

**MODESTO REDEVELOPMENT AGENCY
RESOLUTION NO. 01- 2008**

A RESOLUTION APPROVING THE REIMBURSEMENT OF FUNDS FROM THE MODESTO REDEVELOPMENT AGENCY TO THE CITY OF MODESTO FOR THE PURCHASE AND INSTALLATION OF SECURITY CAMERAS BY THE MODESTO POLICE DEPARTMENT WITHIN THE REDEVELOPMENT PROJECT AREA FOR THE SPECIFIC PURPOSE OF REDUCING CRIME WITHIN DOWNTOWN MODESTO AND AUTHORIZING THE EXECUTIVE DIRECTOR TO DISTRIBUTE THE FUNDING REIMBURSEMENT.

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

WHEREAS, as a continuation of the overall downtown renovation, the Agency has set forth as an objective the pursuit of opportunities to decrease crime within the downtown area which is located within the Redevelopment Project Area (the "Project Area"), and

WHEREAS, at their regularly scheduled meetings on October 3, 2007 and November 7, 2007, the Citizens Redevelopment Advisory Commission (the "Commission") received a presentation from the City of Modesto Police Department (the "City") requesting Agency funds for the purchase and installation of strategically-placed security cameras to assist in the reduction of crime in the downtown area which is located inside the Project Area, and

WHEREAS, the Commission considered the City's request to expend Agency funds in an amount not to exceed Four Hundred Thousand Dollars (\$400,000.00) on ten security cameras to be installed within the downtown area, and

WHEREAS, after considering said request, the Commission recommended that the Redevelopment Agency Board make the following legal findings pursuant to Community Redevelopment Law (Health and Safety Code §33445 (a)), prior to approving the use of Agency funds:

- a. Recommended Finding: The Commission has reviewed written documentation confirming that there are significant crime problems specific to the Downtown
- b. Recommended Finding: The security cameras being funded by the Agency can only be located within the limits of the Project Area
- c. Recommended Finding: The security cameras to be funded by Agency assistance are of benefit to the Project Area or to the immediate neighborhood in which the cameras will be located
- d. Recommended Finding: The payment of funds for the cost of these security cameras will assist in the elimination of one or more blighted conditions inside the Project Area and is consistent with the Implementation Plan adopted by the Agency on December 14, 2005

- e. Recommended Finding: There is a specific nexus between the security cameras funded by the Agency and the reduction of the documented crime within the Project Area
- f. Recommended Finding: No other reasonable means of financing the cost of the cameras is available to the community
- g. Recommended Finding: The Agency assistance will be in an amount not to exceed \$400,000 which will be used for the purchase of 10 security cameras

and,

WHEREAS, based on the above legal findings, said Commission recommended the use of Agency funds from Agency CIP #K732 (Public Improvements) in an amount not to exceed Four Hundred Thousand Dollars (\$400,000) for the purchase of security cameras for the downtown area, and

WHEREAS, the Agency's assistance shall equal One-hundred Percent (100%) of the System Costs, up to a maximum amount of Four Hundred Thousand Dollars (\$400,000) (the "Agency's Contribution"), and

WHEREAS, the Agency's Contribution shall be based on completion of the following actions:

1. The City shall cause to be designed, purchased and installed within the Project Area said security camera system specifically located in the downtown area as shown on attached Exhibit A which is made a part hereof by this reference;
2. The City shall cause said security camera system to be commenced as soon as feasible after the execution of this resolution and shall ensure that the security camera system is completed in a timely manner;
3. In consideration of the undertakings of the City under this resolution, the Agency shall assist the City by paying for the actual costs for said security camera system (the "System Costs") actually incurred by the City for said security system;
4. Said Agency's Contribution will be paid to the City upon delivery by the City to the Agency of evidence of such costs; and
5. The Agency shall pay the City the Agency's Contribution amounts as set forth above in the manner provided herein from any funds available to the Agency for such purpose, including tax increments from the Project Area, only after first making adequate provisions for the annual payment of principal and interest due on any bonds or other prior indebtedness of the Agency incurred to carry out the Project and

for which tax increments have been pledged or committed and not to exceed the maximum amount of Four Hundred Thousand Dollars (\$400,000)

, and

WHEREAS, said Agency's Contribution constitutes an indebtedness of the Agency incurred in carrying out the Redevelopment Plan, and a pledging of tax increments from the Project Area to pay such indebtedness, under the provisions of Section 16 of Article XVI of the California Constitution and Section 33670 *et seq.* of the Health and Safety Code; provided, however, that such pledge of tax increments shall always be subordinate and subject to the right of the Agency to pledge or commit tax increments from the Project Area to repay bonds or other indebtedness incurred by the Agency in carrying out the Redevelopment Plan, and

WHEREAS, pursuant to Section 895.4 of the Government Code, the Agency understands and agrees that the City will assume the full liability imposed upon it or any of its officers, agents or employees for injury of any kind, including legal damages, caused by a negligent or wrongful act or omission occurring in the performance of the purchase, installation, operation and/or maintenance of said security camera system and, further, that the City agrees to indemnify and hold the Agency harmless for any loss, costs or expense that may be imposed upon the City by virtue of Sections 895.2 and 895.6 of the Government Code,

NOW, THEREFORE, BE IT RESOLVED by the Redevelopment Agency of the City of Modesto that the following findings are determined:

1. Finding: The Agency has reviewed written documentation confirming that there are significant crime problems specific to the downtown,
2. Finding: The security cameras being funded by the Agency can only be located within the limits of the Project Area in the downtown,
3. Finding: The security cameras to be funded by Agency assistance are of benefit to the Project Area or to the immediate neighborhood in which the cameras will be located,
4. Finding: The payment of funds for the cost of these security cameras will assist in the elimination of one or more blighted conditions inside the Project Area and is consistent with the Implementation Plan adopted by the Agency on December 14, 2005,
5. Finding: There is a specific nexus between the security cameras funded by the Agency and the reduction of the documented crime within the Project Area,

6. Finding: No other reasonable means of financing the cost of the cameras is available to the community, and
7. Finding: The Agency funding assistance will be in an amount not to exceed \$400,000 which will be used for the purchase of security cameras.

BE IT FURTHER RESOLVED that, based on the above findings, said Agency's Contribution for the purchase and installation of a security camera system consisting of cameras and appurtenances is hereby approved in an amount not to exceed Four Hundred Thousand Dollars (\$400,000) to be distributed from Agency CIP Account #K732 (Public Improvements).

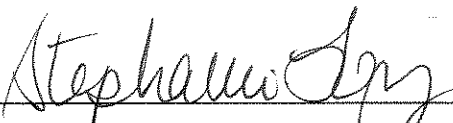
BE IT FURTHER RESOLVED that the Agency hereby authorizes the Executive Director, or his/her designee, to distribute the Agency's Contribution as set forth in this resolution.

The foregoing resolution was introduced at a special meeting of the Modesto Redevelopment Agency held on the 8th day of January, 2008, by Agency Member Hawn, who moved its adoption, which motion being duly seconded by Agency Member Olsen, was upon roll call carried and the resolution adopted by the following vote:

AYES: Agency Members: Hawn, Keating, Lopez, O'Bryant, Olsen, Chair person
Ridenour

NOES: Agency Members: None

ABSENT: Agency Members: None

ATTEST: 
STEPHANIE LOPEZ, Acting Secretary

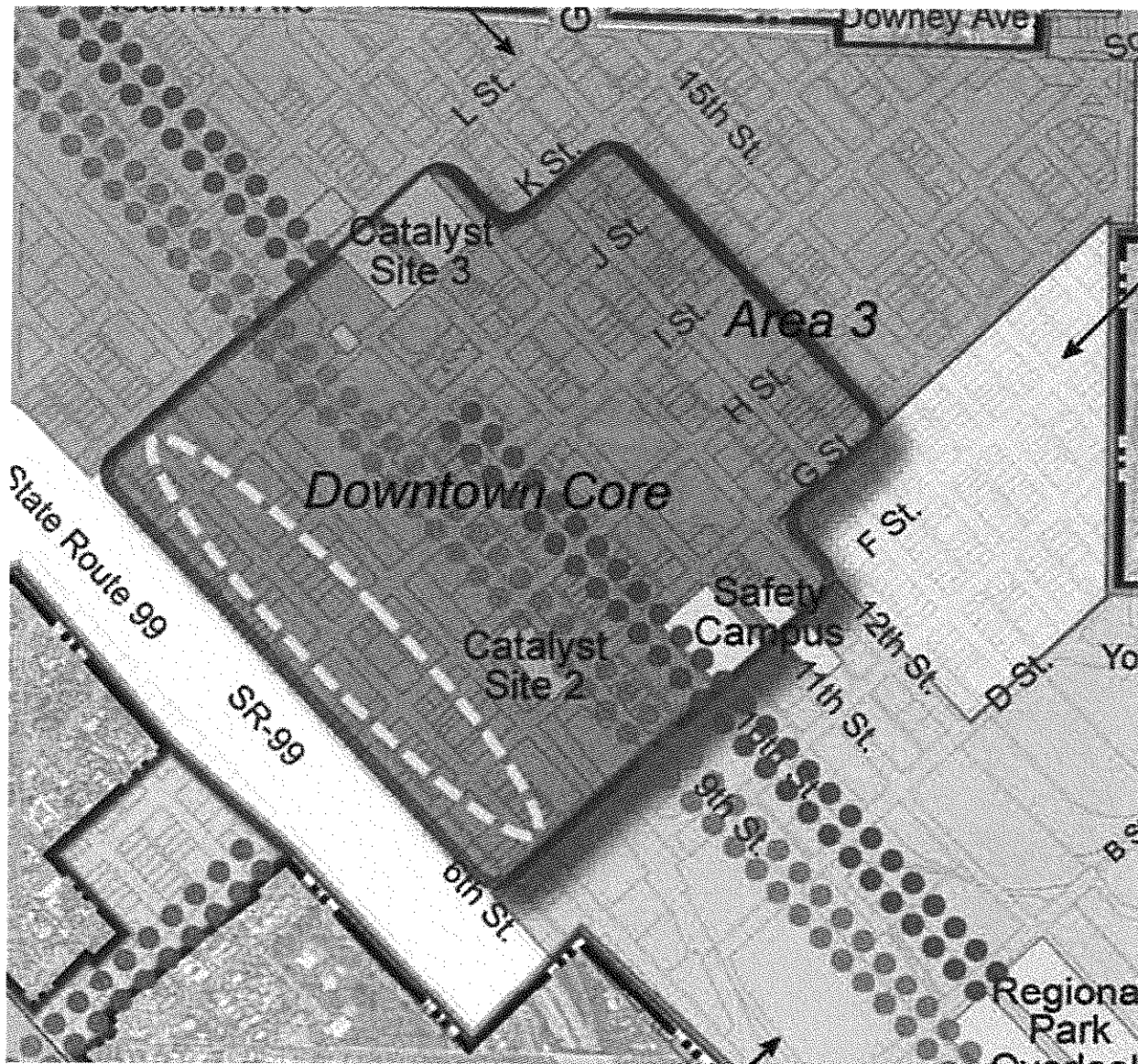
APPROVED AS TO FORM:

By 
SUSANA ALCALA WOOD, General Counsel

“EXHIBIT A”

General Downtown Area

For Security Camera System Locations



**MODESTO REDEVELOPMENT AGENCY
RESOLUTION NO. 02-2008**

**AUTHORIZING THE CITY OF MODESTO REDEVELOPMENT AGENCY
(THE “PUBLIC AGENCY”) TO JOIN WITH OTHER PUBLIC AGENCIES AS A
PARTICIPANT OF THE CALIFORNIA ASSET MANAGEMENT TRUST AND
TO INVEST IN SHARES OF THE TRUST AND IN INDIVIDUAL PORTFOLIOS**

WHEREAS, Section 6509.7 of Title 1, Division 7, Chapter 5 of the Government Code of the State of California (the “Joint Exercise of Powers Act”) provides that, if authorized by their legislative or other governing bodies, two or more public agencies that have the authority to invest funds in their treasuries may, by agreement, jointly exercise that common power;

WHEREAS, under Sections 6500 and 6509.7(b) of the Joint Exercise of Powers Act, a “public agency” includes, but is not limited to, any California county, county board of education, county superintendent of schools, city, public corporation, public district, regional transportation commission, state department or agency, any joint powers authority formed pursuant to the Joint Exercise of Powers Act by public agencies or any nonprofit corporation whose membership is confined to public agencies or public officials;

WHEREAS, public agencies that constitute local agencies, as that term is defined in Sections 53600 of Title 5, Division 2, Part 1, Chapter 4, Article 2 of the Government Code of the State of California (the “California Government Code”), are authorized pursuant to Sections 53601(o), to invest all money belonging to, or in the custody of, a local agency not required for its immediate need in shares of beneficial interest issued by a joint powers authority organized pursuant to Section 6509.7 of the California

Government Code that invests in the securities and obligations authorized in subdivisions (a) to (n), inclusive, of Government Code Section 53601;

WHEREAS, the California Asset Management Trust (the “Trust”) was established, pursuant to and in accordance with the Joint Exercise of Powers Act, by a Declaration of Trust, made as of December 15, 1989, as subsequently amended from time to time (the “Declaration of Trust”), as a vehicle for public agencies to jointly exercise their common power to invest the proceeds of debt issues and Public Agency surplus funds;

WHEREAS, pursuant to and in accordance with the Joint Exercise of Powers Act, the Public Agency desires to join the other public agencies which are or will be Participants of the Trust by adopting and executing the Declaration of Trust, a form which is on file in the office of the Treasurer;

WHEREAS, the Public Agency is a “public agency” as that term is defined in Sections 6500 and 6509.7(b) of the Joint Exercise of Powers Act and a “local agency” as that term is defined in Section 53600 of the California Government Code;

WHEREAS, the Public Agency is otherwise permitted to be a Participant of the Trust and to invest funds in the Trust and in the individual portfolios to be managed by the Investment Adviser to the Trust (“Individual Portfolios”); and

WHEREAS, a program guide describing the Trust and the Individual Portfolios (the “Program Guide”) is on file in the office of the Treasurer.

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

Section 1. The Public Agency shall join with other public agencies pursuant to and in accordance with the Joint Exercise of Powers Act by executing the Declaration of Trust and thereby becoming a Participant in the Trust, which Declaration of Trust is hereby approved and adopted. A copy of the Declaration of Trust, which is available in the office of the Treasurer shall be filed with the minutes of the meeting at which this Resolution was adopted. The Eis hereby authorized to execute, and the Secretary is hereby authorized to attest and deliver, the Declaration of Trust.

Section 2. The Public Agency is hereby authorized to purchase shares in the Trust from time to time with available funds of the Public Agency, and to redeem some or all of those shares from time to time as such funds are needed.

Section 3. The Public Agency is hereby authorized to invest available funds of the Public Agency from time to time in one or more Individual Portfolios managed by the Investment Adviser to the Trust and described in the Program Guide.

Section 4. The appropriate officers, agents and employees of the Public Agency are hereby authorized and directed in the name and on behalf of the Public Agency to take all actions and to make and execute any and all certificates, requisitions, agreements, notices, consents, warrants and other documents, and any changes, amendments, modifications, or waivers thereto which they, or any of them, might deem necessary or appropriate in order to accomplish the purposes of this Resolution.

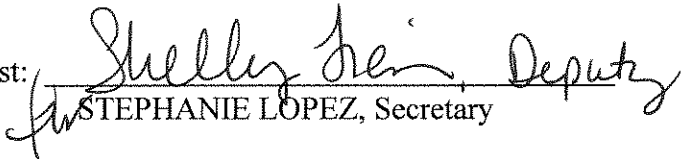
Section 5. This Resolution shall take effect at the earliest date permitted by law.

The foregoing resolution was introduced at a regular meeting of the Redevelopment agency of the City of Modesto held on the 5th day of February, 2008, by Agency Member Hawn, who moved its adoption, which motion being duly seconded by Agency Member Lopez was upon roll call carried and the resolution adopted by the following vote:

AYES: Agency Members: Hawn, Keating, Lopez, Marsh, O'Bryant, Olsen, Chair Ridenour

NOES: Agency Members: None


ABSENT: Agency Members: None

Attest:  Deputy
STEPHANIE LOPEZ, Secretary

APPROVED AS TO FORM:

By: 
SUSANA ALCALA WOOD, General Counsel

ATTACHMENT A

 CITY of MODESTO	<p>CITY COUNCIL POLICY</p>		<p><u>POLICY NO.:</u> <u>1.019</u></p>
<p>SUBJECT: INVESTMENT POLICY</p>			

PURPOSE

The purpose of this document is to identify various policies and procedures that enhance opportunities for a prudent and systematic investment policy and to organize and formalize investment-related activities.

BACKGROUND

Under Section 33603 of the Health and Safety Code, it is the function of the Redevelopment Agency to deposit and invest funds in accordance with sound treasury management. The Agency operates its pooled idle cash investment under the “prudent investor” rule which states that:

“When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with the care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency.”

The Agency considers a broad spectrum of investment opportunities, so long as the investment is deemed prudent and allowable under current legislation of the State of California.

On an annual basis, the Treasurer will render to the Agency the statement of investment policy. The report will be considered, with any changes, by the Agency at a public meeting.

INVESTMENT REPORT

The Treasurer shall provide the Agency with a monthly report of investment transactions. In addition, the Treasurer shall render a quarterly report to the Agency, Agency Executive Director and the internal auditor within 30 days following the end of the quarter. The report shall contain the following:

1. The type of investment, issuer, purchase date, date of maturity, credit rating, overall portfolio yield based on cost, total par and dollar amount invested on all securities, investments and monies.
2. The weighted average maturity of the portfolio.

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3. A description of any funds, investments or programs that are under management of contracted parties, including lending programs. Funds and investments held by contracted parties shall be reported at market value and the source of valuation shall be reported.
4. The market value as of the date of the report, and the source of the valuation.
5. A statement of compliance with the investment policy or manner in which the portfolio is not in compliance.
6. A statement denoting the Agency's ability to meet its expenditure requirements for the next six months or provide an explanation as to why sufficient money shall, or may, not be available.

INVESTMENT CRITERIA

Public funds are invested in the following manner in order of priority:

1. **Safety of Principal**

The duty of the Treasurer is to protect, preserve and maintain cash and investments on behalf of the citizens of the community. To guard against loss of principal, only prudent and safe investments will be considered.

2. **Liquidity**

The receipt of revenues and maturities of investments should be scheduled so that adequate cash will be available to meet disbursements. An adequate portion of the portfolio should be maintained in liquid short-term instruments which can be readily converted to cash if necessary.

3. **Yield**

Yield is the potential dollar earnings, or rate of return, an investment can provide. Yield becomes a consideration only after the basic requirements of safety and liquidity have been met.

SAFEKEEPING AND CUSTODY

All security transactions entered into by the Agency shall be conducted on a delivery-versus payment basis. Securities will be held by third party custodian designated by the Treasurer and evidenced by safekeeping receipts.

The only exception to the foregoing are Local Agency Investment Pools, Certificates of Deposit, and money market funds since the purchased securities are not deliverable. In all cases, purchased securities shall be held in the City's name on behalf of the Agency.

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PERFORMANCE STANDARDS

The investment portfolio shall be designed with the objective of obtaining a rate of return throughout budgetary and economic cycles, commensurate with the investment risk constraints and the cash flow needs. The Agency will measure the portfolio's performance against a market benchmark that is commensurate with the Agency's investment risk constraints and the cash flow characteristics of the portfolio.

AUTHORIZED INVESTMENTS

Commencing with Section 53601 of Article 1, Chapter 4 of the Government Code of the State of California, surplus money may be invested in the following:

- A. **City of Modesto bonds.** Bonds issued by the City.
- B. **U.S. Treasury securities.** United States Treasury notes, bonds, bills or certificates of indebtedness or those for which the faith and credit of the United States are pledged for the principal and interest.
- C. **State of California securities.** Registered State of California warrants, treasury notes or bonds, provided that the securities are rated AAA by a nationally recognized statistical rating agency
- D. **California municipal securities.** Bonds, notes, warrants or other evidence of indebtedness of any local agency within California, provided that the securities are rated AAA by a nationally recognized statistical rating agency
- E. **Federal Agency securities.** Obligations issued by a federal agency or United States government-sponsored enterprise.
- F. **Bankers' Acceptances.** Bankers' Acceptances issued by domestic or foreign banks, which are eligible for purchase by the Federal Reserve System, the short-term paper of which is rated in the highest category by a nationally recognized statistical rating agency.

Purchases of Bankers' Acceptances may not exceed 180 days maturity or 40 percent of the City's surplus money. The maximum amount permitted to be invested in the Banker's Acceptances of any one commercial bank is the greater of 10 percent of the City's surplus funds or \$1 million.

G. Commercial Paper. Commercial paper of "prime" quality of the highest ranking or of the highest letter and number rating as provided for by a nationally recognized statistical-rating organization. The entity that, issues the commercial paper shall meet all of the following conditions in either paragraph (1) or paragraph (2):

- (1) The entity meets the following criteria: (a) is organized and operating within the United States as a general corporation. (b) Has total assets in excess of \$500 million. (c)

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Has debt other than commercial paper, if any, that is rated "A" or higher by a nationally recognized statistical-rating organization (NRSRO).

(2) The entity meets the following criteria: (a) is organized within the United States as a special purpose corporation, trust, or limited liability company. (b) Has program wide credit enhancements including, but not limited to, over collateralization, letters of credit, or surety bond.

Investments in commercial paper are limited to a maximum of 25% of the portfolio. Purchases shall not exceed 10 percent of the outstanding paper of the issuing corporation. The maximum investment maturity is restricted to 270 days.

H. Certificates of Deposit. FDIC insured or fully collateralized time certificates of deposit in financial institutions located in California. Eligible investments are restricted to those issuing institutions that have been in business at least five years. The maximum term for deposits shall be one year. Investments in certificates of deposit are further limited to 20% of surplus funds. All time deposits must be collateralized in accordance with California Government Code section 53561. The Agency, at its discretion, may waive the collateralization requirements for any portion of the deposit that is covered by federal insurance.

I. Negotiable Certificates of Deposit. Negotiable certificates of deposit issued by a nationally- or state-chartered bank or a state or federal savings and loan association or by a state-licensed branch of a foreign bank; provided that the senior debt obligations of the issuing institution are rated "AA" or better by Moody's or Standard & Poor's. Investments in negotiable certificates of deposit are limited to 30 percent of the portfolio.

J. Repurchase Agreements. Repurchase Agreements used solely as short-term investments not to exceed 90 days.

The following collateral restrictions will be observed: Only U.S. Treasury securities or Federal Agency securities as described in 1 and 2 will be acceptable collateral. All securities underlying Repurchase Agreements must be delivered to the Agency's custodian bank versus payment or be handled under a tri-party repurchase agreement. The total of all collateral for each Repurchase Agreement must equal or exceed, on the basis of market value plus accrued interest, 102 percent of the total dollar value of the money invested by the Agency for the term of the investment. For any Repurchase Agreement with a term of more than one day, the value of the underlying securities must be reviewed on a regular basis.

Market value must be calculated each time there is a substitution of collateral.

The Agency or its trustee shall have a perfected first security interest under the Uniform Commercial Code in all securities subject to Repurchase Agreement.

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The Agency may enter into Repurchase Agreements with (1) primary dealers in U.S. Government securities who are eligible to transact business with, and who report to, the Federal Reserve Bank of New York, and (2) California and non-California banking institutions having assets in excess of \$1 billion and in the highest short-term rating category as provided by Moody's Investors Service, Inc. or Standard & Poor's Corporation.

The Agency will have specific written agreements with each firm with which it enters into Repurchase Agreements.

K. Reverse Repurchase Agreements. The Agency may invest in reverse repurchase agreements only with "primary dealers" with which the Agency has entered into a master repurchase agreement contract. The Agency may invest in reverse repurchase agreements with the following conditions: The Agency may only use reverse repurchase agreements to (1) cover a temporary cash shortage, or (2) augment earnings. Reverse repurchase agreements may not be used to leverage the portfolio.

In addition, if a reverse repurchase agreement is authorized, it may be utilized only if the security to be sold on reverse repurchase agreement has been owned and fully paid for by the Agency for a minimum of 30 days prior to the sale; the total of all reverse repurchase agreements on investments owned by the Agency does not exceed 20% of the portfolio; and the agreement does not exceed a term of 92 days, unless the agreement includes a written codicil guaranteeing a minimum earning or spread for the entire period between the sale of the security using a reverse repurchase agreement and the final maturity date of the same security. The proceeds of the reverse repurchase agreement may not be invested in securities whose maturity exceeds the term of the Reverse Repurchase Agreement.

L. Medium-term corporate notes. Medium-term corporate notes defined as all corporate and depository institution debt securities with a maximum remaining maturity of five years or less, issued by corporations organized and operating within the United States or by depository institutions licensed by the U.S. or any state and operating within the U.S. Medium-term notes shall be rated in a rating category "AA-" or its equivalent or better by a nationally recognized rating service. Purchase of medium-term corporate notes may not exceed 30 percent of the Agency's investment portfolio.

M. Money market funds. Shares of beneficial interest issued by diversified management companies that are money market funds registered with the Securities and Exchange Commission under the Investment Company Act of 1940 (money market funds).

N. State of California Local Agency Investment Fund (LAIF).

O. Mortgage and asset-backed securities. Any mortgage pass-through security, collateralized mortgage obligation, mortgage-backed or other pay-through bond, equipment lease-backed certificate, consumer receivable-backed bond that has been issued by a Federal Agency and has a maximum of five years maturity.

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P. California Asset Management Program (CAMP)

MAXIMUM MATURITY

Investment maturities shall be based on a review of cash flow forecasts. Maturities will be scheduled so as to permit the Agency to meet all projected obligations.

Maximum maturity of an authorized investment is limited to five years.

Proceeds of sales or funds set aside for the repayment of any notes (e.g., Tax and Revenue Anticipation Notes) shall not be invested for a term that exceeds the term of the notes.

INELIGIBLE INVESTMENTS

Any security type or structure not specifically approved by this policy is hereby specifically prohibited. Security types which are thereby prohibited include, but are not limited to,

Investment in inverse floaters, range notes, or interest only strips that are derived from a pool of mortgages is prohibited.

Investment in any security that could result in a zero interest accrual if held to maturity is prohibited.

RESTRICTIONS SET BY THE FINANCE DIRECTOR/TREASURER

A. Prior approval of the Treasurer is required for the following transactions, unless the City utilizes the services of an investment advisor registered with the Securities and Exchange Commission in a fiduciary relationship as outlined in this policy.

- Sale of securities
- Swaps and trades
- Purchase of collateralized mortgage obligations (CMO)
- Purchase of mortgage-backed obligations
- Purchase of corporate notes
- Purchase transaction in excess of \$3 million

B. The following investments are not deemed appropriate for the Agency and will not be utilized:

- Futures and options
- Small Business Administration notes

AUTHORIZED INVESTMENT PERSONNEL

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Pursuant to the Government Code, the Agency delegates the authority to invest or to reinvest funds, or to sell or exchange securities so purchased, to the Treasurer for a one-year period. The Treasurer is charged with the responsibility for carrying out the policies of the Agency and shall assume full responsibility for investment transactions until the delegation of authority is revoked or expires.

Idle cash management and investment transactions are the responsibility of the Finance Department, which is under the control of the Treasurer. The Treasurer may designate an individual(s) ["Designee"] to be responsible for the daily management of the Agency's portfolio of treasury investments. The Designee may also be directed to monitor and forecast the Agency's cash flows, and prepare periodic investment reports that are submitted to the Agency. The Accounting Division of the Finance Department monitors all treasury transactions and prepares accounting records of all investment transactions as to type of investment, amount, yield, and maturity. No other person has authority to make investment transactions without the written authority of the Treasurer. Pursuant to Health and Safety Section 33603, all persons investing monies are trustees and therefore fiduciaries subject to the prudent investor standard. Financial market security transactions will be executed by delivery versus payment and the securities will be held by a third party custodian.

Subject to required procurement procedures, the Agency may engage the support services of outside professionals in regard to its financial program, so long as it can be demonstrated or anticipated that these services produce a net financial advantage or necessary financial protection of the Agency's resources.

POLICY REVIEW

The investment policy shall be adopted by resolution of the Agency on, at minimum, an annual basis. This investment policy shall be reviewed at least annually to ensure its consistency with the overall objectives of preservation of principal, liquidity and yield, and its relevance to current law and financial and economic trends. Any amendments to the policy shall be forwarded to Agency for approval.

This policy and the internal controls related to the investment of Agency funds will be reviewed by the Agency's independent external auditors in the conduct of their annual audit of the Agency.

APPENDIX A - GLOSSARYBankers Acceptances (BAs)

Bankers Acceptance is a time bill of exchange drawn on and accepted by a commercial bank to finance the exchange of goods. When a bank "accepts" such a bill, the time draft becomes, in effect, a predated certified check payable to the bearer at some future specified date. Little risk is involved for the investor because the commercial bank assumes primary liability once the draft is accepted.

California Asset Management Program (CAMP)

CAMP is a Joint Powers Authority ("JPA") designed to assist public agencies with their investment needs through the use of the Cash Reserve Portfolio ("Pool"), which is rated "AAAm" by Standard & Poor's, its highest rating category. The Pool seeks to attain a high level of current income consistent with the preservation of principal.

Certificates of Deposit (CDS)

A certificate of deposit is issued against funds deposited in a commercial bank for a definite period of time and earning a specified rate of return. They are issued in two forms, negotiable and non-negotiable:

A negotiable certificate of deposit may be sold by one holder to another prior to maturity. This is possible because the issuing bank agrees to pay the amount of the deposit, plus earned interest, to the Bearer of the certificate at maturity.

A non-negotiable certificate of deposit is collateralized and is not a money market instrument since it cannot be traded in the secondary market. It is issued on a fixed maturity basis and often pays a higher interest rate than is permissible on other savings or time deposit accounts.

Collateralized Mortgage Obligation (CMO)

A CMO is a pool of mortgages sold as a single investment with interest paid monthly, quarterly, or semi-annually. Mortgage securities pay a higher rate than U.S. Treasury securities due to risk of prepayment and default.

Commercial Paper (CP)

This is a short-term promissory note issued by a corporation to raise working capital. The interest rates tend to be higher than other investments of similar liquidity.

Derivatives

A financial instrument with a value derived from the value of one or more underlying assets or indexes of asset values. The term "derivative products" refers to instruments or features such as collateralized mortgage obligations (CMOs), interest-only (IOs) and principal-only (POs), forwards, futures, currency and interest rate swaps, options, floaters/inverse floaters, and caps/floors/collars.

ATTACHMENT A

Federal Agency Securities

Certain agencies created by Congress and sponsored by the federal government issue debt that is considered to be of prime quality and have a very high standing in the bond market. The major federal agencies are described as follows:

Federal National Mortgage Association (FNMA, "Fannie Mae") provides funds to the mortgage market primarily by purchasing loans from local lenders.

Federal Home Loan Mortgage Corporation (FHLMC, "Freddie Mac") purchases conventional mortgages and sells mortgage-backed securities.

Student Loan Marketing Association (SLMA, "Sallie Mae") facilitates that flow of private capital into various federally-guaranteed student loan programs maintained through banks, S&Ls, educational institutions and other participating lenders.

Federal Farm Credit System (FFCB) sells securities to provide mortgage loans and short-term and intermediate-term credit to farmers, ranchers, and agricultural cooperatives.

Federal Home Loan Bank (FHLB) acts as a credit reserve system for the thrift industry to stabilize the flow of funds to member savings and loan and savings banks.

Futures

Exchange traded contracts specifying a future date of delivery or receipt of a specific product (physical commodity or financial instrument). Futures are used by business as a hedge against unfavorable price changes, and by speculators who hope to profit from such changes.

Local Agency Investment Fund (LAIF)

State of California LAIF is designed to provide a convenient and safe means of investing temporarily idle monies by the State Treasurer. LAIF provides high liquidity and generally pays higher yields than can be realized by individual local agencies (for similar maturities) due to economies of scale.

Medium-Term Notes

Issued by corporations (in the form of secured or unsecured debt) for the purpose of raising working capital and purchasing capital assets.

Options

A right to buy (call) or sell (put) a fixed amount of a given stock at a specified price within a limited period of time. The purchaser hopes that the stock's price will go up (if he bought a call) or down (if he bought a put) by an amount sufficient to provide a profit when he sells the option. If the price is static or moves in the opposite direction, the price paid for the option is lost entirely.

Repurchase Agreement

As authorized in Government Code Section 5360i(1), these investment vehicles are (generally

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short-term) agreements between the local agency and seller for the purchase of Government securities to be resold at a specific date and for a specific amount.

Reverse Repurchase Agreement

This transaction is the opposite of a repurchase agreement. The dealer buys securities with a contractual agreement to sell them back at a prearranged date. The local agency pays the dealer' interest for the use of the funds. The money "borrowed" on a "reverse repo" can be reinvested in higher yielding instruments.

U.S. Treasury Securities

The highest quality, most liquid debt investments available in the fixed income market-place; unconditionally backed by the "full faith and credit" of the U.S. Government. Treasury bills are short-term instruments (maturity of three months to one year); Treasury notes and bonds are currently issued with maturities of two to ten years.

**MODESTO REDEVELOPMENT AGENCY
RESOLUTION NO. 03-2008**

**A RESOLUTION APPROVING AN AMENDMENT TO THE POLICY FOR
INVESTMENT OF PUBLIC FUNDS**

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

WHEREAS, pursuant to Health and Safety Code Section 33603, it is the function of the Agency to deposit and invest funds in accordance with sound treasury management, and

WHEREAS, the Agency is also governed by Section 33606 of the Health and Safety Code that requires local agencies annually adopt an investment policy, and

WHEREAS, a revision has been made to the policy and a copy of the policy is marked **Attachment "A"**, attached hereto and incorporated herein by reference,

NOW, THEREFORE, BE IT RESOLVED that the Redevelopment Agency of the City of Modesto hereby approves the Amended Policy for Investment of Public Funds.

The foregoing was introduced at a regular meeting of the Redevelopment Agency of the City of Modesto held on the 5th day of February, 2008, by Agency Member Hawn, who moved its adoption, which motion being duly seconded by Agency Member Lopez, was upon roll call carried and the resolution adopted by the following votes:

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

NOES: Agency Members: None

ABSENT: Agency Members: None

ATTEST:



STEPHANIE LOPEZ, Acting Secretary

(SEAL)

APPROVED AS TO FORM:

By 
SUSAN ALCALA WOOD, General Counsel

ATTACHMENT A

 CITY of MODESTO	CITY COUNCIL POLICY		<u>POLICY NO.:</u> <u>1,019</u>
SUBJECT: INVESTMENT POLICY			

PURPOSE

The purpose of this document is to identify various policies and procedures that enhance opportunities for a prudent and systematic investment policy and to organize and formalize investment-related activities.

BACKGROUND

Under Section 33603 of the Health and Safety Code, it is the function of the Redevelopment Agency to deposit and invest funds in accordance with sound treasury management. The Agency operates its pooled idle cash investment under the “prudent investor” rule which states that:

“When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with the care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency.”

The Agency considers a broad spectrum of investment opportunities, so long as the investment is deemed prudent and allowable under current legislation of the State of California.

On an annual basis, the Treasurer will render to the Agency the statement of investment policy. The report will be considered, with any changes, by the Agency at a public meeting.

INVESTMENT REPORT

The Treasurer shall provide the Agency with a monthly report of investment transactions. In addition, the Treasurer shall render a quarterly report to the Agency, Agency Executive Director and the internal auditor within 30 days following the end of the quarter. The report shall contain the following:

1. The type of investment, issuer, purchase date, date of maturity, credit rating, overall portfolio yield based on cost, total par and dollar amount invested on all securities, investments and monies.
2. The weighted average maturity of the portfolio.

ATTACHMENT A

3. A description of any funds, investments or programs that are under management of contracted parties, including lending programs. Funds and investments held by contracted parties shall be reported at market value and the source of valuation shall be reported.
4. The market value as of the date of the report, and the source of the valuation.
5. A statement of compliance with the investment policy or manner in which the portfolio is not in compliance.
6. A statement denoting the Agency's ability to meet its expenditure requirements for the next six months or provide an explanation as to why sufficient money shall, or may, not be available.

INVESTMENT CRITERIA

Public funds are invested in the following manner in order of priority:

1. **Safety of Principal**

The duty of the Treasurer is to protect, preserve and maintain cash and investments on behalf of the citizens of the community. To guard against loss of principal, only prudent and safe investments will be considered.

2. **Liquidity**

The receipt of revenues and maturities of investments should be scheduled so that adequate cash will be available to meet disbursements. An adequate portion of the portfolio should be maintained in liquid short-term instruments which can be readily converted to cash if necessary.

3. **Yield**

Yield is the potential dollar earnings, or rate of return, an investment can provide. Yield becomes a consideration only after the basic requirements of safety and liquidity have been met.

SAFEKEEPING AND CUSTODY

All security transactions entered into by the Agency shall be conducted on a delivery-versus payment basis. Securities will be held by third party custodian designated by the Treasurer and evidenced by safekeeping receipts.

The only exception to the foregoing are Local Agency Investment Pools, Certificates of Deposit, and money market funds since the purchased securities are not deliverable. In all cases, purchased securities shall be held in the City's name on behalf of the Agency.

ATTACHMENT A

PERFORMANCE STANDARDS

The investment portfolio shall be designed with the objective of obtaining a rate of return throughout budgetary and economic cycles, commensurate with the investment risk constraints and the cash flow needs. The Agency will measure the portfolio's performance against a market benchmark that is commensurate with the Agency's investment risk constraints and the cash flow characteristics of the portfolio.

AUTHORIZED INVESTMENTS

Commencing with Section 53601 of Article 1, Chapter 4 of the Government Code of the State of California, surplus money may be invested in the following:

- A. City of Modesto bonds.** Bonds issued by the City.
- B. U.S. Treasury securities.** United States Treasury notes, bonds, bills or certificates of indebtedness or those for which the faith and credit of the United States are pledged for the principal and interest.
- C. State of California securities.** Registered State of California warrants, treasury notes or bonds, provided that the securities are rated AAA by a nationally recognized statistical rating agency
- D. California municipal securities.** Bonds, notes, warrants or other evidence of indebtedness of any local agency within California, provided that the securities are rated AAA by a nationally recognized statistical rating agency
- E. Federal Agency securities.** Obligations issued by a federal agency or United States government-sponsored enterprise.
- F. Bankers' Acceptances.** Bankers' Acceptances issued by domestic or foreign banks, which are eligible for purchase by the Federal Reserve System, the short-term paper of which is rated in the highest category by a nationally recognized statistical rating agency.

Purchases of Bankers' Acceptances may not exceed 180 days maturity or 40 percent of the City's surplus money. The maximum amount permitted to be invested in the Banker's Acceptances of any one commercial bank is the greater of 10 percent of the City's surplus funds or \$1 million.

G. Commercial Paper. Commercial paper of "prime" quality of the highest ranking or of the highest letter and number rating as provided for by a nationally recognized statistical-rating organization. The entity that, issues the commercial paper shall meet all of the following conditions in either paragraph (1) or paragraph (2):

- (1) The entity meets the following criteria: (a) is organized and operating within the United States as a general corporation. (b) Has total assets in excess of \$500 million. (c)

ATTACHMENT A

Has debt other than commercial paper, if any, that is rated "A" or higher by a nationally recognized statistical-rating organization (NRSRO).

(2) The entity meets the following criteria: (a) is organized within the United States as a special purpose corporation, trust, or limited liability company. (b) Has program wide credit enhancements including, but not limited to, over collateralization, letters of credit, or surety bond.

Investments in commercial paper are limited to a maximum of 25% of the portfolio. Purchases shall not exceed 10 percent of the outstanding paper of the issuing corporation. The maximum investment maturity is restricted to 270 days.

H. Certificates of Deposit. FDIC insured or fully collateralized time certificates of deposit in financial institutions located in California. Eligible investments are restricted to those issuing institutions that have been in business at least five years. The maximum term for deposits shall be one year. Investments in certificates of deposit are further limited to 20% of surplus funds. All time deposits must be collateralized in accordance with California Government Code section 53561. The Agency, at its discretion, may waive the collateralization requirements for any portion of the deposit that is covered by federal insurance.

I. Negotiable Certificates of Deposit. Negotiable certificates of deposit issued by a nationally- or state-chartered bank or a state or federal savings and loan association or by a state-licensed branch of a foreign bank; provided that the senior debt obligations of the issuing institution are rated "AA" or better by Moody's or Standard & Poor's. Investments in negotiable certificates of deposit are limited to 30 percent of the portfolio.

J. Repurchase Agreements. Repurchase Agreements used solely as short-term investments not to exceed 90 days.

The following collateral restrictions will be observed: Only U.S. Treasury securities or Federal Agency securities as described in 1 and 2 will be acceptable collateral. All securities underlying Repurchase Agreements must be delivered to the Agency's custodian bank versus payment or be handled under a tri-party repurchase agreement. The total of all collateral for each Repurchase Agreement must equal or exceed, on the basis of market value plus accrued interest, 102 percent of the total dollar value of the money invested by the Agency for the term of the investment. For any Repurchase Agreement with a term of more than one day, the value of the underlying securities must be reviewed on a regular basis.

Market value must be calculated each time there is a substitution of collateral.

The Agency or its trustee shall have a perfected first security interest under the Uniform Commercial Code in all securities subject to Repurchase Agreement.

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The Agency may enter into Repurchase Agreements with (1) primary dealers in U.S. Government securities who are eligible to transact business with, and who report to, the Federal Reserve Bank of New York, and (2) California and non-California banking institutions having assets in excess of \$1 billion and in the highest short-term rating category as provided by Moody's Investors Service, Inc. or Standard & Poor's Corporation.

The Agency will have specific written agreements with each firm with which it enters into Repurchase Agreements.

K. Reverse Repurchase Agreements. The Agency may invest in reverse repurchase agreements only with "primary dealers" with which the Agency has entered into a master repurchase agreement contract. The Agency may invest in reverse repurchase agreements with the following conditions: The Agency may only use reverse repurchase agreements to (1) cover a temporary cash shortage, or (2) augment earnings. Reverse repurchase agreements may not be used to leverage the portfolio.

In addition, if a reverse repurchase agreement is authorized, it may be utilized only if the security to be sold on reverse repurchase agreement has been owned and fully paid for by the Agency for a minimum of 30 days prior to the sale; the total of all reverse repurchase agreements on investments owned by the Agency does not exceed 20% of the portfolio; and the agreement does not exceed a term of 92 days, unless the agreement includes a written codicil guaranteeing a minimum earning or spread for the entire period between the sale of the security using a reverse repurchase agreement and the final maturity date of the same security. The proceeds of the reverse repurchase agreement may not be invested in securities whose maturity exceeds the term of the Reverse Repurchase Agreement.

L. Medium-term corporate notes. Medium-term corporate notes defined as all corporate and depository institution debt securities with a maximum remaining maturity of five years or less, issued by corporations organized and operating within the United States or by depository institutions licensed by the U.S. or any state and operating within the U.S. Medium-term notes shall be rated in a rating category "AA-" or its equivalent or better by a nationally recognized rating service. Purchase of medium-term corporate notes may not exceed 30 percent of the Agency's investment portfolio.

M. Money market funds. Shares of beneficial interest issued by diversified management companies that are money market funds registered with the Securities and Exchange Commission under the Investment Company Act of 1940 (money market funds).

N. State of California Local Agency Investment Fund (LAIF).

O. Mortgage and asset-backed securities. Any mortgage pass-through security, collateralized mortgage obligation, mortgage-backed or other pay-through bond, equipment lease-backed certificate, consumer receivable-backed bond that has been issued by a Federal Agency and has a maximum of five years maturity.

P. California Asset Management Program (CAMP)

MAXIMUM MATURITY

Investment maturities shall be based on a review of cash flow forecasts. Maturities will be scheduled so as to permit the Agency to meet all projected obligations.

Maximum maturity of an authorized investment is limited to five years.

Proceeds of sales or funds set aside for the repayment of any notes (e.g., Tax and Revenue Anticipation Notes) shall not be invested for a term that exceeds the term of the notes.

INELIGIBLE INVESTMENTS

Any security type or structure not specifically approved by this policy is hereby specifically prohibited. Security types which are thereby prohibited include, but are not limited to,

Investment in inverse floaters, range notes, or interest only strips that are derived from a pool of mortgages is prohibited.

Investment in any security that could result in a zero interest accrual if held to maturity is prohibited.

RESTRICTIONS SET BY THE FINANCE DIRECTOR/TREASURER

A. Prior approval of the Treasurer is required for the following transactions, unless the City utilizes the services of an investment advisor registered with the Securities and Exchange Commission in a fiduciary relationship as outlined in this policy.

- Sale of securities
- Swaps and trades
- Purchase of collateralized mortgage obligations (CMO)
- Purchase of mortgage-backed obligations
- Purchase of corporate notes
- Purchase transaction in excess of \$3 million

B. The following investments are not deemed appropriate for the Agency and will not be utilized:

- Futures and options
- Small Business Administration notes

AUTHORIZED INVESTMENT PERSONNEL

ATTACHMENT A

Pursuant to the Government Code, the Agency delegates the authority to invest or to reinvest funds, or to sell or exchange securities so purchased, to the Treasurer for a one-year period. The Treasurer is charged with the responsibility for carrying out the policies of the Agency and shall assume full responsibility for investment transactions until the delegation of authority is revoked or expires.

Idle cash management and investment transactions are the responsibility of the Finance Department, which is under the control of the Treasurer. The Treasurer may designate an individual(s) ["Designee"] to be responsible for the daily management of the Agency's portfolio of treasury investments. The Designee may also be directed to monitor and forecast the Agency's cash flows, and prepare periodic investment reports that are submitted to the Agency. The Accounting Division of the Finance Department monitors all treasury transactions and prepares accounting records of all investment transactions as to type of investment, amount, yield, and maturity. No other person has authority to make investment transactions without the written authority of the Treasurer. Pursuant to Health and Safety Section 33603, all persons investing monies are trustees and therefore fiduciaries subject to the prudent investor standard. Financial market security transactions will be executed by delivery versus payment and the securities will be held by a third party custodian.

Subject to required procurement procedures, the Agency may engage the support services of outside professionals in regard to its financial program, so long as it can be demonstrated or anticipated that these services produce a net financial advantage or necessary financial protection of the Agency's resources.

POLICY REVIEW

The investment policy shall be adopted by resolution of the Agency on, at minimum, an annual basis. This investment policy shall be reviewed at least annually to ensure its consistency with the overall objectives of preservation of principal, liquidity and yield, and its relevance to current law and financial and economic trends. Any amendments to the policy shall be forwarded to Agency for approval.

This policy and the internal controls related to the investment of Agency funds will be reviewed by the Agency's independent external auditors in the conduct of their annual audit of the Agency.

APPENDIX A - GLOSSARY**Bankers Acceptances (BAs)**

Bankers Acceptance is a time bill of exchange drawn on and accepted by a commercial bank to finance the exchange of goods. When a bank "accepts" such a bill, the time draft becomes, in effect, a predated certified check payable to the bearer at some future specified date. Little risk is involved for the investor because the commercial bank assumes primary liability once the draft is accepted.

California Asset Management Program (CAMP)

CAMP is a Joint Powers Authority ("JPA") designed to assist public agencies with their investment needs through the use of the Cash Reserve Portfolio ("Pool"), which is rated "AAAm" by Standard & Poor's, its highest rating category. The Pool seeks to attain a high level of current income consistent with the preservation of principal.

Certificates of Deposit (CDS)

A certificate of deposit is issued against funds deposited in a commercial bank for a definite period of time and earning a specified rate of return. They are issued in two forms, negotiable and non-negotiable:

A negotiable certificate of deposit may be sold by one holder to another prior to maturity. This is possible because the issuing bank agrees to pay the amount of the deposit, plus earned interest, to the Bearer of the certificate at maturity.

A non-negotiable certificate of deposit is collateralized and is not a money market instrument since it cannot be traded in the secondary market. It is issued on a fixed maturity basis and often pays a higher interest rate than is permissible on other savings or time deposit accounts.

Collateralized Mortgage Obligation (CMO)

A CMO is a pool of mortgages sold as a single investment with interest paid monthly, quarterly, or semi-annually. Mortgage securities pay a higher rate than U.S. Treasury securities due to risk of prepayment and default.

Commercial Paper (CP)

This is a short-term promissory note issued by a corporation to raise working capital. The interest rates tend to be higher than other investments of similar liquidity.

Derivatives

A financial instrument with a value derived from the value of one or more underlying assets or indexes of asset values. The term "derivative products" refers to instruments or features such as collateralized mortgage obligations (CMOs), interest-only (IOs) and principal-only (POs), forwards, futures, currency and interest rate swaps, options, floaters/inverse floaters, and caps/floors/collars.

ATTACHMENT A

Federal Agency Securities

Certain agencies created by Congress and sponsored by the federal government issue debt that is considered to be of prime quality and have a very high standing in the bond market. The major federal agencies are described as follows:

Federal National Mortgage Association (FNMA, "Fannie Mae") provides funds to the mortgage market primarily by purchasing loans from local lenders.

Federal Home Loan Mortgage Corporation (FHLMC, "Freddie Mac") purchases conventional mortgages and sells mortgage-backed securities.

Student Loan Marketing Association (SLMA, "Sallie Mae") facilitates that flow of private capital into various federally-guaranteed student loan programs maintained through banks, S&Ls, educational institutions and other participating lenders.

Federal Farm Credit System (FFCB) sells securities to provide mortgage loans and short-term and intermediate-term credit to farmers, ranchers, and agricultural cooperatives.

Federal Home Loan Bank (FHLB) acts as a credit reserve system for the thrift industry to stabilize the flow of funds to member savings and loan and savings banks.

Futures

Exchange traded contracts specifying a future date of delivery or receipt of a specific product (physical commodity or financial instrument). Futures are used by business as a hedge against unfavorable price changes, and by speculators who hope to profit from such changes.

Local Agency Investment Fund (LAIF)

State of California LAIF is designed to provide a convenient and safe means of investing temporarily idle monies by the State Treasurer. LAIF provides high liquidity and generally pays higher yields than can be realized by individual local agencies (for similar maturities) due to economies of scale.

Medium-Term Notes

Issued by corporations (in the form of secured or unsecured debt) for the purpose of raising working capital and purchasing capital assets.

Options

A right to buy (call) or sell (put) a fixed amount of a given stock at a specified price within a limited period of time. The purchaser hopes that the stock's price will go up (if he bought a call) or down (if he bought a put) by an amount sufficient to provide a profit when he sells the option. If the price is static or moves in the opposite direction, the price paid for the option is lost entirely.

Repurchase Agreement

As authorized in Government Code Section 5360i(1), these investment vehicles are (generally

ATTACHMENT A

short-term) agreements between the local agency and seller for the purchase of Government securities to be resold at a specific date and for a specific amount.

Reverse Repurchase Agreement

This transaction is the opposite of a repurchase agreement. The dealer buys securities with a contractual agreement to sell them back at a prearranged date. The local agency pays the dealer's interest for the use of the funds. The money "borrowed" on a "reverse repo" can be reinvested in higher yielding instruments.

U.S. Treasury Securities

The highest quality, most liquid debt investments available in the fixed income market-place; unconditionally backed by the "full faith and credit" of the U.S. Government. Treasury bills are short-term instruments (maturity of three months to one year); Treasury notes and bonds are currently issued with maturities of two to ten years.

**MODESTO REDEVELOPMENT AGENCY
RESOLUTION NO. 04-2008**

**A RESOLUTION REAPPOINTING MEMBERS TO THE CITIZENS
REDEVELOPMENT ADVISORY COMMISSION**

WHEREAS, the Economic Development Committee met on February 11, 2008, and recommended its approval to reappoint EUGENE T. HAYES, NORMA REED, TONI VARNI, CHARLES BRUNN, JAMES DANIEL and LEE HEDGEPEETH to the Citizens Redevelopment Advisory Commission.

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

SECTION 1. EUGENE T. HAYES, NORMA REED, TONI VARNI, CHARLES BRUNN, JAMES DANIEL and LEE HEDGEPEETH are hereby reappointed to the Citizens Redevelopment Advisory Commission with term expirations of January 1, 2012.

SECTION 2. The Agency Secretary is hereby directed to transmit a copy of this resolution to the reappointed 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 26th day of February, 2008, 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: Hawn, Keating, Lopez, Marsh, O'Bryant, Olsen,
Chair Ridenour

NOES: Agency Members: None

ABSENT: Agency Members: None

APPROVED AS TO FORM:



SUSANA ALCALA WOOD, City Attorney

ATTEST: 
STEPHANIE LOPEZ
Acting Agency Secretary

**MODESTO REDEVELOPMENT AGENCY
RESOLUTION NO. 05-2008**

A RESOLUTION AUTHORIZING AND DIRECTING THE EXECUTIVE DIRECTOR OF THE REDEVELOPMENT AGENCY, OR HIS DESIGNEE, TO PREPARE AN ADMINISTRATIVE DRAFT OF AN OWNER PARTICIPATION AGREEMENT (“OPA”), FOR FUTURE REVIEW BY THE AGENCY, FOR THE PURCHASE OF PROPERTY FOR A PROPOSED AFFORDABLE HOUSING PROJECT AT N. 9TH AND CARVER STREETS (ARCHWAY COMMONS), CONTINGENT ON THE COMPLETION OF A CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) REVIEW AND THE SUBSEQUENT USE OF THE PROPERTY FOR DEVELOPMENT OF AFFORDABLE HOUSING

WHEREAS, in accordance with the requirements of the Community Redevelopment Law, the Redevelopment Agency (the “Agency”) annually deposits 20% of its gross tax increment funds into a Housing Set-Aside Fund for the purpose of improving and increasing the supply of affordable housing for very low, low and moderate-income households, and

WHEREAS, the Agency and the City have been contacted by EAH Housing Inc., which has proposed construction of a one-hundred fifty (150) unit affordable housing development (Archway Commons) at N. 9th and Carver Streets. Agency and City staff have met jointly in preliminary discussions to review options for financial assistance toward the development of this project through the combined use of the Agency’s Housing Set-Aside funds and the City’s HOME funds, and

WHEREAS, on June 4, 2007, EAH Housing Inc. entered into a purchase and sale agreement with 4701 Stoddard, LLC for the purchase of the property located at N. 9th and Carver Streets. One of the terms of this agreement was completion of a fully executed OPA with the RDA by the date of closing of the transaction, and

WHEREAS, On September 4, 2007, by Resolution No. 05-2007, the Agency approved a Memorandum of Understanding between the Modesto Redevelopment Agency, 4701 Stoddard LLC, Sylvia Cox and EAH Housing Inc. for the proposed affordable housing development on the east side of N. 9th Street, north of Carver Road, with the following agreements:

1. The Agency, the Developer (EAH Housing Inc.) and the Owner (4701 Stoddard, LLC) would negotiate conditions of an Owner Participation Agreement.
2. The term of the MOU would commence on September 4, 2007, and terminate on March 1, 2008.
3. The Developer would deposit funds with the RDA to cover development costs incurred by the Agency during the term of the agreement, including the CEQA process, not to exceed \$250,542, and

WHEREAS, on October 31, 2007, EAH Housing Inc. and 4701 Stoddard, LLC, entered into an agreement to amend their purchase and sale agreement. A condition of the amendment is that an administrative draft of the OPA must be completed and in effect, by February 28, 2008, and

WHEREAS, in support of this process, Agency staff is recommending encumbering estimated Housing set-aside funding not to exceed \$6,100,000 for the purchase of property, CEQA review, and pre-development costs. Staff will bring detailed costs to the Agency for review and approval after completion of the CEQA process and before execution of an initial OPA, and

WHEREAS, after the purchase of the property is completed, staff will request that amendments be made to the initial OPA in order to add conditions related to infrastructure, project construction, time lines and other items related to the further development of affordable housing at this site, and

WHEREAS, the proposed administrative draft OPA is required of the Archway Commons developer to meet the terms of the purchase and sales agreement to acquire the property at N. 9th Street, and

WHEREAS, the administrative draft does not commit the Agency to funding of the proposed housing project, but will allow the development to continue, and

WHEREAS, on April 4, 2007, the Citizens Redevelopment Advisory Commission received a presentation on the N. 9th and Carver Streets Project and recommended the Agency authorize negotiations for an Owner Participation Agreement,

NOW, THEREFORE, BE IT RESOLVED by the Redevelopment Agency of the City of Modesto that the Agency hereby authorizes and directs the Executive Director of the Redevelopment Agency, or his designee, to prepare an administrative draft of an Owner Participation Agreement for future review by the Agency, for the purchase of property for a proposed affordable housing project at N. 9th and Carver Streets (Archway Commons), contingent on the completion of a California Environmental Quality Act (CEQA) review and the subsequent use of the property for development of affordable housing.

The foregoing resolution was introduced at a regular meeting of the Redevelopment agency of the City of Modesto held on the 26th day of February, 2008, by Agency Member Olsen, 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: Hawn, Keating, Lopez, Marsh, O'Bryant, Olsen, Chair Ridenour

NOES: Agency Members: None

ABSENT: Agency Members: None

Attest: 
STEPHANIE LOPEZ, Acting Secretary

APPROVED AS TO FORM:

By: 
SUSANA ALCALA WOOD, General Counsel

**MODESTO REDEVELOPMENT AGENCY
RESOLUTION NO. 06-2008**

**A RESOLUTION AMENDING THE FISCAL YEAR 07-08 REDEVELOPMENT
AGENCY CAPITAL IMPROVEMENT PROGRAM TO ESTABLISH A NEW
SECONDARY CIP ACCT 9060-140-KXX3 –ARCHWAY COMMONS, AND TO
TRANSFER \$6,100,000 FROM CIP ACCT 9060-140-Q244 TO THE ARCHWAY
COMMONS SECONDARY PROJECT TO FULLY FUND THE PROJECT**

WHEREAS, in accordance with the requirements of the Community
Redevelopment Law, the Redevelopment Agency (the “Agency”) annually deposits 20%
of its gross tax increment funds into a Housing Set-Aside Fund for the purpose of
improving and increasing the supply of affordable housing for very low, low and
moderate-income households, and

WHEREAS, the Agency and the City have been contacted by EAH Housing Inc.,
which has proposed construction of a one-hundred fifty (150) unit affordable housing
development (Archway Commons) at N. 9th and Carver Streets. Agency and City staff
have met jointly in preliminary discussions to review options for financial assistance
toward the development of this project through the combined use of the Agency’s
Housing Set-Aside funds and the City’s HOME funds, and

WHEREAS, in support of this process, Agency staff is recommending
appropriating estimated Housing set-aside funding not to exceed \$6,100,000 for the
purchase of the property, CEQA review, and pre-development costs. Staff will bring
detailed costs to the Agency for review after completion of the CEQA process and before
execution of an initial OPA,

NOW, THEREFORE, BE IT RESOLVED by the Redevelopment Agency of the
City of Modesto that the Agency hereby approves amending the Fiscal Year 07-08
Redevelopment Agency Capital Improvement Program to establish a new Secondary CIP

Acct 9060-140-KXX3 –Archway Commons, and to transfer \$6,100,000 from CIP Acct 9060-140-Q244 to the Archway Commons Secondary Project to fully fund the project.

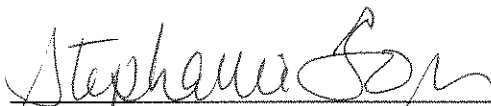
BE IT FURTHER RESOLVED that the Finance Director, or his designee, is hereby authorized to take the necessary steps to implement the provisions of this resolution.

The foregoing resolution was introduced at a regular meeting of the Redevelopment agency of the City of Modesto held on the 26th day of February, 2008, by Agency Member Olsen, 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: Hawn, Keating, Lopez, Marsh, O’Bryant, Olsen, Chair Ridenour

NOES: Agency Members: None

ABSENT: Agency Members: None

Attest: 
STEPHANIE LOPEZ, Acting Secretary

APPROVED AS TO FORM:

By: 
SUSANA ALCALA WOOD, General Counsel

**MODESTO REDEVELOPMENT AGENCY
RESOLUTION NO. 08-2008**

**RESOLUTION APPROVING THE MID-TERM PROGRESS REVIEW OF THE
MODESTO REDEVELOPMENT AGENCY'S 2005-2009 IMPLEMENTATION
PLAN**

WHEREAS, pursuant to California Health and Safety Code § 33490, the Modesto Redevelopment Agency (the "Agency") is required to adopt an Implementation Plan every five (5) years, after a public hearing, for the purposes of defining the goals, visions, programs and projects for the Project Area of the Redevelopment Agency, and

WHEREAS, on December 14, 2005 by Resolution No. 13-2005, the Agency adopted the 2005-2009 Implementation Plan, pursuant to California Redevelopment Law, and

WHEREAS, pursuant to California Health and Safety Code § 33490, the Agency is also required to conduct a public hearing at least once during the five-year term of said Implementation Plan to evaluate the progress of the various projects and programs set forth in said Implementation Plan (the "Mid-term Progress Review"), and

WHEREAS, said Mid-term Progress Review was considered by the Citizens Redevelopment Advisory Commission at their regular meeting on February 6, 2008 and recommended its approval to the Agency, and

WHEREAS, a duly noticed public hearing was held by the Agency on April 8, 2008, at which public hearing all interested persons were given an opportunity to be heard relative to the mid-term review of the 2005-2009 Implementation Plan,

NOW, THEREFORE, BE IT RESOLVED by the Redevelopment Agency of the City of Modesto that the Agency does hereby approve the mid-term review of the 2005-

2009 Implementation Plan, a copy of which is on file in the office of the Secretary, for the period covering calendar years 2005-2009.

The foregoing resolution was introduced at a regular meeting of the Modesto Redevelopment Agency held on the 8th day of April 2008, 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: Hawn, Keating, Lopez, Marsh, O'Bryant, Olsen,
Chair Ridenour

NOES: Agency Members: None

ABSENT: Agency Members: None

ATTEST: 
STEPHANIE LOPEZ, Secretary

APPROVED AS TO FORM:

BY:  _____

SUSANA ALCALA WOOD, General Counsel

**MODESTO REDEVELOPMENT AGENCY
RESOLUTION NO. 09-2008**

A RESOLUTION AUTHORIZING THE INTERIM EXECUTIVE DIRECTOR, OR HIS DESIGNEE, TO NEGOTIATE WITH THE HOUSING AUTHORITY OF STANISLAUS COUNTY TO PRODUCE A DRAFT OWNER PARTICIPATION AGREEMENT (OPA) FOR FUTURE REVIEW BY THE REDEVELOPMENT AGENCY FOR THE ACQUISITION OF PALM VALLEY APARTMENTS, INCLUDING REHABILITATION COSTS RELATED TO SECURITY GATING AND ACCESSIBILITY

WHEREAS, in accordance with the requirements of the Community Redevelopment Law, the Redevelopment Agency (the "Agency") annually deposits 20% of its gross tax increment funds into a Housing Set-Aside Fund for the purpose of improving and increasing the supply of affordable housing for very low, low and moderate-income households, and

WHEREAS, the Agency and the City have been contacted by the Housing Authority of Stanislaus County ("Housing Authority"), which has proposed to acquire and update 40 units of housing known as Palm Valley Apartments. The proposed updating of the apartments includes installation of a security gate and installation of accessibility features in one apartment to accommodate persons with disabilities, and

WHEREAS, this project consists of 20 2-bedroom units with 897 square feet, 12 1-bedroom units with 628 square feet and 8 1-bedroom units with 467 square feet. All units have one bath, and

WHEREAS, the Housing Authority's intention is to rent the units to low and very low-income households, and

WHEREAS, The Housing Authority is proposing an affordability mix of 19 units to be rented to tenants who are at 80% Area Median Income level, 11 units to be rented to tenants who are at 65% Area Median Income level, 10 units to be rented to tenants who are at 50% Area Median Income level, and

WHEREAS, the purchase of the Palm Valley Apartments will help preserve the affordable housing stock in Modesto, and

WHEREAS, the administrative draft does not commit the Agency to funding of the proposed housing project, but will allow the development to continue,


NOW, THEREFORE, BE IT RESOLVED by the Redevelopment Agency of the City of Modesto that the Agency hereby authorizes and directs the Interim Executive Director of the Redevelopment Agency, or his designee, to prepare an administrative draft of an Owner Participation Agreement for future review by the Agency, for the acquisition of Palm Valley Apartments, including rehabilitation costs related to security gating and accessibility.

The foregoing resolution was introduced at a regular meeting of the Redevelopment agency of the City of Modesto held on the 22nd day of April, 2008, by Agency Member Hawn, 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: Hawn, Keating, Lopez, Marsh, O'Bryant, Olsen, Chair Ridenour

NOES: Agency Members: None

ABSENT: Agency Members: None

Attest: 
STEPHANIE LOPEZ, Secretary

APPROVED AS TO FORM:

By: 
SUSANA ALCALA WOOD, General Counsel

**MODESTO REDEVELOPMENT AGENCY
RESOLUTION NO. 10-2008**

A RESOLUTION AMENDING THE FISCAL YEAR 07-08 REDEVELOPMENT AGENCY CAPITAL IMPROVEMENT PROGRAM TO: 1) REDUCE EXPENDITURES IN PROJECT 9060-140-K743, ARCHWAY COMMONS, BY \$830,000; 2) INCREASE THE FUND 9060 FUND BALANCE BY \$830,000; AND 3) APPROPRIATE \$830,000 TO PROJECT 9060-140-K745, PALM VALLEY. OF THIS AMOUNT, \$825,000 WILL BE APPROPRIATED IN OBJECT 6030, LAND/ROW ACQUISITION, FOR ACQUISITION BY THE HOUSING AUTHORITY OF STANISLAUS COUNTY AND \$5,000 WILL BE APPROPRIATED IN OBJECT 6041, CITY FORCES, FOR STAFF TIME SPENT ON THE PROJECT

WHEREAS, in accordance with the requirements of the Community Redevelopment Law, the Redevelopment Agency (the "Agency") annually deposits 20% of its gross tax increment funds into a Housing Set-Aside Fund for the purpose of improving and increasing the supply of affordable housing for very low, low and moderate-income households, and

WHEREAS, the Agency and the City have been contacted by the Housing Authority of Stanislaus County ("Housing Authority"), which has proposed to acquire and update 40 units of housing known as Palm Valley Apartments, and

WHEREAS, this project consists of 20 2-bedroom units with 897 square feet, 12 1-bedroom units with 628 square feet and 8 1-bedroom units with 467 square feet. All units have one bath, and

WHEREAS, the Housing Authority's intention is to rent the units to low and very low-income households, and

WHEREAS, the Housing Authority is proposing an affordability mix of 19 units to be rented to tenants who are at 80% Area Median Income level, 11 units to be rented to tenants who are at 65% Area Median Income level, 10 units to be rented to tenants who are at 50% Area Median Income level, and

WHEREAS, the purchase of the Palm Valley Apartments will help preserve the affordable housing stock in Modesto, and

WHEREAS, the proposed Palm Valley Apartments project has a project acquisition timeline that could feasibly be accomplished prior to June 30, 2008, the encumbrance date, which could help the RDA avoid a loss of \$156,501 in surplus funds, and

WHEREAS, the RDA has appropriated \$6.1 in housing set-aside funds for consideration in funding land acquisition purposes in the Archway Commons affordable housing development. To make any funding determination, completion of a California Environmental Quality Act assessment must be completed, and

WHEREAS, since it is not feasible to complete the assessment by the end of the current Fiscal Year, staff would recommend appropriating funds for the acquisition of Palm Valley Apartments from a portion of the funds appropriated for Archway Commons to meet RDA encumbrance deadlines. These funds will be immediately reallocated to the Archway Commons project in the next Fiscal Year beginning July 1, 2008,

NOW, THEREFORE, BE IT RESOLVED by the Redevelopment Agency of the City of Modesto that the Agency hereby approves amending the Fiscal Year 07-08 RDA CIP to: 1) reduce expenditures in project 9060-140-K743, Archway Commons, by \$830,000; 2) increase the Fund 9060 Fund Balance by \$830,000; and 3) appropriate \$830,000 to CIP project 9060-140-K745, Palm Valley. Of this amount, \$825,000 will be appropriated in object 6030, Land/ROW Acquisition, for acquisition by the Housing Authority of Stanislaus County and \$5,000 will be appropriated in object 6041, City Forces, for staff time spent on the project.


BE IT FURTHER RESOLVED that the Finance Director/RDA Treasurer, or his designee, is hereby authorized to take the necessary steps to implement the provisions of this resolution.

The foregoing resolution was introduced at a regular meeting of the Redevelopment agency of the City of Modesto held on the 22nd day of April, 2008, by Agency Member Hawn, 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: Hawn, Keating, Lopez, Marsh, O'Bryant, Olsen,
Chair Ridenour

NOES: Agency Members: None

ABSENT: Agency Members: None

Attest: 
STEPHANIE LOPEZ, Secretary

APPROVED AS TO FORM:

By: 
SUSANA ALCALA WOOD, General Counsel

**REDEVELOPMENT AGENCY
RESOLUTION NO. 11-2008**

**A RESOLUTION APPROVING THE AMENDMENT OF THE AGENCY'S FISCAL
2007-2008 BUDGET AND APPROVING THE FIRST INSTALLMENT PAYMENT
ON LOANS MADE BY THE CITY OF MODESTO**

WHEREAS, staff has reviewed the year-to-date revenue and expenditure projections of the Agency for the 2007-08 fiscal year, and

WHEREAS, there are sufficient resources to fund an installment payment on loans made by the City of Modesto, and

WHEREAS, the Agency Board concurs with the City Council's recommendation to have a portion of these loans repaid in the current fiscal year, and

WHEREAS, the budgets of the Capital Project Fund and Debt Service Fund must be amended to redistribute these resources into the proper account from which the loan payment can be made, and

WHEREAS, other budget adjustments are necessary at this time to allow previously approved projects to be reflected in separate line items,

NOW, THEREFORE, BE IT RESOLVED by the Board of the City of Modesto Redevelopment Agency that the following is hereby approved:

REVENUE AND EXPENDITURE BUDGET ADJUSTMENTS. That the proposed adjustments to the Agency's funds as shown in **Exhibit A**, which is incorporated by reference herein, shall be approved.

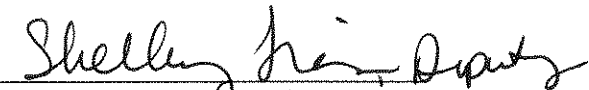
LOAN INSTALLMENT PAYMENT. That the Agency shall make a loan installment payment comprised of \$500,000.00 to offset operating loans and \$820,464.00 to repay the Gallo Performing Arts Center loan; together the total installment payment shall be \$1,320,464.00

BE IT FURTHER RESOLVED that the Agency Treasurer is hereby authorized to take the steps necessary to implement the approved budget adjustments shown in **Exhibit A**. The foregoing was introduced at a regular meeting of the Redevelopment Agency of the City of Modesto held on the 3rd day of June, 2008, by Agencymember Lopez, who moved its adoption, which motion being duly seconded by Agencymember Keating, was upon roll call carried and the resolution adopted by the following vote:

AYES: Agencymembers: Keating, Lopez, Marsh, O'Bryant, Olsen, Mayor Ridenour

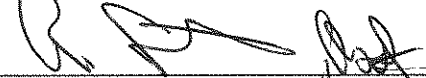
NOES: Agencymembers: None

ABSENT: Agencymembers: Hawn

ATTEST: 
for STEPHANIE LOPEZ, Secretary

(SEAL)

APPROVED AS TO FORM:

By 
Susan Alcala Wood, General Counsel

**REDEVELOPMENT AGENCY
RESOLUTION NO. 12-2008**

**A RESOLUTION ADOPTING THE ANNUAL REDEVELOPMENT AGENCY
OPERATING AND CAPITAL IMPROVEMENT (CIP) BUDGET FOR THE
FISCAL YEAR ENDING JUNE 30, 2009**

WHEREAS, pursuant to Health & Safety Code Section 33606, a proposed budget for the 2008-2009 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 June 5, 2008, and the Committee recommended the budget to the Agency for approval which approval includes, but is not limited to, the following specific recommendations more particularly described in the Budget Summary located on Page 11 of the budget document:

- A. The Tax Increment revenues for FY 08-09 are budgeted in the amount of \$6,500,000 and will be allocated between the following funds in the amount stated:
 - a. Debt Service Fund 9020 (Debt Service) - \$2,994,710
 - b. Debt Service Fund 9020 (Pass-throughs) - \$1,259,000
 - c. Administration Fund 9050 - \$358,019
 - d. Housing Set-Aside Fund 9060 - \$1,300,000
 - e. RDA Projects Fund 9080 - \$588,271

- B. No General Fund loan is needed for Fiscal Year 2008-2009

- C. Transfer funds into the existing Capital Improvement Project Account – Kansas Woodland Business Park Land Q243 for the purpose of assisting with business park development for the budgeted amount of \$150,000 from Account No. 9080-140-1493
- D. Transfer funds into the existing Capital Improvement Project Account – Affordable Housing Projects Q244 for the purpose of assisting with an affordable housing project(s) for the budgeted amount of \$341,546 from Account No. 9060-140-1491
- E. Transfer funds into the existing Capital Improvement Project Account – Archway Commons K743 for the purpose of assisting with an affordable housing project for the budgeted amount of \$910,000 from Account No. 9060-140-1491
- F. Transfer funds into the existing Capital Improvement Project Account - Project Area Public Improvements K732 for the purpose of assisting with various construction projects within the Redevelopment Project Area for the budgeted amount of \$51,107 from Account No. 9080-140-1493

WHEREAS, the Citizens Redevelopment Advisory Commission reviewed the proposed budget on May 7, 2008, and recommended its adoption, and

WHEREAS, in accordance with Health & Safety Code Section 33606, a public hearing was held on June 10, 2008 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,

NOW, THEREFORE, BE IT RESOLVED by the Redevelopment Agency of the City of Modesto that the Operating and Capital Improvement Budget for the Fiscal Year ending June 30, 2009 is hereby adopted.

BE IT FURTHER RESOLVED that the Tax Increment Revenues for FY 08-09 budgeted in the amount of \$6,500,000 shall be allocated between the Agency funds as set forth in said budget document and this resolution.

BE IT FURTHER RESOLVED that no General Fund loan is needed for Fiscal Year 2008-2009.

BE IT FURTHER RESOLVED that for the purpose of assisting with business park development, funds shall be transferred into the existing Capital Improvement Project Account – KWBP Land Q243 for the budgeted amount of \$150,000 from Account No. 9080-140-1493.

BE IT FURTHER RESOLVED that for the purpose of assisting with an affordable housing project(s), funds shall be transferred into the existing Capital Improvement Project Account – Affordable Housing Projects Q244 for the budgeted amount of \$341,546 from Account No. 9060-140-1491.

BE IT FURTHER RESOLVED that for the purpose of assisting with an affordable housing project, funds shall be transferred into the existing Capital Improvement Project Account – Archway Commons K743 for the budgeted amount of \$910,000 from Account No. 9060-140-1491.

BE IT FURTHER RESOLVED that for the purpose of assisting with various construction projects within the Redevelopment Project Area, funds shall be transferred into the existing Capital Improvement Project Account – Project Area Public Improvements K732 for the budgeted amount of \$51,107 from Account No. 9080-140-1493.

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

BE IT FURTHER RESOLVED that the budgetary control and authority policy defined in **Exhibit “B”**, which is **attached** hereto and made a part hereof by this reference, is hereby adopted for the Fiscal Year 2008-2009.

The foregoing resolution was introduced at a special meeting of the Redevelopment Agency of the City of Modesto, held on the 10th day of June, 2008, 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 votes:

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


NOES: Agencymembers: None

ABSENT: Agencymembers: None

ATTEST: 
STEPHANIE LOPEZ, Secretary

(SEAL)

APPROVED AS TO FORM:

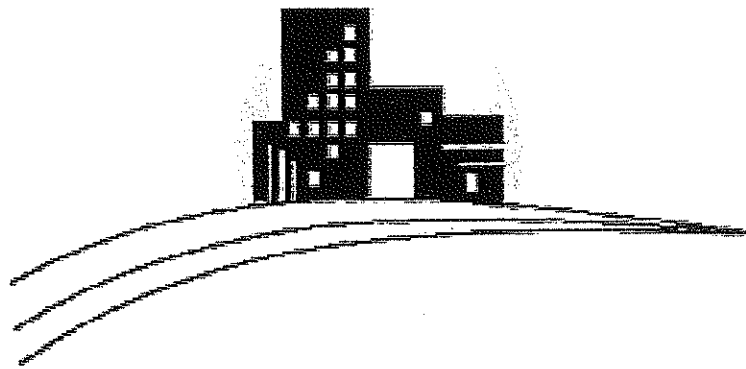
By: 

SUSANA ALCALA WOOD
General Counsel

EXHIBIT A

**FY 2008-2009 REDEVELOPMENT AGENCY
OPERATING AND CIP BUDGET**

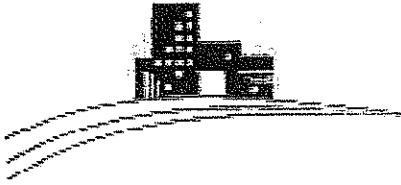
ModestoRedevelopmentAgency



Proposed Budget

Fiscal Year 2008-09





1010 Tenth Street, Suite 3300
PO Box 642
Modesto, CA 95353-0642
209.571.5111
Fax 209.491.5798
Email rda@modestogov.com

June ____, 2008

To: Chair and Members of the Modesto Redevelopment Agency

I am very pleased to present the Agency with the Modesto Redevelopment Agency budget for Fiscal Year 2008-2009. In accordance with State Health & Safety Code Section 33606 et seq., the Agency's FY 08-09 budget includes the following:

- (1) The proposed expenditures of the Agency, including administrative expenses
- (2) The proposed indebtedness of the Agency
- (3) The anticipated revenues of the Agency
- (4) The proposed work program for Fiscal Year 2008-2009, including goals
- (5) A review of FY 2007-2008 achievements and a comparison of these achievements with the goals set by the Agency in FY 2006-2007

We have provided the Agency with a budget that accurately reflects Redevelopment Law and details the requirements for each fund within the Agency budget. The Agency budget document is organized into three major sections: (1) Agency History, Work Program, Accomplishments and Future Plans; (2) Proposed Agency budget for FY 2008-2009; and (3) Capital Improvement Project Programs. These sections define each of the Agency's projects and detail the corresponding funds needed to complete these projects. The enclosed Executive Summary outlines the overall revenues, expenditures and projects. A summary financial proforma detailing the revenue and expenditures for Fiscal Year 2008-2009 is shown on Page 11.

I would like to identify some key elements of this year's Agency budget. First, because of the continual increase in assessed property values throughout the Project Area, the Agency's revenues will again exceed operating costs in FY 2008-2009. In FY 2008-2009, the tax increment revenue is estimated to increase by 14% over FY 2007-2008 for an estimated gross revenue of \$6,500,000. This tax increment revenue can be used for Debt Service, Affordable Housing, Administration costs and for proposed Agency Projects. The Agency will utilize this additional tax increment funding to partner with the private sector and develop projects benefiting the Project Area.

In addition, the Agency and the City of Modesto continue to jointly review available options for a repayment schedule for loans between the Agency and the City. This repayment schedule will be adopted during FY 2008-2009 for future fiscal years.

Greg Nyhoff, Executive Director

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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 FY2008-09 is outlined below.

• REVENUES •

The estimated gross tax increment for FY 2008-09 is \$6,500,000, an increase of 14% over the estimated gross tax increment for FY2007-08. In addition, the Agency will receive approximately \$510,550 in miscellaneous revenue from property leases and interest from funds within the RDA reserves. There are no anticipated reserves to be carried forward from FY 2007-08 for the coming fiscal year. From the gross revenue of \$6,500,000 (including reserves), we deduct the following non-discretionary, statutory payments:

1. \$1,259,000 - Tax revenue pass-throughs to outside agencies
2. \$1,300,000 - 20% revenue transfer to the Housing Set-aside fund
3. \$ 117,000 - County administrative expenses

After these deductions, it is estimated that the Agency will net approximately \$3,824,000.

• EXPENDITURES •

For annual debt service, approximately \$3.18M is budgeted for FY 2008-09. For staff services, approximately \$457,000 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 \$270,000 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. Urban master planning is also funded from Account 9080 for changes to land uses within the Project Area.

The beginning budget funding within the Capital Improvement Project fund, before adding new revenues, totals approximately \$8.62M. Additional revenue is anticipated in the amount of \$1.453M to total \$10.1M. The Agency will be using these funds to assist in developing a mixed-use project in the Downtown as well as for several other proposed Area projects. The Housing Set-aside fund is expected to receive approximately \$1.4M in tax increment and interest on cash balances for FY 08-09. Several affordable housing projects are under consideration, including Tower Park at 17th & G Sts., Archway Commons on N. 9th Street and the Town Center Affordable Housing Project in Village One. The Agency will combine their housing funds with Community Development Block Grant Funds and HOME funds to maximize the financial leverage.

• FY 2008-09 WORK PROGRAM •

The Agency has identified the following projects and programs for FY 2008-2009. For detailed descriptions and objectives of the Capital Improvement Project (CIP) accounts, please refer to the Capital Improvement Project section in this budget document.

Total CIP: \$10,074,504. See CIP Section for details.

Executive Summary

(cont.)

Project 1:	Gallo Center for the Arts	Start Date:	April 27, 2004	Completion:	Fall 2007
Status:	Complete				
Details:	Funding provided for street improvements and landscaping.				

Project 2:	Affordable Housing Projects	Start Date:	Pending	Est. Comp.:	Pending
Status:	Please refer to the description included in the Capital Improvement Program Section of this Budget				
Details:	Projects under review.				

Project 3:	Agency Master Plan and EIR (Update)	Start Date:	July 2004	Adopted:	Oct. 9, 2007
Status:	Adopted October 9, 2007				
Details:	Please refer to the description included in the Capital Improvement Program Section of this Budget				

Project 4:	Kansas-Woodland Business Park	Start Date:	2002	Est. Construction Start:	Summer 2009
Status:	Developing				
Details:	Please refer to the description included in the Capital Improvement Program Section of this Budget				

Project 5:	Mixed-Use Project - 10th & H Streets	Est. Start:	Fall 2008	Est. Comp.:	Summer 2010
Status:	Negotiating Development Agreement				
Details:	<p>This Mixed-use Project is intended to meet several Agency objectives, including: (1) Add covered public parking; (2) Add retail space; (3) Add office space; and (4) Add market-rate residential. The proximity of this project to existing destinations is critical to its success. The Gallo Center for the Arts is across 10th Street and the main theater and restaurant district is within one block of this location.</p> <p>The Agency owns four (4) parcels of land at the southwest corner of 10th & H Streets which is the Project Site. The Agency Board distributed a Request for Proposal (RFP) to solicit a public-private partnership for the development of a high-quality, Mixed-Use Project on this 31,500 square-foot Site. The Agency selected a developer for this project and entered into an Agreement to Negotiate Exclusively with Team Modesto. The goal is to deliver the desired development and provide for the redevelopment of this critical corner property. Team Modesto has negotiated with the Agency to expand the project to include the majority of the block between 9th & 10th Streets and G & H Streets.</p> <p>It is the Agency's desire to partner with Team Modesto, negotiate an acceptable development agreement (including a detailed scope of development and respective responsibilities of both the Agency and the Developer), determine financing needs and details, and complete project clearance and development within a two-year period ending Summer 2010. The Agency may consider several funding options that may include streetscape construction and assistance with parking.</p>				

Executive Summary

(cont.)

Project #:	Public Parking Garages in Downtown Area	Est. Start:	Pending	Est. Comp.:	Pending
Status:	Projects under review				
Details:	<p>Parking within the Downtown Area is in extremely short supply. This project is intended to meet the Agency objective of providing needed infrastructure to support the variety of uses within the Downtown Core, including proposed residential, commercial and entertainment.</p> <p>As part of the Gallo Center for the Arts, a new parking garage was constructed at 12th & I Streets which included an adjacent office building. In conjunction with this project, the Agency provided funding for the private sector portion of the office building, specifically for annual funding for public parking spaces. The Agency staff is working with private sector developers to identify additional sites for public parking garages. There is a severe parking shortage in the downtown and the Agency will continue to utilize partnerships to develop additional spaces to meet the growing demand.</p>				

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Why Have Redevelopment?

The purpose of forming a Redevelopment Agency is to eliminate physical and economic blight in a specific area of a community. The State of California enacted the Redevelopment Law 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.

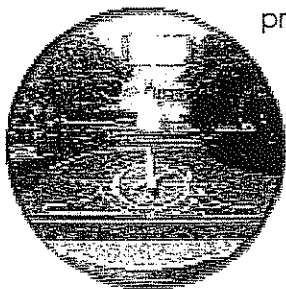
The only way to bring a blighted area to life is to attract private investment dollars to rebuild and redevelop the blighted properties. But, as one can imagine, investors are not anxious to put money into a dilapidated area with high risk and a very low rate of return. Understanding this, a Redevelopment 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. It is important to remember that the Agency and the City 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

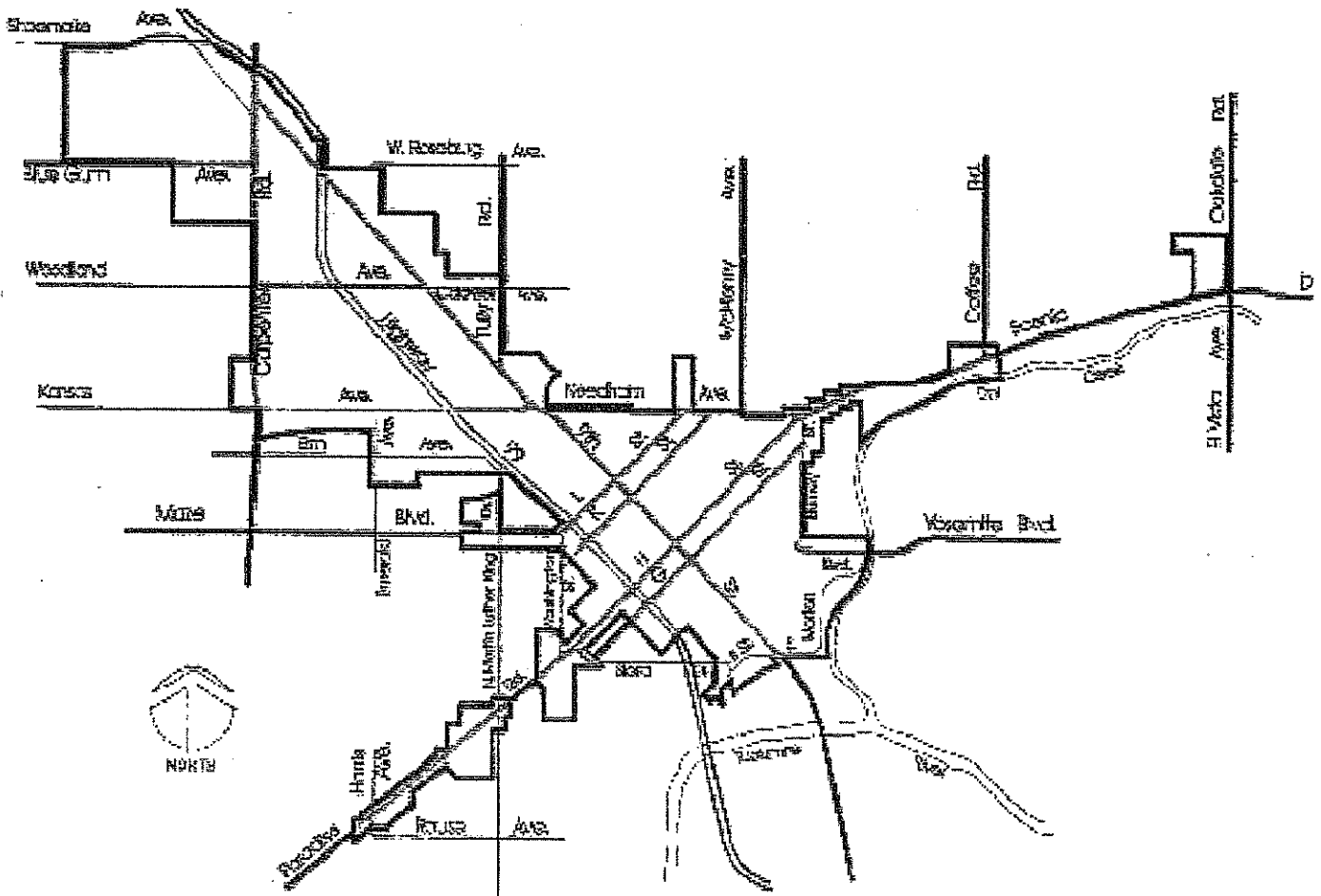


Why Have Redevelopment?

(cont.)

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 destinations in the downtown along with restaurants and new retail stores. All in all, redevelopment is performing its job well here in Modesto. Beyond the projects now under construction, housing is another objective for the Redevelopment Agency and we expect to see new housing projects starting within the next year.



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 for development of affordable housing.

To create a framework to guide the Agency's activities, the Agency has adopted a Vision and an Implementation Plan.

GOALS

This Plan was approved in December 2005 for the period of 2005-2009.

THE VISION

- Modesto's parks, plazas, and greenways contribute to a public realm that provides an attractive, inviting "Oasis in the Valley."
- Modesto's unique history and character are preserved to make the city a pleasant place to live, and are actively promoted to attract new investment.
- The downtown is a vibrant mixed-use area with an established residential element.
- Transportation opportunities are multi-modal and well-connected throughout the Redevelopment Area, city, and region.

1. Create a unique and recognizable image for Modesto and use it to strenuously promote the City.
2. Promote the economic viability of the Redevelopment Area by attracting new development.
3. Implement higher density, mixed-use development to create a balanced, vibrant downtown and active neighborhood centers.
4. Provide the rationale and impetus for the City to update its development standards to support the goals identified in this document.
5. Develop a variety of housing types in the Redevelopment Area, including affordable housing, particularly in the downtown, to act as a catalyst for other types of development.
6. Enhance the visual appeal of Modesto's public spaces by upgrading existing parks, plazas, and streets, and by creating new parks and plazas that offer public access.
7. Develop historic I and 10th Streets as an attractive, pedestrian-oriented zone. Create a clear sense of arrival at Modesto's downtown by enhancing the 6th and I Street Gateway and the intersection of I and 10th Streets.
8. Promote efficient automobile, bicycle, and pedestrian circulation and linkages into and through the Redevelopment Area.

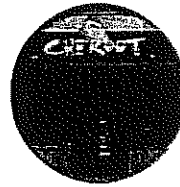
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Agency Achievements

Completed Projects



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



- Master Plan and EIR
- Facade Grants
- Wayfinding Signage



- Gallo Center for the Arts
- City Towers Offices
- Renaissance Office & Garage



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



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



- Shopping Center on Paradise Road

FY 2007 - 2008 Project Goals

- Update to Agency Master Plan & EIR
– Est. Completion Date: 10/07
- Gallo Center for the Arts Streetscape
– Est. Completion Date: 11/07
- Kansas-Woodland Business Park
– Projected Acquisition/Sale: 12/08
- Renaissance Office Building
– Est. Completion Date: 06/07
- Wayfinding Signage
– Est. Completion Date: 06/07
- Streetscape Concept Master Plan for 10th St. & I St.:
– Projected Completion: 09/07
- 10th & H Street Mixed-Use Project: Development Agreement
– Projected Completion: 06/07
- Affordable Housing Projects: Sites identified at 17th & G Sts, Belharbour Drive
– Projected Completion: 04/08
- Marketing: Marketing campaign in progress; Media materials in development
– Projected Completion: 01/08

FY 2007- 2008 Goals Achieved

- Update to Agency Master Plan and EIR
Adopted: 10/07
- Gallo Center for the Arts streetscape
Projected Completion: 11/07
- Kansas-Woodland Business Park: Purchase & Sale Agreement and Close of Escrow to Acquire parcels
Projected Acquisition: 12/08
- Renaissance Office Building Completed: 06/07
- Wayfinding Signage Completed: 06/07
- Streetscape Concept Master Plan for 10th St. & I St.: Conceptual Design Completed; Cost Estimate Completed; Phased Funding to be identified prior to final street selection & preparation of construction documents Projected Completion: 02/09
- 10th & H Street Mixed-Use Project: Memorandum of Understanding Approved; CEQA Evaluation in Progress; Development Agreement Pending Projected Date for CEQA Approval and Development Agreement: 10/08
- Affordable Housing Projects: (a) Town Center at Belharbour Completed 02/08; (b) N. 9th Street Project; Memorandum of Understanding Approved 03/08 Projected Agreement Completion: 10/08 (c) Additional projects Pending Review for future funding
- Marketing: Logo completed; Branding completed; Marketing campaign in progress; Media materials in development Projected Completion: 01/09

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Budget Summary

FY2008-09

	Debt Service 9020	Administration 9050	Housing Set-aside 9060	Project Plan 9080
Estimated Beginning Working Capital (1)	\$			
Adjusted Reserves	\$			
Bond Reserve Fund (COPS) (2)	\$	1,977,050		
Revenues	Projected Total TI: \$ 6,500,000 (Est. 14% increase)			
TI - Revenue Received	\$	2,994,710	358,019	1,300,000
TI for Pass-thrus (3)	\$	1,259,000		
(Less ERAF)	\$			
Interest (4)	\$	200,000	2,000	125,000
Miscellaneous	\$			
Leases (5)	\$	108,550		
Total	\$	4,562,260	360,019	1,425,000
Expenditures:				
9th Street Garage Lease (6)	\$	1,954,318		
Debt - Tenth Street Place Bond - 2007 Re-fit: (7)	\$	974,140		
County Administrative Costs (8)	\$	76,567	6,444	23,400
Administration	\$			
Professional and Admin Services	\$		137,849	32,526
Staff/Service Credits (9)	\$	29,367	164,703	116,203
City Internal Cost Allocations	\$	18,868	51,023	1,325
Pass-thrus	\$	1,259,000		
Loan Repayment to City General Fund	\$	250,000		
Project Area Revitalization	\$			200,000
Transfer Out: Housing CIP - Q244, K743, K745 (10)	\$			1,251,546
Transfer Out: KWBP Land - Q243	\$			150,000
Transfer Out: Public Improvements - K732	\$			51,107
Total	\$	4,562,260	360,019	1,425,000
Available Working Capital	\$	(0)	(0)	

MULTIYEAR BUDGETS				
RDA CIP Budget:	Beginning Budget	Transfers In	(Transfers Out)	Anticipated Expenditures
KWBP Land - Q243 (Fund 9080)	\$ 1,133,003	150,000		1,283,003
KWBP Plan - Q246 (Fund 9080)	\$ 605,000			605,000
Housing - Q244 (Fund 9060) (11)	\$ 400,000	341,546		741,546
Archway Commons - K743 (9060)	\$ 5,270,000	910,000		6,180,000
Palm Valley - K745 (9060)	\$ 830,000			830,000
Public Improvement - K732 (Fund 9080)	\$ 141,594	51,107		192,701
Master Plan/EIR - K871 (Fund 9080)	\$ 242,254			242,254
Developer Funded Projects	Beginning Budget (Developer Funds)			Anticipated Expenditures
10th & H Mixed Use - 9080 - 1494	\$ 25,000			25,000
Archway Commons - 9060 - 1495	\$ 73,150			73,150

1. Distribution of Ending Working Capital from FY 07-08
2. 1993 Certificates of Participation (COPS) - Trustee requires set aside of the Reserve Requirement
3. Estimated projections for annual Pass-Through costs provided by Keyser-Marston, Inc
4. Interest is estimated based on cash balances
5. Lease for First Floor Retail of Tenth Street Place Project
6. Includes \$4000 Trustee Fee; See Reimbursement Agreement for Agency to City reimbursement
7. Includes \$7500 Trustee Fee and Broker Fees
8. County Administration Costs projected at 1.8% of Gross TI Revenues per Fund
9. Operating duties are performed by City staff and paid per Service Credits
10. The total tax increment remaining in Fund 9060 (Housing) after deducting Administrative Costs is distributed among three (3) CIP Accounts for use in affordable housing projects.
11. CIP Acct. #Q244: Beginning Budget of \$936,501 is adjusted as follows: (1) Deduct \$780,000 for Town Park Acquisition reflected in RDA Balance Sheet; (2) Add \$243,499 in unbudgeted tax increment revenue from FY 07-08 to produce an adjusted Beginning Budget of \$400,000

Redevelopment FAQ

1. The Redevelopment Agency of the City of Modesto is commonly referred to as the "RDA" or the "Agency". You will see these references used in many reports and budget documents related to the Redevelopment Agency.
2. The primary source of revenue to the Agency comes from Tax Increment funding. This is funding that is generated from new development within the RDA Project Area. As each parcel is developed, the property taxes increase. A designated portion of these increased taxes flows to the Agency to promote more new development within the Project Area.
3. Another source of revenue to the Agency is property lease revenue. Currently, the Agency is receiving monthly lease payments from the retail shops located on the First Floor of the City-County Government Building located at 1010 Tenth Street within the Tenth Street Place project.
4. A smaller source of revenue to the Agency is the interest earned on each account through investments made by the Agency's Treasurer.
5. The Agency does not hire staff independently. As is common in California, the Agency pays City staff to provide the day-to-day work for the Agency. This City staff work is paid for through the use of service credits between the Agency and the City, reimbursing the City for each hour spent providing Agency work. In addition, the Agency contracts with private professional firms who provide a variety of services, from legal review to property appraisal.
6. The Bond Reserve Fund of \$1,977,050 is included in the RDA's budget as part of the legal requirements for the Modesto Centre Plaza Certificates of Participation ("COPs"). The COPs is the type of bonding mechanism that was used to fund the Modesto Centre Plaza. The Bond Trustee requires the RDA to maintain a specific account including one (1) year of payment for the on-going debt. This Reserve Fund will no longer be maintained once the debt is paid in full.
7. Stanislaus County charges the Agency for processing the property tax revenue each year. This Administration charge is estimated at 1.8% of the total revenue collected and is shown under County Administration Costs in the Agency's budget.
8. Stanislaus County collects property taxes on all parcels throughout the RDA Project Area. Generally, parcels owned by the Agency do not pay property taxes. However, when the Agency leases a parcel and/or building to a private company, then there is a required property tax collected called a "Possessory Interest Tax".

This is the case for the 9th Street Garage, between K Street and L Street. The Agency owns the garage and leases it to the City of Modesto for use in downtown parking. The City, in turn, sub-leases a large portion of the garage to the Doubletree Hotel for their private customers. The Doubletree Hotel is located just across 9th Street from the garage and the two structures are connected by way of a pedestrian bridge. The use of the garage by this private business creates a Possessory Interest Tax. As required by the Lease between the Agency and the City, the City pays any Possessory Interest Tax that is due as a result of this private use.

Debt Service

9020-DS92

Revenue	Actual 2007	Adopted 2008	Estimated 2008	Proposed 2009
Tax Increment	\$ 2,356,678	\$ 2,371,519	\$ 2,523,257	\$ 2,994,710
Tax Increment/Pass-thrus	\$ 598,137	\$ 1,071,000	\$ 1,071,000	\$ 1,259,000
(Less ERAF)	\$ 0	\$ 0	\$ 0	\$ 0
Interest	\$ 212,137	\$ 133,000	\$ 133,000	\$ 200,000
Misc	\$ 0	\$	\$	\$
Leases	\$ 107,638	\$ 107,638	\$ 107,638	\$ 108,550
General Fund Loan	\$ 0	\$ 0	\$ 0	\$ 0
Total Source of Funds	\$ 3,274,590	\$ 3,683,157	\$ 3,834,895	\$ 4,562,260

Expenditures	Actual 2007	Adopted 2008	Estimated 2008	Proposed 2009
Debt - Centre Plaza	\$ 1,946,365	\$ 1,956,425	\$ 1,956,425	\$ 1,954,318
Debt - TSP	\$ 918,221	\$ 932,006	\$ 932,006	\$ 974,140
County Admin Costs	\$ 76,585	\$ 61,965	\$ 61,965	\$ 76,567
Staff/Service Credits	\$ -	\$ 15,761	\$ 31,522	\$ 29,367
City Internal Cost Allocations	\$ -	\$ -	\$ -	\$ 18,868
Pass-thrus	\$ 598,137	\$ 1,071,000	\$ 1,071,000	\$ 1,259,000
Loan Repayment to GF	\$ -	\$ -	\$ -	\$ 250,000
Total Use of Funds	\$ 3,539,308	\$ 4,037,157	\$ 4,052,918	\$ 4,562,260

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Explanation

This fund maintains the accumulation of resources for and the payment of general long-term debt principal and interest. It also receives tax increment designated for the pass-throughs to various taxing agencies, including Stanislaus County, school districts and special districts.

Subordinated Tax Sharing Allocations (Original and Amended Area) - (in 1,000's)	06-07	07-08	08-09	09-10	10-11	11-12	12-13	13-14
Stanislaus County (1)	0	414	488	570	588	688	1,063	1,094
County Office of Education (2)	61	71	83	97	101	118	145	150
Yosemite Community College (2)	71	82	96	112	116	136	168	173
Modesto City & HS District (2)	422	487	574	670	692	809	999	1,029
Total Tax Sharing Agreements	\$554	\$1,053	\$1,241	\$1,450	\$1,496	\$1,750	\$2,375	\$2,445

(1) County tax sharing agreement provides that the Agency receives 100% of the County's share of tax increment in years 1 to 15 (FY 1992-93 thru 2006-07). The County will receive 30% of its share in years 16 to 20 (FY 2007-08 thru 2011-12). The allocation increases to 45% in year 21 (FY 2012-13), 60% in year 26, 70% in year 31 and 90% in year 36.

(2) School District allocation formulas are based upon 25% of the Districts' respective share of net tax increment commencing in year 6 (FY 1997-98) to year 20 (FY 2011-12). This projection assumes that the allocation formula provided in Section 5 of the respective agreements remains in effect. The allocation increases to 30% in year 21 (FY 2012-13), 40% in year 31 and 50% in year 36.

Administration

9050-1490

Revenue	Actual 2007	Adopted 2008	Estimated 2008	Proposed 2009
Tax Increment	\$ 376,000	\$ 167,989	\$ 231,033	\$ 358,019
Interest	\$ (9,873)	\$ 2,000	\$ 2,000	\$ 2,000
Total Source of Funds	\$ 366,127	\$ 169,989	\$ 233,033	\$ 360,019

Expenditures				
County Admin Charges	\$	\$ 3,024	\$ 3,024	\$ 6,444
Administration	\$	\$	\$	\$
Professional Services	\$ 105,566	\$ 130,492	\$ 141,849	\$ 137,849
Staff Charges	\$ 40,674	\$ 78,805	\$ 141,849	\$ 164,703
Internal Service Fund Charges	\$ 10,894	\$ 668	\$ 668	\$
City Internal Cost Allocations	\$	\$	\$	\$ 51,023
Pass-thrus	\$	\$	\$	\$
Taxes	\$ 0	\$ 0	\$ 0	\$ 0
Total Use of Funds	\$ 157,134	\$ 212,989	\$ 287,390	\$ 360,019

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Explanation

This fund contains expenditures for services provided to the Redevelopment Agency by City staff in Community & Economic Development, Finance and the City Attorney's office.

Housing Set-aside

9060-1491

Revenue	Actual 2007	Adopted 2008	Estimated 2008	Proposed 2009
Tax Increment	\$ 1,060,704	\$ 1,140,000	\$ 1,140,000	\$ 1,300,000
Interest	\$ 183,525	\$ 75,000	\$ 75,000	\$ 125,000
Total Source of Funds	\$ 1,244,229	\$ 1,215,000	\$ 1,215,000	\$ 1,425,000
Expenditures				
Administrative Costs	\$	\$ 20,520	\$ 20,520	\$ 23,400
Professional Services	\$	\$	\$	\$ 32,526
Staff Charges	\$ 98,308	\$ 111,910	\$ 28,425	\$ 116,203
City Internal Cost Allocations	\$	\$	\$	\$ 1,325
Transfer Out CIP - Q244	\$ 1,145,921	\$ 1,082,570	\$ 1,082,570	\$ 1,251,546
Total Use of Funds	\$ 1,244,229	\$ 1,215,000	\$ 1,131,515	\$ 1,425,000

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Explanation

This is a special revenue fund created pursuant to the Health & Safety Code Section 33334.3. All transactions related to Housing Set-Aside projects must be accounted for in this separate fund.

Fiscal Years 2008-2009

Low and Moderate Income Housing Fund

Expenditures for Planning and Administrative Activities

The Agency is required to adopt annual determinations that 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 2008-2009 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 their relationship to the total budget are noted below:

Fiscal Year	LMIHF Budget	Admin Expenditures	Admin % of Budget
FY 04/05	\$ 661,000	\$ 6,687	1.1%
FY 05/06	\$ 802,000	\$ 6,821	0.88%
FY 06/07	\$ 1,075,000	\$ 98,208	9.13%
FY 07/08	\$ 1,215,000	\$ 111,910	9.21%
FY 08/09 Est.	\$ 1,300,000	\$ 116,203	8.94%

Percent of Planning and Administrative Expenditures of LMIHF Expenditures

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

Fiscal Year	LMIHF Expended	Admin Expenditures	Admin % of LMIHF
FY 04/05	\$ 6,687*	\$ 6,687	100%
FY 05/06	\$ 6,821*	\$ 6,821	100%
FY 06/07	\$ 770,000**	\$ 98,208	12.75%
FY 07/08	\$ 5,567,772**	\$ 111,910	2%
FY 08/09 Est.	\$ 7,751,546***	\$ 116,203	1.49%

* The Administrative and Planning expenditures for calendar years 2004 to 2006 were for legal review only of proposed affordable housing developments. This is a necessary cost to ensure compliance with Health & Safety Code requirements for proposed housing projects.

Housing Set-aside

9060-1491

(cont.)

** During FY 2006-2007, the Agency worked with the City of Modesto to identify and evaluate several Downtown sites for possible affordable housing projects. The Agency identified a parcel that was a small City Park site (17th & G Streets – "Tower Park"). The City declared this park as surplus to the City's needs and the Agency purchased the property for \$770,000 as a potential site for an affordable housing project. Staff will propose the release of an affordable housing Request for Qualifications in the upcoming year to solicit developers for this housing site.

***During 2007-2008, in addition to the mandatory legal review, staff reviewed and worked with developers on four proposed housing sites. Of the four sites, one project is complete, one project is moving forward through the approval process, one is pending and one property is owned by the Agency and may be disposed of to assist in funding the remaining projects as follows:

- 1 Town Center - 20 rental units; 7 single-family units - Completed
- 2 N. 9th Street Project - 80 rental units - Under Review
- 3 Palm Valley Apartments - 40 rental units - Pending
- 4 Tower Park - Possible sale of parcel by Agency

*** The revenue for FY 2008-2009 Housing Fund is \$1,425,000. There is also a Capital Improvement Program ("CIP") account with a total of \$7,751,546, which includes the current budget revenue. All existing funds within the Housing budget and the CIP Account will be utilized for the above affordable housing projects within FY 2008-2009. Agency funding will be expended in conjunction with funding from the Community Development Block Grants, HOME and other housing funding.

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.

Project Plan

9080-1493

Revenue	Actual 2007	Adopted 2008	Estimated 2008	Proposed 2009
Tax Increment	\$ 912,000	\$ 949,492	\$ 974,710	\$ 588,271
Interest	\$ 67,392	\$ 75,000	\$ 75,000	\$ 75,000
Total Source of Funds	\$ 979,392	\$ 1,024,492	\$ 1,049,710	\$ 663,271

Expenditures				
County Admin Costs	\$	\$ 17,091	\$ 17,091	\$ 10,589
Professional Services	\$ 51,060	\$ 100,000	\$ 100,000	\$ 100,000
Staff/Service Credits	\$ 115,323	\$ 130,997	\$ 141,849	\$ 146,853
Internal Service Funds	\$	\$ 335	\$ 335	\$
City Internal Cost Allocations	\$	\$	\$	\$ 4,722
Project Area Revitalization	\$ 23,652	\$ 200,000	\$ 200,000	\$ 200,000
RDA Master Plan/EIR (K871)	\$ 95,280	\$ 45,000	\$ 45,000	\$
KWBP Plan (Q246)	\$ 58,430	\$	\$	\$
Gallo Center (Q260)	\$ 1,068,000	\$	\$	\$
KWBP Land (Q243)	\$	\$	\$	\$ 150,000
Public Improvement (K732)	\$ 0	\$ 531,069	\$ 531,069	\$ 51,107
Total Use of Funds	\$ 1,411,745	\$ 1,024,492	\$ 1,035,344	\$ 663,271

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Explanation

This fund pays for various services associated with the Agency's project planning and project implementation. Services provided include funding for market studies, feasibility studies, funds for project partnerships pursuant to adopted development agreements and other Project Area Revitalization projects.

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Modesto **Redevelopment** Agency

Capital Improvement Program
Fiscal Year 08-09 • Proposed

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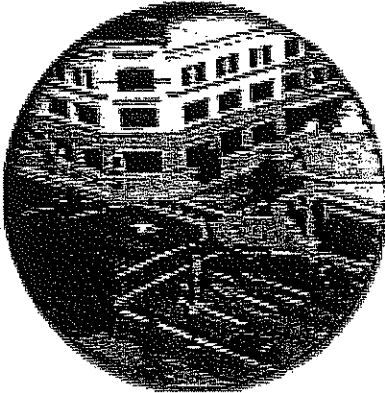
Capital Improvement Program

RDA CIP Budget	Beginning Budget	Transfers In	Transfers Out	Anticipated Expenditures
KWBP Land CIP - Q243	\$ 1,133,003	\$ 150,000	\$	\$ 1,283,003
KWBP Plan CIP - Q246	\$ 605,000	\$	\$	\$ 605,000
Housing CIP - Q244	\$ 400,000	\$ 341,546	\$	\$ 741,546
Archway Commons - K743	\$ 5,270,000	\$ 910,000	\$	\$ 6,180,000
Palm Valley - K745	\$ 830,000	\$	\$	\$ 830,000
Public Impr CIP - K732	\$ 141,594	\$ 51,107	\$	\$ 192,701
Master Plan/EIR CIP - K871	\$ 242,254	\$	\$	\$ 242,254
Developer-Funded Projects	Beginning Budget (Developer Funds)			Anticipated Expenditures
10th & H Mixed Use - 9080-1494	\$ 25,000			\$ 25,000
Archway Commons - 9060-1495	\$ 73,150			\$ 73,150

Capital Improvement Project

9080-K732

Project Area Public Improvements



Project Manager: Linda Boston

Budget: \$ 192,701

Construct various public improvements within the RDA Project Area to support public-private development partnerships. Improvements may include, but are not limited to, various types of construction such as: street construction, streetscape, signage, public garages, land acquisition/disposition.

• HISTORY •

Over the past several years, the Agency has focused on assisting commercial and retail businesses within the Project Area in various ways. These programs have included the Façade Improvement Rebate Program that assisted commercial/industrial property owners and tenants with improvements to the exterior appearance of commercial buildings located in the Redevelopment Project Area. This program offered rebates ranging from 10% to 50% (maximum \$10,000 per project) of improvement costs for each property. In addition, the Agency has produced designs for wayfinding signage and will be constructing signage throughout the Downtown area to guide visitors to specific landmarks and destinations.

The Agency will now be focusing on a variety of public works projects that will include street construction, streetscape, signage, public garages, land acquisition/disposition and other projects that will grow from public-private partnerships in accordance with the Redevelopment law. These projects may include mixed-use projects, public parking, public amenities for market-rate housing, etc.

• NEXT STEPS •

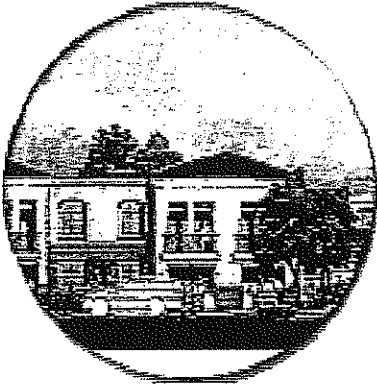
1. Identification of Developers and Developable sites: The Agency staff continues to identify well-financed development partners in an increased effort to combine RDA funds with multiple funding sources for the production of various types of commercial buildings as well as market-rate housing within the Project Area. The Agency staff is also reviewing possible sites in the Project Area for public-private commercial developments. This fund will provide monies for the public amenities associated with these developments.

2. 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 visitors.

Capital Improvement Project

9060 - Q244;
K743: K745

Affordable Housing Projects



Project Manager: Barbara Kauss
Budget: \$ 7,751,546

◁ HISTORY ▷

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.

In 2007, the administration of the Affordable Housing Funds was moved to the City's Parks, Recreation & Neighborhoods Department. The purpose of the administration relocation was to combine all affordable housing funds under one staff division, for ease in development and reporting.

During FY 2006-2007, the Agency worked with the City of Modesto to identify and evaluate several Downtown sites for possible affordable housing projects. The Agency identified a parcel that was a small City Park site (17th & G Streets - "Tower Park"). The City declared this park as surplus to the City's needs and the Agency purchased the property for \$770,000 as a potential site for an affordable housing project. Staff will propose the possible sale of this parcel as noted below.

◁ NEXT STEPS ▷

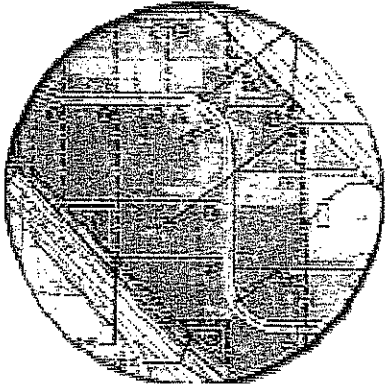
During 2007-2008, in addition to the mandatory legal review, staff reviewed and worked with developers on four proposed housing sites. Of the four sites, one project is completed, one project is moving forward through the approval process, one is pending and one property is owned by the Agency and may be disposed of to assist in funding the remaining projects as follows:

- ▶ Town Center - 20 rental units; 7 single-family units - Completed
- ▶ Archway Commons - 80 rental units - Pending
- ▶ Palm Valley Apartments - 40 rental units - Under Review
- ▶ Tower Park - Possible sale by Agency

Capital Improvement Project

9080 - Q246

Kansas Woodland Business Park Concept Master Plan



Project Manager: Linda Boston

Budget: \$ 605,000

◀ HISTORY ▶

The purpose of the Agency's Business Park Development Program, and specifically the Kansas Woodland Business Park, is to further economic development and redevelopment in the community. As an excellent redevelopment project, this Park has the potential to create an estimated 20-25 jobs/acre totaling more than 800 new jobs at build-out. This is a classic example of a redevelopment project where a "brownfield" site is cleaned and the future business conditions

are improved for the site and the surrounding property owners. An essential part of this development process is the partnership with the adjacent landowners. They have been very supportive of the project and have provided valuable input in both the Park design and the options for land use strategies.

The Agency members have received more than 20 progress reports, in both Closed and Public Sessions, since 2002. The following is a brief summary of the milestone actions taken by the Agency to date:

November 6, 2002: Agency authorized:

1. Purchase Option Agreement for the FMC property, including various related agreements, with a three (3) year term to expire on November 6, 2005.
2. Request for Proposals process for a Master Developer
3. Approval of \$405,000 loan from Stanislaus County ED Bank to hire consultants, etc. to be repaid upon sale of property.

December 9, 2002: Agency authorized:

1. Distribution of the approved Request for Proposal for Master Developer
2. Formation of a 10-member Selection Committee, including two Agency members, to consider RFP proposals and recommend a developer to the Agency

February 11, 2003: Agency authorized:

1. Draft Conceptual Site Plan Scenarios A & B for the proposed development
2. Draft Design and Use Guidelines to be included in the future Specific Plan for a Development Agreement.

March 25, 2003: Agency approved Terrence J. Rose, Inc. as the Master Developer and directed the Executive Director to begin negotiations for a Development Agreement.

Sept. 13, 2005: Agency received a Project Status Report Update and authorized a one-year extension to the Purchase Option Agreement with a new expiration date of Nov. 6, 2006.

October 24, 2006: Agency received a Project Status Report Update and authorized a second one-year extension to the Purchase Option Agreement with an expiration date of Nov. 6, 2007.

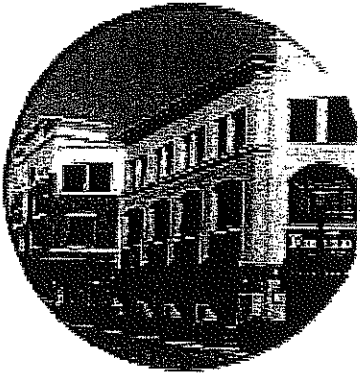
January 2, 2008: In Closed Session, Agency received a Status Report and provided direction to staff on negotiations for the potential purchase of the site.

April 8, 2008: In Closed Session, Agency received a report on final negotiations and the draft Purchase & Sales Agreement. Agency provided direction to staff.

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Capital Improvement Project

9080 - K871



Redevelopment Agency Master Plan

Project Manager: Linda Boston

Budget: \$ 242,254

◦ HISTORY ◦

In November 1991, the Redevelopment Agency (RDA) adopted the Amended Project Area and the Redevelopment Plan for a Project Area of approximately 2000 acres. This Project Area encompasses the downtown, a portion of the West side, as well as a smaller portion along Scenic Drive. 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 determined that both the RDA EIR and Master Plan should be updated. Staff contracted with EDAW, Inc. to produce both updated documents. The Revised Master Plan and EIR were approved by the Agency on October 9, 2007.

◦ NEXT STEPS ◦

1. Engage EDAW, Inc. to complete their contract by conducting a series of charrettes to review proposed changes to the City's zoning code in order to implement the new zoning categories recommended by the Master Plan. EDAW to provide summary of charrettes to move forward with the zoning amendments.
2. Consider various options to increase parking in the Downtown area, including a parking district.
3. Consider options for improving streetscapes and building frontages along key commercial corridors.
4. Consider improvements to the security of selected commercial corridors to encourage the relocation and expansion of new business.

Capital Improvement Project

9080 - Q243
Continued

Kansas Woodland Business Park Property Option, Continued

◁ NEXT STEPS ▷

Purchase and Sale Agreement: As is the case with many developments, market conditions on this site changed over time. The terms of the original 2002 Option Agreement no longer reflected the current site requirements and did not meet the needs of either the Agency or FMC. As such, both parties agreed to allow the Option Agreement to expire and to replace it with a Purchase and Sale Agreement to address the development needs going forward.

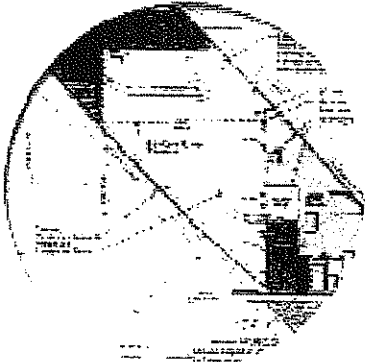
Disposition and Development Agreement: To date, the Agency has expended approximately \$1,300,000 on pre-development costs. As the Master Developer, Terrence J. Rose, Inc. has expended funds over a period of 5 years to perform pre-development activities. Included in this work, Terrence Rose has completed review of all remediation documents, the Draft Specific Plan, the Tentative Subdivision Map and all other aspects of the project.

In a separate future action, the Agency will consider the approval of the Disposition and Development Agreement between the Agency and Terrence Rose, Inc. for the business park development. As part of that Agreement, the Agency will sell the parcels for a negotiated price. Incorporated into these future cost negotiations will be the potential for repayment of the Agency's costs to date, including the Stanislaus County Economic Development Bank Loan in the amount of \$405,000 and other pre-development costs. Further budget amendments and appropriations will be addressed at the time the Agency considers the Development Agreement for approval.

Capital Improvement Project

9080 - Q243

Kansas Woodland Business Park Property Option



Project Manager: Linda Boston

Budget: \$ 1,283,003

* HISTORY *

The purpose of the Agency's Business Park Development Program, and specifically the Kansas Woodland Business Park, is to further economic development and redevelopment in the community. As an excellent redevelopment project, this Park has the potential to create an estimated 20-25 jobs/acre totaling more than 800 new jobs at build-out. This is a classic example of a redevelopment project where a "brownfield" site is cleaned and the future business conditions are improved for the site and the surrounding property owners. An essential part of this development process is the partnership with the adjacent landowners. They have been very supportive of the project and have provided valuable input in both the Park design and the options for land use strategies.

The Agency members have received more than 20 progress reports, in both Closed and Public Sessions, since 2002. The following is a brief summary of the milestone actions taken by the Agency to date:

November 6, 2002: Agency authorized:

1. Purchase Option Agreement for the FMC property, including various related agreements, with a three (3) year term to expire on November 6, 2005.
2. Request for Proposals process for a Master Developer
3. Approval of \$405,000 loan from Stanislaus County ED Bank to hire consultants, etc. to be repaid upon sale of property.

December 9, 2002: Agency authorized:

1. Distribution of the approved Request for Proposal for Master Developer
2. Formation of a 10-member Selection Committee, including two Agency members, to consider RFP proposals and recommend a developer to the Agency

February 11, 2003: Agency authorized:

1. Draft Conceptual Site Plan Scenarios A & B for the proposed development
2. Draft Design and Use Guidelines to be included in the future Specific Plan for a Development Agreement.

March 25, 2003: Agency approved Terrence J. Rose, Inc. as the Master Developer and directed the Executive Director to begin negotiations for a Development Agreement.

Sept. 13, 2005: Agency received a Project Status Report Update and authorized a one-year extension to the Purchase Option Agreement with a new expiration date of Nov. 6, 2006.

October 24, 2006: Agency received a Project Status Report Update and authorized a second one-year extension to the Purchase Option Agreement with an expiration date of Nov. 6, 2007.

January 2, 2008: In Closed Session, Agency received a Status Report and provided direction to staff on negotiations for the potential purchase of the site.

April 8, 2008: In Closed Session, Agency received a report on final negotiations and the draft Purchase & Sales Agreement. Agency provided direction to staff.

Capital Improvement Project

9080 - Q246
Continued

Kansas Woodland Business Park Concept Master Plan, Continued

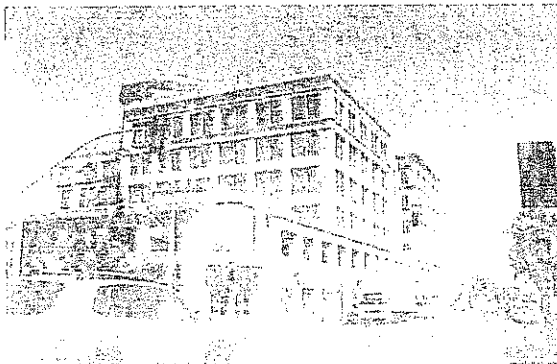
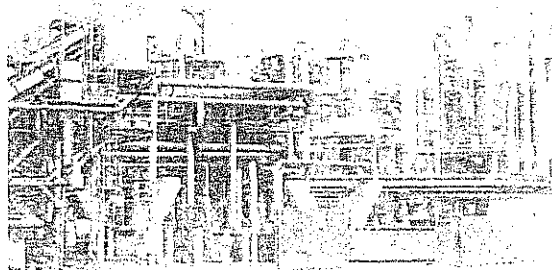
• NEXT STEPS •

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Modesto Redevelopment Master Plan



Prepared for:
Modesto Redevelopment Agency



Prepared by:
EDAW Inc.



October 2007

Attachment B

**MODESTO REDEVELOPMENT AREA MASTER PLAN
ACTION MATRIX**

Action	Priority	Timeframe (in years)			Responsible Agency										
		1-3	3-5	5-10											
MARKETING, PROMOTION, AND BUSINESS RECRUITMENT															
Facilitate the development of a Modesto image that promotes Modesto's strengths															
Promote Modesto's agricultural and viticultural products to attract visitation a la Napa/Sonoma	High	√	√	√	RDA/CC										
Promote City's tradition of urban forestry and horticulture	High	√	√	√	RDA/CC										
Emphasize the proximity of the downtown to the Tuolumne River Regional Park	High	√	√	√	RDA/CC										
Promote Modesto's recreational opportunities: Virginia Avenue Corridor, TRRP, Dry Creek Regional Park	High	√	√	√	RDA/CC										
Promote City history through varied events, not strictly themed art and architecture	High	√	√	√	RDA/CC										
Stress Modesto's position as the arts and entertainment destination for the northern San Joaquin Valley	High	√	√	√	RDA/CC										
Highlight Modesto's affordability compared with similar destinations/locations	High	√	√	√	RDA/CC										
Use Marketing Tools to Promote Modesto															
Develop and maintain an information package that promotes Modesto to new businesses	High	√	√	√	RDA										
Feature local and potential businesses in City media to keep residents informed	High	√	√	√	RDA										
Target businesses for corporate visits and maintain a schedule of visitation	High	√	√	√	RDA										
Coordinate with Chamber of Commerce and Visitors Bureau to maximize visitor contributions to the City	High	√	√	√	RDA										
Implement a quarterly Mayor's business roundtable	High	√	√	√	RDA										
Recruitment and Development of Targeted Businesses															
Encourage a concentration of new retail in the downtown core in the area bounded by I, J, 9th & 11th Streets	High	√	√	√	RDA										
Facilitate the development of 200,000 sq. ft. of additional eating and drinking venues	Med	√	√	√	RDA										
Facilitate the development of 500-750,000 sq. ft. of office space	Med	√	√	√	RDA										
Attract high-end retail stores to the Downtown Core	Low		√	√	RDA										
Conduct a survey of commercial areas, identify niche and cluster businesses, and develop recruitment plan	High	√	√		RDA										
Recruit an upscale food store to the downtown	Low		√	√	RDA										
INFRASTRUCTURE COORDINATION															
Coordinate water, stormwater drainage, and sewer master plan update priorities with Master Plan	High	√	√		RDA/PW										
Develop a plan to fund capital improvements which remove constraints to development	High	√	√		RDA/PW										
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7 IMPLEMENTATION STRATEGIES

MODESTO REDEVELOPMENT AREA MASTER PLAN
ACTION MATRIX

	Action	Priority	Timeframe (in years)			Responsible Agency										
			1-3	3-5	5-10											
LAND USE AND ECONOMIC DEVELOPMENT																
Policy	Area 1															
	North Carpenter Road															
4.1	Work with the County to promote land assembly in the portion of the County Island adjacent to North Carpenter Road	Low		√		RDA										
4.2	Apply Highway Commercial (C-3) zoning to the North Carpenter Road Corridor	High	√			PLNG										
4.3	Conduct land use and business interest surveys	High	√			RDA										
4.4	Recruit up to 200,000 to 300,000 square feet of additional commercial development	High	√	√		RDA										
	Light Industrial Area															
4.5	Coordinate with County to facilitate land assembly in the light industrial area	Med	√	√	√	RDA										
4.6	Identify desirable businesses and actively recruit them	Med	√	√	√	RDA										
4.7	Rezone Heavy Industrial (M-2) to Light Industrial (M-1) near downtown gateway	High	√			PLNG										
4.8	Implement design guidelines and initiate design review in light industrial area	High	√			PLNG										
	Area 2															
	North Ninth Street															
4.11	Promote a collaborative relationship between MJCE and businesses in Area 2	Med	√	√	√	RDA										
4.12	Promote the development of live-work units	Med		√		RDA										
4.13	Adopt Light-Industrial Mixed-use zoning standards and apply to Area 2	High	√			PLNG										
4.14	Recruit an extended-stay hotel	High	√			RDA										
	Area 3															
	Downtown Core															
4.15	Concentrate commercial frontage along 10th, 11th, and J Streets	High	√	√	√	PLNG										
4.16	Housing constructed on 10th, 11th, and J Streets should only be constructed above ground floor retail/commercial uses	High	√	√	√	PLNG										
4.17	Facilitate the development of market-rate and inclusionary housing	High	√	√	√	RDA										
4.19	Implement a specific area plan that encourages mixed-use development in the Downtown Core	High	√			PLNG										
4.20	Implement design guidelines that foster a pleasant, human-scaled walking environment	High	√			PLNG										
4.21	Facilitate Catalyst Site 2, with residential development on Ninth Street between G and H Streets	Med	√	√		RDA										
4.22	Facilitate expansion of the convention center as part of Catalyst Site 3	Med	√	√		RDA										
4.23	Facilitate expansion of a conventional hotel as part of Catalyst Site 3	Med	√	√		RDA										
4.24	Facilitate mixed-use development on 11th and 12th Streets as part of Catalyst Site 3	Med	√	√		RDA										
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**MODESTO REDEVELOPMENT AREA MASTER PLAN
ACTION MATRIX**

	Action	Priority	Timeframe (in years)			Responsible Agency										
			1-3	3-5	5-10											
Downtown North Neighborhood District																
4.25	Implement a Neighborhood Mixed-use zoning designation	High	√			PLNG										
4.26	Coordinate with the County to identify alternatives for the healthcare site	Med	√	√		RDA										
Downtown East Preservation District																
4.27	Establish a Downtown East Preservation District	Med	√			PLNG										
4.28	Adopt design guidelines that promote the preservation of older structures	Med	√	√		PLNG										
4.29	Consider funding sources that support the preservation of older structures in the District	Med	√	√		PLNG										
Downtown South Neighborhood District																
4.30	Apply Neighborhood Mixed-use zoning code and development standards to the District	High	√			PLNG										
4.31	Facilitate Mixed-use development with ground floor commercial along 10th Street	Med	√	√	√	RDA										
4.32	Identify sites for redevelopment adjacent to the TRRP and facilitate residential development	Med	√	√	√	RDA										
4.33	Facilitate the development of a shared use trail with public access adjacent to the TRRP	Med	√	√	√	RDA										
Paradise Road District																
4.34	Identify sites for investment of the Agency's affordable housing funds	High	√	√	√	RDA										
4.35	Facilitate land assembly along Paradise Road to encourage new commercial development	Med	√	√	√	RDA										
4.36	Actively implement the Agency's facade improvement program for commercial structures	Med	√	√	√	RDA										
ENHANCING THE APPEAL OF PUBLIC SPACES																
Policy	Parks and Plazas															
5.1	Develop linkages across the Redevelopment Area to connect public parks and open space	High	√	√	√	Parks										
5.2	Create additional public open space in the downtown to serve as pedestrian gathering places	High	√	√	√	RDA/ PARKS										
5.3	Encourage the development of private open space through new setback standards	High	√			PLNG										
Streetscape Improvements																
5.4	Implement streetscape improvements on 10th Street	High	√	√		PW										
5.5	Develop standards that protect the 10th Street view corridor	High	√			PLNG										
5.6	Install streetscape improvements on North Ninth Street	High	√	√		PW										
5.7	Install traffic calming devices on I Street to promote pedestrian safety	Med	√	√	√	PW										
5.8	Implement traffic calming and streetscape improvements on Paradise Road	High	√	√		PW										
5.9	Consider alternative truck routes for truck traffic using Paradise Road	High	√			PW										
5.10	Extend the North Carpenter Road streetscape improvements to Kansas Avenue	Med	√	√		PW										
5.11	Seek funding to beautify the SR-99 right-of-way	Med	√	√	√	RDA/PW										
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7 IMPLEMENTATION STRATEGIES

MODESTO REDEVELOPMENT AREA MASTER PLAN
ACTION MATRIX

	Action	Priority	Timeframe (in years)			Responsible Agency												
			1-3	3-5	5-10													
Public Art																		
5.12	Identify and implement a funding mechanism for public art	Med	√	√		RDA/PLNG												
CREATING EFFICIENT CIRCULATION AND LINKAGES																		
Policy	Automobile Circulation																	
4.9	Support auxiliary uses at the MJCW campus by ensuring adequate access	Med	√	√	√	PW												
6.1	Coordinate with Caltrans to improve traffic circulation at the North Carpenter Road/Briggsmore Avenue/SR-99 interchange in Area 1	High	√	√		PW												
6.2	Coordinate with Caltrans to improve the efficiency of the Briggsmore Avenue/North Ninth Street intersection in Area 2	High	√	√		PW												
6.3	Explore alternatives to improve automobile and bicycle circulation at the Woodland Avenue overcrossing of SR-99 in Area 2	Med		√	√	PW												
6.4	Coordinate with StanCOG to mitigate the impact of SR-132 on the downtown and to explore alternative truck routes in Area 3	High	√	√		RDA/PW												
Ensure Adequate Parking																		
4.18	Facilitate the construction of adequate parking in the Downtown Core while maintaining ground floor retail on 10th, 11th, and J Streets	High	√	√	√	RDA/PLNG												
6.5	Assist new development to develop parking on-site or in the immediate vicinity	High	√	√	√	RDA/PW												
6.6	Initiate a parking study to explore possible reductions in parking ratios in the downtown	Med		√		RDA/PW												
6.7	Design parking structures to contribute to the positive character of the downtown	High	√	√	√	PLNG												
6.8	Consider the creation of a parking district to assist in the funding of new parking facilities	High	√	√		PW												
6.9	Coordinate with the Downtown Improvement District to install new parking meters	High	√	√		PW												
6.10	Consider the application of parking fees for all users of parking facilities	High	√			PW												
6.11	Facilitate shared parking arrangements to better distribute the supply of existing parking	High	√	√	√	RDA/PW												
Bicycle Circulation																		
6.12	Install Class II bike lanes on Woodland Avenue to promote bicycle circulation	Med		√	√	PW												
6.13	Coordinate with the Union Pacific Railroad to create a bicycle crossing at Blue Gum Avenue and North Ninth Street	Med	√	√		PARKS												
6.14	Extend the Class II bicycle lanes on North Carpenter Road between Woodland and Kansas Avenues as part of the proposed streetscape improvements	Med	√	√		PW												
6.15	Implement Class II bike lanes on 11th and 12th Streets as a one-way bicycle couplet	High	√	√		PW												
6.16	Implement Class II bike lanes on 7th and 8th Streets as a one-way bicycle couplet	Low		√	√	PW												
6.17	Implement Class II bike lanes on G and H Streets as a one-way bicycle couplet and coordinate with streetscape improvements on Paradise Road	High	√	√		PW												
6.18	Implement bicycle and pedestrian safety measures on Yosemite Boulevard at Morton Boulevard	High	√			PW												
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**MODESTO REDEVELOPMENT AREA MASTER PLAN
ACTION MATRIX**

	Action	Priority	Timeframe (in years)			Responsible Agency												
			1-3	3-5	5-10													
	Gateways																	
6.19	Install wayfinding and identification signage and landscaping improvements at the six priority gateways	High	√	√	√	RDA												
	Signage																	
4.10	Provide additional wayfinding signage	High	√			RDA/PW												
6.20	Develop one or more distinctive, informative styles of signage for the city and its districts	High	√	√	√	RDA												
6.21	Install pedestrian information kiosks at high pedestrian traffic areas such as 10th and I Streets	High	√	√		RDA/PW												
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**MODESTO REDEVELOPMENT AGENCY
RESOLUTION NO. 13 - 2008**

**A RESOLUTION APPROVING AN OWNER PARTICIPATION
AGREEMENT (OPA) WITH THE HOUSING AUTHORITY OF
STANISLAUS COUNTY FOR THE ACQUISITION AND
REHABILITATION OF PALM VALLEY APARTMENTS; INCLUDING
REHABILITATION COSTS RELATED TO SECURITY GATING AND
ACCESSIBILITY, AND AUTHORIZING THE EXECUTIVE DIRECTOR,
OR HIS DESIGNEE, TO EXECUTE THE AGREEMENT**

WHEREAS, in accordance with the requirements of the Community Redevelopment Law, the Redevelopment Agency (the "Agency") annually deposits 20% of its gross tax increment funds into a Housing Set-Aside Fund for the purpose of improving and increasing the supply of affordable housing for very low, low and moderate-income households, and

WHEREAS, the Agency and the City have been contacted by the Housing Authority of Stanislaus County ("Housing Authority"), which has proposed to acquire and update 40 units of housing known as Palm Valley Apartments, and

WHEREAS, this project consists of 20 2-bedroom units with 897 square feet, 12 1-bedroom units with 628 square feet and 8 1-bedroom units with 467 square feet. All units have one bath, and

WHEREAS, the Housing Authority's intention is to rent the units to low and very low-income households, and

WHEREAS, the Housing Authority is proposing an affordability mix of 19 units to be rented to tenants who are at 80% Area Median Income level, 11 units to be rented to tenants who are at 65% Area Median Income level, 10 units to be rented to tenants who are at 50% Area Median Income level, and

WHEREAS, the purchase of the Palm Valley Apartments will help preserve the affordable housing stock in Modesto, and

WHEREAS, on April 22, 2008, by Resolution No. 09-2008, the Agency authorized the Interim Executive Director or his designee to negotiate with the Housing Authority of Stanislaus County to produce a draft Owner Participation Agreement for the acquisition and rehabilitation of Palm Valley Apartments in the amount of \$825,000, and

WHEREAS, at its June 18, 2008, meeting, the CH&CDC recommended that the Agency approve an Owner Participation Agreement with the Housing Authority,

NOW, THEREFORE, BE IT RESOLVED by the Redevelopment Agency of the City of Modesto that the Agency hereby approves an Owner Participation Agreement (OPA) with the Housing Authority of Stanislaus County for the acquisition and rehabilitation of Palm Valley Apartments; including rehabilitation costs related to security gating and accessibility.

BE IT FURTHER RESOLVED that the Executive Director, or his designee, is hereby authorized to execute the Agreement.

The foregoing resolution was introduced at a regular meeting of the Redevelopment Agency of the City of Modesto held on the 24th day of June, 2008, by Agency Member Keating, 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: Hawn, Keating, Lopez, Marsh, O'Bryant, Olsen, Chairperson Ridenour

NOES: Agency Members: None

ABSENT: Agency Members: None

ATTEST: 
STEPHANIE LOPEZ, Agency Secretary

(SEAL)

APPROVED AS TO FORM:

BY: 
SUSANA ALCALA WOOD, General Counsel

**MODESTO REDEVELOPMENT AGENCY
RESOLUTION NO. 14-2008**

**A RESOLUTION OF THE REDEVELOPMENT AGENCY OF THE CITY OF
MODESTO AUTHORIZING THE EXECUTION AND DELIVERY OF A
10TH STREET GARAGE FACILITIES LEASE AND AUTHORIZING AND
APPROVING SUCH OTHER DOCUMENTS AND THE TAKING OF ALL
NECESSARY ACTION IN CONNECTION THEREWITH**

WHEREAS, the Redevelopment Agency of the City of Modesto (the “Redevelopment Agency”) is a redevelopment agency, a public body, corporate and politic duly created, established and authorized to transact business and exercise its powers, all under and pursuant to the Community Redevelopment Law (Part 1 of Division 24 of the Health and Safety Code of the State of California, the “Law”); and

WHEREAS, the City of Modesto (the “City”), working together with the Modesto Public Financing Authority (the “Authority”), a joint exercise of powers authority duly organized and existing under a Joint Exercise of Powers Agreement, dated as of December 1, 1989, between the City of Modesto (the “City”) and the Industrial Development Authority of the City of Modesto, previously leased and financed the costs associated with a mixed-use development, including, among other uses, retail and office uses, public parking garage (the “10th Street Garage”), and a City-County building, each of such improvements more commonly referred to as the 10th Street Place Project (the “10th Street Place Project”) and other public capital improvements, including the Communications Dispatch Center, the John Thurman Field and a Police Headquarters Building (together with the 10th Street Place Project, the “Project”); and

WHEREAS, the Authority previously issued (a) its Lease Revenue Bonds, Series 1998 (Capital Improvements and Refinancing Project) (the “1998 Bonds”) for the purpose of (i) providing funds for the 1998 Project, (ii) providing funds to refund its outstanding 1986

Certificates of Participation (Capital Improvements Project), (iii) paying capitalized interest on the 1998 Bonds, (iv) providing a debt service reserve fund for the 1998 Bonds and (v) paying the costs of issuance therefor, and (b) its Lease Revenue Refunding and Capital Improvement Bonds, Series 2007 (the "2007 Bonds") for the purposes of (i) providing funds to finance certain additional improvements to the 1998 Project, (ii) providing funds to refund all of its Lease Revenue Bonds, Series 1997 (John Thurman Field Renovation Project) (the "1997 Bonds") and (iii) providing funds to refund a portion of its 1998 Bonds, (iv) providing a debt service reserve fund for the 1998 Bonds and (v) paying the costs of issuance therefore; and

WHEREAS, in furtherance of the Project, the City and the Redevelopment Agency and the City entered into a Reimbursement Agreement, dated as of March 1, 1998 (the "Reimbursement Agreement"), pursuant to which the Redevelopment Agency is obligated to make certain semi-annual payments to the City; and

WHEREAS, the City has determined that by refinancing the Project by refunding all of the outstanding 1998 Bonds and 2007 Bonds (collectively, the "Prior Bonds"), the City can achieve interest cost savings and/or desirable restructuring of debt obligations so as to minimize the impact of current and potential future market instability; and

WHEREAS, the Authority intends it issue its Lease Revenue Refunding Bonds, Series 2008, in one or more series of bonds (the "2008 Bonds"), pursuant to an indenture (the "Indenture") by and between the Authority and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee"), for the purposes of (i) providing funds to refund all of the Prior Bonds on a current basis, (ii) funding a debt service reserve fund and (iii) paying the costs of issuance therefore; and

WHEREAS, in order to evidence the Redevelopment Agency's continuing obligation under the Reimbursement Agreement to contribute to the payment of lease payments payable by the City under the Lease Agreement with respect to the 10th Street Garage, the City and the Redevelopment Agency will amend the Reimbursement Agreement, pursuant to the First Amendment to Reimbursement Agreement (the "First Amendment to Reimbursement Agreement") dated as of August 1, 2008, by and between the City and the Redevelopment Agency; and

WHEREAS, all acts, conditions and things required by the Law, and by all other laws of the State of California, to exist, to have happened and to have been performed precedent to and in connection with the execution and delivery of said document exist, have happened, and have been performed in regular and due time, form and manner as required by law, and the Redevelopment Agency is now duly authorized and empowered, pursuant to each and every requirement of law, in the manner and upon the terms herein provided;

NOW, THEREFORE, BE IT RESOLVED BY THE REDEVELOPMENT AGENCY OF THE CITY OF MODESTO AS FOLLOWS:

SECTION 1. Findings. This Board hereby specifically finds and declares that the actions authorized hereby constitute and are public affairs of the Redevelopment Agency and that the statements, findings and determinations of the Board set forth in the preambles above and in the document approved herein are true and correct.

SECTION 2. Approval of 10th Street Garage Facilities Lease. The 10th Street Garage Facilities Lease, substantially in the form submitted to this meeting, is hereby approved, and the Chairperson, Executive Director, or the Secretary of the Redevelopment Agency (each, an

“Authorized Officer”), are each hereby authorized and directed to execute and deliver, for and in the name of and on behalf of the Redevelopment Agency, the 10th Street Garage Facilities Lease with such additions, changes and corrections as such Authorized Officer may require or approve, such approval to be conclusively evidenced by the execution and delivery of the 10th Street Garage Facilities Lease.

SECTION 3. Approval of First Amendment to Reimbursement Agreement. The First Amendment to Reimbursement Agreement, substantially in the form submitted to this meeting, is hereby approved, and the Authorized Officers are each hereby authorized and directed to execute and deliver, for and in the name of and on behalf of the Redevelopment Agency, the First Amendment to Reimbursement Agreement with such additions, changes and corrections as such Authorized Officer may require or approve, such approval to be conclusively evidenced by the execution and delivery of the First Amendment to Reimbursement Agreement.

SECTION 4. Other Actions. The Authorized Officers are each hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents which they may deem necessary or advisable in order to consummate the execution and delivery of the 10th Street Garage Facilities Lease. Such actions previously taken by such officers are hereby ratified, confirmed and approved.

SECTION 5. Effect. This Resolution shall take effect immediately upon its passage.

The foregoing resolution was introduced at a regular meeting of the Redevelopment Agency of the City of Modesto held on the 6th day of August, 2008, by Agency Member Hawn, who moved its adoption, which motion being duly seconded by Agency Member Lopez, was upon roll call carried and the resolution adopted by the following vote:

AYES: Agency Members: Hawn, Lopez, Marsh, Olsen


NOES: Agency Members: O'Bryant

ABSENT: Agency Members: Keating, Mayor Ridenour

ATTEST: 
STEPHANIE LOPEZ, Agency Secretary

(SEAL)

APPROVED AS TO FORM:



SUSANA ALCALA WOOD City Attorney, acting as General Counsel

**REDEVELOPMENT AGENCY
RESOLUTION NO. 15-2008**

A RESOLUTION APPROVING EXPENDITURE OF MODESTO REDEVELOPMENT AGENCY FUNDS IN AN AMOUNT NOT TO EXCEED \$100,000 FOR PHASE I OF STREETScape IMPROVEMENTS IN CONJUNCTION WITH THE CITY OF MODESTO CAPITAL IMPROVEMENT PROGRAM PROJECT: FEDERALLY FUNDED PAVEMENT MAINTENANCE – H STREET: 17TH STREET TO BURNEY ST (CIP #2370-430-H151). (FUNDING: RDA FUND NO. 9080-140-1493-0489)

WHEREAS, the Modesto Redevelopment Agency’s (“Agency”) Redevelopment Master Plan includes a strategy of enhancing the visual appeal of Modesto’s public spaces by upgrading existing parks, plazas, streets and streetscapes on various streets and gateways beautifying, and

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

WHEREAS, the City of Modesto (“City”) has approved a public works Capital Improvement Program project (“CIP Project”) inside the Agency’s Project Area wherein the City will be reconstructing H Street, between 17th Street and Burney Street per the CIP Project entitled: Federally Funded Pavement Maintenance – H Street: 17th Street to Burney St (CIP #2370-430-H151), and

WHEREAS, the funding for said CIP Project does not include construction of the specialty streetscape as set forth in the City’s Engineering Standard Specifications for the Downtown area (“Downtown Streetscape”), and

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

WHEREAS, the Agency finds that the payment of funds for Downtown Streetscape improvements will assist in the elimination of one or more blighting

conditions inside the Agency's Project Area, and

WHEREAS, the Agency finds that the construction of the Downtown Streetscape improvements is consistent with the Agency's adopted Implementation Plan, and

WHEREAS, the total cost of constructing the Downtown Streetscape for said CIP Project exceeds One Hundred Thousand Dollars (\$100,000) and, as such, will be funded by the Agency in phases beginning with the design work, concrete installation and other hardscape as Phase I, and

WHEREAS, at their regular meeting on June 4, 2008, the Citizens Redevelopment Advisory Commission considered expending Agency funds on the Downtown Streetscape improvements and recommended approval of said expenditure to the Agency in an amount not to exceed \$100,000 for Phase I, and

WHEREAS, pursuant to CEQA Guidelines 15301(c), the construction of streetscape improvements is categorically exempt from CEQA review because it is the repair of an existing facility, including streets, sidewalks, gutters and similar facilities.

NOW THEREFORE BE IT HEREBY RESOLVED that the Redevelopment Agency of the City of Modesto does hereby authorize the expenditure of Agency funds in an amount not to exceed One Hundred Thousand Dollars (\$100,000) for construction of Downtown Streetscape in conjunction with the City of Modesto Capital Improvement Program Project: Federally Funded Pavement Maintenance – H Street: 17th Street to Burney St (CIP #2370-430-H151)

BE IT FURTHER RESOLVED that the Redevelopment Agency does hereby appropriate One Hundred Thousand Dollars (\$100,000) for said Downtown Streetscape construction project from Account Number: 9080-140-1493-0489

BE IT FURTHER RESOLVED that the Redevelopment Agency does hereby authorize the Executive Director or his/her designee to execute all documents which may be necessary for the completion of said Downtown Streetscape project.

The foregoing resolution was introduced at a regular meeting of the Redevelopment Agency of the City of Modesto held on the 12th day of August, 2008, by Agency Member Hawn, who moved its adoption, which motion being duly seconded by Agency Member Lopez, was upon roll call carried and the resolution adopted by the following vote:

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

NOES: Agency Members: None

ABSENT: Agency Members: None

ATTEST: 
STEPHANIE LOPEZ, Agency Secretary

(SEAL)

APPROVED AS TO FORM:

By: 
SUSANA ALCALA WOOD, General Counsel

**REDEVELOPMENT AGENCY
RESOLUTION NO. 16-2008**

**RESOLUTION OF THE REDEVELOPMENT AGENCY OF THE CITY OF
MODESTO REFERRING THE PROPOSED AMENDMENT TO THE AMENDED
REDEVELOPMENT PLAN FOR THE MODESTO REDEVELOPMENT
PROJECT TO THE PLANNING COMMISSION OF THE CITY OF MODESTO
FOR REPORT AND RECOMMENDATION**

WHEREAS, the Redevelopment Agency of the City of Modesto (the "Agency") is vested with the responsibility to carry out the Amended Redevelopment Plan for the Modesto Redevelopment Project (the "Redevelopment Plan"), and

WHEREAS, in implementation of the Redevelopment Plan, the Agency adopted a Redevelopment Master Plan in 1994, and an updated Redevelopment Master Plan in October 2007 (the "Master Plan"), which further refines the goals, objectives and strategies of the Agency in carrying out the Redevelopment Plan, and

WHEREAS, the City of Modesto (the "City") is in the process of amending and updating its Urban Area General Plan (the "General Plan Amendment") to, among other things, incorporate the Master Plan and the Redevelopment Plan into the City's General Plan, and

WHEREAS, the Agency has prepared a proposed Amendment to the Redevelopment Plan (**attached** as "**Exhibit A**") which would modify and update the language in the Redevelopment Plan relating to land uses permitted in the Redevelopment Project Area to conform to the land uses and strategies in the Master Plan and the General Plan Amendment, and make other minor, technical modifications to the Redevelopment Plan to ensure conformity between the Redevelopment Plan, the City's Urban Area General Plan and, where applicable, the County's General Plan; and

WHEREAS, Sections 33346 and 33356 of the Community Redevelopment Law (Health and Safety Code Section 33000 *et seq.*) provide that, prior to a joint public hearing on proposed amendments to a redevelopment plan, the redevelopment agency shall submit the proposed changes to the planning commission,

NOW, THEREFORE, BE IT RESOLVED THAT THE REDEVELOPMENT AGENCY OF THE CITY OF MODESTO does hereby refer the proposed Amendment to the Amended Redevelopment Plan for the Modesto Redevelopment Project (in the form currently on file with the Agency Secretary) to the Planning Commission of the City of Modesto for report and recommendation.

The foregoing resolution was introduced at a regular meeting of the Redevelopment Agency of the City of Modesto held on the 12th day of August, 2008, by Agency Member Hawn, who moved its adoption, which motion being duly seconded by Agency Member Lopez, was upon roll call carried and the resolution adopted by the following vote:

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

NOES: Agency Members: None

ABSENT: Agency Members: None

ATTEST: 
STEPHANIE LOPEZ, Agency Secretary

(SEAL)

APPROVED AS TO FORM:

By 
SUSANA ALCALA WOOD, General Counsel

Exhibit A

AMENDMENT TO AMENDED REDEVELOPMENT PLAN FOR THE MODESTO REDEVELOPMENT PROJECT

The Redevelopment Plan for the Modesto Redevelopment Project was approved and adopted by the City Council of the City of Modesto on July 12, 1983, by Ordinance No. 2203-C.S., and subsequently amended on June 19, 1984, by Ordinance No. 2269-C.S., covering certain area in the City of Modesto (the "Original Project Area"). On November 5, 1991, by Ordinance No. 2793-C.S., the City Council adopted the Amended Redevelopment Plan for the Modesto Redevelopment Project, which amended and replaced the original Redevelopment Plan and added certain areas (the "Amended Area") to the Project Area. Because the Amended Area included certain areas located within the unincorporated area of the County, the County Board of Supervisors also adopted the Amended Redevelopment Plan on November 19, 1991, by County Ordinance No. C.S. 454. The Amended Redevelopment Plan was further amended by the City Council on November 22, 1994, by Ordinance No. 2931-C.S., and by the County Board of Supervisors on December 20, 1994, by County Ordinance No. C.S. 580, to establish and amend certain time limitations with respect to the Amended Redevelopment Plan; and further amended by the City Council on September 25, 2007, by Ordinance No. 3454-C.S., and by the County Board of Supervisors on January 15, 2008, by County Ordinance No. C.S. 1019, to eliminate and amend certain time limitations with respect to the Amended Redevelopment Plan. The Amended Redevelopment Plan, as amended as set forth above, is hereby further amended as follows:

1. USES PERMITTED IN THE PROJECT AREA. Sections 401 and 402, and subsequent Sections 403, 404 and 405, of the Amended Redevelopment Plan are hereby amended and replaced in their entirety with the following:

A. [§401] Project Area Boundary Map

The "Project Area Boundary Map," **attached** hereto as **Attachment** No. 2 and incorporated herein by reference illustrates the location of the Project Area boundaries and the major streets within the Project Area.

B. [§402] Designated Land Uses

The City's General Plan designates the entire Project Area as a Redevelopment Planning District within which there may be residential, commercial, industrial and public uses. The specific land uses permitted for properties within the Redevelopment Planning District will be established by the Redevelopment Master Plan and the City's Zoning Code, and subject to the City's General Plan and, where applicable, the County's General Plan, as each may be amended from time to time.

1. [§403] [INTENTIONALLY OMITTED.]
2. [§404] [INTENTIONALLY OMITTED.]
3. [§405] [INTENTIONALLY OMITTED.]

**MODESTO REDEVELOPMENT AGENCY
RESOLUTION NO. 17-2008**

RESOLUTION OF THE REDEVELOPMENT AGENCY OF THE CITY OF MODESTO SUBMITTING TO THE MODESTO CITY COUNCIL THE PROPOSED AMENDMENT TO THE AMENDED REDEVELOPMENT PLAN FOR THE MODESTO REDEVELOPMENT PROJECT, AND THE AGENCY'S REPORT TO THE CITY COUNCIL ON THE PROPOSED AMENDMENT, SETTING A PUBLIC HEARING AND CONSENTING TO AND REQUESTING THE CITY COUNCIL CALL A JOINT PUBLIC HEARING ON SAID AMENDMENT

WHEREAS, the Redevelopment Agency of the City of Modesto (the "Agency") has prepared a proposed Amendment to the Redevelopment Plan (the "Amendment") for the Modesto Redevelopment Project (the "Project"), which Amendment clarifies that the land uses authorized under the City of Modesto's (the "City's") General Plan are those established under the Agency's Master Plan and the City's Zoning Code and which Amendment is **attached** hereto as **Exhibit A** and incorporated herein by this reference, and

WHEREAS, this proposed Amendment does not modify the land uses established for the properties within the Project Area, but merely modifies the language in the Redevelopment Plan to ensure conformity between the Redevelopment Plan, the Master Plan, the City's General Plan (as proposed to be amended concurrently with this Amendment), and the County's General Plan, and

WHEREAS, this proposed Amendment does not expand or in any way modify the boundaries of the Project Area or amend any of the other limits or provisions currently established under the existing Redevelopment Plan, and

WHEREAS, the Agency has submitted the proposed Amendment to the Planning Commission of the City of Modesto for its report and recommendations on the proposed Amendment, and

WHEREAS, pursuant to the California Environmental Quality Act (Public Resources Code Section 21000 et seq.), the Guidelines for Implementation of the California Environmental Quality Act (14 Cal. Code Regulations, Section 15000 et seq.) and the local procedures adopted pursuant thereto, this Amendment is included as part of the City's Urban Area General Plan Technical Update currently in progress which Update addresses the impacts related to the proposed Amendment and which Update is also scheduled to be considered for final adoption by the City in conjunction with the approval of this Amendment, and

WHEREAS, pursuant to Section 33352 of the California Community Redevelopment Law (Health and Safety Code Section 33000 et seq.), the Agency has prepared a Report to the City Council on the proposed Amendment which is **attached** hereto as **Exhibit B** and incorporated herein by this reference, and

WHEREAS, Section 33458 of the Health and Safety Code authorizes a joint public hearing on the proposed Amendment with the consent of the Agency and the City Council,

NOW, THEREFORE, BE IT RESOLVED BY THE REDEVELOPMENT AGENCY OF THE CITY OF MODESTO AS FOLLOWS:

Section 1. The Agency hereby approves the Report to City Council on the proposed Amendment, and submits the proposed Amendment, together with the Report

to the City Council on the proposed Amendment, to the City Council for their review and approval.

Section 2. The Agency hereby sets a public hearing and consents to a joint public hearing on the proposed Amendment and requests the City Council call a joint public hearing of the Agency and the City Council on Tuesday, October 28, 2008, at 5:30 p.m. in the City Council Chambers to consider and act upon the proposed Amendment and all documents and evidence pertaining thereto.

Section 3. The Secretary of the Agency shall, in cooperation with the City Clerk of the City of Modesto, prepare, publish and mail such notices and documents and do all other acts as may be necessary to carry out the purposes of this resolution.

The foregoing resolution was introduced at a special meeting of the Modesto Redevelopment Agency held on the 23rd day of September, 2008, by Agency Member Lopez, 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: Hawn, Keating, Lopez, Marsh, O'Bryant, Olsen

NOES: Agency Members: None

ABSENT: Agency Members: Mayor Ridenour

ATTEST: 
STEPHANIE LOPEZ, Secretary

(SEAL)

APPROVED AS TO FORM:

By 
SUSANA ALCALA WOOD, General Counsel

EXHIBIT A

AMENDMENT TO AMENDED REDEVELOPMENT PLAN FOR THE MODESTO REDEVELOPMENT PROJECT

The Redevelopment Plan for the Modesto Redevelopment Project was approved and adopted by the City Council of the City of Modesto on July 12, 1983, by Ordinance No. 2203-C.S., and subsequently amended on June 19, 1984, by Ordinance No. 2269-C.S., covering certain area in the City of Modesto (the "Original Project Area"). On November 5, 1991, by Ordinance No. 2793-C.S., the City Council adopted the Amended Redevelopment Plan for the Modesto Redevelopment Project, which amended and replaced the original Redevelopment Plan and added certain areas (the "Amended Area") to the Project Area. Because the Amended Area included certain areas located within the unincorporated area of the County, the County Board of Supervisors also adopted the Amended Redevelopment Plan on November 19, 1991, by County Ordinance No. C.S. 454. The Amended Redevelopment Plan was further amended by the City Council on November 22, 1994, by Ordinance No. 2931-C.S., and by the County Board of Supervisors on December 20, 1994, by County Ordinance No. C.S. 580, to establish and amend certain time limitations with respect to the Amended Redevelopment Plan; and further amended by the City Council on September 25, 2007, by Ordinance No. 3454-C.S., and by the County Board of Supervisors on January 15, 2008, by County Ordinance No. C.S. 1019, to eliminate and amend certain time limitations with respect to the Amended Redevelopment Plan. The Amended Redevelopment Plan, as amended as set forth above, is hereby further amended as follows:

1. USES PERMITTED IN THE PROJECT AREA. Sections 401 and 402, and subsequent Sections 403, 404 and 405, of the Amended Redevelopment Plan are hereby amended and replaced in their entirety with the following:

A. [\$401] Project Area Boundary Map

The "Project Area Boundary Map," attached hereto as Attachment No. 2 and incorporated herein by reference illustrates the location of the Project Area boundaries and the major streets within the Project Area.

B. [\$402] Designated Land Uses

The City's General Plan designates the entire Project Area as a Redevelopment Planning District within which there may be residential, commercial, industrial and public uses. The specific land uses permitted for properties within the Redevelopment Planning District will be established by the Redevelopment Master Plan and the City's Zoning Code, and subject to the City's General Plan and, where applicable, the County's General Plan, as each may be amended from time to time.

1. [\$403] [INTENTIONALLY OMITTED.]
2. [\$404] [INTENTIONALLY OMITTED.]
3. [\$405] [INTENTIONALLY OMITTED.]

EXHIBIT B

**AGENCY'S REPORT TO THE CITY COUNCIL ON
THE PROPOSED AMENDMENT TO THE
AMENDED AND RESTATED REDEVELOPMENT PLAN
FOR THE MODESTO REDEVELOPMENT PROJECT**

Prepared by the
Redevelopment Agency of the
City of Modesto

August 2008

**AGENCY'S REPORT TO THE CITY COUNCIL ON
THE PROPOSED AMENDMENT TO THE
AMENDED AND RESTATED REDEVELOPMENT PLAN FOR
THE MODESTO REDEVELOPMENT PROJECT**

I. INTRODUCTION

The City Council of the City of Modesto, California (the "City Council"), adopted Ordinance No. 2203-C.S. on July 12, 1983, approving and adopting the Redevelopment Plan (the "Redevelopment Plan") for the Modesto Redevelopment Project (the "Project") pertaining to the "Original Project Area." The City Council subsequently adopted Ordinance No. 2269-C.S. on June 19, 1984, amending the Redevelopment Plan to make certain modifications as required by law; and Ordinance No. 2793-C.S. on November 5, 1991, approving and adoption an Amended Redevelopment Plan, and adding certain area (the "Added Area") to the Project Area. Because the Added Area includes certain areas located within the unincorporated area of the County, the Board of Supervisors of the County of Stanislaus adopted Ordinance No. C.S. 423 on December 4, 1990, authorizing the Agency (as defined below) to redevelop certain portions of the County, and adopted Ordinance No. C.S. 454 on November 19, 1991, approving and adopting the Amended Redevelopment Plan. On November 22, 1994, the City Council adopted Ordinance No. 2931-C.S., and on December 20, 1994, the Board of Supervisors adopted Ordinance No. C.S. 580, establishing and amending certain limitations with respect to the Redevelopment Plan, as required by law; and on October 2, 2007, the City Council adopted Ordinance No. 3454-C.S., and on January 15, 2008, the Board of Supervisors adopted Ordinance No. C.S.-1019, to further amend certain time limitations with respect to the Redevelopment Plan. The term "Redevelopment Plan" refers to the Redevelopment Plan as amended to date. The Redevelopment Agency of the City of Modesto (the "Agency") is vested with the responsibility for carrying out the Redevelopment Plan. The term "Project Area" refers to the entire Modesto Redevelopment Project Area, including both the Original Project Area and the Added Area.

The Agency has prepared a proposed Amendment to the Redevelopment Plan (the "Amendment") which would make a minor, technical modification to the Redevelopment Plan to ensure that the land uses specified in the Redevelopment Plan conform to the land use designations specified in the Redevelopment Master Plan, the City's Urban Area General Plan and, where applicable, the County's General Plan (all as described further below). The proposed Amendment does not change or expand the boundaries of the Project Area, nor does it amend any of the other limits or provisions currently established under the existing Redevelopment Plan.

This Report to the City Council for the proposed Amendment has been prepared in accordance with Section 33457.1 of the California Community Redevelopment Law (Health and Safety Code Section 33000 et seq.), and is a supplement to the original reports and information prepared on the Redevelopment Plan pursuant to Health and Safety Code Section 33352, and information contained in the adopted Implementation Plan for the Redevelopment Project.

II. REPORT TO COUNCIL REQUIREMENTS

Section 33457.1 of the Community Redevelopment Law provides that, to the extent warranted, "the reports and information required by Section 33352 shall be prepared and made available to the public prior to the hearing on [the] amendment." Generally, subsections (a), (b), (d), (e), (g), (j), (l) and (n) of Section 33352 are not applicable to the Amendment because the Amendment does not propose to add territory to or in any way modify the boundaries of the existing Project Area, nor does it propose any additional programs or activities to be implemented through the Redevelopment Plan which were not included and authorized under the Redevelopment Plan as it currently exists. These requirements were met as a part of the original adoption of the Redevelopment Plan in 1983 (with respect to the Original Project Area) and the Amended Redevelopment Plan in 1991 (which added the Added Area). Therefore, those requirements need not be reestablished for the proposed Amendment.

The following sections of this Report to Council address the remaining applicable elements of Section 33352.

III. ANALYSIS OF AMENDMENT

When the Original Project Area and the Added Area were each adopted, the City Council made certain findings based on the evidence presented at that time, including the finding that each of those project areas was a blighted area, the redevelopment of which is necessary to effectuate the public purposes of the Community Redevelopment Law, and the Redevelopment Project would promote the public peace, health, safety and welfare of the community. An in-depth analysis of the blighting conditions and redevelopment activities was addressed in the original Report to Council (dated June 1983) prepared at the time of adoption of the Redevelopment Plan, and in the Report to Council (dated August 1991) prepared at the time of adoption of the Amended Redevelopment Plan.

The Agency has undertaken a number of successful projects throughout the years to address the blighting conditions within the entire Project Area under the objectives of the Redevelopment Plan. While these projects have alleviated a portion of the blighting conditions, there are projects that still remain to be completed. Cases of successful redevelopment actions must be accompanied with additional efforts and commitment toward proactive redevelopment. The Agency intends to continue to build on its past activities and create an environment for long-term social and economic restructuring and stability. The proposed Amendment will make a minor, technical modification to the language of the Redevelopment Plan to ensure consistency with the Redevelopment Master Plan, the City's Urban Area General Plan and, where applicable, the County's General Plan, and is not intended to modify the Agency's redevelopment activities or the goals and objectives of the Agency to redevelop the Project Area.

A. Background of the Modesto Redevelopment Project:

As more fully set forth in the introduction section, above, the Redevelopment Plan was originally adopted in 1983, and subsequently amended in 1984 (to modify certain limitations), 1991 (to add the Added Area), 1994 (to establish and amend time limits), and 2007 (further amend time limits). A description of the Project Area is provided in Part V of this report.

At the time the Redevelopment Plan was originally approved in 1983, the Original Project Area was characterized by the existence of areas that were unused or underutilized, primarily consisting of interim land uses; dilapidated, deteriorated and obsolete buildings of various ages, uses, and types of construction materials, many of which were vacant and/or in need of repair; economic maladjustment; and inadequate public improvements and facilities, including inadequate traffic circulation improvements. At the time the Added Area was added to the Project Area, in 1991, the Added Area was characterized by older commercial buildings suffering from deterioration and dilapidation and were in need of repairs; inadequate parking; properties of inadequate size or irregular lot shapes for modern development patterns; and a commercial district that lacked necessary commercial facilities, including professional services and commercial businesses required by residents in the area.

The characteristics of the existing blight and blighting conditions in the Project Area were defined when the original Redevelopment Plan was prepared and adopted in 1983 (with respect to the Original Project Area) and when the Amended Redevelopment Plan was adopted in 1991 (with respect to the Added Area). Despite several blight-reducing improvements within the Project Area since 1983, some of these characteristics of blight still exist today. The Agency will continue to build on its past activities and redevelop the Project Area to create an environment for long-term social and economic restructuring and stability.

In furtherance of the Redevelopment Plan, the Agency adopted a Modesto Redevelopment Master Plan in October 2007 (the "Master Plan"). The Master Plan provides updated goals and implementation strategies that respond to current and emerging trends in Modesto. It establishes target areas within the Project Area, and is designed to serve as the Agency's blueprint for the next ten years and beyond. The Master Plan provides the Agency's vision for the future of Modesto's Project Area and identifies and prioritizes land use and economic development goals, and recommends improvements that will contribute to a visually appealing public realm, efficient automobile, bicycle, and pedestrian circulation, and adequate infrastructure to serve the projected development. The Master Plan refines and is intended to help implement the Redevelopment Plan.

The City of Modesto is currently in the process of updating the City's Urban Area General Plan ("General Plan Amendment"). The Redevelopment Plan and the Master Plan are both incorporated by reference into the General Plan Amendment. The Agency has proposed the Amendment to be considered concurrently with the General Plan Amendment.

The Redevelopment Plan (Section 400, et seq.) specifies the land uses designated for the Project Area. Specifically, the Redevelopment Plan provides that the areas shown for residential/commercial/public uses (Section 402), the areas shown for residential/public uses (Section 403) and the areas shown for industrial/commercial or public uses (Section 405) shall be used for those respective uses as set forth in the City's General Plan and, where applicable, in the County General Plan. The City's General Plan designates the entire Project Area as a Redevelopment Planning District within which there may be residential, commercial, industrial and public uses. The proposed Amendment will modify Sections 401 through 405 to clarify that the specific land uses permitted for properties within the Redevelopment Planning District are those established by the Master Plan (which is incorporated into the City's General Plan) and the

City's Zoning Code, and are subject to the City's General Plan and, where applicable, the County's General Plan, as each may be amended from time to time.

This Report to the City Council has been prepared as a result of the proposed Amendment to the Redevelopment Plan. The Agency is proposing the Amendment to clarify that the land uses authorized under the General Plan are those established under the Master Plan (which is incorporated into the City's General Plan) and the City's Zoning Code. The proposed Amendment does not modify the land uses established for the properties within the Project Area, but merely modifies the language in the Redevelopment Plan to ensure conformity between the Redevelopment Plan, the Master Plan (which is incorporated into the City's General Plan), the City's General Plan (as proposed to be amended concurrently with this Amendment), and the County's General Plan. The proposed Amendment also does not expand or in any way modify the boundaries of the Project Area or amend any of the other limits or provisions currently established under the existing Redevelopment Plan.

B. Goals and Objectives of the Redevelopment Project:

The goals and objectives of the Modesto Redevelopment Project are the same as originally stated in the Redevelopment Plan, which are:

- A. The elimination of environmental deficiencies in the Project Area, including, among others, small and irregular lots, incompatible and uneconomic land uses, obsolete and aged building types, substandard alleys and inadequate or deteriorated public improvements and facilities.
- B. The assembly of land into parcels suitable for modern, integrated development with improved pedestrian and vehicular circulation.
- C. The re-planning, redesign and development of undeveloped areas which are stagnant or improperly utilized.
- D. The strengthening of retail and other commercial functions in the Project Area.
- E. The strengthening of the economic base of the Project Area and the community by the installation of needed site improvements to stimulate new commercial expansion, employment and economic growth.
- F. The provision of a community center.
- G. The provision of adequate land for parking and open spaces.
- H. The establishment and implementation of performance criteria to assure high site design standards and environmental quality and other design elements which provide unity and integrity to the entire Project.
- I. The expansion of the supply of housing for low- and moderate-income persons.

The proposed Amendment will not alter any of these goals and objectives, and the Agency will continue to build on its past activities to eliminate blight and blighting conditions within the Project Area which continue to adversely impact land uses, physical conditions, and economic viability of the Project Area.

IV. EXISTING CONDITIONS OF THE PROJECT AREA

Because the proposed Amendment does not add area or in any way modify the boundaries of the existing Project Area, nor does the Amendment modify any of the public improvements or programs authorized to be undertaken by the Agency in furtherance of the Redevelopment Plan, the requirements of Health and Safety Code Section 33352(a) relating to a description of the specific projects then proposed by the agency, and a description of how the projects will improve or alleviate the blighting conditions do not apply. For background information, however, a brief description of the condition of the Project Area is given below.

As described in Part III, above, at the time the Redevelopment Plan was originally approved in 1983, the Original Project Area was characterized by the existence of areas that were unused or underutilized, primarily consisting of interim land uses; dilapidated, deteriorated and obsolete buildings of various ages, uses, and types of construction materials, many of which were vacant and/or in need of repair; economic maladjustment; and inadequate public improvements and facilities, including inadequate traffic circulation improvements. At the time the Added Area was added to the Project Area, in 1991, the Added Area was characterized by older commercial buildings suffering from deterioration and dilapidation and were in need of repairs; inadequate parking; properties of inadequate size or irregular lot shapes for modern development patterns; and a commercial district that lacked necessary commercial facilities, including professional services and commercial businesses required by residents in the area.

Since adoption of the Redevelopment Plan, the Agency has been successful in meeting many of its goals. Significant blight has been eliminated, infrastructure improvements have been constructed, several aesthetic improvements have been constructed, and the supply of affordable housing has been expanded. A more detailed discussion of the Agency's accomplishments since adoption of the Redevelopment Plan is set out in Part I.C. of the Agency's Five Year Implementation Plan, attached hereto as Exhibit B and incorporated herein by reference. However, conditions of blight still remain throughout the Project Area. The downtown area still has not achieved its potential, blight continues to exist in various areas, certain conflicting land uses remain, and affordable housing is still in demand and continues to be a challenge. Based on past successes, the Agency remains optimistic that its vision to create a recognizable image for downtown Modesto will continue to materialize.

V. DESCRIPTION OF THE PROJECT AREA

Because the proposed Amendment to the Redevelopment Plan does not add area or in any way modify the boundaries of the existing Project Area, the requirements of Health and Safety Code Section 33352(a) relating to reasons for selection of the project area do not apply. For background information, however, a brief description of the Project Area is given below.

The Project Area includes approximately 2,000 acres combined in both the Original Project Area and the Added Area. The Project Area encompasses the Downtown area, a portion of the West side along Carpenter Road and Paradise Road, as well as smaller properties at Scenic Drive and Oakdale Road. A map of the Project Area is attached here as Exhibit A and incorporated herein by reference.

The Original Project Area was established to revitalize the downtown central portion of the City. Through the provision of public improvements, the Agency intended to facilitate modern commercial and residential growth within the Original Project Area. The conditions of blight were precluding lands in the Original Project Area from being developed to their full market potential, despite their favorable regional location. The selection of the boundaries of the Added Area was guided by a combination of factors including the policies adopted in the City's General Plan, and the specific physical and economic conditions of blight in the Added Area, which were described briefly above.

The City's General Plan identifies the Project Area as a "focal point of the community" and various elements encourage the general improvement and upgrading of the industrial and commercial sectors of the community's economy. The General Plan also calls for the growth and expansion of essential community services, infrastructure and housing, and directs the City to work toward enhancement of the overall quality of life enjoyed by residents of the community. These elements are carried over in the General Plan Amendment, and the Redevelopment Plan and Master Plan are incorporated into the General Plan Amendment to ensure conformity between the Plans.

All of the area within the Project Area is urbanized as defined by Section 33320.1 of the Health and Safety Code, in that all the property within the Project Area has been developed for urban uses or is an integral part of an area developed for urban uses.

VI. ASSESSMENT OF FINANCING; TIME LIMITS

The Redevelopment Plan, as it currently exists, authorizes the Agency to utilize various funding sources to finance the redevelopment activities undertaken within the Project Area. These include the tax increment funds, interest income, Agency bonds, financial assistance from the City, State of California, federal government, the lease or sale of Agency-owned property, loans from private financial institutions, donations, or any other available source, public or private (Section 501). Section 502 of the Redevelopment Plan further authorizes the Agency to utilize tax increment financing as provided for in Section 33670 of the Health and Safety Code. Tax increment revenues are based upon increases in the annual incremental assessed valuation of the respective Project Area which result from (1) transfers of property ownership or new construction activities, and (2) the 2% real property annual inflationary increase allowable under Article XIII A of the California Constitution.

By Ordinance No. 3454-C.S., adopted on October 2, 2007, the City Council eliminated the time limit to incur loans, advances or other indebtedness to finance, in whole or in part, the Modesto Redevelopment Project (previously contained in the last paragraph of Section 502 of the Redevelopment Plan, as subsequently amended by City Council Ordinance No. 2931-C.S.

and County Ordinance No. C.S. 580, adopted in 1994). Based on that 2007 amendment, the Agency may incur loans, advances or other indebtedness to finance, in whole or in part, the Modesto Redevelopment Project until the termination of the effectiveness of the Redevelopment Plan. The time limit on the effectiveness of the Redevelopment Plan will terminate July 12, 2026 with respect to the Original Project Area, and November 5, 2032 with respect to the Added Area. Except for loans and indebtedness approved or incurred prior to December 31, 1993, the Agency shall not pay indebtedness or receive property taxes pursuant to Health and Safety Code Section 33670 after ten (10) years from the termination of the effectiveness of the Redevelopment Plan. Based on the termination dates, the Agency shall not pay indebtedness or receive property taxes pursuant to Section 33670 after July 12, 2036 with respect to the Original Project Area, and November 5, 2042 with respect to the Added Area.

The proposed Amendment to the Redevelopment Plan does not affect the amount of taxes which may be allocated to the Agency pursuant to Section 33670 of the Health and Safety, nor does it affect the period of time during which those taxes may be allocated and paid to the Agency.

VII. DESCRIPTION OF PROJECTS AND HOW THEY WILL IMPROVE EXISTING CONDITIONS

Since adoption of the Redevelopment Plan, the Agency has undertaken various projects in its efforts to revitalize and redevelop the Project Area. Significant blight has been eliminated, infrastructure improvements have been constructed, several aesthetic improvements have been constructed, and the supply of affordable housing has been expanded. A more detailed discussion of the Agency's accomplishments since adoption of the Redevelopment Plan is set out in Part I.C. of the Agency's Five Year Implementation Plan (Exhibit B hereto).

Many other redevelopment activities proposed to be undertaken by the Agency in implementation of the Redevelopment Plan are either underway or not yet completed. As mentioned previously, the sole purpose of the proposed Amendment is to make a minor, technical modification to the language in the Redevelopment Plan relating to land uses in the Project Area. The modification will ensure conformity between the Redevelopment Plan, the Master Plan and the City's General Plan (as proposed to be amended by the General Plan Amendment). The proposed Amendment does not modify any of the redevelopment projects, programs or other activities authorized under the Redevelopment Plan, but will ensure that all projects, programs and activities to be undertaken and carried out by the Agency under the Redevelopment Plan will conform to the Master Plan and the City's General Plan.

VIII. IMPLEMENTATION PLAN

Health and Safety Code Section 33490 requires that every agency shall adopt, every five years, following a noticed public hearing, an implementation plan that contains the specific goals and objectives of the agency for the project area, the specific programs, including potential projects, and estimated expenditures proposed to be made during the five-year period, and an explanation of how the goals and objectives, programs, and expenditures will eliminate blight within the project area and implement the agency's affordable housing requirements under the

Community Redevelopment Law. Section 33490 also requires that at least once within the five-year term of the implementation plan, the agency shall conduct a public hearing and hear testimony of all interested parties for the purpose of reviewing the redevelopment plan and the corresponding implementation plan and evaluating the progress of the redevelopment project. This interim review hearing must take place no earlier than two years and no later than three years after the adoption of the implementation plan.

In compliance with the provisions of Section 33490 of the Community Redevelopment Law, the Agency prepared and adopted a Five-Year Implementation Plan for the Modesto Redevelopment Project Area on December 14, 2005 (by Resolution No. 13-2005), covering the period 2005 through 2009. The mid-term review required under Section 33490 was completed, and the Implementation Plan was amended/updated by the Agency on April 8, 2008, by Agency Resolution No. 08-2008. A copy of the updated Implementation Plan for the Modesto Redevelopment Project is attached hereto as Exhibit B and incorporated herein by reference.

The Implementation Plan contains a Redevelopment Component and a Housing Component. The Redevelopment Component specifies the Agency's goals and objectives contained in the Redevelopment Plan; defines the Agency's strategy to achieve those goals and objectives; presents the projects, programs and expenditures that have been developed as a means to attain the goals and objectives; and describes how the goals and objectives, projects, programs and expenditures will eliminate blight within the Project Area. The Housing Component discusses the Agency's various requirements regarding low and moderate income housing, including how the Redevelopment Plan goals and objectives for housing preservation and production will be implemented and how the statutory requirements for the expenditure of tax increment funds set aside for housing purposes will be met.

As noted in Part II.A, above, in furtherance of the Redevelopment Plan, the Agency also adopted a Redevelopment Master Plan in October 2007. The Master Plan provides refined goals and implementation strategies that respond to current and emerging trends in Modesto. It establishes target areas within the Project Area, and is designed to serve as the Agency's blueprint for the next ten years and beyond. The Master Plan provides the Agency's vision for the future of Modesto's Project Area and identifies and prioritizes land use and economic development goals, and recommends improvements that will contribute to a visually appealing public realm, efficient automobile, bicycle, and pedestrian circulation, and adequate infrastructure to serve the projected development. The Master Plan conforms with and is intended to help implement the Redevelopment Plan. The Master Plan is available for public review at the office of the Agency, 1010 Tenth Street, Modesto, California.

IX. REPORT AND RECOMMENDATION OF THE PLANNING COMMISSION

Pursuant to Section 33453 of the Community Redevelopment Law, the proposed Amendment was referred to the Planning Commission of the City of Modesto. On September 8, 2008, the Planning Commission reviewed the Amendment. By Planning Commission Resolution No. _____, adopted by the Planning Commission on September 8, 2008, the Planning Commission (1) made a finding that the proposed Amendment to the Amended Redevelopment Plan for the Modesto Redevelopment Project conforms to the General Plan of

the City of Modesto, as proposed to be amended by the General Plan Amendment; (2) made a finding that, pursuant to Section 65402 of the Government Code, with respect to activities which may be undertaken within the Modesto Redevelopment Project Area pursuant to the Amendment, such activities and undertakings conform to the General Plan of the City of Modesto, as proposed to be amended by the General Plan Amendment; and (3) recommended the approval and adoption of the proposed Amendment to the Agency Board and the City Council of the City of Modesto. A copy of said Planning Commission Resolution No. _____ is attached hereto as Exhibit C and incorporated herein by reference.

X. PROJECT AREA COMMITTEE

Section 33385.3 of the Community Redevelopment Law requires that a project area committee be formed if a proposed amendment to a redevelopment plan would either: (a) grant the Agency the authority to acquire by eminent domain property on which persons reside in a project area in which a substantial number of low- and moderate-income persons reside; or (b) add territory in which a substantial number of low- and moderate-income person reside and grant the agency the authority to acquire by eminent domain property on which persons reside in the added territory.

The Redevelopment Plan originally authorized the Agency to acquire real property by eminent domain; however, that authority expired in December 2003 (twelve years from adoption of the Amended Redevelopment Plan). The Agency's authority to acquire real property by eminent domain may be reinstated only by amending the Redevelopment Plan to specifically provide for that authority. The proposed Amendment to the Redevelopment Plan does not add territory to the Project Area, nor would it grant authority to the Agency to acquire property by eminent domain. Therefore, no project area committee is required to be formed in connection with this proposed Amendment.

XI. PLAN FOR RELOCATION OF FAMILIES DISPLACED

As noted above, the proposed Amendment does not add territory, nor would the Amendment grant authority to the Agency to acquire any property by eminent domain.

The sole purpose of the proposed Amendment is to make minor, technical modifications to the language in the land use sections of the Redevelopment Plan to ensure conformity between the Redevelopment Plan, the Master Plan (which is incorporated in the City's General Plan), the City's General Plan and, to the extent applicable, the County's General Plan. The Amendment will not modify or amend any of the goals or objectives of the Agency, or any of the Agency's proposed projects, programs or activities authorized under the Redevelopment Plan. No displacement or relocation of persons or families will occur as a result of the proposed Amendment.

Section 313 of the Redevelopment Plan outlines the specific procedures which must be followed in the event of the relocation of any persons, families or businesses which may become necessary for effectuation of the Redevelopment Plan. In the event any relocation does become necessary, the Agency will assist all persons, business concerns, and others displaced by the

Redevelopment Project in finding other locations and facilities, pursuant to federal and state law for the new location and facilities. In addition, the Agency will make relocation payments to persons, business concerns, and others displaced by the Redevelopment Project for moving expenses and direct losses of personal property and additional relocation payments as may be required by law. All such relocation payments shall be made pursuant to the California Relocation Assistance Law (Government Section 7260 et seq.) and the Agency rules and regulations adopted pursuant thereto. The Agency is also authorized to make any other payments as may be appropriate and for which funds are available.

As noted above, the proposed Amendment will make minor, technical modifications to the language in the land use sections of the Redevelopment Plan to ensure conformity between the Redevelopment Plan, the Master Plan (which is incorporated in the City's General Plan), the City's General Plan and, to the extent applicable, the County's General Plan. Therefore, the Agency's relocation procedures for residential properties are not affected by the Amendment, and the proposed Amendment will not have any effect on families.

XII. ENVIRONMENTAL IMPACT REPORT

The City is the lead agency in the preparation of a Master Environmental Impact Report for the Urban Area General Plan Update (SCH #2007072023) ("Master EIR") relating to the General Plan Amendment. A draft Master EIR was prepared and available for public review and comment during a 45-day public review period, beginning May 15, 2008, and ending June 11, 2008. Following receipt of all comments on the Draft Master EIR, a Final Master EIR was prepared. The Planning Commission held a public hearing on September 8, 2008 to review the Master EIR, together with the General Plan Amendment and the Amendment to the Redevelopment Plan. By Planning Commission Resolution No. _____, adopted by the Planning Commission on September 8, 2008, the Planning Commission _____. A copy of the Master EIR is included under separate cover, and incorporated herein by reference.

XIII. NEIGHBORHOOD IMPACT REPORT

Section 33352(m) requires that, if the project area contains low- or moderate-income housing, the Report to Council must contain a neighborhood impact report which describes in detail the impact of the project (in this case, the proposed Amendment) upon the residents of the project area and the surrounding areas.

The Modesto Redevelopment Project Area consists of commercial, industrial, and residential properties. At the time of adoption of the Amended Redevelopment Plan in 1991, it was noted that the Redevelopment Plan contemplated minimal displacement of persons and families within the Project Area because all land acquisition activities anticipated by the Agency would be limited to properties that are either vacant or occupied by non-residential uses. The 1991 Report to Council noted that the proposed projects would have little, if any, potential for displacing low or moderate income households, and no adverse effects on low or moderate income households was anticipated. The 1991 Report to Council also noted that (a) the Agency's housing programs could be used to enhance the supply of low and moderate income housing and

assist with needed repairs, rehabilitation and restoration to bring housing units up to current fire and building code standards, and (b) although short-term, temporary disruptions would occur during construction periods, the proposed public improvements would enhance the physical condition and operational characteristics of the local circulation network; expand downtown parking facilities; improve traffic flow and safety conditions; and effectively mitigate the potentially adverse circulation impacts that might otherwise result from new vehicular trips generated by rehabilitation, revitalization or new infill development activity in the Project Area. The 1991 Report to Council also noted that the Redevelopment Project would, by design, bring about many positive changes in the environmental quality of Modesto by: (1) eliminating physical blight; (2) upgrading public streets, parking, drainage and utility systems; (3) enhancing and expanding the supply of housing for low and moderate income persons, families and households; (4) strengthening the economic base of the community by stimulating new commercial expansion in the Project Area; and (5) increasing local employment opportunities.

The sole purpose of the proposed Amendment is to make minor, technical modifications to the language in the land use sections of the Redevelopment Plan to clarify that the land uses authorized under the General Plan are those established under the Master Plan (which is incorporated into the City's General Plan) and the City's Zoning Code. The major impact that the Amendment would have upon the residents of the Project Area and the surrounding area is realization of those impacts that were initially identified and addressed at the time the Redevelopment Plan was originally adopted in 1983, and the Amended Redevelopment Plan was adopted in 1991.

Since the inception of the Redevelopment Plan, the Agency and City have undertaken and expect to continue their efforts to implement planned redevelopment activities in the Project Area. These activities have included projects such as the 10th Street Place Project, Doubletree Hotel, Modesto Centre Plaza, McClatchy Square and Five Points, and various affordable housing projects. Other activities have included, and will continue to include, such actions as the acquisition and disposition of property by the Agency, the assemblage of sites for development in accordance with the Redevelopment Plan, assistance to private developments, construction of traffic circulation improvements, parking improvements, landscaping and sidewalk replacement, façade improvement programs, streetscape and beautification projects, other infrastructure improvements, and other activities as authorized in the Redevelopment Plan.

As noted in the Implementation Plan (Exhibit B), the Agency's primary focus over the next several years will be investing in projects that enhance the economic competitiveness of the Project Area and cure public improvement deficiencies. The Agency expects that this will encourage private sector investment that will contribute to the alleviation of such blighting conditions as deterioration and dilapidation; age and obsolescence; and defective design. The Agency will also look to assist the private sector with land assembly, site preparation, infrastructure improvements, other on- and off-site improvements, and assistance with rehabilitation. These and other proposed improvement projects will help to increase the general economic vitality of the project area and the City as a whole by attracting businesses, increasing employment opportunities and drawing visitors to the area. Assistance to private development, when determined to be necessary, makes possible otherwise infeasible purchase and rehabilitation projects which eliminate blighting conditions such as deferred maintenance and other blighting conditions. Completion of public improvements would stimulate private

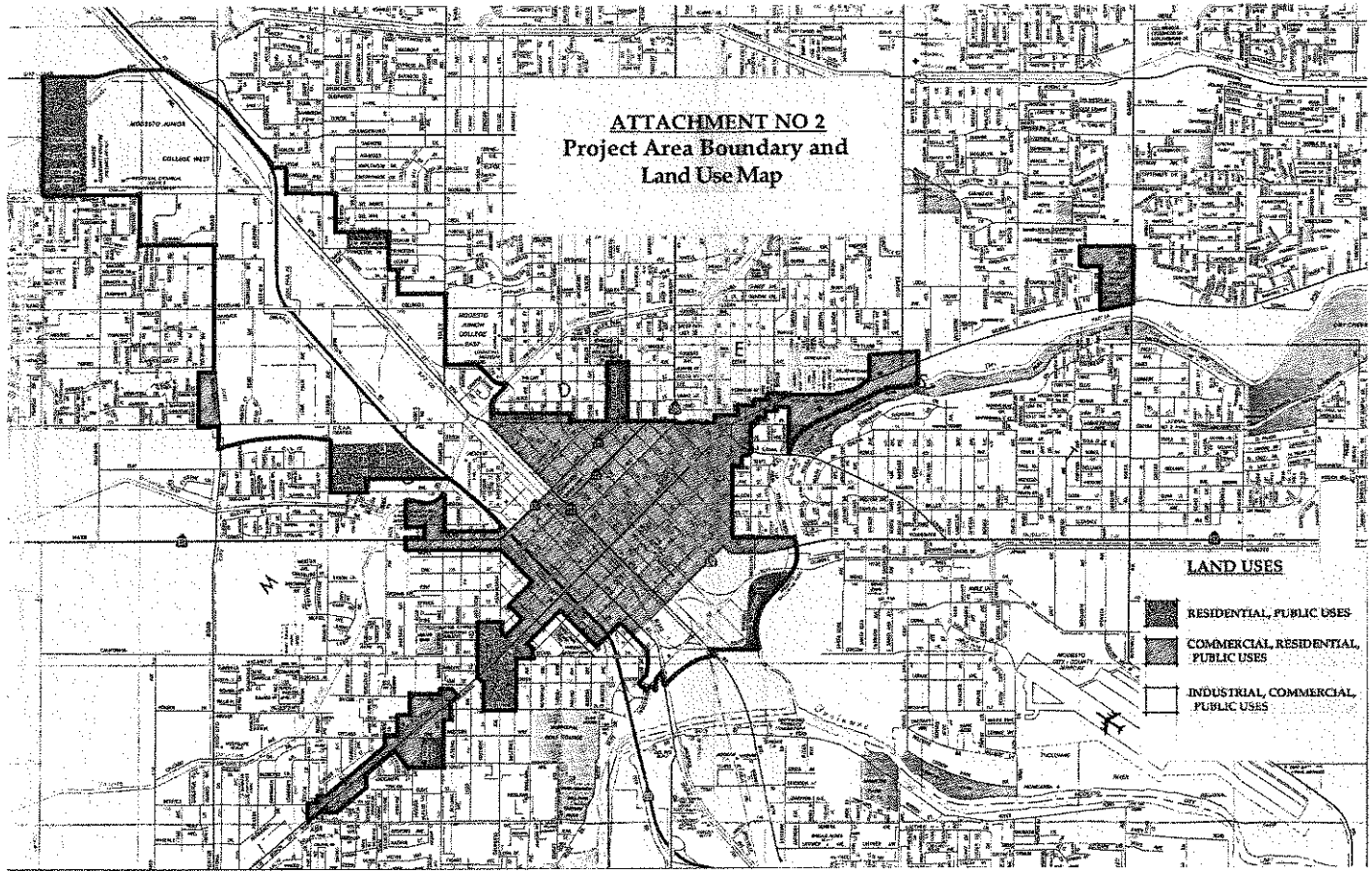
investment in the Project Area, improve the City's economic health, and lead to employment opportunities within the Project Area and the City as a whole.

Construction of various public improvements was anticipated in the Redevelopment Plan when it was originally adopted for both the Original Project Area and the Added Area, and the adverse impacts, including all environmental impacts, were specifically addressed at the time of adoption. Adoption of the Amendment would have no additional impacts on any businesses or residents located within the Project Area, nor businesses or residents in the surrounding areas. The Amendment does not provide the Agency with any additional powers than were provided for under the Redevelopment Plan, as originally adopted in 1983, and amended in 1991.

The sole purpose of the proposed Amendment is to make minor, technical modifications to the language in the land use sections of the Redevelopment Plan to clarify that the land uses authorized under the General Plan are those established under the Master Plan (which is incorporated into the City's General Plan) and the City's Zoning Code. The proposed Amendment does not modify the land uses established for the properties within the Project Area, but merely modifies the language in the Redevelopment Plan to ensure conformity between the Redevelopment Plan, the Master Plan (which is incorporated into the City's General Plan), the City's General Plan (as proposed to be amended concurrently with this Amendment), and, to the extent applicable, the County's General Plan. The proposed Amendment will not modify or amend any of the goals or objectives of the Agency, or any of the Agency's proposed projects, programs or activities authorized under the Redevelopment Plan. The proposed Amendment will not result in any displacement or relocation of persons or families (of low or moderate income, or otherwise) within the Redevelopment Project Area. Since the Amendment would have no potential for displacing low or moderate income households, the Amendment will result in no adverse effects upon low or moderate income households. Because the proposed Amendment does not modify any of the redevelopment projects, programs or other activities authorized under the Redevelopment Plan, adoption of the Amendment would have no additional impacts on any businesses or residents located within the Project Area, nor businesses or residents in the surrounding areas beyond those that currently exist.

EXHIBIT A

MAP OF THE PROJECT AREA



**MODESTO REDEVELOPMENT AGENCY
RESOLUTION NO. 18-2008**

**A RESOLUTION APPROVING AN AGREEMENT WITH THE CITY OF
MODESTO FOR THE PURCHASE OF CITY-OWNED REAL PROPERTY
AT 416 DOWNEY AVENUE FOR THE “DOWNEY AVENUE PROJECT”
FOR THE FAIR MARKET VALUE OF \$520,000 PLUS ONE-HALF OF
THE CLOSING COSTS, AND AUTHORIZING THE EXECUTIVE
DIRECTOR OR HIS DESIGNEE, TO EXECUTE THE AGREEMENT
AND RELATED DOCUMENTS**

WHEREAS, in accordance with the requirements of the Community Redevelopment Law, the Redevelopment Agency (the “Agency”) annually deposits 20% of its gross tax increment funds into a Housing Set-Aside Fund for the purpose of improving and increasing the supply of affordable housing for very low, low and moderate-income households, and

WHEREAS, the City of Modesto currently owns property at 416 Downey Avenue, and

WHEREAS, Parks, Recreation and Neighborhoods Department staff has been actively searching for available parcels to develop affordable housing for low income citizens, and found that 416 Downey would be a viable option for the Agency to utilize for affordable housing, and

WHEREAS, the sale of 416 Downey Avenue to the Agency would allow the City of Modesto to develop affordable housing on the site and meet the goals as indicated in the Housing Element, and

WHEREAS, at its June 11, 2008, meeting, the Citizens Housing and Community Development Committee recommended that the Agency approve the purchase of the property at 416 Downey Avenue from the City of Modesto, and

WHEREAS, at its August 25, 2008, meeting, the City Council's Finance Committee recommended that the City Council approve the sale of the property at 416 Downey Avenue to the Agency,

NOW, THEREFORE, BE IT RESOLVED by the Redevelopment Agency of the City of Modesto that the Agency hereby approves an agreement with the City of Modesto for the purchase of City-owned real property at 416 Downey Avenue for the "Downey Avenue Project" for the fair market value of \$520,000 plus one-half of the closing costs.

BE IT FURTHER RESOLVED that the Executive Director, or his designee, is hereby authorized to execute the Agreement and related documents.

The foregoing resolution was introduced at a regular meeting of the Redevelopment agency of the City of Modesto held on the 23rd day of September, 2008, by Agency Member Lopez, 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: Hawn, Keating, Lopez, Marsh, O'Bryant, Olsen

NOES: Agency Members: None

ABSENT: Agency Members: Mayor Ridenour

ATTEST: 
STEPHANIE LOPEZ, Secretary

(SEAL)

APPROVED AS TO FORM:

By: 
SUSANA ALCALA WOOD, General Counsel

**MODESTO REDEVELOPMENT AGENCY
RESOLUTION NO. 19-2008**

**A RESOLUTION AMENDING THE REDEVELOPMENT AGENCY
BUDGET TO RE-APPROPRIATE \$225,000 FROM PROJECT 9060-140-
Q244-6030 TO A NEW CIP 9060-140-K74X-6030, DOWNEY AVENUE
ACQUISITION**

WHEREAS, in accordance with the requirements of the Community Redevelopment Law, the Redevelopment Agency (the "Agency") annually deposits 20% of its gross tax increment funds into a Housing Set-Aside Fund for the purpose of improving and increasing the supply of affordable housing for very low, low and moderate-income households, and

WHEREAS, the City of Modesto currently owns property at 416 Downey Avenue, and

WHEREAS, Parks, Recreation and Neighborhoods Department staff has been actively searching for available parcels to develop affordable housing for low income citizens, and found that 416 Downey would be a viable option for the Agency to utilize for affordable housing, and

WHEREAS, the fair market value of the property is \$520,000, and

WHEREAS, closing costs, which will be paid equally by the City and the Agency are estimated to be an additional \$2,834, and

WHEREAS, if the City were to opt to have the Agency pay the entire purchase price at the time of the sale, the Agency would be prohibited from meeting its funding commitment to projects such as Archway Commons, and

WHEREAS, staff is recommending that the Agency pay the City \$225,000 in Fiscal Year 2008-09 and carry the balance as a loan to be paid over a six-year period, and

WHEREAS, with this approach, the Agency will pay \$50,000 annually from the housing set-aside fund to the City of Modesto in Fiscal Years 2009-2010 through 2013-2014, and

WHEREAS, in Fiscal Year 2014-2015, the balance of \$46,417 will be paid, and

WHEREAS, the Fiscal Year 2008-09 funding for the purchase of the property is currently in Agency housing set-aside funds in the amount of \$225,000 from 9060-140-Q244-6030, and

WHEREAS, staff is recommending that a separate CIP account be established for this project, and

WHEREAS, at its June 11, 2008, meeting, the Citizens Housing and Community Development Committee recommended that the Agency approve the purchase of the property at 416 Downey Avenue from the City of Modesto, and

WHEREAS, at its August 25, 2008, meeting, the City Council's Finance Committee recommended that the City Council approve the sale of the property at 416 Downey Avenue to the Agency,

NOW, THEREFORE, BE IT RESOLVED by the Redevelopment Agency of the City of Modesto that the Agency hereby approves amending the Redevelopment Agency budget to re-appropriate \$225,000 from project 9060-140-Q244-6030 to a new CIP 9060-140-K74X-6030, Downey Avenue Acquisition as more fully described in **Exhibit "A"** **attached** hereto and incorporated herein by reference.

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

REQUEST FOR BUDGET ADJUSTMENT

Contact Person: Carolyn Eubank Council Action Date: 09.23.08
 Telephone No.: 577-5349 Resolution Number: _____
 Department: Parks, Recreation and Neighborhoods
 Fund Title: RDA Housing Set-Aside FY: 08-09
 Transfer No. _____

Fund-Agcy-Org-Object	Appr Unit	Current Budget	Increase/ (Decrease)	Revised Budget	Description of Object
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DEPARTMENTAL REVENUES

FROM					
TO					
9060-3601 B.S.			\$295,000	\$295,000	Advance from other funds

APPROPRIATIONS

FROM					
9060-140-Q244-6030		\$410,948	(\$225,000)	\$185,948	Housing
TO					
9060-140-K74X-6030			\$520,000	\$520,000	Downey Avenue Project

COMMENTS/JUSTIFICATION

This action will provide designated funding for FY 08-09 for the first installment of payments for the purchase of the real property at 416 Downey Avenue from the City of Modesto. Future payments will be budgeted with adoption of subsequent year budgets.

AUTHORIZATION (check if required)	SIGNATURE	DATE
DEPARTMENT DIRECTOR or AUTHORIZED ASSISTANT (Allocation of Dept Appr to Line-Item Level)		
FINANCE DIRECTOR (Transfers to/from Internal Service Charges) (All items requiring City Manager's Approval)		
CITY MANAGER (Transfers between Budgeted Activities of Departments within Funds) (Appropriation of Unbudgeted Dept Revenues) (Transfers into Personnel Services)		

The foregoing resolution was introduced at a regular meeting of the
Redevelopment Agency of the City of Modesto held on the 23rd day of September, 2008,
by Agency Member Lopez, 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: Hawn, Keating, Lopez, Marsh, O'Bryant, Olsen

NOES: Agency Members: None

ABSENT: Agency Members: Mayor Ridenour

ATTEST: 
STEPHANIE LOPEZ, Secretary

(SEAL)

APPROVED AS TO FORM:

By: 
SUSANA ALCALA WOOD, General Counsel

**MODESTO REDEVELOPMENT AGENCY
RESOLUTION NO. 20-2008**

RESOLUTION CONSIDERING AND MAKING FINDINGS AS TO THE MASTER ENVIRONMENTAL IMPACT REPORT ("MEIR") FOR THE CITY OF MODESTO URBAN AREA GENERAL PLAN UPDATE, AS IT RELATES TO THE PROPOSED AMENDMENT TO THE AMENDED REDEVELOPMENT PLAN FOR THE MODESTO REDEVELOPMENT PROJECT

WHEREAS, the Redevelopment Agency of the City of Modesto (the "Agency") has proposed an Amendment to the existing Amended Redevelopment Plan (the "Redevelopment Plan") for the Modesto Redevelopment Project (the "Redevelopment Project") which would make a minor, technical modification to the language in the Redevelopment Plan to ensure that the land uses specified in the Redevelopment Plan conform to the land use designations specified in the Redevelopment Master Plan, the City's Urban Area General Plan, and where applicable, the County's General Plan (the "Proposed Amendment"); and

WHEREAS, the Proposed Amendment does not change or expand the boundaries of the Redevelopment Project Area, nor does it amend any of the other limits or provisions currently established under the existing Redevelopment Plan, and also does not modify the land uses established for the properties within the Redevelopment Project Area, and is not intended to modify the Agency's redevelopment activities or the goals and objectives of the Agency to redevelop the Redevelopment Project Area; and

WHEREAS, the City Council and the Agency held a joint public hearing in the City Council Chambers, on Tuesday, October 28, 2008, to consider adoption of the Proposed Amendment; and

WHEREAS, the Proposed Amendment is proposed in conjunction with the recently approved Modesto Urban Area General Plan technical update, which General Plan update incorporates both the Redevelopment Plan and the Redevelopment Master Plan by reference; and

WHEREAS, the City of Modesto prepared a Master Environmental Impact Report (the "General Plan MEIR") for the Urban Area General Plan Update (SCH No. 2007072023) pursuant to the California Environmental Quality Act (Public Resources Code Section 21000 et seq., hereinafter referred to as "CEQA"), the Guidelines for Implementation of the California Environmental Quality Act (14 California Code of Regulations, Section 15000 et seq., hereinafter referred to as the "State CEQA Guidelines") and procedures adopted by the City relating to environmental evaluation; and

WHEREAS, the General Plan MEIR was certified as completed by the City Council on October 14, 2008, by Resolution No. 2008-582 and the City Council made certain findings relating to the Urban Area General Plan Update; and

WHEREAS, a Program Environmental Impact Report for the Redevelopment Master Plan ("Master Plan EIR") was certified as completed by the Agency on October 9, 2007, by Resolution No. 10-2007 and the Agency made findings and adopted mitigation measures and a mitigation monitoring plan relating to the Redevelopment Master Plan;

NOW, THEREFORE, the Redevelopment Agency of the City of Modesto does hereby resolve as follows:

Section 1. The Agency has reviewed and considered the information contained in the General Plan MEIR with respect to the Proposed Amendment, the Agency's Report to the City Council on the Proposed Amendment, all staff reports, oral and written testimony given at public hearings on the Proposed Amendment, and all other matters deemed material and relevant prior to adopting this Resolution. All documents and materials that constitute the record of the proceedings upon which the Agency decisions are based are located at the office of the City Clerk and Secretary of the Agency, located at City Hall, 1010 Tenth Street, Sixth Floor, Modesto, California.

Section 2. The Agency finds and determines that the Proposed Amendment is covered by the previously approved Master Plan EIR and the General Plan MEIR relating to the Urban Area

General Plan Update (collectively, the "Prior EIRs"), and that all applicable mitigation measures, including the mitigation monitoring plan, approved and identified in Agency Resolution Nos. 10-2007 and Council Resolution No. 2008-582 have been incorporated into the Proposed Amendment. The Agency further finds that the Proposed Amendment is within the scope of the Prior EIRs and that no additional environmental impact report or other environmental analysis is required because: (a) the Amendment does not propose subsequent changes in the Redevelopment Plan which will require major revisions to the Prior EIRs; (b) substantial changes have not occurred with respect to the circumstances under which the Proposed Amendment will be implemented which will require major revisions in the Prior EIRs; and (c) there is no new information available which was not known or could not have been known at the time the Prior EIRs were certified as complete. The foregoing findings are based on the following facts: the Proposed Amendment makes a minor, technical modification to the language in the Redevelopment Plan to ensure that the land uses specified in the Redevelopment Plan conform to the land use designations specified in the Redevelopment Master Plan, the City's Urban Area General Plan, and where applicable, the County's General Plan; the Proposed Amendment does not change or expand the boundaries of the Redevelopment Project Area; the Proposed Amendment does not amend any of the other limits or provisions currently established under the existing Redevelopment Plan; the Proposed Amendment does not modify the land uses established for the properties within the Redevelopment Project Area; and the Proposed Amendment is not intended to modify the Agency's redevelopment activities or the goals and objectives of the Agency to redevelop the Redevelopment Project Area. Based on the foregoing, the Agency finds and determines that the Proposed Amendment will not have a significant effect upon the environment.

Section 3. Following approval and adoption of the Proposed Amendment by the City Council, the Secretary of the Agency, in conjunction with the City Clerk of the City of Modesto, is

hereby directed to file a Notice of Determination with the County Clerk of the County of Stanislaus pursuant to the provisions of Section 21152 of CEQA and Section 15094 of the State CEQA Guidelines.

The foregoing resolution was introduced at a regular meeting of the Redevelopment Agency of the City of Modesto held on the 28th day of October, 2008, by Agency Member Olsen, 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: Hawn, Keating, Lopez, Marsh, O'Bryant, Olsen, Chairperson Ridenour

NOES: Agency Members: None

ABSENT: Agency Members: None

ATTEST: Stephanie Lopez
STEPHANIE LOPEZ, Agency Secretary

APPROVED AS TO FORM:

By: Susana Alcala Wood
SUSANA ALCALA WOOD, General Counsel