

Board Members:

Steve Berry  
*City of Buena Park  
Representative*

Melissa Dhauw  
*Former Buena Park  
Redevelopment Agency  
Employee Representative*

Colleen Patterson  
*County Superintendent of  
Education Representative*

Vacant  
*Orange County Board of  
Supervisors Representative*

Fred Smith  
*Orange County Sanitation District  
Representative*

Fred Williams  
*Chancellor of the California  
Community Colleges  
Representative*

David Zenger  
*Orange County Board of  
Supervisors Representative*

Successor Agency Staff:

Jim Vanderpool  
*City Manager*

May Hui  
*Consultant*

Ruben Lopez  
*Consultant*

D. Scott Riordan  
*Project Manager*

Lana Ardaiz  
*Department Head Secretary*

Sung Hyun  
*Finance Director*

Shalice Tilton  
*City Clerk*

**OVERSIGHT BOARD  
OF THE  
SUCCESSOR AGENCY  
TO THE  
COMMUNITY REDEVELOPMENT AGENCY  
OF THE  
CITY OF BUENA PARK  
REGULAR MEETING**

**THURSDAY, AUGUST 30, 2012**

~ 8:00 AM ~

Main Conference Room

Buena Park City Hall  
6650 Beach Boulevard  
Buena Park, CA 90621

In compliance with Section 202 of the Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12132) and the federal rules and regulations adopted in implementation thereof, the Agenda will be made available in appropriate alternative formats to persons with a disability. Please contact the Successor Agency Clerk either in person at 6650 Beach Blvd., Buena Park, California or by calling (714) 562-3586 no later than 10:00AM on the City business day preceding the scheduled meeting.

# OVERSIGHT BOARD MEETING AGENDA

THURSDAY, AUGUST 30, 2012

~ 8:00 AM ~

## 1. OPENING

### 1.1. CALL TO ORDER

### 1.2. PLEDGE OF ALLEGIANCE TO THE FLAG

### 1.3. ROLL CALL

PRESENT –

ABSENT –

## 2. PUBLIC COMMENTS

At this time, members of the public may address the Oversight Board on any **off-agenda** items within the subject matter jurisdiction of the Oversight Board provided that NO action may be taken on off-agenda items unless authorized by law. Comments are limited to **three minutes per person**.

## 3. CONSENT CALENDAR

All matters listed under the Consent Calendar are considered to be routine by the Oversight Board and will be enacted by one motion. There will be no separate discussion of said items unless members of the Oversight Board, staff or the public request specific items removed from the Consent Calendar for separate action.

### 3.1. Approval of Minutes – Meeting of June 25, 2012

**Recommended Action:** Approve

**OVERSIGHT BOARD  
MEETING AGENDA**

**THURSDAY, AUGUST 30, 2012**

~ 8:00 AM ~

**4. ADMINISTRATIVE REPORTS/ACTIONS**

**4.1 Resolution designating James B. Vanderpool, City Manager, as Official Designee.**

**Recommended Action: 1) Adopt a resolution designating Jim Vanderpool, City Manager as Official Designee.**

**4.2 Update on ROPS II July 5 letter from Department of Finance denying CDW and Jonathan Lehrer-Graiwer Agreement.**

**Recommended Action: Receive and File.**

**4.3 Update of AB 1484 impacts. Presentation by James Markman, Successor Agency Attorney.**

**Recommended Action: Receive and File.**

**4.4 Resolution approving the Recognized Obligation Payment Schedule (ROPS III) covering January 1, 2013 through June 30, 2013; and resolution approving an Administrative Budget.**

**Recommended Action:**

- 1. Adopt a resolution approving the Recognized Obligation Payment Schedule (ROPS III) covering January 1, 2013 through June 30, 2013.**
- 2. Adopt a resolution approving the Administrative Budget and authorize City Manager to transmit to County Auditor Controller.**

**4.5 Resolution approving a waiver by the Successor Agency of unsatisfied closing conditions under the Disposition and Development Agreement (DDA).**

**Recommended Action: 1) Adopt a resolution approving a waiver by the Successor Agency of unsatisfied closing conditions under the Disposition and Development Agreement (DDA)**

# OVERSIGHT BOARD MEETING AGENDA

**THURSDAY, AUGUST 30, 2012**

~ 8:00 AM ~

## **5. FUTURE AGENDA ITEMS**

**7.1 Upcoming agenda items by Successor Agency staff**

**7.2 Other items as requested by the Oversight Board**

**7.3 Designation of future meeting dates**

## **6. CLOSED SESSION**

## **7. ADJOURNMENT**

Adjourn to next scheduled meeting. Date to be determined.

Declaration of Successor Agency Clerk, Lana Ardaiz, declaring posting of the Oversight Board of the Successor Agency to the Community Redevelopment Agency agenda of The City of Buena Park a regular meeting of August 30, 2012 at Buena Park City Hall at 6650 Beach Blvd., Buena Park, CA 90622 being in the City of Buena Park and freely accessible to members of the public at least 72 hours before commencement of said regular meeting; and available at the City Hall Clerk's Office.

**MINUTES**  
**OVERSIGHT BOARD**  
**OF THE**  
**SUCCESSOR AGENCY**  
**TO THE**  
**COMMUNITY REDEVELOPMENT AGENCY**  
**OF THE**  
**CITY OF BUENA PARK**

**REGULAR MEETING**  
**JUNE 25, 2012, 10:00 A.M.**

Main Conference Room  
Buena Park City Hall  
6650 Beach Boulevard  
Buena Park, CA 90621

**1. OPENING**

**1.1 CALL TO ORDER 10:00 A.M.**

**1.2 PLEDGE OF ALLEGIANCE TO THE FLAG**

**1.3 ROLL CALL**

PRESENT – Berry, Dhauw, Patterson, Price, Smith, Zenger  
ABSENT – Williams

**2. PUBLIC COMMENTS**

None

**3. CONSENT CALENDAR**

**3.1 Approval of Minutes – Meetings of April 23, 2012 and May 20, 2012**

**Recommended Action: Approve**

The Board unanimously approved the minutes of April 23, 2012 and May 20, 2012.

**4. ADMINISTRATIVE REPORTS**

**4.1 Update on Department of Finance approval of Second Recognized Obligation Payment Schedule (ROPS) for the period covering July 1, 2012 through December 31, 2012.**

The Board received an update of the Department of Finance approval of Second Recognized Obligation Payment Schedule (ROPS) for the period covering July 1, 2012 through December 31, 2012. Staff indicated that additional information is being provided to DOF and issues are being resolved as they arise.

**5. LEGAL REPRESENTATION FOR THE OVERSIGHT BOARD.**

Mr. James Markman, Legal Counsel for the Successor Agency informed the Board that an attorney will be present at all Oversight Committee meetings to offer his expertise in complex problems. During discussion Board Member Zenger voiced his opposition to sharing legal counsel with the Successor Agency.

**6. GOALS FOR THE OVERSIGHT BOARD**

Board Members agreed that the goals of the Oversight Board in the unwinding of the former Redevelopment Agency is to provide maximum benefit to the community without harming the community financially.

**7. FUTURE AGENDA ITEMS**

**7.1 Upcoming agenda items by Successor Agency staff**

Designate an Official Designee to be an appointed signatory on miscellaneous documents.

**7.2 Other items as requested by the Oversight Board**

None.

**7.3 Designation of future meeting dates**

The next meeting schedule was to be determined at a later date.

**8. CLOSED SESSION**

None.

**9. ADJOURNMENT – 11:00 a.m.**

Adjournment date to be determined as needed.

RESOLUTION NO. OB-\_\_\_\_\_

A RESOLUTION OF THE OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF BUENA PARK, CALIFORNIA, DESIGNATING JAMES B. VANDERPOOL, CITY MANAGER, AS OFFICIAL DESIGNEE FOR THE OVERSIGHT BOARD.

WHEREAS, James B. Vanderpool has been appointed the position of City Manager of the City of Buena Park as of July 13, 2012; and

WHEREAS, the Oversight Board must designate an Official Designee to be an appointed signatory on miscellaneous documents to be executed.

NOW, THEREFORE, the Oversight Board for the Successor Agency to the Redevelopment Agency of the City of Buena Park does hereby resolve, determine, and order as follows:

Section 1: James B. Vanderpool, City Manager, is hereby designated as the Official Designee to the Oversight Board for the Successor Agency to the Redevelopment Agency of the City of Buena Park.

Section 2: The City Clerk of the City of Buena Park is hereby directed to cause a certified copy of this resolution to be recorded with the County Recorder.

Section 3: This resolution is adopted pursuant to authority granted by Government Code Section 27281 and shall take effect as of July 14, 2012.

PASSED AND ADOPTED this 30th day of August 2012 by the following called vote:

AYES: BOARD MEMBERS:

NOES: BOARD MEMBERS:

ABSENT: BOARD MEMBERS:

ABSTAIN: BOARD MEMBERS:

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Chairperson

ATTEST:

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Secretary, Oversight Board for the  
Successor Agency to the Community  
Redevelopment Agency of the  
City of Buena Park

I, Shalice Tilton, Secretary of the Oversight Board for the Successor Agency to the Redevelopment Agency of the City of Buena Park, California, hereby certify that the foregoing resolution was duly and regularly passed and adopted at a regular meeting of the Oversight Board for the Successor Agency to the Community Redevelopment Agency of the City of Buena Park, held this 30th day of August 30, 2012.

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Secretary





July 5, 2012

Rick Warsinski, City Manager  
City of Buena Park  
6650 Beach Boulevard  
Buena Park, CA 90622

Dear Mr. Warsinski:

**Subject: Recognized Obligation Payment Schedule Determination Letter**

Pursuant to Health and Safety Code (HSC) section 34177 (l) (2) (C), the City of Buena Park Successor Agency (Agency) submitted Recognized Obligation Payment Schedules (ROPS) to the California Department of Finance (Finance) on April 11, 2012 for the period January through June 2012, and April 24, 2012 for the period July through December 2012. Finance is assuming appropriate oversight board approval. Finance has completed its review of your ROPS, which may have included obtaining clarification for various items.

The Agency submitted emails dated between May 23 and June 20, 2012 in response to Finance's letters dated April 24, 2012, May 7, 2012, and May 25, 2012. Based on review of the additional information provided, Finance is no longer questioning the following items:

July through December 2012 ROPS

- Item No. 27 – Jamboree Housing Project Employee Costs in the amount of \$86,370 for project management costs. Per the Developer and Disposition Agreement (DDA) signed on November 2010, this item is allowable for fiscal year 2012-13 for the Agency to manage the developer performance. No additional funding would be available for 2013-2014 since this project is wrapping up.
- Item No. 28 – Property Management for 45 properties in the amount of \$78,810, which were purchased by prior RDA. While the Agency is working on demolishing properties, it needs to continue maintaining and managing the properties at this time.
- Item No. 32 – Buena Park Mall in the amount of \$9,172,490. This project is listed in the bond indenture; the Funding Acquisition Agreement between the City of Buena Park and Sunrise Buena Park was signed on April 23, 2002 and the Reimbursement for Public Improvements and Pledge Agreement between the Agency and Sunrise Buena Park was signed on May 20, 2002.
- Item No. 34 – CarMax DDA in the amount of \$747,555. The DDA was signed by Agency and CarMax Auto Superstores on November 3, 1997. The Certificate of Completion/Occupancy was signed on February 17, 2005. There is a Grant Deed that was recorded on September 9, 2003 with a Change of Ownership document completed on August 8, 2003. A completed Promissory Note was signed on September 3, 2003.

Mr. Warsinski  
July 5, 2012  
Page 2

- Item No. 35 – The Source DDA in the amount of \$59,170,000. There was a Development Agreement signed by the City of Buena Park and The Source on November 17, 2008 which allowed The Source five years to begin construction with an ending date for payment of December 31, 2028. In addition, there was a DDA between the RDA and The Source dated October 26, 2010. Furthermore, there is a construction contract between The Source and 61 S. Fair Oaks, LLC (M& D Properties).

However, the following line item does not qualify as an enforceable obligation:

- Item No. 33 – CDW DDA in the amount of \$72,807,285. Participation Agreement between RDA and CDW was signed on February 14, 2006. However, the funding source for this DDA was listed as 65 percent of the Sales and Use Revenue generated by the developer.

Except for items disallowed in whole or in part as enforceable obligations noted in Finance's letters dated April 26, 2012, May 7, 2012, and May 25, 2012, as modified above, Finance has approved the remaining items listed in your ROPS. Since the Redevelopment Property Tax Trust Fund (RPTTF) June 1, 2012 property tax distribution has already occurred, the obligations approved above are payable from available and appropriate funding sources other than RPTTF.

This is our final determination with respect to the ROPS items above. Items not questioned during this review are subject to a subsequent review, if they are included on a future ROPS. If an item included on a future ROPS is not an enforceable obligation, Finance reserves the right to remove that item from the future ROPS, even if it was not removed from the preceding ROPS.

Please direct inquiries to Chikako Takagi-Galamba, Supervisor or Wendy Griffe, Lead Analyst at (916) 322-2985.

Sincerely,



KRISTIN SHELTON  
Program Budget Manager

cc: Ms. May Hui, Economic Development Director, City of Buena Park  
Mr. Scott Riordan, Project Manager, City of Buena Park  
Ms. Melissa Dhauw, Administrative Analyst, City of Buena Park  
Mr. Frank Davies, Orange County Auditor Controller

RESOLUTION NO. OB- \_\_\_\_

A RESOLUTION OF THE OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE CITY OF BUENA PARK COMMUNITY REDEVELOPMENT AGENCY APPROVING A RECOGNIZED OBLIGATION PAYMENT SCHEDULE FOR THE SIX-MONTH FISCAL PERIOD FROM JANUARY 1, 2013 THROUGH JUNE 30, 2013, PURSUANT TO HEALTH AND SAFETY CODE SECTION 34177 AND TAKING CERTAIN RELATED ACTIONS

WHEREAS, Health and Safety Code Section 34177(I), the Successor Agency to the City of Buena Park Redevelopment Agency (the "Successor Agency") must prepare a proposed Recognized Obligation Payment Schedule ("ROPS") before each six-month fiscal period (commencing each January 1 and July 1) and submit each proposed ROPS to the oversight board for the Successor Agency (the "Oversight Board") for approval.

WHEREAS, Health and Safety Code Section 34177(I)(2)(C) and (m), the Successor Agency must (1) submit the Oversight Board-approved ROPS for the six-month fiscal period from January 1, 2013 through June 30, 2013 ("ROPS III") to the DOF, the Office of the State Controller, and the County Auditor-Controller no later than September 1, 2012; and (2) post a copy of the Oversight Board-approved ROPS III on the Successor Agency's website.

NOW, THEREFORE, the Oversight Board for the Successor Agency to the Buena Park Community Redevelopment Agency hereby finds, determines, resolves and orders as follows:

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

Section 2. The Oversight Board hereby approves proposed ROPS III, substantially in the form attached hereto as Exhibit A. Staff of the Successor Agency is hereby authorized and directed to submit a copy of Oversight Board-approved ROPS III to the DOF, the Office of the State Controller, and the County Auditor-Controller and to post a copy of the Oversight Board-approved ROPS III on the Successor Agency's Internet website.

Section 3. The Successor Agency hereby designates D. Scott Riordan, as the official designated to whom DOF may make a request for review in connection with actions taken by the Oversight Board.

Section 4. The officers of the Oversight Board and the staff of the Successor Agency are hereby authorized and directed, jointly and severally, to do any and all things which they may deem necessary or advisable to effectuate this Resolution, including requesting additional review by the DOF and an opportunity to meet and confer on any disputed items, and any such actions previously taken by such officers and staff are hereby ratified and confirmed.

PASSED AND ADOPTED this 30th day of August 2012 by the following called vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

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Chairperson

ATTEST:

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Secretary, Oversight Board for the  
Successor Agency to the Community  
Redevelopment Agency of the  
City of Buena Park

I, Shalice Tilton, Secretary of the Oversight Board for the Successor Agency to the Redevelopment Agency of the City of Buena Park, California, hereby certify that the foregoing resolution was duly and regularly passed and adopted at a regular meeting of the Oversight Board for the Successor Agency to the Community Redevelopment Agency of the City of Buena Park, held this 30th day of August 30, 2012.

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Secretary

**SUMMARY OF RECOGNIZED OBLIGATION PAYMENT SCHEDULE**  
 Filed for the January 1, 2013 to June 30, 2013 Period

Name of Successor Agency: CITY OF BUENA PARK

Outstanding Debt or Obligation	Total Outstanding Debt or Obligation
	\$ 399,911,826
<b>Current Period Outstanding Debt or Obligation</b>	
A Available Revenues Other Than Anticipated RPTTF Funding	106,000
B Anticipated Enforceable Obligations Funded with RPTTF	11,843,728
C Anticipated Administrative Allowance Funded with RPTTF	130,070
D Total RPTTF Requested (B + C = D)	11,973,798
Total Current Period Outstanding Debt or Obligation (A + B + C = E) <i>Should be the same amount as ROPS form six-month total</i>	\$ 12,079,798
E Enter Total Six-Month Anticipated RPTTF Funding. <i>(Obtain from county auditor-controller)</i>	13,937,879
F Variance (E - D = F) <i>Maximum RPTTF Allowable should not exceed Total Anticipated RPTTF Funding</i>	\$ 1,964,081
<b>Prior Period (January 1, 2012 through June 30, 2012) Estimated vs. Actual Payments (as required in HSC section 34186 (a))</b>	
G Enter Estimated Obligations Funded by RPTTF <i>(Should be the lesser of Finance's approved RPTTF amount including admin allowance or the actual amount distributed)</i>	4,755,450
H Enter Actual Obligations Paid with RPTTF	8,458,947
I Enter Actual Administrative Expenses Paid with RPTTF	938,032
J Adjustment to Redevelopment Obligation Retirement Fund (G - (H + I) = J)	-
K Adjusted RPTTF <i>(The total RPTTF requested shall be adjusted if actual obligations paid with RPTTF are less than the estimated obligation amount.)</i>	\$ 11,973,798

Certification of Oversight Board Chairman:  
 Pursuant to Section 34177(m) of the Health and Safety code,  
 I hereby certify that the above is a true and accurate Recognized  
 Obligation Payment Schedule for the above named agency.

Steve Berry  
 Name  
 Chairman, Buena Park  
 Oversight Board to the  
 Successor Agency  
 Title  
 Signature  
 8/30/2012  
 Date











Name of Successor Agency: City of Buena Park  
 County: Orange

**PRIOR PERIOD ESTIMATED OBLIGATIONS vs. ACTUAL PAYMENTS  
 RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS I) -- Notes (Optional)  
 January 1, 2012 through June 30, 2012**

Item #	Notes/Comments
1)	2000 Tax Allocation Bonds - The ROPS reflects the request for bond repayment debt service in advance, the payment due on September, 2012 so we would have sufficient funds to make the payment. Due to the timing of the distribution of the RPTTF, the Successor Agency would not have had adequate cash to make a timely payment.
2)	2003 Tax Allocation Bonds - The ROPS reflects the request for bond repayment debt service in advance, the payment due on September, 2012 so we would have sufficient funds to make the payment. Due to the timing of the distribution of the RPTTF, the Successor Agency would not have had adequate cash to make a timely payment.
3)	2008 Tax Allocation Bonds, Series A - The ROPS reflects the request for bond repayment debt service in advance, the payment due on September, 2012 so we would have sufficient funds to make the payment. Due to the timing of the distribution of the RPTTF, the Successor Agency would not have had adequate cash to make a timely payment.
4)	2008 Tax Allocation Bonds, Series B - The ROPS reflects the request for bond repayment debt service in advance, the payment due on September, 2012 so we would have sufficient funds to make the payment. Due to the timing of the distribution of the RPTTF, the Successor Agency would not have had adequate cash to make a timely payment.

RESOLUTION NO. OB- \_\_\_\_

A RESOLUTION OF THE OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE CITY OF BUENA PARK COMMUNITY REDEVELOPMENT AGENCY APPROVING A PROPOSED ADMINISTRATIVE BUDGET FOR THE SIX-MONTH FISCAL PERIOD FROM JANUARY 1, 2013 THROUGH JUNE 30, 2013 AND TAKING CERTAIN RELATED ACTIONS

WHEREAS, Health and Safety Code Section 34177(j), the Successor Agency to the City of Buena Park Redevelopment Agency (the "Successor Agency") must prepare a proposed Recognized Obligation Payment Schedule ("ROPS") before each six-month fiscal period (commencing each January 1 and July 1) and submit each proposed ROPS to the oversight board for the Successor Agency (the "Oversight Board") for approval.

WHEREAS, there has been presented to this Board for approval a proposed administrative budget for the Successor Agency for the six-month fiscal period from January 1, 2013 through June 30, 2013 ("Administrative Budget No. 3").

NOW, THEREFORE, the Oversight Board for the Successor Agency to the Buena Park Community Redevelopment Agency hereby finds, determines, resolves and orders as follows:

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

Section 2. The Oversight Board hereby approves the proposed Administrative Budget III substantially in the form attached hereto as Exhibit A.

Section 3. The staff of the Successor Agency is hereby directed to provide the State Department of Finance ("DOF") written notice and information regarding the action taken by the Oversight Board in Section 2 of this Resolution. Such notice and information shall be provided by electronic means and in a manner of DOF's choosing.

Section 4. The officers of the Oversight Board and the staff of the Successor Agency are hereby authorized and directed, jointly and severally, to do any and all things which they may deem necessary or advisable to effectuate this Resolution.

PASSED AND ADOPTED this 30th day of August 2012 by the following called vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

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Chairperson

ATTEST:

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Secretary, Oversight Board for the  
Successor Agency to the Community  
Redevelopment Agency of the  
City of Buena Park

I, Shalice Tilton, Secretary of the Oversight Board for the Successor Agency to the Redevelopment Agency of the City of Buena Park, California, hereby certify that the foregoing resolution was duly and regularly passed and adopted at a regular meeting of the Oversight Board for the Successor Agency to the Community Redevelopment Agency of the City of Buena Park, held this 30th day of August 30, 2012.

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Secretary

**CITY OF BUENA PARK  
SUCCESSOR AGENCY ADMINISTRATIVE BUDGET III  
(JANUARY 1, 2013 - JUNE 30, 2013)**

<b>CATEGORY</b>	<b>January-June 2013</b>	<b>Funding Source</b>	<b>Description of Service</b>
Salaries/Benefits	57,950	Tax Increment	Charges based on FY 12/13 Draft Successor Agency Budget
City Administrative Services (Finance, HR, City Mgr., City Clerk)	13,560	Tax Increment	Charges based on FY 12/13 Draft Successor Agency Budget
Office Rent/Utilities	16,245	Tax Increment	Charges based on FY 12/13 Draft Successor Agency Budget
Management Information Systems	7,130	Tax Increment	Charges based on FY 12/13 Draft Successor Agency Budget
Auto Expense Reimbursement	75	Tax Increment	Charges based on FY 12/13 Draft Successor Agency Budget
Stationery/Office Supplies	500	Tax Increment	Charges based on FY 12/13 Draft Successor Agency Budget
Postage - Outside	150	Tax Increment	Charges based on FY 12/13 Draft Successor Agency Budget
Building Maintenance	3,540	Tax Increment	Charges based on FY 12/13 Draft Successor Agency Budget
Conference/Meeting/Training	250	Tax Increment	Charges based on FY 12/13 Draft Successor Agency Budget
Repro Supplies/Services	4,000	Tax Increment	Charges based on FY 12/13 Draft Successor Agency Budget
General Legal Services	15,000	Tax Increment	Charges based on FY 12/13 Draft Successor Agency Budget
Auditing Services	8,900	Tax Increment	Charges based on FY 12/13 Draft Successor Agency Budget
Prof./Contractual Services - Bond Annual Reporting	2,500	Tax Increment	Charges based on FY 12/13 Draft Successor Agency Budget.

**TOTAL ADMINISTRATIVE BUDGET**

**\$129,800**

## AGENDA REPORT

### OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF BUENA PARK

MEETING DATE: August 30, 2012

TO: The Chairman and Members of the Oversight Board

TITLE: RESOLUTION APPROVING A WAIVER BY THE SUCCESSOR AGENCY OF UNSATISFIED CLOSING CONDITIONS UNDER THE DISPOSITION AND DEVELOPMENT AGREEMENT (DDA) FOR CLOSE OF ESCROW IN THE TRANSFER OF TWO AGENCY OWNED PARCELS TO THE SOURCE AT BEACH, LLC (DEVELOPER)

RECOMMENDED ACTION: Adopt a resolution approving a waiver of unsatisfied conditions under the DDA for close of escrow of two Agency owned parcels to The Source at Beach, LLC.

DISCUSSION: In October 2010, the City's Redevelopment Agency approved a Disposition and Development Agreement (DDA) with The Source at Beach, LLC for the construction of the First Phase of a mixed use development that will eventually include retail and entertainment uses, office, full service hotel, and residential units with requisite parking. The First Phase will entail three levels of retail, shops, restaurants, and entertainment uses (e.g. movie theater). Total rentable square footage is 470,000 square feet on approximately 10.4 acres.

As part of the agreement, the Agency is to transfer two (2) Agency owned parcels (6976 and 6950 Beach Boulevard) totaling 37,704 sq. ft. or 0.86 of an acre. The developer has until September 28, 2012 to close on the properties per the DDA and is required to begin construction within 30 days after the closing. Section 2.4A of the DDA expressly provides for the possible waiver of unsatisfied conditions to closing. The City has issued a grading permit, and a foundation permit is ready for issuance.

In order to start construction of the foundation, the Agency properties must be transferred. Approval of the waiver will facilitate the transfer of properties, preserve the funding sources, and expedite the benefits of the DDA, including but not limited to the creation of jobs and a generation of property tax revenue and sales tax revenue.

It is not clear that this Board's approval of the recommended resolution is required by the provisions of AB X1 26 or AB 1484 in that it is not therein specified that a waiver of conditions of closing would be deemed to be a contract amendment. This matter is presented to the Board for its approval and to provide an avenue for review out of an abundance of caution. The resolution was approved by the Successor Agency on August 28, 2012.

Prepared by: Ruben Lopez, Successor Agency Staff

Approved by: James B. Vanderpool, Official Designee to the Oversight Board

Attachment: Resolution

RESOLUTION NO. OB- \_\_\_\_

A RESOLUTION OF THE OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE CITY OF BUENA PARK COMMUNITY REDEVELOPMENT AGENCY APPROVING A WAIVER BY THE SUCCESSOR AGENCY OF UNSATISFIED CLOSING CONDITIONS UNDER A DDA

A. The City of Buena Park Community Redevelopment Agency (“Redevelopment Agency”) approved and entered into a Disposition and Development Agreement dated as of October 26, 2010 (“DDA”) with The Source at Beach, LLC, a California limited liability company (“Developer”).

B. The DDA was listed on a Recognized Obligation Payment Schedule approved by the Oversight Board for the Successor Agency; the DDA was not objected to by the California Department of Finance (“DOF”); and the DDA an enforceable obligation of the Successor Agency.

C. The Successor Agency has adopted Resolution No. SA-\_\_\_\_ which waives the unsatisfied closing conditions in the DDA (the “Waiver”) on the grounds that: (i) the Developer has invested substantial sums in the Project and has satisfied many conditions to closing under Section 2.4A of the DDA; and (ii) the Developer’s funding sources (which include so-called EB-5 loans and equity investments), require that the Developer acquire land described in the DDA from the Successor Agency and commence work, and any further delays therein could result in a loss of the funding sources (and the project contemplated by the DDA).

D. The Successor Agency has requested that the Oversight Board approve the Waiver and the related disposition of property at 6976 and 6950 Beach Boulevard in the City of Buena Park under the DDA.

NOW, THEREFORE, the Oversight Board for the Successor Agency to the Buena Park Community Redevelopment Agency hereby finds, determines, resolves and orders as follows:

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

Section 2. The Oversight Board hereby approves the Waiver.

Section 3. The staff of the Successor Agency is hereby directed to provide the State Department of Finance (“DOF”) written notice and information regarding the action taken by the Oversight Board in Section 2 of this Resolution. Such notice and information shall be provided by electronic means and in a manner of DOF’s choosing.

Section 4. The officers of the Oversight Board and the staff of the Successor Agency are hereby authorized and directed, jointly and severally, to do any and all things which they may deem necessary or advisable to effectuate this Resolution.

PASSED AND ADOPTED this 30th day of August 2012 by the following called vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

\_\_\_\_\_  
Chairperson

ATTEST:

\_\_\_\_\_  
Secretary, Oversight Board for the  
Successor Agency to the Community  
Redevelopment Agency of the  
City of Buena Park

I, Shalice Tilton, Secretary of the Oversight Board for the Successor Agency to the Redevelopment Agency of the City of Buena Park, California, hereby certify that the foregoing resolution was duly and regularly passed and adopted at a regular meeting of the Oversight Board for the Successor Agency to the Community Redevelopment Agency of the City of Buena Park, held this 30th day of August 2012.

\_\_\_\_\_  
Secretary