



Meeting Date: 09/28/10

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

Prepared By: Sabrina Rodriguez, Management Analyst *SR* Agenda Item No. 0-1

Reviewed By: City Manager *[Signature]* City Attorney *[Signature]* Finance *[Signature]* Other (Specify)

DATE: September 21, 2010

TO: Community Development Commission

FROM: Curtis P. Cannon, Community Development Director *Curtis P. Cannon*
Community Development Department

SUBJECT: Consideration of Letter of Conditional Financial Support to the Gull Wings Children's Museum

RECOMMENDATION

That the Community Development Commission ("CDC") approve and execute a letter of conditional commitment to support Gull Wings Children's Museum's proposed project to create a California Discovery Museum at 2420 North Oxnard Boulevard with a loan of up to \$500,000.

DISCUSSION

Gull Wings Children's Museum, a California Non-Profit Public Benefit Corporation ("Gull Wings") has requested a loan from the City of Oxnard or Oxnard CDC for pre-development and acquisition expenses in connection with the acquisition of the old Levitz Furniture site, located at 2420 North Oxnard Boulevard, to develop a California Discovery Museum, an interactive center that would allow visitors to experience the history, natural resources, science, industry, and agriculture, of California.

Gull Wings has supplied staff with preliminary financial information related to the proposed project. Staff proposes that the CDC approve a conditional commitment to provide financial support for the project in the form of a pre-development loan of up to \$500,000. Several conditions are stated in the letter, including receipt and approval of pro forma information, approval of loan documents, and approval of purchase price.

FINANCIAL IMPACT

There is no financial impact at this time. Staff will return to the CDC to present details and conditions of a potential loan agreement and for approval of a special budget appropriation.

Attachment #1 - Letter of Financial Support to Gull Wings Children's Museum



CITY COUNCIL OFFICE

305 West Third Street • Oxnard, CA 93030 • (805) 385-7428 • Fax (805) 385-7595

September 29, 2010

Melissa Baffa
 Executive Director
 Gull Wings Children's Museum
 418 West Fourth Street
 Oxnard, California 93030

Re: California Discovery Museum

Dear Ms. Baffa:

Gull Wings Children's Museum, a California Non-Profit Public Benefit Corporation ("Gull Wings") has requested financial support from the City of Oxnard or Oxnard Community Development Commission ("CDC") for pre-development and acquisition expenses in connection with the acquisition of the old Levitz Furniture site, located at 2420 Oxnard Boulevard, to develop an interactive center to allow visitors to experience unique attributes of the State of California, including its natural resources, history, science and industry, agriculture and urban assets. Gull Wings has supplied City and CDC staff with preliminary financial information concerning the project. Gull Wings has informed the City and CDC there are certain project-related deadlines which require prompt action in terms of a demonstration of City or CDC's willingness to provide financial support.

This letter is a conditional commitment by the City of Oxnard's CDC to provide financial support in the form of a pre-development loan to be used for initial project expenses, including environmental studies, architectural and engineering studies and purchase money deposits. Loan disbursements would be made to defray these expenses in an amount not to exceed \$500,000. This loan commitment is subject to the following conditions:

1. Gull Wings must execute a loan agreement, promissory note and deed of trust and a regulatory agreement in form and substance acceptable to the CDC containing provisions required by California Redevelopment law. These would include provisions providing for the payment of prevailing wage for project-construction related activities and provisions prohibiting discrimination in the sale or use of the property.
2. The CDC must be informed of and accept the purchase price of the property and the terms of the purchase and sale agreement between the seller and Gull Wings.
3. Gull Wings will provide CDC with pro forma information the CDC may reasonably require to supplement information provided to CDC staff on September 15, 2010; commitment is conditional upon review and approval of pro forma information.

4. Disbursement of loan funds will be made upon requests showing the nature and purpose of the proposed use, and subject to CDC determination that the requests are reasonable and for project-related expenses. The total amount of disbursements will not exceed \$500,000.
5. The loan would initially be secured by an assignment of Gull Wings of Gull Wings' rights to purchase the property. Upon Gull Wings acquisition of the property, the loan is to be secured by a deed of trust in a lien position which CDC determines in its reasonable discretion provides equity cushions sufficient to protect CDC's interest in the loan.
6. The parties must agree upon a loan interest rate. The payment schedule of the loan must be negotiated between Gull Wings and the CDC. The loan shall be repaid within three (3) years of the date of the first disbursement.

The CDC is pleased to make this commitment to demonstrate its willingness to support the project as set forth herein. We look forward to expeditiously processing the matter.

Very truly yours,

Dr. Thomas E. Holden
Chairman

Andres Herrera
Vice-Chairman

Dean Maulhardt
Commissioner

Dr. Irene G. Pinkard
Commissioner

Bryan A. MacDonald
Commissioner