

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*

David Mansdoerfer  
*Orange County Board of  
Supervisors Representative*

Fred Smith  
*Orange County Sanitation District  
Representative*

Fred Williams  
*Chancellor of the California  
Community Colleges  
Representative*

Vacant  
*Orange County Board of  
Supervisors Representative*

Successor Agency Staff:

Jim Vanderpool  
*City Manager*

Ruben Lopez  
*Economic Development Administrator*

D. Scott Riordan  
*Economic Development Manager*

Lana Ardaiz  
*Senior Administrative Assistant*

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**

**WEDNESDAY, JULY 9, 2014**

~ 10:00 A.M. ~  
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 9:00 A.M. on the City business day preceding the scheduled meeting.

# OVERSIGHT BOARD

## MEETING AGENDA

**WEDNESDAY, JULY 9, 2014**

~ 10:00 A.M. ~

### 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 February 24, 2014

**Recommended Action: Approve**

# OVERSIGHT BOARD MEETING AGENDA

**WEDNESDAY, JULY 9, 2014**

~ 10:00 A.M. ~

## **4. ADMINISTRATIVE REPORTS/ACTIONS**

**4.1 Resolution approving 1) An Amendment to the Disposition and Development Agreement (DDA) with The Source at Beach, LLC, to extend the deadline for completion of Phase I of The Source project located at 6988 Beach Boulevard, and 2) Directing staff to transmit the resolution to the Department of Finance.**

### **Recommended Action:**

**Adopt the attached resolution: 1) Approving an Amendment to the Disposition and Development Agreement (DDA) by and between the former Community Redevelopment Agency of the City of Buena Park and The Source at Beach, LLC, to extend the deadline for completion of Phase I of The Source project located at 6988 Beach Boulevard, and 2) Directing staff to transmit the resolution to the Department of Finance.**

## **5. FUTURE AGENDA ITEMS**

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

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

**5.3 Designation of future meeting dates**

## **6. ADJOURNMENT**

Adjourn to next scheduled Oversight Board meeting 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 July 9, 2014 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**  
**MONDAY, FEBURARY 24, 2014, 8 A.M.**

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

**1. OPENING**

**1.1 CALL TO ORDER 8 A.M.**

**1.2 PLEDGE OF ALLEGIANCE TO THE FLAG**

**1.3 ROLL CALL**

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

**2. PUBLIC COMMENTS**

None

**3. CONSENT CALENDAR**

3.1 Approval of Minutes – Meetings of November 25, 2013, and December 18, 2013.

MOTION to approve the minutes of November 25, 2013, and December 18, 2013.

MOTION: Mansdoerfer  
SECOND: Williams  
AYES: Mansdoerfer, Williams, Dhauw  
NOES: None  
ABSTAIN: Patterson  
ABSENT: Berry, Smith

MOTION CARRIED.

#### **4. ADMINISTRATIVE REPORTS**

4.1 Resolutions approving 1) A Recognized Obligation Payment Schedule for the six-month fiscal period from July 1, 2014 through December 31, 2014 (ROPS 14-15A), and 2) A proposed administrative budget for the six-month fiscal period from July 1, 2014 through December 31, 2014 and taking certain other related actions.

Recommended Action:

Adopt the attached resolutions: 1) Approving a Recognized Obligation Payment Schedule for the six-month fiscal period from July 1, 2014 through December 31, 2014 (ROPS 14-15A), 2) Approving a proposed administrative budget for the six-month fiscal period from July 1, 2014 through December 31, 2014, and 3) Transmitting the Oversight Board approved ROPS 14-15A to the State Department of Finance, State Controller and the County Auditor-Controller.

MOTION:	Mansdoerfer
SECOND:	Williams
AYES:	Mansdoerfer, Williams, Dhauw, Patterson
NOES:	None
ABSTAIN:	None
ABSENT:	Berry, Smith

MOTION CARRIED to adopt the following titled resolution:

#### RESOLUTION NO. OB-21

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 JULY 1, 2014, THROUGH DECEMBER 31, 2014, AND TAKING CERTAIN RELATED ACTIONS

#### **5. FUTURE AGENDA ITEMS**

- 5.1 Upcoming agenda items by Successor Agency staff
- 5.2 Other items as requested by the Oversight Board
- 5.3 Designation of future meeting dates

No reports.

**6. ADJOURNMENT – 8:20 a.m.**

ATTEST

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Chair

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Board Secretary

## AGENDA REPORT

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

MEETING DATE: July 9, 2014

TO: The Chairman and Members of the Oversight Board

TITLE: AMENDMENT TO DISPOSITION AND DEVELOPMENT AGREEMENT (DDA) BY AND BETWEEN THE FORMER COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF BUENA PARK AND THE SOURCE AT BEACH, LLC, TO EXTEND THE DEADLINE FOR COMPLETION OF PHASE I OF THE SOURCE PROJECT LOCATED AT 6988 BEACH BOULEVARD

RECOMMENDED ACTION: 1) Adopt the attached resolution approving an Amendment to the Disposition and Development Agreement (DDA) with The Source at Beach, LLC, to extend the deadline for completion of Phase I of The Source project located at 6988 Beach Boulevard; and 2) Direct staff to transmit the resolution to the Department of Finance.

DISCUSSION: In October 2010, the City's former Redevelopment Agency approved a Disposition and Development Agreement (DDA) with The Source at Beach, LLC, to develop 428,000 sq. ft. of retail/entertainment/restaurant uses in connection with a mixed use development that, at the end of the project phases, would also include an office, a hotel and up to 600 residential units. The schedule of performance requires construction of the first phase retail to be completed within two years from the close of escrow on the Redevelopment Agency-owned parcels that were transferred to the developer as part of the DDA. Escrow closed in September 2012. Therefore, the deadline for completion of construction for the building shell for the first phase is September 30, 2014. Construction of the project is well underway. The steel frame for 60% of the retail and 100% of the office tower is in place and the seven level parking structure has been "topped off." The remaining retail and hotel will follow. The developer has spent \$90 million dollars on the project to date.

In a project of this magnitude there are bound to be some delays. Initially, before start of construction, there were delays with the developer's property acquisitions, financing, contracts and soils remediation of the former Valero gas station at the corner of Beach Boulevard and Orangethorpe Avenue. Also, the developer is utilizing EB-5 funding, a program sponsored by the United States Citizen and Immigration Service (USCIS). This financing program has become very popular throughout the United States, which has had an impact on the timing for construction loan disbursements (i.e. draw downs) for this project. Value engineering to stay within budgetary constraints and design changes required by potential tenants have also added time to the project timeline.

Meeting Date:

July 9, 2014

Subject:

AMENDMENT TO DISPOSITION AND DEVELOPMENT AGREEMENT (DDA) BY AND BETWEEN THE FORMER COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF BUENA PARK AND THE SOURCE AT BEACH, LLC, TO EXTEND THE DEADLINE FOR COMPLETION OF PHASE I OF THE SOURCE PROJECT LOCATED AT 6988 BEACH BOULEVARD

Finally, the developer changed the project management company initially hired to complete the project. The new project management company, Swinerton Builders, had to correct construction deficiencies in the project. However, they now have the project running more effectively. As a result of the delays, the developer is requesting for a deadline extension to complete construction of the first phase of the project by September 30, 2015.

While the DDA has provisions for extensions by the Executive Director, legislation abolishing redevelopment requires amendments to existing agreements to be approved by the Oversight Board and the Department of Finance (DOF).

Prepared by: Ruben Lopez, Economic Development Administrator

Approved by: Jim Vanderpool, City Manager

Presented by: Ruben Lopez, Economic Development Administrator

ATTACHMENT: Amendment to the Disposition and Development Agreement



**AMENDMENT TO DISPOSITION AND DEVELOPMENT AGREEMENT BY AND  
BETWEEN THE FORMER COMMUNITY REDEVELOPMENT AGENCY OF THE  
CITY OF BUENA PARK AND THE SOURCE AT BEACH, LLC**

This AMENDMENT TO DISPOSITION AND DEVELOPMENT AGREEMENT BY AND BETWEEN THE FORMER COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF BUENA PARK AND THE SOURCE AT BEACH LLC (“Amendment”) is dated as of July 8, 2014 and is entered into by and between the SUCCESSOR AGENCY TO THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF BUENA PARK, a public entity (“Agency”), and THE SOURCE AT BEACH, LLC, a California limited liability company (“Developer”).

**RECITALS**

A. Developer and the Community Redevelopment Agency of the City of Buena Park (the “RDA”) entered into a Disposition and Development Agreement dated October 26, 2010 (the “DDA”). Capitalized terms used herein but not defined shall be defined as set forth in the DDA.

B. The RDA has dissolved, and the Agency has succeeded to the rights and obligations of the RDA under the DDA.

C. Agency and Developer desire to amend the DDA.

NOW, THEREFORE, Agency and Developer hereby agree as follows:

1. Conditions Precedent. The effectiveness of this Amendment is conditioned upon the occurrence of the following: (i) the approval of this Amendment by the Agency’s Oversight Board; and (ii) the approval of this Amendment by the California Department of Finance within one hundred (100) days after the California Department of Finance elects to review of this Agreement (or the failure of the California Department of Finance to elect, within the period prescribed by law, to conduct such review).

2. Extension of Phase I (Retail) Completion Date. The deadline for completion of construction of the Phase I Improvements in item 11 of the Schedule of Performance attached as Exhibit “B” to the DDA is hereby extended to September 30, 2015.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the date set for the above.

**SUCCESSOR AGENCY TO THE  
COMMUNITY REDEVELOPMENT  
AGENCY OF THE CITY OF BUENA  
PARK**

By: \_\_\_\_\_  
Jim Vanderpool  
Executive Director

ATTEST:

\_\_\_\_\_  
Shalice Tilton, Secretary

APPROVED AS TO FORM:

\_\_\_\_\_  
Bruce W. Galloway of Richards, Watson &  
Gershon, Agency Counsel

THE SOURCE AT BEACH, LLC,  
a California limited liability company

By: DMC Investment Holdings, LLC,  
a Delaware limited liability company,  
sole member

By: \_\_\_\_\_  
Donald Chae,  
Manager

By: \_\_\_\_\_  
Min Chae,  
Manager

**EXHIBIT "B"**

**SCHEDULE OF PERFORMANCE**

<b>PERFORMANCE</b>	<b>SCHEDULE</b>
<b>Items 1 – 9: Prior to the Close of Escrow (these do not cover all conditions to closing)</b>	
1. <u>Opening of Escrow</u> . The Parties shall open escrow for the conveyance of title to the site by the Agency to Developer.	Within five (5) business days after the execution and delivery of the DDA.
2. <u>Insurance</u> . Developer shall submit evidence of insurance to the Agency.	Prior to the Close of Escrow.
3. <u>Evidence of Financing</u> . Developer submits evidence of financing or funding for Phase I of the Project to the Agency (which must "close" concurrently with the Close of Escrow).	Prior to the Close of Escrow.
4. <u>Project Plans and Budget</u> . Developer shall submit preliminary conceptual plans and project budget for Phase I for Agency approval.	Completed.
5. <u>Approval of Project Plans</u> . The Agency shall issue approval of preliminary conceptual plans and preliminary Project budget.	Approved.
6. <u>Entitlements; Plan Review</u> . Developer shall submit to the City and obtain approval of revised plans for Phase I and obtain all other governmental approvals and permits necessary for the development of Phase I (excluding certificates of occupancy) other than interior tenant improvements that are to be completed by space tenants.	As a condition to Close of Escrow; on or before June 30, 2012
7. <u>Phase I Building Permits</u> . Developer shall obtain the Building Permit(s) for the construction of the Phase I of the Project.	By June 30, 2012.
8. <u>Phase I Construction Contract</u> . Developer shall submit the construction contract(s) for the construction of Phase I to the Agency for approval.	By June 30, 2012.

PERFORMANCE	SCHEDULE
<p>9. <u>Conveyance of Title/Close of Escrow.</u> Subject to the satisfaction of the conditions to closing, Developer shall purchase the Land from the Agency and the Agency shall convey title to Developer and close escrow.</p>	<p>Upon satisfaction of all conditions precedent and Developer's request; provided that if the conditions precedent are not satisfied by June 30, 2012, then the party benefitted by the applicable unsatisfied condition may terminate this Agreement (provided the terminating party is not then in material default).</p>
<p>10. <u>Phase I Construction.</u> Developer shall commence construction of Phase I Improvements.</p>	<p>Within 30 days after Close of Escrow.</p>
<p>11. <u>Phase I Completion.</u> Developer shall complete construction of Phase I Improvements.</p>	<p>Within two (2) calendar years after Close of Escrow.</p>

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

**A RESOLUTION OF THE OVERSIGHT BOARD FOR THE  
“SUCCESSOR AGENCY TO THE COMMUNITY REDEVELOPMENT  
AGENCY OF THE CITY OF BUENA PARK” DIRECTING AN  
AMENDMENT OF A DISPOSITION AND DEVELOPMENT  
AGREEMENT THAT IS AN ENFORCEABLE OBLIGATION**

A. Pursuant to Health and Safety Code Section 34175(b) and the California Supreme Court’s decision in *California Redevelopment Association, et al. v. Ana Matosantos, et al.* (53 Cal.4th 231(2011)), on February 1, 2012, all assets, properties, contracts, leases, books and records, buildings, and equipment of the Community Redevelopment Agency of the City of Buena Park (the “Agency”) transferred to the Successor Agency to the Community Redevelopment Agency of the City of Buena Park (the “Successor Agency”) by operation of law.

B. The Source at Beach, LLC, a California limited liability company (“Buyer”) and Successor Agency are partners to a Disposition and Development Agreement dated October 26, 2010 (the “DDA”).

C. The DDA is an enforceable obligation of the Agency.

D. The Agency and Developer desire to amend the DDA by entering into an “Amendment to Disposition and Development Agreement by and Between the Former Community Redevelopment Agency of the City of Buena Park and The Source at Beach, LLC” in the form attached hereto (the “Amendment”).

E. Pursuant to Health and Safety Code Sections 34179(f) and 34181(f), notice of this action was posted on the Successor Agency’s website on July 2, 2014.

NOW, THEREFORE, the Oversight Board for the Successor Agency to the Community Redevelopment Agency of the City of Buena Park hereby finds, determines, resolves, directs 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 Amendment and directs the Successor Agency to enter into the Amendment.

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 to do any and all things which they may deem necessary or advisable to effectuate this Resolution.

Resolution No. OB-\_\_\_\_

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PASSED AND ADOPTED this \_\_\_\_ day of \_\_\_\_\_ 2014 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 Community 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 \_\_\_\_\_ day of \_\_\_\_\_, 2014.

\_\_\_\_\_  
Secretary