

RESOLUTION NO. 47-09

**RESOLUTION OF THE CITY OF RICHMOND AUTHORIZING A
TRANSFER OF GENERAL FUND REVENUES TO THE RICHMOND
COMMUNITY REDEVELOPMENT AGENCY TO PROVIDE FUNDING FOR
A LOAN THAT WILL BE TAKEN OUT BY THE EAST BAY CENTER FOR
THE PERFORMING ARTS OR AN AFFILIATED NONPROFIT PUBLIC
BENEFIT CORPORATION FROM THE RICHMOND COMMUNITY
REDEVELOPMENT AGENCY**

WHEREAS, the City Council of the City of Richmond (the "City Council") adopted the Amended and Restated Redevelopment Plan for Project Area No. 10-A (Downtown), adopted by Ordinance No. 29-99, dated July 13, 1999 (the "Redevelopment Plan"); and

WHEREAS, the Redevelopment Plan sets forth a plan for redevelopment of Project Area No. 10-A (the "Project Area"); and

WHEREAS, the Richmond Community Redevelopment Agency (the "Agency") is responsible for carrying out the Redevelopment Plan for the Project Area; and

WHEREAS, the Agency has determined that renovation of the Winters Building will assist with the elimination of blight and is strategically important as it is located within the Project Area; and

WHEREAS, East Bay Center for the Performing Arts ("EBCPA") is a California nonprofit public benefit corporation that has been in existence and active in Contra Costa County since 1969, that offers programs and training in theater, music and dance; and

WHEREAS, at their July 31, 2007 meeting, the Agency Board approved an agreement (the "Agreement") between the Agency and EBCPA for transfer of the Winters Building and the expenditure of \$1.2 million for seismic improvements to the Winters Building; and

WHEREAS, at their May 19, 2009 meeting, the Agency Board approved a First Amendment to the Agreement to provide an additional \$2.0 million to EBCPA for renovation of the Winters Building; and

WHEREAS, to further the financing for the renovation, EBCPA has requested a loan from the Agency in the amount of \$2.5 million with a three year term; and

WHEREAS, the Agency requires that the City provide an advance of funds from the City's general fund revenues in the amount of \$2.5 million to allow the Agency to fund the loan to EBCPA; and

WHEREAS, EBCPA may request that the loan be made to an affiliated nonprofit public benefit corporation which is expected to receive group exemption from the Internal Revenue Service; and

WHEREAS, any such affiliated nonprofit public benefit corporation will be controlled by EBCPA; and

WHEREAS, the City is willing to provide the funds to the Agency to make the loan to the EBCPA, or its affiliated nonprofit public benefit corporation; and

WHEREAS, it is anticipated that EBCPA or its affiliated nonprofit public benefit corporation will repay \$1,000,000 of the loan within the next six months upon its receipt of a California Cultural and Heritage Endowment grant; and

WHEREAS, it is also anticipated that EBCPA or its affiliated nonprofit public benefit corporation will repay the remaining \$1,500,000 over the next three years; and

WHEREAS, whenever the EBCPA or its affiliated nonprofit public benefit corporation makes a payment on the loan the City will receive a payment from the Agency in a like amount and the Agency is not obligated to make payments to the City unless the Agency receives payments from EBCPA or its affiliated nonprofit public benefit corporation; and

WHEREAS, it is also anticipated that City will receive an equity share in the Winters Building should EBCPA or its affiliated nonprofit public benefit corporation be unable to repay the loan.

NOW, THEREFORE, BE IT RESOLVED that the City of Richmond affirms that the Winters Building renovation project is a matter of public purpose, benefits the health and welfare of the community, and advances the elimination of blight while assisting in community revitalization.

BE IT FURTHER RESOLVED that the City Council of the City of Richmond hereby appropriates the sum of \$2.5 million from the general fund of the City for the purpose of advancing said funds to the Richmond Community Redevelopment Agency to enable the Agency to make the loan that is being taken out by the East Bay Center for the Performing Arts, or any affiliated non-profit public benefit corporation.

BE IT FURTHER RESOLVED that the City Council of the City of Richmond hereby authorizes and directs the City Manager and the Finance Director of the City to do any and all things and to execute and deliver to the Richmond Community Redevelopment Agency any and all documents which the Agency deems necessary or advisable in order to carry out, give effect to and comply with the terms of this resolution, including, but not limited to, the execution and delivery to of a promissory note of the Agency evidencing the advance of general fund revenues as described above.

I certify that the foregoing resolution was passed and adopted by the City Council of the City of Richmond at a special joint meeting of the Agency Board and the City Council held on May 26, 2009 by the following vote:

AYES: Councilmembers Bates, Butt, Rogers, Ritterman, Vice Mayor Lopez, and Mayor McLaughlin.

NOES: None.

ABSTENTIONS: None.

ABSENT: Councilmember Viramontes.

DIANE HOLMES
Clerk of the City of Richmond
(SEAL)

Approved:

GAYLE McLAUGHLIN
Mayor

Approved as to form:

RANDY RIDDLE
City Attorney

State of California }
County of Contra Costa } : ss.
City of Richmond }

I certify that the foregoing is a true copy of **Resolution No. 47-09**, finally passed and adopted by the Council of the City of Richmond at a meeting held on May 26, 2009.