

**MODESTO REDEVELOPMENT AGENCY
RESOLUTION NO. 01-2004**

A RESOLUTION DESIGNATING AGENCY MEMBER KEATING TO SERVE AS VICE CHAIRPERSON FOR THE ENSUING YEAR PURSUANT TO SECTION 30.1 OF THE BYLAWS FOR THE REDEVELOPMENT AGENCY OF THE CITY OF MODESTO.

BE IT RESOLVED by the Redevelopment Agency that Agency Member Keating is hereby designated to serve as Vice Chairperson for the ensuing year pursuant to Section 30.1 of the Bylaws for the Modesto Redevelopment Agency.

The foregoing resolution was introduced at a regular meeting of the Modesto Redevelopment Agency held on the 6th day of January, 2004, by Agency Chair Ridenour, who moved its adoption, which motion being duly seconded by Agency Member Marsh , was upon roll call carried and the resolution adopted by the following vote:

AYES: Agency Members: Dunbar, Hawn, Jackman, Keating, Marsh, O'Bryant
Mayor Ridenour

NOES: Agency Members: None

ABSENT: Agency Members: None

ATTEST: Jean Zahr
JEAN ZAHR, Secretary

(SEAL)

APPROVED AS TO FORM:

By Michael D. Milich
MICHAEL D. MILICH, General Counsel

**MODESTO REDEVELOPMENT AGENCY
RESOLUTION NO. 2-2004**

**A RESOLUTION APPOINTING KENT NEWSWANDER TO THE CITIZENS
REDEVELOPMENT ADVISORY COMMISSION**

BE IT HEREBY RESOLVED by the Redevelopment Agency of the City of Modesto as follows:

SECTION 1. KENT NEWSWANDER, as representative of the Planning Commission, is hereby appointed to the Citizens Redevelopment Advisory Commission with a term expiration of January 1, 2005.

SECTION 2. The City Clerk is hereby directed to transmit a copy of this resolution to the appointed member of the Citizens Redevelopment Advisory Commission, and the Secretary thereof.

The foregoing resolution was introduced at a regular meeting of the Redevelopment Agency of the City of Modesto held on the 27th day of January, 2004, by Agency Member Jackman, who moved its adoption, which motion being duly seconded by Agency Member Hawn, was upon roll call carried and the resolution adopted by the following vote:

AYES: Agency Members: Dunbar, Hawn, Jackman, Keating, Marsh, O'Byrant,
Chair Ridenour

NOES: Agency Members: None

ABSENT: Agency Members: None

ATTEST: Jean Zahr
JEAN ZAHR, Agency Secretary

APPROVED AS TO FORM:

Michael D. Milich
Michael D. Milich, City Attorney

**MODESTO REDEVELOPMENT AGENCY
RESOLUTION NO. 3-2004**

**A RESOLUTION RE-APPOINTING JAMES DANIEL, LEE HEDGEPEETH,
CYNTHIA VAN EMPEL, NORMA REED AND CHARLES K. BRUNN TO THE
CITIZENS REDEVELOPMENT ADVISORY COMMISSION**

BE IT HEREBY RESOLVED by the Redevelopment Agency of the City of Modesto as follows:

SECTION 1. JAMES DANIEL, LEE HEDGEPEETH, CYNTHIA VAN EMPEL, NORMA REED and CHARLES K. BRUNN are hereby appointed to the Citizens Redevelopment Advisory Commission with term expirations of January 1, 2008.

SECTION 2. The Agency Secretary is hereby directed to transmit a copy of this resolution to the re-appointed members of the Citizens Redevelopment Advisory Commission, and the Secretary thereof.

The foregoing resolution was introduced at a regular meeting of the Redevelopment Agency of the City of Modesto held on the 10th day of February, 2004, by Agency Member Hawn, who moved its adoption, which motion being duly seconded by Agency Member Keating, was upon roll call carried and the resolution adopted by the following vote:

AYES: Agency Members: Dunbar, Hawn, Jackman, Keating, Marsh,
O'Byrant,
Chair Ridenour

NOES: Agency Members: None

ABSENT: Agency Members: None

ATTEST: Jean Zahr
JEAN ZAHR, Agency Secretary

APPROVED AS TO FORM:

Michael D. Milich
Michael D. Milich, City Attorney

**MODESTO REDEVELOPMENT AGENCY
RESOLUTION NO. 4-2004**

**A RESOLUTION ACCEPTING WITH REGRET THE RESIGNATION
CYNTHIA VAN EMPEL FROM THE CITIZENS REDEVELOPMENT
ADVISORY COMMISSION**

WHEREAS, CYNTHIA VAN EMPEL was appointed a member of Citizens Redevelopment Advisory Commission on November 21, 2000, and

WHEREAS, CYNTHIA VAN EMPEL has tendered her resignation from the aforementioned committee, and

WHEREAS, CYNTHIA VAN EMPEL has been a devoted and sincere public servant and has contributed greatly to our civic progress,

NOW, THEREFORE, BE IT RESOLVED that the resignation of CYNTHIA VAN EMPEL from the Citizens Redevelopment Advisory Commission hereby is accepted with regret.

BE IT FURTHER RESOLVED that the Redevelopment Agency of the City of Modesto, on its own behalf, and on behalf of the citizens of this City, hereby expresses its sincere appreciation to CYNTHIA VAN EMPEL for her outstanding service to the community.

The foregoing resolution was introduced at a regular meeting of the Redevelopment Agency of the City of Modesto held on the 2nd day of March, 2004, by Agency Member Jackman, who moved its adoption, which motion being duly seconded by Agency Member Hawn, was upon roll call carried and the resolution adopted by the following vote:

AYES: Agency Members: Dunbar, Hawn, Jackman, Keating, Marsh,
O'Bryant, Chair Ridenour

NOES: Agency Members: None

ABSENT: Agency Members: None

ATTEST: Jean Zahr
JEAN ZAHR, Agency Secretary

APPROVED AS TO FORM:

Michael D. Milich
Michael D. Milich, City Attorney

**MODESTO REDEVELOPMENT AGENCY
RESOLUTION NO. 5-2004**

**A RESOLUTION REAPPOINTING TONI VARNI TO THE CITIZENS
REDEVELOPMENT ADVISORY COMMISSION**

BE IT HEREBY RESOLVED by the Redevelopment Agency of the City of Modesto as follows:

SECTION 1. TONI VARNI is hereby reappointed to the Citizens Redevelopment Advisory Commission with term expirations of January 1, 2008.

SECTION 2. The Agency Secretary is hereby directed to transmit a copy of this resolution to the re-appointed members of the Citizens Redevelopment Advisory Commission, and the Secretary thereof.

The foregoing resolution was introduced at a regular meeting of the Redevelopment Agency of the City of Modesto held on the 27th day of April, 2004, by Agency Member Jackman, who moved its adoption, which motion being duly seconded by Agency Member Keating, was upon roll call carried and the resolution adopted by the following vote:

AYES: Agency Members: Dunbar, Jackman, Keating, Marsh, Chair Ridenour

NOES: Agency Members: None

ABSENT: Agency Members: Hawn, O'Bryant

ATTEST: Jean Zahr
JEAN ZAHR, Agency Secretary

APPROVED AS TO FORM:

Michael D. Milich
Michael D. Milich, City Attorney

**REDEVELOPMENT AGENCY OF THE CITY OF MODESTO
RESOLUTION NO. 6-2004**

**A RESOLUTION APPROVING THE DESIGN AND FUNDING FOR THE
WAYFINDING SIGNAGE FOR DOWNTOWN MODESTO**

WHEREAS, in the FY 03-04 budget, the Redevelopment Agency (the "Agency") approved funding for various projects to improve the facades and streetscapes within the Redevelopment Project Area, and

WHEREAS, the Citizens Redevelopment Advisory Commission (the "Commission") is tasked with utilizing said funding and identifying projects that would enhance the Downtown public areas, and

WHEREAS, said Commission determined that there was a lack of clear wayfinding signage for various locations of interest within the Downtown. Some examples of these locations are City parking lots/garages, Gallo Center for the Arts, Tenth Street Place, the McHenry Mansion, McClatchy Square, the Stanislaus County Courthouse and Library, and

WHEREAS, said Commission has reviewed various wayfinding signage designs and selected a design ("**Exhibit A**", which is attached hereto and made a part hereof by this reference) for said wayfinding signage to provide a unified design and theme throughout the Downtown public area in order to simplify navigation for citizens, both drivers and pedestrians.

WHEREAS, the Citizens Redevelopment Advisory Commission has considered this wayfinding signage design and funding at their regularly scheduled meeting on April 7, 2004 and has recommended this signage to the Agency.

NOW, THEREFORE, BE IT RESOLVED by the Redevelopment Agency of the City of Modesto that the wayfinding signage design is hereby approved.

BE IT FURTHER RESOLVED that the Redevelopment Agency of the City of Modesto hereby directs and authorizes its Executive Director to utilize available funding for said wayfinding signage construction in the amount of Twenty-nine Thousand, Seventy and No Dollars (\$29,070) (Account No.: 9080-140-1493-0489).

The foregoing resolution was introduced at a regular meeting of the Redevelopment Agency of the City of Modesto held on the 4th day of May, 2004, by Agency member Hawn, who moved its adoption, which motion being duly seconded by Agency member O'Bryant, was upon roll call carried and the resolution adopted by the following vote:

AYES: Agency members: Dunbar, Hawn, Jackman, Keating, Marsh, O'Bryant,
Chair Ridenour

NOES: Agency members: None

ABSENT: Agency members: None

ATTEST: Jean Zahr
JEAN ZAHR, SECRETARY

APPROVED AS TO FORM:

Michael D. Milich
MICHAEL D. MILICH, GENERAL COUNSEL

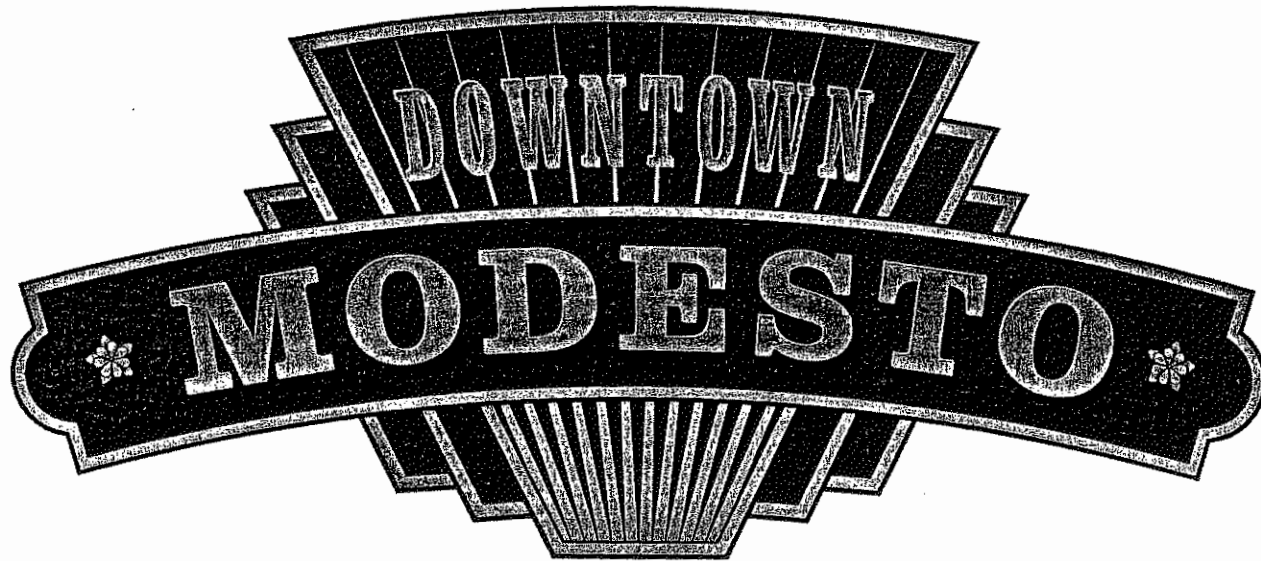
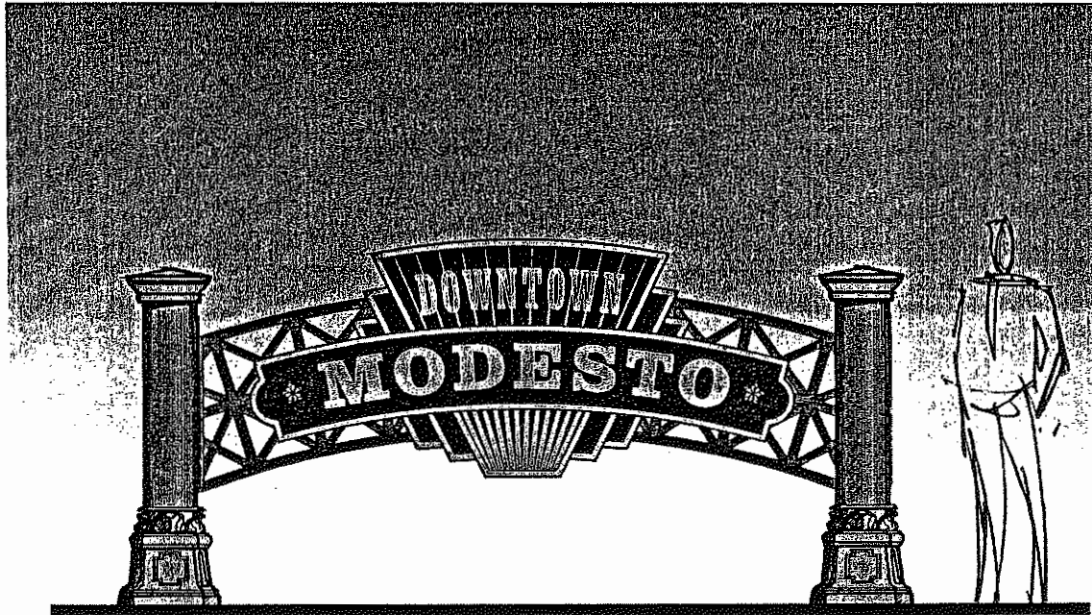


EXHIBIT A

OPTION 2

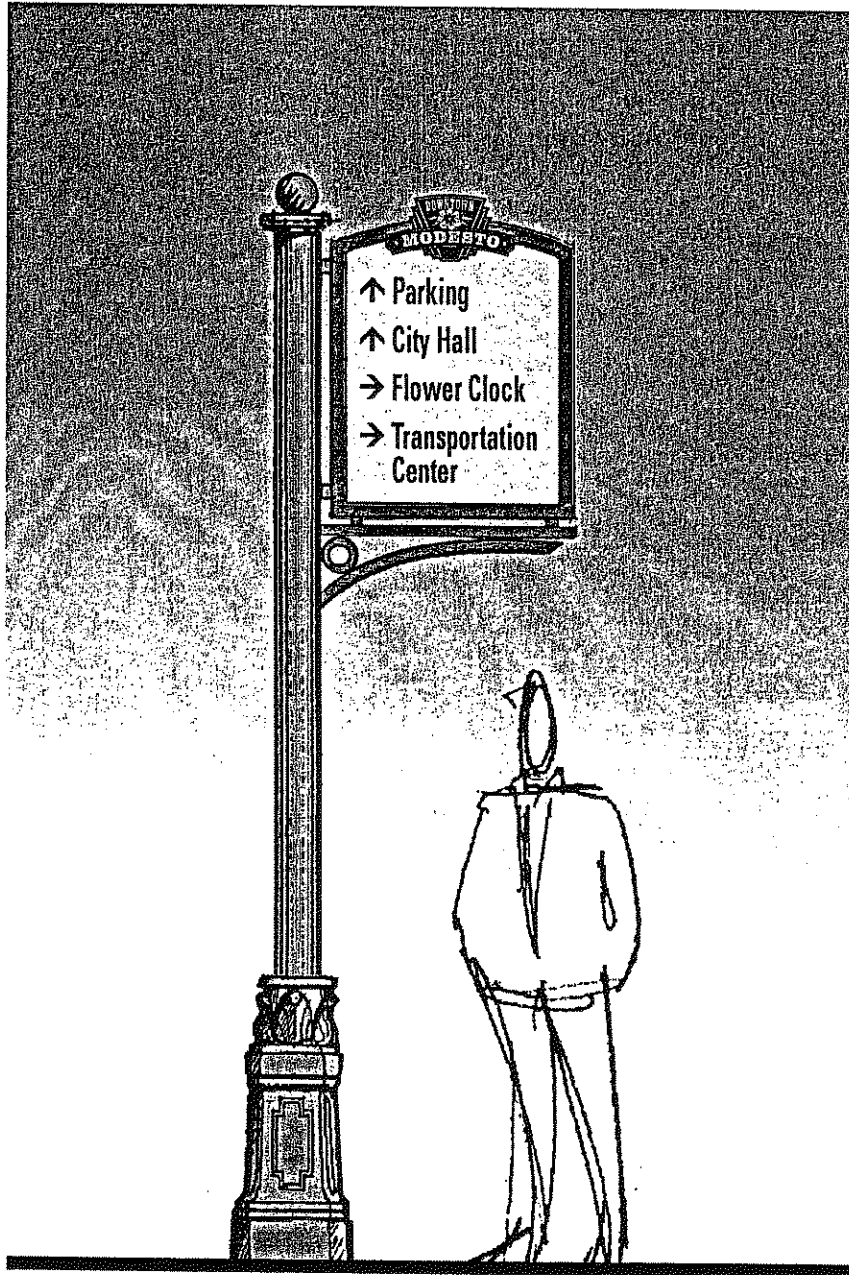
FILE NAME Modesto_Prelim			 GRAPHIC SOLUTIONS® GRAPHIC DESIGN · SIGN PLANNING 2952 MAIN STREET SAN DIEGO, CA 92112 (619) 239-1335
SHEET 2	DESIGNER JWB	DATE 4/1/03	



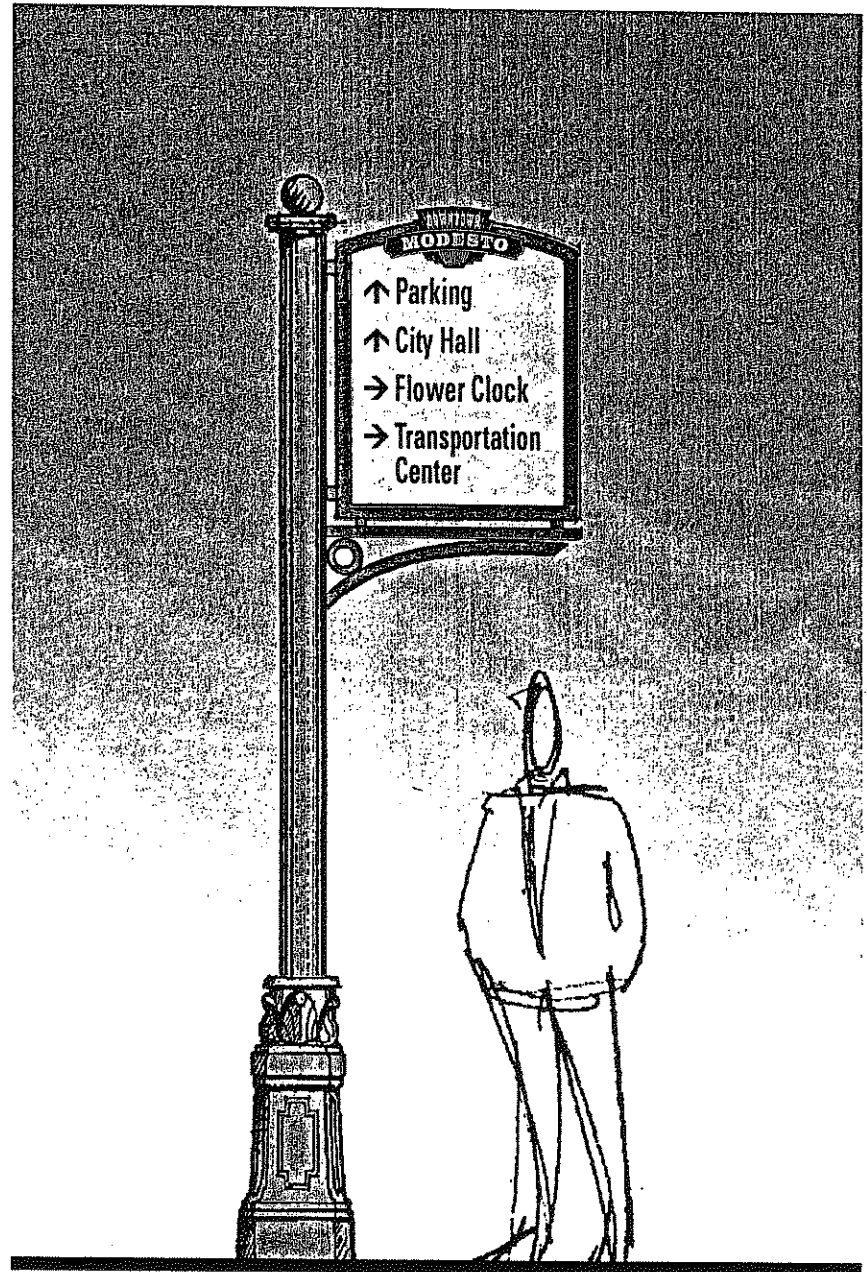
ENTRY IDENTIFICATION MONUMENT

FILE NAME Modesto_Prelim		
SHEET 3	DESIGNER JVB	DATE 4/1/03

 **GRAPHIC SOLUTIONS®**
GRAPHIC DESIGN - SIGN PLANNING
2152 MAIN STREET SAN DIEGO, CA 92113 (619) 234-1235

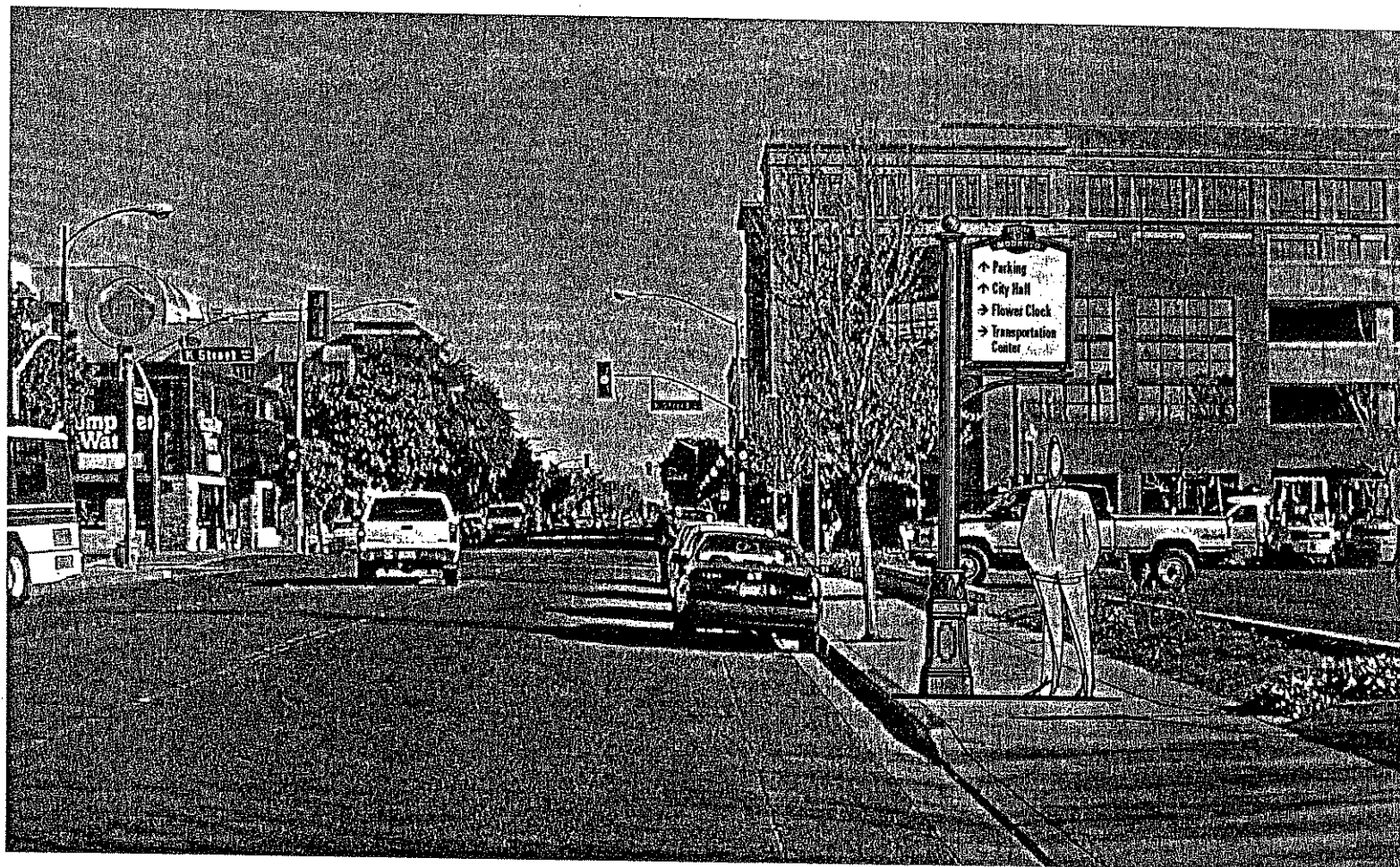
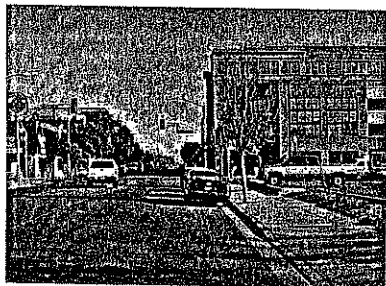


DIRECTIONAL SIGN



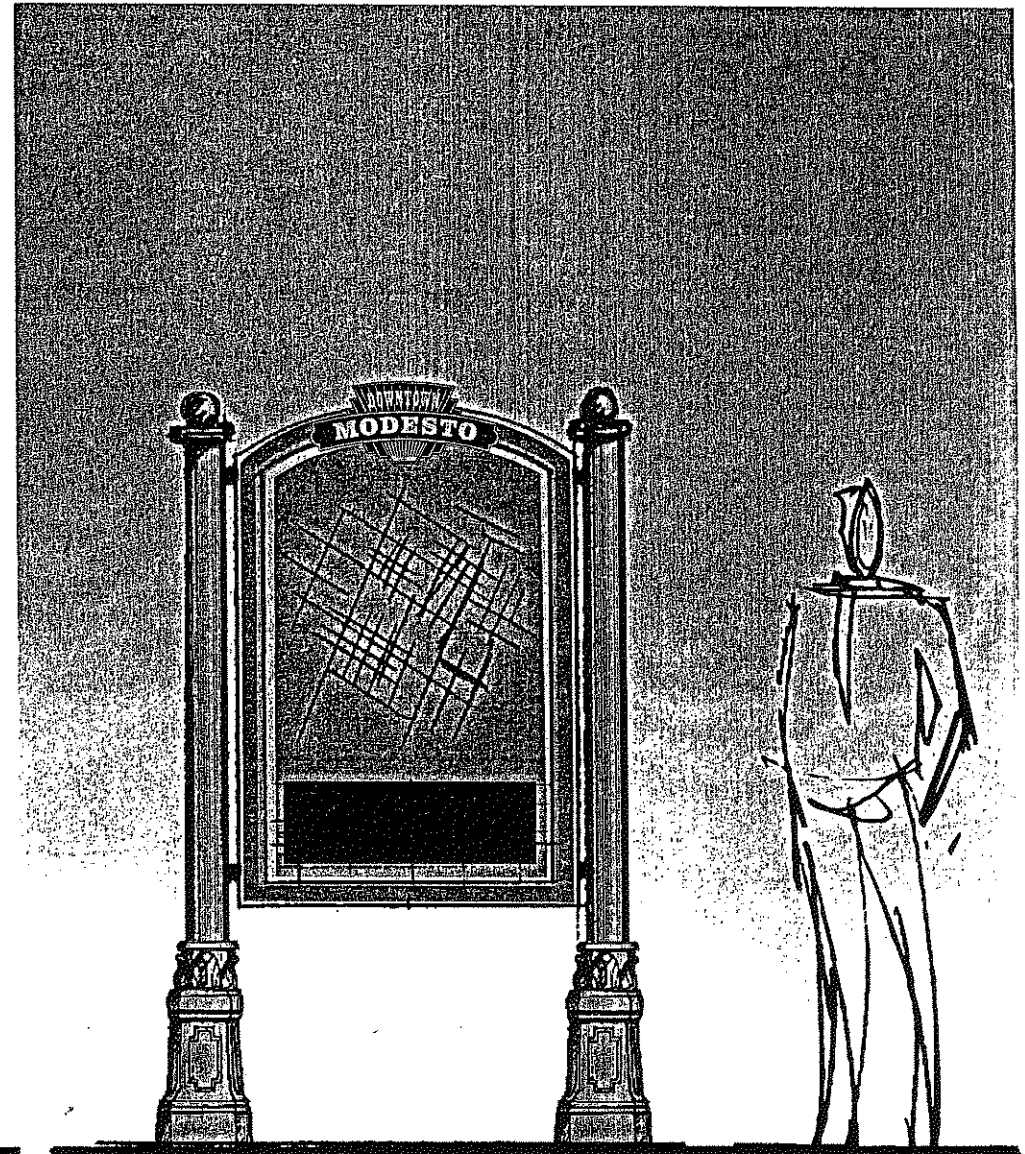
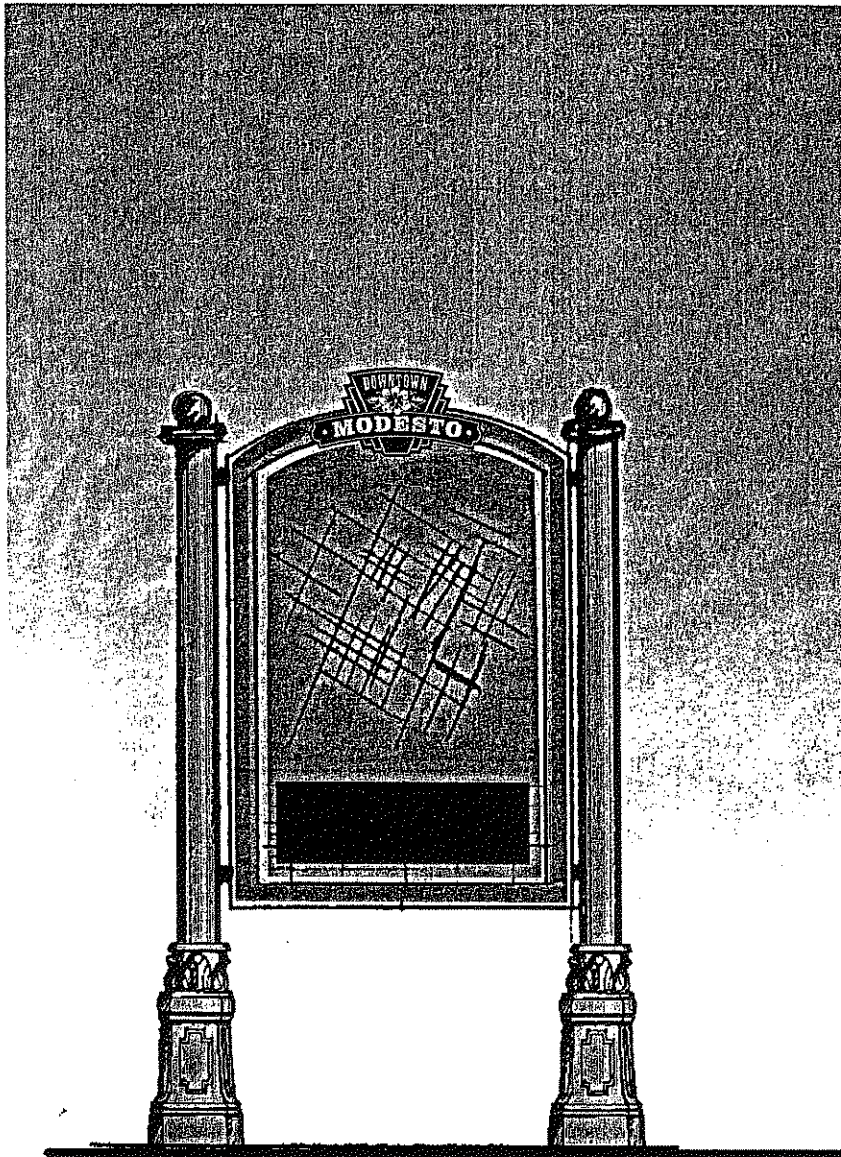
DIRECTIONAL SIGN

FIRE NAME Modesto_Prelim			 GRAPHIC SOLUTIONS® GRAPHIC DESIGN - SIGN PLANNING 3952 MAIN STREET SAN DIEGO, CA 92113 (619) 239-1335
SHEET 7	DESIGNER JWB	DATE 4/1/03	



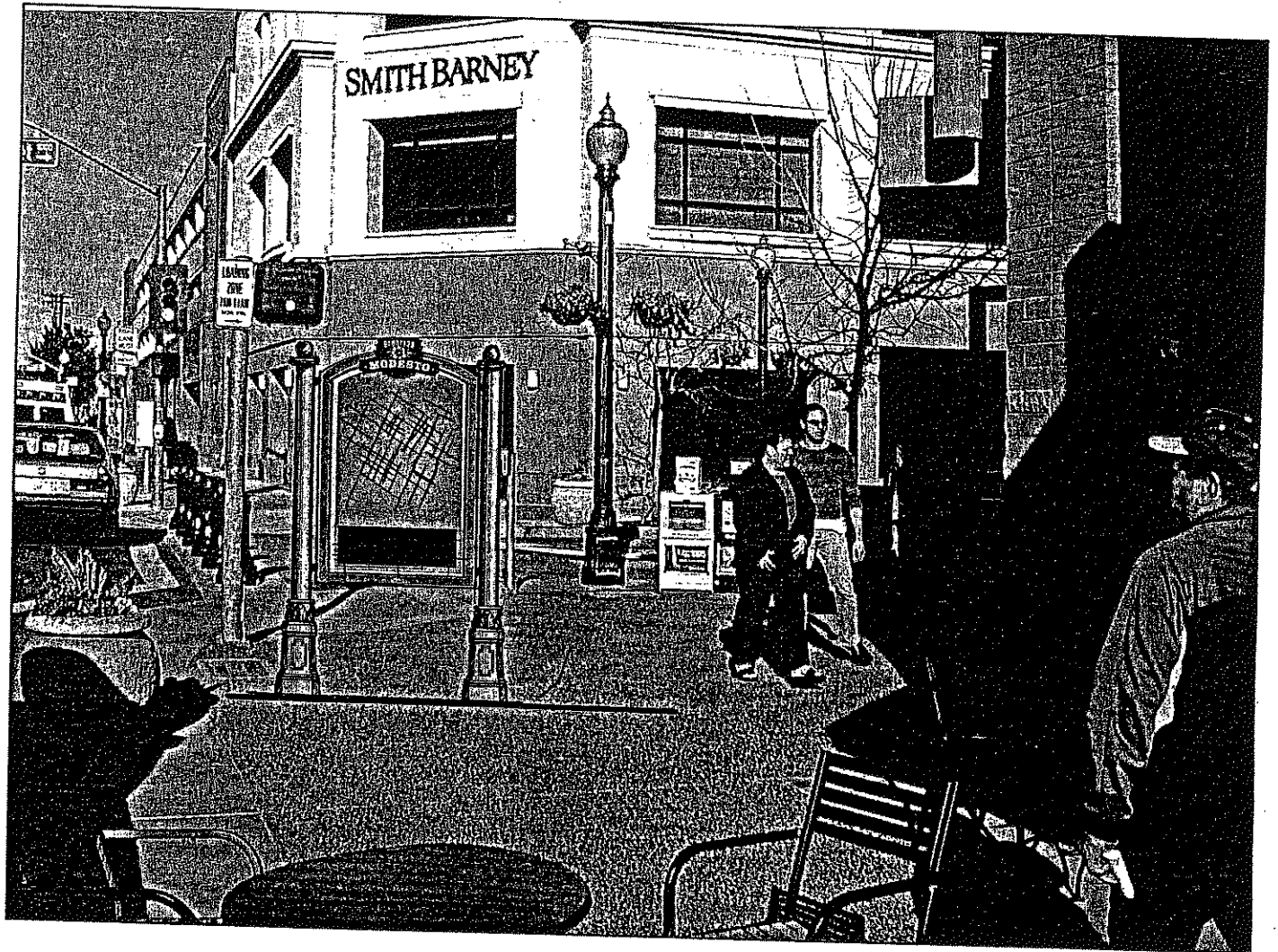
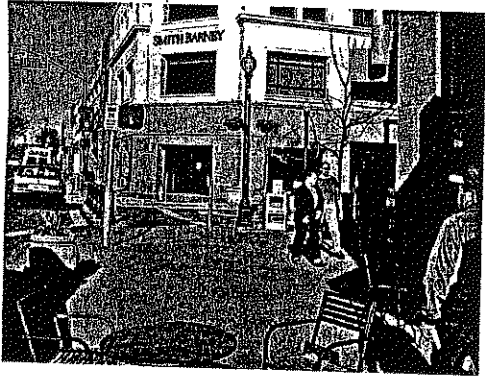
DIRECTIONAL SIGN

FILE NAME Modesto_Prelim			 GRAPHIC SOLUTIONS® GRAPHIC DESIGN - SIGN PLANNING 3952 MAIN STREET SAN DIEGO, CA 92113 (619) 739-1335
SHEET 8	DESIGNER JWB	DATE 4/1/03	



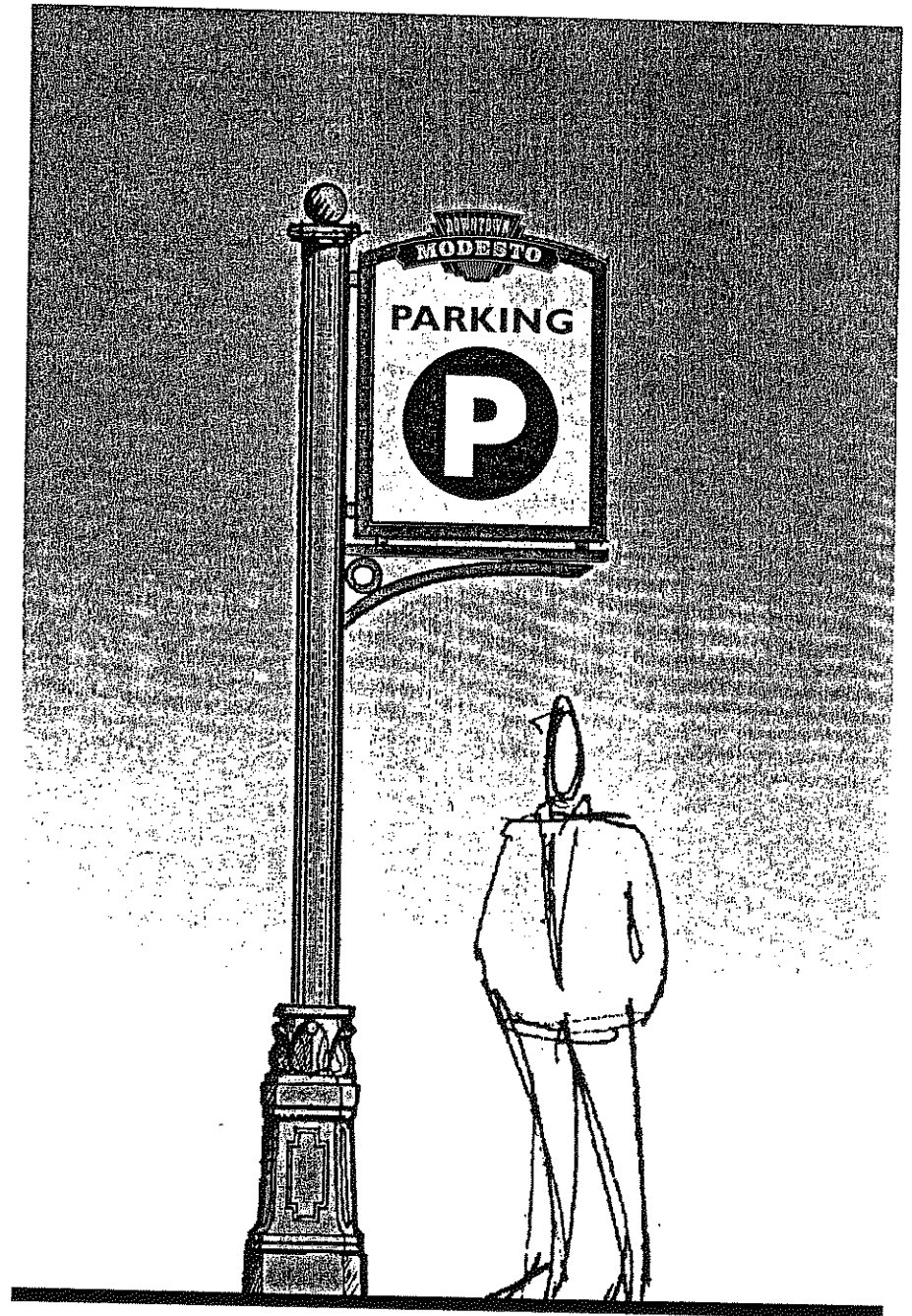
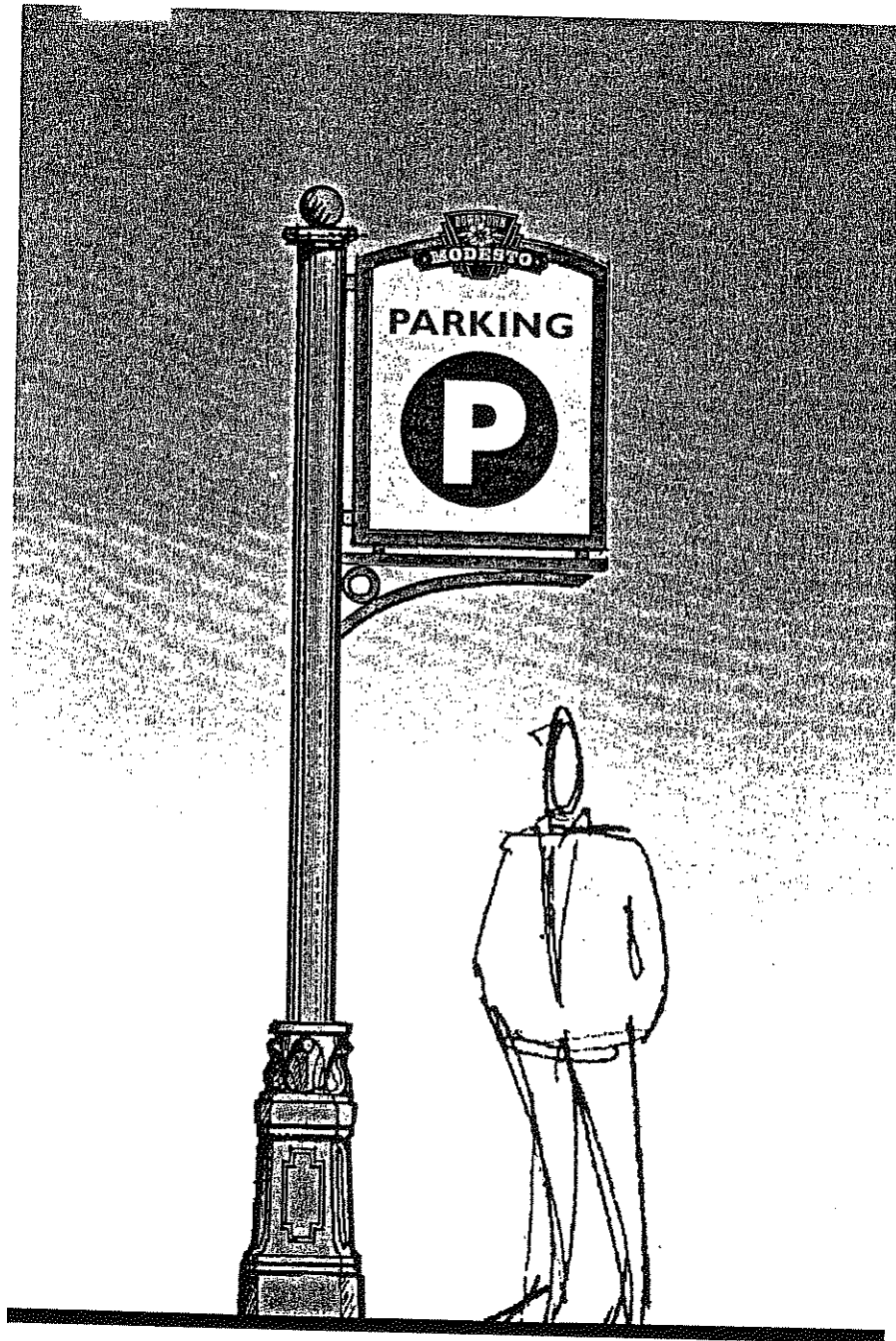
INFORMATION KIOSK

FILE NAME Modesto_Prelim			 GRAPHIC SOLUTIONS® GRAPHIC DESIGN - SIGN PLANNING 2952 MAIN STREET SAN DIEGO, CA 92108 (619) 239-1235
SHEET 11	DRAWN BY JWB	DATE 4/1/03	



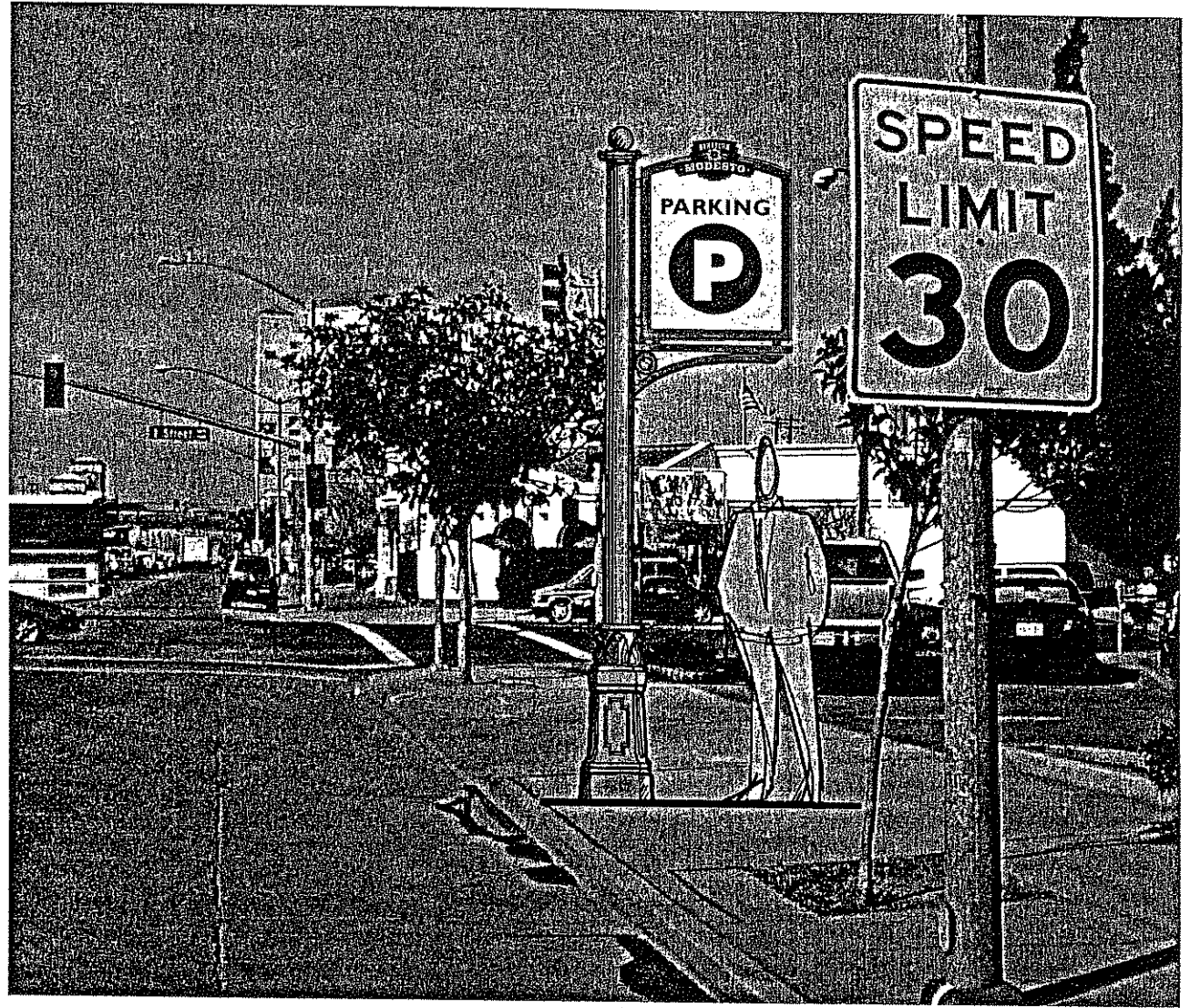
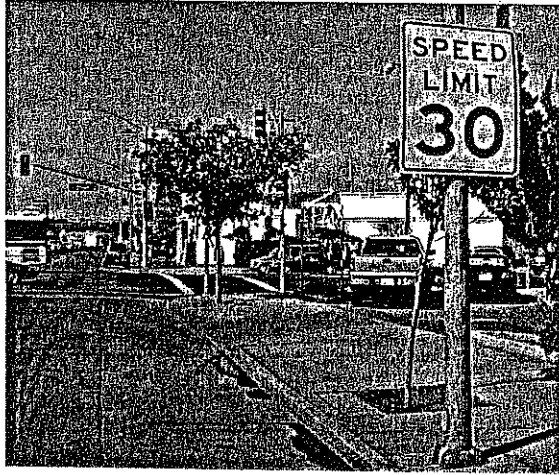
INFORMATION KIOSK

FILE NAME Modesto_Prelim			 GRAPHIC SOLUTIONS® GRAPHIC DESIGN · SIGN PLANNING 1552 MAIN STREET SAN DIEGO, CA 92113 (619) 237-1335
SHEET 12	DESIGNER JWB	DATE 4/1/03	



PARKING LOT SIGN

FILE NAME Modesto_Prelim		
SHEET 9	DESIGNER JVB	DATE 4/1/03
 GRAPHIC SOLUTIONS® GRAPHIC DESIGN - SIGN PLANNING 2952 MAIN STREET SAN DIEGO, CA 92113 (619) 239-1335		



PARKING IDENTITY

FILE NAME Modesto_Prelim			 GRAPHIC SOLUTIONS® GRAPHIC DESIGN · SIGN PLANNING 2952 MAIN STREET SAN DIEGO, CA 92113 (619) 238-1335
SHEET 10	DESIGNER JWB	DATE 4/1/03	

**REDEVELOPMENT AGENCY OF THE CITY OF MODESTO
RESOLUTION NO. 7-2004**

A RESOLUTION APPROVING THE AMENDMENT TO PARKING AGREEMENT AND AMENDMENT TO LEASE AGREEMENT BY AND BETWEEN THE REDEVELOPMENT AGENCY OF THE CITY OF MODESTO, A PUBLIC BODY, CORPORATE AND POLITIC (THE "AGENCY") AND CIVIC PARTNERS MODESTO, INC., A CALIFORNIA CORPORATION (THE "DEVELOPER").

WHEREAS, the Agency and Developer have heretofore entered into a Parking Agreement (the "Parking Agreement") as of June 12, 2000, providing for the right to use and occupy available parking spaces within the Tenth Street Place Garage (the "Garage") located in the City of Modesto, and

WHEREAS, said Parking Agreement authorizes free parking in said Garage for retail customers in consideration for Developer's parking payments in the amount of \$0.10 per square foot of net leasable space within the Joint Powers Agency (the "JPA") Retail Parcel located within the City/County Administration Building in the Tenth Street Place Project (the "Retail Space"), and

WHEREAS, the Agency and the Developer have determined that it is in the best interest of the Tenth Street Place project for the retail staff to be provided with free parking in consideration for additional parking payments from Developer, and

WHEREAS, the Agency and Developer have also entered into a Lease Agreement (the "Lease") as of October 11, 2001, providing for the lease of said Retail Space, and

WHEREAS, pursuant to said Lease, Developer shall pay monthly Common Area Maintenance (CAM) charges to the JPA as set forth by the JPA Commission for all net leasable square footage in said Retail Space, and

WHEREAS, Developer has an outstanding balance of Twenty-four thousand and No dollars (\$24,000.00) for unpaid CAM charges for unleased space in said Retail Space, and

WHEREAS, the Agency and the Developer have determined that it is in the best interest of the Tenth Street Place project to allow Developer to amortize said outstanding CAM charges over a period of twelve (12) months, and

WHEREAS, the Agency and Developer have determined that said Parking Agreement and said Lease shall be amended to reflect the increased parking rates and the CAM charge repayment schedule, and

WHEREAS, the Citizens Redevelopment Advisory Commission has considered said Amendment to Parking Agreement and Amendment to Lease Agreement at their regularly scheduled meeting on April 7, 2004 and has recommended said Amendments to the Agency.

NOW, THEREFORE, BE IT RESOLVED by the Redevelopment Agency of the City of Modesto that the "Amendment to Parking Agreement" and the "Amendment to Lease Agreement" by and between the Redevelopment Agency of the City of Modesto, a public body, corporate and politic and Civic Partners Modesto, Inc., a California corporation, are hereby approved. Said Amendments are attached hereto and made parts hereof by this reference.

BE IT FURTHER RESOLVED that the Redevelopment Agency of the City of Modesto hereby directs and authorizes its Executive Director to execute said Amendments on behalf of the Redevelopment Agency.

The foregoing resolution was introduced at a regular meeting of the
Redevelopment Agency of the City of Modesto held on the 4th day of May, 2004, by
Agency member Keating, who moved its adoption, which motion being duly seconded by
Agency member O'Bryant, was upon roll call carried and the resolution adopted by the
following vote:

AYES: Agency members: Dunbar, Jackman, Keating, Marsh, O'Bryant,
Chair Ridenour

NOES: Agency members: None

ABSENT: Agency members: Hawn

ATTEST: Jean Zahr
JEAN ZAHR, SECRETARY

APPROVED AS TO FORM:

Michael D. Milich
MICHAEL D. MILICH, GENERAL COUNSEL


The foregoing resolution was introduced at a regular meeting of the
Redevelopment Agency of the City of Modesto held on the 5th day of May, 2004, by
Agency member Keating, who moved its adoption, which motion being duly seconded by
Agency member O'Bryant, was upon roll call carried and the resolution adopted by the
following vote:

AYES: Agency members: Dunbar, Jackman, Keating, Marsh, O'Bryant,
Chair Ridenour

NOES: Agency members: None

ABSENT: Agency members: Hawn

ATTEST:


JEAN ZAHR, SECRETARY

APPROVED AS TO FORM:


MICHAEL D. MILICH, GENERAL COUNSEL

EXHIBIT A

AMENDMENT TO PARKING AGREEMENT

THIS AMENDMENT (hereinafter referred to as the "AMENDMENT") is entered into this ____ day of _____, 2004, by and between the REDEVELOPMENT AGENCY OF THE CITY OF MODESTO, a public body, corporate and politic (the "Agency") and CIVIC PARTNERS MODESTO, INC, a California Corporation ("Developer").

RECITALS

A. On June 12, 2000 the Agency and Developer entered into a Parking Agreement wherein terms and conditions were set forth for use of parking in the public Parking Garage identified in said Parking Agreement (the "Parking Garage").

B. Subsequent to the execution of said Parking Agreement, there has been a dispute between the parties with regard to the provision of employee parking and whether or not the Parking Payments set forth in said Parking Agreement are for both employees and customers.

C. The Agency and Developer have determined that it is in the best interest of both parties to resolve this dispute as provided below.

AMENDMENT

1. Section (C) of said Parking Agreement shall be amended in its entirety to read as follows:

"Pursuant to the DDA, the Agency shall implement a validation or similar system to permit employees and customers of the businesses on the JPA Retail Parcel to park in the Parking Garage pursuant to a validation or similar system to be established by Agency, and Developer shall make certain annual parking payments to Agency as consideration for such use"

2. Section 1 of the Parking Agreement shall be amended in its entirety to read as follows:

"1. Use of Parking. Subject to the terms and conditions of this Agreement, employees and customers of the businesses on the JPA Retail Parcel shall have the right to use and occupy available parking spaces (the "Parking Spaces) in the Parking Garage"

"a. Parking Validations. Commencing upon the date of issuance of a Certificate of Completion for any portion of the improvements to be constructed on the JPA Retail Parcel (the "Effective Date"), and for the balance of the term of this

Agreement, Agency shall establish and implement a validation or other similar system to permit employees and customers of the businesses on the JPA Retail Parcel to park in the Parking Garage free of charge in accordance with this Agreement. Agency shall provide Developer with validation stickers or an acceptable alternative method to allow employees and customers of the JPA Retail Parcel to occupy available Parking Spaces within the Parking Garage at no charge in accordance with this Agreement.”

“b. Location of Parking Spaces. The parking validation system shall be applied to employees and customers of the businesses on the JPA Retail Parcel on the same basis as it is applied to employees and customers of other portions of the Tenth Street Place Project. Such parking within the Parking Garage shall be provided on a first come, first served basis, and the validation system shall neither guarantee nor reserve parking spaces within the Parking Garage.”

“c. Non-exclusive use of Parking Spaces. The use of the Parking Spaces by employees and customers of the businesses on the JPA Retail Parcel shall be on a non-exclusive basis, during all normal operating hours of the Parking Garage.

“d. Rules and Regulations. Agency may, from time to time, adopt and/or amend rules and regulations relating to the use of the Parking Garage and operation or implementation of the validation system to be established by Agency. The rules and regulations may specify, without limitation, the period of free parking per validation per customer per day. Use of the Parking Spaces by employees or customers of the JPA Retail Parcel shall be subject to and conditioned upon compliance with any such rules and regulations adopted by the Agency.

3. Section 2 of the Parking Agreement shall be amended in its entirety to read as follows:

"Term of Agreement: Unless earlier terminated as provided below, and provided Developer is not in default under this Agreement, the term of this Agreement shall commence on the Effective Date, and shall continue so long as the Parking Garage and the retail uses on the JPA Retail Parcel are in existence and open for business.

During the term of this Parking Agreement should any of the primary users of the Parking Garage (Garage Retail Parcel, JPA Retail Parcel, JPA, Cinema Parcel) experience a frequent and significant parking shortage in the Parking Garage, Developer agrees to participate in discussions with the other primary users to resolve said parking shortage. It is expressly agreed that Developer will participate equally with other primary users in the reasonable resolution of said parking shortage. In the event of the failure of one of the primary users to participate in such discussions, Developer can, but shall not be obligated to, participate under this Section. Any shortfall in parking spaces will be allocated equitably between all the primary users, based on existing needs and agreements.

Any revisions to this Parking Agreement, including any Amendments, would require the mutual agreement of the Agency and Developer. Agency and Developer further agree to jointly pursue potential options for increasing available parking in the project vicinity.

3. Section 3(a) of the Parking Agreement shall be amended in its entirety to read as follows:

“ For all space leased as of the “Amendment Effective Date”, the Parking Payment shall be made, in advance, in the monthly amount of TEN CENTS (\$0.10) per square foot per month of the applicable net leasable square feet of retail space developed on the JPA Parcel. For purposes of this Agreement, the amount of all net leasable square feet of retail space developed on the JPA Retail Parcel shall be Twenty-Seven Thousand, Five Hundred, Thirty-Nine square feet (27,539 square feet)

"The Parking Payment shall increase to FIFTEEN CENTS (\$0.15) per square foot per month for any lease existing as of said Amendment Effective Date when any of the following occurs:

1. The initial term of any existing lease is extended or expanded The increase shall become effective at the beginning of the extended or expanded lease term.
2. An existing lease is modified such that the lease payment increases from that certain, specific sub-leasee to the Developer for a net gain in revenue to the Developer of greater than \$0.05 per square foot per month. Exception: Automatic increases in Base and Additional Rent shall not be included in these calculations.
3. The lease for an existing use is assigned or subleased and the use permitted on the premises is different than the original use

For all space leased subsequent to Amendment Effective Date, the Parking Payment shall be made, in advance, in the annual amount of FIFTEEN CENTS (\$0.15) per square foot per month of the applicable net leasable square feet of retail space developed on the JPA Parcel.”

///

Except as modified by this amendment, all other provisions of the Parking Agreement shall remain unchanged and in full force and effect.

IN WITNESS WHEREOF, the Redevelopment Agency of the City of Modesto has authorized the execution of this Amendment in duplicate by its Executive Director and attestation by its Secretary, respectively under authority of Resolution No. _____, adopted by the Redevelopment Agency of the City of Modesto on the _____ day of _____, 2004 and Civic Partners has caused this Amendment to be executed.

REDEVELOPMENT AGENCY OF THE
CITY OF MODESTO

By _____
Jack R. Crist, Executive Director

ATTEST

By _____
Jean Zahr, Secretary

APPROVED AS TO FORM

BY _____
Michael D. Milich, General Counsel

CIVIC PARTNERS MODESTO, Inc.
A California Corporation

By _____
Steven P. Semington, President



AMENDMENT TO LEASE AGREEMENT

THIS AMENDMENT (hereinafter referred to as the "AMENDMENT") is entered into this ____ day of _____, 2004, by and between the REDEVELOPMENT AGENCY OF THE CITY OF MODESTO, a public body, corporate and politic (the "Agency") and CIVIC PARTNERS MODESTO, INC ("Developer").

RECITALS

A. On October 11, 2001 the Agency and Developer entered into a Lease Agreement with Option to Purchase for the retail space on the first floor of the JPA Building at Tenth Street Place.

B. Subsequent to the execution of said Lease, there has been a dispute between the parties with regard to costs payable by Agency under the Building Reciprocal Easement and Access Agreement (the "JPA REA") and the Plaza Reciprocal Easement and Access Agreement (the "PLAZA REA") for maintenance and repair and Developer's reimbursement of said costs to the Agency.

The Agency and Developer have determined that it is in the best interest of both parties to resolve this dispute as provided below.

AMENDMENT

1. The second paragraph of Section 205 of the Lease shall be amended in its entirety to read as follows:

"Tenant shall reimburse Landlord for the costs payable by Landlord under the JPA REA and the Plaza REA for the maintenance and repair of the building Common Area, the Plaza, and the Service Area. Beginning on the date this Amendment is executed by all parties (the "Amendment Effective Date") Tenant's reimbursement shall cover the cost of these services applied to all net leasable square footage of retail space whether leased or vacant. Tenant's reimbursement shall be on a monthly basis within twenty (20) days after receipt of Landlord's billing therefore (which billing shall include copies of all bills and supporting invoices provided by the JPA). In addition, Tenant shall make twelve (12) monthly payments of Two Thousand Dollars and No Cents (\$2,000) to Landlord beginning on said Amendment Effective Date, to compensate Landlord for costs paid by Landlord for these services prior to the Amendment Effective Date. Landlord shall enforce all rights under the JPA REA and the Plaza REA to the fullest extent possible in order to maintain the Premises in a first-class condition.

Except as modified by this amendment, all other provisions of the Lease Agreement with Option to Purchase shall remain unchanged and in full force and effect.

IN WITNESS WHEREOF, the Redevelopment Agency of the City of Modesto has authorized the execution of this Amendment in duplicate by its Executive Director and attestation by its Secretary, respectively under authority of Resolution No. _____, adopted by the Redevelopment Agency of the City of Modesto on the _____ day of _____, 2004, and Civic Partners has caused this Amendment to be executed.

REDEVELOPMENT AGENCY OF THE
CITY OF MODESTO

By _____
Jack R. Crist, Executive Director

ATTEST

By _____
Jean Zahr, Secretary

APPROVED AS TO FORM

BY _____
Michael D. Milich, General Counsel

CIVIC PARTNERS MODESTO, Inc.
A California Corporation

By _____
Steven P. Semingson, President



**MODESTO REDEVELOPMENT AGENCY
RESOLUTION NO. 8-2004**

**A RESOLUTION OF THE REDEVELOPMENT AGENCY OF THE CITY OF
MODESTO APPROVING THE THIRD AMENDMENT TO THE DISPOSITION
AND DEVELOPMENT AGREEMENT BY AND BETWEEN THE
REDEVELOPMENT AGENCY OF THE CITY OF MODESTO AND VALLEY
TOWER, LLC, A LIMITED LIABILITY COMPANY**

WHEREAS, the Redevelopment Agency of the City of Modesto (the "Agency") is carrying out the Redevelopment Plan (the "Redevelopment Plan") for the Modesto Redevelopment Project (the "Redevelopment Project"), and

WHEREAS, the Agency on October 10, 2000, approved a Disposition and Development Agreement (the "DDA") with Valley Tower, LLC, a California limited liability company whose members are John B. Hinchey, an individual, and Roger K. Rempfer (the "Developer"), providing for the acquisition and sale of certain property located within the Redevelopment Project Area at the southwest corner of 10th & H Streets (the "Site"), and development of the Site with a multi-story commercial office structure, consisting of subterranean parking, ground floor retail uses, above-ground parking, and a five-story commercial office building located above the above-ground parking, together with appurtenant landscaping improvements and additional on-street parking spaces (the "Office Project"), and

WHEREAS, the Agency on June 24, 2003, approved a First Amendment to said DDA (the "First Amendment"), which First Amendment included revisions to the terms and conditions of said DDA, and

WHEREAS, the Agency on September 23, 2003, approved a Second Amendment to said DDA (the "Second Amendment"), which Second Amendment included revisions to the terms and conditions of said DDA, and

WHEREAS, the Developer has produced building plans and documents for said Office Project and has obtained an estimate of the construction costs associated with said Office Project, and

WHEREAS, said construction costs have increased more than forty percent (40%) from the initial cost estimate reviewed in September 2003. As a result, a financial shortfall has been created in Developer's financing, and

WHEREAS, the Agency desires to amend the conditions of said DDA and said First and Second Amendments by approving a Third Amendment to the DDA (the "Third Amendment") to approve a time extension to allow Developer to secure additional cash and/or financing to ensure that the Developer will complete said Office Project. Said Third Amendment is attached hereto as "**Exhibit A**" and made a part hereof by this reference, and

NOW, THEREFORE, BE IT RESOLVED by the Redevelopment Agency of the City of Modesto that a Third Amendment to the Disposition and Development Agreement with Valley Tower, LLC, a California limited liability company whose members are John B. Hinchey, an individual, and Roger K. Rempfer, is hereby approved to revise certain milestones for development of said Office Project as follows:

1. Building Permit Approval. Developer shall obtain a building permit for the shell building by December 1, 2004
2. Submission – Evidence of Equity Capital and Mortgage Financing. The Developer shall submit to the Agency for review and approval evidence of equity capital and mortgage financing necessary for development of the Site on or before October 15, 2004
3. Financing Approval. The Agency shall have issued the approval of the equity capital and mortgage financing or disapproval stating the reasons therefore by November 1, 2004.

4. Commencement of Construction of Developer's Improvements. The Developer shall commence construction of the improvements within thirty (30) days of the issuance of the building permit for the Office Project.

If any of the conditions as set forth in said DDA, said First Amendment, said Second Amendment and said Third Amendment are not completed by the required dates as set forth in said documents, then and in that event, said DDA, said First Amendment, said Second Amendment and said Third Amendment shall be considered terminated and termination proceedings shall be as set forth in said DDA, said First Amendment, said Second Amendment and said Third Amendment.

BE IT FURTHER RESOLVED by the Redevelopment Agency of the City of Modesto that the Executive Director is hereby authorized and directed to execute the Third Amendment of the Disposition and Development Agreement and any and all documents related to and/or required by said Third Amendment to the Disposition and Development Agreement

The foregoing resolution was introduced at a regular meeting of the Redevelopment Agency on the City of Modesto held on the 1st day of June, 2004, by Agencymember Marsh, who moved its adoption, which motion being duly seconded by Agencymember Dunbar, was upon roll call carried and the resolution adopted by the following vote:

AYES: Agencymember Dunbar, Jackman, Marsh, Chair Ridenour

NOES: Agencymember Hawn, Keating

ABSENT: Agencymember O'Bryant

ATTEST: Jean Zahr
JEAN ZAHR, Secretary

(SEAL)

APPROVED AS TO FORM:

By Michael D. Milich

MICHAEL D. MILICH, General Counsel

**THIRD AMENDMENT TO
DISPOSITION AND DEVELOPMENT AGREEMENT**

This THIRD AMENDMENT TO DISPOSITION AND DEVELOPMENT AGREEMENT (hereinafter referred to as the "Third Amendment") is entered into as of _____, 2004, by and between the REDEVELOPMENT AGENCY OF THE CITY OF MODESTO, a public body, corporate and politic (the "Agency"), and VALLEY TOWER, LLC, a limited liability company (the "Developer").

Recitals

A. The Agency and the Developer have heretofore entered into a Disposition and Development Agreement, dated as of October 10, 2000, as amended by a First Amendment to Disposition and Development Agreement, dated as of July 21, 2003, and as further amended by a Second Amendment to Disposition and Development Agreement, dated as of September 23, 2003 (referred to collectively herein as the "DDA") pursuant to which the Developer agreed to, among other things, acquire certain real property located at the southwest corner of 10th Street and H Street (the "Site") from the Agency and develop and construct an office complex and parking garage referred to as the Valley Tower (the "Office Project").

B. The Developer and the Agency now desire to make certain modifications to the DDA in light of changed conditions and circumstances and the further planning and decisions of the parties.

Agreements

1. Purpose of this Third Amendment

The purpose of this Third Amendment is to amend, effectuate and implement the DDA by making certain changes necessary to reflect the further planning and decision of the parties in light of changed conditions and circumstances following execution of the DDA.

2. Schedule of Performance

Item 7B, 11, 12 and 20 of the Schedule of Performance (Attachment No. 3 to the DDA), as previously amended by the First Amendment and Second Amendment, are hereby further amended in their entirety to read as follows:

<u>Action</u>	<u>Date</u>
<p>7B. <u>Building Permit Approval.</u> The City's Chief Building Official shall have approved of the initial building permit application for the shell building, or shall have disapproved of said application, stating the reasons therefore. Developer shall have ten (10) days from the date of any written notice of disapproval to resubmit an amended building permit application to address any reasons for disapproval, and all time periods applicable to commencement of construction, and Agency approval of the project plans, shall be extended for said additional time period or periods.</p>	<p>On or before March 30, 2004.</p> <p>If for any reason whatsoever, subject to Section 604, the Developer does not obtain a building permit for the shell building by close of business on December 1, 2004, the DDA as amended by the First, Second and Third Amendments, will automatically terminate.</p>
<p>11. <u>Submission – Evidence of Equity Capital and Mortgage Financing.</u> The Developer shall submit to the Agency for review and approval evidence of equity capital and mortgage financing necessary for development of the Site. (Section 215)</p>	<p>On or before October 15, 2004.</p> <p>If not submitted by October 15, 2004, the DDA, as amended by the First, Second and Third Amendments, will automatically terminate.</p>

-
12. Financing Approval. The Agency shall have issued the approval of the equity capital and mortgage financing or disapproval stating the reasons therefore. Developer shall have thirty (30) days thereafter to resubmit the equity capital and mortgage financing to address any reasons for disapproval or conditional approval, and all time periods applicable to commencement of construction, Agency approval of the equity capital and mortgage financing, and the like, shall be extended for said additional period. If the Agency fails to timely approve or conditionally approve of the equity capital and mortgage financing submitted by the Developer, the equity capital and mortgage financing so submitted shall be deemed to have been approved by the Agency. The Agency's Executive Director is authorized to act on behalf of the Agency to approve or disapprove the equity capital and mortgage financing. On or before November 1, 2004.
20. Commencement of Construction of Developer's Improvements. The Developer shall commence construction of the improvements to be constructed on the Site. (Section 305) Within thirty (30) days of the issuance of the building permit (Section 303) for the Office Project.
-

3. Force and Effect

The effective date of this Third Amendment shall be the date that this Third Amendment is signed by the Agency. Except as modified and amended by this Third Amendment, all other provisions of the DDA, as previously amended by the First and Second Amendments, shall remain unchanged and in full force and effect.

IN WITNESS WHEREOF, the Modesto Redevelopment Agency, a public body, corporate and politic, has authorized the execution of this Agreement in duplicate by its Executive Director and attestation by its Secretary under authority of Resolution No. _____, adopted by the Modesto Redevelopment Agency on the ____ day of _____, 2004, and all parties have caused this agreement to be duly executed on the day and year first above written.

AGENCY:

_____, 2004

REDEVELOPMENT AGENCY OF THE
CITY OF MODESTO

By _____
Jack R. Crist, Executive Director

By _____
Jean Zahr, Secretary

APPROVED AS TO FORM:

By: _____
Michael D. Milich, General Counsel

-AND-

DEVELOPER:

VALLEY TOWER, LLC, a Limited Liability
Company

_____, 2004

By: _____

Its: _____

**REDEVELOPMENT AGENCY
RESOLUTION NO 9-2004**

**A RESOLUTION ADOPTING THE ANNUAL REDEVELOPMENT BUDGET
FOR THE FISCAL YEAR ENDING JUNE 30, 2005.**

WHEREAS, pursuant to Health & Safety Code Section 33606, a proposed budget for the 2004-05 Fiscal Year has been submitted to the Redevelopment Agency by the Executive Director and the Redevelopment Agency has made such revisions as it has deemed advisable and is attached hereto as **Exhibit "A"**, and made a part hereof by this reference, and

WHEREAS, the proposed budget was reviewed by the Finance Committee on May 26, 2004 and recommended to the Agency for approval, and

WHEREAS, the Agency Master Plan and Environmental Impact Report was reviewed by the Safety and Communities Committee on March 1, 2004, Economic Development Committee on March 8, 2004, and the Finance Committee on March 22, 2004 and May 26, 2004, and recommended to the Agency for approval, and

WHEREAS, the Finance Committee reviewed the Agency budget and recommended that a loan from the City of Modesto General Fund, in the amount of four hundred and seventy-nine thousand dollars (\$479,000) is required to fund the Agency activities for Fiscal Year 2004 2005, and

WHEREAS, the Finance Committee reviewed the Agency budget and recommended that all transfers from the City of Modesto General Fund to the Agency will be considered loans to the Agency and that a repayment scheduled should be created and adopted by both the City and the Agency to repay City loans from 1984 to the present, and

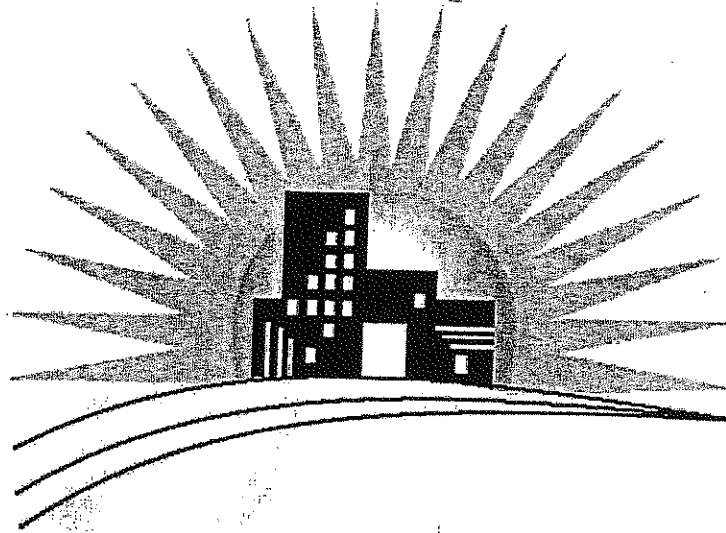
WHEREAS, in accordance with Health & Safety Code Section 33606, a public hearing was held on June 8, 2004 to review the proposed Agency budget and allow for public comment, and

WHEREAS, copies of the proposed budget have been and are available for inspection by the public at the office of the Agency Secretary, and

WHEREAS, the Agency has reviewed the budgetary control and authority policy report prepared by staff.

Exhibit "A"

Modesto Redevelopment Agency



Budget FY 2004-2005

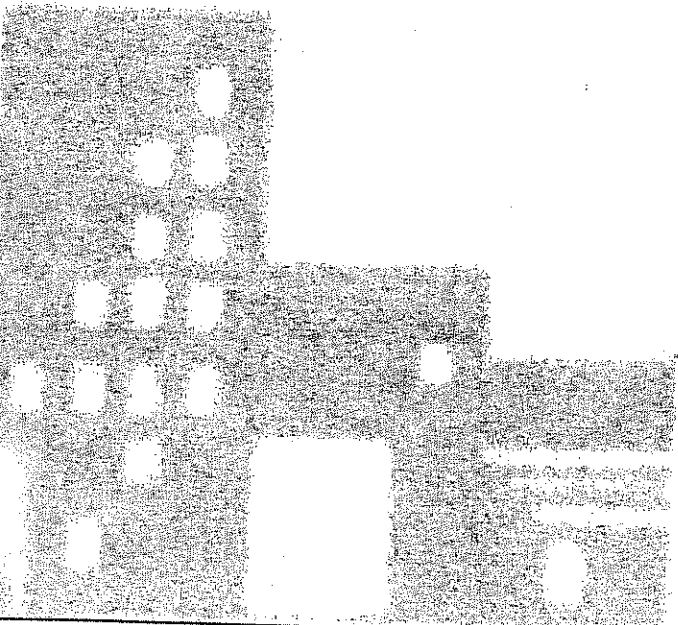


Table of Contents

Executive Summary	3
Why Have Redevelopment?	6
Implementation Plan.....	8
Accomplishments	10
Budget Summary	11
Debt Service.....	12
Administration.....	13
Housing Set-Aside.....	14
Tenth Street Place	15
Master Plan.....	16
Capital Improvement Program	17
Resolution	24

Executive Summary

The Modesto Redevelopment Agency was formed to eliminate the amount of physical and economic blight in Modesto's downtown, as well as areas west of State Route 99 and along Scenic Drive. Since 1983, the Agency has accomplished many of the strategies set forth in the Implementation Plan, which is the framework used to guide the Agency's activities.

The Agency budget for FY 2004-05 is outlined below. The increase in tax increment revenue will soon eliminate the need for additional loans from the City of Modesto's General Fund.

• REVENUES •

The estimated gross tax increment for FY 2004-05 is \$3,305,000, an increase of 6.3% over the estimated gross tax increment for FY 2003-04. In addition, the Agency will receive approximately \$407,000 in miscellaneous revenue from property leases and interest from funds within the RDA reserves.

During this fiscal year, the Tenth Street Place project will be closed out which will provide one-time monies of excess project funds to the Agency of approximately \$2,600,000. These excess Project Funds can be used only for specific Public Capital Improvements as identified in the 1998 Lease Revenue Bond documents. These costs will be allocated during FY 2004-2005 as directed by the Agency board.

After statutory pass-through payments to other agencies of approximately \$372,000, 20% transfer to the Housing Set-aside fund of \$661,000 and County administrative expenses of \$79,000, it is estimated that the Agency will net approximately \$ 2,600,000. There is an additional payment for ERAF to the state of \$ 254,900 for a final net of \$ 2,345,000.

• EXPENDITURES •

For annual debt service, approximately \$2.84M is budgeted for FY 2004-05. For staff services, approximately \$251,000 is budgeted and is shown in the form of service credits from the Agency to the City. The Agency does not employ staff. Instead, the Agency provides service credits to certain City staff for needed services including legal, financial and administrative.

In addition approximately \$110,000 is budgeted for contracts with outside service providers including McDonough, Holland and Allen for legal review and Keyser-Marston for financial review of prospective development agreements.

The Housing Set-aside fund is expected to receive approximately \$731,000 in tax increment and interest on reserves for FY 2004-05. The current reserves, including Capital Improvement Project funds, total approximately \$2.9M. Staff will be using these funds to produce an affordable housing project around the downtown area and at other sites throughout the City.

• PROJECTS IN REVIEW •

The following list summarizes projects that are currently under construction and those that are still on the drawing board. For detailed descriptions of Capital Improvement Project (CIP) accounts, please refer to the Capital Improvement Project section in this budget document. Total CIP: \$ 15,362,929.74.

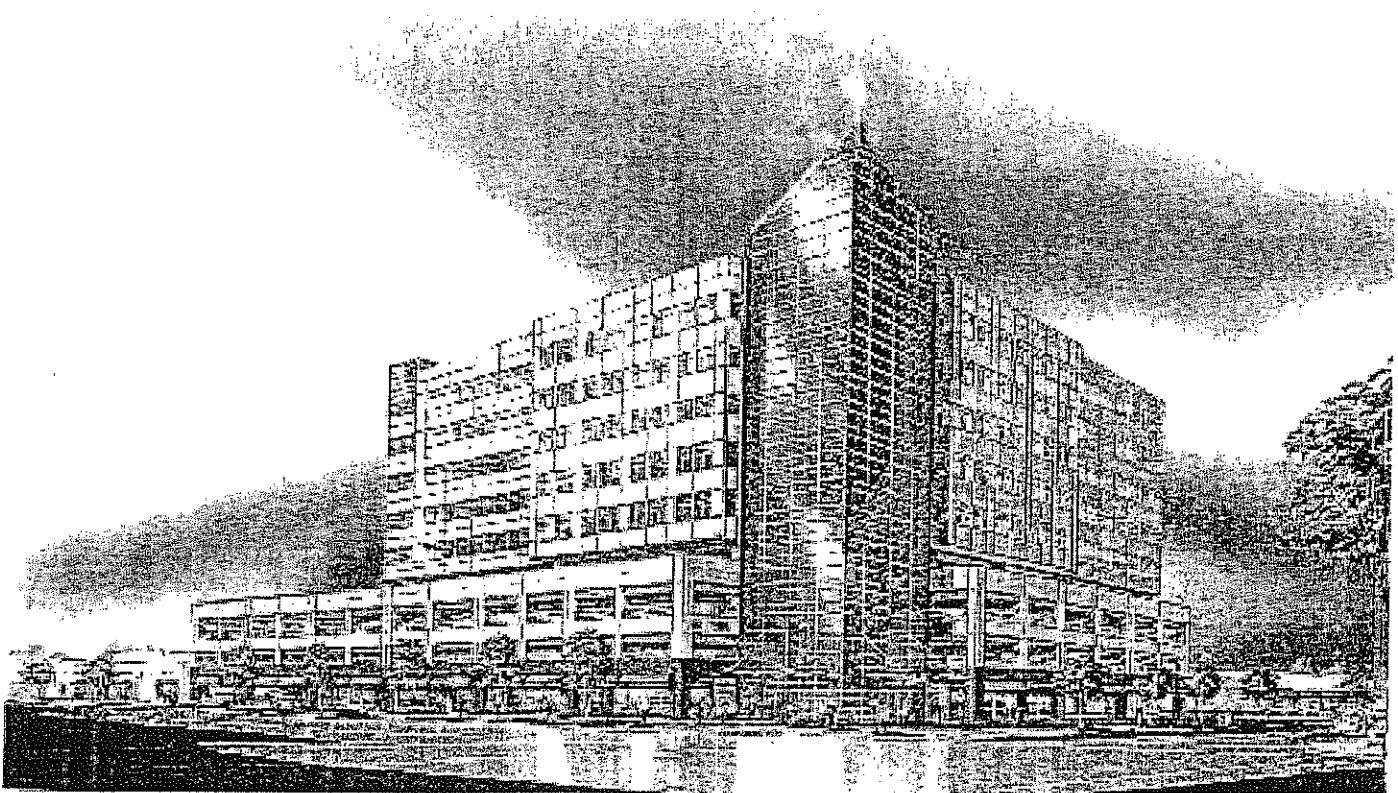
Project 1:	Gallo Center for the Arts	Est. Start:	04/27/04	Est. Comp.:	Spring 2006
Status:	Under Construction				
Details:	See CIP Section for details.				

Executive Summary

(cont.)

Project 7:	Valley Tower Office Project	Est. Start:	January 2005	Est. Comp.:	Spring 2006
Status:	Under Consideration				
Details:	<p>The Agency entered into a Disposition and Development Agreement (DDA) with Valley Tower, LLC in September 2000. The DDA included the following conditions:</p> <ol style="list-style-type: none">1. The Agency purchased a 110-space City parking lot and sold it to Valley Tower for fair market value of \$630,0002. Valley Tower will construct a 12-story, 90,000 square foot building, including a parking garage of approximately 400 spaces.3. There will be 103 public spaces within the garage to replace the 110-space public parking lot4. The Agency will rebate tax increment received from the development to pay for the replacement of the public parking spaces				

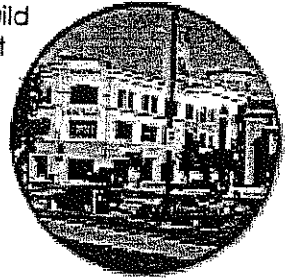
Project 8:	Public Parking Garages in Downtown Area	Est. Start:	Pending	Est. Comp.:	Pending
Status:	Projects under review.				
Details:	<p>The Agency staff is working with private sector developers to identify new sites for parking garages. There is a severe parking shortage in the downtown and the Agency will continue to find partnerships to develop additional spaces to meet the growing demand.</p>				



Why Have Redevelopment?

The purpose of forming a Redevelopment Agency is to eliminate the amount of physical and economic blight in a specific area of a community. The State of California enacted the Redevelopment Code for the specific purpose of assisting cities and counties in breathing new life into those targeted areas of cities that had fallen into economic and physical ruin. The heart of Modesto, our downtown, was one of those targeted areas. Modestans remember what the downtown was like before 1999. Back then, many were hesitant to walk alone in certain areas of the downtown because of the vacant buildings and seedy areas that seemed to be everywhere.

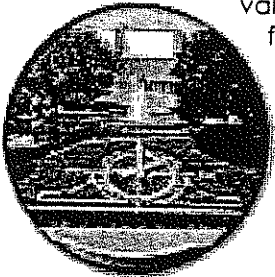
The only way to bring a blighted area to life is to attract private investment dollars to rebuild and redevelop the blighted properties. But, as one can imagine, investors are not anxious to put money into a dilapidated area with high risk and a very low rate of return. Understanding this, a Redevelopment Agency is formed for the specific purpose of providing a small amount of public funding to encourage investors to make a commitment within a blighted area. The Redevelopment Agency is given the role of using minimal public funds to leverage a much larger amount of private investment dollars to transform the blighted area from high risk to high activity — which is what we have done with the new Tenth Street Place and other projects within the Redevelopment Project Area.



There are two key points to understand about a Redevelopment Agency. **First, the Agency is a distinct political body that is totally separate from the City.** In some cities, such as San Jose, the redevelopment agency is a separate board with separate offices and staff. In Modesto, as in many other California cities, the City Council agreed to become the Agency board. This provides a cost savings to the Agency since the same offices and staff are used for both the City and the Agency. But, while it is a cost savings, it can be confusing when we close the Council meeting and then open the Redevelopment Agency meeting with the same people up on the dais. But, they are separate agencies with separate laws, separate budgets and separate funding sources.

The second key factor is the source of funding for the Redevelopment Agency. **The funds for redevelopment come from the property taxes of only those properties within the Redevelopment Project Area.** The Redevelopment Project Area was established by law when the Redevelopment Agency was formed and it includes the downtown and areas along Carpenter Road, Paradise Road and Scenic Drive. The Agency receives a specified percentage of the property taxes as properties are improved and then incurs debt by reinvesting this money back into the Project Area to improve even more properties. Again, the goal is to leverage a small amount of public funds with private investment dollars to redevelop the Project Area before the Agency is terminated. The Agency can operate for 40 years and then there is an additional 10 years to pay off all debt. For Modesto, the Agency will terminate in November 2031 and all debt will be paid by November 2041.

State law allows a redevelopment agency to invest in very specific uses. For example, a redevelopment agency cannot build a new city hall nor can they use the funds for operation or maintenance of any private or government-owned facility. The Redevelopment Agency can invest in many types of private projects including office buildings, parking garages and retail centers within the Project Area. For example, Modesto's Agency has partnered with the private sector to construct Tenth Street Place and two new office buildings on Tenth Street and 12th Street. Also, the Agency has joined with the private sector and Stanislaus County to construct the Gallo Center for the Arts. This Center will not only provide a benefit to the downtown but it will also increase the assessed value of the properties in the Project Area that, in turn, will increase the assessed property value. When the assessed value goes up, the taxes go up which means there is more money for the Agency to repay the debt they have incurred and contribute towards future projects. This is a perfect example of the redevelopment funding cycle and the role of redevelopment in a community.



Redevelopment has been an important and successful tool in renovating many cities. In Modesto, we think that it has been the main reason for attracting new investors into the downtown and for creating alliances between the City and the County to provide better services for our citizens in a central location. Also, we have added entertainment

Implementation Plan

The Redevelopment Agency's goal is to eliminate blighting influences and stimulate new private and public investment in the Redevelopment Area. The Agency can help to stimulate investment through land assembly, construction of upgraded public improvements, incentive programs for building renovation, participation in catalyst projects aimed at spurring other complementary private investments, and expenditure of its low and moderate income housing funds.

To create a framework to guide the Agency's activities the Agency has adopted a Vision and an Implementation Plan. This Plan is schedule to be updated in FY 2004-05. Over the next five years, the continued implementation of strategies in the Master Plan will be the Agency's primary programs.

• THE STRATEGIES •

The Agency has identified nine key strategies or programs for implementing this vision.

• THE VISION •

"Redevelopment is an economic development and community development program of prime importance to the Modesto Community, one that capitalizes upon all of the area's assets and natural resources.

The Modesto Redevelopment Project Area will be the focal point of community life and the social, cultural, business, governmental and entertainment center of the northern San Joaquin Valley.

Housing will be an integral part of the Project Area, complemented by and stimulated by creation of a safe and attractive, tree-lined environment. Modern transportation systems shall provide convenient transportation to and within the Project Area.

This vision will be achieved through partnerships between private enterprise and government agencies. The Redevelopment Agency shall take the lead through strategic investments in public infrastructure, and by recruiting and assisting with new private investment."

Strategy No.:	1	Project:	J Street Arts, Entertainment and Retail District
Details:	Downtown Modesto shall be the center for arts and cultural events, entertainment, restaurants, and specialty retailers. These activities shall be encouraged to cluster around a corridor centered on J Street. This corridor runs roughly from 9th Street to McHenry, and from H to L Streets.		

Strategy No.:	2	Project:	Downtown Office Core
Details:	Downtown Modesto shall be the location for all new major public and private office buildings with the exception of medical buildings. These offices shall generally be within walking distance of the J Street District.		

Strategy No.:	3	Project:	New Housing Construction and the Preservation of Existing Housing
Details:	Downtown Modesto should be a desirable place to live as well as work or visit. The residential strategy should focus both on new construction and the preservation and renovation of existing housing.		

Strategy No.:	4	Project:	Incubator Area Between Highway 99 and 9th Street
Details:	This district east of Highway 99 and west of 9th Street should continue to serve as an "incubator" area for small and start-up commercial and industrial uses.		

Agency Accomplishments

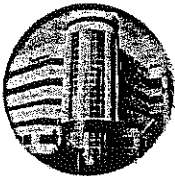
Completed Projects



- Modesto Centre Plaza
- DoubleTree Hotel
- 9th Street Garage



- Facade Grants - 5 years
More than 100 buildings



- City Towers Office Building



- Tenth Street Place
 - Parking Garage
 - Brenden Theatres
 - First Floor Retail



- Affordable Housing
 - Gateway
 - Ashwood Village
 - Woodstone
 - Dan West Court



- Shopping Center on Paradise Road



- The Shops at Lincoln School

Approved Projects Under Development

- Gallo Center for the Arts
- Kansas-Woodland Business Park
- Westland Office Building:
SE Corner of 12th & I Streets
- Valley Tower Office Building:
SW Corner of 10th & H Streets
- Wayfinding Signage & Downtown Streetscape Design

Future Projects Under Review

- Affordable Housing Projects in Downtown Area
- Update to Agency Master Plan and Environmental Impact Report

Budget Summary

	Debt Svc. 9020	Admin. 9050	Housing Set-aside 9060	Tenth Street Place 9070	Master Plan 9080
Beginning Reserves					
Est. Beginning Reserve	\$ (1,389,000)	223,285	1,222,271	1,210,000	793,000
Reallocations into Debt Svc					
a. 9070 - TSP	\$ 1,210,000			(1,210,000)	
b. 9080 - Master Plan	\$ 358,618				(358,618)
Adjusted Reserves	\$ 179,618	223,285	1,222,271		434,382

Bond Reserve Fund (COPS)	\$ 1,977,050				
--------------------------	--------------	--	--	--	--

Revenues					
TI for Debt Service	\$ 2,272,000		661,000		
TI for Pass-Through	\$ 372,000				
(Less ERAs)	\$ (254,900)				
Interest	\$ 132,499		70,000	14,000	
Misc.	\$ 38,000				
Leases	\$ 236,500				
TOI/Sales Tax	\$ 315,500	163,500			
TSP Closeout	\$			1,400,000	
Total	\$ 3,111,599	163,500	731,000	1,414,000	

Expenditures					
Debt - Centre Plaza	\$ 1,962,570				
Debt - TSP	\$ 877,647				
County Admin. Costs	\$ 79,000				
Admin.	\$				
Professional Services	\$	109,843			9,382
Staff	\$	251,021	6,687	12,138	
Internal Services	\$	13,171			
RDA Master Plan/EIR	\$				325,000
Pass-Through	\$ 372,000				
Taxes	\$	12,750			
Housing Set-aside	\$		724,313		
Beautification	\$				100,000
Total	\$ 3,291,217	386,785	731,000	12,138	434,382

Ending Balances					
Available Ending Funds	\$ -				
Housing Set-aside	\$		1,222,271		
Debt Reserve	\$ 1,977,050				

Available TSP Funds (Disposition of remaining TSP Closeout Funds to be con- firmed by Bond Counsel)	\$ 1,401,862				
--	--------------	--	--	--	--

Debt Service

9020

Revenue	Actual 2003	Adopted 2004	Estimate 2004	Proposed 2005
Tl for Debt Service	\$ 1,874,760	\$ 1,597,000	\$ 2,149,000	\$ 2,272,000
Tl for Pass-thrus	\$ -	\$ -	\$ -	\$ 372,000
(Less ERAF)	\$ (66,836)	\$ -	\$ (121,000)	\$ (254,900)
Interest	\$ 73,136	\$ 20,000	\$ 97,000	\$ 132,499
Misc	\$ -	\$ -	\$ -	\$ 38,000
Leases	\$ 105,833	\$ 415,000	\$ 125,000	\$ 236,500
Transfer - Debt Service	\$ 514,000	\$ -	\$ -	\$ -
TOT/Sales Tax	\$ 323,341	\$ 407,000	\$ 407,000	\$ 315,500
Total Source of Funds	\$ 2,824,234	\$ 2,439,000	\$ 2,657,000	\$ 3,111,599

Expenditures				
Debt - Centre Plaza	\$ 1,961,800	\$ 1,960,690	\$ 1,960,690	\$ 1,962,570
Debt - TSP	\$ 844,000	\$ 854,000	\$ 854,000	\$ 877,647
County Admin Costs	\$ 46,062	\$ -	\$ 74,000	\$ 79,000
Pass-Thrus	\$ -	\$ -	\$ -	\$ 372,000
Transfer to Housing Set-aside Fund	\$ 53,546	\$ -	\$ -	\$ -
Total Use of Funds	\$ 2,905,408	\$ 2,814,690	\$ 2,888,690	\$ 3,291,217

...

Explanation

This fund maintains the accumulation of resources for and the payment of general long-term debt principal and interest.

Subordinated Tax Sharing Allocations:

	03-04	04-05	05-06	06-07	08-09	09-10	10-11	11-12	12-13	13-14	14-15
Stanislaus County	0	0	0	0	332	346	360	374	389	605	628
Co. Offc. of Educ.	37	40	42	51	57	59	62	64	66	83	86
Yosemite Comm. College	42	46	49	59	66	68	71	74	77	95	99
Modesto City & HS District	253	272	291	352	391	407	423	440	457	569	591
Original Area	14	15	16	17	18	18	19	20	21	22	23
Total	\$346	\$372	\$398	\$479	\$863	\$898	\$935	\$972	\$1,010	\$1,375	\$1,427

Administration

9050

Revenue	Actual 2003	Adopted 2004	Estimate 2004	Proposed 2005
Tax Increment (for Pass-thrus)	\$ 284,064	\$ 245,000	\$ 346,000	\$ -
Miscellaneous	\$ 38,476	\$ -	\$ 38,000	\$ -
Transfer - TOT and Sales Tax	\$ 342,480	\$ 84,000	\$ 84,000	\$ 163,500
Total Source of Funds	\$ 665,020	\$ 329,000	\$ 468,000	\$ 163,500

Expenditures				
Administration	\$ -	\$ -	\$ -	\$ -
Professional Services	\$ 117,519	\$ 124,481	\$ 124,481	\$ 109,843
Staff Charges	\$ 139,941	\$ 234,654	\$ 234,654	\$ 251,021
Internal Service Fund Charges	\$ 12,777	\$ 12,986	\$ 12,986	\$ 13,171
Pass-thrus	\$ 284,064	\$ 237,000	\$ 346,000	\$ -
Taxes	\$ 12,437	\$ 12,500	\$ 12,500	\$ 12,750
Total Use of Funds	\$ 566,738	\$ 621,621	\$ 730,621	\$ 386,785

...

Explanation

This fund receives tax increment designated for the pass-through agreements with various school districts. It also contains expenditures for services provided by City staff in Community & Economic Development, Finance and the City Attorney's office.

Housing Set-aside

9060

Revenue	Actual 2003	Adopted 2004	Estimate 2004	Proposed 2005
Tax Increment	\$ 539,706	\$ 473,000	\$ 616,000	\$ 661,000
Interest	\$ 52,361	\$ 60,000	\$ 60,000	\$ 70,000
Transfer In from Debt Service Fund	\$ 53,546	\$ -	\$ -	\$ -
Total Source of Funds	\$ 645,613	\$ 533,000	\$ 676,000	\$ 731,000

Expenditures				
Housing Set Aside	\$ 11,775	\$ 526,000	\$ 35,129	\$ 724,313
Administrative Costs	\$ 490	\$ -	\$ 300	\$ -
Staff Charges	\$ 6,443	\$ 6,556	\$ 6,556	\$ 6,687
Total Use of Funds	\$ 18,708	\$ 532,556	\$ 41,985	\$ 731,000

...

Explanation

This is a special revenue fund created pursuant to the Health and Safety Code section 33334.3. All transactions related to the Housing Set-Aside Fund must be accounted for in this separate fund. A reservation of fund balance or separate accounts in another fund is not considered to be in compliance with the Health and Safety code requirements.

Tenth Street Place

9070

Revenue	Actual 2003	Adopted 2004	Estimate 2004	Proposed 2005
Interest	\$ 138,829	\$ -	\$ 13,080	\$ 14,000
Transfer In from Parking Fund	\$ 500,000	\$	\$	\$
Tenth Street Place Closeout	\$	\$	\$	\$ 1,400,000
Total Source of Funds	\$ 638,829	\$ -	\$ 13,080	\$ 1,414,000

Expenditures				
Staff Charges	\$ 21,604	\$ 11,900	\$ 11,900	\$ 12,138
Total Use of Funds	\$ 21,604	\$ 11,900	\$ 11,900	\$ 12,138

...

Explanation

This fund pays for legal services provided by the City Attorney's office, associated with the Tenth Street Place construction project. It is expected that this fund will be closed out during this fiscal year and the remaining funds will revert to the fund balance.

Master Plan

9080

Revenue	Actual 2003	Adopted 2004	Estimate 2004	Proposed 2005
Interest	\$ 23,863	\$ -	\$ 20,000	\$ -
Miscellaneous	\$ -	\$ -	\$ -	\$ -
Transfer - CIP	\$ -	\$ -	\$ -	\$ -
Transfer - TOT and Sales Tax	\$ 152,927	\$ 425,000	\$ 425,000	\$ -
Total Source of Funds	\$ 176,790	\$ 425,000	\$ 445,000	\$ -

Expenditures				
Internal Service Fund Charges	\$ 4	\$ -	\$ 26	\$ -
Professional Services	\$ -	\$ -	\$ -	\$ 9,382
RDA Master Plan/EIR	\$ -	\$ 325,000	\$ -	\$ 325,000
Westland Project	\$ 61,463	\$ -	\$ 3,785	\$ -
Beautification	\$ 26,891	\$ 100,000	\$ 100,000	\$ 100,000
Total Use of Funds	\$ 88,358	\$ 425,000	\$ 103,811	\$ 434,382

...

Explanation

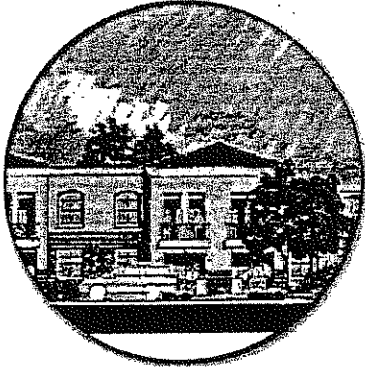
This fund pays costs associated with the downtown beautification efforts, such as the downtown way-finding signage and streetscape program.

Modesto**Redevelopment**Agency

Capital Improvement Program
Budget • FY 04-05

Capital Improvement Program

Downtown Affordable Housing Land Acquisition



Project Manager: Linda Boston

Budget: \$ 1,713,092.50

Beginning in 2000, the Agency has focused on producing an affordable housing project in the Downtown. The primary barriers to this project have been:

- a. Increased land prices coupled with unwilling sellers that could necessitate eminent domain proceedings
- b. Reduced site acreage available for purchase
- c. Increased need for parking for the housing development and for the general population of downtown workers, customers and merchants

Because of the above issues, the Agency determined that additional funds would be needed for a downtown project versus a housing project in another area of the City. The Agency placed funds into this CIP Account in order to accumulate Housing Set-aside monies specifically for a downtown project.

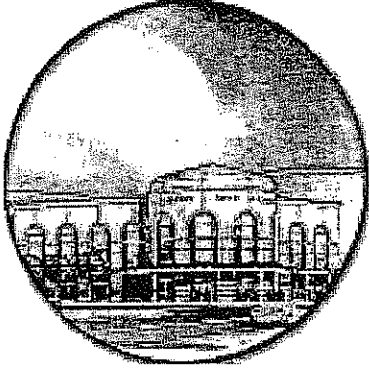
As of June 2004, the Agency has worked with three downtown sites and three developers in an effort to create an affordable housing project. To date, the above impediments have prevented the completion of a project.

• NEXT STEPS •

- Additional funding: The Agency staff continues to partner with the private sector and City Parks, Recreation & Neighborhood staff in an increased effort to combine multiple funding sources for the production of affordable housing downtown. The funding can come from private sources, the Redevelopment Agency, Community Development Block Grant (CDBG) funds and other housing agencies.
- Developable sites: The combined staff is reviewing possible sites in and around the downtown for a housing project. One objective is to identify City-owned parcels (e.g. parks) that may no longer be needed for City uses and develop these into affordable housing sites. In addition, the Agency staff has prepared an "Opportunity Map" to identify private downtown property owners who would be considered selling their property or developing a residential development.
- Additional parking: The Agency staff is working with other City departments to identify parcels near the downtown core that could be developed into multi-story parking garages. This additional parking inventory could provide alternative parking for downtown workers as well as for residents of those housing developments who are in proximity to the new parking facilities.

Capital Improvement Program

Gallo Center for the Arts



Project Manager: Brad Kilger
Budget: \$ 601,604.24

The Gallo Center for the Arts is a \$31 Million project, planned for the block between 10th and 11th Streets and H and I Streets in downtown Modesto. The center will feature a 1,200-seat theater, a 400-seat theater and art gallery. Though construction will be primarily funded by contributions from the community and Stanislaus County, the Agency approved using \$602,000 in tax increment revenue for construction/replacement of such public improvements as deteriorated curb, sidewalks and streetlights, new street trees and street reconstruction.

The estimated cost for constructing the necessary street, streetscape and traffic signal improvements is \$602,000. Of this amount \$473,000 will be used to reimburse the County for the cost of constructing their portion of these improvements. The remaining \$129,000 will be used to reimburse the city for the cost of constructing their portion of the street improvements for the GAC.

On March 25, 2003, the City of Modesto approved a loan to the Modesto Redevelopment Agency in the amount of \$602,000 to fund this CIP Account. Also, the Agency will enter into an agreement with Stanislaus County in the amount of \$473,000 for reimbursement of costs associated with construction of the improvements.

• NEXT STEPS •

- **Construction:** The County will be the project manager for this project. The Agency will provide funding for public improvements as the construction moves forward.
- **Loan repayment:** The loan amount will be added to the existing loan between the City and the Agency, including interest. The repayment of this loan will be as approved between the City and the Agency.

Capital Improvement Program

Kansas Woodland Business Park Property Opt.

Project Manager: Linda Boston

Budget: \$ 50,000.00

On November 6, 2002, the Agency approved the terms and conditions of a Purchase Option for the 45-acre FMC property, located in the center of the proposed Kansas-Woodland Business Park. In summary, the FMC Corporation and the Agency have agreed to the following:

- Agency receives the exclusive right to purchase the property for a period of up to 3 years.
- The purchase price will be \$1,000,000 plus five percent (5%) of any amount received by the City upon sale of the Property in excess of \$1,000,000.
- Agency has paid an option payment of \$50,000 concurrent with the completion of the Property Option Agreement in consideration for the exclusive purchase rights.

When the Agency elects to exercise the Property Option, the Agency will pay an Exercise Option Payment of \$50,000.**

- Both option payments (Total of \$100,000) will be applied to the purchase price.
- FMC will secure approval from the State of California for a Site Cleanup Plan.
- FMC is responsible for remediation of the property as identified and ordered by the Dept. of Toxic Substances Control and the Regional Water Quality Control Board. The Agency has the right to purchase the property in an "As Is" condition once the remediation plan is approved and the site plan has been agreed upon between FMC, the Agency and the regulatory agencies.

• NEXT STEPS •

Staff will process the Property Option and release the Exercise Option Payment to the FMC Corporation once the State approvals are received and all development agreements are completed.

Resolution

REDEVELOPMENT AGENCY
RESOLUTION NO -2004

A RESOLUTION ADOPTING THE ANNUAL REDEVELOPMENT BUDGET FOR THE FISCAL YEAR ENDING JUNE 30, 2005.

WHEREAS, pursuant to Health & Safety Code Section 33606, a proposed budget for the 2004-05 Fiscal Year has been submitted to the Redevelopment Agency by the Executive Director and the Redevelopment Agency has made such revisions as it has deemed advisable, and

WHEREAS, in accordance with California Government Code Section 33606, a public hearing has been held upon the adoption of the proposed budget, and

WHEREAS, copies of the proposed budget have been and are available for inspection by the public at the office of the Agency Secretary,

NOW, THEREFORE, BE IT RESOLVED by the Redevelopment Agency of the City of Modesto that the fiscal year 2004-2005 Annual Budget is hereby adopted.

BE IT FURTHER RESOLVED that the Treasurer is hereby authorized to take the necessary steps to implement the provisions of this resolution.

The foregoing resolution was introduced at a special meeting of the Redevelopment Agency of the City of Modesto, held on the ___ day of _____, 2004, by Agency Member _____, who moved its adoption, which motion being duly seconded by Agency Member _____, was upon roll call carried and the resolution adopted by the following votes:

AYES:

NOES;

ABSENT:

ATTEST: _____

(seal)

APPROVED AS TO FORM:

By: _____
MIKE MILICH, General Counsel

Exhibit "B"

Budgetary Control & Authority

The Redevelopment Agency's Budgetary Control & Authority policy is adopted by the Agency as a part of the resolution adopting the annual budget.

Basic Policy

The Agency budget is adopted at the fund level, and the authorized amount of expenditure for each fund is listed in Exhibit "A" of the budget resolution.

Multi-year appropriations authorized in previous years and not yet expended continue to be valid until explicitly revoked, notwithstanding the annual appropriation shown on Exhibit "A."

Executive Director's Authority

The Executive Director may take the following budgetary actions without Agency approval:

- Transfer appropriations between and within a fund
- Appropriate unbudgeted Agency revenues
- Appropriate reserves approved for litigation on a case-by-case basis
- Revoke multi-year appropriations and close CIP projects

Finance Officer's Authority

The Finance Officer may take the following budgetary actions without Agency approval:

- Appropriate unbudgeted grant interest
- Make technical budget corrections to implement the intent of Agency-approved actions and resolutions
- Transfer appropriations between sub-funds of a single fund.

Assistant Executive Directors' Authority

The Agency Assistant Executive Director may take the following budgetary actions without Agency approval:

- Transfer appropriations between non-salary line-items within a department, within a single fund

Actions Reserved to the Agency

All other budgetary actions require the approval of the Agency. In addition, the following specific actions always require Agency approval, any other provision of this policy notwithstanding.

- Appropriation of undesignated reserves
- Appropriation of revenues
- Budgeting of inter-fund transfers
- Budgeting of inter-fund loans
- Creating or increasing any multi-year appropriation including CIP projects

**MODESTO REDEVELOPMENT AGENCY
OF THE CITY OF MODESTO
RESOLUTION NO. 10 - 2004**

**A RESOLUTION OF THE REDEVELOPMENT AGENCY OF THE CITY OF
MODESTO APPROVING THE CONTRACT WITH ED AW, INC. FOR THE
PROJECT TITLED "UPDATE TO THE REDEVELOPMENT AGENCY
MASTER PLAN AND ENVIRONMENTAL IMPACT REPORT", AND
AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE THE
CONTRACT FOR SAID PROJECT**

WHEREAS, in November 1991, the Redevelopment Agency of the City of Modesto ("the AGENCY") adopted the Amended Project Area and the Redevelopment Plan for a Project Area of approximately 2000 acres encompassing the downtown, a portion of the West side, as well as a smaller portion along Scenic Drive, and

WHEREAS, as a part of this Project Area adoption, an Environmental Impact Report ("EIR") was approved in accordance with California State law, and

WHEREAS, subsequent to said actions, in 1994, a Redevelopment Master Plan ("RDA MASTER PLAN"), which is attached hereto and made a part hereof by this reference, was adopted to implement the goals and objectives of the Redevelopment Plan, and

WHEREAS, the purpose of said RDA Master Plan is to provide a policy guideline document to identify specific types of land uses that the Agency should encourage and promote within the Redevelopment Project Area, and

WHEREAS, as a continuation of the overall downtown renovation, the Agency has determined that both the RDA EIR and RDA Master Plan should be updated in order to reflect the current developments and to set forth future development goals for the RDA Project Area (the "Project Update"), and

WHEREAS, to complete said Project Update, the firm of EDAW, Inc. has been selected from the approved Qualifications-based list of outside service providers for planning and environmental services and a Project scope and budget has been agreed upon in the amount of \$482,619, and

WHEREAS, said Project Scope also includes the preparation of a Safety Campus Master Concept Plan for which the City of Modesto will be providing funds in the amount of \$77,254, with the remaining Project Update cost of \$405,365 being at the expense of the Agency as follows:

FY 2004-05 budget in the amount of \$482,619 in the following accounts:

<u>Redevelopment Agency:</u>	<u>\$405,365</u>
9080-140-1493-0235 - RDA Master Plan:	\$285,365
9080-140-K871-6010 - CIP - Update RDA EIR:	\$120,000
<u>Fire:</u>	
1300-180-N412-6040 Fire Station #1- Seismic Imprv	<u>\$ 77,254</u>
	<u>\$482,619</u>

, and

WHEREAS, pursuant to Redevelopment Agency Resolution No. 8-2003, adopted by the Agency on June 24, 2003, the Agency approved the financing for the Agency's share of said Project Update as a component of the Agency budget for Fiscal Year 2003-2004 in the amounts and in the accounts as set forth above, and

WHEREAS, the following City Council Committees have received a staff report on said Project Update on the following dates and have recommended said Project Update to the full Agency for approval:

1. Safety and Communities Committee – March 1, 2004
2. Economic Development Committee – March 8, 2004
3. Finance Committee – March 22, 2004

4. Finance Committee – May 26, 2004

NOW, THEREFORE, BE IT RESOLVED that the Redevelopment Agency of the City of Modesto hereby approves a professional services contract with EDAW, Inc. for completion of said Project Update pursuant to the agreed-upon Project scope and budget as stated above.

BE IT FURTHER RESOLVED by the Redevelopment Agency of the City of Modesto that the Executive Director is hereby authorized and directed to execute all documents required to complete said contract for the completion of said Project Update.

The foregoing resolution was introduced at a regular meeting of the Redevelopment Agency of the City of Modesto, held on the 6th day of July, 2004, by Agencymember Hawn, who moved its adoption, which motion being duly seconded by Agencymember Marsh, was upon roll call carried and the resolution adopted by the following vote:

AYES: Agencymembers Dunbar, Hawn, Jackman, Marsh, O'Bryant, Chair Ridenour

NOES: Agencymembers None

ABSENT: Agencymembers Keating

ATTEST


Jean Zahr, Secretary

APPROVED AS TO FORM:

By 
Michael D. Milich, General Counsel

**REDEVELOPMENT AGENCY
RESOLUTION NO 11 -2004**

**A RESOLUTION APPROVING THE RESPONSE TO THE STATE
CONTROLLERS OFFICE REGARDING ALLEGED REPORTING
VIOLATIONS AND AUTHORIZING THE EXECUTIVE DIRECTOR TO
DISTRIBUTE RESPONSE TO THE STATE CONTROLLER'S OFFICE**

WHEREAS, pursuant to the State of California Health & Safety Code, there are certain annual reporting requirements that are required from the Redevelopment Agency (the "Agency"), and

WHEREAS, on May 6, 2004, the Agency received a letter from the California State Controller, Division of Accounting and Reporting, advising that the following reporting violations were allegedly committed by the Agency during previous fiscal years as follows:

Alleged Violation: The Agency had not filed the Independent Auditor's report on financial statements and report on legal compliance for the year ended June 30, 2002

Alleged Violation: The Agency had not filed the blight progress, loan and property reports for the year ended June 30, 2002

Alleged Violation: The Agency did not prepare a written determination showing that planning and administrative expenditures were necessary for the production of low and moderate income housing

Alleged Violation: The Agency must require property owners/managers of Ashwood Village to submit annual report. The 2002 Calendar Year report was not submitted until Nov. 2003.

Alleged Violation: The Agency's Implementation Plan for 2000-2004 did not include estimated expenditures for the potential projects included in the Plan, and

WHEREAS, Agency staff has completed a review of the reporting requirements identified by the State Controller and has determined that the alleged violations were minor corrections based on the annual reporting requirements, and

WHEREAS, Agency staff has completed the required actions and amended said annual reports in compliance with said Health & Safety Code requirements which

amended reports are attached hereto as “**Exhibit A**” and made a part hereof by this reference, and

WHEREAS, the Finance Committee met on September 27, 2004, and reviewed said amended reports and recommended them to the Agency for approval.

NOW, THEREFORE, BE IT RESOLVED by the Redevelopment Agency of the City of Modesto that the following reports and actions are hereby approved and adopted:

Alleged Violation: The Agency had not filed the Independent Auditor’s report on financial statements and report on legal compliance for the year ended June 30, 2002

Agency Action: The Agency has filed the 2003 Independent Auditor’s report by the required date.

Alleged Violation: The Agency had not filed the blight progress, loan and property reports for the year ended June 30, 2002

Agency Action: The Blight Progress, Loan and Property Report is complete and will be filed with the State Controller upon approval by the Agency

Alleged Violation: The Agency did not prepare a written determination showing that planning and administrative expenditures were necessary for the production of low and moderate income housing

Agency Action The report on planning and administrative expenditures is complete and will be filed with the State Controller upon approval by the Agency

Alleged Violation: The Agency must require property owners/managers of Ashwood Village to submit annual report. The 2002 Calendar Year report was not submitted until Nov. 2003.

Agency Action: The annual report was submitted for 2002 and the City staff will ensure future filings are completed on time.

Alleged Violation: The Agency’s Implementation Plan for 2000-2004 did not include estimated expenditures for the potential projects

Agency Action: The estimated expenditures for the Implementation Plan have been included in the Plan document. The revised Plan will be filed with the State Controller upon approval by the Agency

BE IT FURTHER RESOLVED that the Executive Director is hereby authorized and directed to provide said amended reports to the State Controller's Office and to take the necessary steps to implement the provisions of this resolution.

The foregoing resolution was introduced at a special meeting of the Redevelopment Agency of the City of Modesto, held on the 28th day of September, 2004, by Agencymember Hawn, who moved its adoption, which motion being duly seconded by Agencymember Jackman, was upon roll call carried and the resolution adopted by the following votes:

AYES: Agency Members: Hawn, Jackman, Keating, Marsh, O'Bryant,
Mayor Ridenour

NOES: Agency Members: None

ABSENT: Agency Members: Dunbar

ATTEST: Jean Zahr
JEAN ZAHR, Secretary

(seal)

APPROVED AS TO FORM:

By: Mike Milich
MIKE MILICH, General Counsel

EXHIBIT A

Fiscal Years 2003 – 2004
Low and Moderate Income Housing Fund
Expenditures for Planning and Administrative Activities

The Redevelopment Agency of the City of Modesto will adopt annual determinations, which consider the necessity and proportionality of Low and Moderate Income Housing Fund (LMIHF) expenditures for planning and administrative activities.

Expenditures from the LMIHF for planning and administrative costs, relative to the total budget for Fiscal Years 2003 – 2004 and expenses are noted below:

Percent of Planning and Administrative Expenditures of LMIHF Budget

Expenditures from the LMIHF for planning and administrative costs (Admin), and its relationship to the total budget is noted below:

<u>FY</u>	<u>LMIHF Budget</u>	<u>Admin Expenditures</u>	<u>Admin % of LMIHF Budget</u>
• 02/03	\$505,000	\$6,933	1.4%
• 03/04	\$532,556	\$7,560	1.4%

Percent of Planning and Administrative Expenditures of LMIHF Expenditures

Expenditures from the LMIHF for planning and administrative costs (Admin), and its relationship to actual LMIHF expenditures is noted below:

<u>FY</u>	<u>LMIHF Expended</u>	<u>Admin Expenditures</u>	<u>Admin % of LMIHF Expenditures</u>
• 02/03	\$18,708 *	\$6,933	37%
• 03/04	\$47,714 *	\$7,560	16%

The Administrative and Planning expenditures for both years cited above are for legal review of proposed affordable housing developments. This is a necessary cost to ensure compliance with Health & Safety Code requirements for proposed housing projects.

* Remaining LMIHF monies are in reserve for a downtown housing project. Beginning in 2000, the Agency has focused on producing affordable housing project in the Downtown area. The primary barriers to this project have been:

- a. Increased land prices coupled with unwilling sellers that necessitate eminent domain proceedings
- b. Reduced site acreage available for purchase
- c. Increased need for parking for the housing development for the general population of downtown workers, customers merchants

Because of the above issues, the Agency determined that additional funds would be needed for a downtown project versus a housing project in another area of the City. The Agency has been placing funds into a Downtown Housing Account in order to accrue Housing Set-aside monies specifically for a downtown project.

* During FY 2003 and FY 2004, the Agency has worked with several downtown sites in an effort to create an affordable housing project. As part of that effort, a set of architectural plans was created to facilitate the approval process. Once a site is identified, these plans will be used to expedite the housing development. In addition, staff is pursuing the following steps for future projects:

1. Additional funding: The Agency staff continues to partner with the private sector and City Parks, Recreation & Neighborhood staff in an increased effort to combine multiple funding sources for the production of affordable housing downtown. The funding can come private sources, the Redevelopment Agency, Community Development Block Grant funds and other housing agencies.
2. Developable sites: The combined staff is reviewing possible sites in and around downtown for a housing project. One objective is to identify City-owned parcels that may no longer be needed for City uses and develop these into affordable housing. In addition, the Agency staff has prepared an "Opportunity Map" to identify private downtown property owners who would considered selling their property or developing a residential development.
3. Additional parking: The Agency staff is working with other City departments to identify parcels near the downtown core that could be developed into multi-story parking This additional parking inventory could provide alternative parking for downtown workers well as for residents of those housing developments who are in proximity to the new facilities.

Criteria: Health and Safety Code Section 33334.3(d) expresses the Legislature's intent that LMIHF expenditures for general planning and administrative activities not be disproportionate to actual costs for housing production, improvement, and preservation; and requires agencies to determine annually that planning and administrative expenses are necessary for the production, improvement, or preservation of low- and moderate-income housing.

State Controller's Office, Guidelines for Compliance Audits of California Redevelopment Agencies, November 1998, requires independent auditors to test for a written annual determination concerning the necessity and appropriateness of any planning and administrative expenditures from the LMIHF.

Health and Safety Code Section 33334.3(e) provides that the planning and administrative costs that may be paid by the LMIHF are those expenses incurred by the agency which are directly related to the programs and activities authorized by Section 33334.2(e) and are limited to: (A) costs incurred for salaries, wages, and related costs of the Agency's staff or for services provided through interagency agreements and agreements with contractors; and (B) costs incurred by a nonprofit organization not directly attributable to a specific project.

Procedure for Annual Determination of LMIHF Planning/Administrative Expenses:

1. The Agency will make an annual determination, in writing, whether proposed planning and administrative costs are necessary and proportionate to the amount proposed for actual housing assistance activities during the year(s).
2. The Agency files will contain written documentation of the facts upon which the annual determination is based, the determination itself, and an analysis that connects the facts to the Agency's ultimate conclusion.
3. To effectively evaluate the "proportionality" of proposed planning and administrative activities, the adopted determination will identify and compare budgeted or projected planning and administrative expenses with budgeted or projected expenses for actual housing development, improvement and preservation activities.
4. To effectively evaluate the necessity of proposed planning and administrative expenditures from the LMIHF, the determination will itemize proposed planning and administrative expenses and relate them to specific housing development, improvement and preservation activities.
5. The determination will describe and analyze the availability of other funding sources which might be used to finance proposed planning and administrative expenses.

EXHIBIT A

2000 - 2004

IMPLEMENTATION PLAN

MODESTO REDEVELOPMENT PROJECT

MODESTO REDEVELOPMENT AGENCY

MODESTO REDEVELOPMENT AGENCY

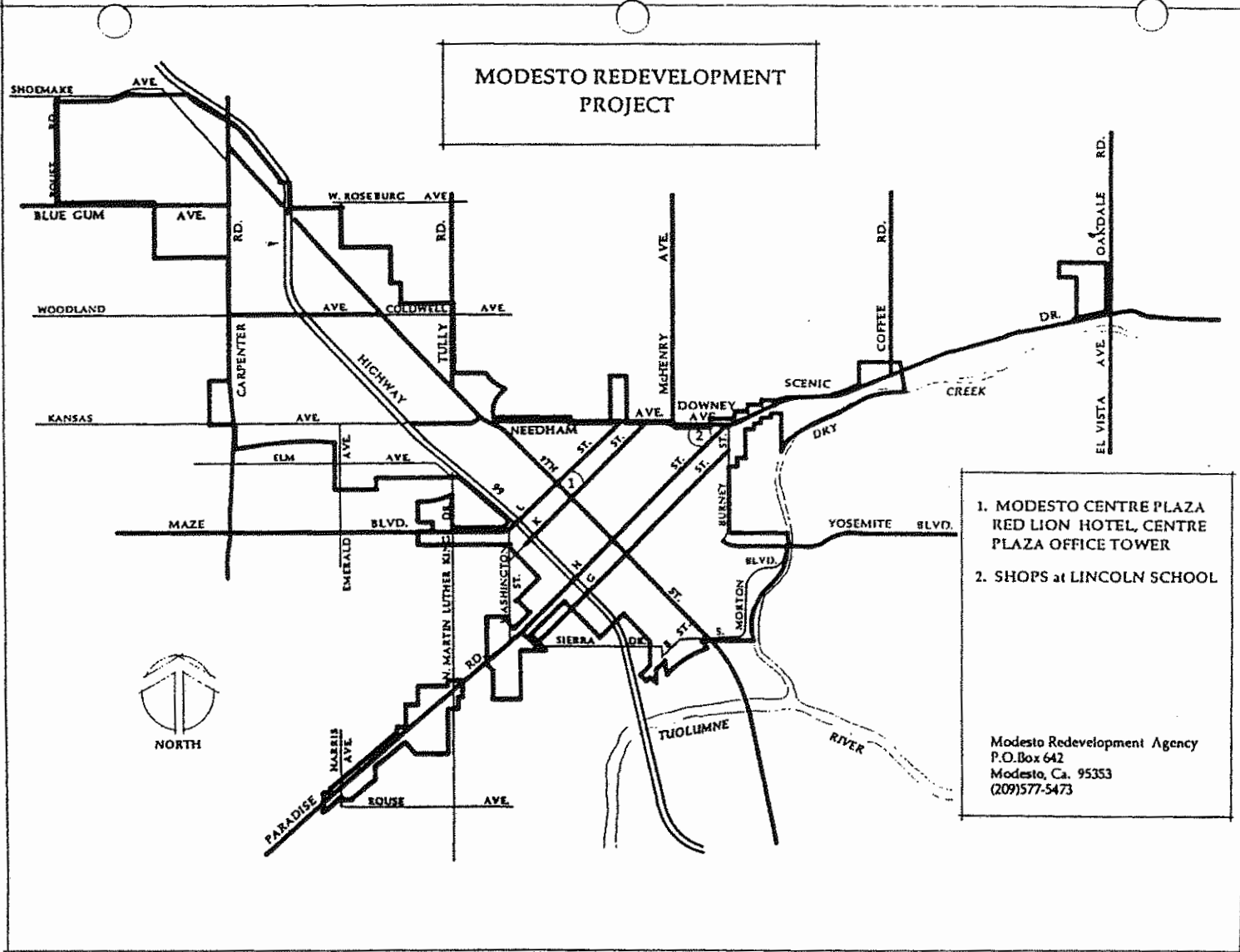
TABLE OF CONTENTS

I.	INTRODUCTION	1
II.	DESCRIPTION OF BLIGHTING CONDITIONS	3
III.	AGENCY GOALS AND PROGRAMS	4
IV.	HOUSING PRODUCTION PLAN	9
V.	INCLUSIONARY HOUSING PLAN	14
VI.	REPLACEMENT HOUSING PLANS	16
VII.	ALLEVIATING BLIGHT	17

MODESTO REDEVELOPMENT PROJECT

Attachment No. 1

Page 2



1. MODESTO CENTRE PLAZA
RED LION HOTEL, CENTRE
PLAZA OFFICE TOWER
 2. SHOPS at LINCOLN SCHOOL
- Modesto Redevelopment Agency
P.O. Box 642
Modesto, Ca. 95353
(209)577-5473

I. INTRODUCTION

In 1993 and 1994 the State Legislature passed laws amending the redevelopment process in California (AB 1290 and SB 732). One change in the law was to require Redevelopment Agencies to adopt five-year "implementation plans" for project areas. The purpose of this implementation plan is to comply with these new statutory requirements.

The Implementation Plan describes:

- ❖ the blight present at the time of adoption of the Redevelopment Plan
- ❖ the specific goals and objectives of the Agency
- ❖ specific programs proposed to be undertaken, including potential projects and estimated expenditures
- ❖ how the goals and programs will alleviate blight within the project area

For housing activities, the implementation plan includes:

- ❖ a Housing Production Plan, showing how the Agency will utilize its low and moderate income housing funds to increase, improve and preserve low and moderate income housing
- ❖ an Inclusionary Housing Plan, showing how the Agency will fulfill its state law requirements for the inclusion of low and moderate income housing in both Agency assisted and private housing developments
- ❖ a description of the requirement for Replacement Housing Plans when the activities of the Agency will result in the loss of low or moderate income housing units

Modesto has a single redevelopment project area, the Modesto Redevelopment Project. The area was first adopted in 1983, and then expanded in 1991 to the current boundaries shown on Attachment No.1.

The Agency's first Implementation Plan for the period 1995-1999 was adopted in November 1994. This document represents Modesto's first update of that plan.

II. AGENCY GOALS AND PROGRAMS

The Redevelopment Agency's goal is to eliminate blighting influences and stimulate new private and public investment in the redevelopment area. The Agency can help to stimulate investment through land assembly, construction of upgraded public improvements, incentive programs for building renovation and business expansion, participation in catalyst projects aimed at spurring other complementary private investments, and expenditure of its low and moderate income housing funds.

To create a framework to guide the Agency's activities regarding new private and public investments, the Agency has adopted a Vision and a Master Plan in. Over the next five years, the continued implementation of strategies in the Master Plan will be the Agency's primary programs.

The Vision

"Redevelopment is an economic development and community development program of prime importance to the Modesto Community, one that capitalizes upon all of the areas assets and natural resources.

The Modesto Redevelopment Area will be the focal point of community life and the social, cultural, business, governmental and entertainment center of the northern San Joaquin Valley.

Housing will be an integral part of the project area, complemented by and stimulated by creation of a safe and attractive, tree-lined environment. Modern transportation systems shall provide convenient transportation to and within the Project Area.

This vision will be achieved through partnerships between private enterprise and government agencies. The Redevelopment Agency shall take the lead through strategic investments in public infrastructure and by recruiting and assisting with new private investment".

The Strategies

The Agency has identified nine key strategies or programs for implementing this vision.

Strategy No.1: J Street Arts. Entertainment and Retail District. Downtown Modesto shall be the center for arts and cultural events, entertainment, restaurants, and specialty retailers. These activities shall be encouraged to cluster around a corridor centered on J Street. This corridor runs roughly from 9th Street to McHenry, and from H to L Streets.

Strategy No.2: Downtown Office Core. Downtown Modesto shall be the location for all new major public and private office buildings with the exception of medical buildings. These offices shall generally be within walking distance of the J Street District.

Strategy No.3: New Housing Construction and the Preservation of Existing Housing. Downtown Modesto should be a desirable place to live as well as work or visit. The residential strategy should focus both on new construction and the preservation and renovation of existing housing.

Strategy No.4: Incubator Area Between Highway 99 and 9th Street. This district east of Highway 99 and west of 9th Street should continue to serve as an "incubator" area for small and start-up commercial and industrial uses.

Strategy No.5: Industrial District. Woodland to Kansas. This area provides the best opportunity with the redevelopment area for creation of a new, modern industrial park subdivision. The Agency should work with the property and business owners in the area to coordinate its redevelopment.

Strategy No.6: Upgrade Commercial and Residential Uses Along Paradise Road. Major upgrading of both the commercial and residential areas along Paradise Road is needed to strengthen this portion of the redevelopment area.

Strategy No.7: Develop New Community Commercial Areas: Two areas are proposed for new community scale commercial and/or industrial development. These areas are the current County Center No.3 at Scenic and Oakdale, and the eastern and northern portions of the West Campus of Modesto Junior College.

Strategy No.8: Tuolumne River Family Learning/Recreation Center: The Tuolumne River is the foremost natural asset in the redevelopment area. Bluff property overlooking the park should be investigated as a site for a regional educational and recreational facility oriented primarily to children and families.

Strategy No.9: Historic Preservation. The Agency has worked with the Landmark Preservation Commission to identify buildings in the downtown area worthy of preservation. The Agency's activities and projects should respect these buildings and make every effort to preserve them.

Attachment No.2 shows the location of many of these programs.

The Agency has begun work on a number of specific projects and programs to implement these strategies. These include:

Strategy No. 1. To help implement this strategy the Agency entered into a Disposition and Development Agreement with Civic Partners for construction of a 18 screen cinema and retail space as part of the 10th Street Place Project. The cinema opened in May 1999 and the retail spaces will be fully constructed and leased by mid 2000.

Over the last five years the Agency contributed funds for the construction of two public art projects at McClatchy Square and Five Points. As part of 10th Street Place the Agency requested the Culture Commission to establish a Public Art Committee and create an on-going public art program. The program has been created and has initially been funded by the Agency, the City-County Joint Powers Agency I and the 10th Street Place private developer and cinema operator.

The Agency has provided three facade grants to the State Theatre on J Street to assist with its renovation. And the Agency, in concert with other downtown organizations, co-sponsors the Downtown Sampler Program, a program that aims to bring the public to the J Street corridor and sample its culinary and retail establishments.

A Performing Arts Center has been proposed on 11th Street between H and I Streets. Agency will work with various public and private sponsors of this project toward its implementation.

Proposed Expenditures:

- Performing Arts Center - \$10 million
- Mixed-use retailer/entertainment center - \$1 million
- Façade Grants, Sampler Program: J Street streetscape/beautification - \$500,000

Strategy No. 2. The Agency was instrumental in construction of the first new high-rise office building downtown. Through a Disposition and Development Agreement, the Centre Plaza Office Tower was constructed.

Through an agreement to provide parking for tenants, the Agency assisted with the leasing of the City Towers Office Building.

Through an agreement with the City-County Joint Powers Agency, 250,000 square feet of office space for the City and County was constructed as part of 10th Street Place. The relocation of the County offices to 10th Street Place also permits the relocation of the County Office of Education downtown to the former County offices.

In addition to the public office space at 10th Street Place, through a Disposition and Development Agreement another 25,000 square feet of private office space will be constructed and open by mid-2000.

In early 2000 the Agency hopes to complete development agreements for the construction of two new mid-rise private office buildings, each with about 75,000 square feet.

Proposed Expenditures:

- Office/Parking Garage - \$1 million
- Mixed-use office - \$500,000
- High rise office complex - \$1 million

Strategy No. 3. Over the last five years the Agency has contributed roughly \$2 million toward the construction and renovation of low and moderate-income housing. Discussion of the Agency's housing program is included in the following section of this Plan.

Proposed Expenditures:

- Mixed-use residential - \$2 million
- Down-payment assistance - \$500,000

Strategy No. 4. Over the past few years the Agency has awarded a number of facade grants for properties in the "incubator" area. The Agency's Traffic Committee has begun a study of downtown entryways and their identification, including those within the "incubator" area.

Proposed Expenditures:

- Streetscape/beautification - \$500,000
- Façade Improvements - \$250,000
- Mixed-use buildings - \$500,000

Strategy No. 5. The Agency has been working with three key landowners; FMC, Foster Farms and the Modesto Irrigation District, on the redevelopment of the property between Kansas and Woodland. Through an engineer hired by the Agency, plans for new traffic circulation in the area are being prepared in anticipation of large-scale redevelopment.

Proposed Expenditures:

- Brownfield remediation and development - \$750,000

Strategy No. 6. Over the past five years substantial progress has been made toward the upgrading of this area along Paradise Road. Two key projects were the renovation of the neighborhood shopping center at Paradise and Martin Luther King through an Owner Participation Agreement, and the Gateway Village family apartment complex. Both projects received Agency financial assistance.

Proposed Expenditures:

- Mixed-use development - \$1 million

Strategy No. 7. Once the County Office of Education moves from County Center 3 to its new downtown location, private redevelopment of Center 3 can proceed. The County has entered into an agreement for development of a neighborhood scale shopping center on the property.

The Agency is also assisting the Yosemite Community College District with redevelopment of a portion of its West Campus. Plans for this property have been submitted to the City for approval and required traffic and environmental studies are being undertaken in conjunction with the City's adjacent College West Neighborhood project.

Proposed Expenditures:

- Development assistance - \$850,000
- Infrastructure - \$750,000

Strategy No. 8. The cities of Modesto and Ceres, and the County of Stanislaus, have begun the process of updating the plan for the Tuolumne River Regional Park. The Redevelopment Agency will be participating in this process.

The updating focuses on the "gateway" area just south of downtown. In concert with this effort the Agency will be exploring activity centers for the bluff land that would be complementary with the park plans. Among the ideas to be explored is an educational and recreational center than caters to children and families.

Proposed Expenditures:

- Master Plan - \$500,000
- Development assistance - \$500,000

Strategy No. 9. The Agency and the Landmark Preservation Commission, over the last two years, have conducted a survey of historic buildings in the downtown area. This work is close to completion. The resulting list of buildings will provide guidance to the Agency so that the Agency's activities do not result in the removal of these buildings.

The Agency fully anticipates that as the redevelopment work progresses, additional specific projects in pursuit of all of these strategies will be identified and that more specific estimates of potential expenditures will be made at those times.

Proposed Expenditures:

- Preservation grants - \$500,000

III. HOUSING PRODUCTION PLAN

State law requires that 20% of the tax increment revenues received by the Agency be placed in a Low and Moderate Income Housing Fund. The Housing Production Plan provides the framework for expenditure of monies from this Fund, which must be used to increase, improve and preserve the supply of low and moderate income housing.

For the five-year period of 2000-2004, it is projected that \$1,844,000.00 in tax increment funds will be available in the Low and Moderate Income Housing Fund.

The Housing Production Plan has three goals:

1. Increase and preserve the supply of transitional housing.
2. Increase and preserve the supply of rental housing.
3. Increase and preserve the supply of owner-occupied housing.

Following is a detail on these three goals, the types of programs anticipated to be used to achieve the goals, and the funding anticipated to be available in each of the Plan's five years. Then following this detail on the three goals, there is a description defining in more detail the anticipated programs.

Goal No.1: Increase and Preserve the Supply of Transitional Housing

It is planned that approximately 15% of the Agency's Low and Moderate Income Housing Funds will be allocated in a given year for transitional housing needs. It is estimated that the Agency's contribution toward the development of a transitional housing unit will need to be \$35,000-\$40,000. This relatively high level of support is needed due to the lack of other available funding sources.

This support could be provided in a number of ways. These include new housing construction assistance, property acquisition, housing rehabilitation, and infrastructure improvements. (For further definition of these types of assistance please see the next section).

Based on projected tax increment revenues to the Agency I and the 15% allocation of housing funds for transitional housing, it is projected that the following funds would be available over the five years of the Implementation Plan.

<u>Calendar Year</u>	<u>Approximate Funding Level</u>	<u>Units Produced</u>
2000	\$39,000.00	1
2001	\$47,000.00	1
2002	\$55,000.00	1
2003	\$63,000.00	2
<u>2004</u>	<u>\$72,000.00</u>	<u>2</u>
Total	\$276,000.00	7

Transitional housing projects throughout the City of Modesto will be eligible for this funding with preference given to those within the Project Area.

Goal No.2: Increase and Preserve the Supply of Rental Housing

It is planned that approximately 65% of the Agency's Low and Moderate Income Housing Funds will be allocated in a given year for rental housing needs. These needs could include those of low and moderate income households, or of special households such as seniors, single parent households, large families, disabled persons, and year round farm workers.

It is estimated that the Agency's contribution toward rental housing would need to be about \$7,000 per unit. This assumes that additional public subsidy would also be available. It is expected that the City of Modesto may provide federal funding (CDBG, HOME) as well for these rental projects. Any Agency or City funding will be used to leverage additional funds from other sources.

This support for rental housing could be provided in a number of ways. These include new housing construction assistance, property acquisition, housing rehabilitation, and infrastructure improvements.

Based on projected tax increment revenues to the Agency, and the 65% allocation of housing funds for rental housing, it is projected that the following funds would be available over the five years of the Implementation Plan.

<u>Calendar Year</u>	<u>Approximate Funding Level</u>	<u>Units Produced</u>
2000	\$169,000.00	24
2001	\$203,000.00	29
2002	\$239,000.00	34
2003	\$275,000.00	39
<u>2004</u>	<u>\$313,000.00</u>	<u>45</u>
Total	\$1,199,000.00	171

Rental housing projects throughout the City of Modesto will be eligible for this funding with preference given to proposals within the Project Area.

Goal No.3: Increase and Preserve the Supply of Owner Occupied Housing

It is planned that approximately 20% of the Low and Moderate Income Housing Funds will be allocated in a given year for owner-occupied housing. Specifically, the funds are to be used for assistance for first time homebuyers.

It is anticipated that approximately \$7,500 in assistance would be required per unit. It is expected that the City of Modesto may provide federal funding (CDBG, HOME) for down payment assistance as well.

Based on projected tax increment revenues to the Agency, and the 20% allocation for **home buyer** assistance, it is projected that the following funds would be available over the five years of the Implementation Plan.

<u>Calendar Year</u>	<u>Approximate Funding Level</u>	<u>Units Produced</u>
2000	\$52,000.00	7
2001	\$63,000.00	8
2002	\$73,000.00	10
2003	\$85,000.00	11
<u>2004</u>	<u>\$96,000.00</u>	<u>13</u>
Total	\$369,000.00	49

Home buyer assistance will be available for housing units throughout the City of Modesto with preference given to projects within the Project Area.

Definition of Programs/Methods

New Housing Construction Assistance

New Housing Construction Assistance is intended to assist in the development of transitional, rental and owner-occupied housing. The new housing that is produced with Agency assistance must be available at affordable costs to very low, low, and moderate-income households and remain affordable for not less than 15 years for rental housing and 10 years for owner-occupied housing.

Funding could be applied to the construction cost of single-family I multi-family, or transitional housing projects. Funding amounts would be based on the type of and number of housing units to be constructed, need, construction costs and available financing.

These funds could best be used by leveraging them to secure additional funding sources. Therefore, funding would generally be subordinate "gap" financing and would be awarded only after the majority of permanent financing is in place.

Funds could also be used to buy down interest rates on other financing, pay City development fees, make infrastructure improvements, or pay predevelopment expenses.

Home Buyer Assistance

Home buyer Assistance is intended to assist eligible homebuyers become owners of new or existing housing. This housing must be available at affordable housing costs to qualified households in the low and moderate income categories.

Funding **could** take the form of down payment assistance loans, with payments of principal and interest deferred until the house is sold or title is otherwise transferred. The funds could also

be used to buy down the interest rates of conventional mortgage loans or pay for development fees on new housing.

As loans are repaid, the funds could be loaned to additional applicants as part of a revolving loan program.

Property Acquisition

Acquisition of vacant property is intended to assist in the development of transitional, rental and owner-occupied housing. Housing produced on property acquired with this assistance would need to be developed and maintained as affordable housing.

Acquisition of existing housing in need of rehabilitation or reconstruction is intended to preserve or expand the supply of transitional, rental or owner-occupied housing. Housing units assisted in this manner would also need to be maintained as affordable housing.

The Agency could acquire land directly and sell it to a developer at cost or at a reduced price, or the Agency could assist with the purchase of property by a private developer.

Housing Rehabilitation

Housing rehabilitation is intended to assist the owners of transitional, rental and owner-occupied housing. Substantially rehabilitated units would have to be affordable and available to very low, low and moderate income households and remain affordable for not less than 15 years for rental housing and 10 years for owner-occupied housing.

Funding could be applied to improving, enlarging, or renovating distressed or dilapidated housing. Rehabilitated units could also be sold, with affordability covenants, to qualified households or non-profit organizations that provide affordable housing. These funds could best be used by leveraging additional funding from other sources.

Predevelopment Assistance

Predevelopment Assistance is intended to assist the developers of transitional, rental and owner-occupied housing. At least 30% of the units assisted would need to be affordable and available to very low, low and moderate income households and remain affordable for not less than 15 years for rental housing and 10 years for owner-occupied housing.

Funding could be applied to any predevelopment costs necessary to undertake a housing project, such as design and engineering fees, loan application fees, and other similar costs.

Fee Abatement

Fee Abatement is intended to assist developers of transitional, rental and owner-occupied housing. The housing units assisted must be affordable and available to qualified very low, low and moderate-income households and remain affordable for not less than 15 years for rental housing and 10 years for owner-occupied housing.

Funding would be in the form of loans to offset City Capital Facilities Fees, utility hook-up fees, etc. The loans would be due at the time each housing unit is sold or title transfers. To be eligible for these funds, developers would first need to pursue waiver of the fees by the City.

Infrastructure Improvements

Infrastructure Improvements are intended to assist developers of transitional, rental and owner-occupied housing. Funding would be available for such improvements as water and sewer lines and other improvements to the public right-of-way which directly benefit the affordable units. The housing subsidized in this manner would need to be affordable and available to low and moderate income households.

Eligibility and Process for Funding

Non-profit and for-profit developers will be eligible to annually compete for funding from all of the Agency's housing programs.

Funding for the down payment assistance will be available directly to households and applications for this assistance can be made at any time during the year.

It is possible that the Agency may consolidate the application process with the City's process for determining allocation of CDBG and HOME funds.

V. INCLUSIONARY HOUSING PLAN

Agency Developed Housing

At least thirty percent (30%) of all new or substantially rehabilitated housing units developed by the Agency shall be available to low and moderate income households. These units must remain at affordable prices for the longest time feasible, but not less than the term of the land use controls established in the Redevelopment Plan, except as otherwise provided by law.

Not less than half of these units, or 15% of all new or substantially rehabilitated housing units developed by the Agency shall be available at affordable housing cost to, and occupied by very low income households.

These requirements apply to Agency developed housing both inside and outside the project area.

Privately Developed Housing

When new or substantially rehabilitated housing units are produced within the project area, the Agency incurs an obligation for the production of units affordable to low or moderate income households. The Agency is not required to place affordability covenants on each residential project in the Project Area, but must satisfy this inclusionary obligation in the aggregate throughout the Project Area.

Regardless of whether the requirement is met by the private project or separately by the Agency, at least 15% of all new or substantially rehabilitated units developed within the Project Area, by persons or entities other than the Agency, must be made available at affordable cost to low or moderate households. At least 40% of these units (or 6% of the total) must be reserved for very low income households.

These inclusionary requirements may be satisfied by the development of 2 housing units outside a project area for each housing unit that otherwise would have had to be available inside the Project Area.

Estimated Inclusionary Requirement for Future Agency Housing Activity

As noted earlier, one of the Agency's nine strategies or programs is the construction of new housing in the Project Area. However, the Agency does not anticipate developing any housing units directly, but rather rely on other entities to develop the units with the assistance of the Agency where feasible and appropriate.

Estimated Inclusionary Requirement for Future Private Housing Activity

Given the lack of housing development in the Project Area over the past several years, and the very small amount of residentially zoned vacant land within the Project Area, the Agency cannot at this time reasonably project the construction of new housing units by private entities. If any such residential activity occurs, the Agency will be subject to meeting the 15% inclusionary requirement.

However, as the revitalization of Modesto's central business core continues the demand for affordable housing opportunities in close proximity to the workplace increase. This will lead to greater interest by private entities in acquiring and rehabilitating existing housing or converting non-residential structure into housing. Project proposals of these types will be given priority consideration in the use of the Agency Low and Moderate-income Housing Funds to meet this 15% inclusionary requirement.

As noted in the Housing Production Plan, over the life of the Plan the Agency estimates that 227 units can be developed or rehabilitated with assistance from Agency housing funds. Therefore, based on the inclusionary housing requirements, a minimum of 69 units would be available at an affordable housing cost for qualified low and moderate-income households. These units can be used to satisfy the inclusionary requirement for future private housing activity if the units are developed within the Project Area.

VI. REPLACEMENT HOUSING PLANS

In accordance with Section 33413(a) of the Health and Safety Code, redevelopment agencies are required to replace any dwelling units housing low or moderate income persons or families that are removed or destroyed as a result of a redevelopment project, or a project that is assisted by the Agency. A plan for such replacement must be adopted not less than 30 days prior to the execution of an agreement for the acquisition of property, for the disposition and development of property, or for the execution of an owner participation agreement when such would result in the destruction of low or moderate income housing. Existing units shall not be destroyed or removed from the low and moderate income housing market until the Agency has by resolution adopted the Replacement Housing Plan.

A Replacement Housing Plan must include the following:

- a. the general location of the housing to be rehabilitated, developed or constructed to replace housing to be removed.
- b. an adequate means of financing said rehabilitation, development or construction.
- c. a finding that the replacement housing does not require the approval of voters pursuant to Article XXXIV of the California Constitution, or that such approval has been obtained.
- d. the number of dwelling units housing persons and families of low or moderate income planned for construction or rehabilitation.
- e. the timetable for meeting the plan's relocation, rehabilitation and replacement housing objectives. At least 75% of the replacement dwelling units shall replace dwelling units at affordable housing cost in the same income level as the persons displaced from the destroyed or removed units.

Replacement housing units must remain affordable for the longest feasible time, but for not less than the period of land use controls established in the Redevelopment Plan.

VII. ALLEVIATING BLIGHT

As previously noted, the redevelopment project area has suffered from a lack of public and private investment. This lack of investment has manifested itself in the problems summarized earlier. The Agency's goal is to stimulate new public and private investment to overcome the problems that have been created in past decades. Through new investment, both the physical and social environment of the project area will be improved. Examples include:

- ❖ Through use of the Agency's low and moderate income housing funds, existing housing stock can be improved and new housing stock constructed.
- ❖ New private investment, creating both construction and permanent employment, will be created through such strategies as the Regional Retail District, the Industrial Park, the Office and Specialty Retail Core, the Regional Recreation area, the redevelopment of the Paradise Road commercial area, the Governmental Center, and the emphasis of cultural and community activities and the arts.

These investments, with the assistance of the Agency, will help to overcome the blight created by deteriorated and obsolete buildings, will help to stabilize land uses, will provide needed parking, and will create new parcels amenable to modern development.

Employment opportunities, both in the short and long term, will help to overcome problems of poverty not only in the project area, but the City as a whole. Increased employment opportunities, appropriate project design, and most importantly higher levels of activity in the Project Area, especially in the evenings, should help to decrease the crime rates in the project area.

EXHIBIT A

***FY 2003-2004
MODESTO REDEVELOPMENT AGENCY***

HEALTH AND SAFETY CODE §33080.1

- ***ALLEVIATION OF BLIGHT***
- ***LOAN DEFAULT REPORT***
 - ***PROPERTY LISTING***

I. HEALTH AND SAFETY CODE §33080.1(d)

ALLEVIATION OF BLIGHT

The Modesto Redevelopment Agency's goal is to stimulate new public and private investment in order to overcome the problems that have been created in past decades. Through new investment, both the physical and social environment of the project area will be improved. Private investment, with the assistance of the Agency, will help to:

- Overcome blight created by deteriorated and obsolete buildings
- Stabilize land uses
- Provide needed public parking
- Create new parcels amenable to modern development.

Employment opportunities, both in the short and long term, will help to overcome problems of poverty not only in the Project Area, but also in the City as a whole. Increased employment opportunities, appropriate project design and, most importantly, higher levels of activity in the Project Area --- especially in the evenings --- will decrease the crime rates.

FY 2003-2004, the Redevelopment Agency of the City of Modesto completed the following actions to implement the objectives of the Implementation Plan in alleviating blight within the Project Area:

Strategy No.1: J Street Arts, Entertainment and Retail District. Downtown Modesto shall be the center for arts and cultural events, entertainment, restaurants, and specialty retailers. These activities shall be encouraged to cluster around a corridor centered on J Street. This corridor runs roughly from 9th Street to McHenry, and from H to L Streets.

Agency Actions:

Project: Gallo Center for the Arts

Agency Expenditure: \$602,000

Status: Under Construction

The Gallo Center for the Arts is a \$31 Million project under construction in the block between 10th and 11th Streets and H and I Streets in downtown Modesto. The center will feature a 1,200-seat theater, a 400-seat theater and art gallery. Though construction will be primarily funded by contributions from the community and Stanislaus County, the Agency approved using \$602,000 in tax increment revenue for construction/replacement of such public improvements as deteriorated curb, sidewalks and streetlights, new street trees and street reconstruction.

Project: Wayfinding Signage and Downtown Streetscape Construction

Agency Expenditure: \$100,000

Status: Under Construction

The Agency provides \$100,000 each year for use in beautification and general street improvement projects. For FY 2003-04, the Agency used these funds to create two public projects: (1) Construction plans for downtown streetscape and (2) Design and construction plans and specifications for wayfinding signage for the downtown area. In FY 2004-05, the Agency will use these funds for the actual construction of the streetscape on 10th Street and for the wayfinding signage throughout the downtown in order to identify downtown buildings and guide visitors to new projects.

Strategy No.2: Downtown Office Core. Downtown Modesto shall be the location for all new major public and private office buildings with the exception of medical buildings. These offices shall generally be within walking distance of the J Street District.

Agency Actions:

Project: Westland Office Project - 12th Street & I Street

Agency Expenditure: \$132,000 Tax Increment rebate over 15 years

Status: Under Construction

The Agency entered into an Owner Participation Agreement (OPA) with Westland Development in September 2002. The OPA included the following conditions:

1. The City sold a 44-space City parking lot to Stanislaus County for \$245,000
2. Westland entered into an agreement with Stanislaus County wherein the County will construct a 90,000 square foot building and the ownership will be divided between three entities: (1) County – 50%; (2) StanCERA – 17% (3) Westland – 33%
3. There will be an adjoining parking garage, constructed and owned by the County, wherein approximately 100 public spaces will replace the 44-space public parking lot
4. Over 15 years, the Agency will rebate tax increment received from the private sector portion of the building for a total of \$132,000 over 15 years. This rebate will be used to offset the parking payments to the County for the public spaces.

Project: Valley Tower Office Project – 10th Street & H Street

Agency Expenditure: \$630,000

Status: Pending - Private project funding is not complete

The Agency entered into a Disposition and Development Agreement (DDA) with Valley Tower, LLC in September 2000. The DDA has been amended three times and includes the following:

1. The Agency purchased a 110-space City parking lot and sold it to Valley Tower for fair market value of \$630,000
2. Valley Tower will construct a 12-story, 90,000 square foot building, including a parking garage of approximately 400 spaces
3. There will be 103 public spaces within the garage to replace the 110-space public parking lot
4. Once the project is complete, the Agency will rebate the \$630,000 to pay for the replacement of the public parking spaces

Strategy No.3: New Housing Construction and the Preservation of Existing Housing.

Downtown Modesto should be a desirable place to live as well as work or visit. The residential strategy should focus both on new construction and the preservation and renovation of existing housing.

Agency Actions:

Project: Architectural Plans for Affordable Housing in Downtown

Agency Expenditure: \$35,000

Status: Staff working with developers to identify site for housing project

Beginning in 2000, the Agency has focused on producing affordable housing project in the Downtown. The primary barriers to this project have been:

- a. Increased land prices coupled with unwilling sellers that necessitate eminent domain proceedings
- b. Reduced site acreage available for purchase
- c. Increased need for parking for the housing development for the general population of downtown workers, customers merchants

Because of the above issues, the Agency determined that additional funds would be needed for a downtown project versus a housing project in another area of the City. The Agency placed funds into a Downtown Housing Account in order to accumulate Housing Set-aside monies specifically for a downtown project.

As of June 2004, the Agency has worked with several downtown sites in an effort to create an affordable housing project. As part of that effort, a set of architectural plans was created to facilitate the approval process. Once a site is identified, the plans will be used to expedite the housing development. In addition, staff is pursuing the following steps for future projects:

1. Additional funding: The Agency staff continues to partner with the private sector and City Parks, Recreation & Neighborhood staff in an increased effort to combine multiple funding sources for the production of affordable housing downtown. The funding can come private sources, the Redevelopment Agency, Community Development Block Grant funds and other housing agencies.
2. Developable sites: The combined staff is reviewing possible sites in and around downtown for a housing project. One objective is to identify City-owned parcels that may no longer be needed for City uses and develop these into affordable housing. In addition, the Agency staff has prepared an "Opportunity Map" to identify private downtown property owners who would consider selling their property or developing a residential development.
3. Additional parking: The Agency staff is working with other City departments to identify parcels near the downtown core that could be developed into multi-story parking. This additional parking inventory could provide alternative parking for downtown workers well as for residents of those housing developments who are in proximity to the new facilities.

Strategy No.5: Industrial District, Woodland to Kansas. This area provides the best opportunity with the redevelopment area for creation of a new, modern industrial park subdivision. The Agency should work with the property and business owners in the area to coordinate its redevelopment.

Agency Actions:

Project: Kansas Woodland Business Park Development

Agency Expenditure: \$305,000

Status: Preparation of Development Plan and Brownfield Remediation

On November 6, 2002, the Agency approved the terms and conditions of a Purchase Option for the 45-acre FMC property which is a contaminated brownfield owned by the FMC Corporation. In summary, FMC and the Agency have agreed to the following:

- Purchase price will be \$1,000,000 plus five percent (5%) of any amount received by the City upon sale of the Property in excess of \$1,000,000
- Agency has paid an option payment of \$50,000 concurrent with the completion of the Property Option Agreement in consideration for the exclusive right to purchase the property.
- When the Agency elects to exercise the Property Option, the Agency will pay an Exercise Option payment of \$50,000
- Both option payments (Total of \$100,000) will be applied to the purchase price.

Staff is working concurrently on the following critical path items:

- Negotiations for the Developer Agreement (DA) and revisions to the Property Option Agreement
- Completion of the Remediation Workplan
- Completion of the Specific Plan
- Completion of the Tentative Subdivision Map
- Completion of the Focused Environmental Impact Report

The following Agency actions address each of the Implementation Plan strategies as follows:

Strategy No.4: Incubator Area Between Highway 99 and 9th Street. This district east of Highway 99 and west of 9th Street should continue to serve as an "incubator" area for small and start-up commercial and industrial uses.

Strategy No.6: Upgrade Commercial and Residential Uses Along Paradise Road. Major upgrading of both the commercial and residential areas along Paradise Road is needed to strengthen this portion of the redevelopment area.

Strategy No.7: Develop New Community Commercial Areas: Two areas are proposed for new community scale commercial and/or industrial development. These areas are the current County Center No.3 at Scenic and Oakdale, and the eastern and northern portions of the West Campus of Modesto Junior College.

Strategy No.8: Tuolumne River Family Learning/Recreation Center: The Tuolumne River is the foremost natural asset in the redevelopment area. Bluff property overlooking the park should be investigated as a site for a regional educational and recreational facility oriented primarily to children and families.

Strategy No.9: Historic Preservation. The Agency has worked with the Landmark Preservation Commission to identify buildings in the downtown area worthy of preservation. The Agency's activities and projects should respect these buildings and make every effort to preserve them.

Agency Actions:

Project: Update to the Redevelopment Agency Master Plan

Agency Expenditure: \$425,000

Status: In Progress – Expected Completion Date: Fall 2005

In November 1991, the Redevelopment Agency (RDA) adopted the Amended Project Area and the Redevelopment Plan for a Project Area of approximately 2000 acres. As a part of this Project Area adoption, an Environmental Impact Report (EIR) was approved in accordance with the State law. Subsequent to these actions, in 1994, a RDA Master Plan was also adopted to implement the goals and objectives of the RDA Plan. The purpose of this Master Plan is to provide a policy guideline document to identify specific types of land uses that the Agency should encourage and promote within the Project Area. As a continuing part of this long-term strategy, the RDA staff - in consultation with the RDA General Counsel - has determined that both the RDA EIR and Master Plan should be updated. Considering the dramatic changes that have taken place since the early 1990's, both documents are out of date and must be revised to reflect the current conditions and to ensure legal compliance. For the entire RDA Master Plan Update, the physical improvement strategies will include:

- Land Use policy direction, including housing, business parks, incubator areas, Tuolumne River Regional Park Master Planning, historic preservation and commercial corridors
- Building massing for key sites
- Circulation, including pedestrian connections
- Streetscape character and urban design
- Focal points and gateways

Project: Opportunity Map of the Redevelopment Project Area

Agency Expenditure: \$1500

Status: Completed and Distributed to Owners and Developers

The Opportunity Map furthers the objectives of the RDA by identifying those property owners within the Project Area who are interested in either selling their parcel or working with a private developer to develop their property into either a commercial, industrial or residential use. Staff sent letters to all property owners within the RDA Project Area inquiring whether they would be interested in development or sale and created a list of 230 willing owners. The Opportunity Map has been sent to all commercial realtors in Modesto, as well as many in the Bay Area. Also, the Map will be provided to all property owners within the Project Area. Finally, the Map is included as part of our standard informational packet to all businesses looking to relocate or expand in Modesto.

II. HEALTH AND SAFETY CODE §33080.1(e)

REPORT ON ALL LOANS IN DEFAULT

The Modesto Redevelopment Agency has no loans in excess of \$50,000 that are in default from the previous fiscal year or that are not in compliance with the terms of the loan approved by the Agency.

III. HEALTH AND SAFETY CODE §33080.1(f)

PROPERTY LISTING

Acquisitions:

In November 2003, the Modesto Redevelopment Agency acquired the four (4) properties located at the southwest corner of 10th Street & H Street (Assessors Parcel Numbers: 106-42-01; -02; -03; -04) as part of the Disposition and Development Agreement for Valley Tower Office Project. In November 2003, the Agency sold said properties to Valley Tower, LLC for a price of \$630,000.

Property List:

	APN	Address	Street	City, State	Current use
1	105-37-32	11TH STREET	11TH ST	MODESTO, CA 95353-0000	Parking garage
2	105-37-33	1010 TENTH ST 1st FLOOR	1010 10TH ST	MODESTO, CA 95353	Retail parcel
3	105-37-34	1010 TENTH ST 1st FLOOR	10TH ST	MODESTO, CA 95353	Retail parcel
4	105-41-21	9TH STREET	9TH ST	MODESTO, CA 95353-0000	Parking garage
5	105-48-06	1125 9TH STREET	1125 9TH ST	MODESTO, CA 95353-0000	Parking garage
6	105-48-08	9TH STREET	9TH ST	MODESTO, CA 95353-0000	Centre Plaza Bridge
7	105-48-11	1150 9TH ST	1125 11TH ST	MODESTO, CA 95353-0000	Centre Plaza

**MODESTO REDEVELOPMENT AGENCY
RESOLUTION NO. 12-2004**

A RESOLUTION OF THE REDEVELOPMENT AGENCY OF THE CITY OF MODESTO AUTHORIZING THE ACTING EXECUTIVE DIRECTOR OR HIS DESIGNEE TO APPLY TO THE STANISLAUS COUNCIL OF GOVERNMENTS (STANCOG) FOR A TRANSPORTATION ENHANCEMENT (TE) GRANT FOR: (1) THE DOWNTOWN MODESTO STREETScape PROJECT, AND (2) A DOWNTOWN WAY-FINDING SIGNAGE, AND AUTHORIZING THE ASSISTANT EXECUTIVE DIRECTOR TO EXECUTE ALL RELATED DOCUMENTS.

WHEREAS, on August 12, 2004 the StanCOG Policy Board approved a call for projects for the State Transportation Improvement Program (STIP) Transportation Enhancement (TE) grant funds to eligible proposals for the FY 04-05, and

WHEREAS, this program provides funding for Stanislaus County for visual enhancements of transportation projects in the amount of \$1.3 million, and

WHEREAS, the TE Grant request for \$594,287 requires a 20% match to be met using budgeted money from the FY 04-05 "Beautification" account 9080-140-1493-0489 in the amount of \$148,572, and

WHEREAS, the Agency's Redevelopment Master Plan details a desired strategy of beautifying and improving the "J Street" arts, entertainment and retail district and office core, and

WHEREAS, the Agency finds that streetscape improvements are of benefit to the project area, and

WHEREAS, the Agency finds that no other reasonable means of financing streetscape improvements are available to the community, and

WHEREAS, the Agency finds that the obtainment of additional funds for streetscape improvements will assist in the elimination of one or more blighting conditions inside the project area, and

WHEREAS, the Agency finds that streetscape improvements are consistent with the Agency's adopted implementation plan, and

WHEREAS, the Economic Development Committee approved this item at its November 8, 2004 meeting,

NOW, THEREFORE, BE IT HEREBY RESOLVED by the Redevelopment Agency of the City of Modesto as follows:

SECTION 1. The Redevelopment Agency of the City of Modesto does hereby authorize the application submittal for said TE Grant for the purpose of obtaining (1) A DOWNTOWN MODESTO STREETSCAPE PROJECT (10th AND J STREET), and (2) DOWNTOWN WAY-FINDING SIGNAGE.

SECTION 2. The Redevelopment Agency of the City of Modesto does hereby authorize the Acting Executive Director or his designee to execute all documents that may be necessary for the completion of said application.

The foregoing resolution was introduced at a regular meeting of the Redevelopment Agency of the City of Modesto held on the 9th day of November, 2004, by Agency Member O'Bryant, who moved its adoption, which motion being duly seconded by Agency Member Jackman, was upon roll call carried and the resolution adopted by the following vote:

AYES: Agencymembers: Hawn, Jackman, Keating, Marsh, O'Bryant, Mayor Ridenour

NOES: Agencymembers: None

ABSENT: Agencymembers: Dunbar

ATTEST Jean Zahr
Jean Zahr, Secretary

APPROVED AS TO FORM:

By Michael D. Milich
Michael D. Milich, General Counsel

**REDEVELOPMENT AGENCY
RESOLUTION NO. 13 -2004**

**A RESOLUTION ADOPTING THE ANNUAL REPORTS FOR THE FISCAL
YEAR ENDING JUNE 30, 2004 FOR THE REDEVELOPMENT AGENCY OF
THE CITY OF MODESTO.**

WHEREAS, pursuant to Health & Safety Code Section 33080, the Agency is required to submit prior to December 31st of each calendar year an Annual Report to the State Controller containing the following documents:

1. Independent Auditors Report on Financial Transactions and legal compliance
2. State Controller's Report
3. Housing and Community Development Report
4. Blight Progress Report
5. Loan Report
6. Property Report
7. Statement of Indebtedness

which are attached hereto as **Exhibit "A"**, and made a part hereof by this reference, and

WHEREAS, this Annual Report was approved by the Agency at its Special Meeting on December 14, 2004.

NOW, THEREFORE, BE IT RESOLVED by the Redevelopment Agency of the City of Modesto that the Annual Reports for the Fiscal Year ending June 30, 2004 are hereby adopted.



**MODESTO REDEVELOPMENT
AGENCY AGENDA REPORT**

**AGENDA MEETING:
12/14/04**

Date: November 30, 2004

TO: Chair & Members of the Agency

FROM: Brad Kilger, Assistant Executive Director

SUBJECT: Review of Fiscal Year 2004 Redevelopment Agency Annual Reports to the State Controller

CONTACT: Linda Boston, Project Manager, lboston@modestogov.com, 571-5179

RECOMMENDED AGENCY ACTION:

Adopt one (1) resolution approving the Fiscal Year 2004 Redevelopment Agency Annual Reports to the State Controller

BACKGROUND:

In accordance with California Health & Safe Code Section 33080 et seq., the Redevelopment Agency is required to approve a series of annual reports that are sent to the State Controller on Dec. 31st of each year. This Annual Report contains the following documents (attached):

1. State Controller's Report
2. Housing and Community Development Report
3. Blight Progress Report
4. Loan Report
5. Property Report
6. Statement of Indebtedness

REASONS FOR RECOMMENDATION:

The Agency is required to comply with all requirements of the California Health & Safe Code Section 33080 et seq.

EXISTING POLICY/RELATIONSHIP TO STRATEGIC PLAN:

The State of California's Health & Safety Code Section 33080 requires the approval of the Annual Report from the Redevelopment Agency for each fiscal year.

POLICY ALTERNATIVES:

N/A

FISCAL IMPACTS:

N/A

INTERDEPARTMENTAL COORDINATION:

The Finance, Community and Economic Development and Parks, Recreation and Neighborhood Departments have worked closely together to prepare these annual reports.

PUBLIC PARTICIPATION:

The public has been notified per the agenda process

ENVIRONMENTAL REVIEW:

This item is an administrative project, which is exempt from environmental review. No environmental documents must be filed.

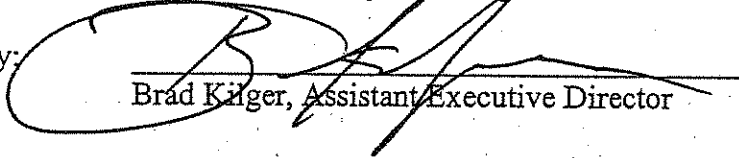
STEPS FOLLOWING APPROVAL:

The Finance Department and Community & Economic Development Department will submit the approved reports to the State Controller's Office prior to the December 31, 2004 deadline.

Prepared by:


Linda Boston, Project Manager

Reviewed by:


Brad Kilger, Assistant Executive Director

Submitted by;

George W. Britton, Acting Executive Director

Attachments: Annual Reports
Resolution

**REDEVELOPMENT AGENCY
RESOLUTION NO: ____-2004**

**A RESOLUTION ADOPTING THE ANNUAL REPORTS FOR THE FISCAL
YEAR ENDING JUNE 30, 2004 FOR THE REDEVELOPMENT AGENCY OF
THE CITY OF MODESTO.**

WHEREAS, pursuant to Health & Safety Code Section 33080, the Agency is required to submit prior to December 31st of each calendar year an Annual Report to the State Controller containing the following documents:

1. State Controller's Report
2. Housing and Community Development Report
3. Blight Progress Report
4. Loan Report
5. Property Report
6. Statement of Indebtedness

which are attached hereto as Exhibit "A", and made a part hereof by this reference, and

WHEREAS, this Annual Report was approved by the Agency at its Special Meeting on December 14, 2004.

NOW, THEREFORE, BE IT RESOLVED by the Redevelopment Agency of the City of Modesto that the Annual Reports for the Fiscal Year ending June 30, 2004 are hereby adopted.

///

The foregoing resolution was introduced at a special meeting of the Redevelopment Agency of the City of Modesto, held on the ___ day of _____, 2004, by Agencymember _____, who moved its adoption, which motion being duly seconded by Agencymember _____, was upon roll call carried and the resolution adopted by the following votes:

AYES:

NOES:

ABSENT:

ATTEST: _____

JEAN ZAHR, Secretary

(seal)

APPROVED AS TO FORM:

By: _____

MIKE MILICH, General Counsel

Modesto Redevelopment Agency

Redevelopment Agencies Financial Transactions Report

General Information

Fiscal Year

Members of the Governing Body			
	Last Name	First Name	Middle Initial
Chairperson	<input type="text" value="Ridenour"/>	<input type="text" value="Jim"/>	<input type="text"/>
Member	<input type="text" value="Keating"/>	<input type="text" value="Janice"/>	<input type="text"/>
Member	<input type="text" value="Jackman"/>	<input type="text" value="Denny"/>	<input type="text"/>
Member	<input type="text" value="O'Bryant"/>	<input type="text" value="Will"/>	<input type="text"/>
Member	<input type="text" value="Hawn"/>	<input type="text" value="Brad"/>	<input type="text"/>
Member	<input type="text" value="Marsh"/>	<input type="text" value="Garrad"/>	<input type="text"/>
Member	<input type="text"/>	<input type="text"/>	<input type="text"/>
Member	<input type="text"/>	<input type="text"/>	<input type="text"/>
Member	<input type="text"/>	<input type="text"/>	<input type="text"/>

Agency Officials				
	Last Name	First Name	Middle Initial	Phone
Executive Director	<input type="text" value="Britton"/>	<input type="text" value="George"/>	<input type="text"/>	<input type="text" value="(209) 577-5221"/>
Fiscal Officer	<input type="text" value="Britton"/>	<input type="text" value="George"/>	<input type="text"/>	<input type="text" value="(209) 577-5221"/>
Secretary	<input type="text" value="Zahr"/>	<input type="text" value="Jean"/>	<input type="text"/>	<input type="text" value="(209) 577-5398"/>

Report Prepared By		Independent Auditor
Firm Name	<input type="text"/>	<input type="text" value="Maze & Associates"/>
Last	<input type="text" value="Newlin"/>	<input type="text" value="Maze"/>
First	<input type="text" value="Barrell"/>	<input type="text" value="Scott"/>
Middle Initial	<input type="text" value="R"/>	<input type="text"/>
Street	<input type="text" value="P.O. Box 642"/>	<input type="text" value="1931 San Miguel Drive, Suite 100"/>
City	<input type="text" value="Modesto"/>	<input type="text" value="Walnut Creek"/>
State	<input type="text" value="CA"/>	<input type="text" value="CA"/>
Zip Code	<input type="text" value="95354-"/>	<input type="text" value="94596-5358"/>
Phone	<input type="text" value="(209) 577-5373"/>	<input type="text" value="(925) 930-0902"/>

Mailing Address					
Street 1	<input type="text" value="P.O. Box 642"/>				
Street 2	<input type="text"/>				
City	<input type="text" value="Modesto"/>	State	<input type="text" value="CA"/>	Zip	<input type="text" value="95354-"/>
Phone	<input type="text" value="(209) 577-5373"/>		<input type="checkbox"/> Is Address Changed?		

11

Modesto Redevelopment Agency

Redevelopment Agencies Financial Transactions Report

Achievement Information (Unaudited)

Fiscal Year **2004**

Indicate Only Those Achievements Completed During the Fiscal Year of this Report as a Direct Result of the Activities of the Redevelopment Agency.

Please provide a description of the agency's activities/accomplishments during the past year.

(Please be specific, as this information will be the basis for possible inclusion in the publication.)

Activity Report

- Gallo Center for the Arts:
Construction is underway on the center's 1,200 seat theatre, 400 seat theatre and art gallery. The project will receive RDA assistance by way of street, streetscape and traffic signal improvements. Completion is anticipated in 2006.
- Kansas Woodland Business Park:
The environmental, traffic and water studies and assessments are ongoing. The subdivision map is nearing completion and construction could begin in 2006.
- RDA Master Plan:
The Master Plan and Environmental Impact Report are being updated and will provide policy guidelines for land uses and market studies for project feasibilities. The update should be completed by mid 2005.
- Affordable Housing:
RDA staff have reviewed several proformas looking for RDA assistance to construct affordable housing downtown, but due to the parking requirements, the financial gap has exceeded the available balance. It is anticipated that a development agreement could be reached in 2005.
- Downtown Streetscape:
RDA staff applied for a Transportation Enhancement grant to leverage existing "Beaulification" funds. Designs and plans are ready for construction.

Enter the amount of square footage completed this year by building type and segregated by new or rehabilitated construction.

Square Footage Completed

	New Construction	Rehabilitated
Commercial Buildings	<input type="text"/>	<input type="text"/>
Industrial Buildings	<input type="text"/>	<input type="text"/>
Public Buildings	<input type="text"/>	<input type="text"/>
Other Buildings	<input type="text"/>	<input type="text"/>
Total Square Footage	0	0

Enter the Number of Jobs Created from the Activities of the Agency

Types Completed

A=Utilities B=Recreation C=Landscaping D=Sewer/ Storm E=Streets/ Roads
F=Bus/Transit

DRAFT

Modesto Redevelopment Agency
Redevelopment Agencies Financial Transactions Report

Audit Information

Fiscal Year 2004

Was the Report Prepared from Audited Financial Data, and Did You Submit a Copy of the Audit?

Yes

If compliance opinion includes exceptions, state the areas of non-compliance, and describe the agency's efforts to correct.

Indicate Financial Audit Opinion

Unqualified

If Financial Audit is not yet Completed, What is the Expected Completion Date?

none

If the Audit Opinion was Other than Unqualified, State Briefly the Reason Given

Was a Compliance Audit Performed in Accordance with Health and Safety Code Section 33080.1 and the State Controller's Guidelines for Compliance Audits, and Did You Submit a Copy of the Audit?

Yes

Indicate Compliance Audit Opinion

Unqualified

If Compliance Audit is not yet Completed, What is the Expected Completion Date?

DRAFT

**Modesto Redevelopment Agency
Redevelopment Agencies Financial Transactions Report**

Project Area Report

Fiscal Year 2004

Project Area Name

Community Center Project Area

Please Provide a Brief Description of the Activities for this Project Area During the Reporting Year.

Activity Report

-Gallo Center for the Arts:
Construction is underway on the center's 1,200 seat theatre, 400 seat theatre and art gallery. The project will receive RDA assistance by way of street, streetscape and traffic signal improvements. Completion is anticipated in 2006.

-Kansas Woodland Business Park:
The environmental, traffic and water studies and assessments are ongoing. The subdivision map is nearing completion and construction could begin in 2006.

-RDA Master Plan:
The Master Plan and Environmental Impact Report are being updated and will provide policy guidelines for land uses and market studies for project feasibilities. The update should be completed by mid 2005.

-Affordable Housing:
RDA staff have reviewed several proformas looking for RDA assistance to construct affordable housing downtown, but due to the

Forwarded from Prior Year ?

Yes

Enter Code for Type of Project Area Report

P

P = Standard Project Area Report

A = Administrative Fund

L = Low and Moderate Income Housing Fund

M = Mortgage Revenue Bond Program

O = Other Miscellaneous Funds or Programs

S = Proposed (Survey) Project Area

Does the Plan Include Tax Increment Provisions?

Yes

Date Project Area was Established (MM-DD-YY)

7/6/1982

Most Recent Date Project Area was Amended

11/5/1991

Did this Amendment Add New Territory?

Yes

Most Recent Date Project Area was Merged

Will this Project Area be Carried Forward to Next Year?

Yes

Established Time Limit :

Repayment of Indebtedness (Year Only)

2041

Effectiveness of Plan (Year Only)

2022

New Indebtedness (Year Only)

2011

Size of Project Area in Acres

2,000

Percentage of Land Vacant at the Inception of the Project Area

4.5

Health and Safety Code Section 33320.1 (xx.x%)

Percentage of Land Developed at the Inception of the Project Area

95.5

Health and Safety Code Section 33320.1 (xx.x%)

Objectives of the Project Area as Set Forth in the Project Area Plan

RICPO

(Enter the Appropriate Code(s) in Sequence as Shown)

R = Residential I = Industrial C = Commercial P = Public O = Other

DRAFT

Modesto Redevelopment Agency

Redevelopment Agencies Financial Transactions Report

Assessed Valuation Data

Fiscal Year 2004

Project Area Name

Community Center Project Area

Frozen Base Assessed Valuation

561,273,363

Increment Assessed Valuation

310,726,637

Total Assessed Valuation

872,000,000

DRAFT

Modesto Redevelopment Agency
Redevelopment Agencies Financial Transactions Report

Pass-Through / School District Assistance

Fiscal Year

Project Area Name

Amounts Paid To Taxing Agencies Pursuant To:	Tax Increment Pass Through Detail			Total	Other Payments	
	H & S Code Section 33401	H & S Code Section 33676	H & S Code Section 33607		H & S Code Section 33445	H & S Code Section 33445.5
County				\$0		
Cities				\$0		
School Districts	319,453			\$319,453		
Community College District	46,853			\$46,853		
Special Districts				\$0		
Total Paid to Taxing Agencies	\$366,306	\$0	\$0	\$366,306	\$0	\$0
Net Amount to Agency				\$2,938,707		
Gross Tax Increment Generated				3,305,013		

DRAFT

Modesto Redevelopment Agency

Redevelopment Agencies Financial Transactions Report

Agency Long-Term Debt

Fiscal Year

Project Area Name

Forward from Prior Year	<input type="text" value="Yes"/>
Bond Type	<input type="text" value="Certificates of Participation"/>
Year of Authorization	<input type="text" value="1993"/>
Principal Amount Authorized	<input type="text" value="27,225,000"/>
Principal Amount Issued	<input type="text" value="27,225,000"/>
Purpose of Issue	<input type="text" value="Community Center"/>
Maturity Date Beginning Year	<input type="text" value="1993"/>
Maturity Date Ending Year	<input type="text" value="2023"/>
Principal Amount Unmatured Beginning of Fiscal Year	<input type="text" value="\$23,935,000"/>
Adjustment Made During Year	<input type="text"/>
Adjustment Explanation	<input type="text"/>
Interest Added to Principal	<input type="text"/>
Principal Amount Issued During Fiscal Year	<input type="text"/>
Principal Amount Matured During Fiscal Year	<input type="text" value="720,000"/>
Principal Amount Defeased During Fiscal Year	<input type="text"/>
Principal Amount Unmatured End of Fiscal Year	<input type="text" value="\$23,215,000"/>
Principal Amount In Default	<input type="text"/>
Interest In Default	<input type="text"/>

Bond Types Allowed:
 Tax Allocation Bonds; Revenue Bonds; Certificates of Participation; Tax Allocation Notes; Financing Authority Bonds; City/County Debt; US;State; Loans; Lease Obligations; Notes; Deferred Pass-Throughs; Deferred Compensation; Other

DRAFT

Modesto Redevelopment Agency

Redevelopment Agencies Financial Transactions Report

Agency Long-Term Debt

Fiscal Year

Project Area Name

Forward from Prior Year	<input type="text" value="Yes"/>
Bond Type	<input type="text" value="Revenue Bonds"/>
Year of Authorization	<input type="text" value="1998"/>
Principal Amount Authorized	<input type="text" value="18,490,000"/>
Principal Amount Issued	<input type="text" value="18,490,000"/>
Purpose of Issue	<input type="text" value="10th Street Place Project"/>
Maturity Date Beginning Year	<input type="text" value="1998"/>
Maturity Date Ending Year	<input type="text" value="2033"/>
Principal Amount Unmatured Beginning of Fiscal Year	<input type="text" value="\$18,490,000"/>
Adjustment Made During Year	<input type="text"/>
Adjustment Explanation	<input type="text"/>
Interest Added to Principal	<input type="text"/>
Principal Amount Issued During Fiscal Year	<input type="text"/>
Principal Amount Matured During Fiscal Year	<input type="text" value="10,000"/>
Principal Amount Defeased During Fiscal Year	<input type="text"/>
Principal Amount Unmatured End of Fiscal Year	<input type="text" value="\$18,480,000"/>
Principal Amount In Default	<input type="text"/>
Interest In Default	<input type="text"/>

Bond Types Allowed:
 Tax Allocation Bonds; Revenue Bonds; Certificates of Participation; Tax Allocation Notes; Financing Authority Bonds; City/County Debt; US/State;
 Loans; Lease Obligations; Notes; Deferred Pass-Throughs; Deferred Compensation; Other

DRAFT

Modesto Redevelopment Agency

Redevelopment Agencies Financial Transactions Report

Agency Long-Term Debt

Fiscal Year

Project Area Name

Forward from Prior Year	<input type="text" value="Yes"/>
Bond Type	<input type="text" value="Loans"/>
Year of Authorization	<input type="text" value="2003"/>
Principal Amount Authorized	<input type="text" value="405,000"/>
Principal Amount Issued	<input type="text" value="405,000"/>
Purpose of Issue	<input type="text" value="Economic Development"/>
Maturity Date Beginning Year	<input type="text" value="2008"/>
Maturity Date Ending Year	<input type="text" value="2015"/>
Principal Amount Unmatured Beginning of Fiscal Year	<input type="text" value="\$192,759"/>
Adjustment Made During Year	<input type="text"/>
Adjustment Explanation	<input type="text"/>
Interest Added to Principal	<input type="text"/>
Principal Amount Issued During Fiscal Year	<input type="text" value="212,241"/>
Principal Amount Matured During Fiscal Year	<input type="text"/>
Principal Amount Defeased During Fiscal Year	<input type="text"/>
Principal Amount Unmatured End of Fiscal Year	<input type="text" value="\$405,000"/>
Principal Amount in Default	<input type="text"/>
Interest in Default	<input type="text"/>

Bond Types Allowed:
 Tax Allocation Bonds; Revenue Bonds; Certificates of Participation; Tax Allocation Notes; Financing Authority Bonds; City/County Debt; US/State;
 Loans; Lease Obligations; Notes; Deferred Pass-Throughs; Deferred Compensation; Other

DRAFT

Modesto Redevelopment Agency

Redevelopment Agencies Financial Transactions Report

Statement of Income and Expenditures - Revenues

Fiscal Year

2004

Project Area Name

Community Center Project Area

	Capital Project Funds	Debt Service Funds	Low/Moderate Income Housing Funds	Special Revenue/Other Funds	Total
Tax Increment Gross <i>(Include All Apportionments)</i>	366,306	2,277,704	661,003		\$3,305,013
Special Supplemental Subvention					\$0
Property Assessments					\$0
Sales and Use Tax					\$0
Transient Occupancy Tax					\$0
Interest Income	-3,656	486,009	40,422		\$522,775
Rental Income					\$0
Lease Income					\$0
Sale of Real Estate					\$0
Gain on Land Held for Resale					\$0
Federal Grants					\$0
Grants from Other Agencies	509,000	2,361,190			\$2,870,190
Bond Administrative Fees					\$0
Other Revenues	38,476	-121,142			(\$82,666)
Total Revenues	\$910,126	\$5,003,761	\$701,425	\$0	\$6,615,312

DRAFT

**Modesto Redevelopment Agency
 Redevelopment Agencies Financial Transactions Report**

Statement of Income and Expenditures - Expenditures

Fiscal Year

Project Area Name

	Capital Project Funds	Debt Service Funds	Low/Moderate Income Housing	Special Revenue/Other	Total
Administration Costs	387,616	5,400	49,222		\$442,238
Professional Services	72,131				\$72,131
Planning, Survey, and Design					\$0
Real Estate Purchases					\$0
Acquisition Expense					\$0
Operation of Acquired Property					\$0
Relocation Costs					\$0
Relocation Payments					\$0
Site Clearance Costs					\$0
Project Improvement / Construction Costs	181,547				\$181,547
Disposal Costs					\$0
Loss on Disposition of Land Held for Resale					\$0

DRAFT

**Modesto Redevelopment Agency
 Redevelopment Agencies Financial Transactions Report**

Statement of Income and Expenditures - Expenditures

Fiscal Year

Project Area Name

	Capital Project Funds	Debt Service Funds	Low/Moderate Income Housing	Special Revenue/Other	Total
Decline in Value of Land Held for Resale					\$0
Rehabilitation Costs					\$0
Rehabilitation Grants					\$0
Interest Expense		2,153,445			\$2,153,445
Fixed Asset Acquisitions					\$0
Subsidies to Low and Moderate Income Housing					\$0
Debt Issuance Costs					\$0
Other Expenditures Including Pass- Through Payment(s)	366,306				\$366,306
Debt Principal Payments:					
Tax Allocation Bonds and Notes					\$0
Revenue Bonds, Certificates of Participation, Financing Authority Bonds		730,000			\$730,000
City/County Advances and Loans					\$0
All Other Long-Term Debt					\$0
Total Expenditures	\$1,007,600	\$2,888,845	\$49,222	\$0	\$3,945,667
Excess (Deficiency) Revenues over (under) Expenditures	(\$97,474)	\$2,114,916	\$652,203	\$0	\$2,669,645

DRAFT

Modesto Redevelopment Agency

Redevelopment Agencies Financial Transactions Report

Statement of Income and Expenditures - Other Financing Sources

Fiscal Year

2004

Project Area Name

Community Center Project Area

	Capital Project Funds	Debt Service Funds	Low/Moderate Income Housing	Special Revenue/Other	Total
Proceeds of Long-Term Debt	212,241				\$212,241
Proceeds of Refunding Bonds					\$0
Payment to Refunded Bond Escrow Agent					\$0
Advances from City/County					\$0
Sale of Fixed Assets					\$0
Miscellaneous Financing Sources (Uses)		-1,954,190			(\$1,954,190)
Operating Transfers In					\$0
Tax Increment Transfers In					\$0
Operating Transfers Out					\$0
Tax Increment Transfers Out					\$0
<i>(To the Low and Moderate Income Housing Fund)</i>					
Total Other Financing Sources (Uses)	\$212,241	(\$1,954,190)	\$0	\$0	(\$1,741,949)

DRAFT

Modesto Redevelopment Agency

Redevelopment Agencies Financial Transactions Report

Statement of Income and Expenditures - Other Financing Sources

Fiscal Year

Project Area Name

	Capital Project Funds	Debt Service Funds	Low/Moderate Income Housing	Special Revenue/Other	Total
Excess (Deficiency) of Revenues and Other Financing Sources over Expenditures and Other Financing Uses	\$114,767	\$160,726	\$652,203	\$0	\$927,696

Equity, Beginning of Period	\$2,965,655	\$819,709	\$3,403,235	\$0	\$7,188,599
Prior Period Adjustments					\$0
Residual Equity Transfers					\$0

Other(Specify)	A	B	C	D	E	<input type="button" value="Refresh"/>
<input type="text"/>						
Total						

Other Total

Equity, End of Period

DRAFT

Modesto Redevelopment Agency
Redevelopment Agencies Financial Transactions Report

Balance Sheet - Assets and Other Debits

Fiscal Year	2004	Capital Projects Funds	Debt Service Funds	Low/Moderate Income Housing Funds	Special Revenue/Other Funds	General Long-Term Debt	General Fixed Assets	Total
Assets and Other Debits								
Cash and Imprest Cash		2,020,463	16,880	3,110,924				\$5,148,267
Cash with Fiscal Agent		22,149	2,034,234					\$2,056,383
Tax Increments Receivable			571,155					\$571,155
Accounts Receivable			8,825					\$8,825
Accrued Interest Receivable			49,341					\$49,341
Loans Receivable				944,835				\$944,835
Contracts Receivable								\$0
Lease Payments Receivable								\$0
Unearned Finance Charge								\$0
Due from Capital Projects Fund								\$0
Due from Debt Service Fund		1,700,000						\$1,700,000
Due from Low/Moderate Income Housing Fund								\$0
Due from Special Revenue/Other Funds								\$0

DRAFT

Modesto Redevelopment Agency
Redevelopment Agencies Financial Transactions Report

Balance Sheet - Assets and Other Debits

Fiscal Year	2004	Capital Projects Funds	Debt Service Funds	Low/Moderate Income Housing Funds	Special Revenue/Other Funds	General Long-Term Debt	General Fixed Assets	Total
Investments			35,724,231					\$35,724,231
Other Assets								\$0
Investments: Land Held for Resale								\$0
Allowance for Decline In Value of Land Held for Resale								\$0
Fixed Assets: Land, Structures, and Improvements							1,801,595	\$1,801,595
Equipment							6,536	\$6,536
Amount Available In Debt Service Fund						980,435		\$980,435
Amount to be Provided for Payment of Long-Term Debt						41,119,565		\$41,119,565
Total Assets and Other Debits		\$3,742,612	\$38,404,666	\$4,055,759	\$0	\$42,100,000	\$1,808,131	\$90,111,168

(Must Equal Total Liabilities, Other Credits, and Equities)

DRAFT

**Modesto Redevelopment Agency
Redevelopment Agencies Financial Transactions Report**

Balance Sheet - Liabilities and Other Credits

Fiscal Year	2004	Capital Projects Funds	Debt Service Funds	Low/Moderate Income Housing Funds	Special Revenue/Other Funds	General Long-Term Debt	General Fixed Assets	Total
Liabilities and Other Credits								
Accounts Payable		662,190		321				\$662,511
Interest Payable								\$0
Tax Anticipation Notes Payable								\$0
Loans Payable								\$0
Other Liabilities			35,724,231					\$35,724,231
Due to Capital Projects Fund			1,700,000					\$1,700,000
Due to Debt Service Fund								\$0
Due to Low/Moderate Income Housing Fund								\$0
Due to Special Revenue/Other Funds								\$0
Tax Allocation Bonds Payable								\$0
Lease Revenue, Certificates of Participation Payable, Financing Authority Bonds						41,695,000		\$41,695,000
All Other Long-Term Debt						405,000		\$405,000
Total Liabilities and Other Credits		\$662,190	\$37,424,231	\$321	\$0	\$42,100,000		\$80,186,742

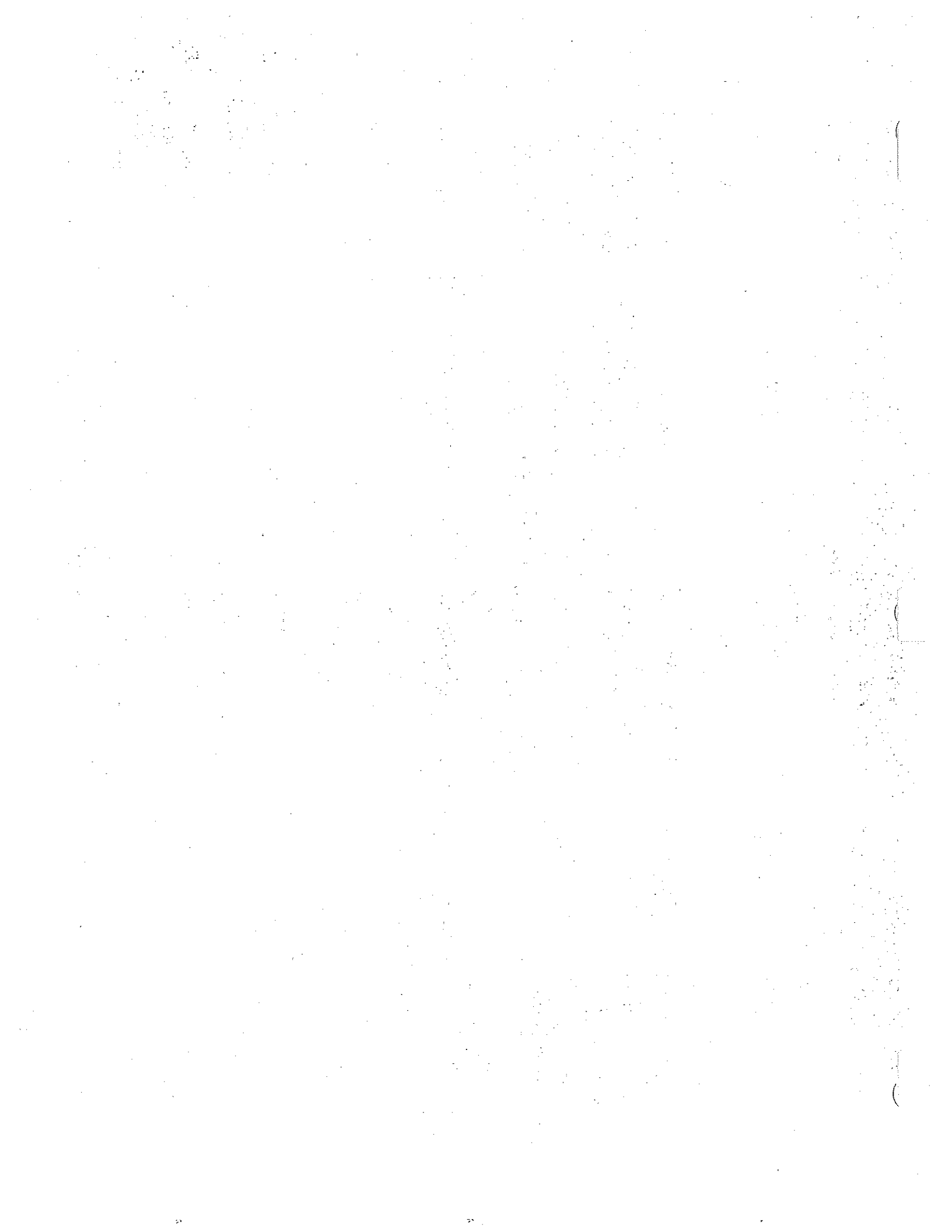
DRAFT

**Modesto Redevelopment Agency
Redevelopment Agencies Financial Transactions Report**

Balance Sheet - Liabilities and Other Credits

Fiscal Year	2004	Capital Projects Funds	Debt Service Funds	Low/Moderate Income Housing Funds	Special Revenue/Other Funds	General Long-Term Debt	General Fixed Assets	Total
Equities								
Investment In General Fixed Assets							1,808,131	\$1,808,131
Fund Balance Reserved			980,435	4,055,438				\$5,035,873
Fund Balance Unreserved-Designated								\$0
Fund Balance Unreserved-Undesignated		3,080,422						\$3,080,422
Total Equities		\$3,080,422	\$980,435	\$4,055,438	\$0		\$1,808,131	\$9,924,426
Total Liabilities, Other Credits, and Equities		\$3,742,612	\$38,404,666	\$4,055,759	\$0	\$42,100,000	\$1,808,131	\$90,111,168

DRAFT



DRAFT



California Department of Housing and Community Development
Redevelopment Agency Reporting System
Housing Fund Revenues & Other Resources Sch A, p2



You are Here: [Select Year](#) > [Schedule Menu](#) > [Project Area Selector](#) > [Project Area Activity](#) > [Housing Fund Revenues](#)

<< Previous Agency:MODESTO RDA Fiscal Year :2003/2004 Prepared by: Tim Ogden

Page For Project Area:MODESTO PROJECT

- Select Year
- FAQ
- User Info
- Status
- Print
- Logout

3. Project Area Housing Fund Revenues and Other Sources Instructions

NOTE:

Expenditures for debt service(HCD-C (Page 2, Line 4c.)) should be reported on Agency-wide Financial Information 4c.

a. Tax Increment

(1) 100% of Gross:

(2) Calculate Only 1 set-aside amount (either (A) or (B) below):

(A) Minimum Deposit required by 33334.2 (Gross x 20%):

(B) Minimum Deposit required by 33333.10(g)
(Senate Bill 211, Chapter 741, Statutes of 2001)(Gross x 30%):

(3) Tax Increment Allocated to Housing Fund:

If less than 20% of the Gross Tax Increment (see (2) above) is being set aside in this project area in accordance with Section 33334.3(i); identify the project area(s) contributing the difference in the box below:

Or

Explain below if less than 20% is being set aside for any other reason:

Less:

(4) Amount Exempted* :

(5) Amount Deferred* :

* If Amount Exempted or Amount Deferred is entered, after you SAVE, you need to go to Project Area Activity Menu and select Exemption(s) And/Or Deferral(s) to enter Sch A data.

(6) Total Deposit to the Housing Fund
[Calculated from above, (3) - (4) - (5)]

b. Interest Income:

c. Rental/Lease Income:

d. Sale of Real Estate:

e. Grants:

f. Bond Administrative Fees:

g. Repayment of Prior Year Deferrals:

h. Loan Repayments:

\$101,529

i. Debt Proceeds:

j. Other Revenue:

(Specify)

k. Total Housing Fund Deposits for this Project Area (3a. through 3j.):

\$802,954

Save

Redevelopment Agency Reporting System - Housing Fund Revenues & Other Resources

California Department of Housing and Community Development



California Department of Housing and Community Development

Redevelopment Agency Reporting System



Displacements and Losses over reporting Year Sch A, p4; Sch B, p1

You are Here: [Select Year](#) > [Schedule Menu](#) > [Project Area Selector](#) > [Project Area Activity Menu](#) > [Displacements & Losses](#)

<< Previous Agency:MODESTO RDA Fiscal Year :2003/2004 Prepared by: Tim Ogden

Page For Project Area:MODESTO PROJECT

- Select Year
- FAQ
- User Info
- Status
- Print
- Logout

6. Actual Project Area Households Displaced and Units and Bedrooms Lost over Reporting Year

a. Redevelopment Project Activity. Pursuant to Sections 33080.4(a)(1) and (a)(3), report by income category the number of elderly and nonelderly households permanently displaced and the number of units and bedrooms removed or destroyed that are subject to the replacement requirements of Section 33413.

Income Level	VL	L	M	AM	Total
Households Removed - Elderly					0
Households Removed - Non Elderly					0
Households Removed - Total	0	0	0	0	0
Units Lost (Removed or Destroyed, and Required to be Replaced)					0
Bedrooms Lost (Removed or Destroyed, and Required to be Replaced)					0
Units Lost (Above Moderate: Not Required to be Replaced)					0
Bedrooms Lost (Above Moderate: Not Required to be Replaced)					0

b. Other Activity. Pursuant to Sections 33080.4(a)(1) and (a)(3), report by income category the number of elderly and nonelderly households permanently displaced as a result of activities other than the destruction or removal of dwelling units and bedrooms reported on above.

Income Level	VL	L	M	AM	Total
Households Permanently Displaced - Elderly					0
Households Permanently Displaced - Non Elderly					0
Households Permanently Displaced - Total	0	0	0	0	0

c. Identify each replacement housing plan adopted that is related to permanent displacement, destruction or removal of dwelling units or bedrooms during the reporting year and identified in paragraphs in a. and b. above:

Date*	Name of Agency Custodian

* Note - Date should be (mm/dd/yyyy) format. If dd for the date is not available assume 01

Note1 - Date and Custodian Name is mandatory for a record; if either is missing, new record will not be saved and existing record will be treated as a deletion

Note2 - Additional rows will be made available for data entry on Save, for Date/Name of Agency Custodian



Redevelopment Agency Reporting System - Displacements and Losses over reporting Year

California Department of Housing and Community Development



Redevelopment Agency Reporting System

Estimate of Households Displaced over Current FY Sch A, p5; Sch B, p2

You are Here: [Select Year](#) > [Schedule Menu](#) > [Project Area Selector](#) > [Project Area Activity Menu](#) > Households Displaced

<< Previous

Page

Agency:MODESTO RDA

Fiscal Year :2003/2004

Prepared by: Tim Ogden

- Select Year
- FAQ
- User Info
- Status

For Project Area:MODESTO PROJECT

7. Project Area Households to be Permanently Displaced Over Current Fiscal Year

- Print
- Logout

a. As required in Section 33080.4(a)(2), estimate the type and number of households, by income category, to be permanently displaced from this project area during the next reporting period:

Income Level	VL	L	M	AM	Total
Households Permanently Displaced - Elderly					0
Households Permanently Displaced - Non Elderly					0
Households Permanently Displaced - Total	0	0	0	0	0

b. Identify each replacement housing plan adopted that is related to permanent displacement, destruction or removal of dwelling units or bedrooms during the next reporting period and identified in paragraph a. above:

Date*	Name of Agency Custodian

* Note - Date should be (mm/dd/yyyy) format. If dd for the date is not available assume 01

Note1 - Date and Custodian Name is mandatory for a record; if either is missing, new record will not be saved and existing record will be treated as a deletion

Note2 - Additional rows will be made available for data entry on Save, for Date/Name of Custodian



California Department of Housing and Community Development
 Redevelopment Agency Reporting System
 Agency-wide Financial Information- Sch C, p1-4



You are Here: [Select Year](#) > [Schedule Menu](#) > Agency Wide Financials

<< Previous Agency:MODESTO RDA Fiscal Year :2003/2004 Prepared by: Tim Ogden

Page

- [Select Year](#)
- [FAQ](#)
- [User Info](#)
- [Status](#)
- [Print](#)
- [Logout](#)

Low & Moderate Income Housing Funds

Report on the "status and use of the agency's Low and Moderate Income Housing Fund." Most information reported here should be based on that reported to the State Controller.

1. Beginning Balance: \$2,363,804

a. State the Amount of adjustment(s) (indicate whether positive or negative) and Explain it:

b. Total Adjustments: \$0

c. Adjusted Beginning Balance: \$2,363,804

2. Receipts and Housing Fund Revenues

a. All Project Areas Total Deposits: \$802,954

b. Specify Other Resources not reported on Schedule HCD-A(s):

c. Total Housing Fund Revenues : \$0

3. Total Resources : [Line 1c + 2a + 2c] \$3,166,758

4. Expenditures Subtotal: Sch C, p1-3 #4 \$7,560

5. Net Resources Available: \$3,159,198

6. Encumbrances and Unencumbered Balance

a. Encumbrances (End of Year): [Help?](#) \$0

b. Unencumbered Balance (End of Year): \$3,159,198

7. Designated/Undesignated Amount of Available Funds:

a. Unencumbered Designated: \$0

b. Unencumbered Undesignated: \$3,159,198

8. Other Housing Fund Assets: Sch C, p3 #6 \$944,835

9. Total fund equity: \$4,104,033

10. Reporting Year End Unencumbered and Adjusted Balance Instructions

a. Unencumbered Balance (End of Year):[Page 3, Line 6,b] \$3,159,198

b. If you are eligible to adjust the Unencumbered Balance (End of Year), identify the type and amount of the adjustment.

(1) Debt Proceeds: \$0

(2) Land Sales: \$0

c. Adjusted Unencumbered Balance: \$3,159,198

11. Excess Surplus Tax Increment Deposit Calculation:

2000/2001 - Tax Increment:	\$373,134
2001/2002 - Tax Increment:	\$433,336
2002/2003 - Tax Increment:	\$539,706
FY 03-04 Reporting Year Tax Increment:	\$661,003
Sum of 3 Prior Years' and Reporting Year Tax Increment:	\$2,007,179

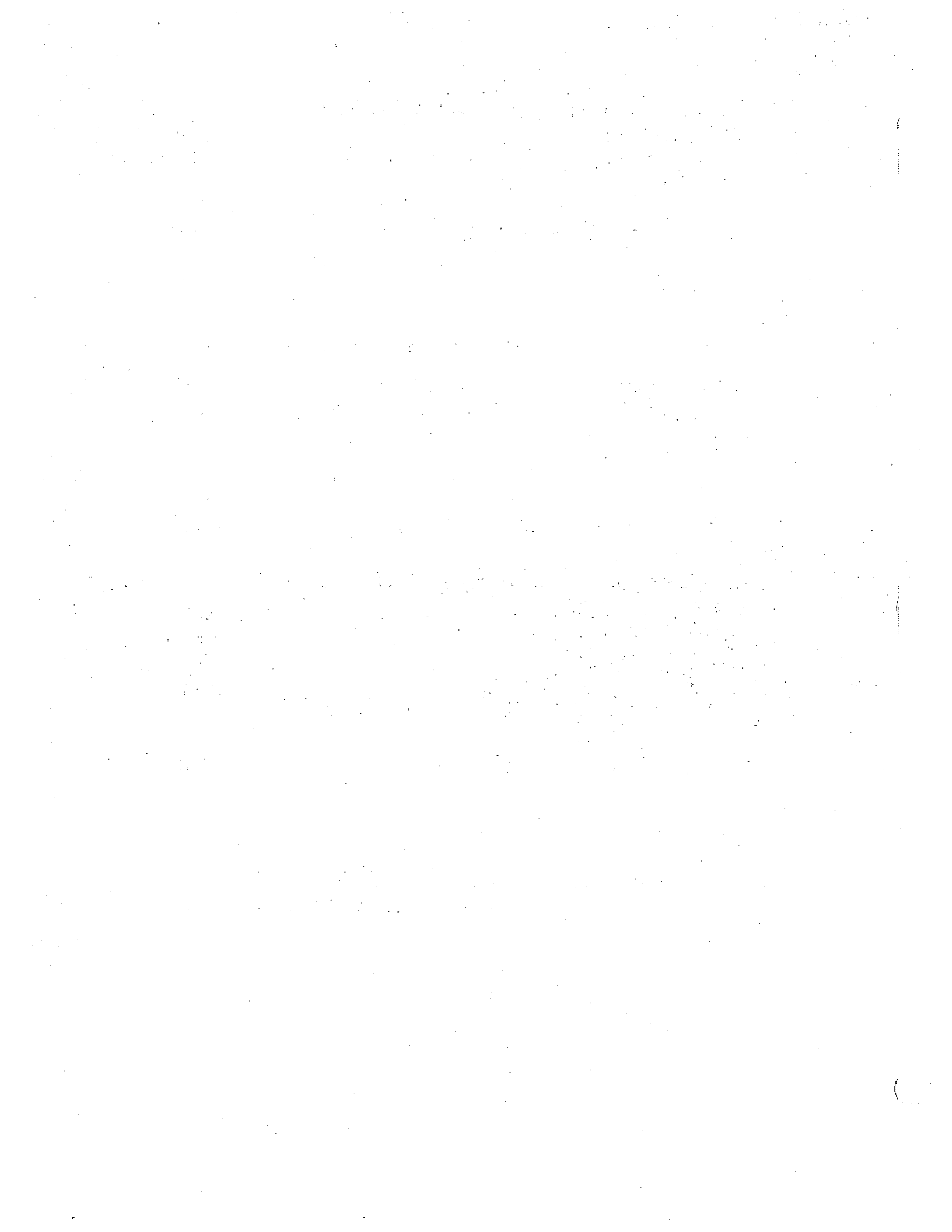
12. Excess surplus to track during fiscal year 2004-2005 is: \$1,152,019

Your current excess surplus, calculated last fiscal year, is \$695,622

Save

Redevelopment Agency Reporting System - Agency-wide Financial Information

California Department of Housing and Community Development



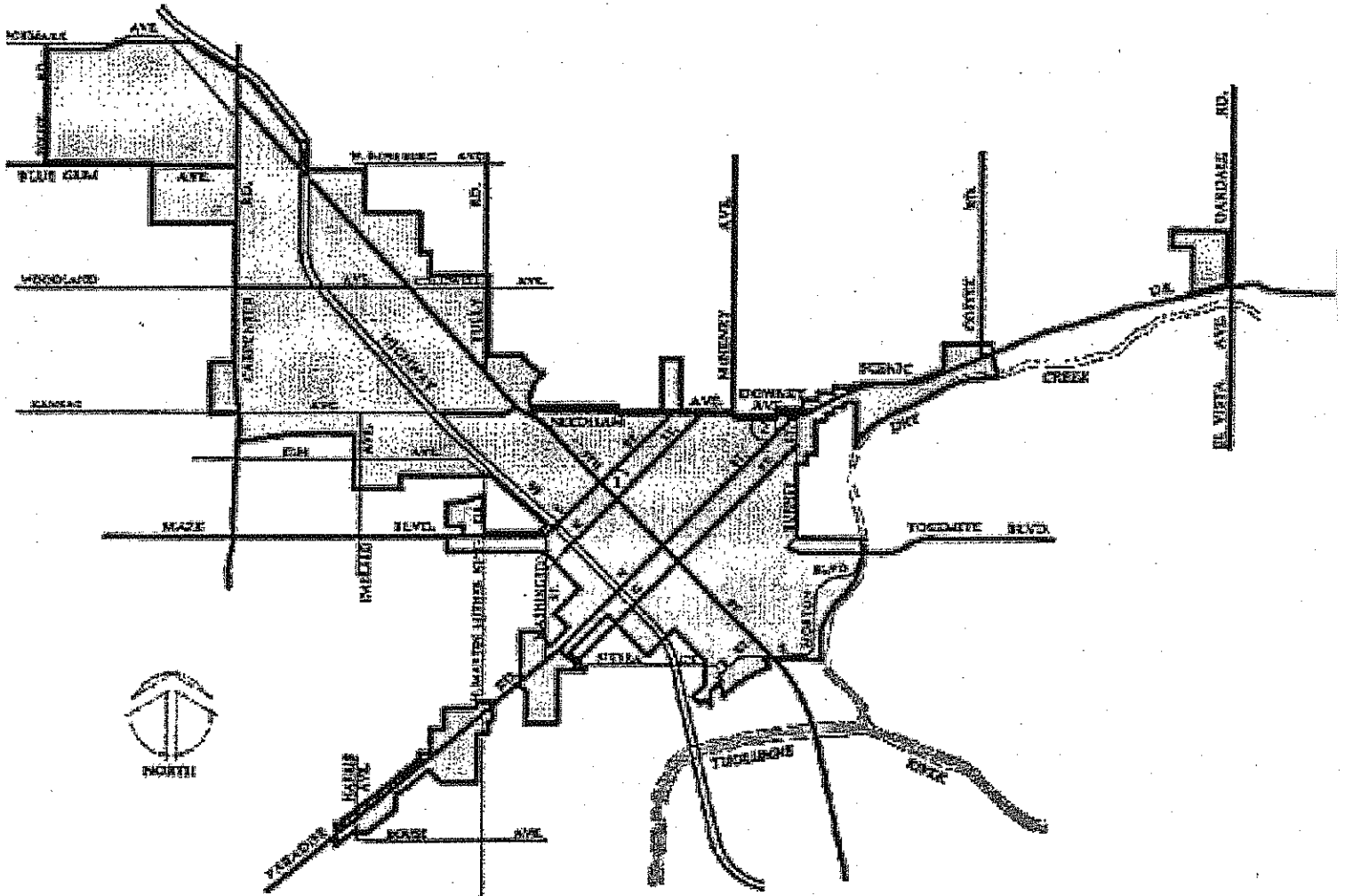
FY 2002-2004
MODESTO REDEVELOPMENT AGENCY

HEALTH AND SAFETY CODE §33080.1

- *ALLEVIATION OF BLIGHT*
- *LOAN DEFAULT REPORT*
- *PROPERTY LISTING*

MODESTO REDEVELOPMENT AGENCY PROJECT AREA

2000 Acres (Est.)



I. HEALTH AND SAFETY CODE §33080.1(d)

ALLEVIATION OF BLIGHT

The Modesto Redevelopment Agency's goal is to stimulate new public and private investment in order to overcome the problems that have been created in past decades. Through new investment, both the physical and social environment of the project area will be improved. Private investment, with the assistance of the Agency, will help to:

- o Overcome blight created by deteriorated and obsolete buildings
- o Stabilize land uses
- o Provide needed public parking
- o Create new parcels amenable to modern development.

Employment opportunities, both in the short and long term, will help to overcome problems of poverty not only in the Project Area, but also in the City as a whole. Increased employment opportunities, appropriate project design and, most importantly, higher levels of activity in the Project Area --- especially in the evenings --- will decrease the crime rates.

FY 2003-2004, the Redevelopment Agency of the City of Modesto completed the following actions to implement the objectives of the Implementation Plan in alleviating blight within the Project Area:

Strategy No.1: J Street Arts, Entertainment and Retail District. Downtown Modesto shall be the center for arts and cultural events, entertainment, restaurants, and specialty retailers. These activities shall be encouraged to cluster around a corridor centered on J Street. This corridor runs roughly from 9th Street to McHenry, and from H to L Streets.

Agency Actions:

Project: Gallo Center for the Arts

Agency Expenditure: \$602,000

Status: Under Construction

The Gallo Center for the Arts is a \$31 Million project under construction in the block between 10th and 11th Streets and H and I Streets in downtown Modesto. The center will feature a 1,200-seat theater, a 400-seat theater and art gallery. Though construction will be primarily funded by contributions from the community and Stanislaus County, the Agency approved using \$602,000 in tax increment revenue for construction/replacement of such public improvements as deteriorated curb, sidewalks and streetlights, new street trees and street reconstruction.

Project: Wayfinding Signage and Downtown Streetscape Construction

Agency Expenditure: \$100,000

Status: Under Construction

The Agency provides \$100,000 each year for use in beautification and general street improvement projects. For FY 2003-04, the Agency used these funds to create two public projects: (1) Construction plans for downtown streetscape and (2) Design and construction plans and specifications for wayfinding signage for the downtown area. In FY 2004-05, the Agency will use these funds for the actual construction of the streetscape on 10th Street and for the wayfinding signage throughout the downtown in order to identify downtown buildings and guide visitors to new projects.

Strategy No.2: Downtown Office Core. Downtown Modesto shall be the location for all new major public and private office buildings with the exception of medical buildings. These offices shall generally be within walking distance of the J Street District.

Agency Actions:

Project: Westland Office Project - 12th Street & I Street

Agency Expenditure: \$132,000 Tax Increment rebate over 15 years

Status: Under Construction

The Agency entered into an Owner Participation Agreement (OPA) with Westland Development in September 2002. The OPA included the following conditions:

1. The City sold a 44-space City parking lot to Stanislaus County for \$245,000
2. Westland entered into an agreement with Stanislaus County wherein the County will construct a 90,000 square foot building and the ownership will be divided between three entities: (1) County – 50%; (2) StanCERA – 17% (3) Westland – 33%
3. There will be an adjoining parking garage, constructed and owned by the County, wherein approximately 100 public spaces will replace the 44-space public parking lot
4. Over 15 years, the Agency will rebate tax increment received from the private sector portion of the building for a total of \$132,000 over 15 years. This rebate will be used to offset the parking payments to the County for the public spaces.

Project: Valley Tower Office Project – 10th Street & H Street

Agency Expenditure: \$630,000

Status: Pending - Private project funding is not complete

The Agency entered into a Disposition and Development Agreement (DDA) with Valley Tower, LLC in September 2000. The DDA has been amended three times and includes the following:

1. The Agency purchased a 110-space City parking lot and sold it to Valley Tower for fair market value of \$630,000
2. Valley Tower will construct a 12-story, 90,000 square foot building, including a parking garage of approximately 400 spaces
3. There will be 103 public spaces within the garage to replace the 110-space public parking lot
4. Once the project is complete, the Agency will rebate the \$630,000 to pay for the replacement of the public parking spaces

Strategy No.3: New Housing Construction and the Preservation of Existing Housing.

Downtown Modesto should be a desirable place to live as well as work or visit. The residential strategy should focus both on new construction and the preservation and renovation of existing housing.

Agency Actions:

Project: Architectural Plans for Affordable Housing in Downtown

Agency Expenditure: \$35,000

Status: Staff working with developers to identify site for housing project

Beginning in 2000, the Agency has focused on producing affordable housing project in the Downtown. The primary barriers to this project have been:

- a. Increased land prices coupled with unwilling sellers that necessitate eminent domain proceedings
- b. Reduced site acreage available for purchase
- c. Increased need for parking for the housing development for the general population of downtown workers, customers merchants

Because of the above issues, the Agency determined that additional funds would be needed for a downtown project versus a housing project in another area of the City. The Agency placed funds into a Downtown Housing Account in order to accumulate Housing Set-aside monies specifically for a downtown project.