

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.

URBAN COMMUNITY DEVELOPMENT COMMISSION AGENDA

**Tuesday, June 15, 2010
6:50 PM**

WORKSHOP(S)

HEARING(S)

7:15 P.M. - JOINT PUBLIC HEARING - 2010-2011 FISCAL YEAR BUDGET

OPENING

ROLL CALL

PUBLIC COMMENTS ON AGENDA AND NON-AGENDA ITEMS

APPROVAL OF MINUTES

1. May 18, 2010

UNFINISHED BUSINESS

NEW BUSINESS

2. A RESOLUTION OF THE URBAN COMMUNITY DEVELOPMENT COMMISSION ACTING AS THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF COMPTON AUTHORIZING THE EXECUTIVE SECRETARY TO ENTER INTO AN AGREEMENT WITH ECONOMIC RESOURCES CORPORATION (ERC), AS A DEVELOPER PARTNER FOR THE NEIGHBORHOOD STABILIZATION PROGRAM (NSP)
3. RESOLUTION OF THE URBAN COMMUNITY DEVELOPMENT COMMISSION, ACTING AS THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF COMPTON, AUTHORIZING THE EXECUTIVE SECRETARY TO EXECUTE A CERTIFICATE OF ACCEPTANCE FOR THE REAL PROPERTY COMMONLY KNOWN AS 1436 WEST COMPTON BOULEVARD, COMPTON, CALIFORNIA.
4. RESOLUTION OF THE URBAN COMMUNITY DEVELOPMENT COMMISSION, ACTING AS THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF COMPTON, AUTHORIZING THE EXECUTIVE SECRETARY TO ENTER INTO AN EXCLUSIVE NEGOTIATION AGREEMENT (ENA) BETWEEN THE COMMUNITY REDEVELOPMENT AGENCY AND PRISM-IQ PARTNERS LLC TO WORK OUT THE TERMS AND CONDITIONS OF A DISPOSITION AND DEVELOPMENT AGREEMENT FOR THE ACQUISITION AND DEVELOPMENT OF CERTAIN PARCEL IN THE REDEVELOPMENT PROJECT AREA AND RESCINDING RESOLUTION NO. 1,742.

COMMISSION COMMENTS

ADJOURNMENT

MAY 18, 2010

The Urban Community Development Commission meeting was called to order at 6:49 p.m. in the Council Chambers of City Hall by Chairperson Eric Perrodin.

ROLL CALL

Commissioners Present: Calhoun, Dobson, Arceneaux, Jones, Perrodin
Commissioners Absent: None

Other Officials Present: C. Cornwell, A. Godwin, C. Evans

PUBLIC COMMENTS ON AGENDA AND NON-AGENDA ITEMS

Benjamin Holifield, Compton resident, asked that the configuration of the wheelchair ramps entering the Compton Downtown Plaza on the North side be addressed. Mr. Holifield insisted that those entry ways were dangerous and unsafe for disabled pedestrians and asked that the Executive Secretary address this issue immediately through the reconstruction of those wheelchair ramps.

Lynn Boone, Compton resident, referenced the independent auditor's report within the proposed resolution to establish and appoint an administrative committee to oversee the Community Redevelopment Agency (Agency). Ms. Boone questioned why the Director and the Deputy Director of the Agency and the City Manager would be associated with this committee, citing that the deficiencies occurred under the management of these individuals. Ms. Boone went on to state that she has an issue with the projects currently being addressed and that they were not being completed, because of misappropriation of funds.

William Kemp, Compton resident, addressed the comments he made weeks ago concerning a \$20 million dollar loan to the developers of the Gateway Towne Center. Mr. Kemp stated that the Agency borrowed \$6 million dollars from the City on behalf of the Towne Center in February 2010 and subsequently the Towne Center borrowed \$29 million dollars from a lending agency. Mr. Kemp questioned who the developer's of the Towne Center would pay back first, the citizens or the loan agency. Mr. Kemp stated that the price of the goods at the Towne Center would be raised to pay back those loans and that his descendants would possibly be responsible for the repayment of those loans.

April Showers-Bolden, Compton resident, stated that she and a group of residents from the Willow Walk community attended the Agency's workshop, in regards to the tax allocation bonds. Ms. Bolden expressed her approval of the tax allocation bonds and that it is her job as the Willow Walk sales counselor to sell the community and the lifestyle of the Downtown Compton area. Ms. Bolden mentioned that 80% of the Willow Walk residents were not from the City of Compton, therefore they are relying on the birthing of a new Compton. Ms. Bolden commended the Agency for working diligently to move the City forward and further urged the Commission to pass the tax allocation bonds to improve the Downtown Compton area.

#1.

Joyce Kelly, Compton resident, commended the Director of the Agency for the arrangement of the tax allocation bond workshop, however she indicated that at the end of the workshop, she had additional questions, in regards to the information that she had received. Ms. Kelly stated that the proposed projects total up to approximately \$130 million dollars, but the bonds are being sold for \$94 million dollars. Ms. Kelly questioned the transparency and the information provided by the Agency and asked that this Body investigate the projects documented within the tax allocation bond report.

APPROVAL OF MINUTES

1. May 4, 2010

On motion by Arceneaux, seconded by Dobson, the minutes were approved, by the following vote on roll call:

AYES: Commissioners - Calhoun, Dobson, Arceneaux, Jones, Perrodin

NOES: Commissioners - None

ABSENT: Commissioners - None

UNFINISHED BUSINESS - There was no Unfinished Business.

NEW BUSINESS

2. A RESOLUTION OF THE URBAN COMMUNITY DEVELOPMENT COMMISSION ACTING AS THE COMMUNITY REDEVELOPMENT AGENCY APPROVING THE TERMS OF A LOAN AGREEMENT BETWEEN THE COMMUNITY REDEVELOPMENT AGENCY AND YAMKOCHAV INVESTMENTS, LLC. TO FACILITATE PAYMENT OF THE SUPPLEMENTAL EDUCATIONAL REVENUE AUGMENTATION FUND (SERAF) OBLIGATION TO THE STATE OF CALIFORNIA

On motion by Arceneaux, seconded by Jones, **Resolution # 1,791** entitled "**A RESOLUTION OF THE URBAN COMMUNITY DEVELOPMENT COMMISSION ACTING AS THE COMMUNITY REDEVELOPMENT AGENCY APPROVING THE TERMS OF A LOAN AGREEMENT BETWEEN THE COMMUNITY REDEVELOPMENT AGENCY AND YAMKOCHAV INVESTMENTS, LLC. TO FACILITATE PAYMENT OF THE SUPPLEMENTAL EDUCATIONAL REVENUE AUGMENTATION FUND (SERAF) OBLIGATION TO THE STATE OF CALIFORNIA**" was approved, by the following vote on roll call:

AYES: Commissioners - Calhoun, Dobson, Arceneaux, Jones, Perrodin

NOES: Commissioners - None

ABSENT: Commissioners - None

6. A RESOLUTION OF THE URBAN COMMUNITY DEVELOPMENT COMMISSION, ACTING AS THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF COMPTON, AUTHORIZING THE EXECUTIVE SECRETARY TO ENTER INTO AN AGREEMENT AND ISSUE A PURCHASE ORDER TO MUNICIPAL RESOURCES CENTER FOR THE PREPARATION AND PROCESSING OF THE CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) COMPLIANCE DOCUMENTS FOR THE PROPOSED COMMUNITY CENTER, SENIOR ACTIVITY CENTER AND PARKING STRUCTURE LOCATED IN THE NORTH DOWNTOWN AREA

On motion by Dobson, seconded by Arceneaux, **Resolution # 1,792** entitled "**A RESOLUTION OF THE URBAN COMMUNITY DEVELOPMENT COMMISSION, ACTING AS THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF COMPTON, AUTHORIZING THE EXECUTIVE SECRETARY TO ENTER INTO AN AGREEMENT AND ISSUE A PURCHASE ORDER TO MUNICIPAL RESOURCES CENTER FOR THE PREPARATION AND PROCESSING OF THE CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) COMPLIANCE DOCUMENTS FOR THE PROPOSED COMMUNITY CENTER, SENIOR ACTIVITY CENTER AND PARKING STRUCTURE LOCATED IN THE NORTH DOWNTOWN AREA**" was approved, by the following vote on roll call:

AYES: Commissioners - Calhoun, Dobson, Arceneaux, Jones, Perrodin

NOES: Commissioners - None

ABSENT: Commissioners - None

7. A RESOLUTION OF THE URBAN COMMUNITY DEVELOPMENT COMMISSION, ACTING AS THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF COMPTON, AUTHORIZING THE EXECUTIVE SECRETARY TO ENTER INTO AN AGREEMENT AND ISSUE A PURCHASE ORDER TO HBJ ASSOCIATES FOR ENFORCEMENT OF DAVIS BACON LABOR STANDARDS COMPLIANCE LAWS AND MONITORING OF FEDERAL AND STATE FUNDED AGENCY PROJECTS IN THE CITY OF COMPTON

On motion by Arceneaux, seconded by Jones, **Resolution # 1,793** entitled "**A RESOLUTION OF THE URBAN COMMUNITY DEVELOPMENT COMMISSION, ACTING AS THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF COMPTON, AUTHORIZING THE EXECUTIVE SECRETARY TO ENTER INTO AN AGREEMENT AND ISSUE A PURCHASE ORDER TO HBJ ASSOCIATES FOR ENFORCEMENT OF DAVIS BACON LABOR STANDARDS COMPLIANCE LAWS AND MONITORING OF FEDERAL AND STATE FUNDED AGENCY PROJECTS IN THE CITY OF COMPTON**" was approved, by the following vote on roll call:

AYES: Commissioners - Calhoun, Dobson, Arceneaux, Jones, Perrodin

NOES: Commissioners - None

ABSENT: Commissioners - None

#1.

8. A RESOLUTION OF THE URBAN COMMUNITY DEVELOPMENT COMMISSION ACTING AS THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF COMPTON AUTHORIZING THE EXECUTIVE SECRETARY TO ISSUE A PURCHASE ORDER TO DMD APPRAISALS, INC. TO PROVIDE APPRAISAL SERVICES FOR THE COMMUNITY REDEVELOPMENT AGENCY (**Removed, a duplicate of Item 11**)
9. A RESOLUTION OF THE URBAN COMMUNITY DEVELOPMENT COMMISSION ACTING AS THE COMMUNITY REDEVELOPMENT AGENCY, AUTHORIZING THE EXECUTIVE SECRETARY TO ENTER INTO AN AGREEMENT WITH CIBA REAL ESTATE TO IMPLEMENT AN OUTREACH AND MARKETING CAMPAIGN FOR THE 2010 RECON (ICSC) CONVENTION, UPCOMING CONVENTIONS AND NEGOTIATIONS FOR AGENCY-OWNED SITES

On motion by Arceneaux, seconded by Jones, **Resolution #1,794** entitled "**A RESOLUTION OF THE URBAN COMMUNITY DEVELOPMENT COMMISSION ACTING AS THE COMMUNITY REDEVELOPMENT AGENCY, AUTHORIZING THE EXECUTIVE SECRETARY TO ENTER INTO AN AGREEMENT WITH CIBA REAL ESTATE TO IMPLEMENT AN OUTREACH AND MARKETING CAMPAIGN FOR THE 2010 RECON (ICSC) CONVENTION, UPCOMING CONVENTIONS AND NEGOTIATIONS FOR AGENCY-OWNED SITES**" was approved, by the following vote on roll call:

AYES: Commissioners - Calhoun, Dobson, Arceneaux, Jones, Perrodin

NOES: Commissioners - None

ABSENT: Commissioners - None

10. A RESOLUTION OF THE URBAN COMMUNITY DEVELOPMENT COMMISSION, ACTING AS THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF COMPTON, AUTHORIZING THE EXECUTIVE SECRETARY TO ENTER INTO AN AGREEMENT AND ISSUE A PURCHASE ORDER TO MEDIA PORTFOLIO FOR THE DESIGN, DEVELOPMENT AND PRODUCTION OF AN INTERACTIVE VIDEO AND DESIGN OF MARKETING MATERIALS FOR AGENCY PROJECTS AND PROGRAMS

On motion by Arceneaux, seconded by Jones, **Resolution # 1,795** entitled "**A RESOLUTION OF THE URBAN COMMUNITY DEVELOPMENT COMMISSION, ACTING AS THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF COMPTON, AUTHORIZING THE EXECUTIVE SECRETARY TO ENTER INTO AN AGREEMENT AND ISSUE A PURCHASE ORDER TO MEDIA PORTFOLIO FOR THE DESIGN, DEVELOPMENT AND PRODUCTION OF AN INTERACTIVE VIDEO AND DESIGN OF MARKETING MATERIALS FOR AGENCY PROJECTS AND PROGRAMS**" was approved, by the following vote on roll call:

AYES: Commissioners - Calhoun, Dobson, Arceneaux, Jones, Perrodin

NOES: Commissioners - None

ABSENT: Commissioners - None

11. A RESOLUTION OF THE URBAN COMMUNITY DEVELOPMENT COMMISSION ACTING AS THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF COMPTON AUTHORIZING RESOLUTION NO. 1,769 TO BE RESCINDED AND AUTHORIZING THE EXECUTIVE SECRETARY TO ENTER INTO 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

On motion by Arceneaux, seconded by Jones, **Resolution # 1,796** entitled "**A RESOLUTION OF THE URBAN COMMUNITY DEVELOPMENT COMMISSION ACTING AS THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF COMPTON AUTHORIZING RESOLUTION NO. 1,769 TO BE RESCINDED AND AUTHORIZING THE EXECUTIVE SECRETARY TO ENTER INTO 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**" was approved, by the following vote on roll call:

AYES: Commissioners - Calhoun, Dobson, Arceneaux, Jones, Perrodin

NOES: Commissioners - None

ABSENT: Commissioners - None

12. A RESOLUTION OF THE URBAN COMMUNITY DEVELOPMENT COMMISSION ACTING AS THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF COMPTON AUTHORIZING RESOLUTION NO. 1,769 TO BE RESCINDED AND AUTHORIZING THE EXECUTIVE SECRETARY TO ENTER INTO 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

On motion by Arceneaux, seconded by Jones, **Resolution # 1,797** entitled "**A RESOLUTION OF THE URBAN COMMUNITY DEVELOPMENT COMMISSION ACTING AS THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF COMPTON AUTHORIZING RESOLUTION NO. 1,769 TO BE RESCINDED AND AUTHORIZING THE EXECUTIVE SECRETARY TO ENTER INTO 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**" was approved, by the following vote on roll call:

AYES: Commissioners - Calhoun, Dobson, Arceneaux, Jones, Perrodin

NOES: Commissioners - None

ABSENT: Commissioners - None

#1.

**MEETING RECESSED TO
THE CITY COUNCIL MEETING**

On motion by Arceneaux, seconded by Jones, the meeting was recessed at 7:12 p.m., by the following vote on roll call:

AYES: Commissioners - Calhoun, Dobson, Arceneaux, Jones, Perrodin

NOES: Commissioners - None

ABSENT: Commissioners - None

**MEETING RECONVENED
TO OPEN THE PUBLIC HEARING**

On motion by Arceneaux, seconded by Dobson, the meeting was reconvened at 8:07 p.m., by the following vote on roll call:

AYES: Commissioners - Calhoun, Dobson, Arceneaux, Jones, Perrodin

NOES: Commissioners - None

ABSENT: Commissioners - None

**7:20 P.M. - JOINT PUBLIC HEARING - AUTHORIZING THE SALE, ISSUANCE AND
DELIVERY BY THE COMMUNITY REDEVELOPMENT AGENCY OF THE
COMPTON PROJECT AREA AND MAKING CERTAIN FINDINGS PURSUANT TO
CALIFORNIA HEALTH AND SAFETY CODE SECTION 33445 (Item #9)**

On motion by Calhoun, seconded by Arceneaux, the joint public hearing was opened at 8:07 p.m., by the following vote on roll call:

**AYES: Commissioners/Council Members - Calhoun, Dobson, Arceneaux, Jones,
Perrodin**

NOES: Commissioners/Council Members - None

ABSENT: Commissioners/Council Members - None

Kofi Sefa'boayke, Director of the Community Redevelopment Agency (Agency), announced that this hearing was being held to present the Commission/City Council and the citizens of Compton with the Agency's request to authorize the sale, issuance and delivery of tax allocation bonds. Mr. Sefa'boayke stated that the Agency's Five-Year Plan approved by the Commission/City Council in January 2010 contemplates that the Agency would issue bonds from time to time to finance or refinance a portion of the costs of the project redevelopment areas and to commence redevelopment activities and projects located within the Compton redevelopment project areas.

Mr. Sefa'boayke explained that tax allocation bonds are issued and sold by the Agencies to generate funds to continue redevelopment activities. Mr. Sefa'boayke noted that general obligation bonds are different, because they require a vote from the citizens. Mr. Sefa'boayke stated that under the advisement of experts, underwriters, attorneys, consultants and fiscal analysts, the Agency qualified to utilize the redevelopment project area's tax base to raise approximately 93 million dollars to fund the following programs and projects listed within the Five Year Implementation Plan:

Financial Assistance Programs

First Time Homebuyers Assistance Program

Infrastructure Improvements for Four Major Street Corridors

Willowbrook Streetscape

Alameda Corridor

Compton Boulevard Streetscape

Greenleaf Streetscape

Building Development Projects with Regional Impact

North Downtown Master Plan

Martin Luther King Jr. Transit Center will include a 10,000 square-foot building for regional traffic management and operations and the Renaissance Bus Transit System and numerous community transit services.

Five Level Transit Parking Structure

20,000 Square Foot Senior Activity Center

Community Center to host community events and programs

Jackie Robinson Sports & Learning Complex

Performing Arts Center

Single & Multi-Family Housing

Staff is respectfully requesting that the Commission/City Council authorize the sale, issuance and delivery of Agency appropriated tax allocation bonds to fulfill its obligations to the citizens of Compton.

AUDIENCE COMMENTS ON THE HEARING

Lynn Boone, Compton resident, questioned the City's decision to amend the original projects and their costs initially listed within the environmental study. Ms. Boone also requested the advantages and the disadvantages of voting on this issue tonight.

#1.

Mr. Sefa'boayke stated that there were several projects listed within the idea implementation plan, however only certain projects were selected for funding, which is primary. Mr. Sefa'boayke stated that this is a process and that the projects are not funded immediately. Mr. Sefa'boayke explained that the Agency cooperates with rated agencies to obtain funding, therefore the City's ability to fund those projects are determined by the investors. Mr. Sefa'boayke mentioned that the existing project list may be altered or increased, at the will of the investors. Mr. Sefa'boayke affirmed that it is crucial for this issue to be voted on tonight, because the current bond market is volatile and significant to how much the City will owe.

David Iron, Compton resident, spoke in opposition to the renovation of Jackie Robinson Stadium. Mr. Iron explained that a petition was circulated and accepted to make the stadium a historical landmark in 2003, therefore he asked that the City leave it alone.

Ms. Young, Compton resident, commended the Commission/City Council for the work that they are doing for the citizens of Compton.

William Kemp, Compton resident, requested the borrowing interest rate of the bonds and how long it would be before the citizen's see a return. Mr. Kemp also questioned if this Body would put a cap on the amount of money being funneled into the Agency, in the event that this plan does not work. Mr. Sefa'boayke indicated that the borrowing interest rate is 6.3% and noted that there are caveats associated with this venture that protect the City.

Joyce Kelly, Compton resident, expressed a concern for the tax allocation bonds not being enough to fund the extensive list of projects. Mr. Sefa'boayke stated that there are other funding sources available that would help to supplement any shortfalls.

Benjamin Holifield, Compton resident, suggested that the proposed Performing Arts Center be reconsidered, citing that no one would be interested in that type of development. Mr. Holifield suggested that a Sports Hall of Fame Museum be instituted in its place and that a Performing Arts Center in the City of Compton was not realistic.

Marjorie Shipp, Compton resident, expressed her support for the development of a Performing Arts Center in the City of Compton.

Julie Ramos, Compton resident, asked that the Commission/City Council consider the development of a movie theatre in the City of Compton.

Mayor Perrodin informed Ms. Ramos that the City has tried on numerous occasions to influence business developers to bring a movie theatre to the City of Compton. Mayor Perrodin stated that they have expressed that this type of development is not economically feasible in the City of Compton at this time.

Antoine C., Compton resident and Deacon at Faith Inspirational church, spoke in favor of a Performing Arts Center in the City of Compton. Mr. C. stated that a development of this stature would allow the youth the opportunity to express themselves in a positive manner in their own City.

On motion by Arceneaux, seconded by Dobson, the joint public hearing was closed at 8:50 p.m., by the following vote on roll call:

AYES: Council Members/Commissioners - Calhoun, Dobson, Arceneaux, Jones, Perrodin

NOES: Council Members/Commissioners - None

ABSENT: Council Members/Commissioners - None

COMMISSION/COUNCIL COMMENTS ON THE HEARING

Commissioner/Councilperson Arceneaux stated that she is excited about the development of the proposed projects and that a Performing Arts Center in the City of Compton would enhance the education of the youth and adults in the area of arts.

Commissioner/Councilperson Calhoun stated that she understands that the citizens might be fearful of the proposed developments not being completed or being postponed. Ms. Calhoun stated that she is in full support of this venture and forward-thinking vision for the City of Compton.

Commissioner/Councilperson Dobson expressed her full support for the implementation of the proposed developments. Ms. Dobson commended everyone involved in moving the City forward.

Commissioner/Councilperson Jones stated that he had the opportunity to travel to Indian Wells to a Contract Cities Conference titled "Going from Woe to Dough." Mr. Jones indicated that he was very pleased to find out that the City of Compton is doing better than many other cities and that this is the best time to begin development during the economic downturn. Mr. Jones mentioned that many other cities are not able to execute this type of agreements, therefore the City of Compton is in a choice position right now.

Chairperson/Mayor Perrodin commented on the City of Carson's proposed shopping center and that the City of Compton wants to complete their construction before Carson does, because some of the retailers have already informally indicated that they would only be launching one store in this community.

Chairperson/Mayor Perrodin requested the City's current bond rating. Mr. Sefa'boayke stated that the City's Bond rating is currently an A-, which is higher than the State of California and the City of Los Angeles.

#1.

Chairperson/Mayor Perrodin requested the debt service on 103 million dollars of tax allocation bonds. Mr. Sefa'boayke stated that the debt service is approximately six million dollars.

Chairperson/Mayor Perrodin requested the amount of interest accrued once the bonds are paid off. Mr. Sefa'boayke stated that approximately 100 million dollars of interest would have accrued over a two-year period.

Chairperson/Mayor Perrodin asked how the citizens of Compton would be protected, in the event there is not enough tax increments collected. Mr. Sefa'boayke affirmed that the residents would not be burdened, because revenue is continuously being generated on this site, as well as in the redevelopment areas. Mr. Sefa'boayke mentioned that the market value of the businesses located within the Walnut Industrial Park are worth approximately two billion dollars, therefore the Agency has the ability to continuous mortgage itself. Mr. Sefa'boayke mentioned that there are provisions contained within the agreement that prohibit the residents from being impacted. Chairperson/Mayor Perrodin questioned if the general fund would be impacted, in the event there are not enough tax increments collected. Mr. Sefa'boayke affirmed that the general fund would not be affected and that other funding sources from the federal government, such as American Recovery Act funding and industrial development grants may be considered. Mr. Sefa'boayke cited that these funding sources would not affect the residents.

Chairperson/Mayor Perrodin requested the date that debt service begins. Mr. Sefa'boayke stated that the first payment is due in February 2011.

Chairperson/Mayor Perrodin questioned where the money would come from to make the debt service payments. Mr. Sefa'boayke indicated that the Agency would expend the tax increments from the existing redevelopment project areas to make the payments.

Chairperson/Mayor Perrodin questioned if the Agency had enough funds to make the payments for three years. Mr. Sefa'boayke replied affirmatively.

Chairperson/Mayor Perrodin requested the total cost of the monthly payments.

Diana Chong, Richards, Watson and Gershon, LLC., explained that any increase or growth in the assessed value of the property, above the base year of the year that it was established, gets allocated to the Agency to be used to eliminate blight or fund projects that cause assessed values to grow.

Darrell Street, Feldman Rollap & Associates, LLC., stated that the debt service on the bonds are structured in a way that the revenues significantly exceed the debt service, which results in a certain amount of debt service coverage built in, therefore if revenues were to decrease from the zero percent growth scenario there is still quite a bit of cushion built-in.

Chairperson/Mayor Perrodin requested the percentage of debt service coverage. Mr. Street stated that the minimum debt service coverage is one and half times the amount of the bonds.

Jerry Liang, Grigsby & Associates, LLC., stated that in the year 2011, the debt service including the senior bonds and the proposed second lien bonds will total 15 million dollars with a ten million dollar cushion.

Chairperson/Mayor Perrodin asked the bond counsel if the citizens of Compton would be liable for these bonds.

Larry Arceneaux, Cats Hollis, read the offering document of the bonds that state that the Agency is responsible for the bonds, not the City of Compton or the State of California, or any of its political sub-divisions.

Chairperson/Mayor Perrodin requested the total dollar amount of the bonds to be sold. Ms. Chong stated that the bond total is not to exceed 103 million dollars with interest.

Chairperson/Mayor Perrodin questioned if the interest on the bonds could be collected and expended for additional project developments, in the event the bonds funds are drawing interest in a United States bank for a year.

Mr. Arceneaux stated that a large percentage of the bonds are tax-exempt and cannot be spent or reinvested at a yield higher than the yield on the interest rate of the bonds. Mr. Arceneaux stated that any excess earnings received would have to be deposited into a rebate account for the federal government. Mr. Arceneaux mentioned that the federal government has restrictions on the yield of investment funds and the amount of time that the funds can sit idle before they're actually applied to the project.

Ms. Chong stated that the bond holders could be taxed if the Agency deliberately sat on the funds. Ms. Chong stated that the investors who bought the bonds would have to pay an income tax on their interest earnings and consequently sue the Agency. Ms. Chong mentioned that the Internal Revenues Service could extract a very severe cash penalty from the Agency, as well. Ms. Chong suggested that the Agency not take any deliberate actions that would stall the construction of the projects intended to be funded by the bonds.

Chairperson/Mayor Perrodin questioned if the funds could be utilized to pay for a fire station, if by any unforeseen circumstances or fault by the City that the funds are not spent in the allotted time. Mr. Arceneaux suggested that tax increments be spent on the fire station, in the event that, that happens.

Commissioner/Councilperson Arceneaux questioned if the bonds could be refinanced. Mr. Street replied affirmatively.

Commissioner/Councilperson Dobson questioned if the City would be penalized for paying off the bonds early. Ms. Chong stated that there are no penalties for early pay-off at this time.

Chairperson/Mayor Perrodin asked if individual investors could partake in this investment opportunity. Mr. Liang indicated that the bonds could be purchased at the initial offering price.

#1.

Chairperson/Mayor Perrodin stated that the citizens might be interested in purchasing these bonds, therefore he asked that the bond counsel supply the City with the bond purchase information, prior to the release of the bonds going out for sale.

3. A RESOLUTION OF THE URBAN COMMUNITY DEVELOPMENT COMMISSION ACTING AS THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF COMPTON PROVIDING GUIDELINES FOR ONGOING ADMINISTRATIVE, ACCOUNTING, MONITORING, AND REPORTING REQUIREMENTS OF THE AGENCY, AND ESTABLISHING AND APPOINTING AN ADMINISTRATIVE COMMITTEE IN CONNECTION WITH SUCH ACTIVITIES

On motion by Arceneaux, seconded by Dobson, **Resolution # 1,798** entitled "**A RESOLUTION OF THE URBAN COMMUNITY DEVELOPMENT COMMISSION ACTING AS THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF COMPTON PROVIDING GUIDELINES FOR ONGOING ADMINISTRATIVE, ACCOUNTING, MONITORING, AND REPORTING REQUIREMENTS OF THE AGENCY, AND ESTABLISHING AND APPOINTING AN ADMINISTRATIVE COMMITTEE IN CONNECTION WITH SUCH ACTIVITIES**" was approved, by the following vote on roll call:

AYES: Commissioners - Calhoun, Dobson, Arceneaux, Jones, Perrodin

NOES: Commissioners - None

ABSENT: Commissioners - None

4. A RESOLUTION OF THE URBAN COMMUNITY DEVELOPMENT COMMISSION ACTING AS THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF COMPTON MAKING A FINDING OF FISCAL RESPONSIBILITY, APPROVING A PLAN FOR FULL REPAYMENT OF DEFERRED TAX SHARING AMOUNTS UNDER A 1992 AGREEMENT OF COOPERATION WITH THE COUNTY OF LOS ANGELES, AND AUTHORIZING CERTAIN OTHER MATTERS RELATING THERETO

Chairperson Perrodin requested clarification, in regards to Section 3 sub-section 3 of this resolution concerning the approval of Adjusted Basic Deferred Repayment Options.

Mr. Sefa'boayke, explained that this section of the resolution relates to the City's repayment obligations to the County of Los Angeles. Mr. Sefa'boayke stated that this is a cooperation agreement with the County of Los Angeles to allow the Agency to further defer their monetary obligations, however a new payment plan has to be negotiated to include the new debt.

On motion by Arceneaux, seconded by Jones, **Resolution # 1,799** entitled "**A RESOLUTION OF THE URBAN COMMUNITY DEVELOPMENT COMMISSION ACTING AS THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF COMPTON MAKING A FINDING OF FISCAL RESPONSIBILITY, APPROVING A PLAN FOR FULL REPAYMENT OF DEFERRED TAX SHARING AMOUNTS UNDER A 1992 AGREEMENT OF COOPERATION WITH THE COUNTY OF LOS ANGELES, AND AUTHORIZING CERTAIN OTHER MATTERS RELATING THERETO**" was approved, by the following vote on roll call:

AYES: Commissioners - Calhoun, Dobson, Arceneaux, Jones, Perrodin

NOES: Commissioners - None

ABSENT: Commissioners - None

5. A RESOLUTION OF THE URBAN COMMUNITY DEVELOPMENT COMMISSION ACTING AS THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF COMPTON AUTHORIZING THE SALE, ISSUANCE AND DELIVERY BY THE AGENCY OF TAX ALLOCATION BONDS, AUTHORIZING THE EXECUTION AND DELIVERY OF CERTAIN DOCUMENTS IN CONNECTION WITH SUCH BONDS, MAKING FINDINGS PURSUANT TO CALIFORNIA HEALTH AND SAFETY CODE SECTION 33445 WITH RESPECT THERETO, AND AUTHORIZING CERTAIN OTHER MATTERS RELATING THERETO

On motion by Arceneaux, seconded by Jones, **Resolution # 1,800** entitled "**A RESOLUTION OF THE URBAN COMMUNITY DEVELOPMENT COMMISSION ACTING AS THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF COMPTON AUTHORIZING THE SALE, ISSUANCE AND DELIVERY BY THE AGENCY OF TAX ALLOCATION BONDS, AUTHORIZING THE EXECUTION AND DELIVERY OF CERTAIN DOCUMENTS IN CONNECTION WITH SUCH BONDS, MAKING FINDINGS PURSUANT TO CALIFORNIA HEALTH AND SAFETY CODE SECTION 33445 WITH RESPECT THERETO, AND AUTHORIZING CERTAIN OTHER MATTERS RELATING THERETO**" was approved, by the following vote on roll call:

AYES: Commissioners - Calhoun, Dobson, Arceneaux, Jones, Perrodin

NOES: Commissioners - None

ABSENT: Commissioners - None

COMMISSION COMMENTS - There were no Commission Comments.

#1.

ADJOURNMENT

On motion by Arceneaux, seconded by Dobson, the meeting was adjourned at 10:04 p.m., by the following vote on roll call:

AYES: Commissioners - Calhoun, Dobson, Arceneaux, Jones, Perrodin

NOES: Commissioners - None

ABSENT: Commissioners - None

Clerk of the Urban Community Development Commission

Chairman of the Urban Community Development Commission

June 8, 2010

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 ENTER INTO AN AGREEMENT WITH ECONOMIC RESOURCES CORPORATION (ERC), AS A DEVELOPER PARTNER FOR THE NEIGHBORHOOD STABILIZATION PROGRAM (NSP)

SUMMARY

Staff is requesting the approval of an agreement between the Community Redevelopment Agency of the City of Compton (Agency) and Economic Resources Corporation (ERC), as a part of U. S. Department of Housing and Urban Development's (HUD) Neighborhood Stabilization Program (NSP).

BACKGROUND

On December 9, 2009, the City Council approved a resolution amending the 2005-2010 Consolidated Plans and the 2008-2009 Action Plan to receive NSP funding from HUD. NSP authorized under Title III of the Housing and Economic Recovery Act of 2008 (HERA). The City of Compton's NSP allocation is \$3,242,817.

The purpose of the NSP program is to address the negative community effects of abandoned and foreclosed properties in the city. Consistent with this purpose, the Agency is implementing two key activities: (1) the acquisition, rehabilitation and resale of single family homes to eligible households; and, (2) the acquisition and rehabilitation of rental properties to provide affordable housing to households earning less than 50% of the Area Median Income. These activities are referenced in the Agency NSP program guidelines as the Acquisition, Rehabilitation, Rental and Resale Program (ARRR Program).

STATEMENT OF THE ISSUE

The NSP guidelines include provisions that recommend that the Agency enter into agreements with experienced for-profit and/or non-profit housing development organizations as partners ("Developer Partners") to support implementation of the program.

#2.

On March 11, 2010, the Agency released a Request for Qualifications (RFQ) to solicit proposals from qualified companies and non-profit agencies with extensive experience in real estate rehabilitation, management and estate financing. Although HUD does not mandate that the NSP program include a specific employment requirement, the RFQ emphasizes importance of recruiting and utilizing local residents and vendors. In addition, agency staff has requested that potential Developer Partners outreach to organizations that work with ex-offenders. As part of the RFQ all potential Development Partners are required to indicate how they will work with the various employment resources in the city.

The Agency has reviewed the ERC's proposal, and determined that it meets the requirements for pre-qualification.

RECOMMENDATION:

Staff respectfully recommends that the Commission authorize the Executive Secretary to enter into an Agreement with ERC as a Developer Partner for the Neighborhood Stabilization Program (NSP).

DR. 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 ENTER INTO AN AGREEMENT WITH ECONOMIC RESOURCES CORPORATION (ERC) AS A DEVELOPER PARTNER FOR THE NEIGHBORHOOD STABILIZATION PROGRAM (NSP)

WHEREAS, the City of Compton (City) has received an allocation of \$3,242,281 from the U.S. Department of Housing and Urban Development (HUD) under the Neighborhood Stabilization Program (NSP) to stabilize neighborhoods negatively impacted by foreclosed and abandoned properties; and

WHEREAS, NSP funding is to be utilized to acquire and redevelop foreclosed properties within the City that might become sources of abandonment and blight; and

WHEREAS, NSP funding can be used to purchase, demolish, rehabilitate, and/or reconstruct foreclosed properties meeting NSP criteria, and

WHEREAS, the NSP guidelines include provisions that recommend that the Agency enter into agreements with experienced for-profit and/or non-profit housing development organizations as partners (“Developer Partners”) to enhance the efforts of the Agency to implement the NSP program; and

WHEREAS, on March 11, 2010, the Agency released a Request for Qualifications (RFQ) to solicit proposals from qualified companies and non-profit agencies with extensive experience in real estate rehabilitation, management and estate financing. Although HUD does not mandate a specific employment requirement within the NSP program, the Agency’s RFQ emphasizes importance of recruiting and utilizing local residents and vendors. In addition, agency staff has requested that potential Developer Partners outreach to organizations that work with ex offenders; and

WHEREAS, the Agency has reviewed the proposal of Economic Resources Corporation (ERC) and determined that it meets the requirements for pre-qualification.

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

Section 1. The Executive Secretary is authorized to enter into an agreement with ERC Industries, Inc., to provide for the purchase, demolition, rehabilitation and reconstruction of foreclosed properties under the Neighborhood Stabilization Program (NSP) within the City of Compton.

Section 2. That the Chairman shall sign and the Clerk shall attest to the adoption of this resolution.

ADOPTED this _____ day of _____ 2010.

CHAIRMAN OF THE URBAN COMMUNITY DEVELOPMENT COMMISSION

RESOLUTION NO. _____
PAGE TWO

ATTEST:

CLERK OF THE URBAN COMMUNITY
DEVELOPMENT COMMISSION

STATE OF CALIFORNIA
CITY OF LOS ANGELES
CITY OF COMPTON

I, Alita Godwin, Clerk of the Urban Community Development Commission of the City of Compton, hereby certify that the forgoing resolution was adopted by the Commission, signed by the Chairman, and attested by the Clerk at a regular meeting thereof held on the ____ day of _____ 2010.

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



MAY 27 PM05:07

**CITY OF COMPTON COMMUNITY REDEVELOPMENT AGENCY
RFQ FOR NSP ARRR PROGRAM**

May 20, 2010

- I.**
 - A. COVER LETTER
 - B. STATEMENT OF QUALIFICATIONS
 - C. DESCRIPTION OF ORGANIZATIONAL CAPACITY & ORGANIZATION CHART
 - D. RESUMES OF KEY PERSONNEL
 - E. ANY PRIOR EXPERIENCE WITH THE CITY OF COMPTON
(Services or Administering Programs)

- II.**
 - A. REAL ESTATE
 - B. REHABILITATION/CONSTRUCTION
 - C. PROPERTY MANAGEMENT
 - D. FINANCING
 - E. WORKING WITH GOVERNMENT
 - F. BUSINESS EXPERIENCE
 - G. APPROACH AND MANAGEMENT PLAN

- III.** APPENDIX

#2.

A.

COVER LETTER

ECONOMIC
Resources Corporation



May 20, 2010

Community Redevelopment Agency
City of Compton
205 South Willowbrook Avenue
Compton, CA 90220
Attention: Michael Antwine, Deputy Director

Dear Mr. Antwine:

Economic Resources Corporation (ERC), a California 501 (c) (3) non-profit economic development corporation, is submitting the enclosed proposal in response to the Request For Qualifications (RFQ) for the Neighborhood Stabilization Program (NSP) Acquisition Rehabilitation Rental Resale (ARRR) program.

ERC's non-profit mission is anchored by two primary activities, job creation and neighborhood revitalization. While ERC is not primarily a housing organization, we have developed residential housing in the past and have forty-two years of industrial and commercial real estate experience and believe that we have skills and experiences that are applicable to the goals of the (NSP).

It is ERC's belief that the lingering effects of the credit and foreclosure crisis are creating significant obstacles to an economic recovery. Consequently, as owners and operators of property in Compton we have decided to explore ways to use our experience and skills in our service area to do what we can to assist in re-positioning local housing stock and maintaining the quality of local neighborhoods.

Since our interest is mission driven, we are flexible regarding our role in the program which could be financial, rehabilitation/renovation, or property management.

#2.

To: Community Redevelopment Agency
Re: RFQ for (NSP), (ARRR)
May 20, 2010
Page 2

If we are successful and our application is accepted, ERC will utilize a team approach to ensure that the appropriate skills and experiences are available to the effort. Contact information for ERC are as follows.

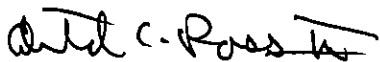
ECONOMIC RESOURCES CORPORATION
2600 Industry Way
Lynwood, CA 90262
(310) 537-4610
Dutch C. Ross III, President
dutch.ross@economicresources.org

The primary contact person for this effort is:

Nancy Ikegami, Controller
nancy.ikegami@economicresources.org

Please feel free to contact either of the above if you should have any questions regarding this submission.

Sincerely,



Dutch C. Ross III
President & CEO

B.

STATEMENT OF QUALIFICATIONS

#2.

**B. ITEMS FOR RESPONSE
STATEMENT OF QUALIFICATIONS**

A statement of qualifications showing past experience with the same or similar type(s) of program.

**ECONOMIC RESOURCES CORPORATION
OVERVIEW**

Economic Resources Corporation, (ERC) is a California non-profit corporation founded in 1968 by business and professional leaders of Los Angeles at the invitation of the Economic Development Administration, U.S. Department of Commerce (EDA). ERC was formed to help promote and initiate revitalization and development within the socio-economically disadvantaged minority communities of south central Los Angeles. Since its formation, the principal thrust of ERC's endeavors have been to help provide the type of resources needed for revitalization and growth of business activity in economically distressed communities, thereby creating job opportunities and other economic activity beneficial for community self-sufficiency. The nature of these efforts has included the development of industrial and commercial real estate and providing technical, management and financial assistance.

With over forty years of economic development, real estate development and property management experience, ERC has developed a successful business model in the areas of:

- Multi Tenant Property Management
- Leasing
- Market Trend Analysis
- Tenant Improvement Design and Build Out

MAJOR REAL ESTATE PROJECTS

ERC Business Park

By 1969 ERC had acquired (37) acres of vacant and underutilized land in the City of Lynwood, CA. ERC later acquired (35) acres for a total of 72 acres for the development of the ERC Business Park. Of the original 72 acres, approximately 20 acres was dedicated to street/site improvements and pedestrian side walks.

The first development was the construction of four buildings totaling 71, 200 sq.ft. which was completed in October 1972. The second phase of three buildings was completed November 1976 and together these buildings were known as the Mini Industrial Complex. ERC considers this complex of seven buildings to be one of the nation's first incubators, providing technical and financial assistance to the start up business tenants which leased space in these buildings.

The final phase of the ERC Business Park was completed in 1989 with the construction of four (4) buildings totaling 182,280 sq.ft. In total the ERC Business Park totals approximately one million sq.ft. of manufacturing and office space.

The Martin Luther King Jr. Shopping Center

The Martin Luther King Jr. Shopping Center, located in Watts, was constructed in two phases with its first 18,000 sq.ft. completed in 1981. The 100,000 sq.ft. second phase was completed in 1985. This center houses a supermarket, junior department store, drug store, savings & loan and several fast food restaurants and was the first major new retail construction project built in the Watts community after the 1965 riots.

Residential Development

In August, 1987 ERC completed the Century Terrace East a fourteen (14) unit 2-story townhouse condominium project located in the Watts community. ERC was both developer and general contractor under the auspices of a California Department of Housing and Community Development program.

#2.

The other two major components of ERC's historical activities, technical assistance and small business lending, while not real estate related, do demonstrate ERC's experience in working with others which we believe is applicable to the NSP.

Descriptions of these activities are as follows:

TECHNICAL ASSISTANCE PROGRAMS

During the 1973-77 period, ERC provided management and technical assistance to businesses residing in the Business Park's "mini-industrial complex." This program was conducted under the auspices of the Office of Minority Business Enterprise. ERC also provided financial assistance to tenants in the Business Park by subsidizing lease rates and financing leasehold improvements.

Since 1977 ERC has provided technical assistance to business park tenants and local companies outside of the park through collaboration with a network of well established non profit.

SMALL BUSINESS LENDING

In 1984, ERC created a venture capital division, the ERC Capital Fund, Inc., to provide financing for the development and growth of minority owned enterprises. The fund was capitalized initially at \$542,000 by a grant from the Economic Development Administration and thereafter by a low-interest loan from The Ford Foundation that increased the ERC Capital Fund's capital to \$1,725,000.

The key goal of minority business development was to create businesses that could be competitive within the general marketplace by improving access to capital, both start up or risk capital as well as conventional capital sources; eliminating economic barriers to accessing business opportunities; providing broad-based exposure to the business environment and improving managerial skills. The investments in minority owned business included entertainment (28.6%), manufacturing (32.4%), real estate development (14.1%), communications (13.8%) and service industries (11.1%).

ERC formally exited small business lending in 1993 and as it does in technical assistance, now works in collaboration with several non profit small business lenders that specialize in this activity.

B Items for response RFQ

#2.

C.

DESCRIPTION OF
ORGANIZATION
CAPACITY &
ORGANIZATION
CHART

C. ITEMS FOR RESPONSE
DESCRIPTION AND ORGANIZATIONAL CAPACITY &
ORGANIZATIONAL CHART

- C. Brief description of organizational capacity including and organization chart.

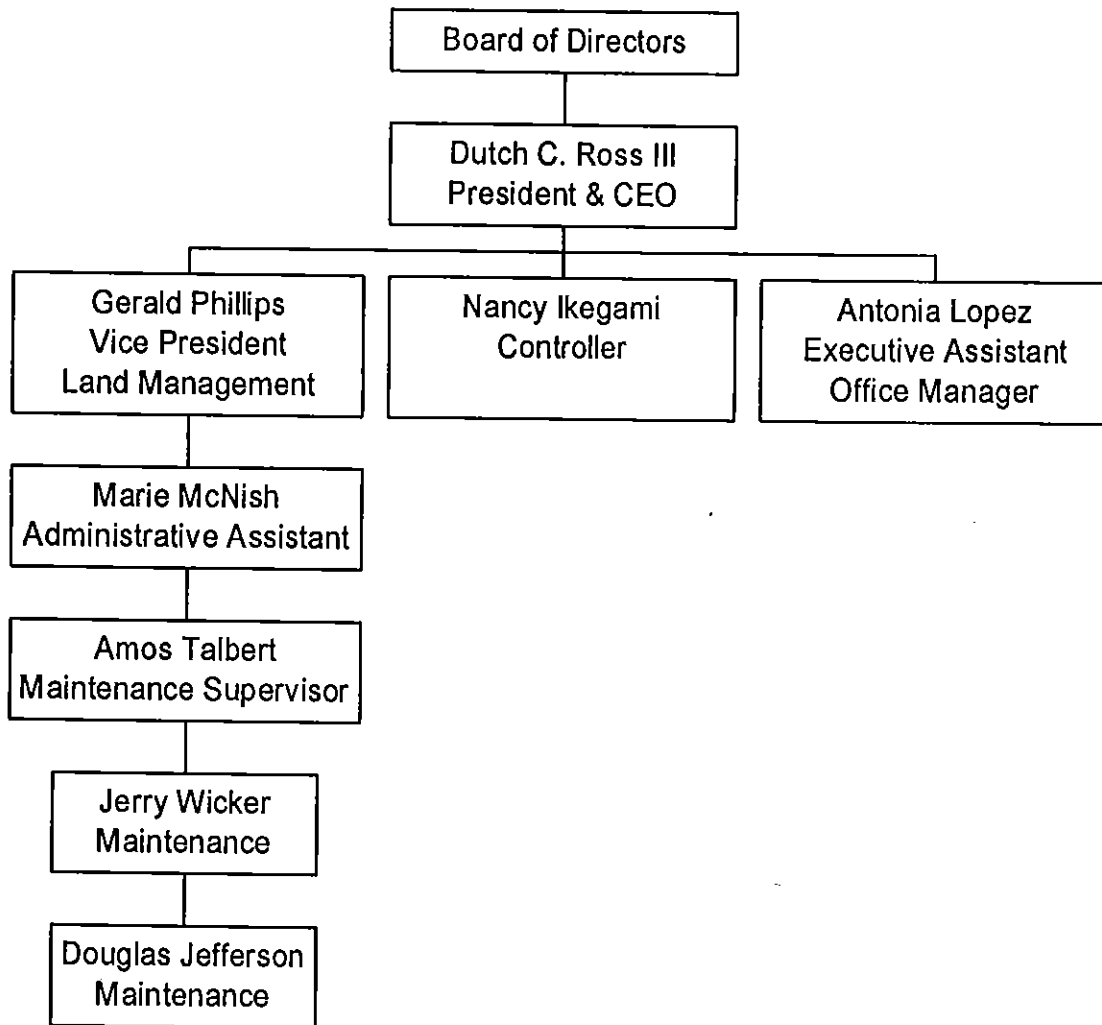
For over forty years, ERC has operated as a developer, owner and property manager of light industrial and manufacturing buildings in the Compton, Lynwood, Willowbrook communities. ERC has successfully managed these real estate functions as a core part of the organization's non profit mission of job creation and neighborhood revitalization.

During the company's forty year existence, ERC has acquired significant experience in the renovation, maintenance and repair and management of real estate assets. While ERC's core experience is in light industrial buildings, we have developed housing in our past and believe our experiences in maintenance, tenant improvement projects and property management are applicable to the NSP.

The following is an organization chart of the team disciplines that will be applied on this effort.

#2.

Economic Resources Corporation
Organizational Chart



D.

RESUME OF KEY PERSONNEL

#2.

**D. ITEMS FOR RESPONSE
BRIEF DESCRIPTION/ORGANIZATION CHART**

- D. Provide a brief description of organization capacity including an organization chart and the resumes of key persons or persons (please attach resumes in an Appendix at the back of the proposal) that will be assigned to assist in implementing the program. If the Development Partner proposes to use and sub-Development Partner(s) as part of the development team, provide the resumes of the sub-Development Partner(s) and their role in the program.

Please see resumes of key personnel in Appendix.

E.

ANY PRIOR
EXPERIENCE WITH
CITY OF
COMPTON
(SERVICES OR
ADMINISTERING
PROGRAMS)

#2.

**E. ITEMS FOR RESPONSE
PRIOR EXPERIENCE WITH COMPTON**

- E. Any prior experience with providing services or administering programs in the City of Compton.

ERC has been a successful partner with all levels of government throughout the organization's forty-two year history. The company's relationship with the City of Compton has been limited to ERC's ownership of property in the City of Compton and associated activities as a property owner.

A.

REAL ESTATE

A. REAL ESTATE

- A(1) Provide real estate experience in both acquiring and selling owner-occupied homes in the last 5 years. This experience shall include negotiating directly with sellers to acquire property; negotiating directly with buyers to sell property; listing, marketing and placing property on the realtors Multiple listing Service.

As stated in Section B – Statement of Qualifications, ERC's core activity is not the buying and selling of residential properties but rather the development and management of light industrial buildings and job creation initiatives, associated with real estate projects. While our product type differs from residential, the real estate skills required for successful performance are similar including negotiating with sellers and purchasers, listing and marketing of properties and working with real estate brokers.

- A(2) Copy of a California real estate broker license in good standing.

ERC is not a real estate broker and consequently does not have a license. ERC works with the region's largest commercial firms when marketing our properties.

- A(3) Provide a list of addresses of at least 40 properties that your company has directly acquired and sold in the last 5 years. Include a list of purchase and sales price, the date when the transaction occurred, the method of market and list the properties for sale, and the method to acquire the property. Include references.

ERC's mission is long-term ownership of real estate to advance our profit mission and to ensure the quality and maintenance of our properties. The ERC core business model is not based on property turnover.

A(4) Provide a description of how you plan to market homes for sale in difficult neighborhoods and a tough housing market.

Our plan would entail identifying local, regional and national home ownership organizations to assist us in identifying potential pre-qualified buyers.

A for RFQ

#2.

B.

REHABILITATION/
CONSTRUCTION

B. REHABILITATION/CONSTRUCTION

- B(1) Provide rehabilitation experience conducting rehabilitation and construction of owner-occupied housing in the last 5 years. This experience includes evaluating conditions of homes requiring to be repaired; evaluating and determining building code violations, including illegal room additions and conversions; preparing a written rehabilitation scope; determining rehabilitation costs; obtaining required building permits and inspections.

Skills and experiences regarding zoning compliance and estimating repair and maintenance projects are very similar with each product type.

- B(2) Copy of a California general contractor license in good standing.

ERC is not a general contractor. ERC hires licensed contractors for all its construction work.

- B(3) Provide addresses of at least 20 owner-occupied homes that were involved in major rehabilitating by your company in the last 5 years. Include pictures of property rehabilitation, a list of rehabilitation work completed, the general contractors involved in the rehabilitation, the average time required to complete the rehabilitation, and the date when rehabilitation was completed. Also provide a line item scope of work and cost per item for some projects. Include references.

ERC's core business is the long-term ownership and operation of manufacturing buildings and not residential property. Even though the rehabilitation of residential property is not our core activity, we believe and experiences are applicable to the NSP.

- B(4) Will you provide a one year customer service warranty contract on your rehabilitation work for the eventual homebuyer?

#2.

ERC will provide a customer service warranty.

B(5) In your business plan, how many homes can your company realistically rehabilitate in the next twelve months?

Based upon the speed of reimbursement, ERC would plan on a minimum of one house per quarter.

B for RFQ

C.

PROPERTY MANAGEMENT

#2.

C. PROPERTY MANAGEMENT

- C(1) Provide property management experience in maintaining and securing residential property in the last 5 years.

Economic Resources Corporation (ERC) has not managed residential property in the last 5 years. However, as a developer, owner, and manager of residential and industrial properties, ERC has over 40 years provided property management and tenant improvement services for its own portfolio. ERC strongly believes residential and industrial property management has four major areas of responsibility. Our role as property manager would include marketing and financial; facility management; tenant and occupancy; and administration and risk management.

- C(2) Include a list of addresses of these properties managed in the last 5 years. Include references.

ERC has not managed residential property in the last 5 years. However, we are providing a list of industrial properties the firm has managed for over 40 years.

- 3201 N. Alameda St., Compton, Calif. 90222
- 3209 N. Alameda St., Compton, Calif. 90222
- 3215 N. Alameda St., Compton, Calif. 90222
- 3221 N. Alameda St., Compton, Calif. 90222
- 2600 Industry Way, Lynwood, Calif. 90262
- 2620 Industry Way, Lynwood, Calif. 90262
- 2640 Industry Way, Lynwood, Calif. 90262
- 2555 Industry Way, Lynwood, Calif. 90262
- 2575 Industry Way, Lynwood, Calif. 90262
- 2643-45 Industry Way, Lynwood, Calif. 90262

-11861-65 S. Alameda St., Lynwood, Calif. 90262

-11705 Deputy Yamamoto Pl., Lynwood, Calif. 90262

C for RFQ

#2.

D.

FINANCING

D. FINANCING

D(1) Provide experience in the last 5 years in obtaining financing from financial institutions to leverage and/or obtaining funding to acquire and/or rehabilitate property.

We have not been active in the lending market in the last 5 years except for the refinancing of our own properties. All repairs and maintenance and building modernizations have been financed through the cash flow of our own operations.

D(2) What are your existing financial sources for the rehabilitation of houses? Please include name, address, phone and contact person.

ERC would use our capital to finance the rehabilitation of the home with a reimbursement from NSP after completion of the project.

D(3)&(4) If you were to acquire a home on day 1 for \$100,000 and your rehabilitation cost were \$30,000 and you sold the home and had a homebuyer move in on day 30, what would be all of the associated financing costs? Please include the following at a PAR Rate of 8%, listing all company information?

Appraisal Fee	580.00
Credit Report Fee	35.00
Lender Fee	965.00
Tax Service Fee	84.00
Flood Check Fee	26.00
Hazard Insurance	120.00
Closing/Escrow	675.00
Title Ins Policy	952.00

#2.

Title Insurance	
Endorsement	25.00
Recording	150.00
Prepaid Interest	283.36
County Taxes	623.00

All estimates were provided by Bank of America,
Home Loans

D(5) Provide your organizations most recent financial
statement.

Please see attachment

D(6) What is the profit percentage that you expect for
projects of this nature in regard to rehabilitation,
property management and sale of property?

ERC is a non profit and the purpose of our interest in
the NSP is to assist in creating an environment to
economic recovery therefore ERC's profit expectation
is minimal. We would like to cover our cost plus a 5-
7% profit margin.

Economic Resources Corporation
Balance Sheet
For the Ten Months Ending April 30, 2010

	<u>Year to Date</u>
Assets	
<i>Current Assets</i>	
Cash	\$2,864,197.51
Rents Receivable, Net	26,847.56
Other Current Assets	49,838.70

Total Current Assets	2,940,883.77
<i>Property and Equipment</i>	
Rental Properties, Net	5,701,775.31
Furniture and Equipment, Net	5,983.67

Total Property and Equipment	5,707,758.98
Other Assets	-----
Total Assets	8,648,642.75
	=====
Liabilities and Fund Balance	
<i>Current Liabilities</i>	
Accounts Payable	2,522.25
Accrued Interest	(3,458.95)
Deposits and Prepaid Rent	406,377.44
N/P Current Portion	116,205.72
Other Liabilities	50,191.59

Total Current Liabilities	571,838.05
<i>Long Term Liabilities</i>	
Notes Payable	2,195,897.63

Total Long Term Liabilities	2,195,897.63
Total Liabilities	2,767,735.68
Beginning Fund Balance	7,282,503.38
Excess Revenues over Expenses	411,360.96
Prior Period Adjustments	(1,812,957.27)

Total Fund Balance	5,880,907.07
Total Liabilities and Fund Balance	8,648,642.75
	=====

#2.

Economic Resources Corporation
Detailed Profit & Loss
April 30, 2010

	Year to Date Actual April
Sales	
Rental Income	\$1,888,802.80
Late Charges	5,304.42
Broadband Income	0.00
ERC Business Park Administrative Income	8,895.32

Total Revenue	1,903,002.54
Expenses	
Personnel	513,751.27
P/R Taxes and Fringe Benefits	34,289.54
Health Insurance	16,952.14
Auto Allowance	7,500.00
401K ER	27,289.80
401K Administrative Exp	3,128.69
Consultants	2,774.00
Consultants - Broadband	0.00
Security	38,373.48
Contract Services	37,378.89
Association Fees	30,280.00
Travel & Reimbursables	969.10
Meals & Entertainment	465.65
Equipment Rental	2,666.29
Office Supplies	8,824.93
Janitorial Supplies	1,738.63
Postage & Messenger	1,196.97
Printing & Publication	1,937.62
Telephone	10,317.41
Broadband T1 Line	0.00
Utilities	86,062.75
Utility Expense Recovery	(14,975.13)
Seminars	1,950.07
Insurance	50,370.24
Appraisal Expense	3,950.00
Accounting & Auditing	21,194.19
Banks Service Charges	979.46
Meeting Expense	(2,535.18)
Contributions and Donations	3,901.09
Legal	4,399.50
Dues	0.00
Subscriptions	5,602.31
Bad Debt Expense	6,150.48
Materials	17,968.69
Property Taxes	157,066.75
Property Tax Recovery	(33,318.94)
Other Taxes and Licenses	7,007.33
Trash & Hauling	46,672.22
Air Conditioning	2,656.05
Repairs and Maintenance	13,172.21
Signs & Models	972.40
Real Estate Commissions	8,382.40
Landscaping	1,400.00
Depreciation & Amortization	263,334.94

Total Operating Expenses	1,392,198.24

Net Increase (Decrease)	510,804.30
Other (Income)/Expenses	
Interest Expense	107,471.26
Interest Income	(12,391.51)
Broadband Grant	17,346.12
Other Income	(12,982.53)

Total Other (Income)/Expense	99,443.34

Increase (Decrease) to Net Assets	411,360.96
	=====

E.

WORKING WITH GOVERNMENTS

#2.

E. WORKING WITH GOVERNMENT

- E(1) Provide experience in the last 10 years in working with local governments in rehabilitating or constructing new residential property. This experience includes understanding government regulations in administrating the program and the funding source.

ERC has been a successful partner with all levels of government throughout the organization's forty-two year history. As a current property owner in both the cities of Compton and Lynwood, and having built projects in the City of Los Angeles, ERC is familiar with the workings of local municipal government.

ERC's most active government partner over time has been the Economic development Administration (EDA) of the U.S. Department of Commerce. ERC is currently closing out its most recent EDA grant and is experienced in the administration of public funds and the fiscal management and reporting requirements associated with government programs.

- E(2) Provide a list of government agencies that you have worked with and describe the program, government funding and regulations involved. Include references.

As stated above, ERC's longest continuing government partnership has been with the EDA. The local contact information for the EDA is:

Mr. Wilfred L. Marshall
U.S. Department of Commerce
Economic Development Administration
5777 W. Century Blvd., Suite 1675
Los Angeles, CA 90045

Over its history, ERC has received over 6 million of grant support from the EDA, including the most recent grant of \$948,000 for the build-out of a broadband network for the ERC

Business Park which straddles the Compton/Lynwood boundary.

ERC has received \$2.1 million from the Century Freeway Housing program for the Century Terrace a fourteen (14) unit 2-story townhouse condominium project located in the Watts community.

ERC has received \$475K from the Office of Community Service to assist us in the build-out of two of our buildings.

ERC has also developed retail projects with the City of Los Angeles' Community Redevelopment Agency (CRA) and residential housing projects in conjunction with the I-105 freeway project. Both of these projects required extensive administrative and fiscal management and reporting.

#2.

F.

BUSINESS
EXPERIENCE

F. BUSINESS EXPERIENCE

- F(1) Please provide an organizational chart of your company (including identification of sub-developers and team relationships) with names, titles, and assigned responsibilities. Please include resumes of all key individuals.

See Organizational Capacity and Organizational Chart.

- F(2) Provide a description of your company. This includes when it was created, the mission of the company, what the company has accomplished, and why the company is interested in being involved in the ARRR program.

Economic Resources corporation (ERC), a California 501 (c) (3) non-profit economic development corporation. The company was established in 1968, in the aftermath of the civil unrest in the Watts community of Los Angeles. ERC was created to address disparity in productivity and wealth among areas and to pursue activities to mitigate economic disparity for effective local development. Within the development arena, our non-profit status provides unique opportunities for resource development. With business acumen and non-profit advantage, ERC employs real-world approaches to tackle urgent economic development needs in underserved communities.

Since our interest is mission driven, we are flexible regarding our role in the program which could be financial, rehabilitation/renovation, or property management.

- F(3) Provide a copy of your Workers Comp and Liability Insurance indicating the limits, carrier and expiration date. A minimum of 1 Million Dollars per occurrence is required.

See the attached information on ERC's Workers Compensation and Liability Insurance.

#2

Client#: 1263219

305ECONORES

ACORD™ CERTIFICATE OF LIABILITY INSURANCEDATE (MM/DD/YYYY)
11/05/2009

PRODUCER
BB&T Insurance Services
of Orange County
30 Langsdorf Drive Suite 100
Fullerton, CA 92831

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

INSURED
Economic Resources Corp
2600 Industry Way
Lynwood, CA 90262

INSURERS AFFORDING COVERAGE

NAIC #

INSURER A: Nonprofits' Insurance Alliance

XXNAIC

INSURER B: Preferred Employers Insurance C

10900

INSURER C:

INSURER D:

INSURER E:

COVERAGES

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	ADD'L INSR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YYYY)	POLICY EXPIRATION DATE (MM/DD/YYYY)	LIMITS
A	X	GENERAL LIABILITY ☐ COMMERCIAL GENERAL LIABILITY ☐ CLAIMS MADE ☒ OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: ☒ POLICY ☐ PRO-JECT ☐ LOC	200914667NPO	11/01/2009	11/01/2010	EACH OCCURRENCE \$1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$500,000 MED EXP (Any one person) \$20,000 PERSONAL & ADV INJURY \$1,000,000 GENERAL AGGREGATE \$2,000,000 PRODUCTS - COMP/OP AGG \$2,000,000
A		AUTOMOBILE LIABILITY ☐ ANY AUTO ☐ ALL OWNED AUTOS ☐ SCHEDULED AUTOS ☒ HIRED AUTOS ☒ NON-OWNED AUTOS	200914667NPO	11/01/2009	11/01/2010	COMBINED SINGLE LIMIT (Ea accident) \$1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
		GARAGE LIABILITY ☐ ANY AUTO				AUTO ONLY - EA ACCIDENT \$ OTHER THAN AUTO ONLY: EA ACC \$ AGG \$
A		EXCESS / UMBRELLA LIABILITY ☒ OCCUR ☐ CLAIMS MADE DEDUCTIBLE ☒ RETENTION \$ 10000	200914667UMBPO	11/01/2009	11/01/2010	EACH OCCURRENCE \$2,000,000 AGGREGATE \$2,000,000 \$ \$ \$
B		WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory In NH) ☒ YN If yes, describe under SPECIAL PROVISIONS below OTHER	WKN10429610	11/01/2009	11/01/2010	☒ WC STATU-TORY LIMITS ☐ OTH-ER E.L. EACH ACCIDENT \$1,000,000 E.L. DISEASE - EA EMPLOYEE \$1,000,000 E.L. DISEASE - POLICY LIMIT \$1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES / EXCLUSIONS ADDED BY ENDORSEMENT / SPECIAL PROVISIONS

**** Workers Comp Information ****

Proprietors/Partners/Executive Officers/Members Excluded:

J. Stanley Sanders, Secretary

30 Day NOC

(See Attached Descriptions)

CERTIFICATE HOLDER

CANCELLATION

10 Days for Non-Payment

Information Purposes Only
2600 Industry Way
Lynwood, CA 90262

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

Rogan Wilson

G.

APPROACH AND
MANAGEMENT
PLAN

G. APPROACH AND MANAGEMENT PLAN

- G(1) Provide a description on how your company will be involved in Compton's ARRR program. The description should contain an approach and management plan for how you propose to assist the Agency to identify, acquire, rehabilitate, provide property management and sale foreclosed homes. The proposal should include proposed financing provided by your company for rehabilitation and property management.

ERC's non-profit mission is job creation and neighborhood revitalization. Since our interest in the ARRR program is mission driven, we are flexible regarding our role in the program which could be financial, rehabilitation/renovation or property management.

ERC's plan to identify qualified property within NSP's guidelines would entail indentifying a local real estate broker to assist us.

With ERC's strong financial standing, the initial financing cost for acquiring, rehabilitation and property management could be financed by ERC with a reimbursement from NSP after completion of the project.

With our extensive knowledge and experience with commercial property renovation we feel even though the product type differs, the same skills can be used to rehabilitate residential property. We understand that there are rehabilitation standards established by the City of Compton and all work must be performed by a licensed contractor.

As a developer, owner and manager of residential and industrial properties, ERC has over 40 years of property management. This experience includes facility management, maintenance and property security.

Our plan to resell the property would be to identify local, regional and national home ownership organizations to assist us in identifying potential prequalified buyers. Potential homebuyers will be required to take home buying classes and obtain a low-risk loan.

G(2) Provide a description of how you intend to outreach to and engage businesses such as local realtors, contractors, escrow companies and other vendors located in or within 10 miles of Compton.

In order to make lasting change to distressed communities, ERC believes the area economy must be strengthened. With over 27 Compton businesses located in ERC's business park, we are actively involved in the recruitment, retention and patronage of businesses to underserved communities by initiatives in real estate development, assisting in the identification and retrofitting of facilities for new and growing companies.

As a member of the Compton Chamber of Commerce and the Compton community, ERC has worked with and supported local business throughout our community for over 40 years. Not only have we patronized local businesses but with ERC's business park employing over 1300 jobs, we have assisted our tenants with job placement by referring our businesses to advertise employment opportunities in local job banks such as Transitional Subsidized Employment Program (TSE), Employment Development Department and CalJobs.

#2.

**PROFESSIONAL PROFILE
DUTCH C. ROSS III**

Mr. Ross, President and CEO of Economic Resources Corporation (ERC), is a financial executive with over thirty-years of experience with both Fortune 500 companies and non-profit economic development organizations.

Mr. Ross began his professional career as a financial analyst with The Wickes Corporation and later joined Atlantic Richfield Company (ARCO) where he held a variety of managerial financial and planning positions on the corporate staff and in divisional and subsidiary operations.

Mr. Ross' involvement in local economic development issues began in 1992 when he served as a volunteer executive with Rebuild L.A. working on economic development projects in South Los Angeles. In 1996 Mr. Ross accepted the position of President and CEO of Economic Resources Corporation, a well established non-profit economic development organization that specializes in industrial real estate.

Over the years, Mr. Ross has been active in a number of community organizations and has served on the boards of several including the Long Beach YMCA, where he was Board President, Genesis L.A. Economic Growth Corporation, and The Valley Economic Development Center, where he is currently Vice Chairman.

Mr. Ross holds a Bachelors of Science degree in Industrial Economics and a Masters of Science in Industrial Management both from Purdue University.

PROFESSIONAL PROFILE
GERALD E. PHILLIPS

Gerald E. Phillips is Vice President of the Land Management Department at Economic Resources Corporation (ERC); a non-profit corporation formed in 1968 to promote economic development and help revitalize economically disadvantaged communities in South Los Angeles.

As Vice President of the Land Management Department, Mr. Phillips is responsible for leasing space to prospective tenants; management of ERC's properties; tenant improvements; rental collections; and other duties assigned by the President of the company.

Prior to joining Economic Resources Corporation in September of 1984 Mr. Phillips had been employed by Allstate insurance Company in Pasadena, California for 16 years. Mr. Phillips' last assignment at Allstate was in the Operations Department as its manager. Gerald's main responsibility was managing the telecommunications and real estate divisions.

Gerald attended Pasadena City College in Pasadena, California.

#2.

PROFESSIONAL PROFILE
NANCY H. IKEGAMI

Nancy H. Ikegami is the Controller for Economic Resources Corporation (ERC), and has over twenty three years of public and private industry experience.

As the Controller for ERC, Ms. Ikegami is responsible for managing all accounting, treasury, and human resource and payroll functions. She ensures the complete, accurate and timely reporting of financial information in accordance with GAAP as well as implements policies and procedures and other internal controls to provide for the control and safeguarding of assets.

Prior to joining ERC in 2001, Ms Ikegami served as Controller for Brooks College. Brooks College is one of 90 campuses owned by Career Education Corporation (CEC) and located throughout the U.S. and in France, Italy and the United Kingdom. Prior to Brooks college Nancy was the Controller at Westfield. With over 119 shopping centers in its portfolio, Westfield is considered one of the largest retail property groups.

Ms. Ikegami holds a Bachelors of Science degree in Accounting from California State University, Long Beach.

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 THE EXECUTIVE SECRETARY TO ENTER INTO AN AGREEMENT WITH ECONOMIC RESOURCES CORPORATION (ERC), AS A DEVELOPER PARTNER FOR THE NEIGHBORHOOD STABILIZATION PROGRAM (NSP)

Kofi Sefa-Boakye
DEPARTMENT MANAGER’S SIGNATURE

6/1/2010 6:02:29 PM
DATE

REVIEW / APPROVAL

Craig Cornwell
CITY ATTORNEY

6/3/2010 12:56:50 PM
DATE

Willie Norfleet
CITY CONTROLLER

6/3/2010 3:06:06 PM
DATE

Dave Hewitt
CITY MANAGER

6/2/2010 6:15:42 PM
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.

June 15, 2010

TO: HONORABLE CHAIRMAN AND COMMISSIONERS

FROM: COMMISSION GENERAL COUNSEL

SUBJECT: RESOLUTION OF THE URBAN COMMUNITY DEVELOPMENT COMMISSION, ACTING AS THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF COMPTON, AUTHORIZING THE EXECUTIVE SECRETARY TO EXECUTE A CERTIFICATE OF ACCEPTANCE FOR THE REAL PROPERTY COMMONLY KNOWN AS 1436 WEST COMPTON BOULEVARD, COMPTON, CALIFORNIA.

SUMMARY

The Urban Community Development Commission ("Commission"), acting as the Community Redevelopment Agency of the City of Compton ("Agency"), will consider new action which adopts a Resolution authorizing the Executive Secretary to execute a "certificate of acceptance" to acquire Agency ownership of privately-owned property located at 1436 West Compton Boulevard, Compton, California.

BACKGROUND

On April 7, 2009, the Commission agreed to purchase certain real property located at 1436 West Compton Boulevard from Melvin Morris as part of the settlement of a lawsuit filed by Mr. Morris against the City of Compton. The lawsuit dealt with land use issues regarding the same property.

STATEMENT OF ISSUE

The General Counsel's Office is now in the final stages of the purchase settlement. The Agency has received the deed to the property, however in order to record the deed, a "certificate of acceptance" must be attached, which requires execution by the Executive Secretary on behalf of the Agency.

RECOMMENDATION

It is recommended that the Commission adopt the attached Resolution authorizing the Executive Secretary to execute the "certificate of acceptance" to acquire Agency ownership of the privately-owned property located at 1436 West Compton Boulevard, Compton (APN 6142-006-007, 008, 009, 011, 012, 013, 035 and 036).

CRAIG J. CORNWELL
GENERAL COUNSEL

RESOLUTION NO. _____

RESOLUTION OF THE URBAN COMMUNITY DEVELOPMENT COMMISSION, ACTING AS THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF COMPTON, AUTHORIZING THE EXECUTIVE SECRETARY TO EXECUTE A CERTIFICATE OF ACCEPTANCE FOR THE REAL PROPERTY COMMONLY KNOWN AS 1436 WEST COMPTON BOULEVARD.

WHEREAS, on April 7, 2009, the Urban Community Development Commission (“Commission”), acting as the Community Redevelopment Agency (“Agency”), agreed to purchase certain privately-owned real property located at 1436 West Compton Boulevard, Compton, California; and

WHEREAS, the agreement to purchase this property is part of the settlement of a land use dispute lawsuit filed by the property owner, Melvin Morris, against the City of Compton; and

WHEREAS, the General Counsel’s Office is now in the final stages of the purchase transaction, in that the deed to the property has been received, however, in order to record the deed, a “certificate of acceptance” must be attached, which requires execution by the Executive Secretary on behalf of the Agency.

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

Section 1. That the Urban Community Development Commission, acting as the Community Redevelopment Agency of the City of Compton, hereby authorizes the Executive Secretary, upon the advice of Commission Counsel, to execute the certificate of acceptance for the acquisition of the real property located at 1436 West Compton Boulevard, Compton, California (APN 6142-006-007, 008, 009, 011, 012, 013, 035 and 036).

Section 2. That the Executive Secretary or his designee, upon the advice of Commission Counsel, is hereby authorized to execute and submit all documents, payment requests, amendments to agreements and so forth, which may be necessary for the completion of the transaction described herein.

Section 3. That a certified copy of this Resolution shall be filed in the offices of the Commission Secretary, Commission Executive Secretary, Commission General Counsel and the Community Redevelopment Agency.

Section 4. That the Chairman shall sign and Secretary shall attest to the adoption of this Resolution.

ADOPTED this _____ day of _____, 2010.

CHAIRMAN OF THE URBAN COMMUNITY DEVELOPMENT COMMISSION

ATTEST:

**SECRETARY OF THE URBAN COMMUNITY
DEVELOPMENT COMMISSION**

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES)
CITY OF COMPTON)

I, Alita Godwin, Commission Secretary of the Urban Community Development Commission, hereby certify that the foregoing Resolution was adopted by the Commission, signed by the Chairman and attested by the Commission Secretary at a regular meeting thereof, held this _____ day of _____, 2010.

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

AYES: **COMMISSIONERS—**
NOES: **COMMISSIONERS—**
ABSTAIN: **COMMISSIONERS—**
ABSENT: **COMMISSIONERS—**

**SECRETARY OF THE URBAN COMMUNITY
DEVELOPMENT COMMISSION**

RESOLUTION SIGN-OFF FORM

DEPARTMENT: City Attorney

RESOLUTION TITLE: RESOLUTION OF THE URBAN COMMUNITY DEVELOPMENT COMMISSION, ACTING AS THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF COMPTON, AUTHORIZING THE EXECUTIVE SECRETARY TO EXECUTE A CERTIFICATE OF ACCEPTANCE FOR THE REAL PROPERTY COMMONLY KNOWN AS 1436 WEST COMPTON BOULEVARD, COMPTON, CALIFORNIA.

Ruth Rugley
DEPARTMENT MANAGER’S SIGNATURE

6/9/2010 6:19:29 PM
DATE

REVIEW / APPROVAL

Ruth Rugley
CITY ATTORNEY

6/10/2010 11:48:19 AM
DATE

Willie Norfleet
CITY CONTROLLER

6/10/2010 5:03:38 PM
DATE

Dave Hewitt
CITY MANAGER

6/10/2010 8:42:28 AM
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.

June 15, 2010

TO: HONORABLE CHAIRMAN AND COMMISSIONERS

FROM: EXECUTIVE SECRETARY

SUBJECT: RESOLUTION OF THE URBAN COMMUNITY DEVELOPMENT COMMISSION, ACTING AS THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF COMPTON, AUTHORIZING THE EXECUTIVE SECRETARY TO ENTER INTO AN EXCLUSIVE NEGOTIATION AGREEMENT (ENA) BETWEEN THE COMMUNITY REDEVELOPMENT AGENCY AND PRISM-IQ PARTNERS LLC TO WORK OUT THE TERMS AND CONDITIONS OF A DISPOSITION AND DEVELOPMENT AGREEMENT FOR THE ACQUISITION AND DEVELOPMENT OF CERTAIN PARCEL IN THE REDEVELOPMENT PROJECT AREA AND RESCINDING RESOLUTION NO. 1,742.

SUMMARY

The Urban Community Development Commission (“Commission”), acting as the Community Redevelopment Agency of the City of Compton (“Agency”), will consider adopting a Resolution authorizing the Executive Secretary to enter into an Exclusive Negotiation Agreement (“ENA”) with Prism-IQ Partners, LLC (“Redeveloper”), for purposes of acquisition and development by the Redeveloper of Agency/City owned property commonly known as 458 Alameda Street, Compton, California.

BACKGROUND

The Agency is spearheading the formulation of a Smart Growth Implementation Plan as a blueprint to realize City’s vision of “Birthing a New Compton.” As part of this strategy, the Agency is also aggressively seeking out prestigious investors for a public/private partnership arrangement to facilitate preferred developments in strategic areas of the community in accordance with Smart Growth Implementation Plan.

Prism-IQ Partners, LLC, a leader in infill development, has completed the first phase of Gateway Towne Center, a very successful Class “A” multi-tenant retail power center, featuring first-tier tenants, such as Target, Home Depot, Best Buy, Staple and Ross. The Gateway Town Center has been instrumental in rejuvenating the tax base of an underutilized vacant site. With a portfolio of over 3.2 million square feet of retail centers and 2.5 million square of industrial space, Prism-IQ Partners, LLC, has demonstrated competency in acquisition, entitlement, financing, construction and operations of retail and industrial projects spanning over 23 years.

STATEMENT OF THE ISSUE

The Agency is in receipt of a proposal from Prism-IQ Partners, LLC, a recognized leader in the

**Staff Report Re Authorize ENA with Prism-IQ
Partners, LLC - Acquire/Develop 458 Alameda Street
June 15, 2010, page 2**

development of high quality retail commercial projects, requesting an ENA to negotiate with the Agency for acquisition and development of certain City/Agency owned in the Project Area. The project, located at 458 Alameda, is currently used as the City's Maintenance Yard. The site will be developed as a Class "A" multi-tenant light industrial business park comprising of 110,000 and 125,000 square feet of light industrial space.

On January 27, 2009, the Urban Community Development Commission, acting as the Community Redevelopment Agency, adopted Resolution No. 1,742. That Resolution authorized the Executive Secretary to enter into a one hundred eighty (180) day ENA with Prism-IQ Partners, LLC for acquisition and development of the subject property (458 Alameda Street, Compton), however, due to circumstances reasonably beyond the control of Prism-IQ Partners, LLC, the Redeveloper and Agency were unable to timely proceed with fulfilling the obligations of the ENA within the 180 day period, thus, the ENA terminated on its on terms. The Agency and Redeveloper are now in a position whereby it is believed that an ENA can be successfully fulfilled without undue delay, thus it is requested that Resolution No. 1,742 be rescinded, which will ratify the termination of the ENA authorized by Resolution No. 1,742.

ANALYSIS

The subject property is located on Alameda Street, a major arterial thoroughfare. The development of a Class "A" multi-tenant light industrial business park comprising of 110,000 and 125,000 square feet of light industrial space at the site would offer significant economic benefits for the community for several reasons, to wit:

1. The site is located in the prime 218 million square feet South Bay light industrial market with convenient access to the 710, 91, 110 and 105 freeways, including accessibility to Los Angeles Airport and the ports of Los Angeles and Long Beach, which will transform a currently underutilized site that will serve a flexible user base for clients. Furthermore, the development not only results in a significant increase in the City's property tax base but creates job opportunities for local residents.
2. Compton light industrial market submarkets, which totals approximately 21.3 million square feet, currently does not have adequate list of Class "A" products for small to mid-size users. Implementation of the proposed project will fill this void and hence attract small to mid-size users into the community.
3. The City's Enterprise Zone designation will serve as catalyst to attract light industrial users with a broad spectrum of jobs to the proposed site.

On the basis of the aforementioned benefits associated with the proposed development, the Agency has deemed it advantageous to enter into a one hundred and eighty day (180) ENA with the Redeveloper in connection with the proposed development. During the period, the

**Staff Report Re Authorize ENA with Prism-IQ
Partners, LLC - Acquire/Develop 458 Alameda Street
June 15, 2010, page 3**

Redeveloper and the Agency will negotiate the acquisition and development of the subject property resulting in a mutually beneficial agreement.

RECOMMENDATION

Staff recommends that the Commission approve the attached resolution authorizing an Exclusive Negotiation Agreement between Prism-IQ Partners, LLC and the Community Redevelopment Agency to work out the terms and conditions of a Disposition and Development Agreement for the acquisition and development of an Agency/City owned parcel within the Redevelopment 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 ENTER INTO AN EXCLUSIVE NEGOTIATION AGREEMENT (ENA) BETWEEN THE COMMUNITY REDEVELOPMENT AGENCY AND PRISM-IQ PARTNERS LLC TO WORK OUT THE TERMS AND CONDITIONS OF A DISPOSITION AND DEVELOPOMENT AGREEMENT FOR THE ACQUISITION AND DEVELOPMENT OF CERTAIN PARCEL IN THE REDEVELOPMENT PROJECT AREA AND RESCINDING RESOLUTION NO. 1,742.

WHEREAS, the Community Redevelopment Agency of the City of Compton ("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 a Smart Growth Implementation Plan as a road map to realize City’s vision of “Birthing a New Compton;” and

WHEREAS, the Agency is in receipt of a proposal from Prism-IQ Partners, LLC (“Redeveloper”), requesting an exclusive right to negotiate with the Agency for acquisition and development of certain City/Agency owned property located in the Compton Redevelopment Project Area for a Class “A” multi-tenant light industrial uses business park; and

WHEREAS, the Agency has determined that an Exclusive Negotiation Agreement (“ENA”), with the Redeveloper, for acquisition and development of certain City/Agency owned property located at 458 Alameda Street, Compton, would complement economic development objectives outlined in the smart growth objectives for the subject area; and

WHEREAS, on January 27, 2009, the Urban Community Development Commission (“Commission”), acting as the Community Redevelopment Agency, adopted Resolution No. 1,742, which authorized the Executive Secretary to enter into a one hundred eighty (180) day ENA with Prism-IQ Partners, LLC for acquisition and development of the subject property (458 Alameda Street, Compton); and

WHEREAS, due to circumstances reasonably beyond the control of Prism-IQ Partners, LLC, the Redeveloper and Agency were unable to timely proceed with fulfilling the obligations of the ENA within the authorized 180-day period, thus, the ENA terminated on its on terms; and

WHEREAS, the Agency and Redeveloper are now in a position whereby it is believed that an ENA can be successfully fulfilled without undue delay, thus it is requested that Resolution No. 1,742 be rescinded, which will ratify the termination of the ENA authorized by Resolution No. 1,742.

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 Resolution No. 1,742, adopted on January 27, 2009, is hereby rescinded.

Section 2. That the Executive Secretary is hereby authorized to enter into Exclusive Negotiation Agreement (“ENA”) with the Prism-IQ Partners, LLC (“Redeveloper”), for one hundred and eighty (180) days in connection with the acquisition and development of certain City/Agency owned parcel, commonly known as 458 Alameda Street, Compton, California.

Resolution No. _____
Page 2

Section 3. That the Executive Secretary, upon the advice and consent of the Commission’s General Counsel, is hereby authorized to execute all necessary agreements to implement the instructions of this Resolution.

Section 4. That a certified copy of this Resolution shall be filed in the offices of the Commission Secretary, Executive Secretary, Commission General Counsel, City Controller and the Community Redevelopment Agency.

Section 5. That the Chairman shall sign and the Commission Secretary shall attest to the adoption of this Resolution.

ADOPTED this _____ day of _____, 2010.

**CHAIRMAN OF THE URBAN COMMUNITY
DEVELOPMENT COMMISSION**

ATTEST:

**SECRETARY OF THE URBAN COMMUNITY
DEVELOPMENT COMMISSION**

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

I, Alita Godwin, Secretary 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 Commission Secretary at the regular meeting thereof held on the _____ day of _____, 2010.

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

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

**SECRETARY OF THE URBAN COMMUNITY
DEVELOPMENT COMMISSION**

RESOLUTION SIGN-OFF FORM

DEPARTMENT: City Attorney

RESOLUTION TITLE: RESOLUTION OF THE URBAN COMMUNITY DEVELOPMENT COMMISSION, ACTING AS THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF COMPTON, AUTHORIZING THE EXECUTIVE SECRETARY TO ENTER INTO AN EXCLUSIVE NEGOTIATION AGREEMENT (ENA) BETWEEN THE COMMUNITY REDEVELOPMENT AGENCY AND PRISM-IQ PARTNERS LLC TO WORK OUT THE TERMS AND CONDITIONS OF A DISPOSITION AND DEVELOPOMENT AGREEMENT FOR THE ACQUISITION AND DEVELOPMENT OF CERTAIN PARCEL IN THE REDEVELOPMENT PROJECT AREA AND RESCINDING RESOLUTION NO. 1,742.

Ruth Rugley
DEPARTMENT MANAGER’S SIGNATURE

6/10/2010 12:03:36 PM
DATE

REVIEW / APPROVAL

Craig Cornwell
CITY ATTORNEY

6/10/2010 3:58:24 PM
DATE

Willie Norfleet
CITY CONTROLLER

6/10/2010 5:05:34 PM
DATE

Charles Evans
CITY MANAGER

6/10/2010 3:18:41 PM
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.