Call to Order
Roll Call

Adjourn to a Joint Meeting of the City Council and Porterville Redevelopment Agency.

JOINT CITY COUNCIL/PORTERVILLE REDEVELOPMENT AGENCY AGENDA
291 N. MAIN STREET, PORTERVILLE, CA

Roll Call: Agency Members

ORAL COMMUNICATIONS
This is the opportunity to address the Redevelopment Agency on any matter scheduled for Closed Session. Unless additional time is authorized by the Council, all commentary shall be limited to three minutes.

REDEVELOPMENT AGENCY CLOSED SESSION:
A. Closed Session Pursuant to:
2- Government Code Section 54956.9(c) – Conference with Legal Counsel – Anticipated Litigation – Initiation of Litigation: One Case.

6:00 P.M. RECONVENE OPEN SESSION
REPORT ON ANY AGENCY ACTION TAKEN IN CLOSED SESSION

Pledge of Allegiance Led by Vice Mayor Hamilton
Invocation

REPORTS
This is the time for all reports from the City Council and/or Redevelopment Agency, including but not limited to, reports pursuant to AB1234, reports from subcommittees, committees, commissions and boards on which the Council Members serve, and other miscellaneous informational reports.

ORAL COMMUNICATIONS
This is the opportunity to address the Council and/or Redevelopment Agency on any matter of interest, whether on the agenda or not. Please address all items not scheduled for public hearing at this time. Unless additional time is authorized by the Council/Agency, all commentary shall be limited to three minutes.

JOINT SCHEDULED MATTERS
1. Storm Drain Presentation
   Re: Presentation to identify and describe storm run-off problem areas within the City.
2. **Porterville Redevelopment Agency Repayment in Full of Existing Debt Obligations to City of Porterville**  
   Re: Considering early repayment of loan in the amount of $1,714,374 made to the Redevelopment Agency from the General Fund and Risk Management.

3. **Approval of a Cooperation Agreement for Public Improvement Cost Reimbursement**  
   Re: Considering approval of a Cooperation Agreement between the City and the Redevelopment Agency in which the Agency would agree to reimburse the City for costs incurred over the prior 10 years to construct and install various public improvements which total $4,221,223.

4. **Recording of Operation, Use and Maintenance Covenants Running with the Land on Porterville Redevelopment Agency Owned Properties**  
   Re: Considering authorization to record covenants on Redevelopment Agency owned properties to ensure properties must be utilized for a public purpose.

The Joint City Council/Redevelopment Agency Meeting will adjourn to a City Council Meeting.

**ORAL COMMUNICATIONS**
**OTHER MATTERS**

**ADJOURNMENT** - to the meeting of March 15, 2011 at 5:30 p.m.

_Pursuant to Ordinance No. 1766, the Council Meeting shall adjourn no later than 9:45 p.m., unless otherwise approved by a majority of the Council Members present._

In compliance with the Americans with Disabilities Act and the California Ralph M. Brown Act, if you need special assistance to participate in this meeting, or to be able to access this agenda and documents in the agenda packet, please contact the Office of City Clerk at (559) 782-7464. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting and/or provision of an appropriate alternative format of the agenda and documents in the agenda packet.

Materials related to an item on this Agenda submitted to the City Council after distribution of the Agenda packet are available for public inspection during normal business hours at the Office of City Clerk, 291 North Main Street, Porterville, CA 93257, and on the City’s website at www.ci.porterville.ca.us.
THIS ITEM IS A PRESENTATION.
AGENDA: MARCH 10, 2011

JOINT - CITY COUNCIL/REDEVELOPMENT AGENCY

SUBJECT: PORTERVILLE REDEVELOPMENT AGENCY REPAYMENT IN FULL OF EXISTING DEBT OBLIGATIONS TO CITY OF PORTERVILLE

SOURCE: COMMUNITY DEVELOPMENT DEPARTMENT

COMMENT: On August 17, 2010 the City Council adopted Resolution No. 103-2010 and the Porterville Redevelopment Agency ("Agency") adopted Resolution No. PRA 2010-13 which restructured existing Agency debt to the City. The loan agreement between the City and Agency approved pursuant to Resolution Nos. 103-2010 and PRA 2010-13 ("Loan Agreement") provided for a loan from the City to the Agency in the original principal amount of $1,679,645 ("Loan"). The Loan Agreement required the Agency to repay the Loan over a term of thirty (30) years at a rate of 3% simple interest, with the first annual payment due on July 1, 2014. The arrangement accomplished by the Loan Agreement also required the City to repay a loan made to the Agency by the Porterville Civic Development Foundation. Approval of the Loan Agreement was necessary to prevent the Agency from operating at a deficit.

Considering the proposed budget measures recommended by the Governor subsequent to the restructure of the Agency's debt to the City, redevelopment agencies throughout California have become deeply concerned with the Governor’s attempt to eliminate redevelopment. If approved by the legislature, new legislation could be signed as early as March 11, 2011, that would immediately prevent redevelopment agencies from incurring any new debt, entering into any new contracts, or amending existing contracts, among other actions. The Governor’s proposed legislation, if adopted, would abolish all redevelopment agencies in the State as of July 1, 2011. Because the proposed language is in draft form, it is unknown exactly what the full impact on redevelopment agencies will be; however, the Governor has proposed that successor agencies would be required to liquidate assets held by redevelopment agencies in order to transfer the value of such assets to other taxing entities. While the Governor’s proposed legislation purports to protect existing contracts, it is not clear this protection would be afforded to contractual arrangements between redevelopment agencies and the cities (or counties) that created them. Therefore, in an effort to ensure that the Agency fulfills its financial commitments to the City with respect to the Loan, Staff and Agency legal counsel strongly recommend that the Agency now repay the entire outstanding balance of the Loan owed by the Agency to the City.

In order to facilitate this objective, staff recommends that the City Council and Agency Board amend the above mentioned Resolution Nos. 103-2010 and PRA 2010-13, respectively. Following is a breakdown of the balance owed by the Agency to the City showing the funding source, principal, interest and balance:

<table>
<thead>
<tr>
<th>Funding Source</th>
<th>Principal</th>
<th>Interest</th>
<th>Balance</th>
</tr>
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<tbody>
<tr>
<td>General Fund</td>
<td>$1,012,601</td>
<td>$19,073</td>
<td>$1,031,674</td>
</tr>
<tr>
<td>Risk Management</td>
<td>$ 667,044</td>
<td>$15,656</td>
<td>$  682,700</td>
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</tbody>
</table>

The City Council and Agency Board should be aware that approximately $1.8 million in Agency funds are currently reserved for the Porterville Hotel project. In light of that fact,
Staff is recommending that the total amount of $1,714,374, to be repaid to the General Fund and Risk Management Fund, be reserved for the Hotel project and that the City Council defer repayment from the General Fund to Risk Management. This would require designation of another funding source to repay the Risk Management Fund in the event the Porterville Hotel project requires the entire amount reserved for that project. This would enable Staff to continue working toward acquiring the Porterville Hotel and ultimately the elimination of a hazardous and highly visible blighted property.

Staff is also in the process of determining the current value of all Agency owned properties to consider transferring title to the City. The properties are either developed public parking lots or were purchased for the explicit purpose of developing additional public parking in the Downtown area. Once values are determined, staff anticipates presenting a recommendation to the City Council and the Agency in an upcoming meeting.

**RECOMMENDATION:** That the Porterville Redevelopment Agency:

1. Adopt a Draft Resolution Amending Resolution No. PRA 2010-13;
2. Authorize payment to be made to the City of Porterville in the amount of $1,714,374; and
3. Authorize the Chairman to execute all necessary documents.

**That the City Council:**

1. Adopt a Draft Resolution amending Resolution No. 103-2010;
2. Adopt a Draft Resolution Accepting Payment in Full for all Debt Owed by the Porterville Redevelopment Agency to the City of Porterville and allocate the funds to the Porterville Hotel Redevelopment Project; and
3. Authorize the Mayor to execute all necessary documents.

**ATTACHMENT:**

1. Resolution No. 103-2010
2. Resolution No. PRA 2010-13
3. Draft Resolution Amending Resolution No. PRA 2010-13
4. Draft Resolution Amending Resolution No. 103-2010
RESOLUTION NO. 103 -2010

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PORTERVILLE
TO PROVIDE FUNDS TO THE PORTERVILLE REDEVELOPMENT AGENCY FOR
THE REPAYMENT OF EXISTING DEBT

WHEREAS, on April 7, 1981, the City Council of the City of Porterville, and the
Porterville Redevelopment Agency entered into a Cooperative Agreement for the formation of a
Redevelopment Agency with the Agency reimbursing the City for all cost incurred in the
effort; and

WHEREAS, on June 18, 1991, the Redevelopment Agency entered into a
promissory note with the City Council of the City of Porterville for all cost included in the
formation of the Redevelopment Agency; and

WHEREAS, on November 12, 1997, the Redevelopment Agency entered into an
agreement with the City Council of the City of Porterville for Redevelopment Parking Lot
Improvements located 1) on the west side of Second Street between Harrison Avenue and
Thurman Avenue and extending to the alley on the west and 2) on the east side of Fourth Street
between Morton Avenue and Harrison Avenue and extending east to the railroad tracks; and

WHEREAS, on May 1, 2007, the Redevelopment Agency entered into an agreement
with the City Council of the City of Porterville to pay the principal and interest, if any, to
satisfy County of Tulare Loan Agreement No. 18584 for the development of parking lots in
close proximity to the County Civic Center; and

WHEREAS, on June 19, 2007, the Redevelopment Agency entered into an
agreement with the City Council of the City of Porterville for the reconstruction of the
Hockett Street Parking Lot; and

WHEREAS, on January 15, 2008, the Redevelopment Agency approved Resolution
No. 2008-01, accepting a loan from the Porterville Civic Development Foundation for the
amendment of the boundaries of Project Area No. 1 (Amendment); and

WHEREAS, due to the condition of the economy, property values have declined and the
Agency has realized a decrease in tax increment revenue available for repayment of debts
subject to the above referenced agreements; and

WHEREAS, the Supplemental Educational Revenue Augmentation Fund (SERAF)
take by the State of California resulted in a financial deficit for the Redevelopment

NOW, THEREFORE, BE IT RESOLVED, that the Porterville City Council does approve the
request by the Porterville Redevelopment Agency as follows:

ATTACHMENT
ITEM NO. 1
1. That the City of Porterville pay the principal satisfying the Porterville Civic Development Foundation Agreement.

2. That the loan agreement in the amount of $1,679,645 between the City and the Agency have a term of thirty (30) years and a simple interest rate of 3% with the first annual payment commencing on July 1, 2014.

PASSED, APPROVED AND ADOPTED this 17th day of August, 2010.

[Signature]
Ronald L. Irish, Mayor

ATTEST:

[Signature]
John Lollis, City Clerk
STATE OF CALIFORNIA
CITY OF PORTERVILLE
COUNTY OF TULARE

I, JOHN D. LOLLIS, the duly appointed City Clerk of the City of Porterville do hereby certify and declare that the foregoing is a full, true and correct copy of the resolution passed and adopted by the Council of the City of Porterville at a regular meeting of the Porterville City Council duly called and held on the 17th day of August, 2010.

THAT said resolution was duly passed, approved, and adopted by the following vote:

<table>
<thead>
<tr>
<th>Council:</th>
<th>MCCCRACKEN</th>
<th>HAMILTON</th>
<th>IRISH</th>
<th>SHELTON</th>
<th>WARD</th>
</tr>
</thead>
<tbody>
<tr>
<td>AYES:</td>
<td>X</td>
<td>X</td>
<td>X</td>
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<td>NOES:</td>
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<td>ABSENT:</td>
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JOHN D. LOLLIS, City Clerk

[Signature]

By: Luisa Herrera, Deputy City Clerk
RESOLUTION NO. 2010-13

A RESOLUTION OF THE PORTERVILLE REDEVELOPMENT AGENCY
AMENDING RESOLUTION 91-2

WHEREAS, on April 7, 1981, the City loaned the Redevelopment Agency $389,347 for the establishment of the Redevelopment Project Area No. 1; and

WHEREAS, in 1990 the City of Porterville and Porterville Redevelopment Agency adopted the Porterville Redevelopment Project Area No. 1; and

WHEREAS, on June 18, 1991, the Agency approved Resolution No. 91-2 approving and authorizing the execution of a promissory note for the repayment of debt in the amount of $796,321.62 which included accrued interest through June 30, 1990; and

WHEREAS, due to the condition of the economy, property values have declined which decreased tax increment for the Redevelopment Agency; and

WHEREAS, the Supplemental Educational Revenue Augmentation Fund (SERAf) take by the State of California resulted in a financial deficit of ($172,727) for the Redevelopment Agency's 2010/2011 fiscal year.

NOW, THEREFORE, BE IT RESOLVED, that the Porterville Redevelopment Agency:

1. Amend Resolution 91-2 waiving interest during the period of 1981 and 1990 in the amount of $406,975; and

2. That the loan agreement in the amount of $1,679,645 between the City and the Agency have a term of thirty (30) years and a simple interest rate of 3% with the first annual payment commencing on July 1, 2014.

3. Upon the sale of Agency owned real property as proposed, the principal amount of the debt will be paid down commensurate with the net proceeds of the sale(s).

PASSED, APPROVED AND ADOPTED this 17th day of August, 2010.

[Signature]
Ronald L. Irish, Mayor

ATTEST:

[Signature]
John L. Loris, City Clerk

ATTACHMENT
ITEM NO. 2
I, JOHN D. LOLLIS, the duly appointed Executive Secretary of the Porterville Redevelopment Agency, do hereby certify and declare that the foregoing is a full, true and correct copy of the resolution passed and adopted by the Redevelopment Agency of the City of Porterville at a regular meeting of the Agency duly called and held on the 17th day of August, 2010.

THAT said resolution was duly passed, approved, and adopted by the following vote:

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JOHN D. LOLLIS, City Clerk

By: Luisa Herrera, Deputy City Clerk
RESOLUTION NO. PRA_______-2010

A RESOLUTION OF THE
PORTERVILLE REDEVELOPMENT AGENCY
AMENDING RESOLUTION NO. 2010-13

WHEREAS, prior to August 17, 2010, the City of Porterville ("City") made six (6) loans to the Porterville Redevelopment Agency ("Agency") to be used for the formation of the Agency’s original Porterville Redevelopment Project No. 1 ("Project Area") and the implementation of projects within the Project Area; and

WHEREAS, from its inception, the Project Area struggled financially and the Agency and City took actions to address the growing debt of the Agency to the City; and

WHEREAS, on August 17, 2010 the City Council approved Resolution No. 103-2010 to restructure and consolidate Agency debt to the City into a single loan with defined terms thereby enabling the Agency to service all prior debt benefiting the City; and

WHEREAS, due to the significant financial investment of the City and the responsibility of the Agency to satisfy its debt obligations to the City, the Agency has considered the acceptance of the prepayment of the loan using the Agency’s existing bond fund balance that has been allocated for the Porterville Hotel Redevelopment Project since 2008; and

WHEREAS, because the Governor of the State of California has proposed to abolish redevelopment and liquidate assets held by redevelopment agencies without clearly preserving the ability of redevelopment agencies to repay debt lawfully and validly incurred and owed to other public entities, the Agency acknowledges the importance of prepayment of the Agency’s debt to the City at this time.

NOW, THEREFORE, BE IT RESOLVED, by the Porterville Redevelopment Agency:

1. Except where modified herein, the provisions of Resolution PRA No. 2010-13 shall remain in full force and effect.
2. Amend Resolution 2010-13 allowing Porterville Redevelopment Agency to prepay in full the outstanding loan amount owed by the Porterville Redevelopment Agency to the City of Porterville.
3. The Chairman is hereby authorized to execute any and all documents as appropriate to effectuate the purposes of this Resolution.
4. This Resolution shall take effect immediately upon its adoption.

ATTEST:

By:    
    John Lollis, Agency Secretary

Ronald L. Irish, Chairman

ATTACHMENT
ITEM NO. 3

DOCSOC/1471216v2/022643-0000
RESOLUTION NO. 

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PORTERVILLE
AMENDING RESOLUTION NO. 103-2010 TO ACCEPT
PREPAYMENT IN FULL OF A LOAN BETWEEN THE CITY
AND PORTERVILLE REDEVELOPMENT AGENCY

WHEREAS, prior to August 17, 2010, the City of Porterville ("City") made six (6) loans to the
Porterville Redevelopment Agency ("Agency") to be used for the formation of the Agency’s original
Porterville Redevelopment Project No. 1 ("Project Area") and the implementation of projects within the
Project Area; and

WHEREAS, from its inception, the Project Area struggled financially and the Agency and City
took actions to address the growing debt of the Agency to the City; and

WHEREAS, on August 17, 2010 the City Council approved Resolution No. 103-2010 to
restructure and consolidate Agency debt to the City into a single loan with defined terms thereby enabling
the Agency to service all prior debt benefiting the City; and

WHEREAS, due to the significant financial investment of the City and the responsibility of the
Agency to satisfy its debt obligations to the City, the City has considered the acceptance of the prepayment
of the loan using the Agency’s existing bond fund balance that has been allocated for the Porterville Hotel
Redevelopment Project since 2008; and

WHEREAS, because the Governor of the State of California has proposed to abolish
redevelopment and liquidate assets held by redevelopment agencies without clearly preserving the ability
of redevelopment agencies to repay debt lawfully and validly incurred and owed to other public entities,
the City Council acknowledges the importance of prepayment of the Agency’s debt to the City at this time.

NOW, THEREFORE, BE IT RESOLVED, that the Porterville City Council does approve the
request by the Porterville Redevelopment Agency as follows:

1. Except where modified herein, the provisions of Resolution No. 103-2010 shall remain in full
   force and effect.
2. Amend Resolution No. 103-2010 allowing Porterville Redevelopment Agency to prepay in full
   the outstanding loan amount owed by the Porterville Redevelopment Agency to the City of
   Porterville and accepting such repayment.
3. Allocate the full payment to the Porterville Hotel Redevelopment Project.
4. The Mayor is hereby authorized to execute any and all documents as appropriate to effectuate the
   purposes of this Resolution.
5. This Resolution shall take effect immediately upon its adoption.

By: ____________________________
    Ronald L. Irish, Mayor

ATTEST:

By: ____________________________
    John Lollis, City Clerk

ATTACHMENT
ITEM NO. 2/
AGENDA: MARCH 10, 2011

JOINT CITY COUNCIL/REDEVELOPMENT AGENCY

SUBJECT: APPROVAL OF A COOPERATION AGREEMENT FOR PUBLIC IMPROVEMENT COST REIMBURSEMENT

SOURCE: COMMUNITY DEVELOPMENT DEPARTMENT

COMMENT: Considering the proposed budget measures recommended by the Governor and subsequent to the restructure of Agency debt, Agencies throughout California have become deeply concerned with the Governor’s attempt to eliminate redevelopment. If approved by the legislature, new legislation could be signed as early as March 11, 2011, that would abolish Redevelopment by July 1, 2011. Due to the draft status of the proposed language, it is unknown exactly what the full effect to Agencies will be. However, it is expected that effective July 1, 2011, successor agencies would be created by the State that would take over assets of redevelopment agencies.

Since the City has paid the cost of land for and all or a portion of the cost to construct and install various public improvements located inside or contiguous to the Agency’s Porterville Redevelopment Project No. 1, it is proposed that the Agency reimburse City for cost incurred over the prior 10 years as permitted pursuant to Section 33445(c) of the Health and Safety Code. The total City cost for these projects is $4,221,223 (see project list attached to the Cooperation Agreement).

Should the City Council and Redevelopment Agency approve the proposal from the Agency to make payment in full for existing debt to City of Porterville, the estimated remaining fund balance for the Agency will be approximately $280,000. The Agency could, immediately upon approval, make payment equal to $275,000 from fund balance toward this debt and future annual payments of $150,000 from tax increment until debt is paid in full.

Pursuant to Section 33445(a) of the Redevelopment Law, the Agency may, with the consent of the City Council, pay all or a part of the value of the land for and the cost of the installation and construction of the Public Improvements, if the City Council determines all of the following:

(1) That the acquisition of land for or the installation or construction of the Public Improvements are of benefit to the Redevelopment Project by helping to eliminate blight within the Redevelopment Project or providing housing for low- or moderate-income persons.

(2) That no other reasonable means of financing the acquisition of the land or installation or construction of the Public Improvements are available to the City.

(3) That the payment of funds for the acquisition of land or the cost of the Public Improvements is consistent with the Agency’s implementation plan adopted pursuant to Section 33490 of the Redevelopment Law.

DDA APPROPRIATED/FUNDED CM ITEM NO. 3
RECOMMENDATION: That the Porterville Redevelopment Agency:

1. Authorize the Redevelopment Agency to adopt a draft Resolution approving a Cooperation Agreement for Public Improvement Cost Reimbursement By and Between the City of Porterville and the Porterville Redevelopment Agency Pursuant to Health and Safety Code Section 33445(c) and Making Certain Findings in Connection Therewith;
2. Approve the Cooperation Agreement for Public Improvement Cost Reimbursement;
3. Authorize the Agency Chairman to execute all necessary documents; and
4. Authorize the City Manager to implement the Agency Board's direction.

That the City Council:

1. Authorize the City Council to adopt a draft Resolution approving a Cooperation Agreement for Public Improvement Cost Reimbursement By and Between the City of Porterville and the Porterville Redevelopment Agency Pursuant to Health and Safety Code Section 33445(c) and Making Certain Findings in Connection Therewith;
2. Approve the Cooperation Agreement for Public Improvement Cost Reimbursement; and
3. Authorize the Mayor to execute all necessary documents

ATTACHMENT:

1. Draft Resolution of the Porterville Redevelopment Agency Approving a Cooperation Agreement for Public Improvement Cost Reimbursement By and Between the City of Porterville and the Porterville Redevelopment Agency Pursuant to Health and Safety Code Section 33445(c) and Making Certain Findings in Connection Therewith.
2. Draft Resolution of the City Council of the City of Porterville Approving a Cooperation Agreement for Public Improvement Cost Reimbursement By and Between the City of Porterville and the Porterville Redevelopment Agency Pursuant to Health and Safety Code Section 33445(c) and Making Certain Findings in Connection Therewith.
3. Cooperation Agreement for Public Improvement Cost Reimbursement.
RESOLUTION NO. ___

A RESOLUTION OF THE PORTERVILLE REDEVELOPMENT AGENCY
APPROVING A COOPERATION AGREEMENT (PUBLIC IMPROVEMENT
COST REIMBURSEMENT) BY AND BETWEEN THE CITY OF PORTERVILLE
AND THE PORTERVILLE REDEVELOPMENT AGENCY
PURSUANT TO HEALTH AND SAFETY CODE SECTION 33445(c)
AND MAKING CERTAIN FINDINGS IN CONNECTION THEREWITH

WHEREAS: The Agency is a California public body, corporate and politic, duly
formed and authorized by the City Council of the City ("City Council") to exercise the powers
of a redevelopment agency pursuant to the California Community Redevelopment Law,
Health and Safety Code Section 33000, et seq. ("Redevelopment Law").

WHEREAS: The City has paid the cost of land for and all or a portion of the cost to
construct and install various public improvements located in the City, which are described in
Exhibit A to the Agreement (defined below) ("Public Improvements").

WHEREAS: The Public Improvements are all publicly-owned. The City incurred
Four Million Two Hundred and Twenty One Thousand Two Hundred and Twenty Three
Dollars ($4,221,223) ("Public Improvement Cost"), cumulatively, to acquire land for,
construct, and install the Public Improvements, as described in more detail in Exhibit A to
the Agreement.

WHEREAS: The Public Improvements are all located inside or contiguous to the
Agency's Porterville Redevelopment Project No. 1 ("Redevelopment Project").

WHEREAS: Pursuant to Section 33445(a) of the Redevelopment Law, the Agency
may, with the consent of the City Council, pay all or a part of the value of the land for and
the cost of the installation and construction of the Public Improvements, if the City Council
determines all of the following:

(1) That the acquisition of land for or the installation or construction of the
Public Improvements are of benefit to the Redevelopment Project by helping to eliminate
blight within the Redevelopment Project or providing housing for low- or moderate-income
persons.

(2) That no other reasonable means of financing the acquisition of the land or
installation or construction of the Public Improvements are available to the City.

(3) That the payment of funds for the acquisition of land or the cost of the
Public Improvements is consistent with the Agency's implementation plan adopted pursuant
to Section 33490 of the Redevelopment Law.

WHEREAS: The Agency is further authorized by Section 33445(c) of the
Redevelopment Law to reimburse the City for the Public Improvement Cost by entering into
a contract with the City under which the Agency agrees to reimburse the City for all or part
of the value of the land for or all or part of the cost of the Public Improvements, or both, by
periodic payments over a period of years.

ATTACHMENT
ITEM NO. \

WHEREAS: Agency and City desire to enter into a Cooperation Agreement (Public Improvement Cost Reimbursement) ("Agreement") pursuant to which Agency will reimburse City for the Public Improvement Cost paid by City for the Public improvements, by periodic payments over a period of years, in accordance with the terms and conditions set forth in the Agreement.

WHEREAS: It is a policy of the Agency to support the provision of public improvements that are of benefit to the Redevelopment Project; in particular, the Public Improvements were listed and intended public improvements included in the Redevelopment Plan and the five-year implementation plan of the Agency adopted pursuant to Section 33490 of the Redevelopment Law, current as of the date the Public Improvements were constructed, or such Public Improvements supported and facilitated the goals described in the then-current five-year implementation plan of the Agency adopted pursuant to Section 33490 of the Redevelopment Law.

WHEREAS: The Agency has adopted an Implementation Plan for the Redevelopment Project pursuant to Health and Safety Code Section 33490, which identifies goals and objectives including encouraging employment opportunities through environmental and economic improvements resulting from the Agency's redevelopment activities, providing for participation in the redevelopment of property in the Redevelopment Project by owners who agree to so participate in conformity with the Redevelopment Plan, providing public infrastructure improvements and community facilities, and encouraging the redevelopment of the Redevelopment Project through the cooperation of private enterprise and public agencies.

WHEREAS: Pursuant to Section 33220 of the Redevelopment Law, certain public bodies, including the City, may aid and cooperate in the planning, undertaking, construction, or operation of redevelopment projects.

WHEREAS: The programs and activities associated with the Public Improvements include but are not limited to acquisition of land, design, planning, preparation of construction bid documents, financial analysis, financing, construction, and activities directly related to or required in order to effectuate the construction.

WHEREAS: The Agency has duly considered all of the terms and conditions of the proposed Agreement and believe that the Agency's reimbursement to the City of the Public Improvement Cost pursuant to the Agreement is in the best interests of the City of Porterville and the health, safety, and welfare of its residents, and in accord with the public purposes and provisions of applicable state and local laws and requirements.

NOW, THEREFORE, BE IT RESOLVED:

SECTION 1: The foregoing recitals are true and correct.

SECTION 2: The Agency hereby finds and determines, based on substantial evidence provided in the record before it, that the acquisition of land for and the construction and installation of the Public Improvements will be of benefit to the Project Area and will help to eliminate blight within the Redevelopment Project by: constructing public infrastructure improvements and community facilities which are necessary for
effective redevelopment and for attracting private investment to the Redevelopment Project thereby creating employment and commercial opportunities and facilitating the development of housing for persons and families of low- and moderate-income, all pursuant to and consistent with the purposes and provisions of the Redevelopment Law, the Agency's Redevelopment Plan, the Agency's 2010-2014 Implementation Plan, and the prior implementation plans adopted by the Agency pursuant to Section 33490 of the Redevelopment Law.

SECTION 3: The Agency hereby finds and determines, based on substantial evidence provided in the record before it, that no other reasonable means of financing the acquisition of the land or installation or construction of the Public Improvements are available to the City. The prudent budget constraints of the City require the City to request reimbursement of the Public Improvement Cost by the Agency as permitted by Section 33445(c) of the Redevelopment Law. Insufficient moneys of the City are currently available to pay the current obligations of the City without receiving reimbursement from the Agency of the Public Improvement Cost as set forth in the Agreement. Traditional methods of financing the reimbursement of the Public Improvement Cost, such as the issuance of general obligation bonds, are unavailable as a practical matter because of the extraordinary majority voter approval requirements of two-thirds of the electorate, high interest rates, and unavailability of general fund or other revenues available to the City to repay such bonds. Additionally, other financing mechanisms are committed to the acquisition and development of other required public improvements within the City.

SECTION 4: The Agency hereby finds and determines that, based upon substantial evidence provided in the record before it, the Agreement is consistent with the provisions and goals of the Redevelopment Law, the Agency's Redevelopment Plan, the Agency's 2010-2014 Implementation Plan, and the prior implementation plans adopted by the Agency pursuant to Section 33490 of the Redevelopment Law.

SECTION 5: The Agency hereby approves the Agreement and authorizes and directs the Chairman and Agency Secretary to execute the Agreement on behalf of the Agency. A copy of the Agreement when executed shall be placed on file in the office of the City Clerk. The Executive Director of the Agency, or his designee, is authorized to implement the Agreement and take all further actions and execute all documents which are necessary or appropriate to carry out the Agreement.

SECTION 6: The Agency's approval of the Agreement is not a "project" within the meaning of the California Environmental Quality Act pursuant to Title 14 Cal. Code Regs. Section 15378(b)(4), because the Agreement constitutes a government fiscal activity that does not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment. All Public Improvements performed by the City were evaluated and approved in accordance with the California Environmental Quality Act prior to the commencement of construction or installation of such Public Improvements.

SECTION 7: This Resolution shall be effective immediately upon adoption.
APPROVED AND ADOPTED this 10th day of March, 2011.

By: ________________________________
    Ronald L. Irish, Chairman

ATTEST:

John Lollis, Agency Secretary

_______________________________
Patrice Hildreth, Chief Deputy Agency Secretary
RESOLUTION NO. ___

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PORTERVILLE
APPROVING A COOPERATION AGREEMENT (PUBLIC IMPROVEMENT
COST REIMBURSEMENT) BY AND BETWEEN THE CITY OF PORTERVILLE
AND THE PORTERVILLE REDEVELOPMENT AGENCY
PURSUANT TO HEALTH AND SAFETY CODE SECTION 33445(c)
AND MAKING CERTAIN FINDINGS IN CONNECTION THEREWITH

WHEREAS: The Agency is a California public body, corporate and politic, duly
formed and authorized by the City Council of the City ("City Council") to exercise the powers
of a redevelopment agency pursuant to the California Community Redevelopment Law,
Health and Safety Code Section 33000, et seq. ("Redevelopment Law").

WHEREAS: The City has paid the cost of land for and all or a portion of the cost to
construct and install various public improvements located in the City, which are described in
Exhibit A to the Agreement (defined below) ("Public Improvements").

WHEREAS: The Public Improvements are all publicly-owned. The City incurred
Four Million Two Hundred and Twenty One Thousand Two Hundred and Twenty Three
Dollars ($4,221,223) ("Public Improvement Cost"), cumulatively, to acquire land for,
construct, and install the Public Improvements, as described in more detail in Exhibit A to
the Agreement.

WHEREAS: The Public Improvements are all located inside or contiguous to the
Agency's Porterville Redevelopment Project No. 1 ("Redevelopment Project").

WHEREAS: Pursuant to Section 33445(a) of the Redevelopment Law, the Agency
may, with the consent of the City Council, pay all or a part of the value of the land for and
the cost of the installation and construction of the Public Improvements, if the City Council
determines all of the following:

(1) That the acquisition of land for or the installation or construction of the
Public Improvements are of benefit to the Redevelopment Project by helping to eliminate
blight within the Redevelopment Project or providing housing for low- or moderate-income
persons.

(2) That no other reasonable means of financing the acquisition of the land or
installation or construction of the Public Improvements are available to the City.

(3) That the payment of funds for the acquisition of land or the cost of the
Public Improvements is consistent with the Agency's implementation plan adopted pursuant
to Section 33490 of the Redevelopment Law.

WHEREAS: The Agency is further authorized by Section 33445(c) of the
Redevelopment Law to reimburse the City for the Public Improvement Cost by entering into
a contract with the City under which the Agency agrees to reimburse the City for all or part
of the value of the land for or all or part of the cost of the Public Improvements, or both, by
periodic payments over a period of years.

ATTACHMENT
ITEM NO. 2
WHEREAS: Agency and City desire to enter into a Cooperation Agreement (Public Improvement Cost Reimbursement) ("Agreement") pursuant to which Agency will reimburse City for the Public Improvement Cost paid by City for the Public improvements, by periodic payments over a period of years, in accordance with the terms and conditions set forth in the Agreement.

WHEREAS: It is a policy of the Agency to support the provision of public improvements that are of benefit to the Redevelopment Project; in particular, the Public Improvements were listed and intended public improvements included in the Redevelopment Plan and the five-year implementation plan of the Agency adopted pursuant to Section 33490 of the Redevelopment Law, current as of the date the Public Improvements were constructed, or such Public Improvements supported and facilitated the goals described in the then-current five-year implementation plan of the Agency adopted pursuant to Section 33490 of the Redevelopment Law.

WHEREAS: The Agency has adopted an Implementation Plan for the Redevelopment Project pursuant to Health and Safety Code Section 33490, which identifies goals and objectives including encouraging employment opportunities through environmental and economic improvements resulting from the Agency's redevelopment activities, providing for participation in the redevelopment of property in the Redevelopment Project by owners who agree to so participate in conformity with the Redevelopment Plan, providing public infrastructure improvements and community facilities, and encouraging the redevelopment of the Redevelopment Project through the cooperation of private enterprise and public agencies.

WHEREAS: Pursuant to Section 33220 of the Redevelopment Law, certain public bodies, including the City, may aid and cooperate in the planning, undertaking, construction, or operation of redevelopment projects.

WHEREAS: The programs and activities associated with the Public Improvements include but are not limited to acquisition of land, design, planning, preparation of construction bid documents, financial analysis, financing, construction, and activities directly related to or required in order to effectuate the construction.

WHEREAS: The City Council has duly considered all of the terms and conditions of the proposed Agreement and believe that the Agency's reimbursement to the City of the Public Improvement Cost pursuant to the Agreement is in the best interests of the City of Porterville and the health, safety, and welfare of its residents, and in accord with the public purposes and provisions of applicable state and local laws and requirements.

NOW, THEREFORE, BE IT RESOLVED:

SECTION 1: The foregoing recitals are true and correct.

SECTION 2: The City Council hereby finds and determines, based on substantial evidence provided in the record before it, that the acquisition of land for and the construction and installation of the Public Improvements will be of benefit to the Project Area and will help to eliminate blight within the Redevelopment Project by: constructing public infrastructure improvements and community facilities which are necessary for
effective redevelopment and for attracting private investment to the Redevelopment Project thereby creating employment and commercial opportunities and facilitating the development of housing for persons and families of low- and moderate-income, all pursuant to and consistent with the purposes and provisions of the Redevelopment Law, the Agency’s Redevelopment Plan, the Agency’s 2010-2014 Implementation Plan, and the prior implementation plans adopted by the Agency pursuant to Section 33490 of the Redevelopment Law.

SECTION 3: The City Council hereby finds and determines, based on substantial evidence provided in the record before it, that no other reasonable means of financing the acquisition of the land or installation or construction of the Public Improvements are available to the City. The prudent budget constraints of the City require the City to request reimbursement of the Public Improvement Cost by the Agency as permitted by Section 33445(c) of the Redevelopment Law. Insufficient moneys of the City are currently available to pay the current obligations of the City without receiving reimbursement from the Agency of the Public Improvement Cost as set forth in the Agreement. Traditional methods of financing the reimbursement of the Public Improvement Cost, such as the issuance of general obligation bonds, are unavailable as a practical matter because of the extraordinary majority voter approval requirements of two-thirds of the electorate, high interest rates, and unavailability of general fund or other revenues available to the City to repay such bonds. Additionally, other financing mechanisms are committed to the acquisition and development of other required public improvements within the City.

SECTION 4: The City Council hereby finds and determines that, based upon substantial evidence provided in the record before it, the Agreement is consistent with the provisions and goals of the Redevelopment Law, the Agency’s Redevelopment Plan, the Agency’s 2010-2014 Implementation Plan, and the prior implementation plans adopted by the Agency pursuant to Section 33490 of the Redevelopment Law.

SECTION 5: The City Council hereby approves the Agreement and authorizes and directs the Mayor and City Clerk to execute the Agreement on behalf of the City. A copy of the Agreement when executed shall be placed on file in the office of the City Clerk. The City Manager, or his designee, is authorized to implement the Agreement and take all further actions and execute all documents which are necessary or appropriate to carry out the Agreement.

SECTION 6: The City Council’s approval of the Agreement is not a “project” within the meaning of the California Environmental Quality Act pursuant to Title 14 Cal. Code Regs. Section 15378(b)(4), because the Agreement constitutes a government fiscal activity that does not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment. All Public Improvements performed by the City were evaluated and approved in accordance with the California Environmental Quality Act prior to the commencement of construction or installation of such Public Improvements.

SECTION 7: This Resolution shall be effective immediately upon adoption.
APPROVED AND ADOPTED this 10th day of March, 2011.

By: ______________________________
    Ronald L. Irish, Mayor

ATTEST:

John Lollis, City Clerk

______________________________
Patrice Hildreth, Chief Deputy City Clerk
COOPERATION AGREEMENT
(Public Improvement Cost Reimbursement)

This COOPERATION AGREEMENT (Public Improvement Cost Reimbursement) ("Agreement") is entered into as of March 10, 2011 ("Date of Agreement"), by and between the CITY OF PORTERVILLE, a California municipal corporation ("City"), and the PORTERVILLE REDEVELOPMENT AGENCY, a public body, corporate and politic ("Agency").

RECITALS

A. The Agency is a California public body, corporate and politic, duly formed and authorized by the City Council of the City ("City Council") to exercise the powers of a redevelopment agency pursuant to the California Community Redevelopment Law, Health and Safety Code Section 33000, et seq. ("Redevelopment Law").

B. The City has paid the cost of land for and all or a portion of the cost to construct and install various public improvements located in the City, which are described in Exhibit A, attached hereto and incorporated herein ("Public Improvements").

C. The Public Improvements are all publicly-owned. The City incurred Four Million Two Hundred and Twenty One Thousand Two Hundred and Twenty Three Dollars ($4,221,223) ("Public Improvement Cost"), cumulatively, to acquire land for, construct, and install the Public Improvements, as described in more detail in Exhibit A.

D. The Public Improvements are all located inside or contiguous to the Agency’s Porterville Redevelopment Project No. 1 ("Redevelopment Project").

E. Pursuant to Section 33445(a) of the Redevelopment Law, the Agency may, with the consent of the City Council, pay all or a part of the value of the land for and the cost of the installation and construction of the Public Improvements, if the City Council determines all of the following:

   (1) That the acquisition of land for or the installation or construction of the Public Improvements are of benefit to the Redevelopment Project by helping to eliminate blight within the Redevelopment Project or providing housing for low- or moderate-income persons.

   (2) That no other reasonable means of financing the acquisition of the land or installation or construction of the Public Improvements are available to the City.

   (3) That the payment of funds for the acquisition of land or the cost of the Public Improvements is consistent with the Agency’s implementation plan adopted pursuant to Section 33490 of the Redevelopment Law.

F. The City Council and Agency have made the findings and determinations described in Recital E.

G. The Agency is further authorized by Section 33445(c) of the Redevelopment Law to reimburse the City for the Public Improvement Cost by entering into a contract with the City under
which the Agency agrees to reimburse the City for all or part of the value of the land for or all or part of the cost of the Public Improvements, or both, by periodic payments over a period of years.

H. Agency desires to reimburse City for the Public Improvement Cost paid by City for the Public improvements, by periodic payments over a period of years, in accordance with the terms and conditions set forth in this Agreement.

I. It is a policy of the Agency to support the provision of public improvements that are of benefit to the Redevelopment Project; in particular, the Public Improvements were listed and intended public improvements included in the Redevelopment Plan and the five-year implementation plan of the Agency adopted pursuant to Section 33490 of the Redevelopment Law, current as of the date the Public Improvements were constructed, or such Public Improvements supported and facilitated the goals described in the then-current five-year implementation plan of the Agency adopted pursuant to Section 33490 of the Redevelopment Law.

J. Pursuant to Section 33220 of the Redevelopment Law, certain public bodies, including the City, may aid and cooperate in the planning, undertaking, construction, or operation of redevelopment projects. The programs and activities associated with the Public Improvements include but are not limited to acquisition of land, design, planning, preparation of construction bid documents, financial analysis, financing, construction, and activities directly related to or required in order to effectuate the construction.

K. The City and the Agency desire to enter into this Agreement to provide for the Agency’s reimbursement to the City of the Public Improvement Cost by period payments over a period of years, as described in more detail below.

L. The Agency and the City hereby find and determine that the acquisition of land for and the construction and installation of the Public Improvements will be of benefit to the Project Area and will help to eliminate blight within the Redevelopment Project by: constructing public infrastructure improvements and community facilities which are necessary for effective redevelopment and for attracting private investment to the Redevelopment Project thereby creating employment and commercial opportunities and facilitating the development of housing for persons and families of low- and moderate-income, all pursuant to and consistent with the purposes and provisions of the Redevelopment Law, the Agency’s Redevelopment Plan, the Agency’s 2010-2014 Implementation Plan, and the prior implementation plans adopted by the Agency pursuant to Section 33490 of the Redevelopment Law.

M. The Agency and the City hereby find and determine that no other reasonable means of financing the acquisition of the land or installation or construction of the Public Improvements are available to the City. The prudent budget constraints of the City require the City to request reimbursement of the Public Improvement Cost by the Agency as permitted by Section 33445(c) of the Redevelopment Law. Insufficient moneys of the City are currently available to pay the current obligations of the City without receiving reimbursement from the Agency of the Public Improvement Cost as set forth in the Agreement. Traditional methods of financing the reimbursement of the Public Improvement Cost, such as the issuance of general obligation bonds, are unavailable as a practical matter because of the extraordinary majority voter approval requirements of two-thirds of the electorate, high interest rates, and unavailability of general fund or other revenues available to the City to repay such bonds. Additionally, other financing mechanisms are committed to the acquisition and development of other required public improvements within the City.
N. The foregoing Recitals are true and correct and constitute a substantive part of this Agreement.

NOW THEREFORE, in consideration of the above Recitals and all of the covenants and conditions set forth in this Agreement, the Agency and the City agree as follows:

1. **Reimbursement of Public Improvement Cost.** The Agency shall pay an amount equal to the Public Improvement Cost, plus [simple interest at a rate of three percent (3%) per annum, accruing from the Date of Agreement,] to the City to reimburse the City for the Public Improvement Cost incurred by the City to acquire the land for, construct and install the Public Improvements. Agency shall make the reimbursement required hereunder as follows:

a. Immediately upon approval of this Agreement by the City Council of the City and the Agency Board, the Agency shall pay an amount equal to $275,000 to the City in reimbursement of the Public Improvement Cost.

b. On or before each June 30, 2012 and annually thereafter, Agency shall pay an amount equal to $150,000 to the City until the entire Public Improvement Cost, plus interest thereon as described above in this Section 1, is reimbursed to the City in full.

2. **Pledge of Tax Increment.**

a. The Agency’s obligations hereunder shall be secured by a pledge of Tax Increment, pursuant to Sections 33671 and 33671.5 of the Redevelopment Law, which pledge is subordinate to all prior express pledges of Tax Increment.

b. As used herein, “Tax Increment” shall mean all taxes annually allocated to the Agency with respect to the Redevelopment Project following the Date of Agreement, pursuant to Article 6 of Chapter 6 (commencing with Section 33670) of the Redevelopment Law and Section 16 of Article XVI of the Constitution of the State of California and as provided in the Redevelopment Plan, including all payments, subventions and reimbursements (if any) to the Agency specifically attributable to ad valorem taxes lost by reason of tax exemptions and tax rate limitations; but excluding (i) all amounts of such taxes required to be deposited into the Low and Moderate Income Housing Fund of the Agency in any Fiscal Year pursuant to Section 33334.2 or 33334.6 of the Redevelopment Law, (ii) all amounts of such taxes required to be paid to taxing entities under Sections 33607.5 and 33607.7 of the Redevelopment Law to the extent such required payments create a prior lien on such taxes, (iii) amounts, if any, payable by the State of California to the Agency under and pursuant to the provisions of Chapter 1.5 of Part 1 of Division 4 of Title 2 (commencing with Section 16110) of the Government Code of the State of California, (iv) amounts retained by the County of Tulare as costs of collection pursuant to Chapter 466, Statutes of 1990, and (v) such taxes, to the extent subject to a prior express pledge by the Agency.

c. The obligations of the Agency under this Agreement shall constitute an indebtedness of the Agency within the meaning of Section 33670 et seq. of the Redevelopment Law.

3. **No Merger.** In the event the City succeeds to the Agency’s rights and obligations, by operation of law or otherwise, the obligation of the Agency hereunder shall not merge and all amounts remaining to be paid by the Agency hereunder shall be deemed to be payable to the City.
from a special fund, consisting of (a) the Tax Increment that would otherwise be allocated to the Agency and (b) all other assets of the Agency.

4. **City Acceptance.** The City hereby accepts any and all funds remitted by the Agency pursuant to this Agreement.

5. **General Provisions.**

   a. **Approvals and Actions.**

      i. Agency shall maintain authority of this Agreement and the authority to implement this Agreement through the Agency Executive Director (or his or her duly authorized representative). The Agency Executive Director shall have the authority to make approvals, issue interpretations, waive provisions, and/or enter into certain amendments of this Agreement on behalf of Agency so long as such actions do not add to the costs incurred or to be incurred by Agency as specified herein, and such approvals, interpretations, waivers and/or amendments may include extensions of time to perform. All other material and/or substantive interpretations, waivers, or amendments shall require the consideration, action and written consent of the Agency Board.

      ii. City shall maintain authority of this Agreement and the authority to implement this Agreement through the City Manager (or his or her duly authorized representative). The City Manager shall have the authority to make approvals, issue interpretations, waive provisions, and/or enter into certain amendments of this Agreement on behalf of City so long as such actions do not add to the costs incurred or to be incurred by City as specified herein, and such approvals, interpretations, waivers and/or amendments may include extensions of time to perform. All other material and/or substantive interpretations, waivers, or amendments shall require the consideration, action and written consent of the City Council.

   b. **Modifications.** Except as provided in Section 5(i), any alteration, change or modification of or to this Agreement, in order to become effective, shall be made in writing and in each instance signed on behalf of each party.

   c. ** Severability.** If any term, provision, condition or covenant of this Agreement or its application to any party or circumstances shall be held, to any extent, invalid or unenforceable, the remainder of this Agreement, or the application of the term, provision, condition or covenant to persons or circumstances other than those as to whom or which it is held invalid or unenforceable, shall not be affected, and shall be valid and enforceable to the fullest extent permitted by law.

   d. **No Third Party Beneficiaries.** The terms and provisions of this Agreement are for the benefit of the Agency and City and not for the benefit of any other person or entity.

   e. **Cooperation.** Each party agrees to cooperate with the other in this transaction and, in that regard, to sign any and all documents which may be reasonably necessary, helpful, or appropriate to carry out the purposes and intent of this Agreement including, but not limited to, releases or additional agreements.

   f. **Liability and Indemnification.** In contemplation of the provisions of California Government Code Section 895.2 imposing certain tort liability jointly upon public entities solely by reason of such entities being parties to an agreement as defined by Government Code
Section 895, the parties hereto, as between themselves, pursuant to the authorization contained in Government Code Sections 895.4 and 895.6, shall each assume the full liability imposed upon it, or any of its officers, agents or employees, by law for injury caused by negligent or wrongful acts or omissions occurring in the performance of this Agreement to the same extent that such liability would be imposed in the absence of Government Code Section 895.2. To achieve the above stated purpose, each party indemnifies, defends and holds harmless the other party for any liability, losses, cost or expenses that may be incurred by such other party solely by reason of Government Code Section 895.2.

**g. Default.** The obligations set forth in this Agreement will be contractual obligations that, if breached, will subject the defaulting party to damages and other liabilities or remedies. If either party fails to perform or adequately perform an obligation required by this Agreement within thirty (30) calendar days of receiving written notice from the non-defaulting party, the party failing to perform shall be in default hereunder. In the event of default, the non-defaulting party will have all the rights and remedies available to it at law or in equity to enforce the provisions of this contract, including without limitation the right to sue for damages for breach of contract. The rights and remedies of the non-defaulting party enumerated in this paragraph are cumulative and shall not limit the non-defaulting party’s rights under any other provision of this Agreement, or otherwise waive or deny any right or remedy, at law or in equity, existing as of the Date of Agreement or hereinafter enacted or established, that may be available to the non-defaulting party against the defaulting party. All notices of defaults shall clearly indicate a notice of default under this Agreement.

**h. Binding on Successors.** This Agreement shall be binding on and shall inure to the benefit of all successors and assigns of the parties, whether by agreement or operation of law.

**i. Right to Terminate.** The City shall have the right to terminate this Agreement in its sole determination upon reasonable cause. In the event the City terminates this Agreement, Agency shall immediately pay to the City the entire outstanding balance of the Public Improvement Cost (and accrued interest) remaining to be paid to the City pursuant to Section 1.

**j. Term.** Unless earlier terminated by the City pursuant to Section 5(i), this Agreement shall remain in effect until the City has been reimbursed for the entire Public Improvement Cost (plus interest) as provided in Section 1 above.

[Signatures appear on following page.]
IN WITNESS WHEREOF, City and Agency have executed this Cooperation Agreement (Public Improvement Cost Reimbursement) as of the date first set forth above.

AGENCY:

PORTERVILLE REDEVELOPMENT AGENCY, a public body, corporate and politic

By: __________________________________________
    Ronald L. Irish, Chairperson

ATTEST:

John Lollis, Agency Secretary

APPROVED AS TO FORM:

Vanessa S. Locklin, Agency Counsel

CITY:

CITY OF PORTERVILLE, a California municipal corporation

By: __________________________________________
    Ronald L. Irish, Mayor

ATTEST:

John Lollis, City Clerk

APPROVED AS TO FORM:

Julia M. Lew, City Attorney
EXHIBIT A

DESCRIPTION OF PUBLIC IMPROVEMENTS AND PUBLIC IMPROVEMENT COST

[To be inserted]
## PUBLIC IMPROVEMENTS CONSTRUCTED WITHIN OR CONTIGUOUS TO THE PORTERVILLE REDEVELOPMENT AREA

<table>
<thead>
<tr>
<th>PROJECT TITLE</th>
<th>Project Description/Limits</th>
<th>Con Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Main Street Rehabilitation 2010</td>
<td>Rehabilitate Main Street between Morton and Henderson Avenue</td>
<td>$277,985</td>
</tr>
<tr>
<td>Olive Ave Water Project 2010</td>
<td>Construct 12&quot; water main along Olive Ave from Main St to Plano St</td>
<td>$188,169</td>
</tr>
<tr>
<td>Roche Ave Sewer Project 2008</td>
<td>Construct 8&quot; sewer main along Morton Ave from Henran 500' east</td>
<td>$38,965</td>
</tr>
<tr>
<td>D' &amp; Hockett St Alley Reconstruction 2008</td>
<td>Reconstruct existing alley located between 'D' St &amp; Hockett St from Harrison to Morton</td>
<td>$39,776</td>
</tr>
<tr>
<td>C' St Water Main Project 2008</td>
<td>Construct 8&quot; water main along 'C' Street from Date Ave to Walnut Ave</td>
<td>$137,180</td>
</tr>
<tr>
<td>Centennial Plaza Park 2007</td>
<td>Construction of a new downtown park</td>
<td>$358,638</td>
</tr>
<tr>
<td>Oak Ave Street Reconstruction Project 2007</td>
<td>Reconstruct Oak Ave and install concrete improvements (Cost $385,236 City Share $77,048)</td>
<td>$77,048</td>
</tr>
<tr>
<td>Date &amp; 'A' St Reconstruction Project 2007</td>
<td>Reconstruction date Ave from Main St to Plano St and reconstruct 'A' St from Date to street terminus</td>
<td>$648,103</td>
</tr>
<tr>
<td>Putnam Ave Reconstruction Project 2005</td>
<td>Remove elevated R/R crossing along Putnam Ave from 4th to Henran</td>
<td>$32,135</td>
</tr>
<tr>
<td>Nelson Bldg Demolition Project 2004</td>
<td>Demolition Nelson Bldg (Tallman Isuzu) located at 308 N Main St</td>
<td>$128,000</td>
</tr>
<tr>
<td>Orange Ave Reconstruction Project 2004</td>
<td>Reconstruct Orange Ave and install concrete improvements from Main St to Plano St</td>
<td>$1,595,282</td>
</tr>
<tr>
<td>Traffic Signal #6 2002</td>
<td>Construct traffic signals @ Henderson &amp; Westwood, Putnam &amp; Jaye, Olive &amp; 2nd (Cost $347,320 City Share $39,942)</td>
<td>$39,942</td>
</tr>
<tr>
<td>Main Street Tule River Bridge 2000</td>
<td>Remove/replace Main Street bridge over the Tule River (Cost $3,300,000 City Share $660,000)</td>
<td>$660,000</td>
</tr>
</tbody>
</table>

**Total to be reimbursed to City of Porterville from Porterville Redevelopment Agency** $4,221,223
REDEVELOPMENT AGENCY

SUBJECT: RECORDING OF OPERATION, USE AND MAINTENANCE COVENANTS RUNNING WITH THE LAND ON PORTERVILLE REDEVELOPMENT AGENCY OWNED PROPERTIES

SOURCE: COMMUNITY DEVELOPMENT DEPARTMENT

COMMENT: On August 17, 2010, the Redevelopment Agency (Agency) and City Council (City) approved restructuring Agency debt to the City to consolidate multiple loans into one and provide for the Agency to service its entire debt totaling approximately $1.75 million. Subsequent to those actions, the Governor proposed the elimination of redevelopment and the creation of successor agencies or oversight committees that would handle the affairs of the redevelopment agencies. This would include the liquidation of Agency assets including real property. Local agencies throughout California have become deeply concerned over the resulting fiscal impacts of the Governor’s attempt to eliminate redevelopment. If approved by the legislature, new legislation could be signed as early as March 11, 2011, that would abolish redevelopment by July 1, 2011. Due to the tentative status of the draft language, it is unknown exactly what the full effect to agencies will be if the Governor is successful.

The real property assets of the Agency include three improved parking lots, two vacant lots acquired for parking and an adjacent office building that was also acquired to construct parking. A map of the six (6) Agency owned properties is attached for your reference.

In an effort to protect Agency owned properties used for public purposes for which they were intended, Staff and Agency legal counsel are recommending a two step approach; 1) that the Agency record Operation, Use and Maintenance Covenants running with the land on all Agency owned improved parking lots and vacant properties as this can be done quickly and ensure continuation as public purpose, and 2) proceed with the process to transfer property from the Agency to the City.

Based on the fact that the vitality of Downtown Porterville relies on public parking, and neither the Agency nor the City can fully anticipate what a successor agency or oversight committee might choose to do with these assets, recordation of an Operation, Use and Maintenance Covenant on each lot would ensure the ongoing use of the sites for public parking. The adopted Redevelopment Strategic Plan and Downtown Parking Management and Implementation Study identify the two vacant properties and the office building site for additional parking. In accordance with these plans, the Redevelopment Agency acquired the vacant lots and office building for future parking.
Staff anticipates bringing an item before the City Council and Agency in a joint meeting to consider the transfer of ownership of the Agency owned properties to the City. This process requires additional time and publication of a public notice prior to the action. The recordation of covenants is a measure that ensures the continued use of the property in the event legislation takes effect ahead of the agenda item to consider transfer of ownership.

RECOMMENDATION: That the Porterville Redevelopment Agency:

1. Authorize the City manager to execute all necessary documents; and
2. Authorize staff to record with the County Recorder an Operation, Use and Maintenance Covenant running with the land on all Agency owned improved parking lots and vacant properties

ATTACHMENT: 1. Operation, Use and Maintenance Covenants Running with the Land (Parking Facilities)
2. Redevelopment Owned Property Map
RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

Porterville Redevelopment Agency
291 North Main Street
Porterville, California 93257
Attention: Executive Director

This document is exempt from the payment of a recording fee pursuant to Government Code Sections 6103 and 27383.

OPERATION, USE AND MAINTENANCE COVENANTS RUNNING WITH THE LAND
(Parking Facilities)

These OPERATION, USE AND MAINTENANCE COVENANTS RUNNING WITH
THE LAND (Parking Facilities) ("Covenants") are made as of March 10, 2011 ("Date of
Covenants") by the PORTERVILLE REDEVELOPMENT AGENCY, a public body, corporate
and politic ("Agency"), with respect to that certain real property located in the City of Porterville
("City") and described in Attachment No. 1, which is attached hereto and incorporated herein by this
reference (collectively, the "Properties").

RECITALS

A. The Agency acquired the Properties for public purposes, specifically the public
purpose of providing public parking in the downtown area of the City. The Properties are located
within the boundaries of the Agency’s Porterville Redevelopment Project No. 1 ("Redevelopment
Project").

B. The Properties were previously blighted, as determined in the Redevelopment Plan
for the Redevelopment Project ("Redevelopment Plan").

C. The public parking provided at the Properties assists in the elimination of blight in
the Redevelopment Project by supporting the businesses and other land uses located in the
Redevelopment Project and by improving traffic circulation in the Redevelopment Project.

D. The Agency desires to ensure that the Properties are used and operated solely as
public parking for transient parking purposes and are maintained in a clean, safe and sanitary
condition, free of graffiti, trash and debris, throughout the entire Term hereof, in order to support,
benefit and eliminate blight within the Redevelopment Project and the City of Porterville.

NOW THEREFORE, the Agency hereby covenants, for itself and any and all successors in
interest to the Properties or any portion thereof, as follows:

1. Covenants re Use, Operation and Maintenance of Properties. Until expiration of
the Term hereof, the Properties shall be used, operated, and maintained as public parking facilities
for transient public parking only. Such parking facilities may be maintained as surface parking lots
or, if authorized by the City Council of the City ("City Council"), parking structures may be
constructed at the Properties. The City Council may establish rules and regulations relating to the
operation of the Properties, including without limitation, restrictions on hours of operation and
duration of use, reasonable charges for parking, and restrictions on loitering or public gatherings, as
the City Council approve from time to time in its reasonable discretion.

2. Maintenance and Security Covenants. The Properties and all improvements
thereon (including the landscaping and lighting required by the applicable land use approvals) shall
be maintained in compliance with the terms of these Covenants, the Redevelopment Plan and all
applicable federal, state and local laws, rules and regulations applicable to the Properties. The
operation, use, security and maintenance of the Properties shall be accomplished in accordance with
these Covenants and shall include regular landscape maintenance, graffiti removal, and trash and
debris removal.

3. Failure to Maintain Improvements. In the event the Properties are not maintained
in the manner set forth herein, the Agency and/or City shall have the right to maintain the Properties
and the improvements thereon, or to contract for the correction of such deficiencies, after written
notice to the last known assesseee of the applicable portion of the Properties, at his or her last known
address as shown on the last equalized assessment roll of Tulare County. Upon notification of any
maintenance deficiency, the owner of the applicable Properties shall have thirty (30) days within
which to correct, remedy or cure the deficiency. If the written notification states the problem is
urgent and relates to the public health and safety, then the owner of the applicable Properties shall
have forty-eight (48) hours to rectify the problem.

In the event such maintenance deficiency is not cured after notification and after the period of
correction has lapsed, then City and/or Agency shall have the right to maintain such Properties and
charge the cost of such maintenance back to the owner of the applicable Properties. Until such costs
are paid, Agency and/or City shall have a lien on the applicable Properties for the amount of such
reasonable charges or costs, which lien shall be perfected by the recordation of a “Notice of Claim of
Lien” against the applicable Properties. Upon recordation of a Notice of Claim of Lien against the
applicable Properties, such lien shall constitute a lien on the fee estate in and to the applicable
Properties prior and superior to all after-recorded monetary liens. Any lien in favor of Agency or
City created or claimed hereunder is expressly made subject and subordinate to any mortgage or deed
of trust made in good faith and for value, recorded as of the date of the recordation of the Notice of
Claim of Lien describing such lien as aforesaid, and no such lien shall in any way defeat, invalidate,
or impair the obligation or priority of any such mortgage or deed of trust, unless the mortgage or
beneficiary thereunder expressly subordinates his interest, of record, to such lien. No lien in favor of
Agency or City created or claimed hereunder shall in any way defeat, invalidate, or impair the
obligation or priority of any lease, sublease or easement unless such instrument is expressly
subordinated to such lien. Upon foreclosure of any mortgage or deed of trust made in good faith and
for value and recorded prior to the recordation of any unsatisfied Notice of Claim of Lien, the
foreclosure purchaser shall take title to the applicable Properties free of any lien imposed by Agency
or City that has accrued up to the time of the foreclosure sale, and upon taking title to the applicable
Properties, such foreclosure purchaser shall only be obligated to pay costs associated with these
Covenants accruing after the foreclosure purchaser acquires title to the applicable Properties. City
and Agency may also pursue any and all other remedies available in law or equity. The owner of the
applicable Properties against which such charges or liens are applied shall be liable for any and all
attorneys' fees, expert witness fees, and other legal costs or fees incurred in collecting said
maintenance costs.
4. **Code Enforcement.** Agency, City, and their employees and authorized agents shall have the right to conduct code compliance and/or code enforcement inspections of the Properties, both exterior and interior (if applicable), at reasonable times and upon reasonable notice to the last known assesse of the applicable Properties, at his or her last known address as shown on the last equalized assessment roll of Tulare County.

5. **Nondiscrimination.** There shall be no discrimination against or segregation of, any person or group of persons 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, sublease, transfer, use, occupancy, tenures, or enjoyment of the premises which are the subject of these Restrictive Covenants, nor shall the grantee or any person claiming under or through him or her, establish or permit any practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees, or vendees in the premises herein conveyed. The foregoing covenants shall run with the land. The foregoing covenants shall run with the land and remain in effect for perpetuity.

All deeds, leases or contracts with respect to the Properties shall contain or be subject to substantially the following nondiscrimination or nonsegregation clauses:

5.1 **In deeds:** "The grantee herein covenants by and for himself or herself, his or her heirs, executors, administrators, and assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of, any person or group of persons 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, sublease, transfer, use, occupancy, tenure, or enjoyment of the premises herein conveyed, nor shall the grantee or any person claiming under or through him or her, establish or permit any practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees, or vendees in the premises herein conveyed. The foregoing covenants shall run with the land."

5.2 **In leases:** "The lessee herein covenants by and for himself or herself, his or her heirs, executors, administrators, and assigns, and all persons claiming under or through him or her, and this lease is made and accepted upon and subject to the following conditions:

"That there shall be no discrimination against or segregation of any person or group of persons, 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 leasing, subleasing, transferring, use, occupancy, tenure, or enjoyment of the premises herein leased nor shall the lessee himself or herself, or any person claiming under or through him or her, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy, of tenants, lessees, sublessees, subtenants, or vendees in the premises herein leased."

5.3 **In contracts:** "There shall be no discrimination against or segregation of, any person or group of persons 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, sublease, transfer, use, occupancy, tenure, or enjoyment of the premises which are the subject of these Restrictive Covenants, nor shall the grantee or any person claiming under or through him or her, establish or permit any practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees, or vendees in the premises herein conveyed. The foregoing covenants shall run with the land."

6. **Effect of Restrictive Covenants.** The covenants and agreements established in these Covenants shall, without regard to technical classification and designation, run with the land and be binding on each owner of the Properties and any successor in interest to the Properties, or any part thereof, for the benefit of and in favor of the Agency, the City, and their successors and assigns, for the entire Term specified herein.

7. **Remedies.** Agency and/or City may institute legal action to cure, correct, or remedy any default hereunder, to recover damages for any default hereunder, or to obtain any other remedy consistent with the purpose of these Covenants, including actions for specific performance. Such legal actions must be instituted in the Superior Court of the County of Tulare, State of California or in the Federal District Court in the Eastern District of California. The owner of the Properties shall be liable for any and all attorneys’ fees, expert witness fees, and other legal costs or fees incurred in enforcing the terms hereof. Except as otherwise expressly stated in these Covenants, the rights and remedies of the Agency and City are cumulative and the exercise by either Agency or City of one or more of such rights or remedies shall not preclude the exercise by it, at the same or different times, of any other rights or remedies for the same default or any other default hereunder.

8. **Recordation.** These Covenants shall be recorded against the Properties in the official records of Tulare County, as authorized by Section 33336(b) of the California Health and Safety Code and the Redevelopment Plan.

9. **California Law.** These Covenants shall be construed in accordance with the laws of the State of California.

10. **Third Party Beneficiary.** The City of Porterville is an intended third party beneficiary of these Covenants, with full right (but no obligation) to enforce all terms and provisions hereof. Other than the City, no third party beneficiaries are intended, and the only parties who are entitled to enforce the provisions of these Covenants are the Agency, City, and their respective successors and assigns.

11. **Term.** The "Term" of these Covenants shall commence on the Date of Covenants and shall continue until terminated by the City Council in accordance with Section 14.

12. **No Violation of Existing Restrictions.** These Covenants are intended to be and shall be construed in a manner consistent with all existing restrictions and encumbrances that are recorded against or affect the Properties (or any portion thereof) as of the Date of Covenants ("Existing Restrictions"). To the extent any portion of these Covenants conflict with Existing Restrictions, the conflicting provision(s) shall be of no further force and effect for so long as the subject Existing Restrictions affect the applicable Properties; provided, the provisions of these Covenants shall be reinstated upon termination or expiration of the subject Existing Restrictions and
all provisions of these Covenants that do not conflict with Existing Restrictions shall continue in full force and effect.

13. **Severability.** If any provision of these Covenants or portion thereof, or the application to any person or circumstances, shall to any extent be held invalid, inoperative or unenforceable, the remainder of these Covenants, or the application of such provision or portion thereof to any other persons or circumstances, shall not be affected thereby.

14. **Modification or Termination of Covenants.** These Covenants may be modified or terminated only by a Resolution adopted by the City Council.

**IN WITNESS WHEREOF,** the Porterville Redevelopment Agency hereby restricts the use, operation and maintenance of the Properties as set forth in these Operation, Use and Maintenance Covenants Running with the Land (Parking Facilities).

**PORTERVILLE REDEVELOPMENT AGENCY,**

a public body, corporate and politic

By: ______________________________

Ronald L. Irish, Chairman

**ATTEST:**

______________________________

John Lollis, Agency Secretary
ATTACHMENT NO. 1

LEGAL DESCRIPTION OF PROPERTIES

That real property located in the State of California, County of Tulare, City of Porterville, and described as follows:

[To be inserted.]
STATE OF CALIFORNIA

COUNTY OF ________________

On ______________________, before me, ______________________, Notary Public,
personally appeared ______________________

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

________________________
Signature of Notary Public

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| Signer is representing: Name Of Person(s) Or Entity(ies) |
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LEGAL DESCRIPTION OF PROPERTIES

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[To be inserted.]
STATE OF CALIFORNIA
COUNTY OF

On , before me, , Notary Public, personally appeared

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature of Notary Public

OPTIONAL

Though the data below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent reattachment of this form.

CAPACITY CLAIMED BY SIGNER

Title(s)

DESCRIPTION OF ATTACHED DOCUMENT

Title Or Type Of Document

Number Of Pages

Date Of Documents

Signer(s) Other Than Named Above