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WORKSHOP(S)

HEARING(S)

OPENING

ROLL CALL

APPROVAL OF MINUTES

ORAL AND WRITTEN COMMUNICATION

EXECUTIVE SECRETARY'S REPORT

1. CITY ATTORNEY CLOSED SESSION:
   CONFERENCE WITH REAL PROPERTY NEGOTIATOR
   Property: 1414-1436 West Compton Boulevard
   Negotiating Parties: City Attorney's Office and Regan & Associates
   Under Negotiation: Price and Terms
   Pursuant to California Government Code Section 54956.8

2. CONFERENCE WITH AGENCY COUNSEL - PENDING LITIGATION
   Dickerson v. City of Compton, LASC Case No. BC 387992

Pursuant to California Government Code Section 54956.9(a)

UNFINISHED BUSINESS

NEW BUSINESS

3. A RESOLUTION OF THE URBAN COMMUNITY DEVELOPMENT COMMISSION, ACTING AS THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF COMPTON, AUTHORIZING ADOPTION OF THE SMART GROWTH IMPLEMENTRATION PLAN FOR THE COMPTON REDEVELOPMENT PROJECT AREA

4. A RESOLUTION OF THE URBAN COMMUNITY DEVELOPMENT COMMISSION, ACTING AS THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF COMPTON, AUTHORIZING THE EXECUTIVE SECRETARY TO WORK OUT THE TERMS AND CONDITIONS OF A LOAN AGREEMENT TO PROVIDE GAP FINANCING IN CONNECTION WITH REFINANCING PORTION OF A CONSTRUCTION LOAN FOR DEVELOPMENT OF THE GATEWAY TOWNE CENTER

AUDIENCE COMMENTS

COMMISSION COMMENTS

ADJOURNMENT

February 17, 2009

TO: **CHAIRMAN AND COMMISSIONERS**

FROM: **EXECUTIVE SECRETARY**

SUBJECT: **A RESOLUTION OF THE URBAN COMMUNITY DEVELOPMENT COMMISSION, ACTING AS THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF COMPTON, ADOPTING THE SMART GROWTH IMPLEMENTATION PLAN AS DEVELOPMENT STRATEGY FOR THE CITY OF COMPTON.**

SUMMARY

Requesting that the Commission approve the Smart Growth Implementation Plan and authorizing the Executive Secretary to take the necessary measures to initiate the Plan.

BACKGROUND

The Community Redevelopment Agency is spearheading the introduction of Smart Growth principles into community development as a blueprint to capture the City's vision of "Birthing a New Compton." Towards this objective, the Commission, in March 2008, approved a Consultant Services Agreement with ICF International, a premier land use consulting firm to assist the Agency in formulating a Smart Growth Strategy. The underlying intent is to change the fragmented development pattern in the community by integrating land use development that enhances Compton's unique competitive advantages for transit-oriented, mixed use projects, mid-size job producing light industrial developments in the city.

On October 13th through 16th (2008), ICF facilitated a planning charrette as a series of intensive and focused meetings and discussions that brought together all of the major decision makers and key personnel within the City's departments, Planning Commission, City Council as well as policy leaders across the fields of real estate to exchange best practices, identify community needs, opportunities and constraints confronting the City. In short the planning charrette created a direction on which developments policy makers should pursue to achieve the vision of the City and community. The result is a Smart Growth Implementation Plan to chart a new course of development imperatives for the City.

Key elements of the Implementation Plan include development opportunities that exploit take existing light-rail transit stops, parks within an improved development atmosphere. The following briefly summarizes the recommendations resulting from the Smart Growth Implementation document (attached):

1. **Focus on Downtown Compton**
   Though there is much to do throughout the City, it is critical to focus the initial efforts and resources on creating a vibrant and lively Downtown Compton. Investing public resources on downtown will show residents and developers that Compton is ready for

change and will encourage development throughout the City. With significant daily transit ridership passing through Compton on the Blue Line, a new streetscape and redevelopment along Compton Boulevard will become the City's primary 'advertising billboard' to present the face of the 'New Downtown Compton' to the region. The development of downtown should include the following key actions:

- Compton Boulevard Main Street Strategy
- Downtown Shopping Center Redevelopment
- Attracting Downtown Businesses
- New Multi-Family Housing
- Create a gang neutral zone in and around downtown

2. **Corridor, Zoning and Design Guidelines**

The City should create a Corridor & Streetscape Master Plan that articulates which streets are primarily through corridors versus more local circulation. Some of the corridors carry regional traffic while others are primarily local traffic, and these should be designed appropriately. Reduced number and width of lanes, added bike lanes, on-street parking and wider sidewalks should all be evaluated along the less traveled corridors. The Corridors currently are zoned commercial/retail or mixed use. The corridor land use planning should look at retail commercial nodes/centers rather than continuous commercial strips along the corridors. This will allow the newly-developed retail to be stronger and more successful while allowing additional properties to transition to residential development in the future.

The City needs to update its Policies, Land Use Mapping and Zoning Regulations to allow greater development opportunity including height, density and lower parking standards for the downtown area. A clear set of Design Guidelines should be created to promote high quality development and provide specific direction for downtown, arterial corridor, and infill developments throughout the community

3. **Brickyard as a New Neighborhood**

The Brickyard area is a unique opportunity to create a strong residential neighborhood that will broaden the housing market in Compton. Working with property owners and developers, the City should develop a Planned District overlay, essentially a master plan to emphasize the few key elements which the City thinks are critical for the site. This should include an interconnected street network which connects to the surrounding neighborhood and the existing retail center; a mix of housing types including small-lot single family, town homes, higher density multi-family, mixed-use apartments or condominiums; and a centralized public park. Development of a white paper outlining these concepts should be the first step, to lay the groundwork for future conversations with property owners.

4. **TOD Employment Center**

The Artesia Station Area is appropriate for the long-term development of a higher intensity employment center. The City should create a strong structure plan which focuses on connections and multimodal circulation to take advantage of the transit and freeway access while being a good steward, by not allowing inappropriate land uses which may inhibit future desired development. The City should work with the Crystal Palace Casino and Regional Town Center to provide full access to the Artesia Station.

The initial framework for proceeding with the Smart Growth Strategy is detailed in Section 4 of the ICF-prepared Smart Growth Implementation Plan and reflect specific strategies presented that can be undertaken by City staff and leadership, working in cooperation with Compton business people, residents, and developers. A comprehensive proposal involving additional Consultant Services Agreements to facilitate Smart Growth principles throughout the entire community would be necessary in subsequence phases of the Smart Growth project/program implementation.

RECOMMENDATION

The Agency staff recommends that the Commission adopt the attached Resolution adopting the Smart Growth Implementation Plan as a framework to transform land use development pattern in the City and authorize the Executive Secretary to proceed with respective strategies as presented.

KOFI SEFA-BOAKYE
DIRECTOR OF REDEVELOPMENT

CHARLES EVANS
EXECUTIVE SECRETARY

3

RESOLUTION NO. __________

A RESOLUTION OF THE URBAN COMMUNITY DEVELOPMENT COMMISSION, ACTING AS THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF COMPTON, ADOPTING THE SMART GROWTH IMPLEMENTRATION PLAN FOR THE CITY OF COMPTON.

WHEREAS, the Community Redevelopment Agency of the City of Compton (the "Agency") is carrying out the Redevelopment Plan for the Compton Redevelopment Project Area, as merged and amended by Ordinance No. 2,114 adopted by the City Council on November 16, 2004; and

WHEREAS, the Agency is spearheading introduction of Smart Growth principles in the community as a blueprint to capture the City's vision of "Birthing a New Compton" in the community; and

WHEREAS, in March 2008, the Commission approved a Consultant Services Agreement with ICF International, a premier land use consulting firm, to assist the City in formulating a Smart Growth Implementation Strategy as framework to change the fragmented development pattern in the community; and

WHEREAS, ICF has formulated a Smart Growth Implementation Plan that integrates land use development portfolios as a vehicle to capture developments that support transit-oriented, mixed use projects, mid-size light industrial developments and social amenities in the communities.

NOW, THEREFORE, THE URBAN COMMUNITY DEVELOPMENT COMMISSION, ACTING AS THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF COMPTON, DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. That the Urban Community Development Commission hereby adopts the Smart Growth Implementation Plan as a framework to integrate land use development in the community by promoting developments that support transit-oriented, mixed use projects and mid-size job producing light industrial developments in the context of pedestrian-friendly walking environment.

Section 2. That the Executive Secretary is hereby authorized to undertake necessary measures to ensure implementation of the Smart Growth Strategy.

Section 3. That a certified copy of this resolution shall be filed in the offices of the Executive Secretary, Legal Counsel, City Controller, Community Redevelopment Agency, and Clerk.

Section 4. That the Chairman shall sign and the Clerk shall attest to the adoption of this resolution.

ADOPTED this _____ day of ___________, 2009.

____
CHAIRMAN OF THE URBAN COMMUNITY DEVELOPMENT COMMISSION

ATTEST:

____
CLERK OF THE URBAN COMMUNITY DEVELOPMENT COMMISSION

STATE OF CALIFORNIA
COUNTY OF LOS ANGELES
CITY OF COMPTON: ss

I, Alita Godwin, Clerk of the Urban Community Development Commission of the City of Compton, hereby certify that the foregoing resolution was adopted by the Commission, signed by the Chairman, and attested by the Clerk at the regular meeting thereof held on the _____ day of __________, 2009.

That said resolution was adapted by the following vote, to wit:

AYES: **COMMISSIONERS -**
NOES: **COMMISSIONERS -**
ABSENT: **COMMISSIONERS -**
ABSTAIN: **COMMISSIONERS -**

____
CLERK OF THE URBAN COMMUNITY DEVELOPMENT COMMISSION

B

RESOLUTION SIGN-OFF FORM

DEPARTMENT: **Community Redevelopement**

RESOLUTION TITLE: **A RESOLUTION OF THE URBAN COMMUNITY DEVELOPMENT COMMISSION, ACTING AS THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF COMPTON, AUTHORISING ADOPTION OF THE SMART GROWTH IMPLEMENTRATION PLAN THE COMPTON REDEVELOPMENT PROJECT AREA**

<ManagersName>	<ManagersDate>
DEPARTMENT MANAGER'S SIGNATURE	DATE

REVIEW / APPROVAL

Ruth Rugley	**2/5/2009 3:30:30 PM**
CITY ATTORNEY	DATE
Willie Norfleet	**2/9/2009 9:58:59 AM**
CITY CONTROLLER	DATE
<CityManager>	**<CityManagerDate>**
CITY MANAGER	DATE

Use when:

Public Works:	When contracting for Engineering Services.
City Attorney:	When contracting for legal services; contracts that require City Attorney's review.
Controller/Budget Officer:	Amending Budget; appropriating and/or transferring funds; adding and/or deleting positions; any resolution having account numbers.
Asst. City Manager/OAS:	All personnel actions.

February 17, 2009

TO: **CHAIRMAN AND COMMISSIONERS**

FROM: **EXECUTIVE SECRETARY**

SUBJECT: **A RESOLUTION OF THE URBAN COMMUNITY DEVELOPMENT COMMISSION, ACTING AS THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF COMPTON, AUTHORIZING THE EXECUTIVE SECRETARY TO WORK OUT THE TERMS AND CONDITIONS OF LOAN AGREEMENT WITH PRISM-IQ PARTNERS, LLC. TO PROVIDE GAP FINANCING IN CONNECTION WITH REFINANCING A PORTION OF A CONSTRUCTION LOAN FOR DEVELOPMENT OF THE GATEWAY TOWNE CENTER LOCATED IN THE PROJECT AREA.**

SUMMARY

Authorizing the Executive Secretary to work out the terms and conditions of a Loan Agreement between Prism-IQ Partners, LLC. ("Prism-IQ") and the Community Redevelopment Agency (Agency) in connection with the refinancing of a portion of a construction loan for development of the Gateway Towne Center in the Redevelopment Project Area.

BACKGROUND

Pursuant to the terms of certain Disposition and Development Agreement (DDA) between the Community Redevelopment Agency (Agency) and Prism-IQ Partners (dated December 14, 2004), Prism-IQ is developing a multi-tenant retail center commonly known as the Gateway Towne Center at the former Compton Auto Plaza. As of this date, Prism-IQ has almost completed Phase I of the retail center and commenced negotiations with prospective tenants for the Phase II component of the development. However, in order to proceed with the Phase II component of the Gateway Towne Center project, Prism-IQ must secure permanent financing to payoff the outstanding balance on the construction loan for development of the Phase I portion of the retail development.

STATEMENT OF THE ISSUE

Over the past several months, Prism-IQ Partners have been negotiating with conventional lenders for permanent financing to payoff the outstanding balance on the construction loan. However, as a result of the unstable market conditions, the developer has not been able to secure adequate permanent financing to payoff the outstanding balance on its construction loan. Consequently Prism-IQ has submitted a proposal to the Agency requesting a loan in the amount of $6,000,000 to close the financing gap necessary to pay off the construction loan under Phase I development.

ANALYSIS

The Agency, in consultation with legal counsel, has undertaken an in-depth review of Prism-IQ's request and has determined that the allocation of requested loan to sustain the Gateway Towne Center development fulfills the redevelopment goals of alleviating and preventing blight in the community and enhances the economic revitalization gains the Agency/City has provided to community for several reasons. The Gateway Towne Center has emerged as one of the most successful Class "A" power retail centers in the South Bay area. The project's first-tier tenants including Target, Home Depot, Best Buy, Staples and Ross have become top ten retail generators in the region thereby generating retail sales and property tax revenues for the community.

FINANCING STRATEGY

Agency staff, upon the advice of legal counsel, is structuring the terms of the Loan Agreement between the Agency and Prism IQ-Partners, LLC. Five (5) year term from the initial funding and, at the option of Prism, the gap financing shall be bear an interest rate of six and one-half percent (6.5%) per annum fixed over five (5) year term and additional two (2) year extension term. Debt service will be paid monthly on an interest only basis (no amortization of principal) for the first two years of the term and thereafter debt service payments shall include interest and principal based upon a 30-year full amortization schedule for the balance of initial term and the extension term.

The gap financing will be secured by a second trust deed deeply subordinated to a first trust deed which shall be recorded against the Subject Property. The Subject Property includes (among other things) a 37,000 SF building occupied by 24 Hour Fitness pursuant to an existing lease, applicable common areas and appurtenances. Additionally, the loan shall depend on a comprehensive analysis of all back-up information including company profile, appraisals, financing commitment from the institutional lender, verification of private equity investment, and the construction budget.

Upon completion of the evaluation process, staff will present the Loan Agreement for Commission approval. Commission authorization for the Agency to work out the terms of the Loan Agreement would enable the Developer to secure permanent financing from an institutional lender.

RECOMMENDATION

Staff recommends that the Commission approve the attached resolution authorizing the Executive Secretary to work out the terms and conditions of Loan Agreement with Prism-IQ

Partners, LLC culminating in a gap financing to Prism in connection with refinancing a portion of the Gateway Towne Center in the Project Area.

KOFI SEFA-BOAKYE
DIRECTOR OF REDEVELOPMENT

CHARLES EVANS
EXECUTIVE SECRETARY

#

RESOLUTION NO. __________

A RESOLUTION OF THE URBAN COMMUNITY DEVELOPMENT COMMISSION, ACTING AS THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF COMPTON, AUTHORIZING THE EXECUTIVE SECRETARY TO WORK OUT THE TERMS AND CONDITIONS OF LOAN AGREEMENT WITH PRISM-IQ PARTNERS, LLC. TO PROVIDE GAP FINANCING IN CONNECTION WITH REFINANCING A PORTION OF A CONSTRUCTION LOAN FOR DEVELOPMENT OF THE GATEWAY TOWNE CENTER LOCATED IN THE PROJECT AREA.

WHEREAS, the Community Redevelopment Agency of the City of Compton (the "Agency") is carrying out the Redevelopment Plan for the Compton Redevelopment Project Area, as merged and amended by Ordinance No. 2,114 adopted by the City Council on November 16, 2004; and

WHEREAS, the Agency is in receipt of a request from Prism-IQ Partners, LLC for gap financing to the Redeveloper in connection with refinancing a portion of its construction loan for the Gateway Towne Center in the Redevelopment Project Area; and

WHEREAS, the Agency has determined that the request by Prism-IQ Partners, LLC. is in the best interest of the Agency and the City; and

WHEREAS, the Executive Secretary desires to negotiate with the Prism-IQ Partners, LLC the terms and conditions of a loan agreement in connection with refinancing a portion of construction loan for the Gateway Towne Center in the Redevelopment Project Area; and

WHEREAS, funds not to exceed $6,000,000.00 are available in account no. 1200-80-0000-4330.

NOW, THEREFORE, THE URBAN COMMUNITY DEVELOPMENT COMMISSION, ACTING AS THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF COMPTON, DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. That the Executive Secretary is hereby authorized to work out the terms and conditions of a Loan Agreement with Prism-IQ Partners, LLC., in connection with refinancing a portion of a construction loan for the Gateway Towne Center.

Section 2. That fund not to exceed $6,000,000 is available in account no. 1200-80-0000-4330

Section 3. That the Executive Secretary, upon the advice of Agency Counsel, is hereby authorized to work out the terms of a Loan Agreement between the Agency and Prism-IQ-Partners, LLC., and finalize the necessary agreements.

Section 4. That a certified copy of this resolution shall be filed in the offices of the Executive Secretary, City Attorney, City Controller, Community Redevelopment Agency, and Clerk.

Section 5. That the Chairman shall sign and the Clerk shall attest to the adoption of this resolution.

ADOPTED this _____ day of ___________, 2009.

____

CHAIRMAN OF THE URBAN COMMUNITY DEVELOPMENT COMMISSION

Resolution No. _______________
Page 2

ATTEST:

____
CLERK OF THE URBAN COMMUNITY
DEVELOPMENT COMMISSION

STATE OF CALIFORNIA
COUNTY OF LOS ANGELES
CITY OF COMPTON: ss

I, Alita Godwin, Clerk of the Urban Community Development Commission of the City of Compton, hereby certify that the foregoing resolution was adopted by the Commission, signed by the Chairman, and attested by the Clerk at the regular meeting thereof held on the _____ day of __________, 2009.

That said resolution was adopted by the following vote, to wit:

AYES: COMMISSIONERS -
NOES: COMMISSIONERS -
ABSENT: COMMISSIONERS -
ABSTAIN: COMMISSIONERS -

____
CLERK OF THE URBAN COMMUNITY
DEVELOPMENT COMMISSION

#4

RESOLUTION SIGN-OFF FORM

DEPARTMENT:	**Community Redevelopement**
RESOLUTION TITLE:	**A RESOLUTION OF THE URBAN COMMUNITY DEVELOPMENT COMMISSION, ACTING AS THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF COMPTON, AUTHORIZING THE EXECUTIVE SECRETARY TO WORK OUT THE TERMS AND CONDITIONS OF A LOAN AGREEMENT TO PROVIDE GAP FINANCING IN CONNECTION WITH REFINANCING PORTION OF A CONSTRUCTION LOAN FOR DEVELOPMENT OF THE GATEWAY TOWN CENTER**

Kofi Sefa-Boakye	**1/29/2009 12:21:47 PM**
DEPARTMENT MANAGER'S SIGNATURE	DATE

REVIEW / APPROVAL

<LegalName>	**<LegalDate>**
CITY ATTORNEY	DATE
<ControllerName>	**<ControllerDate>**
CITY CONTROLLER	DATE
<CityManager>	**<CityManagerDate>**
CITY MANAGER	DATE

Use when:

Public Works:	When contracting for Engineering Services.
City Attorney:	When contracting for legal services; contracts that require City Attorney's review.
Controller/Budget Officer:	Amending Budget; appropriating and/or transferring funds; adding and/or deleting positions; any resolution having account numbers.
Asst. City Manager/OAS:	All personnel actions.