



Meeting Date: 9/26/06

ACTION	TYPE OF ITEM
<input type="checkbox"/> Approved Recommendation	<input type="checkbox"/> Info/Consent
<input type="checkbox"/> Res. No(s).	<input checked="" type="checkbox"/> Report
<input type="checkbox"/> Ord. No(s)	<input type="checkbox"/> Public Hearing (Info/consent)
<input type="checkbox"/> Other	<input type="checkbox"/> Other _____

Prepared By: Kymberly R. Horner Agenda Report No. 0-1

Reviewed By: City Manager [Signature] City Attorney [Signature] Finance [Signature] Other Public Works [Signature]

DATE: September 19, 2006

TO: City Council
Community Development Commission

FROM: Curtis P. Cannon
Community Development Director Curtis P. Cannon

SUBJECT: **Financial Agreement for Short Term Loan**

RECOMMENDATION

1. That City Council adopt a resolution approving and authorizing the Mayor to execute a Financial Agreement with the Community Development Commission (CDC) for the City to provide a short term loan to the CDC to finance redevelopment activities within, and payable from tax increment revenues generated by, the Ormond Beach Project Area in the total amount of \$2,200,000.
2. That Community Development Commission adopt a resolution approving and authorizing the Chairman to execute a Financial Agreement with the City of Oxnard for the City to provide a short term loan to the CDC to finance redevelopment activities within, and payable from tax increment revenues generated by, the Ormond Beach Project Area in the total amount of \$2,200,000.

DISCUSSION

The Public Works Department, Streets Division, recently presented a comprehensive street reconstruction capital improvement project for the City of Oxnard, including the streets and alley ways in the Ormond Beach, Southwinds, and Historic Enhancement and Revitalization of Oxnard ("HERO") Project Areas. It was determined that throughout various residential, commercial, and industrial locations in the City, there is a need for reconstructing streets and alleys; repairing concrete curbs and gutters, and sidewalks. The criteria used to determine the streets and alleys most in need of repair included: age, drainage problems, surface and subsurface conditions, complaints received, type of use, current traffic volume, and projected change of use or traffic volume.

The Ormond Beach Project Area is predominately zoned for heavy and light industrial uses. Due to heavy traffic counts of large commercial vehicles the main thoroughfares in the Ormond Beach Project Area are in need of extensive reconstruction.

City and CDC Staff are currently working on a bond issue secured by tax increment to provide funding for several street resurfacing projects in the Ormond Beach Project Area. This bond financing will be presented for City Council and CDC approval in late 2006. Staff is requesting that the City Council advance funds from the City's General Fund to the Ormond Beach Fund in the amount of \$2,200,000 to provide cash to cover costs associated with the design, engineering, and construction of the streets projects in the event that any costs are incurred before the bond proceeds are obtained. The loans will also create debt which allows the CDC to receive tax increment in the amount of the debt. The loan will be repaid with interest upon the issuance of the bonds or June 30, 2007, whichever is earlier.

FINANCIAL IMPACT

There is no negative financial impact to the City's General Fund. The loan to the CDC will be repaid at the Local Agency Investment Fund rate plus one percent.

Attachments 1- City Council Resolution
 2- Community Development Commission Resolution
 3- Financial Agreement

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CITY COUNCIL OF THE CITY OF OXNARD

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF OXNARD APPROVING A FINANCIAL AGREEMENT WITH THE OXNARD COMMUNITY DEVELOPMENT COMMISSION PROVIDING FOR A SHORT TERM LOAN TO THE OXNARD COMMUNITY DEVELOPMENT COMMISSION SECURED BY TAX INCREMENTS FROM THE ORMOND BEACH PROJECT AREA.

WHEREAS, the Oxnard Community Development Commission is undertaking the redevelopment of a project area known as the Ormond Beach Project Area (“Redevelopment Area”); and

WHEREAS, development of the Redevelopment Area requires financial assistance from the City of Oxnard; and

WHEREAS, in order for the Oxnard Community Development Commission to reimburse the City of Oxnard for such assistance from tax increment funds, the Oxnard Community Development Commission desires to enter into a financial agreement (“Financial Agreement”) with the City of Oxnard.

NOW, THEREFORE, the City Council of the City of Oxnard does hereby resolve as follows:

1. The attached Financial Agreement with the Oxnard Community Development Commission providing for financial assistance for redevelopment activities within the Ormond Beach Project Area is approved.
2. The Mayor of the City of Oxnard is authorized to execute the Financial Agreement.

APPROVED AND ADOPTED this _____ day of September, 2006, by the following vote:

AYES:

NOES:

ABSENT:

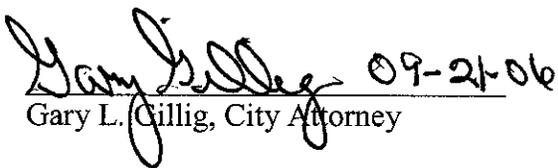
THE CITY OF OXNARD

Dr. Thomas E. Holden, Mayor

ATTEST:

Daniel Martinez, City Clerk

APPROVED AS TO FORM:

 09-21-06
Gary L. Gillig, City Attorney

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OXNARD COMMUNITY DEVELOPMENT COMMISSION
RESOLUTION NO. _____

A RESOLUTION OF THE OXNARD COMMUNITY DEVELOPMENT COMMISSION APPROVING A FINANCIAL AGREEMENT WITH THE CITY OF OXNARD PROVIDING FOR A SHORT TERM LOAN TO THE OXNARD COMMUNITY DEVELOPMENT COMMISSION SECURED BY TAX INCREMENTS FROM THE ORMOND BEACH PROJECT AREA.

WHEREAS, the Oxnard Community Development Commission is undertaking the redevelopment of a project area known as the Ormond Beach Project Area (“Redevelopment Area”); and

WHEREAS, development of the Redevelopment Area requires financial assistance from the City of Oxnard; and

WHEREAS, in order for the Oxnard Community Development Commission to reimburse the City of Oxnard for such assistance from tax increment funds, the Oxnard Community Development Commission desires to enter into a financial agreement (“Financial Agreement”) with the City of Oxnard.

NOW, THEREFORE, the Oxnard Community Development Commission does hereby resolve as follows:

1. The attached Financial Agreement with the City of Oxnard providing for financial assistance for redevelopment activities within the Ormond Beach Project Area is approved.
2. The Chairman of the Oxnard Community Development Commission is authorized to execute the Financial Agreement.

APPROVED AND ADOPTED this _____ day of September, 2006, by the following vote:

AYES:

NOES:

ABSENT:

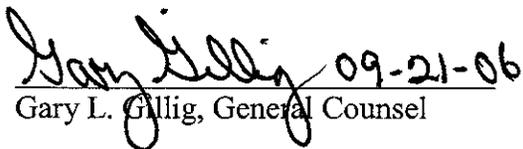
OXNARD COMMUNITY
DEVELOPMENT COMMISSION

Dr. Thomas E. Holden, Chairman

ATTEST:

Daniel Martinez, Secretary Designate

APPROVED AS TO FORM:

 09-21-06
Gary L. Gillig, General Counsel

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FINANCIAL AGREEMENT A-6758
BETWEEN THE CITY OF OXNARD AND
THE OXNARD COMMUNITY DEVELOPMENT COMMISSION

This Financial Agreement (“Agreement”) is entered into by and between the City of Oxnard, a municipal corporation (“City”), and the Oxnard Community Development Commission, a public body (“Commission”).

WITNESEETH

WHEREAS, the City has established the boundaries of the Ormond Beach Project Area in accordance with provisions of the California Health and Safety Code; and

WHEREAS, pursuant to Section 33601 of the Health and Safety Code, the Commission is authorized to borrow money for redevelopment projects within its areas of operation and is authorized to comply with conditions of any such loans; and

WHEREAS, the Commission is entitled to receive certain allocations of property taxes pursuant to Section 33670 of the Health and safety Code during the Fiscal Year 2006-07 which may be used to repay the proceeds of loans; and

WHEREAS, the Commission desires to finance various street reconstruction redevelopment activities authorized by the Health and Safety Code; and

WHEREAS, the City has funds available from which loans may be made to the Commission.

NOW, THEREFORE, THE CITY AND THE COMMISSION AGREE AS FOLLOWS:

1. The City agrees to lend to the Commission the sum of \$2,200,000 upon approval of this Agreement, with interest to be paid on the basis of the average monthly rate earned by City investments in the Local Agency Investment Fund (“LAIF”) plus one percent.
2. The Loan amount will be distributed to the redevelopment area in the following amount:
 1. Ormond Beach Project Area: \$2,200,000.
3. The Commission agrees to repay the City the sum of \$2,300,000, which represents principal and interest to be paid on the basis of the estimated average monthly rate earned by the City on LAIF investments plus one percent.

4. The loan will be repaid from tax increments from the Ormond Beach Project Area, anticipated to be received during the 2006-07 Fiscal Year or from the proceeds of bonds served by tax increments from the Ormond Beach Project Area. The loan will be repaid no later than June 30, 2007.

THE CITY OF OXNARD

Dr. Thomas E. Holden, Mayor

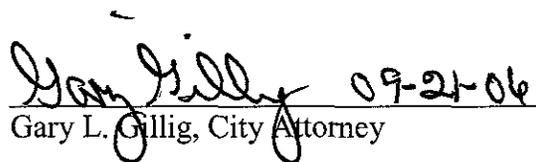
OXNARD COMMUNITY
DEVELOPMENT COMMISSION

Dr. Thomas E. Holden, Chairman

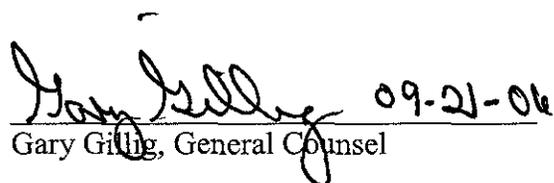
ATTEST:

Daniel Martinez, City Clerk, Secretary Designate

APPROVED AS TO FORM:

 09-21-06
Gary L. Gillig, City Attorney

APPROVED AS TO FORM:

 09-21-06
Gary Gillig, General Counsel

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