to help finance the cost of the remaining improvements.

Fiscal Impact

The $290,000 loan and façade rebate grant funds will be funded through Redevelopment Agency bond proceeds and will not have an impact on the General Fund.

Public Contact

This Redevelopment Agency item was also posted on the joint City Council/Agency agenda.

Alternative Courses of Action

1. Consider adoption of Resolution No. _____ approving execution of an Owner Participation Agreement for 514-518 Main Street) (Muscle World Building) and allocating $200,000 in redevelopment bond funds for a loan for interior improvements and $90,000 for exterior façade improvement rebate funds.

2. Do not approve the OPA and cease further consideration of Agency assistance for the Muscle World Building.

Recommendation for Action

Staff recommends that the Redevelopment Agency Board approve either Alternative No. 1.or Alternative No. 2

Prepared by: Dan Sokolow
Senior Planner

Reviewed by: Cynthia Shallit
Redevelopment Manager

____
Mark G. Deven
Executive Director

Attachments: Attachment 1 – Owner Participation Agreement
Attachment 2 – Resolution No. _____
Attachment 3 – Main Street Elevation

NO FEE DOCUMENT
Entitled to free recording
per Government Code 6103
When Recorded, return to:

City Clerk, City of Woodland
300 First Street
Woodland, CA 95695

OWNER PARTICIPATION AGREEMENT
SECOND FLOOR RETROFIT PROGRAM

514 – 518 MAIN STREET

[Loan for Building Rehabilitation]

TERM	DEFINITION
“Agency”	Woodland Redevelopment Agency
“Agency Address”	300 First Street, Woodland, CA 95695
“Participant”	David S. and Vivian C. Matsuo 1996 Trust
“Participant Legal Status”	A California Trust
“Participant Address”	17240 Clearview Drive, Los Gatos, CA 95032
“Project Area or Target Area”	Muscle World Building (Simmons/Diggs Block), 514 – 518 Main Street, Woodland, CA 95695 Woodland Redevelopment Project Area
“Effective Date”	June 22, 2011
“Loan Amount”	$200,000
"Funding Source"	Redevelopment Tax Increment

Agency and Participant enter into this Owner Participation Agreement (hereinafter "OPA") as of the Effective Date. [For purposes of this OPA, the capitalized terms shall have the meanings assigned in the above table and in
Section 11.2.]

RECITALS

A. Participant is the owner of the Site, consisting of that real property located generally at 514 – 518 Main Street, in the City of Woodland, California, more particularly described in Exhibit A: Legal Description, incorporated herein by this reference, and as shown on the Map attached hereto as Exhibit A-1, together with the building existing thereon commonly referred to as the Muscle World Building.

B. Agency is a redevelopment agency formed and acting under the Community Redevelopment Law (California Health & Safety Code Sections 33000 *et seq.*), and this document is governed by the Community Redevelopment Law. The Funding Source of the Loan is Tax Increment Funds (as defined in the Community Redevelopment Law) generated in the Project Area and is subject to the applicable provisions of the Community Redevelopment Law and the Redevelopment Plan for the Project Area. This OPA is made in accordance with provisions of the Redevelopment Plan for participation by

Participants in the redevelopment of the Project Area (adopted in accordance with California Health & Safety Code Section 33339). This OPA is consistent with, and furthers, the Redevelopment Plan and the "Implementation Plan" adopted for the Project Area in that it will remediate blight by improving and upgrading the appearance of commercial properties in the Project Area.

AGREEMENT

NOW THEREFORE, in consideration of the following mutual covenants, obligations and agreements and for other good and valuable consideration, the receipt and adequacy of which are acknowledged, the parties agree as follows:

1. **PURPOSE.** The purpose of this OPA is to provide for the rehabilitation of the improvements existing on the Site, and for the Agency to loan funds for a term not to exceed five years from January 1, 2013 in order to assist the Participant with the rehabilitation. The Agency represents that the use of the funds, under this OPA, and the fulfillment generally of this OPA, are (1) in the vital and best interests of the City and the health, safety, morals and welfare of its residents, (2) for the purpose of community improvement and welfare, (3) for the benefit of the Project Area and in accordance with the Agency's Redevelopment Plan, and (4) consistent with the Redevelopment Plan and the Implementation Plan. Participant represents and agrees that its promise to improve the Site under the OPA is not intended for speculation in land holding.

2. **TERM**. This OPA shall commence as of the date first written above and shall terminate upon the occurrence of all of the following:

   2.1 Fulfillment by the parties of their obligations under this OPA, including completion of the Project by the Participant; and

   2.2 Repayment of the Loan by Participant.

3. **LOAN PROVISIONS**

   3.1 Loan Amount. Agency hereby agrees to loan to Participant up to TWO HUNDRED THOUSAND DOLLARS ($200,000.00) (the "Loan") and Participant hereby agrees to repay the Loan in accordance with this OPA and comply with the terms of this OPA for the rehabilitation of the Site. One-and-a-half percent (1.5%) of the loan amount, or $3,000 will be withheld for contribution towards a public art program administered by the Yolo County Arts Council. (One and –a-half percent (1.5%) will also be withheld from the façade maintenance easement agreement for this building).The Loan proceeds shall be used solely to pay the costs incurred by the Participant for rehabilitating the Muscle World Building located at 514 – 518 Main Street (the "Rehabilitation Work"). The Loan shall be evidenced by a promissory note (the "Note") to be executed by Participant in favor of the Agency, in substantially the form attached hereto as Exhibit B and incorporated herein by reference. The Note shall be secured by a deed of trust ("Deed of Trust") to be executed by Participant, in substantially the form attached as Exhibit C and incorporated herein by reference. The Deed of Trust shall be recorded against the Site as a condition to and concurrently with disbursement of any portion of the Loan Amount.

   3.2 Disbursement Procedures. The Loan shall be disbursed to Participant as follows:

      3.2.1 Conditions Precedent. Agency shall not be obligated to make any disbursement of the Loan Amount until the following conditions precedent have been met:

3.2.1.1 Participant is not in default of any provision of this OPA; and

3.2.1.2 The Participant has executed and delivered to the Agency the Note and Deed of Trust evidencing the Loan;

3.2.1.3 The Participant has provided the Agency with a CLTA standard form lender's policy of title insurance in the amount of the Loan, acceptable to Agency in its reasonable discretion, containing those endorsements reasonably requested by Agency that will insure the Deed of Trust as a valid first priority lien on the Site, subject only to those exceptions to title approved, in writing, by the Agency;

3.2.1.4 All conditions precedent to commencement of construction set forth in Section 4.3 of this Agreement shall have been satisfied, and the Participant shall be prepared to commence the Rehabilitation Work on the Site promptly following disbursement of the Loan;

3.2.1.5 The Participant shall have delivered to the Agency, and the Agency shall have approved, the Participant's budget for the Rehabilitation Work to be completed on the Site; and

3.2.1.6 The Participant shall have delivered to the Agency, and the Agency shall have approved, evidence satisfactory to the Agency that the Participant has financing or other funding available to it to undertake and complete the Rehabilitation Work in accordance with this Agreement.

3.2.2 Disbursement. Upon satisfaction of all conditions precedent set forth in this Section 3.2, the Agency will deliver to the Participant the Loan Amount, less the 1.5% for public art, and less a 10% contingency amount which shall be held by the Agency and disbursed upon full completion of the Rehabilitation Work and recordation of mechanics lien releases relating to such Rehabilitation Work.

3.3 **Repayment**. The Loan shall be repaid in accordance with the terms and conditions set forth in the Note (Exhibit B). The Loan shall be repaid in full by the Participant within five (5) years or otherwise provided in the Note. Following repayment of all amounts due and owing under the Note, the Agency shall execute and deliver to the Participant such documents as may be necessary to release the Agency's lien under the Deed of Trust from the Site.

4. **LOAN OBLIGATIONS**.

4.1 Agency Acceptance of Plans. This OPA is a financing document of the Agency and not a land use or planning document. Approval of the Project under this OPA by the Agency is not and shall not be considered an approval of land use entitlements or structural design of the Project, or the aesthetic design of the Project except as an approval by the Agency of the Project design concept to affect the purpose of this OPA. Participant shall comply with all applicable land use, planning and design laws, rules and regulations of each governmental agency acting in proper exercise of their respective jurisdictions, including without limitation, departments, staff, boards and commissions of the City. Agency's approval of Plans is not an assurance of their adequacy or correctness. Agency has reserved approval rights solely (a) to assure that the Plans further the Redevelopment Plan; and (b) to assure that the Project is developed as intended by this OPA.

4.2 Zoning and Condition of the Site. As between the Agency and Participant, Participant is solely responsible for investigating the condition of the Site for the Rehabilitation Work to be undertaken (including zoning and Hazardous Materials conditions, if any) and for placing the Site in a suitable condition for construction.

4.3 Conditions Precedent to Commencement of Construction. Participant shall not begin the rehabilitation work pursuant to this OPA until the following conditions precedent have been satisfied:

4.3.1 Participant has obtained City approval of all Plans, and a building permit and all other permits required for the Rehabilitation Work, if any;

4.3.2 Participant has submitted to Agency the certificates of insurance required by Section 8; and

4.3.3 Participant has entered into a Construction Contract with a licensed general contractor or directly with subcontractors for the rehabilitation work to be completed on the Site and has provided a copies of the applicable executed contracts to the Agency.

4.3.4 Participant has entered into a contract with a licensed general contractor to supervise and direct all rehabilitation work requiring a building permit, encroachment permit, or inspection of work by Pacific Gas and Electric (PG&E) and has provided a copy of applicable executed contract to the Agency. The Participant shall obtain Agency's approval of the selected general contractor.

5. **REHABILITATION**. The Participant shall carry out the rehabilitation of and manage the Project according to the requirements established in this OPA, the Plans, and in conformity with all applicable laws, including without limitation all applicable building codes and labor standards. Participant shall promptly begin, diligently prosecute and timely complete the construction of the Project. In interpreting the provisions of this OPA, the provisions which specifically enforce the Redevelopment Plan and the applicable provisions of the Community Redevelopment Law and / or the Code of Federal Regulations shall control.

5.1 Completion of Construction. Participant shall promptly begin rehabilitation and shall complete rehabilitation of the Site pursuant to Exhibit D, Scope of Work/Schedule of Performance.

5.2 Public Safety Protections**.** Participant shall assure that all necessary steps are taken (including the erection of fences, barricades and warning devices) to protect private contractors and their employees and the public from the risk of injury arising out of the condition of the Site or Participant's activities in connection with the Site, including without limitation, fire, or the failure, collapse or deterioration of any improvements or buildings.

5.3 Antidiscrimination During Rehabilitation. The Participant for itself and its successors and assigns, agrees that the following provisions shall apply to, and be contained in all contracts and subcontracts for the rehabilitation of the Site. (For purposes of this Section 5.3, Participant shall also mean Contractor or Subcontractor.)

5.3.1 Employment. The Participant shall not discriminate against any employee or applicant for employment on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955 and Section 12955.2 of the Government Code. The Participant will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955 and Section 12955.2 of the Government Code. Such action shall include, but not limited to, the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layout or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Participant agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the Agency setting forth the provisions of this nondiscrimination clause.

5.3.2 Advertising. The Participant shall, in all solicitations or advertisements for employees placed by or on behalf of the Participant, state that all qualified applicants will receive consideration for employment without regard to any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955 and Section 12955.2 of the Government Code.

5.4 Lead-Based Paint. Participant shall not use lead-based paint in the rehabilitation of the Site.

5.5 Hazardous Materials**.** If "Hazardous Substances" are known to be or discovered on the Site, Participant shall remediate all Hazardous Substances on the Site as and to the extent required by any federal, state or local agency having jurisdiction regarding Hazardous Substances standards or remediation and as may be necessary to avoid incurring liability or further liability under any federal, State and local law or regulation. Participant shall bear all costs related to such remediation.

5.6 Changes in the Work. Participant shall, prior to its occurrence, notify Agency of all changes in the construction which result in a net increase in cost, alter the scope of the work, or extend the period for construction beyond the Completion Date set forth in the Scope of Work/Schedule of Performance (Exhibit D). Agency shall have the right to approve or reject such changes. Agency shall make such approval or rejection in writing within a reasonable time. If the cost of construction of the Project or any part of the Project exceeds the costs

projected by Participant, the Participant shall, nevertheless, bear the responsibility to complete, at his/her cost, the construction of the Project in accordance with this OPA.

5.7 Notification of Contractors, Architects and Engineers. Participant shall ensure that the Construction Contract shall fully comply with this OPA. Participant shall notify his/her Project Contractors, architects and engineers of the requirements of this OPA. Participant shall include, where applicable, the provisions of this OPA in contracts and subcontracts for the Project, and Participant shall enforce such provisions.

5.8 Agency Inspection and Access to Site. Agency shall have the right to inspect all books and records of Participant related to the Project and the rehabilitation and changes in rehabilitation during normal business hours to assure Participant's compliance with the provisions of this OPA and Plans. Participant shall permit Agency representatives' access, without charge, to the entire Site at any time during normal business hours and for any purpose which Agency reasonably considers necessary to carry out its obligations and protect its interests under this OPA. Purposes for Agency entry may include, without limitation, inspection of all work being performed in connection with the rehabilitation of the Site.

5.9 Supervision of the Work. Participant shall be solely responsible for monitoring all Rehabilitation Work and the rehabilitation of the Site, ensuring that the Rehabilitation Work is performed in a workmanlike manner, and enforcing the terms of this OPA and the Construction Contracts. Agency inspection of Rehabilitation Work shall be solely for the purpose of monitoring disbursements of Agency funds, assuring Participant's performance under this OPA and protecting Agency's interest in the Site.

6. COVENANTS REGARDING USE AND NONDISCRIMINATION.

Participant, its successors and assigns, shall not discriminate on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955 and Section 12955.2 of the Government Code in the sale, lease or rental or in the use or occupancy of the Site. Participant shall use the Site in accordance and conformity with the Redevelopment Plan.

7. INDEMNIFICATION

7.1 Indemnification. Participant shall indemnify, protect and defend the Agency, its officers, directors, employees and agents, and hold them harmless from any and all claims and liability for bodily injury, death and property damage caused by or resulting from the acts or omissions of Participant, its officers, employees, agents or independent contractors and for any and all costs incurred by the Agency in defending against such claims, including investigator's, witness' and attorney's fees and court costs. This Section 7.1 shall survive the termination of this OPA, irrespective of the reason for its termination.

7.2 Indemnification of Agency for Hazardous Materials. Participant acknowledges that the Agency is not and has not been the owner of, or in possession of, all or any part of the Site. Participant shall indemnify, protect and defend Agency and hold Agency harmless from any and all costs, fees, penalties and claims related to the existence of Hazardous Materials on the Site and to the removal or discharge of Hazardous Materials from the Site by Participant, or its employees, agents or contractors. The indemnity provisions regarding Hazardous Materials set out in this Section 7.2 shall survive the expiration or other termination of this OPA, irrespective of the reason for its termination.

8. **INSURANCE AND PUBLIC SAFETY PROTECTIONS**.

Participant shall promptly take steps to protect private contractors and their employees and the public from the risk of injury whether from the condition of the Site or Participant's activities in connection with the Site. The Participant shall obtain and maintain, or require the Contractor and subcontractors for the Project to purchase and maintain the following insurance for claims which may result from the operations under the OPA of the Participant, any Contractor, subcontractor or anyone directly or indirectly employed by any of them, or by anyone for whose acts any of them may be liable:

8.1 Liability Insurance Policy Limits. The insurance required by this Section shall be written with a deductible of not more than TWENTY-FIVE THOUSAND DOLLARS ($25,000) or a lower amount approved in writing by Agency Executive Director or Agency Counsel and for not less than the following limits of liability:

8.1.1 Worker's Compensation. Claims under workers' compensation benefit acts: Worker's Compensation Statutory Limits shall be as required by Article 1 (commencing with Section 3700) of Chapter 4 of Part 1 of Division 4 of the California Labor Code (as it may, from time to time, be amended).

8.1.2 Comprehensive General Liability. Claims for damages because of bodily injury, occupational sickness or disease, or death of his employees and of any person other than his employees; claims for damages insured by usual personal injury liability coverage which are sustained (1) by any person as a result of an offense directly or indirectly related to the employment of such person by the Participant, or (2) by any other person; claims for damages, other than to the construction itself, because of injury to or destruction of tangible property, including resulting loss of use; and claims for contractual liability arising from the Participant's obligations under this OPA.

8.1.3 Commercial General Liability coverage which shall include Site-Operations, Independent Contractor's Protective, Products and Completed Operation (for four years), Broad Form Property Damage, or other coverage as approved by Agency Counsel, in the following limits of liability:

8.1.2.1 Bodily Injury. Bodily injury liability of $500,000 each occurrence and $500,000 Aggregate, Products and Completed Operations.

8.1.2.2 Property Damage. Property damage liability of $500,000 each occurrence; $500,000 single limit and $500,000 aggregate.

8.1.2.3 Contractual Liability. Contractual liability for Bodily Injury of $500,000 each occurrence; for Property Damage of $500,000 each occurrence and $500,000 aggregate; and Personal Injury with Employment Exclusion Deleted of $500,000 aggregate.

8.1.3 Comprehensive Automobile Liability. Claims for damages because of bodily injury or death of any person or property damage arising out of the ownership, maintenance or use of any motor vehicle: Comprehensive Automobile Liability for any vehicle used for or in connection with the Rehabilitation Work (Owned, Non-owned, hired, leased): $500,000.

8.1.4 Fire, Hazard and Extended Coverage Insurance**.** For the duration of this OPA, Participant shall obtain and maintain fire and hazard insurance to the full insurable value of the Site with endorsements of extended coverage, vandalism, and malicious mischief, and with such other endorsements and in such amounts as the Agency may reasonably require to protect the Project. In the event of damage to the Project, Participant shall use the proceeds of such insurance to reconstruct the Project and the public improvements.

8.2 Insurance Provisions.

8.2.1 Provider. Each policy of insurance required under this OPA shall be obtained from a provider licensed to do business in California and having a current rating as may be approved in writing by Agency's legal counsel.

8.2.2 Additional Insured. The Agency and the City of Woodland shall be additional insured on all insurance policies, except the worker's compensation policy.

8.2.3 Cancellation. Each policy shall bear an endorsement precluding cancellation or termination of the policy or reduction in coverage unless the Agency has been given written notice of such intended action at least thirty (30) days prior to its effective date.

8.2.4 Certificates and Policies. Participant shall provide to Agency certificates of said insurance prior to commencing the work of this OPA and shall provide to Agency true copies of the policies of said insurance as soon as available.

8.2.5 Failure to Maintain. If Participant fails to obtain or maintain, or cause to be obtained and maintained, any insurance required by this OPA, the Agency shall have the right to purchase the insurance and withhold from the Agency Funding the full costs to Agency of obtaining such insurance and treat the funds withheld as an additional disbursement in accordance with this OPA.

8.2.6 Modification. The requirements of the foregoing insurance provisions shall not be modified except upon prior written approval of Agency Counsel.

9. **PROHIBITIONS AGAINST ASSIGNMENT AND TRANSFER**.

Assignment and transfer of Participant's interests in the Site or any interest under this OPA without Agency's prior written approval are prohibited. Agency's approval shall not be unreasonably withheld.

10. **DEFAULTS AND REMEDIES**.

Subject to any extension of time permitted by this OPA, a failure or delay by a party to perform any term or provision of this OPA constitutes a default of this OPA.

10.1 Cure. Except as otherwise provided in the OPA, if either party shall default in, or breach, this OPA, such party shall immediately commence and diligently proceed to cure such default or breach within ten (10) days after receipt of written notice from the other party of such default or breach. If the defaulting party does not promptly begin and diligently pursue a cure of the default or fails to cure the default within a reasonable time, the aggrieved party may institute proceedings to cure and remedy such default or breach, including, but not limited to, proceedings to compel specific performance by the party in default. While Agency is not relieved of any obligation under this OPA to give notice, mere failure of Agency to notify Participant shall not be deemed a waiver of Participant's default.

10.2 No Waiving by Delay. Any delay by a party in asserting any rights under this Section shall not operate as a waiver of such rights or to deprive such party of, or limit, such rights in any way. Any waiver in fact made by a party with respect to any specific default shall not be considered as a waiver of the rights of such party with respect to any other defaults or with respect to the particular default except to the extent specifically waived in writing.

10.3 Delay for Causes Beyond Control of Party. For the purposes of any of the provisions of this OPA, neither Agency nor Participant shall be considered in breach of, or default in, its obligations with respect to the preparation of the Site for rehabilitation, or the beginning, prosecution and completion of construction of the Improvements, if delay in the performance of such obligations is due to unforeseeable causes beyond the delayed party's control and without its fault or negligence. Unforeseeable causes shall include acts of God, acts of the public enemy, acts of the federal government, acts of the other party, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, a general moratorium on financing for projects of the same type, and unusually severe weather (as for example, floods, tornadoes, or hurricanes) or delays of subcontractors due to such causes. In the event of the occurrence of any such enforced delay, the time or times for performance of such obligations of the Agency and Participant shall be extended for the period of the enforced delay, as determined by the Agency, provided that the party seeking the benefit of the provisions of this Section shall, within thirty (30) days after Participant has or should have knowledge of any such enforced delay, have first notified the other party, in writing, of the delay and its cause, and requested an extension for the period of the enforced delay.

10.4 Commencement of Construction. Participant shall begin construction of the rehabilitation work not later than July 1, 2012. This will require Participant to receive a building permit issued by the City of Woodland for the project site at 514 – 518 Main Street and have at least one contractor working at the site. In the event that the Participant fails to begin construction by the aforementioned date or does not obtain an extension approved by the Agency Board of Directors, the OPA shall no longer be valid and all funding will be disencumbered.

11. GENERAL PROVISIONS

11.1 Time for Actions. Agency and Participant shall each do the actions required of them, on or before the times specified in this OPA. Unless otherwise provided, Agency shall give required approvals or disapprovals within forty-five (45) days after submission of request for approval.

11.2 Definitions. The following definitions shall apply for the purposes of this OPA:

11.2.1 "Agency" is the Redevelopment Agency of the City of Woodland. The Agency is a public body, corporate and politic, exercising governmental functions and powers, and organized and existing under the Community Redevelopment Law of the State of California. The principal office of the Agency is located at 300 First Street, Woodland, CA 95695. "Agency" as used in this OPA includes the Redevelopment Agency of the City of Woodland and any assignee of, or successor to, its rights, powers and responsibilities.

11.2.2 "Completion Date" is the date stated in the Scope of Work/Schedule of Performance (Exhibit D) for the completion of the Rehabilitation Work to be performed on the Site.

11.2.3 "Construction Contract" is the contract (or contracts) to be entered into with the Contractor for the Rehabilitation Work to be undertaken and completed on the Site.

11.2.4 "Contractor" is the contractor or contractors with whom Participant has contracted for the construction, and "subcontractors" are those contractors or materialmen with whom Contractor has contracted or with whom another subcontractor has contracted for a portion of the construction. Contractor (and all subcontractors who must, by law, hold a contractor's license) shall have a current and valid contractor's license, issued by the California Contractors' State License Board, for the work they are performing.

11.2.5 "Hazardous Materials" shall include, but not be limited to, all substances, wastes and materials designated or defined as hazardous or toxic pursuant to any of the following statutes, as they may be amended or superseded, from time to time: the Clean Water Act (33 U.S.C. §1321 et. seq.); the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (42 U.S.C. §9601 et seq.); the Resource Conservation and Recovery Act (42 U.S.C. §6901 et seq.); the United States Department of Transportation Hazardous Materials Table (49 CFR 172.101); the Environmental Protection Agency list of hazardous materials (40 CFR Part 302) and California Health and Safety Code Sections 25115, 25117, 25122.7, 25140 (Hazardous Waste Control Law), 25316 (Carpenter-Presley-Tanner Hazardous Substances Account Act), 25501 (Hazardous Materials Release Response Plans and Inventory) and 25281 (Underground Storage of Hazardous Substances); all applicable local regulations; and all regulations and promulgations pursuant to said laws.

11.2.6 "Improvements" are the works of improvement, including rehabilitation, to be constructed on the Site in accordance with this OPA.

11.2.7 “Loan Amount” is the maximum amount the Agency shall pay to or on behalf of the Participant for the completion of the Rehabilitation Work. The Loan Amount is $200,000, minus the public art contribution.

11.2.8 “Map”, is the map of the project site attached as Exhibit A-1, and incorporated herein by this reference.

11.2.9 "OPA" is this Owner Participation Agreement which includes this document and the Plans and referenced attachments to this OPA which are incorporated in this OPA as if set forth in full in the body of the OPA. A default of any of the referenced attachments shall be deemed a default of this OPA.

11.2.10 "Plans" are the full and final plans, drawings and specifications for the Project, including the work write-up, or scope of work, which have been approved by the City and reviewed by the Agency as suitable for Agency funding and which are on file with the Agency.

11.2.11. "Site" is that real property which the Participant owns, as more particularly described in Exhibit A: Legal Description, and as shown on the Map attached hereto as Exhibit A-2. The Site includes all existing improvements currently located on the Site.

11.2.12 "Project" is the rehabilitation of the Site, as more particularly set out in the Plans and this OPA.

11.2.13 "Project Area" is the redevelopment project area, as defined in the Redevelopment Plan and referred to in Recital B of this OPA.

11.2.14 "Participant" is the David S. and Vivian C. Matsuo 1996 Trust whose trustees are David S. Matsuo and Vivian C. Matsuo. The mailing address for the Participant is 17240 Clearview Drive, Los Gatos, CA 95032.

11.2.15 "Redevelopment Plan" is the Redevelopment Plan for the Woodland Redevelopment Project adopted in 1988 by Ordinance No. 1129 (as it may be amended from time to time) as adopted by the City Council of the City of Woodland. References to the Redevelopment Plan include all rules, regulations, plans and strategies duly adopted in accordance with the Redevelopment Plan.

11.2.16 “Rehabilitation Work” means the rehabilitation work to be undertaken and completed on the Site pursuant to this OPA, as set forth in the Scope of Work/Schedule of Performance (Exhibit D).

11.2.17 "Subcontractors List" is the list, prepared by Participant, of all subcontractors employed in the work of construction if any, the work to be performed by each subcontractor, and the total amount to be paid to each subcontractor.

11.2.18 "Unavoidable Delay" is a delay in the performance by a party of any obligation which delay is beyond the control of such party. Unavoidable Delay is further defined in Section 10.3.

11.3 Inspection of Books and Records and Site Access. Agency has the right, at all reasonable times, to inspect the books and records of the Participant pertaining to the Site as necessary to assure compliance with the provisions of this OPA. Participant shall keep such books and records as Agency may reasonably require assuring Participant's performance of its obligations under this OPA. Participant shall permit Agency representatives’ access, without charge, to the entire Site at any time and for any purpose which Agency reasonably considers necessary to carry out its obligations and protect its interests under the OPA.

11.4 Fees, Commissions, Gifts or Interests. Agency shall not be liable for any real estate commissions, brokerage fees or finder's fees which may arise from this OPA. Agency and Participant each represent that neither has engaged any broker, agent or finder, and that neither claims such a commission or fee, in connection with this OPA. Participant shall pay no fee or commission, make no gifts and provide no interest in the Loan to any employee or official of the Agency or the City of Woodland.

11.5 Entire Agreement. This OPA integrates all of the terms and conditions related or incidental to its subject matter, and supersedes all negotiations or previous agreements between the parties with respect to its subject matter.

11.6 Waivers and Amendments. All waivers of the provisions of this OPA must be in writing and signed by the appropriate authorities of the Agency or the Participant, and all amendments hereto must be in writing and signed by the appropriate authorities of the Agency and the Participant.

11.7 Nonliability of Agency Officials and Employees. No member, official or employee of the Agency shall be personally liable to the Participant, or any successor in interest, in the event of any default or breach by the Agency or for any amount which may become due to the Participant or its successors, or on any obligations under the terms of this OPA.

11.8 Local, State and Federal Laws . The Participant shall assure that the construction of the Project is carried out in conformity with all applicable laws and regulations, including all applicable federal and state labor standards. Before commencement of construction or development of any buildings, structures or other work of improvement upon the Site, Participant shall at its own expense secure any and all certifications and permits which may be required by any governmental agency having jurisdiction over such construction, development or work. Agency shall cooperate in securing certifications and permits which require consent of the owner of the property. Participant shall permit only persons or entities that are duly licensed in the State of California, County of Yolo and City of Woodland, as applicable, to perform work on or for the Project.

11.9 Notices And Demands. A notice, demand or other communication under the OPA by either party to the other shall be in writing and shall be sufficiently given or delivered if it is dispatched by registered or certified mail, postage prepaid, return receipt requested, or delivered personally, to the address set out above, or at such other address with respect to either such party as that party may, from time to time, designate in writing and forward to the other as provided for a notice in this Section.

THIS AGREEMENT IS EXECUTED as of ______________________ in Woodland, California.

<table>
<tr>
<td>

PARTICIPANT:

DAVID S. AND VIVIAN C. MATSUO
1996 TRUST

By: _________________________
DAVID S. MATSUO

Its: ________________________

By:_________________________
VIVIAN C. MATSUO

Its:_________________________

</td>
<td>

AGENCY:

REDEVELOPMENT AGENCY OF THE
CITY OF WOODLAND

By: _____________________________
MARK G. DEVEN
Agency Executive Director

APPROVED AS TO FORM:

By: ______________________________
Agency Counsel

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EXHIBIT A

LEGAL DESCRIPTION OF THE PROPERTY

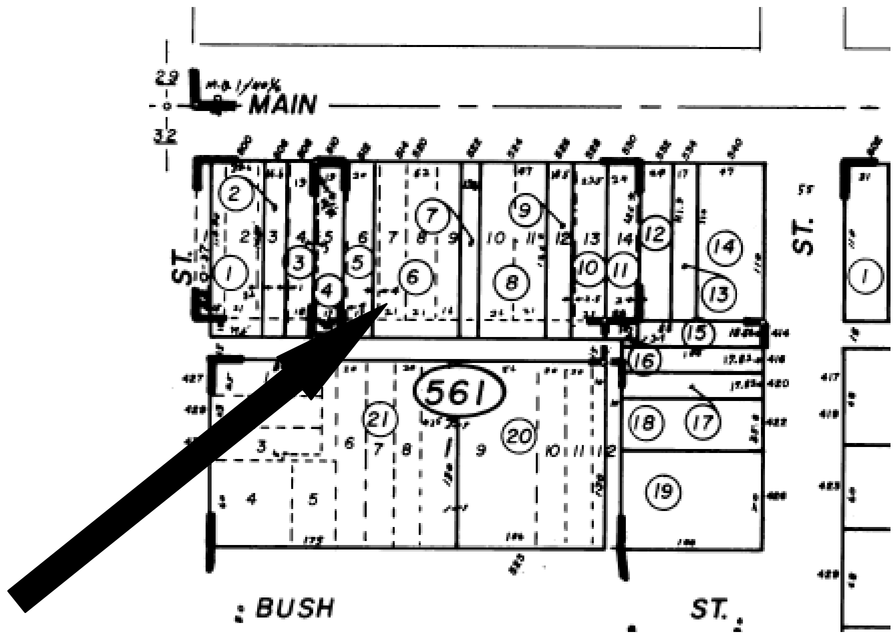
The land described herein is situated in the State of California, County of Yolo, City of Woodland, and is described as follows:

BEGINNING AT A POINT ON THE SOUTHERN LINE OF MAIN STREET, 4.0 FEET WEST FROM THE NORTHWESTERN CORNER OF LOT 7, COLLEGE ADDITION TO THE CITY OF WOODLAND, FILED DECEMBER 9, 1872 IN BOOK O OF DEEDS, PAGE 37, YOLO COUNTY RECORDS, SAID POINT ALSO BEING THE NORTHEASTERLY CORNER OF THE PARCEL OF LAND DESCRIBED IN THE DEED EXECUTED BY GERALD L. BALL, ET AL, RECORDED JANUARY 10, 1933 IN BOOK 45 PAGE 295, OFFICIAL RECORDS; RUNNING THENCE ALONG SAID EASTERLY LINE SOUTH 126 FEET 10 1/2 INCHES TO A POINT ON THE NORTHERN LINE OF A PUBLIC ALLEY, SAID POINT BEING DISTANT 15 FEET SOUTH OF THE SOUTHERN LINE OF SAID COLLEGE ADDITION; THENCE EAST 62 FEET ALONG THE NORTHERN LINE OF SAID ALLEY TO THE DIRECT EXTENSION SOUTH OF THE EASTERN LINE OF LOT 9, AS SHOWN ON SAID MAP OF COLLEGE ADDITION TO THE CITY OF WOODLAND; THENCE ALONG SAID SOUTHERN EXTENSION AND THE EASTERN LINE OF SAID LOT 9 NORTH 126 FEET 10 1/2 INCHES TO SAID SOUTHERN LINE OF MAIN STREET; THENCE ALONG SAID SOUTHERN LINE OF MAIN STREET, WESTERLY 62.0 FEET TO THE POINT OF BEGINNING.

ASSESSOR'S PARCEL NUMBER: 006-561-006

EXHIBIT A - 2

MAP OF THE SITE



Project Site,
514 – 518 Main Street
(APN 006-561-06)

EXHIBIT B

PROMISSORY NOTE

$200,000 ________________, 2011
Woodland, California

FOR VALUE RECEIVED, DAVID S. AND VIVIAN C. MATSUO 1996 TRUST, A California Trust (the "Maker") promises to pay to the REDEVELOPMENT AGENCY OF THE CITY OF WOODLAND, a public body, corporate and politic, organized and existing under the laws of the State of California (the "Holder"), or order, at 300 First Street, Woodland, California, 95695, or at such other place as Holder may direct from time to time in writing, the principal sum of TWO HUNDRED THOUSAND DOLLARS ($200,000) (the "Loan"), together with interest and other charges as set forth here in below. All sums payable hereunder shall be payable in lawful money of the United States of America.

1. **Owner Participation Agreement** – This promissory note ("Promissory Note") is made and delivered pursuant to and in implementation of that certain Owner Participation Agreement dated June 22, 2011, by and between the Holder and the Maker (the "Agreement"). The terms and conditions of such Agreement are hereby incorporated by reference. Capitalized terms not defined herein are as defined in the Agreement. In the event there is any conflict between the terms of this Promissory Note and the terms of the Agreement, the terms of the Agreement shall govern.

2. **Interest Rate; Payments** – This Promissory Note shall be repaid in the following manner:

(i) Monthly payments of $3,527.47 shall commence on January 1, 2013 or 30 days after all Building Permits have been finaled, whichever occurs first, and shall continue to be due on the first day of each month thereafter for a period five years (60 total monthly payments). The entire outstanding principal amount of this Note, together with any other amounts due and owing hereunder, shall be repaid in full by January 1, 2018. If any amount payable under this Promissory Note is not paid within ten (10) days after the applicable due date, Maker shall pay to Holder upon demand an amount equal to five percent (5%) of such unpaid sum to defray the expenses incurred by Holder in handling and processing the delinquent payment and to compensate Holder for the loss of the use of the delinquent payment, and this amount shall be secured by the Deed of Trust.

(ii) Interst shall accrue on the outstanding principal amount of this Promissory Note, from time to time, at a daily rate equal to two and twenty-five percent (2.25%), compounded interest. Such interst shall accrue upon the date of disbusement of the Loan, or any portion thereof to Maker, and continue to accrue thereafter until all amounts due and owing hereunder are paid in full. Notwithstanding any other provision hereof to the contrary, the entire outstanding principal balance of the Loan, together with all accrued and unpaid interest, shall be immediately due and payable by Maker to Holder (a) upon any refinancing of any of Maker's senior debt related to the Site; (b) upon the sale of the Site or any portion thereof by Maker, or (c) upon default by Maker under the terms of this Promissory Note and/or the Agreement.

All payments made hereunder shall be credited first to any accrued but unpaid interest, then to current interest dues and owing, and lastly to principal.

3. **Prepayment** – Maker may prepay all or any part of the outstanding principal balance of this Promissory Note at any time, without penalty. Within thirty (30) days following payment, in full, of this Note, Holder shall return this Promissory Note to Maker marked "cancelled."

4. **Deed of Trust** – This Promissory Note is secured by a deed of trust ("Deed of Trust") dated concurrently herewith, encumbering the Site (as defined in the Agreement). Maker shall cooperate with Holder to record the Deed of Trust concurrently with the execution of this Promissory Note. Upon repayment in full of this Promissory Note, Holder shall execute and deliver to Maker such documents as are necessary to release the Agency's lien under the Deed of Trust from the Site.

5. **Default** – Maker will be in default under this Promissory Note upon the occurrence of any one or more of the following events (each, an "Event of Default"):

(i) Maker fails to make any payment of principal and/or interest under this Promissory Note within ten (10) days after the date when due; or

(ii) Maker fails to comply with any other provision contained in this Promissory Note or the Agreement, and does not cure that failure within thirty (30) days after written notice from Holder; or

(iii) Maker becomes insolvent or the subject of any bankruptcy or other voluntary or involuntary proceeding, in or out of court, for the adjustment of debtor-creditor relationships; or

(iv) Any representation or warranty made or given by Maker in the Agreement proves to be false or misleading in any material respect; or

(v) An event of default under the Agreement occurs.

If an Event of Default occurs, the Holder may exercise any right or remedy which it has under this Promissory Note or the Agreement, or which is otherwise available at law or in equity or by statute, and all of Holder's rights and remedies shall be cumulative. Upon the occurrence of any Event of Default, Holder's obligation to lend under the Agreement shall automatically terminate. Upon the occurrence of any Event of Default, all of Maker's obligations under this Promissory Note and the Agreement may become immediately due and payable without notice of default, presentment or demand for payment, protest or notice of nonpayment or dishonor, or other notices or demands of any kind or character, all at Holder's option, exercisable in its sole discretion. Holder's failure to exercise such option shall not constitute a waiver of such option with respect to any subsequent event. Holder's failure in the exercise of any other right or remedy hereunder or under any agreement or other instrument which secures the indebtedness or is related thereto shall not affect any right or remedy and no single or partial exercise of any such right or remedy shall preclude any further exercise thereof.

6. **Waivers** – Maker expressly waives: (a) any defense based upon any legal disability or other defense of Maker, or other person, or by reason of the cessation or limitation of the liability of Maker from any cause other than full payment and performance of those obligations of Maker which are provided for hereunder; (b) any defense based upon any lack of authority of the members, officers, directors, partners or agents acting or purporting to act on behalf of Maker or any member of Maker or any defect in the formation of Maker or any member of Maker; (c) any defense based upon the application by Maker of the proceeds of this Promissory Note for purposes other than the purposes represented by Maker to Holder or intended or understood by Holder or Maker; (d) any defense based upon Holder's election, in any proceeding instituted under the Federal Bankruptcy Code, of the application of Section 1111(b)(2) of the Federal Bankruptcy Code or any successor statute; (e) any defense based upon any borrowing or any grant of a security interest under Section 364 of the Federal Bankruptcy Code; (f) any right of subrogation, any right to enforce any remedy which Holder may have against Maker and any right to participate in, or benefit from, any security for this Promissory Note or the other documents now or hereafter held by Holder; and (g) presentment, demand, protest and all notices other than any notice expressly provided for in this Promissory Note and/or the Agreement.

7. **Costs** – Upon the occurrence of an Event of Default, Maker promises to pay all costs, expenses and attorneys' fees incurred by the Holder in connection with the collection or enforcement of this Promissory Note or any part of it, whether or not suit is filed, including but not limited to, all costs, expenses and attorneys' fees incurred by the Holder in connection with any insolvency, bankruptcy, reorganization, arrangement or similar proceedings involving Maker. As used herein, the term "attorneys' fees" means the full costs of legal services performed in connection with the matters involved, calculated on the basis of usual fees charged by an attorney performing those services, and not limited to "reasonable attorneys' fees" as defined by any statute or rule of any court in which an action hereunder may be brought.

8. **Amendments and Modifications** – This Promissory Note may not be changed orally, and may be amended only by an agreement in writing, signed by the party against whom enforcement of any waiver, change, modification or dispute is sought.

9. **Governing Law** – This Promissory Note shall be construed and enforced in accordance with the laws of the State of California.

10. **Successors** – The terms "Maker" and "Holder" shall be construed to include the parties' respective successors and assigns.

11. **Severability** – If any provision of this Note shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions hereof shall not in any way be affected or impaired thereby.

IN WITNESS WHEREOF, the undersigned has executed this Promissory Note as of the date first set forth above.

___________________, 2011

DAVID S. AND VIVIAN C. MATSUO 1996 TRUST,
a California Trust

By: ___________________________
DAVID S. MATSUO

Its: __________________________

By:___________________________
VIVIAN C. MATSUO

Its:___________________________

EXHIBIT C

DEED OF TRUST

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

REDEVELOPMENT AGENCY OF THE
CITY OF WOODLAND
300 First Street
Woodland, CA 95695
Attn: Executive Director

DEED OF TRUST AND ASSIGNMENT OF RENTS

THIS DEED OF TRUST AND ASSIGNMENT OF RENTS is made _________________, 2011, by DAVID S. AND VIVIAN C. MATSUO 1996 TRUST, a California Trust ("Trustor"), whose address is 17240 Clearview Drive, Los Gatos, CA 95032, to and in favor of _____________________________, a California corporation ("Trustee"), as trustee for the benefit of the REDEVELOPMENT AGENCY OF THE CITY OF WOODLAND, a public body, corporate and politic ("Beneficiary"), and its successors and assigns.

This Deed of Trust is executed by Trustor in consideration of Trustor's obligation to repay to Beneficiary the proceeds of a Loan described in that certain Owner Participation Agreement entered into by and between Trustor and Beneficiary as of _____________, 2011 (the "Agreement"), and evidenced by a promissory note of even date herewith in the amount of TWO HUNDRED THOUSAND DOLLARS ($200,000) executed by Trustor in favor of Beneficiary.

In consideration of said obligation, Trustor hereby irrevocably grants, transfers and assigns to Trustee and its successors and assigns, in trust, with power of sale and right of entry and possession, for the benefit of Beneficiary, all that real property in the City of Woodland, County of Yolo, State of California, described in Exhibit A attached hereto and incorporated herein by this reference (the "Property"), together with:

A. All of Trustor's estate, right, title and interest in and to the Property, and all minerals, oil, gas and other hydrocarbon substances on the Property, as well as all development rights, air rights, water and water rights relating to the Property; and

B. All present and future structures, buildings, improvements, appurtenances and fixtures of any kind on the property, including, but not limited to, all apparatus, equipment and appliances used in connection with the operation or occupancy of the property, such as fire sprinklers and alarm systems, heating and air conditioning systems and facilities used to provide any utility services, refrigeration, ventilation, dishwashing, garbage disposal, stoves, recreation or other services on the property, and all window coverings, drapes and rods, carpeting and floor coverings, it being intended and agreed that all such items will be conclusively considered to be a part of the real property conveyed by this Deed of Trust, whether or not attached or affixed to the Property (the "Improvements"); and

C. All appurtenances of the Property and all rights of the Trustor in and to any streets, roads or public places, easements or rights of way relating to the Property; and

D. All of the rents, royalties, profits and income of the Property and all rights of Trustor under all present and future leases affecting the Property, including, but not limited to, any security deposits; and

E. All proceeds and claims arising on account of any damage to or taking of the Property or any Improvements thereon or any part thereof and all causes of action and recoveries for any loss or diminution in the value of the Property or any Improvements; and

F. All goods located on the Property and used in the operation or occupancy of the Property or in any construction on the Property but which are not effectively made real property under paragraph B, above, including, but not limited to, all appliances, furniture and furnishings, building service equipment, and building materials, supplies and equipment; and

G. All general intangibles relating to the development or use of the Property, including, but not limited to, all governmental permits relating to construction on the Property, all names under or by which the Property or any Improvements on the Property may at any time be operated or known, and all rights to carry on business under any such names or any variant thereof, and all trademarks and goodwill in any way relating to the Property.

This Deed of Trust is made and delivered, and the Property is hereby granted and assigned to Trustee, for the purpose of securing each and all of the following:

A. Payment of an indebtedness in the principal and interest as evidenced by that certain Promissory Note secured by this Deed of Trust made by Trustor and payable to the order of Beneficiary in the amount of TWO HUNDRED THOUSAND DOLLARS ($200,000) and bearing the same date as this Deed of Trust bears, and any and all renewals or extensions thereof or substitutions therefor (hereinafter referred to as the "Note"), and performance of each and all of the obligations of Trustor under the Note; and

B. Payment of sums and interest thereon that may hereafter be loaned or advanced by Beneficiary to or for the benefit of Trustor or to its successors and assigns, provided that no such additional loan or advance and no interest thereon shall be secured by this Deed of Trust unless such additional loan or advance is made to Trustor while it is the owner of record of the Property or to its successors or assigns while they are the owners of record thereof.

TO PROTECT THE SECURITY OF THIS DEED OF TRUST, TRUSTOR COVENANTS AND AGREES:

1. That it will pay the Note at the times and in the manner provided therein;

2. That it will not permit or suffer the use of any of the Property for any purpose other than the use for which the same was intended at the time this Deed of Trust was executed;

3. That the Note is incorporated in and made a part of this Deed of Trust. Upon default under the Note, the Beneficiary, at its option, may declare the whole of the indebtedness secured hereby to be due and payable;

4. That all rents, issues, profits and income from the Property covered by this Deed of Trust are hereby assigned to the Beneficiary for the purpose of discharging the debt hereby secured. Permission is hereby given to Trustor, so long as no default exists hereunder, to collect such rents, issues, profits and income for use in accordance with the provisions of the Agreement;

5. That, upon default hereunder, Beneficiary shall be entitled to the appointment of a receiver by any court having jurisdiction, without notice, to take possession and protect the Property described herein and operate same and collect the rents, issues, profits and income therefrom;

6. That Trustor will keep the improvements now existing or hereafter erected on the Property insured against loss of fire and such other hazards, casualties and contingencies as may be required by the Beneficiary, and all such insurance shall be evidenced by standard fire and extended coverage insurance policy or policies. In no event shall the amounts of coverage be less than one hundred percent (100%) of the insurable value, and in default thereof, the Beneficiary shall have the right to obtain insurance. Such policies shall be endorsed with a standard mortgagee clause with loss payable to the Beneficiary in addition to the Trustor and shall be deposited with the Beneficiary;

7. To pay, at least ten (10) days before delinquency, and before any penalty for nonpayment attaches thereto, all taxes, assessments and charges affecting said property, including, but not limited to, sewer, sidewalk and street lighting assessments and other governmental or municipal or public dues, charges, fines or impositions that affect, or are or may be levied against or imposed upon, the Property, or any portion thereof, this Deed of Trust, the Note or the Agreement, including, but not limited to, every interest that Trustee or Beneficiary may have or be deemed to have in the Property, or any portion thereof, by reason of this Deed of Trust;

8. To keep the Property in good, sanitary and safe condition and repair, not to alter, remove or demolish any improvements or buildings thereon without the prior written consent of Beneficiary; to complete, restore and replace (free from any security interest therein or encumbrance thereon) promptly and in good and workmanlike manner any and all buildings or improvements which may be constructed, damaged or destroyed thereon and to pay when due all claims for labor performed and materials furnished therefor; to comply with all laws affecting the Property or requiring any alterations or improvements to be made thereon; not to commit, suffer or permit any act upon the Property in violation of law and/or covenants, conditions and/or restrictions affecting the Property; and not to permit or suffer any material alteration of or addition to the buildings or improvements hereafter constructed in or upon the Property without the consent of the Beneficiary;

9. To appear in and defend any and all actions or proceedings purporting to affect Trustor's title to the Property, or any portion thereof, or purporting to affect the lien or priority of this Deed of Trust or the rights or powers of Beneficiary or Trustee hereunder, and to pay all costs and expenses, including cost of evidence of title and attorneys' fees in a reasonable sum, incurred in any such actions or proceedings in which Beneficiary or Trustee may appear. Trustee and Beneficiary shall each have the right, but not obligation, to appear in, defend and retain counsel for any and all adverse claims or demands therein and to pay and expend all such sums of money in that connection as it or they may deem necessary, for which Trustor agrees to reimburse Trustee and Beneficiary, as the case may be, promptly upon demand;

10. Should Trustor fail to make any payment or do any act as herein provided, then Beneficiary or Trustee, or either of them, but without obligation so to do and without notice to or demand upon Trustor, without waiver of such default and without releasing Trustor from any obligation hereof, may but shall in no event be obligated to:

a. Make such payment or do such act in such manner and to such extent as either may deem necessary to protect the security of this Deed of Trust, Beneficiary and Trustee being each authorized to enter upon the Property for such purposes;

b. Commence, appear in and defend any action or proceeding purporting to affect the security of this Deed of Trust or the rights or powers of Beneficiary or Trustee;

c. Pay, purchase, contest or compromise any encumbrance, charge or lien that, in the judgment of either Trustee or Beneficiary, appears to be prior or superior to this Deed of Trust; and

d. In exercising any such rights or powers, pay necessary costs and expenses, employ attorneys and pay their reasonable fees;

11. The Beneficiary shall have the right to pay fire and other property insurance premiums when due should Trustor fail to make any required premium payments. All such payments made by the Beneficiary shall be added to the principal sum secured hereby;

12. To pay immediately and without demand all sums so expended by Beneficiary or Trustee, under permission given under this Deed of Trust, with interest from date of expenditure at the same rate as is specified in the Note. All such sums, together with said interest, shall be secured by this Deed of Trust;

13. The Trustor further covenants that it will not voluntarily create, suffer or permit to be created against the Property subject to this Deed of Trust any lien or liens except as authorized by Beneficiary and, further, that it will keep and maintain the Property free from the claims to all persons supplying labor or materials which will enter into the construction of any and all buildings now being erected or to be erected on the Property;

14. That the improvements made upon the Property covered by the Deed of Trust, and all plans and specifications, comply with all municipal ordinances and regulations and all other regulations made or promulgated, now or hereafter, by lawful authority and that the same will upon completion comply with all such municipal ordinances and regulations and with the rules of the applicable fire rating or inspection organization, bureau, association or office.

IT IS MUTUALLY AGREED THAT:

15. If the improvements herein referred to or the work to be performed under the Agreement shall not be carried on with reasonable diligence or shall be discontinued at any time for any reason other than war; insurrection; strikes; lock-outs; riots; floods; earthquakes; fires; casualties; acts of God; acts of the public enemy; epidemics; quarantine restrictions; freight embargoes; lack of transportation; governmental restrictions or priority; litigation unusually severe weather; inability to secure necessary labor, materials or tools; delays of any contractor, subcontractor or supplier; acts of another party; acts or the failure to act of any public or governmental agency or entity, the Beneficiary, after due notice to the Trustor or any subsequent owner, is hereby invested with full and complete authority to enter upon the Property or any pertinent portion thereof, to employ watchmen to protect such improvements from

depredation or injury, to preserve and protect the personal property therein, to continue any and all outstanding contracts for the erection and completion of said building or buildings or other work, to make and enter into any contracts and obligations wherever necessary, either in its own name or in the name of the Trustor, and to pay and discharge all debts, obligations and liabilities incurred thereby. All such sums so advanced by the Beneficiary (exclusive of advances of the principal of the indebtedness secured hereby) shall be added to the principal of the indebtedness secured hereby and shall be secured by this Deed of Trust and shall be due and payable on demand with interest at the rate specified in the Note;

16. Should the Property or any part thereof be taken or damaged by reason of any public improvement or condemnation proceeding, or damaged by fire or earthquake, or in any other manner, the Beneficiary shall be entitled, subject to the rights of the holder of any deed of trust having priority over this Deed of Trust, to all compensation, awards and other payments or relief therefor and shall be entitled at its option to commence, appear in and prosecute in its own name, or settlement, in connection with such taking or damage. All such compensation, awards, damages, rights of action and proceeds, including the proceeds of any policies of fire and other insurance affecting the Property, are hereby assigned to the Beneficiary subject to the rights of the holder of any deed of trust having priority over this Deed of Trust. After deducting therefrom all its expenses, including attorneys' fees, and if Trustor is not in default, Beneficiary shall apply all such proceeds to restoring the Property, or in the event of Trustor's default or in the event Trustor determines not to rebuild, the Beneficiary shall retain the proceeds to the extent of the amount of principal and interest due under the Note, notwithstanding the fact that the amount owing thereon may not then be due and payable or that the obligations are otherwise adequately secured. Any balance of such proceeds still remaining shall be disbursed by the Beneficiary to the Trustor;

17. Upon default by Trustor in making any payments provided for herein or in the Note secured hereby, or if Trustor shall fail to perform any covenant or agreement in this Deed of Trust, then the Beneficiary may, at its sole option, declare all sums owing under the Note due and payable immediately, irrespective of the maturity date specified on the Note or in any agreement evidencing same, by delivery to Trustee of written declaration of default and demand for sale and of written notice of default and of election to cause the Property to be sold, which notice Trustee shall cause to be duly filed for record and the Beneficiary may foreclose this Deed of Trust. Beneficiary shall also deposit with Trustee this Deed, the Note and all documents evidencing expenditures secured hereby;

18. After the lapse of such time as may then be required by law following the recordation of said notice of default and notice of sale having been given as then required by law, Trustee, without demand on Trustor, shall sell the Property, or any portion thereof specified by Beneficiary, at the time and place fixed by it in said notice of sale, either as a whole or in separate parcels, and in such order as it may determine at public auction to the highest bidder for cash lawful money of the United States, payable at time of sale. Trustee may postpone sale of all or any portion of the Property by public announcement at the time and place of sale, and from time to time thereafter may postpone the sale by public announcement at the time and place of sale, and from time to time thereafter may postpone the sale by public announcement at the time fixed by the preceding postponement. Trustee shall deliver to the purchaser its deed or deeds conveying the Property so sold, but without any covenant or warranty, express or implied. The recitals in the deed or deeds of any matters or facts shall be conclusive proof of the truthfulness thereof. Any person, including Trustor, Trustee or Beneficiary, may purchase at the sale. The Trustee shall apply the proceeds of sale to payment of (1) Trustee's and Beneficiary's expenses of such sale (including cost of evidence of title), together with the reasonable expenses of this trust, including therein reasonable Trustee's fees or attorneys' fees for conducting the sale and the actual cost of publishing, recording, mailing and posting notice of the sale; (2) the cost of any search and/or other evidence of title procured in connection with such sale and revenue stamps on the Trustee's deed; (3) all sums expended by Trustee or Beneficiary under the terms hereof, not then repaid, with accrued interest at the rate specified in paragraph 12 of this Deed of Trust; (4) the Note and all other obligations not already

paid and all other sums then secured hereby; and (5) the remainder, if any, to the person or persons legally entitled thereto;

19. The failure of Beneficiary to exercise the option for acceleration of maturity or to foreclose following any default by Trustor in payment or performance of any of the obligations, or to exercise any other option granted to Beneficiary under this Deed of Trust, in any one or more instances, or the acceptance by Beneficiary of partial payments hereunder shall not constitute a waiver of any such default, nor extend or affect the grace period, if any, but such option shall remain continuously in force. Acceleration of maturity, once claimed hereunder by Beneficiary, may, at the option of Beneficiary, be rescinded by written acknowledgment to that effect by Beneficiary, but the tender and acceptance of partial payments alone shall not in any way affect or rescind such acceleration of maturity nor extend or affect the grace period, if any. No waiver of any provision hereof shall be deemed a waiver of any other requirement to perform under the same provision;

20. Upon any sale or sales made under or by virtue of paragraph 18 of this Deed of Trust, whether made under the power of sale herein granted or under or by virtue of judicial proceedings or of a judgment or decree of foreclosure and sale, Beneficiary may bid for and acquire the Property or any part thereof and, in lieu of paying cash therefor, may make settlement for the purchase price by crediting upon the indebtedness or other sums secured by this Deed of Trust the net sales price after deducting therefrom the expenses of sale and the costs of the judicial proceedings, if any, and any other sums which Trustee or Beneficiary is authorized to deduct under this Deed of Trust, and in such event, this Deed of Trust, the Note and documents evidencing expenditures secured hereby shall be presented to the person or persons conducting the sale in order that the amount so used or applied may be credited upon said indebtedness as having been paid;

21. Beneficiary may from time to time substitute a successor or successors to any Trustee named herein or acting hereunder to execute this trust. Upon such appointment, and without conveyance to the successor trustee, the latter shall be vested with all title, powers and duties conferred upon any Trustee herein named or acting hereunder. Each such appointment and substitution shall be made by written instrument executed by Beneficiary, containing reference to this deed and its place of record, which, when duly recorded in the proper office of the county in which the Property is situated, shall be conclusive proof of proper appointment of the successor trustee;

22. The pleading of any statute of limitations as a defense to any and all obligations secured by this Deed of Trust is hereby waived to the full extent permissible by law;

23. Upon written request of Beneficiary stating that all sums secured hereby have been paid, and upon surrender of this Deed of Trust and said Note to Trustee for cancellation and retention and upon payment of its fees, Trustee shall reconvey, without warranty, the Property or any portion thereof then held hereunder. The recitals in such reconveyance of any matters or facts shall be conclusive proof of the truthfulness thereof. The grantee in such reconveyance may be described as "the person or persons legally entitled thereto";

24. The trust created hereby is irrevocable by Trustor;

25. This Deed of Trust applies to, inures to the benefit of, and binds all parties hereto and their heirs, legatees, devisees, administrators, executors, successors and assigns. The term "Beneficiary" shall include not only the original Beneficiary hereunder but also any future owner and holder, including pledges of the Note secured hereby. In this Deed of Trust, whenever the context so requires, the masculine gender includes the feminine and/or neuter, and the singular includes the plural;

26. Trustee accepts this trust when this Deed of Trust, duly executed and acknowledged, is made a public record as provided by law. Except as otherwise provided by law, the Trustee is not obligated to notify any party hereto of a pending sale under this Deed of Trust or of any action or proceeding in which Trustor, Beneficiary or Trustee shall be a party unless brought by Trustee;

27. If any action be brought for the foreclosure of this Deed of Trust, Trustor agrees to pay to Beneficiary or Trustee (whichever may be the plaintiff in the foreclosure action) such reasonable sum as attorneys' fees as the court may fix and award in such action, together with a reasonable fee to the Trustee, to be fixed by the court, and all sums paid or incurred for procuring a search or searches of title to the Property or any portion thereof subsequent to the execution of this Deed of Trust, and all such sums shall be secured hereby;

28. No power or remedy herein conferred is exclusive of, or shall prejudice, any other power or remedy of Trustee or Beneficiary given by law. Each such power or remedy may be exercised from time to time as often as deemed necessary;

29. By accepting payment of any sum secured hereby after its due date, Beneficiary does not waive its right either to require prompt payment when due of all other sums so secured or to declare default for failure so to pay;

30. Trustor agrees to permit Beneficiary or any of its agents and representatives to inspect the Property, and any portion thereof, from time to time during normal business hours and as frequently as Beneficiary considers reasonable; and

31. Trustor and Beneficiary intend and believe that each provision in this Deed of Trust is lawful and complies with all applicable laws, whether local, state or federal, and with applicable judicial decisions. If any provision or provisions, or if any portion of any provision or provisions in this Deed of Trust, is, nevertheless, found by a court of competent jurisdiction to be in violation of any local, state or federal ordinance, statute, law, administrative or judicial decision or public policy, and if such court declares such portion, provision or provisions to be illegal, invalid, unlawful, void or unenforceable as written, then it is the intention both of Trustor and Beneficiary that such portion, provision or provisions shall be given force to the fullest possible extent that they are legal, valid and enforceable, that the remainder of this Deed of Trust shall be construed as if such illegal, invalid, unlawful, void or unenforceable portion, provision or provisions are not contained therein, and that the rights, obligations and interests of Trustor and Beneficiary under the remainder of this Deed of Trust shall continue in full force and effect.

32. The sole recourse of Beneficiary in the event of default under the Note or this Deed of Trust shall be by the exercise of the Trustee's power of sale under the Deed of Trust, and the Trustor shall not be personally liable for the payment of the Note or for any other default under this Deed of Trust or for the payment of any deficiency established after judicial foreclosure under this Deed of Trust.

IN WITNESS WHEREOF, the Trustor has executed this Deed of Trust as of the day and year set forth above.

DAVID S. AND VIVIAN C. MATSUO 1996 TRUST,
a California Trust

By: ___________________________
DAVID S. MATSUO

Its: __________________________

By:___________________________
VIVIAN C. MATSUO

Its:___________________________

EXHIBIT D

SCOPE OF WORK/SCHEDULE OF PERFORMANCE
(Interior and Exterior Rehabilitation)

SCOPE OF WORK/SCHEDULE OF PERFORMANCE:

The David S. and Vivian C. Matsuo 1996 Trust shall complete the following items for the rehabilitation of the Muscle World Building, unless agreed upon by both sides. All agreed upon work shall be completed by December 31, 2012 at the latest. All work is based on plans approved by the City and reviewed by the Agency.

	Work Items	**Description**	**Target Date**
1	Complete Main Street façade	Demolish the existing façade, upgrade seismic, and rebuild/restore façade.	August 2012
2	Construct seismic upgrades	Complete seismic improvements not already addressed with façade work.	October 2012
3	Renovate 1st floor restroom for ADA compliance	Upgrade the existing 1st floor restroom in compliance with ADA requirements.	November 2012
4	Complete interior clean up items	Paint, re-carpet, and perform other necessary interior clean up items.	December 2012

AGENCY RESOLUTION NO. ______________

A RESOLUTION OF THE REDEVELOPMENT AGENCY OF THE CITY OF WOODLAND APPROVING THE ALLOCATION OF FUNDS AND OWNER PARTICIPATION AGREEMENT FOR THE 514-518 MAIN STREET BUILDING RESTORATION/REHABILITATION PROJECT

WHEREAS, on April 5, 2011, the Agency Board provided staff with direction in regards to projects to implement and allocate the Agency Bond funds;

WHEREAS, the Agency Board instructed staff to return to the Board with rates, terms, and funding allocations as the projects were deemed feasible; and

WHEREAS, Staff has identified projects that are ready to move forward and require funding.

NOW THEREFORE BE IT RESOLVED THAT the Redevelopment Agency Board does hereby:

Section 1. Approve an Owner Participation Agreement for the 514-518 Building restoration/rehabilitation in the amount of $200,000, in substantially the form attached to the staff report,

Section 2. Authorize the Executive Director to execute the OPA and any necessary related documents needed for the project

Section 3. Allocate $200,000 in redevelopment bond funds for the loan and amend the Agency budget accordingly, and

Section 4. Allocate $90,000 in redevelopment bond funds for the Exterior Improvement Façade Rebate Program and amend the Agency budget accordingly.

PASSED AND ADOPTED this 21st day of June, 2011 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

____
Artemio Pimentel, Chair

ATTEST:

____
Ana B. Gonzalez, Secretary

APPROVED AS TO FORM:

____
Edward Quinn, Agency Attorney

MAIN STREET ELEVATION - 514 MAIN STREET

SCHEMATIC

City of Woodland

REPORT TO REDEVELOPMENT AGENCY BOARD

AGENDA ITEM

TO: THE REDEVELOPMENT AGENCY BOARD

DATE: June 21, 2011

SUBJECT: Oddfellows Building Interior Loan, 725 Main Street

Report in Brief

The Redevelopment Agency staff is implementing projects consistent with the Redevelopment 2010-2014 Implementation Plan. The projects were discussed in concept at the meeting of April 5, 2011. During that meeting and a subsequent meeting on May 3, the Agency Board directed staff to pursue projects identified and bring back the terms of financing for the Board's review.

Agency staff has been approached by the owner of the Oddfellows Building for potential assistance in creating more second floor office space. The rental income from these offices will help to stabilize the building as well as fill the majority of remaining space on the building's second floor. Staff is bringing the request for a $125,000 loan forward to the Agency Board.

Staff recommends that the Redevelopment Agency Board consider adoption of Resolution No. _____ allocating $125,000 in Agency funds for the Oddfellows Building Second Floor Interior Loan and authorizing execution of the Owner Participation Agreement (OPA).

Background

On April 5, 2011, Redevelopment Agency staff brought forward a strategy on how to encumber and spend the nearly $5 million of Redevelopment Tax Increment Bond proceeds available. Staff presented the Board with different projects that could utilize the funding and received direction on which projects to proceed.

Staff was also instructed to investigate other projects and as they become ready for construction financing, return to the Board with terms of the financing and funding requirements. Staff was approached by the owner of the Oddfellows Building, located at the corner of Third and Main streets, in regards to providing Agency assistance to create smaller offices on the second floor of the building. These offices would replace a larger space that has been difficult to rent.

To be considered, projects must meet the redevelopment priority goals of (1) creating new entertainment venues and activities for downtown, (2) increasing residential development, and (3) developing currently underutilized or vacant sites, while renovating and preserving existing structures. This project clearly meets priority goal three of renovating the downtown historic buildings.

Discussion

If approved, there will be nine new offices on the second floor that total approximately 2,000 square feet. The owner feels that these smaller offices will be easier to rent than the current large space. The second floor currently houses 18 offices of similar size to the proposed new offices. Sixteen of those offices are rented and proves there is demand for more small office space in the building.

Preliminary discussions with the architect suggest that this project would cost up to $125,000. The actual costs will not be known until the work is actually bid. The $125,000 request includes a healthy contingency due to the fact that additional work may be needed as is the nature of construction on historic buildings. The OPA (see Attachment I) also includes 1.5% or $1,875 for the Redevelopment Art in Public Places Pilot Program. Based on staff analysis, if the architect's estimate is correct, the rental income from these new offices should be able to support the debt service on the Agency's loan. Much like the other loans that have been brought forth, staff will loan the funds at the Applicable Federal Rate (AFR) for five years. Currently the AFR is at 2.27% and results in a payment of approximately $2,200 a month.

The owner has informed staff that approving this loan should help him to achieve 50% occupancy in the 28,000 square foot building. This should stabilize the owner's rental income and allow him to retain ownership of the building.

Fiscal Impact

There is no impact on the General Fund.

Public Contact

Posting of the Redevelopment Agency Board Agenda.

Alternative Courses of Action

1. Consider adoption of Resolution No. _____ allocating $125,000 in Agency funds for the Oddfellows Building Second Floor Interior Loan and authorizing execution of the Owner Participation Agreement (OPA).

2. Do not approve a loan for the Oddfellows Building.

Recommendation for Action

Staff recommends that the Redevelopment Agency Board approve Alternative No. 1.

Prepared by: Jamie McLeod
Redevelopment/Housing
Analyst II

Reviewed by: Cynthia Shallit
Redevelopment Manager

____
Mark G. Deven
Executive Director

AGENCY RESOLUTION NO. ______________

A RESOLUTION OF THE REDEVELOPMENT AGENCY OF THE CITY OF WOODLAND APPROVING THE ALLOCATION OF FUNDS AND OWNER PARTICIPATION AGREEMENT FOR THE ODDFELLOWS BUILDING, 725 MAIN STREET, SECOND FLOOR INTERIOR LOAN

WHEREAS, on April 5, 2011, the Agency Board provided staff with direction in regards to projects to implement and allocate the Agency Bond funds;

WHEREAS, the Agency Board instructed staff to return to the Board with rates, terms, and funding allocations as the projects were deemed feasible; and

WHEREAS, Staff has identified projects that are ready to move forward and require funding.

NOW THEREFORE BE IT RESOLVED THAT the Redevelopment Agency Board does hereby:

Section 1. Approve an Owner Participation Agreement for the Oddfellows Building second floor interior loan in the amount of $125,000, in substantially the form attached to the staff report.

Section 2. Authorize the Executive Director to execute the OPA and any necessary related documents needed for the project, and

Section 3. Allocate $125,000 in redevelopment bond funds and amend the Agency budget accordingly.

PASSED AND ADOPTED this 21st day of June, 2011 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

____
Artemio Pimentel, Chair

ATTEST:

____
Ana B. Gonzalez, Secretary

APPROVED AS TO FORM:

____
Andrew J. Morris, Agency Attorney

NO FEE DOCUMENT
Entitled to free recording
per Government Code 6103
When Recorded, return to:

City Clerk, City of Woodland
300 First Street
Woodland, CA 95695

OWNER PARTICIPATION AGREEMENT
SECOND FLOOR RETROFIT PROGRAM

723-729 MAIN STREET

[Loan for Building Rehabilitation]

TERM	DEFINITION
"Agency"	Woodland Redevelopment Agency
"Agency Address"	300 First Street, Woodland, CA 95695
"Participant"	Sadiq 2006 Trust
"Participant Legal Status"	California Trust
"Participant Address"	725 Main Street #217, Woodland, CA 95695
"Project Area or Target Area"	Oddfellows Building, 723-729 Main Street, Woodland, CA 95695 Woodland Redevelopment Project Area
"Effective Date"	June 22, 2011
"Loan Amount"	$125,000
"Funding Source"	Redevelopment Tax Increment

Agency and Participant enter into this Owner Participation Agreement (hereinafter "OPA") as of the Effective Date. [For purposes of this OPA, the capitalized terms shall have the meanings assigned in the above table and in
Section 11.2.]

RECITALS

A. Participant is the owner of the Site, consisting of that real property located generally at 723-729 Main Street, in the City of Woodland, California, more particularly described in Exhibit A: Legal Description, incorporated herein by this reference, and as shown on the Map attached hereto as Exhibit A-1, together with the building existing thereon commonly referred to as the Porter Building.

B. Agency is a redevelopment agency formed and acting under the Community Redevelopment Law (California Health & Safety Code Sections 33000 *et seq.*), and this document is governed by the Community Redevelopment Law. The Funding Source of the Loan is Tax Increment Funds (as defined in the Community Redevelopment Law) generated in the Project Area and is subject to the applicable provisions of the Community Redevelopment Law and the Redevelopment Plan for the Project Area. This OPA is made in accordance with provisions of the Redevelopment Plan for participation by Participants in the redevelopment of the Project Area (adopted in accordance with California Health &

Safety Code Section 33339). This OPA is consistent with, and furthers, the Redevelopment Plan and the "Implementation Plan" adopted for the Project Area in that it will remediate blight by improving and upgrading the appearance of commercial properties in the Project Area.

AGREEMENT

NOW THEREFORE, in consideration of the following mutual covenants, obligations and agreements and for other good and valuable consideration, the receipt and adequacy of which are acknowledged, the parties agree as follows:

1. **PURPOSE.** The purpose of this OPA is to provide for the rehabilitation of the improvements existing on the Site, and for the Agency to loan funds for a term not to exceed five years from December 31, 2011 in order to assist the Participant with the rehabilitation. The Agency represents that the use of the funds, under this OPA, and the fulfillment generally of this OPA, are (1) in the vital and best interests of the City and the health, safety, morals and welfare of its residents, (2) for the purpose of community improvement and welfare, (3) for the benefit of the Project Area and in accordance with the Agency's Redevelopment Plan, and (4) consistent with the Redevelopment Plan and the Implementation Plan. Participant represents and agrees that its promise to improve the Site under the OPA is not intended for speculation in land holding.

2. **TERM**. This OPA shall commence as of the date first written above and shall terminate upon the occurrence of all of the following:

   2.1 Fulfillment by the parties of their obligations under this OPA, including completion of the Project by the Participant; and

   2.2 Repayment of the Loan by Participant.

3. **LOAN PROVISIONS**

   3.1 Loan Amount. Agency hereby agrees to loan to Participant up to ONE HUNDRED AND TWENTY FIVE THOUSAND DOLLARS ($125,000.00) (the "Loan") and Participant hereby agrees to repay the Loan in accordance with this OPA and comply with the terms of this OPA for the rehabilitation of the Site. One-and-a-half percent (1.5%) of the loan amount, or $1,875 will be withheld for contribution towards a public art program administered by the Yolo County Arts Council. The Loan proceeds shall be used solely to pay the costs incurred by the Participant for rehabilitating the Oddfellows Building located at 723-729 Main Street (the "Rehabilitation Work"). The Loan shall be evidenced by a promissory note (the "Note") to be executed by Participant in favor of the Agency, in substantially the form attached hereto as Exhibit B and incorporated herein by reference. The Note shall be secured by a deed of trust ("Deed of Trust") to be executed by Participant, in substantially the form attached as Exhibit C and incorporated herein by reference. The Deed of Trust shall be recorded against the Site as a condition to and concurrently with disbursement of any portion of the Loan Amount.

   3.2 Disbursement Procedures. The Loan shall be disbursed to Participant as follows:

      3.2.1 Conditions Precedent. Agency shall not be obligated to make any disbursement of the Loan Amount until the following conditions precedent have been met:

         3.2.1.1 Participant is not in default of any provision of this OPA; and

3.2.1.2 The Participant has executed and delivered to the Agency the Note and Deed of Trust evidencing the Loan;

3.2.1.3 The Participant has provided the Agency with a CLTA standard form lender's policy of title insurance in the amount of the Loan, acceptable to Agency in its reasonable discretion, containing those endorsements reasonably requested by Agency that will insure the Deed of Trust as a valid first priority lien on the Site, subject only to those exceptions to title approved, in writing, by the Agency;

3.2.1.4 All conditions precedent to commencement of construction set forth in Section 4.3 of this Agreement shall have been satisfied, and the Participant shall be prepared to commence the Rehabilitation Work on the Site promptly following disbursement of the Loan;

3.2.1.5 The Participant shall have delivered to the Agency, and the Agency shall have approved, the Participant's budget for the Rehabilitation Work to be completed on the Site; and

3.2.1.6 The Participant shall have delivered to the Agency, and the Agency shall have approved, evidence satisfactory to the Agency that the Participant has financing or other funding available to it to undertake and complete the Rehabilitation Work in accordance with this Agreement.

3.2.2 Disbursement. Upon satisfaction of all conditions precedent set forth in this Section 3.2, the Agency will deliver to the Participant the Loan Amount, less the 1.5% for public art, and less a 10% contingency amount which shall be held by the Agency and disbursed upon full completion of the Rehabilitation Work and recordation of mechanics lien releases relating to such Rehabilitation Work.

3.3 **Repayment**. The Loan shall be repaid in accordance with the terms and conditions set forth in the Note (Exhibit B). The Loan shall be repaid in full by the Participant within five (5) years or otherwise provided in the Note. Following repayment of all amounts due and owing under the Note, the Agency shall execute and deliver to the Participant such documents as may be necessary to release the Agency's lien under the Deed of Trust from the Site.

4. **LOAN OBLIGATIONS**.

4.1 Agency Acceptance of Plans. This OPA is a financing document of the Agency and not a land use or planning document. Approval of the Project under this OPA by the Agency is not and shall not be considered an approval of land use entitlements or structural design of the Project, or the aesthetic design of the Project except as an approval by the Agency of the Project design concept to affect the purpose of this OPA. Participant shall comply with all applicable land use, planning and design laws, rules and regulations of each governmental agency acting in proper exercise of their respective jurisdictions, including without limitation, departments, staff, boards and commissions of the City. Agency's approval of Plans is not an assurance of their adequacy or correctness. Agency has reserved approval rights solely (a) to assure that the Plans further the Redevelopment Plan; and (b) to assure that the Project is developed as intended by this OPA.

4.2 Zoning and Condition of the Site. As between the Agency and Participant, Participant is solely responsible for investigating the condition of the Site for the Rehabilitation Work to be undertaken (including zoning and Hazardous Materials conditions, if any) and for placing the Site in a suitable condition for construction.

4.3 Conditions Precedent to Commencement of Construction. Participant shall not begin the rehabilitation work pursuant to this OPA until the following conditions precedent have been satisfied:

4.3.1 Participant has obtained City approval of all Plans, and a building permit and all other permits required for the Rehabilitation Work, if any;

4.3.2 Participant has submitted to Agency the certificates of insurance required by Section 8; and

4.3.3 Participant has entered into a Construction Contract with a licensed general contractor or directly with subcontractors for the rehabilitation work to be completed on the Site and has provided a copies of the applicable executed contracts to the Agency.

4.3.4 Participant has entered into a contract with a licensed general contractor to supervise and direct all rehabilitation work requiring a building permit, encroachment permit, or inspection of work by Pacific Gas and Electric (PG&E) and has provided a copy of applicable executed contract to the Agency. The Participant shall obtain Agency's approval of the selected general contractor.

5. **REHABILITATION**. The Participant shall carry out the rehabilitation of and manage the Project according to the requirements established in this OPA, the Plans, and in conformity with all applicable laws, including without limitation all applicable building codes and labor standards. Participant shall promptly begin, diligently prosecute and timely complete the construction of the Project. In interpreting the provisions of this OPA, the provisions which specifically enforce the Redevelopment Plan and the applicable provisions of the Community Redevelopment Law and / or the Code of Federal Regulations shall control.

5.1 Completion of Construction. Participant shall promptly begin rehabilitation and shall complete rehabilitation of the Site pursuant to Exhibit D, Scope of Work/Schedule of Performance.

5.2 Public Safety Protections**.** Participant shall assure that all necessary steps are taken (including the erection of fences, barricades and warning devices) to protect private contractors and their employees and the public from the risk of injury arising out of the condition of the Site or Participant's activities in connection with the Site, including without limitation, fire, or the failure, collapse or deterioration of any improvements or buildings.

5.3 Antidiscrimination During Rehabilitation. The Participant for itself and its successors and assigns, agrees that the following provisions shall apply to, and be contained in all contracts and subcontracts for the rehabilitation of the Site. (For purposes of this Section 5.3, Participant shall also mean Contractor or Subcontractor.)

5.3.1 Employment. The Participant shall not discriminate against any employee or applicant for employment on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955 and Section 12955.2 of the Government Code. The Participant will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955 and Section 12955.2 of the Government Code. Such action shall include, but not limited to, the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layout or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Participant agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the Agency setting forth the provisions of this nondiscrimination clause.

5.3.2 Advertising. The Participant shall, in all solicitations or advertisements for employees placed by or on behalf of the Participant, state that all qualified applicants will receive consideration for employment without regard to any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955 and Section 12955.2 of the Government Code.

5.4 Lead-Based Paint. Participant shall not use lead-based paint in the rehabilitation of the Site.

5.5 Hazardous Materials**.** If "Hazardous Substances" are known to be or discovered on the Site, Participant shall remediate all Hazardous Substances on the Site as and to the extent required by any federal, state or local agency having jurisdiction regarding Hazardous Substances standards or remediation and as may be necessary to avoid incurring liability or further liability under any federal, State and local law or regulation. Participant shall bear all costs related to such remediation.

5.6 Changes in the Work. Participant shall, prior to its occurrence, notify Agency of all changes in the construction which result in a net increase in cost, alter the scope of the work, or extend the period for construction beyond the Completion Date set forth in the Scope of Work/Schedule of Performance (Exhibit D). Agency shall have the right to approve or reject such changes. Agency shall make such approval or rejection in writing within a reasonable time. If the cost of construction of the Project or any part of the Project exceeds the costs

projected by Participant, the Participant shall, nevertheless, bear the responsibility to complete, at his/her cost, the construction of the Project in accordance with this OPA.

5.7 Notification of Contractors, Architects and Engineers. Participant shall ensure that the Construction Contract shall fully comply with this OPA. Participant shall notify his/her Project Contractors, architects and engineers of the requirements of this OPA. Participant shall include, where applicable, the provisions of this OPA in contracts and subcontracts for the Project, and Participant shall enforce such provisions.

5.8 Agency Inspection and Access to Site. Agency shall have the right to inspect all books and records of Participant related to the Project and the rehabilitation and changes in rehabilitation during normal business hours to assure Participant's compliance with the provisions of this OPA and Plans. Participant shall permit Agency representatives' access, without charge, to the entire Site at any time during normal business hours and for any purpose which Agency reasonably considers necessary to carry out its obligations and protect its interests under this OPA. Purposes for Agency entry may include, without limitation, inspection of all work being performed in connection with the rehabilitation of the Site.

5.9 Supervision of the Work. Participant shall be solely responsible for monitoring all Rehabilitation Work and the rehabilitation of the Site, ensuring that the Rehabilitation Work is performed in a workmanlike manner, and enforcing the terms of this OPA and the Construction Contracts. Agency inspection of Rehabilitation Work shall be solely for the purpose of monitoring disbursements of Agency funds, assuring Participant's performance under this OPA and protecting Agency's interest in the Site.

6. COVENANTS REGARDING USE AND NONDISCRIMINATION.

Participant, its successors and assigns, shall not discriminate on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955 and Section 12955.2 of the Government Code in the sale, lease or rental or in the use or occupancy of the Site. Participant shall use the Site in accordance and conformity with the Redevelopment Plan.

7. INDEMNIFICATION

7.1 Indemnification. Participant shall indemnify, protect and defend the Agency, its officers, directors, employees and agents, and hold them harmless from any and all claims and liability for bodily injury, death and property damage caused by or resulting from the acts or omissions of Participant, its officers, employees, agents or independent contractors and for any and all costs incurred by the Agency in defending against such claims, including investigator's, witness' and attorney's fees and court costs. This Section 7.1 shall survive the termination of this OPA, irrespective of the reason for its termination.

7.2 Indemnification of Agency for Hazardous Materials. Participant acknowledges that the Agency is not and has not been the owner of, or in possession of, all or any part of the Site. Participant shall indemnify, protect and defend Agency and hold Agency harmless from any and all costs, fees, penalties and claims related to the existence of Hazardous Materials on the Site and to the removal or discharge of Hazardous Materials from the Site by Participant, or its employees, agents or contractors. The indemnity provisions regarding Hazardous Materials set out in this Section 7.2 shall survive the expiration or other termination of this OPA, irrespective of the reason for its termination.

8. INSURANCE AND PUBLIC SAFETY PROTECTIONS.

Participant shall promptly take steps to protect private contractors and their employees and the public from the risk of injury whether from the condition of the Site or Participant's activities in connection with the Site. The Participant shall obtain and maintain, or require the Contractor and subcontractors for the Project to purchase and maintain the following insurance for claims which may result from the operations under the OPA of the Participant, any Contractor, subcontractor or anyone directly or indirectly employed by any of them, or by anyone for whose acts any of them may be liable:

8.1 Liability Insurance Policy Limits. The insurance required by this Section shall be written with a deductible of not more than TWENTY-FIVE THOUSAND DOLLARS ($25,000) or a lower amount approved in writing by Agency Executive Director or Agency Counsel and for not less than the following limits of liability:

8.1.1 Worker’s Compensation. Claims under workers' compensation benefit acts: Worker's Compensation Statutory Limits shall be as required by Article 1 (commencing with Section 3700) of Chapter 4 of Part 1 of Division 4 of the California Labor Code (as it may, from time to time, be amended).

8.1.2 Comprehensive General Liability. Claims for damages because of bodily injury, occupational sickness or disease, or death of his employees and of any person other than his employees; claims for damages insured by usual personal injury liability coverage which are sustained (1) by any person as a result of an offense directly or indirectly related to the employment of such person by the Participant, or (2) by any other person; claims for damages, other than to the construction itself, because of injury to or destruction of tangible property, including resulting loss of use; and claims for contractual liability arising from the Participant's obligations under this OPA.

8.1.3 Commercial General Liability coverage which shall include Site-Operations, Independent Contractor's Protective, Products and Completed Operation (for four years), Broad Form Property Damage, or other coverage as approved by Agency Counsel, in the following limits of liability:

8.1.2.1 Bodily Injury. Bodily injury liability of $500,000 each occurrence and $500,000 Aggregate, Products and Completed Operations.

8.1.2.2 Property Damage. Property damage liability of $500,000 each occurrence; $500,000 single limit and $500,000 aggregate.

8.1.2.3 Contractual Liability. Contractual liability for Bodily Injury of $500,000 each occurrence; for Property Damage of $500,000 each occurrence and $500,000 aggregate; and Personal Injury with Employment Exclusion Deleted of $500,000 aggregate.

8.1.3 Comprehensive Automobile Liability. Claims for damages because of bodily injury or death of any person or property damage arising out of the ownership, maintenance or use of any motor vehicle: Comprehensive Automobile Liability for any vehicle used for or in connection with the Rehabilitation Work (Owned, Non-owned, hired, leased): $500,000.

8.1.4 Fire, Hazard and Extended Coverage Insurance**.** For the duration of this OPA, Participant shall obtain and maintain fire and hazard insurance to the full insurable value of the Site with endorsements of extended coverage, vandalism, and malicious mischief, and with such other endorsements and in such amounts as the Agency may reasonably require to protect the Project. In the event of damage to the Project, Participant shall use the proceeds of such insurance to reconstruct the Project and the public improvements.

8.2 Insurance Provisions.

8.2.1 Provider. Each policy of insurance required under this OPA shall be obtained from a provider licensed to do business in California and having a current rating as may be approved in writing by Agency's legal counsel.

8.2.2 Additional Insured. The Agency and the City of Woodland shall be additional insured on all insurance policies, except the worker's compensation policy.

8.2.3 Cancellation. Each policy shall bear an endorsement precluding cancellation or termination of the policy or reduction in coverage unless the Agency has been given written notice of such intended action at least thirty (30) days prior to its effective date.

8.2.4 Certificates and Policies. Participant shall provide to Agency certificates of said insurance prior to commencing the work of this OPA and shall provide to Agency true copies of the policies of said insurance as soon as available.

8.2.5 Failure to Maintain. If Participant fails to obtain or maintain, or cause to be obtained and maintained, any insurance required by this OPA, the Agency shall have the right to purchase the insurance and withhold from the Agency Funding the full costs to Agency of obtaining such insurance and treat the funds withheld as an additional disbursement in accordance with this OPA.

8.2.6 Modification. The requirements of the foregoing insurance provisions shall not be modified except upon prior written approval of Agency Counsel.

9. PROHIBITIONS AGAINST ASSIGNMENT AND TRANSFER.

Assignment and transfer of Participant's interests in the Site or any interest under this OPA without Agency's prior written approval are prohibited. Agency's approval shall not be unreasonably withheld.

10. DEFAULTS AND REMEDIES.

Subject to any extension of time permitted by this OPA, a failure or delay by a party to perform any term or provision of this OPA constitutes a default of this OPA.

10.1 Cure. Except as otherwise provided in the OPA, if either party shall default in, or breach, this OPA, such party shall immediately commence and diligently proceed to cure such default or breach within ten (10) days after receipt of written notice from the other party of such default or breach. If the defaulting party does not promptly begin and diligently pursue a cure of the default or fails to cure the default within a reasonable time, the aggrieved party may institute proceedings to cure and remedy such default or breach, including, but not limited to, proceedings to compel specific performance by the party in default. While Agency is not relieved of any obligation under this OPA to give notice, mere failure of Agency to notify Participant shall not be deemed a waiver of Participant's default.

10.2 No Waiving by Delay. Any delay by a party in asserting any rights under this Section shall not operate as a waiver of such rights or to deprive such party of, or limit, such rights in any way. Any waiver in fact made by a party with respect to any specific default shall not be considered as a waiver of the rights of such party with respect to any other defaults or with respect to the particular default except to the extent specifically waived in writing.

10.3 Delay for Causes Beyond Control of Party. For the purposes of any of the provisions of this OPA, neither Agency nor Participant shall be considered in breach of, or default in, its obligations with respect to the preparation of the Site for rehabilitation, or the beginning, prosecution and completion of construction of the Improvements, if delay in the performance of such obligations is due to unforeseeable causes beyond the delayed party's control and without its fault or negligence. Unforeseeable causes shall include acts of God, acts of the public enemy, acts of the federal government, acts of the other party, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, a general moratorium on financing for projects of the same type, and unusually severe weather (as for example, floods, tornadoes, or hurricanes) or delays of subcontractors due to such causes. In the event of the occurrence of any such enforced delay, the time or times for performance of such obligations of the Agency and Participant shall be extended for the period of the enforced delay, as determined by the Agency, provided that the party seeking the benefit of the provisions of this Section shall, within thirty (30) days after Participant has or should have knowledge of any such enforced delay, have first notified the other party, in writing, of the delay and its cause, and requested an extension for the period of the enforced delay.

11. GENERAL PROVISIONS

11.1 Time for Actions. Agency and Participant shall each do the actions required of them, on or before the times specified in this OPA. Unless otherwise provided, Agency shall give required approvals or disapprovals within forty-five (45) days after submission of request for approval.

11.2 Definitions. The following definitions shall apply for the purposes of this OPA:

11.2.1 "Agency" is the Redevelopment Agency of the City of Woodland. The Agency is a public body, corporate and politic, exercising governmental functions and powers, and organized and existing under the Community Redevelopment Law of the State of California. The principal office of the Agency is located at 300 First Street, Woodland, CA 95695. "Agency" as used in this OPA includes the

Redevelopment Agency of the City of Woodland and any assignee of, or successor to, its rights, powers and responsibilities.

11.2.2 "Completion Date" is the date stated in the Scope of Work/Schedule of Performance (Exhibit D) for the completion of the Rehabilitation Work to be performed on the Site.

11.2.3 “Construction Contract” is the contract (or contracts) to be entered into with the Contractor for the Rehabilitation Work to be undertaken and completed on the Site.

11.2.4 "Contractor" is the contractor or contractors with whom Participant has contracted for the construction, and "subcontractors" are those contractors or materialmen with whom Contractor has contracted or with whom another subcontractor has contracted for a portion of the construction. Contractor (and all subcontractors who must, by law, hold a contractor's license) shall have a current and valid contractor's license, issued by the California Contractors' State License Board, for the work they are performing.

11.2.5 "Hazardous Materials" shall include, but not be limited to, all substances, wastes and materials designated or defined as hazardous or toxic pursuant to any of the following statutes, as they may be amended or superseded, from time to time: the Clean Water Act (33 U.S.C. §1321 et. seq.); the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (42 U.S.C. §9601 et seq.); the Resource Conservation and Recovery Act (42 U.S.C. §6901 et seq.); the United States Department of Transportation Hazardous Materials Table (49 CFR 172.101); the Environmental Protection Agency list of hazardous materials (40 CFR Part 302) and California Health and Safety Code Sections 25115, 25117, 25122.7, 25140 (Hazardous Waste Control Law), 25316 (Carpenter-Presley-Tanner Hazardous Substances Account Act), 25501 (Hazardous Materials Release Response Plans and Inventory) and 25281 (Underground Storage of Hazardous Substances); all applicable local regulations; and all regulations and promulgations pursuant to said laws.

11.2.6 "Improvements" are the works of improvement, including rehabilitation, to be constructed on the Site in accordance with this OPA.

11.2.7 “Loan Amount” is the maximum amount the Agency shall pay to or on behalf of the Participant for the completion of the Rehabilitation Work. The Loan Amount is $125,000, minus the public art contribution.

11.2.8 “Map”, is the map of the project site attached as Exhibit A-1, and incorporated herein by this reference.

11.2.9 "OPA" is this Owner Participation Agreement which includes this document and the Plans and referenced attachments to this OPA which are incorporated in this OPA as if set forth in full in the body of the OPA. A default of any of the referenced attachments shall be deemed a default of this OPA.

11.2.10 "Plans" are the full and final plans, drawings and specifications for the Project, including the work write-up, or scope of work, which have been approved by the

City and reviewed by the Agency as suitable for Agency funding and which are on file with the Agency.

11.2.11. "Site" is that real property which the Participant owns, as more particularly described in Exhibit A: Legal Description, and as shown on the Map attached hereto as Exhibit A-2. The Site includes all existing improvements currently located on the Site.

11.2.12 "Project" is the rehabilitation of the Site, as more particularly set out in the Plans and this OPA.

11.2.13 "Project Area" is the redevelopment project area, as defined in the Redevelopment Plan and referred to in Recital B of this OPA.

11.2.14 "Participant" is the 2006 Sadiq Trust whose trustee is Mo Sadiq. The mailing address for the Participant is 725 Main Street #217, Woodland, CA 95695.

11.2.15 "Redevelopment Plan" is the Redevelopment Plan for the Woodland Redevelopment Project adopted in 1988 by Ordinance No. 1129 (as it may be amended from time to time) as adopted by the City Council of the City of Woodland. References to the Redevelopment Plan include all rules, regulations, plans and strategies duly adopted in accordance with the Redevelopment Plan.

11.2.16 “Rehabilitation Work” means the rehabilitation work to be undertaken and completed on the Site pursuant to this OPA, as set forth in the Scope of Work/Schedule of Performance (Exhibit D).

11.2.17 "Subcontractors List" is the list, prepared by Participant, of all subcontractors employed in the work of construction if any, the work to be performed by each subcontractor, and the total amount to be paid to each subcontractor.

11.2.18 "Unavoidable Delay" is a delay in the performance by a party of any obligation which delay is beyond the control of such party. Unavoidable Delay is further defined in Section 10.3.

11.3 Inspection of Books and Records and Site Access. Agency has the right, at all reasonable times, to inspect the books and records of the Participant pertaining to the Site as necessary to assure compliance with the provisions of this OPA. Participant shall keep such books and records as Agency may reasonably require assuring Participant's performance of its obligations under this OPA. Participant shall permit Agency representatives’ access, without charge, to the entire Site at any time and for any purpose which Agency reasonably considers necessary to carry out its obligations and protect its interests under the OPA.

11.4 Fees, Commissions, Gifts or Interests. Agency shall not be liable for any real estate commissions, brokerage fees or finder’s fees which may arise from this OPA. Agency and Participant each represent that neither has engaged any broker, agent or finder, and that neither claims such a commission or fee, in connection with this OPA. Participant shall pay no fee or commission, make no gifts and provide no interest in the Loan to any employee or official of the Agency or the City of Woodland.

11.5 Entire Agreement. This OPA integrates all of the terms and conditions related or incidental to its subject matter, and supersedes all negotiations or previous agreements between the parties with respect to its subject matter.

11.6 Waivers and Amendments. All waivers of the provisions of this OPA must be in writing and signed by the appropriate authorities of the Agency or the Participant, and all amendments hereto must be in writing and signed by the appropriate authorities of the Agency and the Participant.

11.7 Nonliability of Agency Officials and Employees. No member, official or employee of the Agency shall be personally liable to the Participant, or any successor in interest, in the event of any default or breach by the Agency or for any amount which may become due to the Participant or its successors, or on any obligations under the terms of this OPA.

11.8 Local, State and Federal Laws . The Participant shall assure that the construction of the Project is carried out in conformity with all applicable laws and regulations, including all applicable federal and state labor standards. Before commencement of construction or development of any buildings, structures or other work of improvement upon the Site, Participant shall at its own expense secure any and all certifications and permits which may be required by any governmental agency having jurisdiction over such construction, development or work. Agency shall cooperate in securing certifications and permits which require consent of the owner of the property. Participant shall permit only persons or entities that are duly licensed in the State of California, County of Yolo and City of Woodland, as applicable, to perform work on or for the Project.

11.9 Notices And Demands. A notice, demand or other communication under the OPA by either party to the other shall be in writing and shall be sufficiently given or delivered if it is dispatched by registered or certified mail, postage prepaid, return receipt requested, or delivered personally, to the address set out above, or at such other address with respect to either such party as that party may, from time to time, designate in writing and forward to the other as provided for a notice in this Section.

THIS AGREEMENT IS EXECUTED as of ______________________ in Woodland, California.

PARTICIPANT:	**AGENCY:**
2006 SADIQ TRUST, a California Trust	REDEVELOPMENT AGENCY OF THE CITY OF WOODLAND
By: __________________________ MO SADIQ Its: _________________________	By: ______________________________ MARK G. DEVEN Agency Executive Director
	APPROVED AS TO FORM: By: _______________________________ Agency Counsel

EXHIBIT A

LEGAL DESCRIPTION OF THE PROPERTY

The land referred to herein is situated in the State of California, County of Yolo, City of Woodland, and is described as follows:

EXHIBIT A - 2

MAP OF THE SITE

EXHIBIT B

PROMISSORY NOTE

$125,000 __________________, 2011
Woodland, California

FOR VALUE RECEIVED, 2006 SADIQ TRUST, A California Trust (the "Maker") promises to pay to the REDEVELOPMENT AGENCY OF THE CITY OF WOODLAND, a public body, corporate and politic, organized and existing under the laws of the State of California (the "Holder"), or order, at 300 First Street, Woodland, California, 95695, or at such other place as Holder may direct from time to time in writing, the principal sum of ONE HUNDRED TWENTY FIVE THOUSAND DOLLARS ($125,000) (the "Loan"), together with interest and other charges as set forth here in below. All sums payable hereunder shall be payable in lawful money of the United States of America.

1. **Owner Participation Agreement** – This promissory note ("Promissory Note") is made and delivered pursuant to and in implementation of that certain Owner Participation Agreement dated June 22, 2011, by and between the Holder and the Maker (the "Agreement"). The terms and conditions of such Agreement are hereby incorporated by reference. Capitalized terms not defined herein are as defined in the Agreement. In the event there is any conflict between the terms of this Promissory Note and the terms of the Agreement, the terms of the Agreement shall govern.

2. **Interest Rate; Payments** – This Promissory Note shall be repaid in the following manner:

(i) Monthly payments of $2,204.67 shall commence on January 1, 2012 or 30 days after all Building Permits have been finaled, whichever occurs first, and shall continue to be due on the first day of each month thereafter for a period five years (60 total monthly payments). The entire outstanding principal amount of this Note, together with any other amounts due and owing hereunder, shall be repaid in full by January 1, 2017. If any amount payable under this Promissory Note is not paid within ten (10) days after the applicable due date, Maker shall pay to Holder upon demand an amount equal to five percent (5%) of such unpaid sum to defray the expenses incurred by Holder in handling and processing the delinquent payment and to compensate Holder for the loss of the use of the delinquent payment, and this amount shall be secured by the Deed of Trust.

(ii) Interst shall accrue on the outstanding principal amount of this Promissory Note, from time to time, at a daily rate equal to two and twenty-five percent (2.25%), compounded interest. Such interst shall accrue upon the date of disbusement of the Loan, or any portion thereof to Maker, and continue to accrue thereafter until all amounts due and owing hereunder are paid in full. Notwithstanding any other provision hereof to the contrary, the entire outstanding principal balance of the Loan, together with all accrued and unpaid interest, shall be immediately due and payable by Maker to Holder (a) upon any refinancing of any of Maker's senior debt related to the Site; (b) upon the sale of the Site or any portion thereof by Maker, or (c) upon default by Maker under the terms of this Promissory Note and/or the Agreement.

All payments made hereunder shall be credited first to any accrued but unpaid interest, then to current interest dues and owing, and lastly to principal.

3. **Prepayment** – Maker may prepay all or any part of the outstanding principal balance of this Promissory Note at any time, without penalty. Within thirty (30) days following payment, in full, of this Note, Holder shall return this Promissory Note to Maker marked "cancelled."

4. **Deed of Trust** – This Promissory Note is secured by a deed of trust ("Deed of Trust") dated concurrently herewith, encumbering the Site (as defined in the Agreement). Maker shall cooperate with Holder to record the Deed of Trust concurrently with the execution of this Promissory Note. Upon repayment in full of this Promissory Note, Holder shall execute and deliver to Maker such documents as are necessary to release the Agency's lien under the Deed of Trust from the Site.

5. **Default** – Maker will be in default under this Promissory Note upon the occurrence of any one or more of the following events (each, an "Event of Default"):

(i) Maker fails to make any payment of principal and/or interest under this Promissory Note within ten (10) days after the date when due; or

(ii) Maker fails to comply with any other provision contained in this Promissory Note or the Agreement, and does not cure that failure within thirty (30) days after written notice from Holder; or

(iii) Maker becomes insolvent or the subject of any bankruptcy or other voluntary or involuntary proceeding, in or out of court, for the adjustment of debtor-creditor relationships; or

(iv) Any representation or warranty made or given by Maker in the Agreement proves to be false or misleading in any material respect; or

(v) An event of default under the Agreement occurs.

If an Event of Default occurs, the Holder may exercise any right or remedy which it has under this Promissory Note or the Agreement, or which is otherwise available at law or in equity or by statute, and all of Holder's rights and remedies shall be cumulative. Upon the occurrence of any Event of Default, Holder's obligation to lend under the Agreement shall automatically terminate. Upon the occurrence of any Event of Default, all of Maker's obligations under this Promissory Note and the Agreement may become immediately due and payable without notice of default, presentment or demand for payment, protest or notice of nonpayment or dishonor, or other notices or demands of any kind or character, all at Holder's option, exercisable in its sole discretion. Holder's failure to exercise such option shall not constitute a waiver of such option with respect to any subsequent event. Holder's failure in the exercise of any other right or remedy hereunder or under any agreement or other instrument which secures the indebtedness or is related thereto shall not affect any right or remedy and no single or partial exercise of any such right or remedy shall preclude any further exercise thereof.

6. **Waivers** – Maker expressly waives: (a) any defense based upon any legal disability or other defense of Maker, or other person, or by reason of the cessation or limitation of the liability of

Maker from any cause other than full payment and performance of those obligations of Maker which are provided for hereunder; (b) any defense based upon any lack of authority of the members, officers, directors, partners or agents acting or purporting to act on behalf of Maker or any member of Maker or any defect in the formation of Maker or any member of Maker; (c) any defense based upon the application by Maker of the proceeds of this Promissory Note for purposes other than the purposes represented by Maker to Holder or intended or understood by Holder or Maker; (d) any defense based upon Holder's election, in any proceeding instituted under the Federal Bankruptcy Code, of the application of Section 1111(b)(2) of the Federal Bankruptcy Code or any successor statute; (e) any defense based upon any borrowing or any grant of a security interest under Section 364 of the Federal Bankruptcy Code; (f) any right of subrogation, any right to enforce any remedy which Holder may have against Maker and any right to participate in, or benefit from, any security for this Promissory Note or the other documents now or hereafter held by Holder; and (g) presentment, demand, protest and all notices other than any notice expressly provided for in this Promissory Note and/or the Agreement.

7. **Costs** – Upon the occurrence of an Event of Default, Maker promises to pay all costs, expenses and attorneys' fees incurred by the Holder in connection with the collection or enforcement of this Promissory Note or any part of it, whether or not suit is filed, including but not limited to, all costs, expenses and attorneys' fees incurred by the Holder in connection with any insolvency, bankruptcy, reorganization, arrangement or similar proceedings involving Maker. As used herein, the term "attorneys' fees" means the full costs of legal services performed in connection with the matters involved, calculated on the basis of usual fees charged by an attorney performing those services, and not limited to "reasonable attorneys' fees" as defined by any statute or rule of any court in which an action hereunder may be brought.

8. **Amendments and Modifications** – This Promissory Note may not be changed orally, and may be amended only by an agreement in writing, signed by the party against whom enforcement of any waiver, change, modification or dispute is sought.

9. **Governing Law** – This Promissory Note shall be construed and enforced in accordance with the laws of the State of California.

10. **Successors** – The terms "Maker" and "Holder" shall be construed to include the parties' respective successors and assigns.

11. **Severability** – If any provision of this Note shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions hereof shall not in any way be affected or impaired thereby.

IN WITNESS WHEREOF, the undersigned has executed this Promissory Note as of the date first set forth above.

___________________, 2011

SADIQ 2006 TRUST,
a California Trust

By: ___________________________
MO SADIQ

Its: __________________________

EXHIBIT C

DEED OF TRUST

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

REDEVELOPMENT AGENCY OF THE
CITY OF WOODLAND
300 First Street
Woodland, CA 95695
Attn: Executive Director

DEED OF TRUST AND ASSIGNMENT OF RENTS

THIS DEED OF TRUST AND ASSIGNMENT OF RENTS is made __________________, 2011, by 2006 SADIQ TRUST, a California Trust ("Trustor"), whose address is 725 Main Street #217, Woodland, CA 95695, to and in favor of ______________________________, a California corporation ("Trustee"), as trustee for the benefit of the REDEVELOPMENT AGENCY OF THE CITY OF WOODLAND, a public body, corporate and politic ("Beneficiary"), and its successors and assigns.

This Deed of Trust is executed by Trustor in consideration of Trustor's obligation to repay to Beneficiary the proceeds of a Loan described in that certain Owner Participation Agreement entered into by and between Trustor and Beneficiary as of _____________, 2011 (the "Agreement"), and evidenced by a promissory note of even date herewith in the amount of ONE HUNDRED TWENTY-FIVE THOUSAND DOLLARS ($125,000) executed by Trustor in favor of Beneficiary.

In consideration of said obligation, Trustor hereby irrevocably grants, transfers and assigns to Trustee and its successors and assigns, in trust, with power of sale and right of entry and possession, for the benefit of Beneficiary, all that real property in the City of Woodland, County of Yolo, State of California, described in Exhibit A attached hereto and incorporated herein by this reference (the "Property"), together with:

A. All of Trustor's estate, right, title and interest in and to the Property, and all minerals, oil, gas and other hydrocarbon substances on the Property, as well as all development rights, air rights, water and water rights relating to the Property; and

B. All present and future structures, buildings, improvements, appurtenances and fixtures of any kind on the property, including, but not limited to, all apparatus, equipment and appliances used in connection with the operation or occupancy of the property, such as fire sprinklers and alarm systems, heating and air conditioning systems and facilities used to provide any utility services, refrigeration, ventilation, dishwashing, garbage disposal, stoves, recreation or other services on the property, and all window coverings, drapes and rods, carpeting and floor coverings, it being intended and agreed that all such items will be conclusively considered to be a part of the real property conveyed by this Deed of Trust, whether or not attached or affixed to the Property (the "Improvements"); and

C. All appurtenances of the Property and all rights of the Trustor in and to any streets, roads or public places, easements or rights of way relating to the Property; and

D. All of the rents, royalties, profits and income of the Property and all rights of Trustor under all present and future leases affecting the Property, including, but not limited to, any security deposits; and

E. All proceeds and claims arising on account of any damage to or taking of the Property or any Improvements thereon or any part thereof and all causes of action and recoveries for any loss or diminution in the value of the Property or any Improvements; and

F. All goods located on the Property and used in the operation or occupancy of the Property or in any construction on the Property but which are not effectively made real property under paragraph B, above, including, but not limited to, all appliances, furniture and furnishings, building service equipment, and building materials, supplies and equipment; and

G. All general intangibles relating to the development or use of the Property, including, but not limited to, all governmental permits relating to construction on the Property, all names under or by which the Property or any Improvements on the Property may at any time be operated or known, and all rights to carry on business under any such names or any variant thereof, and all trademarks and goodwill in any way relating to the Property.

This Deed of Trust is made and delivered, and the Property is hereby granted and assigned to Trustee, for the purpose of securing each and all of the following:

A. Payment of an indebtedness in the principal and interest as evidenced by that certain Promissory Note secured by this Deed of Trust made by Trustor and payable to the order of Beneficiary in the amount of ONE HUNDRED TWENTY-FIVE THOUSAND DOLLARS ($125,000) and bearing the same date as this Deed of Trust bears, and any and all renewals or extensions thereof or substitutions therefor (hereinafter referred to as the "Note"), and performance of each and all of the obligations of Trustor under the Note; and

B. Payment of sums and interest thereon that may hereafter be loaned or advanced by Beneficiary to or for the benefit of Trustor or to its successors and assigns, provided that no such additional loan or advance and no interest thereon shall be secured by this Deed of Trust unless such additional loan or advance is made to Trustor while it is the owner of record of the Property or to its successors or assigns while they are the owners of record thereof.

TO PROTECT THE SECURITY OF THIS DEED OF TRUST, TRUSTOR COVENANTS AND AGREES:

1. That it will pay the Note at the times and in the manner provided therein;

2. That it will not permit or suffer the use of any of the Property for any purpose other than the use for which the same was intended at the time this Deed of Trust was executed;

3. That the Note is incorporated in and made a part of this Deed of Trust. Upon default under the Note, the Beneficiary, at its option, may declare the whole of the indebtedness secured hereby to be due and payable;

4. That all rents, issues, profits and income from the Property covered by this Deed of Trust are hereby assigned to the Beneficiary for the purpose of discharging the debt hereby secured. Permission is hereby given to Trustor, so long as no default exists hereunder, to collect such rents, issues, profits and income for use in accordance with the provisions of the Agreement;

5. That, upon default hereunder, Beneficiary shall be entitled to the appointment of a receiver by any court having jurisdiction, without notice, to take possession and protect the Property described herein and operate same and collect the rents, issues, profits and income therefrom;

6. That Trustor will keep the improvements now existing or hereafter erected on the Property insured against loss of fire and such other hazards, casualties and contingencies as may be required by the Beneficiary, and all such insurance shall be evidenced by standard fire and extended coverage insurance policy or policies. In no event shall the amounts of coverage be less than one hundred percent (100%) of the insurable value, and in default thereof, the Beneficiary shall have the right to obtain insurance. Such policies shall be endorsed with a standard mortgagee clause with loss payable to the Beneficiary in addition to the Trustor and shall be deposited with the Beneficiary;

7. To pay, at least ten (10) days before delinquency, and before any penalty for nonpayment attaches thereto, all taxes, assessments and charges affecting said property, including, but not limited to, sewer, sidewalk and street lighting assessments and other governmental or municipal or public dues, charges, fines or impositions that affect, or are or may be levied against or imposed upon, the Property, or any portion thereof, this Deed of Trust, the Note or the Agreement, including, but not limited to, every interest that Trustee or Beneficiary may have or be deemed to have in the Property, or any portion thereof, by reason of this Deed of Trust;

8. To keep the Property in good, sanitary and safe condition and repair, not to alter, remove or demolish any improvements or buildings thereon without the prior written consent of Beneficiary; to complete, restore and replace (free from any security interest therein or encumbrance thereon) promptly and in good and workmanlike manner any and all buildings or improvements which may be constructed, damaged or destroyed thereon and to pay when due all claims for labor performed and materials furnished therefor; to comply with all laws affecting the Property or requiring any alterations or improvements to be made thereon; not to commit, suffer or permit any act upon the Property in violation of law and/or covenants, conditions and/or restrictions affecting the Property; and not to permit or suffer any material alteration of or addition to the buildings or improvements hereafter constructed in or upon the Property without the consent of the Beneficiary;

9. To appear in and defend any and all actions or proceedings purporting to affect Trustor's title to the Property, or any portion thereof, or purporting to affect the lien or priority of this Deed of Trust or the rights or powers of Beneficiary or Trustee hereunder, and to pay all costs and expenses, including cost of evidence of title and attorneys' fees in a reasonable sum, incurred in any such actions or proceedings in which Beneficiary or Trustee may appear. Trustee and Beneficiary shall each have the right, but not obligation, to appear in, defend and retain counsel for any and all adverse claims or demands therein and to pay and expend all such sums of money in that connection as it or they may deem necessary, for which Trustor agrees to reimburse Trustee and Beneficiary, as the case may be, promptly upon demand;

10. Should Trustor fail to make any payment or do any act as herein provided, then Beneficiary or Trustee, or either of them, but without obligation so to do and without notice to or demand upon Trustor, without waiver of such default and without releasing Trustor from any obligation hereof, may but shall in no event be obligated to:

a. Make such payment or do such act in such manner and to such extent as either may deem necessary to protect the security of this Deed of Trust, Beneficiary and Trustee being each authorized to enter upon the Property for such purposes;

b. Commence, appear in and defend any action or proceeding purporting to affect the security of this Deed of Trust or the rights or powers of Beneficiary or Trustee;

c. Pay, purchase, contest or compromise any encumbrance, charge or lien that, in the judgment of either Trustee or Beneficiary, appears to be prior or superior to this Deed of Trust; and

d. In exercising any such rights or powers, pay necessary costs and expenses, employ attorneys and pay their reasonable fees;

11. The Beneficiary shall have the right to pay fire and other property insurance premiums when due should Trustor fail to make any required premium payments. All such payments made by the Beneficiary shall be added to the principal sum secured hereby;

12. To pay immediately and without demand all sums so expended by Beneficiary or Trustee, under permission given under this Deed of Trust, with interest from date of expenditure at the same rate as is specified in the Note. All such sums, together with said interest, shall be secured by this Deed of Trust;

13. The Trustor further covenants that it will not voluntarily create, suffer or permit to be created against the Property subject to this Deed of Trust any lien or liens except as authorized by Beneficiary and, further, that it will keep and maintain the Property free from the claims to all persons supplying labor or materials which will enter into the construction of any and all buildings now being erected or to be erected on the Property;

14. That the improvements made upon the Property covered by the Deed of Trust, and all plans and specifications, comply with all municipal ordinances and regulations and all other regulations made or promulgated, now or hereafter, by lawful authority and that the same will upon completion comply with all such municipal ordinances and regulations and with the rules of the applicable fire rating or inspection organization, bureau, association or office.

IT IS MUTUALLY AGREED THAT:

15. If the improvements herein referred to or the work to be performed under the Agreement shall not be carried on with reasonable diligence or shall be discontinued at any time for any reason other than war; insurrection; strikes; lock-outs; riots; floods; earthquakes; fires; casualties; acts of God; acts of the public enemy; epidemics; quarantine restrictions; freight embargoes; lack of transportation; governmental restrictions or priority; litigation unusually severe weather; inability to secure necessary labor, materials or tools; delays of any contractor, subcontractor or supplier; acts of another party; acts or the failure to act of any public or governmental agency or entity, the Beneficiary, after due notice to the Trustor or any subsequent owner, is hereby invested with full and complete authority to enter upon the Property or any pertinent portion thereof, to employ watchmen to protect such improvements from

depredation or injury, to preserve and protect the personal property therein, to continue any and all outstanding contracts for the erection and completion of said building or buildings or other work, to make and enter into any contracts and obligations wherever necessary, either in its own name or in the name of the Trustor, and to pay and discharge all debts, obligations and liabilities incurred thereby. All such sums so advanced by the Beneficiary (exclusive of advances of the principal of the indebtedness secured hereby) shall be added to the principal of the indebtedness secured hereby and shall be secured by this Deed of Trust and shall be due and payable on demand with interest at the rate specified in the Note;

16. Should the Property or any part thereof be taken or damaged by reason of any public improvement or condemnation proceeding, or damaged by fire or earthquake, or in any other manner, the Beneficiary shall be entitled, subject to the rights of the holder of any deed of trust having priority over this Deed of Trust, to all compensation, awards and other payments or relief therefor and shall be entitled at its option to commence, appear in and prosecute in its own name, or settlement, in connection with such taking or damage. All such compensation, awards, damages, rights of action and proceeds, including the proceeds of any policies of fire and other insurance affecting the Property, are hereby assigned to the Beneficiary subject to the rights of the holder of any deed of trust having priority over this Deed of Trust. After deducting therefrom all its expenses, including attorneys' fees, and if Trustor is not in default, Beneficiary shall apply all such proceeds to restoring the Property, or in the event of Trustor's default or in the event Trustor determines not to rebuild, the Beneficiary shall retain the proceeds to the extent of the amount of principal and interest due under the Note, notwithstanding the fact that the amount owing thereon may not then be due and payable or that the obligations are otherwise adequately secured. Any balance of such proceeds still remaining shall be disbursed by the Beneficiary to the Trustor;

17. Upon default by Trustor in making any payments provided for herein or in the Note secured hereby, or if Trustor shall fail to perform any covenant or agreement in this Deed of Trust, then the Beneficiary may, at its sole option, declare all sums owing under the Note due and payable immediately, irrespective of the maturity date specified on the Note or in any agreement evidencing same, by delivery to Trustee of written declaration of default and demand for sale and of written notice of default and of election to cause the Property to be sold, which notice Trustee shall cause to be duly filed for record and the Beneficiary may foreclose this Deed of Trust. Beneficiary shall also deposit with Trustee this Deed, the Note and all documents evidencing expenditures secured hereby;

18. After the lapse of such time as may then be required by law following the recordation of said notice of default and notice of sale having been given as then required by law, Trustee, without demand on Trustor, shall sell the Property, or any portion thereof specified by Beneficiary, at the time and place fixed by it in said notice of sale, either as a whole or in separate parcels, and in such order as it may determine at public auction to the highest bidder for cash lawful money of the United States, payable at time of sale. Trustee may postpone sale of all or any portion of the Property by public announcement at the time and place of sale, and from time to time thereafter may postpone the sale by public announcement at the time and place of sale, and from time to time thereafter may postpone the sale by public announcement at the time fixed by the preceding postponement. Trustee shall deliver to the purchaser its deed or deeds conveying the Property so sold, but without any covenant or warranty, express or implied. The recitals in the deed or deeds of any matters or facts shall be conclusive proof of the truthfulness thereof. Any person, including Trustor, Trustee or Beneficiary, may purchase at the sale. The Trustee shall apply the proceeds of sale to payment of (1) Trustee's and Beneficiary's expenses of such sale (including cost of evidence of title), together with the reasonable expenses of this trust, including therein reasonable Trustee's fees or attorneys' fees for conducting the sale and the actual cost of publishing, recording, mailing and posting notice of the sale; (2) the cost of any search and/or other evidence of title procured in connection with such sale and revenue stamps on the Trustee's deed; (3) all sums expended by Trustee or Beneficiary under the terms hereof, not then repaid, with accrued interest at the rate specified in paragraph 12 of this Deed of Trust; (4) the Note and all other obligations not already

paid and all other sums then secured hereby; and (5) the remainder, if any, to the person or persons legally entitled thereto;

19. The failure of Beneficiary to exercise the option for acceleration of maturity or to foreclose following any default by Trustor in payment or performance of any of the obligations, or to exercise any other option granted to Beneficiary under this Deed of Trust, in any one or more instances, or the acceptance by Beneficiary of partial payments hereunder shall not constitute a waiver of any such default, nor extend or affect the grace period, if any, but such option shall remain continuously in force. Acceleration of maturity, once claimed hereunder by Beneficiary, may, at the option of Beneficiary, be rescinded by written acknowledgment to that effect by Beneficiary, but the tender and acceptance of partial payments alone shall not in any way affect or rescind such acceleration of maturity nor extend or affect the grace period, if any. No waiver of any provision hereof shall be deemed a waiver of any other requirement to perform under the same provision;

20. Upon any sale or sales made under or by virtue of paragraph 18 of this Deed of Trust, whether made under the power of sale herein granted or under or by virtue of judicial proceedings or of a judgment or decree of foreclosure and sale, Beneficiary may bid for and acquire the Property or any part thereof and, in lieu of paying cash therefor, may make settlement for the purchase price by crediting upon the indebtedness or other sums secured by this Deed of Trust the net sales price after deducting therefrom the expenses of sale and the costs of the judicial proceedings, if any, and any other sums which Trustee or Beneficiary is authorized to deduct under this Deed of Trust, and in such event, this Deed of Trust, the Note and documents evidencing expenditures secured hereby shall be presented to the person or persons conducting the sale in order that the amount so used or applied may be credited upon said indebtedness as having been paid;

21. Beneficiary may from time to time substitute a successor or successors to any Trustee named herein or acting hereunder to execute this trust. Upon such appointment, and without conveyance to the successor trustee, the latter shall be vested with all title, powers and duties conferred upon any Trustee herein named or acting hereunder. Each such appointment and substitution shall be made by written instrument executed by Beneficiary, containing reference to this deed and its place of record, which, when duly recorded in the proper office of the county in which the Property is situated, shall be conclusive proof of proper appointment of the successor trustee;

22. The pleading of any statute of limitations as a defense to any and all obligations secured by this Deed of Trust is hereby waived to the full extent permissible by law;

23. Upon written request of Beneficiary stating that all sums secured hereby have been paid, and upon surrender of this Deed of Trust and said Note to Trustee for cancellation and retention and upon payment of its fees, Trustee shall reconvey, without warranty, the Property or any portion thereof then held hereunder. The recitals in such reconveyance of any matters or facts shall be conclusive proof of the truthfulness thereof. The grantee in such reconveyance may be described as "the person or persons legally entitled thereto";

24. The trust created hereby is irrevocable by Trustor;

25. This Deed of Trust applies to, inures to the benefit of, and binds all parties hereto and their heirs, legatees, devisees, administrators, executors, successors and assigns. The term "Beneficiary" shall include not only the original Beneficiary hereunder but also any future owner and holder, including pledges of the Note secured hereby. In this Deed of Trust, whenever the context so requires, the masculine gender includes the feminine and/or neuter, and the singular includes the plural;

26. Trustee accepts this trust when this Deed of Trust, duly executed and acknowledged, is made a public record as provided by law. Except as otherwise provided by law, the Trustee is not obligated to notify any party hereto of a pending sale under this Deed of Trust or of any action or proceeding in which Trustor, Beneficiary or Trustee shall be a party unless brought by Trustee;

27. If any action be brought for the foreclosure of this Deed of Trust, Trustor agrees to pay to Beneficiary or Trustee (whichever may be the plaintiff in the foreclosure action) such reasonable sum as attorneys' fees as the court may fix and award in such action, together with a reasonable fee to the Trustee, to be fixed by the court, and all sums paid or incurred for procuring a search or searches of title to the Property or any portion thereof subsequent to the execution of this Deed of Trust, and all such sums shall be secured hereby;

28. No power or remedy herein conferred is exclusive of, or shall prejudice, any other power or remedy of Trustee or Beneficiary given by law. Each such power or remedy may be exercised from time to time as often as deemed necessary;

29. By accepting payment of any sum secured hereby after its due date, Beneficiary does not waive its right either to require prompt payment when due of all other sums so secured or to declare default for failure so to pay;

30. Trustor agrees to permit Beneficiary or any of its agents and representatives to inspect the Property, and any portion thereof, from time to time during normal business hours and as frequently as Beneficiary considers reasonable; and

31. Trustor and Beneficiary intend and believe that each provision in this Deed of Trust is lawful and complies with all applicable laws, whether local, state or federal, and with applicable judicial decisions. If any provision or provisions, or if any portion of any provision or provisions in this Deed of Trust, is, nevertheless, found by a court of competent jurisdiction to be in violation of any local, state or federal ordinance, statute, law, administrative or judicial decision or public policy, and if such court declares such portion, provision or provisions to be illegal, invalid, unlawful, void or unenforceable as written, then it is the intention both of Trustor and Beneficiary that such portion, provision or provisions shall be given force to the fullest possible extent that they are legal, valid and enforceable, that the remainder of this Deed of Trust shall be construed as if such illegal, invalid, unlawful, void or unenforceable portion, provision or provisions are not contained therein, and that the rights, obligations and interests of Trustor and Beneficiary under the remainder of this Deed of Trust shall continue in full force and effect.

32. The sole recourse of Beneficiary in the event of default under the Note or this Deed of Trust shall be by the exercise of the Trustee's power of sale under the Deed of Trust, and the Trustor shall not be personally liable for the payment of the Note or for any other default under this Deed of Trust or for the payment of any deficiency established after judicial foreclosure under this Deed of Trust.

IN WITNESS WHEREOF, the Trustor has executed this Deed of Trust as of the day and year set forth above.

2006 SADIQ TRUST,
a California Trust

By: ___________________________
MO SADIQ

Its: __________________________

EXHIBIT D

SCOPE OF WORK/SCHEDULE OF PERFORMANCE

SCOPE OF WORK/SCHEDULE OF PERFORMANCE: