

NOTICE

The Urban Community Development Commission (UCDC) was established by Ordinance August 15, 1975 to function as the governing body of the Community Redevelopment Agency. Its purpose is to aid in planning and implementing projects in the City of Compton. Pursuant to Section 54957.5 of the California Government Code, Any writings (Except for those writings which are exempt from disclosure) which are distributed to all or a majority of the members of the City Council are available for public inspection in the lobby of the City Council Chambers and in the office of the City Clerk during regular business hours.

SPECIAL URBAN COMMUNITY DEVELOPMENT COMMISSION AGENDA

**Tuesday, September 29, 2009
2:45 PM**

WORKSHOP(S)

HEARING(S)

OPENING

ROLL CALL

PUBLIC COMMENTS ON AGENDA AND NON-AGENDA ITEMS

APPROVAL OF MINUTES

UNFINISHED BUSINESS

NEW BUSINESS

1. A RESOLUTION OF THE URBAN COMMUNITY DEVELOPMENT COMMISSION ACTING AS THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF COMPTON AUTHORIZING EXECUTION OF THE TERMS OF A LOAN AGREEMENT BETWEEN THE COMMUNITY REDEVELOPMENT AGENCY AND COMPTON COMMERCIAL DEVELOPMENT RENAISSANCE PLAZA, LLC, IN CONNECTION WITH THE RENOVATION OF THE COMPTON RENAISSANCE PLAZA SHOPPING CENTER

COMMISSION COMMENTS

ADJOURNMENT

September 29, 2009

TO: CHAIRMAN AND COMMISSIONERS

FROM: EXECUTIVE SECRETARY

SUBJECT: A RESOLUTION OF THE URBANCOMMUNITY DEVELOPMENT COMMISSION ACTING AS THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF COMPTON AUTHORIZING EXECUTION OF THE TERMS OF A LOAN AGREEMENT BETWEEN THE COMMUNITY REDEVELOPMENT AGENCY AND COMPTON COMMERCIAL DEVELOPMENT RENNAISSANCE PLAZA, LLC, IN CONNECTION WITH THE RENOVATION OF THE COMPTON RENAISSANCE PLAZA SHOPPING CENTER.

SUMMARY

On July 7, 2009 pursuant to Resolution 1,762 of the Commission authorized the Community Redevelopment Agency (the "Agency") to negotiate the terms of the loan agreement with Compton Commercial Development Company (the "Developer") in connection with the renovation of the Compton Renaissance Plaza Shopping Center (the "Shopping Center") and authorized the Executive Director to negotiate the terms of the loan agreement with the Developer.

BACKGROUND

The Developer is in the midst of a major renovation of the Shopping Center, which is located in the Compton Redevelopment Project Area (the "Project Area"), including resurfacing the parking lot throughout the Shopping Center, implementing a new color scheme for the buildings in the Shopping Center, and implementing a new landscape design (the "Shopping Center Improvements"). As part of the renovation of the Shopping Center, the Developer will renovate or cause the renovation of the existing 86,489 square foot vacant building located at the northeast corner of Compton Boulevard between Alameda Street and Willowbrook Avenue formerly occupied by K-Mart, including undertaking new storefront designs, and will lease the renovated K-Mart building to the Burlington Coat Factory. The Developer has requested certain assistance from the Agency in connection with certain tenant improvements and renovation of the shopping center

STATEMENT OF THE ISSUE

In accordance with Section 33444.5 of the Health and Safety Code, the Agency may loan funds to owners or tenants for the purpose of rehabilitating commercial buildings or structures within the Project Area. In addition, pursuant to Health and Safety Code Section 33391, the Agency may acquire interests in real property, including public parking easements and facade easements.

#1.

As of this date, the Agency has consummated negotiations with the Redeveloper (owner) in connection with the loan assistance. Under the terms of the Loan Agreement, the Agency will loan the Redeveloper the sum of \$2,850,000 for the purpose of financing certain improvements to the referenced property. The Agency's loan shall be evidenced by a promissory note (the "Agency Note") and secured by a deed of trust (the "Agency D/T") encumbering the Property.

The Agency Loan shall bear interest at the rate of 3% per annum and shall be for a period of five (5) years. The principal of and all interest accruing on the Agency Loan shall be payable on the dates and in the amounts as provided in the Agency Note, and the Agency Note shall mature on October 1, 2014 (the "Maturity Date").

The Redeveloper shall pay on the \$1,425,000 portion of the loan as identified in the Agency Note. Notwithstanding anything to the contrary contained in this Agreement, the other portion of the Agency Note or the Agency D/T, \$1,425,000 of the principal amount of the Agency Note (the "Term Payment Amount") and all accrued interest thereon shall be deferred (principal and interest) and be forgiven by the Agency on the Maturity Date if no Default shall have occurred during the term of the Agency Loan.

If no default occurs, the total payments of the forgivable portion of the loan (at the end of five (5) year period) shall be \$1,638,750 (i.e., \$213,750 in interest plus \$1,425,000 of loan principal).

The anticipated community economic benefits to the City/Agency for assisting the renovation of the Renaissance Shopping Center to facilitate the location of Burlington Coat Factory Store to the site would eliminate blight in an area that has been underutilized for several years; generate sales and property tax revenues for the City/Agency and provide employment opportunities for residents.

FISCAL IMPACT

The Agency will expend \$2.850 million secured by a Deed of Trust encumbering the property.

RECOMMENDATION

Staff is requesting that the Commission adopt the attached Resolution.

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 EXECUTION OF THE TERMS OF A LOAN AGREEMENT BETWEEN THE COMMUNITY REDEVELOPMENT AGENCY AND COMPTON COMMERCIAL DEVELOPMENT RENAISSANCE PLAZA, LLC, IN CONNECTION WITH THE RENOVATION OF THE COMPTON RENAISSANCE PLAZA SHOPPING CENTER.

WHEREAS, the Community Redevelopment Agency of the City of Compton (the "Agency") is carrying out the Redevelopment Plan for the Compton Redevelopment Project Area (the "Project Area"); and

WHEREAS, Health and Safety Code Section 33444.5 provides that a redevelopment agency may loan funds to owners or tenants for the purpose of rehabilitating commercial buildings or structures within a project area; and

WHEREAS, Health and Safety Code Section 33391 provides that a redevelopment agency may purchase real property and any interests in real property; and

WHEREAS, Compton Commercial Development Renaissance Plaza, LLC (the "Developer") is in the midst of a major renovation of the Compton Renaissance Plaza Shopping Center (the "Shopping Center") which is located in the Project Area, including resurfacing the parking lot throughout the Shopping Center, implementing a new color scheme for the buildings in the Shopping Center, and implementing a new landscape design (the "Shopping Center Improvements"); and

WHEREAS, as part of this renovation of the Shopping Center the Developer will renovate or cause the renovation of the existing 86,489 square foot vacant building located at the northeast corner of Compton Boulevard between Alameda Street and Willowbrook Avenue formerly occupied by K-Mart, including undertaking new storefront designs, and will lease the renovated K-Mart building to the Burlington Coat Factory; and

WHEREAS, the Agency desires to make a loan to the Developer in an amount not to exceed \$2,850,000 million for the purpose of renovating the K-Mart building; and

WHEREAS, the Agency Loan shall bear interest at the rate of 3% per annum and shall be for a period of five (5) years. The principal of and all interest accruing on the Agency Loan shall be payable on the dates and in the amounts as provided in the Agency Note, and the Agency Note shall mature on October 1, 2014 (the "Maturity Date").

WHEREAS, the Agency assistance to the Shopping Center Improvements and renovation and lease of the K-Mart building to the Burlington Coat Factory will improve the appearance of the Shopping Center, eliminate conditions of blight in the Project Area, generate additional sales and property tax revenues, create new job opportunities and serve as a catalyst for further development and redevelopment in the Project Area, thereby substantially improving the economic and physical conditions in the Redevelopment Project Area in accordance with the purposes and goals of the Redevelopment Plan for the Project Area; and

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

RESOLUTION NO. _____

Section 1. The Commission hereby authorizes the Executive Secretary to enter into a loan agreement and other related documents with the Developer in the maximum amount of \$2,850,000 million, for the purpose of renovating the former K-Mart building located in the Shopping Center. Such loan shall be secured by a subordinated deed of trust on the Shopping Center, shall have a term of five (5) years and shall bear interest at the rate of 3% per annum. The monies to be disbursed by the Agency under the loan agreement and purchase agreement(s), described in Section 2, below, will be paid directly to Burlington Coat Factory upon the completion of the Shopping Center Improvements and the renovation of the former K-Mart building, and after (at a time to be determined) the opening of business for the Burlington Coat Factory store in the former K-Mart building.

Section 2. 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 3. 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 adopted by the following vote, to wit:

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

**CLERK OF THE URBAN COMMUNITY
DEVELOPMENT COMMISSION**

RESOLUTION SIGN-OFF FORM

DEPARTMENT: Community Redevelopment

RESOLUTION TITLE: A RESOLUTION OF THE URBAN COMMUNITY DEVELOPMENT COMMISSION ACTING AS THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF COMPTON AUTHORIZING EXECUTION OF THE TERMS OF A LOAN AGREEMENT BETWEEN THE COMMUNITY REDEVELOPMENT AGENCY AND COMPTON COMMERCIAL DEVELOPMENT RENAISSANCE PLAZA, LLC, IN CONNECTION WITH THE RENOVATION OF THE COMPTON RENAISSANCE PLAZA SHOPPING CENTER

Kofi Sefa-Boakye
DEPARTMENT MANAGER’S SIGNATURE

9/24/2009
DATE

REVIEW / APPROVAL

Craig Cornwell
CITY ATTORNEY

9/24/2009
DATE

Willie Norfleet
CITY CONTROLLER

9/24/2009
DATE

Rico Smith
CITY MANAGER

9/24/2009
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.

