

**REGULAR MEETING OF THE
OVERSIGHT BOARD OF THE SUCCESSOR AGENCY
TO THE FORMER MADERA REDEVELOPMENT AGENCY**

Monday, September 17, 2012

9:00 a.m. – Regular Session

City of Madera City Hall – Council Chambers
205 West Fourth Street, Madera, California

Action/Summary Minutes

1. CALL TO ORDER – REGULAR SESSION

Meeting called to order by the Chairperson Brett Frazier at 9:00 a.m.

ROLL CALL

Board Members Present:

Brett Frazier, Chairperson
Stell Manfredi, Vice-Chairperson
Ronn Dominici, Board Member
Donald Horal, Board Member
Dr. Cecilia Massetti, Board Member
Bob Wilson, Board Member

Board Member Absent:

Ric Arredondo, Board Member

Staff Members Present:

Successor Agency Executive Director Jim Taubert, Successor Agency Secretary Sandi Brown.

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Chairperson Brett Frazier.

PUBLIC COMMENT

The first fifteen minutes of the meeting are reserved for members of the public to address the Board on items which are within the subject matter jurisdiction of the Board. Speakers shall be limited to three minutes. Speakers will be asked to identify themselves and state the subject of their comment. If the subject is an item on the Agenda, the Chairperson has the option of asking the speaker to hold the comment until that item is called. Comments on items listed as a Public Hearing on the Agenda should be held until the hearing is opened. The Board is prohibited by law from taking any action on matters discussed that are not on the Agenda, and no adverse conclusions should be drawn if the Board does not respond to public comment at this time.

No public comments were offered.

2. CONSENT CALENDAR

2.1 Minutes of the Regular Meeting of the Oversight Board for August 13, 2012

Action: Approval of the minutes of the Oversight Board meeting for August 13, 2012 as presented on the Consent Calendar.

Moved by: Board Member Dominici; seconded by Board Member Manfredi

Vote: 6/0. Ayes: Board Members Frazier, Manfredi, Dominici, Horal, Massetti and Wilson; Noes: None; Absent: Board Member Arredondo.

3. PRESENTATIONS/ADMINISTRATIVE REPORTS

3.1 Consideration of Acceptance of the Agreed-Upon Procedures Audit as Prepared by Gallina LLP

Summary of staff report/recommendation: Successor Agency Executive Director Jim Taubert presented the staff report, noting that this audit is a requirement of ABx1 26 and AB1484. He explained that the audit has been completed and the major findings are summarized in the staff report. Mr. Taubert noted that following the acceptance of the Successor Agency and Oversight Board, the audit will be submitted to the Madera County Auditor-Controller. Discussion followed.

Action: Acceptance of the Agreed-Upon Procedures Audit as prepared by Gallina LLP.

Moved by: Board Member Dominici; seconded by Board Member Manfredi

Vote: 6/0. Ayes: Board Members Frazier, Manfredi, Dominici, Horal, Massetti and Wilson; Noes: None; Absent: Board Member Arredondo.

3.2 Housing Asset Transfer Form/Request to Meet and Confer

Summary of staff report/recommendation: Successor Agency Executive Director Jim Taubert presented the staff report noting that AB1484 required the submittal of a Housing Asset Transfer report to DOF by August 1, 2012, and stated we have received notification from DOF objecting to four items on the report, which are outlined in the staff report. Mr. Taubert indicated that AB1484 provides for a Meet and Confer process if staff disagrees with DOF rulings, and staff has requested a 'Meet and Confer' on two of the four findings. Discussion followed. Informational report – no action is required.

3.3 Report on Redevelopment Legislation

Summary of staff report/recommendation: Successor Agency Executive Director Jim Taubert presented the Oversight Board with an update on recent legislation as it relates to redevelopment and economic development activities, and noted three bills are on the governor's desk for signature. Discussion followed. Informational report – no action is required.

4. NEW BUSINESS

4.1 Public Hearing Regarding the Consideration of Resolutions Acknowledging and Approving the 33433 Report Concerning the Sale of Real Property Located at 109 South B Street (APN 007-165-011) and 111 South B Street (APN 007-165-010) and Disposition and Development Agreement with Camarena Health

Board Member Massetti stated she wished to recuse herself from participating in this item citing a conflict of interest as Board Member of Camarena Health and exited the Council Chambers at 9:11 a.m.

Summary of staff report/recommendation: Mr. Taubert presented the staff report describing the location of the property being sold to Camarena Health located at 109 and 111 South B Street, noting that Camarena's intent is to construct an administrative building with parking stalls on the property. The sales price is \$67,500.00 considered to be fair-market value based on an appraisal by Peter Cooper, MAI. He added that staff is recommending approval of the sale of property to Camarena Health. No additional questions were asked.

The Chairperson opened the public hearing portion of the meeting at 9:22 a.m. There were no comments offered and the public hearing was closed.

Action: Adopted Resolution No. OB 12-28, approving a resolution of the Oversight Board to the Successor Agency to the former Madera Redevelopment Agency of the City of Madera, California acknowledging and approving the sale of property known as 109 and 111 South 'B' Streets for the construction of a 4,416 sf medical building with 13 parking stalls on the site located in the City of Madera.

Moved by: Board Member Dominici; seconded by Board Member Horal

Vote: 5/1/0. Ayes: Board Members Frazier, Manfredi, Dominici, Horal, and Wilson; Abstention: Board Member Massetti; Noes: None; Absent: Board Member Arredondo.

Action: Adopted Resolution No. OB 12-29, approving a resolution of the Oversight Board to the Successor Agency to the former Madera Redevelopment Agency of the City of Madera, California acknowledging and approving the Disposition and Development Agreement for the for the construction of a 4,416 sf medical building with 13 parking stalls at 109 and 111 South 'B' Street.

Moved by: Board Member Dominici; seconded by Board Member Horal

Vote: 5/1/0. Ayes: Board Members Frazier, Manfredi, Dominici, Horal, and Wilson; Abstention: Board Member Massetti; Noes: None; Absent: Board Member Arredondo.

Board Member Massetti returned to the Chambers at 9:15 a.m.

4.2 Consideration of a Resolution Acknowledging and Approving an Amendment to Agreement with Krazan and Associates Inc., for Environmental Services for Soil and Groundwater Remediation at 1350 East Yosemite Avenue in the City of Madera

Summary of staff report/recommendation: Successor Agency Executive Director Jim Taubert presented the staff report noting the Oversight Board has the authority to approve grants submitted by the Successor Agency, and noted this is an on-going grant for soil and groundwater remediation at 1350 East Yosemite Avenue. Mr. Taubert advised that the Agency has been notified of the award of additional grant funding in the amount of \$366,482.00 from the Orphan Site Cleanup Fund, with no matching funds required. Mr. Taubert explained that Krazan and Associates are coordinating the cleanup project and staff is recommending amending the Krazan agreement in an amount not to exceed \$366,482.00. Discussion followed.

Action: Adopted Resolution No. OB 12-30, approving a resolution of the Oversight Board to the Successor Agency to the former Madera Redevelopment Agency of the City of Madera, California acknowledging and approving an amendment to agreement with Krazan and Associates Inc., for environmental services for soil and groundwater remediation at 1350 East Yosemite Avenue and authorizing the Executive Director of the Successor Agency to approve contingencies of up to ten percent.

Moved by: Board Member Manfredi; seconded by Board Member Dominici

Vote: 6/0. Ayes: Board Members Frazier, Manfredi, Dominici, Horal, Massetti and Wilson; Noes: None; Absent: Board Member Arredondo.

5. GENERAL

There are no items for this section.

6. BOARD MEMBER REPORTS

No reports were offered by the members of the Board.

7. ADJOURNMENT

The meeting was adjourned at 9:20 a.m.

Sandi Brown, Agency Secretary

Brett Frazier, Chairperson

/sb

**REPORT TO THE OVERSIGHT BOARD
OF THE SUCCESSOR AGENCY
OF THE FORMER MADERA REDEVELOPMENT AGENCY**

BOARD MEETING OF: October 15, 2012

AGENDA ITEM NUMBER: 3.1

APPROVED BY:


Executive Director

Subject: Discussion Regarding the Tentative Response to a Potential State Controller Finding Related to the Courthouse Project

Summary: The Oversight Board will be provided with the tentative response to a potential finding related to the Courthouse Project.

HISTORY/BACKGROUND

Personnel from the State Controller's Office were here from August 13-30, 2012 to conduct an Asset Transfer Review of the Successor Agency to the former Redevelopment Agency. An exit interview was conducted on September 24, 2012. They indicated they are making a "finding" regarding the transfer of property from the former Redevelopment Agency to the State of California that occurred on June 8, 2011. They also indicated that they "may" make an additional finding on the November 10, 2010 property transfer since escrow didn't close until March 2011.

SITUATION

Attached is a copy of our response. The focus is on the June 8, 2011 date because there is nothing in ABx1 26 or AB1484 that gives them the legal authority to challenge actions that occurred prior to January 1, 2011. It should be noted that we have yet to receive an official notification in writing. The attached response is based on our exit interview.

RECOMMENDATION

Information only – no action is required.

JET:sb

Attachment:

- Successor Agency Response
- Exhibits A-T

Project History Courthouse Relocation Project

1. August 1, 2008 – The State Public Works Board authorizes the selection of a site at 6th/G/H/7th streets for the future location of the Madera County Courthouse. Director of Finance Michael Genest and State Controller John Chiang are members of the Board. (Exhibit A)
2. November 12, 2008 – The Madera Redevelopment Agency (RDA) and County of Madera enter into an agreement to allow for the transfer of title of the Central Garage/IT building to the RDA. **A key element of the agreement is the construction of a 300 space parking facility for the new courthouse. (Exhibit B)**
3. December 10, 2008 – The RDA approved a Real Property Acquisition Agreement with the Judicial Council of California, Administrative Office of the Courts (AOC). A copy of the agreement is attached as Exhibit C. In summary, the RDA agreed to acquire the parcels, relocate occupants, remove hazardous materials, remove petroleum storage tanks, relocate an irrigation canal, demolish buildings, remove utilities, abandon the alley and merge the properties into a single parcel. **Failure to perform these activities by December 1, 2010 would provide a basis for terminating the agreement.**
4. March 11, 2009 – The RDA amended the sales agreement and Memorandum of Understanding with Madera County. **The primary purpose was to strengthen the language regarding the RDA's financial participation in the construction of parking facilities. (Exhibit D)**
5. April 8, 2009 – The RDA amended the agreement with AOC for the purpose of clarifying the payment of impact fees. (Exhibit E)
6. June 10, 2009 – The RDA amended the agreement with AOC to make this an "acquisition agreement." The parking issue would be addressed in a future agreement. (Exhibit F)
7. June 12, 2009 – The State Public Works Board authorized property acquisition activities to be coordinated by the RDA. "Anticipated" close of escrow was December 2010. Director of Finance Michael Genest and State Controller John Chiang are members of the Board. (Exhibit G)
8. April 14, 2010 – The RDA/AOC approved a Project Agreement Term Sheet for the Courthouse Parking Garage. (Exhibit H)
9. June 9, 2010 – The RDA approved an amendment to the Real Property Acquisition Agreement with the AOC. The agreement provided that acquisition reimbursement (\$2,900,000.00) be used to partially fund the cost of constructing the parking facility. (Exhibit I)
10. June 9, 2010 – The RDA/AOC approved an amendment to the Project Agreement Term Sheet for the Courthouse Parking Garage. (Exhibit J)
11. July 12, 2010 – The State Public Works Board approved a change of scope to include the construction of parking facilities. Director of Finance Ana Matosantos and State Controller John Chiang are members of the Board. (Exhibit K)

12. August 11, 2010 – The RDA/AOC approved the Project Development Agreement for the Courthouse Parking Facility. (Exhibit L)
 13. August 11, 2010 – The RDA amended the Property Acquisition Agreement to approve \$2.9 million in funding for the parking facility. (Exhibit M)
 14. November 10, 2010 – The RDA/City of Madera conducted a joint public hearing for the purpose of transferring properties to the State of California through the AOC. **The action satisfied our “enforceable obligation” regarding the transfer of property by December 1, 2010. (Exhibit N)**
-
15. January 10, 2011 – Governor Jerry Brown announces intent to eliminate redevelopment. (Exhibit O)
 16. January 12, 2011 – The RDA amends the resolution approving the Property Acquisition agreement to accommodate a request from the Department of General Services. (Exhibit P)
 17. March 11, 2011 – The State Public Works Board approved preliminary plans and the acceptance of a \$2.9 million contribution from the RDA. Director of Finance Ana Matosantos and State Controller John Chiang are members of the Board. The vote was unanimous. (Exhibit Q)
 18. June 8, 2011 – The RDA/City of Madera conducted a joint public hearing for the purpose of transferring properties to the State of California through the AOC. **The action satisfied our “enforceable obligation” regarding parking facilities with the AOC and Madera County. (Exhibit R)**
 19. June 27, 2011 – The text of ABx1 26 is made available to the public.
 20. January 1, 2011 to January 31, 2011 – A number of redevelopment agencies completed asset transfers to avoid the impacts of dissolution. The Madera Redevelopment Agency did not take any such action. (Exhibit S)
 21. March 9, 2012 – The State Public Works Board authorizes the sale of bonds to fund the Madera Courthouse Project. Director of Finance Ana Matosantos and State Controller John Chiang are members of the Board. The vote was unanimous. (Exhibit T)

Findings

1. ABx1 26 addresses “enforceable obligations” in Section 34167. As it relates to this project, the following sections would apply:
 - (5) Any legally binding and enforceable agreement or contract that is not otherwise void as violating the debt limit or public policy.
 - (6)(f) Nothing in this part shall be construed to interfere with a redevelopment agency’s authority, pursuant to enforceable obligations as defined in this chapter, to (1) make payments due, (2) enforce existing covenants and obligations, or (3) perform its obligations.

As evidenced by the documents that have been provided, the Madera RDA had a preexisting obligation to the State of California and the County of Madera.

2. AB1484 was signed into law on June 27, 2012. SCO has indicated the June 8, 2011 transaction violates Section 34163(f) in regard to the transfer of assets. Section 34171(c) defines "enforceable obligations" and includes the following text.

"Payments required by the federal government, preexisting obligations to the state or obligations imposed by state law ..."

Again, the documents provided evidence of our preexisting obligation to the State of California.

3. As evidenced by Exhibit B and Exhibit D, failure to take the June 8, 2011 action would have been a material breach of our agreements with the County of Madera.

4. The June 8, 2011 action took place 19 days before the passage of ABx1 26 and 384 days before the passage of AB1484.

5. AOC staff will acknowledge that the RDA's involvement in this project pre-dates the August 8, 2008 action of the State Public Works Board. This provides a clear distinction from the actions described in Exhibit S and the action the Madera RDA took on June 8, 2011. To place this action in the same category is not rational.

6. The State Public Works Board has taken action on this project on five (5) occasions, most recently on March 11, 2011 and March 9, 2012. The RDA's involvement in the site acquisition process was initially noted at the State Public Works Board meeting of June 12, 2009 and at the meeting of March 11, 2011. It seems highly unlikely that Director of Finance Ana Matosantos and State Controller John Chiang as members of the Board would have taken the action on March 9, 2012 if in any way the property was acquired under the cloud of ABx1 26, and the unanimous approval of that Board constitutes approval by its individual members.

CONSENT ITEM

CONSENT ITEM—6

JUDICIAL COUNCIL OF CALIFORNIA (0250)
NEW MADERA COURTHOUSE
MADERA COUNTY
JCC Parcel Number 20-F1

Authority: Chapters 171 and 172, Statutes of 2007, Item 0250-301-3037(2)

Authorize site selection

CONSENT ITEM

STAFF ANALYSIS ITEM—6

Judicial Council of California
New Madera Courthouse, Madera County

Action requested

The requested action will authorize site selection.

Scope Description

This project is within scope. This request will authorize site selection of land for the construction of a new ten-courtroom, full service courthouse in the downtown area of the City of Madera, Madera County. This site is located in a redevelopment area across from a historic courthouse, the Madera Courthouse Park, and is south of the existing courthouse buildings and the new County of Madera Administrative Center and a new five-story County-owned public parking structure. The site is comprised of five parcels totaling approximately 2.24 acres of land with the following improvements: two single family residential units; the county's central parking garage; an office/meeting hall for the Veterans of Foreign Wars (VFW); and a privately-owned vacant lot. Court parking will remain in the County owned public parking structure adjacent to the new County Administrative Center. Additional parking spaces will be provided at the proposed court site.

Funding and Cost Verification

This project is within cost. Chapter 171, Budget Act of 2007-08, Item 0250-301-303 07 (2) provides funding of \$3,440,000 for land acquisition and other due diligence costs. The future courthouse site can be acquired with the funds available and in accordance with Legislative intent.

CEQA

Subsequent to the site selection process and in accordance with the California Environmental Quality Act (Public Resources Code Section 21000-21177) and pursuant to Section 15063 of Title 14 of the California Code of Regulations, the Judicial Council of California, acting in the capacity of Lead Agency, will undertake the preparation of an Initial Study to determine if the proposed project would have a significant environmental impact. This will be submitted with a future site acquisition application for the selected site.

Project Schedule

Anticipated close of escrow is December 2010.

Condition of Properties

On July 1, 2008, Department of General Services (DGS) Environmental Services Section (ESS) personnel conducted a site visit to the subject property. The site consists of five parcels totaling approximately 2.24 acres and is bounded by West 7th Street, West 6th Street, South Gateway Drive (in part) and Highway 99 (in part) in the City of Madera. The five parcels include the County Central Garage, a Veterans of Foreign Wars hall, two single family residences and a vacant lot. The site is located across the street from existing court facilities, and is within the local government center. The site has street accessibility. There is an alley between the County Central Garage and the four other parcels. On this alley exists underground and above ground utility systems which will be relocated by the RDA.

William Lettis & Associates, Inc. conducted a desktop study of maps and documents produced by the California Geological Survey. This site and an alternative site were evaluated for three earthquake-related geologic hazards: surface fault rupture, earthquake-induced landslide failure and liquefaction. It was determined that there is negligible hazard of surface-fault rupture at either site; there is negligible hazard of earthquake-induced land sliding at either site; and the liquefaction hazard at both sites is low.

A Phase I Environmental Site Assessment (ESA) was prepared by Tetra Tech EM, Inc. on March 28, 2008, for the site. The DGS-ESS concurs with the following conditions are provided in the report:

- The County Central Garage currently maintains two 10,000-gallon underground storage tanks (USTs) to store gasoline. No leaks, spills or breaches have been reported. Tetra Tech recommended continued monitoring program with respect to these USTs.
- The County Central Garage houses regulated amounts of hazardous materials and waste such as above-ground storage tanks and 55-gallon drums that contain new and used oil, solvents, transmission oil and hydraulic fluid. The stored hazardous materials and wastes were placed above secondary containment spill pallets; no obvious indications of significant staining were observed. A survey of these buildings for the presence of subsurface hydraulic lifts was recommended. When the areas are identified a Phase II subsurface investigation will be obtained by the Judicial Council of California (JCC), prior to submitting for site acquisition approval.

- Based on the approximate construction dates of the improvements on the site, asbestos-containing materials and lead-based paint are suspected to exist.
- Prior to submitting for site acquisition approval, a Phase II sampling investigation will be obtained by the JCC in the area indicated by a dry cleaning operation believed to be in operation from 1929 through 1959 due to the up gradient position of this operation to the project site.

Other:

- The proposed site meets the size, location, and compatibility requirements of the Judicial Council of California (JCC).
- On February 24, 2006, the JCC approved the planning and budgeting for the New Madera Courthouse pursuant to Judicial Branch AB 1473 Five-Year Infrastructure Plan for Fiscal Year 2007-2008.
- The site is zoned for commercial and residential land uses.
- All of the on-site improvements are linked to the municipal sewage and potable drinking water system.
- Electricity and natural gas are provided to the site by Pacific Gas and Electric.
- There is relocation assistance involved with this project. The Community Redevelopment Agency will hire a relocation consultant to complete a relocation study and manage the relocation process prior to acquisition by the JCC.
- There is no implied dedication involved with this project.
- The purchase price shall not exceed estimated fair market value as determined by DGS approved appraisals.
- JCC will be required to address the Phase II findings and any required mitigation measures during the analysis of CEQA review.
- The County of Madera has a reversionary interest in the VFW property. The reversionary interest states that in the event the property is no longer used for veteran's activities, the property shall revert back to the County. Prior to final acquisition it will be necessary to clear this reversion from title to the property.

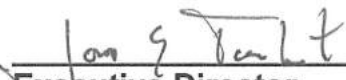
Staff Recommendation: Authorize site selection.

**MADERA REDEVELOPMENT AGENCY
REPORT TO THE CITY COUNCIL
AND THE AGENCY BOARD**

BOARD MEETING OF: November 12, 2008

AGENDA ITEM NUMBER: 5A

APPROVED BY:


Executive Director

Subject: Consideration of a Resolution Approving an Agreement with the County of Madera Related to the Courthouse Project

Summary: The Agency Board will consider a resolution approving an agreement with the County of Madera related to the Courthouse Project.

HISTORY/BACKGROUND

The State of California is interested in constructing a \$100 million courthouse on property, a part of which is owned by the County of Madera. To facilitate the project, the County will transfer title of the Central Garage/IT building in exchange for the following:

1. The State will have no claim on the old Courthouse and will permanently vacate the building 90 days after completion of the Courthouse Project.
2. The City of Madera Redevelopment Agency (RDA) and Administrative Office of the Courts (AOC) will construct a minimum 300 space parking facility immediately adjacent to the new Courthouse Project, during construction of the project if possible, but no later than one year after the project is completed.
3. The RDA will demolish the old jail annex facility in Courthouse Park or renovate the old County Library on Yosemite Avenue at the discretion of the County in an amount equivalent to the appraisal value of the Central Garage and IT building at the time of property transfer.
4. The County will give the RDA first right of refusal if the County intends to sell the old Courthouse parcel (approximately 3-1/2 acres) providing the area continues to remain in primarily an institutional use.
5. VFW Parcel – If needed, the County and City of Madera will each contribute up to a maximum of \$100,000 each to facilitate the relocation and construction of a new VFW facility. The County will retain a reversion clause in the agreement with VFW, plus the County and City will have no-cost rental privileges of the new VFW facilities.

Richard Denhalter, City Attorney, has worked with Madera County Counsel to prepare the attached agreement.

VISION 2025 LINKAGE

While the approval of this item does not specifically incorporate strategies in the vision or action plans, it may represent one or more examples of economic opportunity realized in Madera.

RECOMMENDATION

Staff recommends the Agency Board adopt the resolution approving the agreement with the County of Madera.

JET:sb

Attachment:

- Resolution
- Agreement

MADERA REDEVELOPMENT AGENCY REPORT TO THE AGENCY BOARD

BOARD MEETING OF: December 10, 2008

AGENDA ITEM NUMBER: 5A

APPROVED BY:


Executive Director

Subject: Consideration of a Resolution Approving a Real Property Acquisition Agreement with the Judicial Council of California Administrative Office of the Courts

Summary: The Agency Board will consider a resolution approving a Real Property Acquisition Agreement with the Judicial Council of California, Administrative Office of the Courts (AOC).

HISTORY/BACKGROUND

The Agency has been working with the Administrative Office of the Courts to locate a new courthouse in the Sixth/'G' Street corridor. The area is visually illustrated below.



The agreement provides for the following terms and conditions:

1. The Agency will coordinate acquisition/demolition/relocation activities on the properties owned by the VFW, Jerry and Karen Jones, Karen Jones, Gudino/Barreras and Madera County.
2. The Agency will have all properties under contract by January 2009 and complete demolition activities and deliver clear title by December 1, 2010.
3. The Agency will coordinate the relocation of an MID canal, remove County-owned underground storage tanks and complete an alley abandonment.
4. The Agency will have an option to acquire a portion of the property for \$1.00 for the purpose of constructing parking facilities.
5. The Agency will be reimbursed actual costs in an amount not to exceed \$2,915,000.00.

VISION 2025 LINKAGE

While the approval of this item does not specifically incorporate strategies in the vision or action plans, it may represent one or more examples of economic opportunity realized in Madera.

RECOMMENDATION

Staff recommends the Agency Board adopt the resolution approving the agreement with the Administrative Office of the Courts.

JET:sb

Attachment:

- Resolution (Agency)
- Agreement



**Judicial Council of California
Administrative Office of the Courts
Office of Court Construction and Management
455 Golden Gate Avenue, San Francisco, CA 94102-3688**

Project: New Madera Courthouse
Location: Madera, California
Current Assessor Portion 010-134-005; 010-134-001; 010-134-002; 010-134-003; 010-134-006
Parcel Nos.:
Title Order No.:

REAL PROPERTY ACQUISITION AGREEMENT

This **Real Property Acquisition Agreement** ("**Agreement**") is entered into by the undersigned parties as of December 22, 2008 (the "**Effective Date**"), and in consideration of the mutual covenants and agreements contained herein, and for good and valuable consideration, the undersigned parties agree to the following terms and conditions:

1. PARTIES.

1.1. Seller. The "**Seller**" hereunder is the REDEVELOPMENT AGENCY OF THE CITY OF MADERA, a public body, corporate and politic.

1.2. Buyer. The "**Buyer**" hereunder is THE STATE OF CALIFORNIA, by and through THE JUDICIAL COUNCIL OF CALIFORNIA, ADMINISTRATIVE OFFICE OF THE COURTS.

2. COMPOSITION OF AGREEMENT; DEFINED TERMS.

2.1. Composition of Agreement. This Agreement is comprised of, and includes, all of the following exhibits and/or addenda, each of which is incorporated into and forms a part of this Agreement for all purposes:

Exhibit A — Map of Land

Exhibit B — Current Legal Descriptions of Land

Exhibit C — Form of Grant Deed and Certificate of Acceptance

**Exhibit D - Site Layout Depicting the Alley Between Parcel 1 and
Parcels 2, 3, and 4**

2.2. **Defined Terms.** Capitalized terms used in this Agreement shall have the meanings ascribed to them herein.

3. **DESCRIPTION OF PROPERTY; STATE PROJECT.**

3.1. **Description of Real Property.** After the Effective Date of the Agreement, the Seller will endeavor to acquire fee title to, and thereafter agrees to sell, convey, and deliver to Buyer, and Buyer agrees to purchase, acquire and accept from Seller, all of Seller's right, title, and interest in and to, those parcels of property commonly referred to by street address or function as follows:

- a) Parcel 1: 221 South H Street, Madera, California;
- b) Parcel 2: 200 South G Street, Madera, California;
- c) Parcel 3: 208-212 South G Street, Madera, California;
- d) Parcel 4: 216 South G Street, Madera, California; and
- e) That portion of the alley located between Parcel 1 and Parcels 2, 3, and 4.

These properties together comprise a parcel land of approximately 2.24 acres which shall be assembled and, along with any improvements affixed thereto which have not been removed pursuant to the terms hereof ("**Improvements**") and all privileges, entitlements, easements, and appurtenances pertaining thereto ("**Appurtenances**"), shall be conveyed and referred to herein as the "**Real Property**" which is more particularly depicted in **Exhibit A** ("**Map of Land**") and more particularly described in **Exhibit B** ("**Current Legal Descriptions of Land**"). By no later than January 14, 2009, Seller shall deliver to Buyer executed agreements between Seller and the owners of Parcels 1, 2, 3, and 4, respectively, for the acquisition by Seller of each of said Parcels.

3.2. **Description of State Project.** Buyer is acquiring the Real Property with the intention of designing and constructing certain court facilities and related improvements thereon, including a building with an area of approximately 100,000 gross square feet ("**State Project**"), for use by the Superior Court of California, County of Madera ("**Court**") for judicial, court, administrative, office, and related purposes. The parties acknowledge that the State Legislature has authorized the acquisition stage of the State Project pursuant to Chapter 171, Budget Act of 2007-08, Line Item 0250-301-303 07 (2).

4. **TOTAL ACQUISITION COSTS.**

The Buyer's total acquisition costs ("**Total Acquisition Costs**") shall be the sum of the total acquisition costs of Parcels 2, 3, and 4; all actually incurred land assembly costs of all the parcels (Parcels 1, 2, 3, and 4), including but not limited to any and all relocation expenses and benefits paid to the current property owners and all abatement, remediation, and demolition costs; the costs of the vacation of the alley located between the parcels; and the demolition and removal of alley improvements and

underground utilities in accordance with section 6.2 below. Seller shall submit to Buyer and to escrow, not later than 10 days before closing, an itemized statement of such costs setting forth the total thereof as the stipulated Total Acquisition Costs which costs shall not exceed Two Million Nine Hundred Fifteen Thousand Dollars (\$2,915,000). The parties acknowledge that the Total Acquisition Costs and the other mutual covenants and agreements contained herein are adequate and sufficient consideration in support of this Agreement.

5. CLOSING DATE.

Subject to the terms and conditions set forth herein, the Parties shall consummate the Close of Escrow no later than December 1, 2010 ("**Closing Date**"). The Closing Date may be extended, at Buyer's option by written notice to Seller, for a reasonable period of time if required to allow satisfaction of all necessary conditions and contingencies, subject to Buyer's further rights to terminate this Agreement if all such conditions have not then been satisfied.

6. BUYER CONTINGENCIES.

Buyer shall not be obligated to consummate the Close of Escrow unless and until each and all of the obligations, conditions precedent, and contingencies set forth in sections 6.1 through 6.12 (each a "**Buyer Contingency**," and collectively, "**Buyer Contingencies**") are performed and satisfied within the applicable time periods specified herein. The Buyer Contingencies are for the sole benefit of Buyer and may be waived or deemed satisfied only by a writing prepared and submitted at Buyer's election and in Buyer's sole and absolute discretion.

6.1. Parcel Acquisitions. The Seller has provided Buyer with executed agreements between Seller and the current owners of Parcels 1, 2, 3, and 4, respectively, for the acquisition by Seller of each of said Parcels and Seller must obtain and be in possession of fee title to each of the said parcels.

6.2. Demolition of Existing Improvements. By 30 days before closing the Seller must responsibly demolish all buildings and improvements and underground utilities, including an underground irrigation canal, that exist on the Real Property, except for overhead electrical and telephone service, and curb, gutters, sidewalks and catch basins abutting a public street. All asphalt pavements, and all debris resulting from the demolition of improvements must be removed from the Real Property, such that prior to the Close of Escrow, the Real Property is free and clear of all buildings and underground utilities. Voided space caused by the removal of underground utilities and canal structures shall be filled with certified clean soil, free of contaminants and debris.

6.3. Removal and Remediation of Underground Fuel Storage Tanks. By September 1, 2010, the Seller must responsibly remove and dispose of the two (2) underground fuel storage tanks, the above-ground storage tanks, and the 55-gallon drums containing new and used oil, solvents, transmission oil and hydraulic fluid known to be located on Parcel 1, along with any associated contaminated soils, and provide a

copy of a "No Further Action" letter issued by the appropriate State of California regulatory agency or the designated County environmental health agency for the removal and remediation action. Voided space shall be filled with certified clean soil, free of contaminants and debris.

6.3.1. Sustained Remediation of Contaminated Soils, if Necessary.

If, after appropriate environmental investigations, further sustained remediation of the soils is warranted (e.g., evaporative systems), Seller shall provide a remediation plan to Buyer for acceptance prior to undertaking of the remediation. Buyer shall review the plan for coordination with the intended building footprint and site improvement design. Buyer may request modifications to or reject the remediation plan if the plan prevents an efficient and functional building design or would prevent the accommodation of the required on-site parking and other site improvements. Buyer shall adjust the building and/or site design to reasonably accommodate any sustained remediation required, so long as such adjustments do not create a non-functional court facility. The parties agree to cooperatively resolve any remediation needs that are required during construction or after occupancy, however, Seller's remediation obligations and duty to indemnify Buyer for remediation costs and any release of Hazardous Substances in, on, under or near the Real Property, or any violation of any Environmental Laws relating to the Real Property, whether known or unknown, shall terminate upon the Close of Escrow.

6.4. Vacate Portion of Alley and Remove Underground Utilities. By Closing, the Seller must responsibly cause the vacation of the alley located between the parcels and demolish and remove alley improvements and underground utilities that exist, except for overhead electrical and telephone service, and curb, gutters, sidewalks, aprons, and catch basins abutting 6th Street. All asphalt pavement and all debris resulting from the demolition of improvements must be removed from the Real Property, such that prior to the Close of Escrow, the Real Property is free and clear of all improvements and underground utilities. Seller is responsible for any authorized agencies' requirements to redirect, divert, close or otherwise address access needs resulting from the vacation of the alley portion identified. Nothing herein shall prevent the Seller from vacating the entire alley between 6th and 7th streets, at Seller's discretion.

6.5. Due Diligence Inspections.

6.5.1. Preliminary Report. Chicago Title Company ("Title Company") has delivered to Buyer a preliminary (title) report No. 08-50603672Z-CW, dated May 6, 2008 for the Real Property ("**Title Reports**") issued by Chicago Title Company ("**Title Company**") which is located at 700 South Flower Street, Los Angeles, CA, Attention: Mark Raskin, Phone: (213) 488-4383, Fax: (213) 629-3828 E-mail: mark.raskin@ctt.com, with copies of all underlying recorded instruments of record shown as exceptions and described on the Title Report ("**Exception Documents**").

6.5.2. ALTA/ACSM Survey and Creation of New Legal Description. After the Parcels are assembled but in no event later than September 1, 2009, Seller

shall provide a certified survey and new unified legal description of the Real Property ("**Survey**") prepared by a licensed land surveyor in accordance with the 1999 Minimum Standard Detail Requirements for ALTA/ACSM Land Title Surveys, as adopted by the American Land Title Association, American Congress on Surveying and Mapping, and the National Society of Professional Surveyors.

6.5.3. Other Due Diligence Inspections. Commencing on September 1, 2009, and ending on November 15, 2010 ("**Due Diligence Period**") Buyer shall have the right, at its sole cost and expense, to conduct any and all other investigations, inspections, and examinations relating to the condition of the Real Property and the suitability of the Real Property for Buyer's purposes, including but not limited to, assessment of environmental, soil, seismic, surface, and subsurface conditions for the presence of Hazardous Substances (as defined below); and performing architectural, engineering, development, and/or economic feasibility studies (collectively, "**Other Due Diligence Inspections**"). Buyer shall conduct such Other Due Diligence Inspections in such manner as to minimize any interference with the Seller's then-current uses and occupancies of the parcels constituting the Real Property.

6.5.4. Access to Real Property and Records. To facilitate Buyer's due diligence inspections of the Real Property, Seller shall cooperate in good faith to provide Buyer and its agents, representatives, and consultants with reasonable access to the Real Property, and to any records pertaining to the Real Property in Seller's possession or control. Buyer shall endeavor to notify Seller at least twenty-four (24) hours prior to entry upon the Real Property by Buyer or its agents, representatives, or consultants, or request for access to Seller's records.

6.5.5. Disapproved Conditions. Following Buyer's receipt and review of the Title Reports, all of the Exception Documents, and the Survey, and Buyer's satisfactory completion of all Other Due Diligence Inspections, Buyer shall have the right, but not the obligation, to deliver a written notice to Seller ("**Buyer's Inspection Notice**") identifying Buyer's disapproval of (i) any title conditions reflected in the Title Report and/or Exception Documents; (ii) any title conditions or other matters shown on the Survey; and (iii) any other conditions or matters arising from the Other Due Diligence Inspections (collectively, "**Disapproved Conditions**").

6.5.6. Seller's Cure Notice. By no later than 5:00 p.m. of the twentieth (20th) business day following Seller's receipt of Buyer's Inspection Notice, Seller shall deliver a written notice to Buyer ("**Seller's Cure Notice**"), identifying Seller's proposed cure, if any, of any of the Disapproved Conditions.

6.5.7. Due Diligence Deadline. By no later than 5:00 p.m. of the twentieth (20th) business day following Buyer's receipt of Seller's Cure Notice ("**Due Diligence Deadline**") Buyer shall have the right, but not the obligation, to deliver to Seller a written notice approving and/or waiving Buyer's Contingency under this section 6.5 ("**Due Diligence Contingency Notice**"). Prior to the expiration of the Due Diligence Deadline, Buyer and Seller shall cooperate in good faith to resolve any issues or disagreements relating to the Disapproved Conditions. If Buyer does not deliver the

Due Diligence Contingency Notice on or prior to the Due Diligence Deadline, Buyer shall be deemed to have disapproved of the condition of the Real Property, and Buyer shall have the right to terminate this Agreement pursuant to section 8.2.

6.6. Owner's Policy. By no later than three (3) days prior to the Closing Date, Title Company shall be irrevocably and unconditionally committed to issue a CLTA Owner's Policy of Title Insurance – Extended Coverage ("**Owner's Policy**"), with liability coverage in the amount of the appraised value of the Real Property, and showing fee title to the Real Property vested in Buyer, free and clear of all liens and encumbrances, except for (i) any exceptions shown on the Title Report which Buyer has not specifically disapproved; and (ii) any Disapproved Conditions shown on the Title Report which Seller has expressly agreed to cure to the satisfaction of Buyer by a method other than removal (collectively, "**Permitted Exceptions**").

6.7. Accuracy of Representations and Warranties. As of the Close of Escrow, all of Seller's representations and warranties set forth herein shall be true and accurate with the same force and effect as if remade by Seller in a separate certificate at the Close of Escrow.

6.8. No Breach or Event of Default. As of the Close of Escrow, no uncured Event of Default by Seller, nor any Breach by Seller which could become an Event of Default with the passage of time, shall exist.

6.9. Seller Deliveries. Buyer shall provide Seller, in writing, advance notice of the date when Buyer will submit its site acquisition application for the Real Property to the State Public Works Board ("**SPWB**") for approval ("**Submission Date**"), and no later than five (5) business days prior to the Submission Date, Seller shall deliver, or cause to be delivered, to Escrow Holder the following ("**Seller Deliveries**"):

6.9.1. One (1) original of the Grant Deed, substantially in the same form as Exhibit C, duly executed by Seller and notarized. The executed Grant Deed will be needed by or before the Submission Date;

6.9.2. One (1) copy of Seller's resolution evidencing Seller's authorization to enter into, deliver, and perform under all of the documents and instruments necessary to effect the sale of the Real Property to Buyer in accordance with the terms of this Agreement. The resolution will be needed by or before the Submission Date; and

6.9.3. Any other documents, instruments, or items reasonably requested and deemed necessary by Escrow Holder to consummate the Close of Escrow in accordance with the terms of this Agreement.

6.10. SPWB Approval and Acceptance. The SPWB shall have (i) authorized Buyer's acquisition of the Real Property pursuant to the terms of this Agreement and the Real Property Acquisition Law set forth in Government Code sections 15850 to 15866; and (ii) executed the Certificate of Acceptance attached to the Grant Deed, or in such form and content as then required by applicable law. This Agreement has no force and

effect and is not binding on the State of California until and unless it is authorized by the SPWB at a duly noticed public meeting.

6.11. Expiration of CEQA Statute of Limitation. With respect to the State Project, prior to approval of the SPWB for acquisition authorization, the statute of limitation period under the California Environmental Quality Act, as set forth at California Public Resources Code section 21000, et seq. ("CEQA"), shall have expired.

6.12. Buyer Contingencies Notice. By no later than three (3) days prior to the Closing Date, Buyer shall have delivered to Seller and Escrow Holder a written notice approving and/or waiving all of the Buyer Contingencies.

7. SELLER CONTINGENCIES.

Seller shall not be obligated to consummate the Close of Escrow unless and until each and all of the obligations, conditions precedent, and contingencies set forth in sections 7.1 through 7.5 (each a "**Seller Contingency**," and collectively "**Seller Contingencies**") are performed within the time periods specified herein. The Seller Contingencies are for the sole benefit of Seller and may only be waived or deemed satisfied in writing at Seller's election and in Seller's sole and absolute discretion.

7.1. Due Diligence Contingency Notice. Buyer shall have timely delivered to Seller and Escrow Holder the Due Diligence Contingency Notice in accordance with section 6.5.7 above.

7.2. Buyer Contingencies Notice. Buyer shall have timely delivered to Seller and Escrow Holder the Buyer Contingencies Notice in accordance with section 6.12 above.

7.3. Accuracy of Representations and Warranties. As of the Close of Escrow, all of Buyer's representations and warranties set forth herein shall be true and accurate with the same force and effect as if remade by Seller in a separate certificate at the Close of Escrow.

7.4. No Breach or Event of Default. As of the Close of Escrow, no uncured Event of Default by Buyer, nor any Breach by Buyer which could become an Event of Default with the passage of time, shall exist.

7.5. Buyer Deliveries. At least three (3) business days prior to the Closing Date, Buyer shall have delivered to Escrow Holder the Total Acquisition Costs, along with all other documents, instruments, or items reasonably requested and deemed necessary by Escrow Holder to consummate the Close of Escrow in accordance with the terms of this Agreement ("**Buyer Deliveries**").

8. EVENT OF DEFAULT; TERMINATION; REMEDIES.

8.1. Termination for Event of Default. If Buyer or Seller breaches, defaults, or fails to perform any obligation, covenant, condition precedent, or contingency to be

observed or performed by such party, including the failure or unsatisfactory completion of any Buyer Contingency, or Seller Contingency, as applicable (except for any of the Buyer Contingencies in sections 6.5, 6.6, 6.10, 6.11, and 6.12) ("**Breach**"), the party who is claiming that a Breach has occurred ("**Non-Defaulting Party**") shall provide written notice (the "**Default Notice**") to the other party ("**Defaulting Party**") identifying the Breach and a description of the facts and circumstances relating to such Breach. Upon receipt of the Default Notice, the Defaulting Party shall have ten (10) days, or less if the breach or default occurs within ten (10) days of the Closing Date, to cure the Breach described in the Default Notice and to provide evidence of such cure to the Non-Defaulting Party. If the Defaulting Party does not provide evidence of the cure to the Non-Defaulting Party within the ten (10) day, or shorter, time period, as applicable, then the Defaulting Party shall be deemed to have committed an "**Event of Default**" hereunder, and the Non-Defaulting Party shall have the right, but not the obligation, to terminate this Agreement and cancel Escrow pursuant to the terms hereof. Upon the occurrence of an Event of Default, and provided that the Non-Defaulting Party has not also committed an Event of Default, the Non-Defaulting Party shall have the right, but not the obligation, to terminate this Agreement and cancel the Escrow by delivering written notice of termination and cancellation instructions to the Defaulting Party and Escrow Holder. If the Non-Defaulting Party exercises such right, this Agreement shall terminate, the Escrow shall be cancelled, and the Non-Defaulting Party shall have the right to pursue any and all remedies available at law or in equity.

8.2. No-Fault Termination. If (i) any of the Buyer Contingencies set forth in sections 6.5, 6.6, 6.10, 6.11, and 6.12 are not satisfied within the time periods set forth therein; or (ii) Buyer elects to terminate this Agreement pursuant to sections 12 or 13, as applicable, Buyer's sole remedy shall be to terminate this Agreement and cancel the Escrow by delivering written notice of termination and cancellation instructions to Seller and Escrow Holder. In the event of such termination and cancellation by Buyer, this Agreement shall terminate, the Escrow shall be cancelled, and the parties hereto shall have no further rights, obligations, or liabilities hereunder, except for any obligations that expressly survive such termination and cancellation pursuant to the terms herein.

8.3. Payment of Costs Upon Termination. Upon termination of this Agreement and cancellation of Escrow pursuant to section 8.1, the Defaulting Party shall pay any and all of Escrow Holder's cancellation fees and costs. Upon termination of this Agreement and cancellation of Escrow pursuant to section 8.2, Buyer and Seller shall equally share Escrow Holder's cancellation fees and costs. Upon termination of this Agreement by Buyer for reasons other than Seller's breach or default ("**Termination for Convenience**"), the Seller shall be entitled to recovery, from the escrow account, of all actual costs ("**Recovery Costs**") identified in Section 4 of this Agreement not to exceed the Total Acquisition Costs incurred by Seller in the performance of this agreement from the Effective Date through and until such time a Notice of Termination for Convenience is issued by the Buyer, except that the Seller shall not be entitled to recovery of any property purchase costs for the parcels identified in section 3.1 if those parcels closed escrow and conveyed title prior to the SPWB approval of this agreement. In the event of Buyer's Termination for Convenience, if any component of the Recovery Costs includes costs directly associated with the parcel

purchases [i.e. the sale prices City paid to the owners] for those parcels then acquired by Seller, the Seller shall convey those parcels to the Buyer within 120 days of Notice of Termination of Convenience. Buyer, at its sole option, may direct the Seller to dispose of any then acquired parcels at fair market value within 120 days of Notice of Termination of Convenience, in which event, the Recovery Costs shall be reduced by the net proceeds of such sales. The obligations of the parties under this section 8.3 shall survive the termination of this Agreement and cancellation of Escrow.

8.4. Return of Sums and Documents. Upon termination of this Agreement and cancellation of Escrow pursuant to the terms hereof, Escrow Holder shall return all sums and/or documents deposited in Escrow to the parties who respectively deposited the same, except for Termination of Convenience by Buyer as indicated in section 8.3. The parties shall reasonably cooperate to execute any additional cancellation instructions required of Escrow Holder to effect the cancellation of Escrow pursuant to this section 8.

8.5. Rights and Remedies Cumulative. The rights and remedies of the parties in connection with this Agreement are cumulative, and the exercise by a party of one or more of its rights or remedies shall not preclude the exercise by it, at the same time or at a different time, of any other rights or remedies for the same Event of Default or other Event of Default. In addition to the rights and remedies specified herein, the parties shall have the right to pursue any and all other rights or remedies available at law or in equity, including, but not limited to, specific performance, declaratory relief, and/or damages.

9. ESCROW; CLOSING COSTS; TAXES.

9.1. Opening of Escrow. As soon as reasonably practicable following the full execution of this Agreement and SPWB site acquisition approval, the parties shall cooperate in good faith to open escrow for the transaction contemplated hereunder ("**Escrow**") by depositing with Chicago Title Company, 700 South Flower Street, Los Angeles, CA, Attention: Mark Raskin, Phone: (213) 488-4383, Fax: (213) 629-3828 E-mail: mark.raskin@ctt.com ("**Escrow Holder**"), a copy of this Agreement fully executed by the parties. The Buyer shall deposit the full Total Acquisition Costs sum as soon as practicable following the establishment of the escrow account, which sum, or portion thereof, shall not be disbursed without the written consent of both Buyer and Seller. This Agreement shall constitute joint instructions to Escrow Holder; provided, however, that Buyer and Seller shall execute such additional escrow instructions as may be reasonably requested by Escrow Holder so long as such additional instructions do not conflict with this Agreement. Escrow shall not be deemed "opened" until Escrow Holder confirms receipt of a fully executed copy of this Agreement.

9.2. Close of Escrow. Provided that all of the Buyer Contingencies and Seller Contingencies have been satisfied and/or waived by the respective parties, the parties shall proceed to close Escrow as follows ("**Close of Escrow**"):

9.2.1. Seller's Authorization. Seller shall authorize and instruct Escrow Holder to cause the Grant Deed, substantially in the same form as Exhibit C, to be recorded in the Official Records of Madera County, California, subject to any instructions and conditions of Seller which do not conflict with the terms of this Agreement.

9.2.2. Buyer's Authorization. Buyer shall authorize and instruct Escrow Holder to release the Total Acquisition Costs to Seller subject to any instructions and conditions of Buyer which do not conflict with the terms of this Agreement.

9.2.3. Disbursement and Recordation. The Close of Escrow shall not be deemed consummated or "closed" unless and until the following have occurred:

9.2.3.1. Owner's Policy. Escrow Holder has confirmed that Title Company is irrevocably and unconditionally committed to issue the Owner's Policy, with liability coverage in the amount of the appraised value of the Real Property, and showing fee title to the Real Property vested in Buyer, free and clear of all liens and encumbrances, except for the Permitted Exceptions;

9.2.3.2. Recordation of Grant Deed. Escrow Holder has confirmed that Seller's conditions to the recordation of the Grant Deed have been satisfied, and that the Grant Deed has been recorded in the Official Records of Madera County, California; and

9.2.3.3. Disbursement of Total Acquisition Costs. Escrow Holder has confirmed that Buyer's conditions to the disbursement of the Total Acquisition Costs have been satisfied, and that the Total Acquisition Costs, less Seller's share of Closing Costs, has been disbursed to, and received by, Seller in accordance with Seller's instructions.

9.3. Closing Costs. At the Close of Escrow, the costs and fees associated therewith ("**Closing Costs**") shall be allocated as follows: (i) Buyer shall pay one-half of Escrow Holder's charges and fees, and shall pay for the cost of all overnight deliveries requested by Buyer; (ii) Buyer shall pay the premium for the CLTA coverage portion of the Owner's Policy and shall pay for any title endorsements approved by Seller to cure any Disapproved Exceptions; (iii) Buyer shall pay the cost of the premium for the ALTA -- Extended Coverage portion of the Owner's Policy if Buyer obtains an ALTA -- Extended Coverage policy. The parties acknowledge that Buyer, as a governmental entity, is exempt from the payment of documentary transfer taxes and recording fees. Notwithstanding the foregoing, in accordance with the standard practice and policy of the State of California, Buyer shall not be obligated to pay for Buyer's share of the Closing Costs unless and until Buyer receives an acceptable Owner's Policy issued to Buyer, along with an invoice itemizing Buyer's share of Closing Costs; (iv) Seller shall pay one-half of Escrow Holder's charges and fees, and for all overnight deliveries requested by Seller.

10. REPRESENTATIONS, WARRANTIES, AND COVENANTS.

10.1. Seller's Representations and Warranties. Seller hereby makes the following representations and warranties to Buyer, all of which shall be true and accurate as of the execution of this Agreement and as of the Close of Escrow:

10.1.1. Seller will endeavor to obtain fee simple title to the Real Property, and Seller's conveyance and delivery of fee simple title to Buyer at the Close of Escrow shall be free of any and all liens or encumbrances, except for the Permitted Exceptions.

10.1.2. Seller is duly organized, validly existing, and in good standing under the laws of the State of California.

10.1.3. Seller's execution, delivery, or performance of this Agreement (including any related documents to be executed and delivered by Seller at the Close of Escrow):

10.1.3.1. Is duly authorized and approved such that this Agreement and related documents will constitute legal, valid, and binding obligations of Seller enforceable against Seller in accordance with their respective terms (except to the extent that such enforcement may be limited by applicable bankruptcy, insolvency, moratorium, and other principles relating to or limiting the right of contracting parties generally);

10.1.3.2. Does not and will not violate any provisions of any agreement which is binding upon Seller or any of Seller's assets;

10.1.3.3. Does not require any authorization, consent, approval, or other action of or filing or registration with any other governmental agency, except as expressly provided herein; and

10.1.3.4. Is not prohibited by any law, ordinance, or regulation.

10.1.4. To the best of Seller's knowledge:

10.1.4.1. There are no suits, actions, arbitrations, attachments, execution proceedings, assignments for the benefit of creditors, insolvency, bankruptcy, reorganizations, or other legal proceedings or inquiries pending or threatened against the Real Property or Seller which could adversely affect the value of the Real Property, Seller's interest therein, Seller's ability to perform its obligations hereunder, or otherwise impose any liability upon any owner of the Real Property;

10.1.4.2. There are no uncorrected violations of any statutes, ordinances, regulations, or administrative or judicial orders or holdings which could adversely affect the Real Property, nor has Seller received any written notice of said violations from any governmental or quasi-governmental authority;

10.1.4.3. No Hazardous Substances are present in, on, or under the Real Property in violation of any Environmental Laws; and

10.1.4.4. Except for any matters of record, there are no other leases, rental agreements, or maintenance agreements with respect to the Real Property.

10.1.5. Seller has not received any written notice of any pending widening, modification, or realignment of any street or highway contiguous to the Real Property or any existing or proposed eminent domain proceeding that would result in a taking of all or any part of the Real Property.

10.1.6. Seller has not granted any preemptive or reversionary rights with respect to the Real Property, nor has Seller entered into any other agreements for the sale, lease, use, or occupancy of any portion of the Real Property by any third parties, which would otherwise impose an obligation upon Buyer or affect the marketability of title to the Real Property.

10.1.7. There are no encroachments of any improvements onto the Real Property, nor do any of the improvements on the Real Property encroach onto any neighboring land owned by a third party.

10.1.8. There are no actual or pending public improvements on the Real Property which would or could result in the imposition of any liens thereon, including, but not limited to, any public assessments or mechanics' liens.

10.1.9. Seller has neither engaged nor owes a commission to any broker or finder in connection with the sale contemplated by this Agreement, except for any such commission which will be included in the Total Acquisition Costs as actual incurred land assembly costs.

10.1.10. No representation, warranty, or statement of Seller in this Agreement, or in any document, certificate, or schedule furnished or to be furnished to Buyer pursuant to this Agreement, contains any untrue statement of a material fact, or omits to state any material fact needed to ensure the accuracy of the representations, warranties, or statements contained therein.

10.1.11. Seller shall not exercise its power under the City of Madera Redevelopment Plan adopted on December 17, 1990 and amended most recently on March 19, 2008 (the "Plan") or any other document, now or in the future, implementing the Plan, to impose any restrictions, controls, limitations or prohibitions on Buyer's use or development of the Real Property, construction of the State Project, or maintenance and operation of the State Project, and hereby waives forever any and all rights to enforce against the Buyer by litigation or any other means any such restrictions, controls, limitations, or prohibitions so long as the State of California holds title to the Real Property and uses the Real Property for public purposes of the State of California.

10.1.12. Seller acknowledges and agrees that the Buyer is not subject to the City of Madera's general plan, zoning ordinance, building code, or other municipal code provisions in its development and construction of the State Project or other facility located on the Real Property owned by the State of California, and so long as the State of California holds title to the Real Property and uses the Real Property for public purposes of the State of California, the Seller waives forever any and all rights it may have to enforce against the State of California by litigation or any other means the general plan, zoning ordinance, building codes, or other such municipal code provisions.

10.1.13. Seller shall not have any right under the Plan, other document implementing the Plan, or otherwise, to impose any planning or design controls on the Real Property or the State Project or to impose any other restrictions on the use or development of the Real Property or the State Project so long as the State of California holds title to the Real Property and uses the Real Property for public purposes of the State of California.

10.2. Buyer's Representations and Warranties. Buyer hereby makes the following representations and warranties to Seller, all of which shall be true and accurate as of the execution of this Agreement and as of the Close of Escrow:

10.2.1. The Administrative Office of the Courts is the staff agency to the Judicial Council of California, an entity established by the Constitution of the State of California, and validly exists under the laws of the State.

10.2.2. Buyer's execution, delivery, or performance of this Agreement (including any related documents to be executed and delivered by Buyer at the Close of Escrow):

10.2.2.1. Is duly authorized and approved such that this Agreement and related documents will constitute legal, valid, and binding obligations of Buyer enforceable against Buyer in accordance with their respective terms (except to the extent that such enforcement may be limited by applicable bankruptcy, insolvency, moratorium, and other principles relating to or limiting the right of contracting parties generally);

10.2.2.2. Does not and will not violate any provisions of any agreement which is binding upon Buyer or any of Buyer's assets;

10.2.2.3. Does not require any authorization, consent, approval, or other action of, or filing or registration with, any other governmental agency, except as expressly provided herein; and

10.2.2.4. Is not prohibited by any law, ordinance, or regulation.

10.2.3. Buyer will owe a commission to Grubb & Ellis Pearson Commercial in connection with the sale contemplated by this Agreement.

10.2.4. No representation, warranty or statement of Buyer in this Agreement, or in any document, certificate, or schedule furnished or to be furnished to Seller pursuant to this Agreement, contains any untrue statement of a material fact or omits to state any material fact needed to ensure the accuracy of the representations, warranties, or statements contained therein.

10.3. No Merger. All express representations and warranties in this section 10 shall survive the Close of Escrow and the conveyance of record fee title to the Real Property to the Buyer, and shall not merge with the recordation of the Grant Deed.

10.4. Seller's Pre-Closing Covenants. Seller shall comply with the following covenants and requirements at all times from and after the Effective Date, and prior to the Close of Escrow or earlier termination of this Agreement and cancellation of Escrow:

10.4.1. Seller shall not grant, convey, or enter into any easement, lease, license, agreement, lien, encumbrance, or any other legal or beneficial interest in or to the Real Property, other than the Permitted Exceptions, without the prior written consent of Buyer, which consent shall not be unreasonably withheld or delayed.

10.4.2. Seller shall not violate, nor allow the violation of, any law, ordinance, rule, or regulation affecting the Real Property.

10.4.3. Seller shall do or cause to be done, all things within its reasonable control to preserve intact and unimpaired any and all rights of way, easements, grants, appurtenances, privileges, and licenses in favor or consisting of any portion of the Real Property, except as otherwise expressly provided herein.

10.4.4. Seller shall pay, if and when the same are due, all payments on any encumbrances or assessments presently affecting the Real Property and any and all taxes, assessments, and levies in respect of the Real Property through the Closing Date.

10.4.5. Seller shall not take any action, or fail to take any action, that would result in any change, alteration, modification, addition to, or termination of any of the presently-existing general plan or zoning designation of the Real Property, without Buyer's prior written approval, and Seller shall immediately provide Buyer with a copy of any written materials received by Seller evidencing or relating to any proposal or attempt to effect any such change, alteration, modification, addition to, or termination other than those sought by Buyer.

10.4.6. Seller shall promptly notify Buyer of any event or circumstance that could or would render any representation or warranty of Seller under this Agreement untrue or misleading, or of any covenant of Seller under this Agreement incapable or less likely of being performed; provided, however, that Seller's foregoing obligation to provide notice to Buyer shall in no way relieve Seller of any liability for a Breach by Seller of any of its representations, warranties or covenants under this Agreement.

10.4.7. Seller shall not record any covenants, conditions or restrictions against the Real Property which restricts the design or the development upon the Real Property, and to the extent that any covenants, conditions or restrictions are recorded against the Real Property, such covenants, conditions or restrictions shall exempt the Real Property from any design or development restrictions.

10.4.8. Seller shall not assist with the formation, vote for, or agree to any assessment districts or special tax districts which results in a special tax or assessment upon the Real Property.

11. INDEMNIFICATION AND DUTY TO DEFEND.

11.1. **Defined Terms.** For purposes of this Agreement, the following defined terms and definitions shall apply:

11.1.1. **"Environmental Laws"** means any present and future federal, state and local laws, statutes, ordinances, rules, regulations, and the like, as well as common law, which (i) relate to protection of human health or the environment, (ii) relate to Hazardous Substances, (iii) relate to liability for or costs of Remediation or prevention of Releases of Hazardous Substances, (iv) relate to liability for or costs of other actual or future danger to human health or the environment, (v) condition transfer of property upon a negative declaration, or other approval of a governmental authority of the environmental condition of the Real Property, (vi) require notification or disclosure of Releases of Hazardous Substances, or other environmental condition of the Real Property, to any governmental authority or other person or entity, whether or not in connection with transfer of title to or interest in property, (vii) imposes conditions or requirements in connection with permits or other authorization for lawful activity, (viii) relates to nuisance, trespass, or other causes of action related to the Real Property, and/or (xi) relate to wrongful death, personal injury, or property or other damage in connection with any physical condition or use of the Real Property, including but not limited to, the following laws, as they may be amended from time to time: Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. section 9601, et seq.; Federal Resource Conservation and Recovery Act, 42 U.S.C. section 6901, et seq.; Clean Water Act, 33 U.S.C. section 1251, et seq.; Toxic Substances Control Act, 15 U.S.C. section 2601, et seq.; Refuse Act, 33 U.S.C. section 407; Occupational Safety and Health Act, 29 U.S.C. section 651, et seq.; Clean Air Act, 42 U.S.C. section 7401, et seq.; California Hazardous Waste Control Act, California Health and Safety Code sections 25100, et seq.; Carpenter-Presley-Tanner Hazardous Substance Account Act Substance Account Act, California Health and Safety Code sections 25300, et seq.; Hazardous Substance Cleanup Bond Act of 1984, California Health and Safety Code sections 25385, et seq., and related statutes including sections 25356.1-25356.4 of the California Health and Safety Code; Porter-Cologne Water Quality Control Act, California Water Code sections 13000, et seq.; Safe Drinking Water and Toxic Enforcement Act of 1986, California Health and Safety Code sections 25249.5, et seq.; California Health and Safety Code sections 25220, et seq., 25280, et seq., 25359.7; Code of Civil Procedure section 3483; and any similar federal, state,

and/or local laws and ordinances and the regulations now or hereafter adopted, published, and/or promulgated pursuant thereto.

11.1.2. "Hazardous Substances" includes, but is not limited to, any and all substances (whether solid, liquid, or gas) defined, listed, or otherwise classified as pollutants, hazardous wastes, hazardous substances, hazardous materials, extremely hazardous wastes, or words of similar meaning or regulatory effect under any present or future Environmental Laws or that may have a negative impact on human health or the environment, including but not limited to petroleum and petroleum products, asbestos, and asbestos-containing materials ("ACM"), polychlorinated biphenyls ("PCBs"), lead, lead-based paints, radon, radioactive materials, flammables, and explosives.

11.1.3. "Indemnified Parties" includes the State of California, and each of its political subdivisions, and its branches, divisions, entities, agencies, departments, members, managers, employees, agents, affiliates, partners, attorneys, successors, and assigns.

11.1.4. "Losses" includes, but shall not be limited to, any and all claims, suits, liabilities (including but not limited to strict liabilities), administrative or judicial actions or proceedings, obligations, debts, damages, losses, costs, expenses, diminutions in value, fines, penalties, charges, fees, expenses, costs of assessing damages or losses, judgments, awards, amounts paid in settlement, foreseeable and unforeseeable consequential damages, litigation costs, attorneys' fees, engineers' fees, environmental consultants' fees, Remediation and investigation costs (including but not limited to costs for sampling, testing, and analysis of soil, water, air, building materials, and other materials and substances whether solid, liquid, or gas), of whatever kind or nature, and whether or not incurred in connection with any judicial or administrative proceedings.

11.1.5. "Release" includes, but is not limited to, any release, deposit, discharge, emission, leaking, leaching, spilling, seeping, migrating, injecting, pumping, pouring, emptying, escaping, dumping, disposing, presence, or other movement of Hazardous Substances.

11.1.6. "Remediation" includes, but is not limited, to any response, remedial, removal, or corrective action mandated by any Environmental Laws; any activity to cleanup, detoxify, decontaminate, contain or otherwise remediate any Hazardous Substance mandated by any Environmental Laws; any actions to prevent, cure or mitigate any Release of any Hazardous Substance mandated by any Environmental Laws; any action to comply with any Environmental Laws or with any permits issued pursuant thereto; any inspection, investigation, study, monitoring, assessment, audit, sampling, and testing, laboratory or other analysis, or evaluation relating to any Hazardous Substances mandated by any Environmental Laws.

11.1.7. "Storage Tanks" includes any underground or aboveground storage tanks, whether filled, empty, or partially filled with any substance.

11.2. Indemnification.

11.2.1. Seller shall, and hereby does, indemnify, defend, and hold harmless Buyer and each of the Indemnified Parties from and against all Losses incurred, suffered by or claimed against any one or more of the Indemnified Parties, by reason of, arising out of or relating to any event involving a Release of Hazardous Substances which results in a violation of Environmental Laws which occurred during, or which is otherwise solely attributable to, the time period commencing upon Seller's acquisition of the real property and occurring prior to Close of Escrow related to Seller's ownership, possession, operation, management, maintenance, and repair of, and/or responsibility for the Real Property, including, but not limited to, any Release of Hazardous Substances in, on, under, or near the Real Property, or a violation of any Environmental Laws relating to the Real Property, whether known or unknown, which may have occurred prior to the Close of Escrow.

11.2.2. Seller shall, and hereby does, indemnify, defend, and hold harmless Buyer and each of the Indemnified Parties from and against any obligation to pay any fees, assessments, taxes or charges that might apply with respect to the transaction contemplated by the Agreement or development of the State Project, including, but not limited to, any development impact or functionally similar fees or assessments or any penalties, late fees, adverse claims or interest arising out of late payment of any such amounts, but not including connection fees for sewer, water and storm drainage and infrastructure directly related thereto, nor any fees or costs required to mitigate environmental impacts identified for Buyer's State Project in Buyer's environmental review documents for the State Project, which shall remain Buyer's obligations. Except as provided in Section 8.3 of this Agreement, Seller shall further, and hereby does indemnify, defend, and hold harmless Buyer and each of the Indemnified Parties from and against all Losses incurred, suffered by or claimed against any one or more of the Indemnified Parties, by reason of, arising out of or relating to (i) Seller's exercise of eminent domain, or (ii) any court litigation or other action brought pursuant to any and all sections of the City of Madera Redevelopment Plan (the "Plan") by any owner or owners of property subject to the Plan to enforce against Buyer any recorded provisions of the Plan or other documents entered into pursuant to the Plan which are expressly for the benefit of such owner or owners.

11.3 Duty to Defend; Attorneys Fees and Expenses. Upon written request by any Indemnified Party, Seller shall defend the Indemnified Parties for any claims that are within the scope of the indemnity obligation set forth in section 11.2 above (if requested by any of the Indemnified Parties, in the name of the Indemnified Parties) by attorneys and other professionals, including engineers and environmental consultants selected by the Seller, subject to the reasonable approval of the Indemnified Parties.

11.4 Survival. All rights of the Indemnified Parties and all obligations of Seller under this section 11 shall survive the Close of Escrow, recordation of the Grant Deed, and Seller's conveyance, and Buyer's acceptance, of record title to the Real Property.

12. DAMAGE OR DESTRUCTION PRIOR TO CLOSING.

The risk of physical loss to the Real Property shall be borne by Seller prior to the Close of Escrow and by Buyer thereafter. If the Real Property, or any portion thereof, is damaged or destroyed prior to the Close of Escrow from any cause whatsoever, whether an insured risk or not, and such damage or destruction materially interferes with Buyer's ability to construct the State Project (as determined in Buyer's sole and absolute discretion, subject to the concurrence of the SPWB), Buyer shall have the right, upon written notice to Seller within five (5) business days after the date Buyer receives notice of the loss from Seller, to terminate this Agreement and cancel Escrow in accordance with section 8.2.

13. CONDEMNATION PRIOR TO CLOSING.

If Seller receives written notice from any agency or authority having the power of eminent domain advising of an actual or intended condemnation of all or any portion of the Real Property ("**Condemnation Notice**"), and such condemnation materially interferes with Buyer's ability to construct the State Project (as determined in Buyer's sole and absolute discretion, subject to the concurrence of the SPWB), Seller shall immediately advise Buyer of same in writing and deliver therewith a copy of the Condemnation Notice. Buyer shall have the option, upon written notice to Seller within five (5) business days after the date Buyer receives the Condemnation Notice, to terminate this Agreement and cancel Escrow in accordance with section 8.2.

14. INTENTIONALLY OMITTED.

15. MISCELLANEOUS.

15.1. Notices. All notices required to be given by either party will be made in writing and may be effected (i) by personal delivery, (ii) via reputable overnight courier service, (iii) by mail, registered or certified, postage prepaid with return receipt requested, or (iv) by facsimile transmission. Notices sent by courier or mail must be addressed to the parties at the addresses, and faxed notices must be sent to the parties at the facsimile numbers, appearing below in this section 14.1, but each party may change its designated address or facsimile number by giving written notice to the other party in accordance herewith. Notices delivered personally will be deemed communicated as of actual receipt; notices sent via overnight courier will be deemed communicated as of the date delivered by the courier; mailed notices will be deemed communicated as of the date of receipt or the fifth day after mailing, whichever occurs first; and faxed notices will be deemed communicated as of the time and date of the facsimile confirmation printout of the recipient. The parties' addresses, telephone numbers, and facsimile numbers are as follows (telephone numbers are provided for convenience only):

Seller:

Name: Madera Redevelopment Agency

Address: 5 East Yosemite Avenue,

Madera, CA 93638

Telephone: 559-661-5110

Facsimile: 559-674-7018

E-mail: jtaubert@cityofmadera.com

Buyer:

Judicial Council of California
Administrative Office of the Courts
Office of Court Construction and Management
Attn: Manager, Real Estate
455 Golden Gate Avenue
San Francisco, CA 94102
Telephone: (415) 865-4048
Facsimile: (415) 865-8885
E-mail: eunice.calvert-banks@jud.ca.gov

and

Judicial Council of California
Administrative Office of the Courts
Office of Court Construction and Management
Attn: Director
2860 Gateway Oaks, Suite 400
Sacramento, CA 95833
Telephone: (916) 263-1493
Facsimile: (916) 263-2342
E-mail: lee.willoughby@jud.ca.gov

With a copy to:

Judicial Council of California
Administrative Office of the Courts
Office of the General Counsel
Attn: Managing Attorney, Real Estate Unit
455 Golden Gate Avenue
San Francisco, CA 94102
Telephone: (415) 865-4057
Facsimile: (415) 865-8885
E-mail: melvin.kennedy@jud.ca.gov

15.2. Entire Agreement. This Agreement, and the Exhibits attached hereto,

represent the final and entire agreement between the parties in connection with the terms and conditions of the purchase and sale of the Real Property, and this Agreement supersedes and replaces any and all prior and contemporaneous agreements, understandings, and communications between the parties, whether oral or written, with regard to the subject matter hereof. There are no oral or written agreements, representations, or inducements of any kind existing between the parties relating to this transaction which are not expressly set forth herein. This Agreement may not be modified except by a written agreement signed by both Buyer and Seller.

15.3. No Assignment; Binding Effect. Neither party may assign its rights under this Agreement without the prior written consent of the other party, which may be given or withheld in the sole and absolute discretion of the non-assigning party. This Agreement shall be binding upon and inure to the benefit of the parties hereto, their respective heirs, legal representatives, administrators, successors-in-interest, and assigns.

15.4. Waiver. No waiver of any provision of this Agreement shall be valid unless in writing and signed by both parties hereto. No waiver by any party, at any time, of any breach of any provision of this Agreement shall be deemed a waiver of a breach of any other provision herein, or consent to any subsequent breach of the same or another provision. If any action by any party shall require the consent or approval of another party, such consent or approval of such action on any one occasion shall not be deemed a consent to or approval of such action on any subsequent occasion or a consent to or approval of any other action.

15.5. Captions, Headings, Exhibits, and Recitals. The captions and section numbers appearing in this Agreement are inserted only as a matter of convenience and do not define, limit, construe, or describe the scope or intent of this Agreement. The recitals set forth in this Agreement, and each and all of the exhibits attached to this Agreement, are incorporated herein as if set forth in full in this Agreement.

15.6. Governing Law. This Agreement has been prepared, negotiated, and executed in, and shall be construed in accordance with, the laws of the State of California, without regard to conflict of law rules.

15.7. Time of the Essence. Time is of the essence with respect to all matters contained in this Agreement.

15.8. Date of Agreement. All references in this Agreement to "the date of this Agreement" or "the date hereof" shall be deemed to refer to the Effective Date.

15.9. Counting of Days. The time in which any act must be performed under this Agreement shall be computed by excluding the first day and including the last day, unless the last day is a non-business day (as defined below), in which case the last day of performance shall be the next business day (as defined below). The term "non-business day" shall mean any "holiday" as defined in Code of Civil Procedure section 7 and any "optional bank holiday" as defined in Code of Civil Procedure section 7.5.

Accordingly, the term "business day" shall mean any day other than a non-business day.

15.10. Invalidity of any Provision. If any provision (or any portion of any provision) of this Agreement is held to be illegal, invalid, or unenforceable under present or future laws effective during the term of this Agreement, the legality, validity, and enforceability of the remaining provisions (or the balance of such provision) shall not be affected thereby.

15.11. Drafting of Agreement. Buyer and Seller acknowledge that this Agreement has been negotiated at arm's length, that each party has been represented by independent counsel and that this Agreement has been drafted by both parties and no one party shall be construed as the draftsman.

15.12. No Third-Party Beneficiary Rights. This Agreement is entered into for the sole benefit of Buyer and Seller and no other parties are intended to be direct or incidental beneficiaries of this Agreement and no third party shall have any right in, under, or to this Agreement, except as expressly provided herein.

15.13. Further Acts. The parties agree to execute such instruments and to perform such further acts as may be reasonably necessary to carry out the purposes and intent of this Agreement.

15.14. Non-Discrimination. Buyer and Seller shall comply with, and this Agreement is subject to, any and all laws prohibiting discrimination.

15.15. Conflict of Interest. No member, official, officer, or employee of the Buyer shall have any direct or indirect interest in this Agreement or the State Project, nor shall such parties participate in any decision relating to this Agreement or the State Project where such participation is prohibited by law.

15.16. Limitation on Liability. No member, official, officer, employee, or agent of the Buyer shall be personally liable for any default or breach by the Buyer under this Agreement.

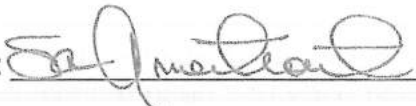
15.17. Survival. All terms and conditions in this Agreement, which represent continuing obligations and duties of the parties and have not been satisfied prior to the Close of Escrow shall survive the Close of Escrow and transfer of fee title to the Real Property to the State, and shall continue to be binding on the respective obligated party in accordance with their terms.

15.18. Facsimile Signatures. Facsimile signatures shall not be accepted unless prior agreement is obtained in writing by both parties. If agreed that facsimile signatures are acceptable, they will be treated as original signatures; however, in no instance shall facsimile signatures be accepted on any document to be recorded; such documents shall bear original signatures.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the Effective Date.


SELLER:

**REDEVELOPMENT AGENCY OF THE
CITY OF MADERA**

By: 

Name: Sam Armentrout
Title: Agency Chairperson
Dated: 6-10-09

Approved as to Form and Legal Content:


Richard K. Denhalter 6/11/09
Agency Counsel

BUYER:

**THE STATE OF CALIFORNIA, by and through
THE JUDICIAL COUNCIL OF CALIFORNIA,
ADMINISTRATIVE OFFICE OF THE COURTS**

By: 

Name: William C. Vickrey
Title: Administrative Director
Dated: 6-12-09

APPROVED AS TO FORM:

Administrative Office of the Courts,
Office of the General Counsel

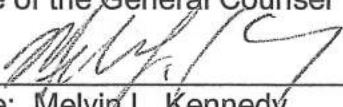
By: 
Name: Melvin L. Kennedy
Title: Managing Attorney, Real Estate Unit
Dated: 06-03-09

EXHIBIT A
MAP OF LAND

(SEE ATTACHED)

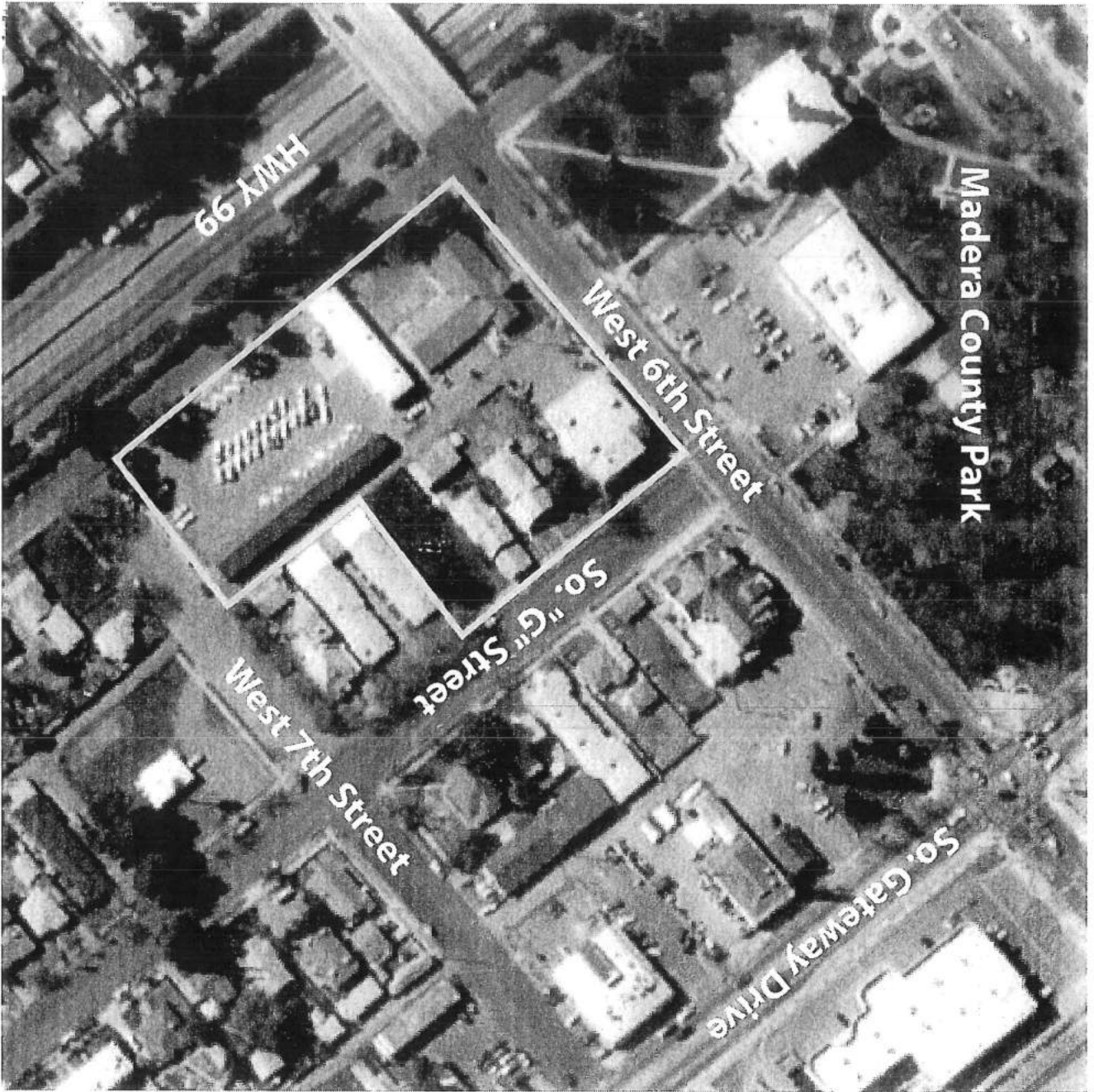


EXHIBIT B
CURRENT LEGAL DESCRIPTIONS OF LAND

(SEE ATTACHED)

**LEGAL DESCRIPTION
EXHIBIT "B"**

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE City OF MADERA, COUNTY OF MADERA, and STATE OF CALIFORNIA AND IS DESCRIBED AS FOLLOWS:

PARCEL 1:

Lots 25 and 26 and the Northeasterly 100 feet of Lots 27, 28, 29, 30, 31 and 32 in Block 9 of Hughes Addition to the Town (now City) of Madera, according to the map entitled, "Map of Lankershim Colony and Addition to the Town of Madera etc.", according to the map thereof recorded in Book 4, Page 31 of Maps, Fresno County Records.

The Southwesterly 50 feet of Lots 27 to 32 inclusive, in Block 9 of Hughes Addition to the City of Madera, according to map entitled, "Map of Lankershim Colony and Addition to the Town of Madera &c.", filed for record in the office of the County Recorder of Fresno County, California, February 5, 1889 in Book 4 of Maps at page 31.

Lots 17, 18, 19, 20, 21 and 22 in Block 9 of Hughes Addition to the Town, now City of Madera, according to the map entitled, "Map of Lankershim Colony and Addition to the Town of Madera, etc.", filed and recorded in the office of the County Recorder of the County of Fresno, State of California, February 3, 1899 in Book 4 of Maps, at page 31.

Lots 23 and 24 in Block 9 of Hughes Addition to the Town, now City of Madera, according to the map entitled, "Map of Lankershim Colony and Addition to the Town of Madera, &c.", filed and recorded in the office of the County Recorder of the County of Fresno, State of California, February 3, 1899 in Book 4 of Maps, Page 31.

APN: portion 010-134-005

PARCEL 2:

Lots 1, 2 and 3, in Block 9 of Hughes Addition to the Town, now City of Madera, according to the map entitled "Map of Lankershim Colony and Addition to the Town of Madera, &c.", filed and recorded in the office of the County Recorder of the County of Fresno, State of California, February 5, 1889, in Vol. 4 of Maps, at page 31.

APN: 010-134-001

PARCEL 3:

Lots 4, 5 and 6, in Block 9 of Hughes Addition to the City of Madera, according to map entitled, "Map of Lankershim Colony and Addition to the Town of Madera, &c.," filed and recorded in the office of the County Recorder of the County of Fresno, State of California, February 5, 1889 in Vol. 4 of Maps, at Page 31.

APN: 010-134-002

Parcel 4, and

Lots 7 and 8, in Block 9 of Hughes Addition to the Town, now City of Madera, according to the map entitled, "Map of Lankershim Colony and Addition to the Town of Madera, &c.", filed and recorded in the office of the County Recorder of the County of Fresno, State of California, February 5, 1889, in Vol. 4 of Maps, at page 31.

APN: 010-134-003

PARCEL 5:

Lots 9 and 10 in Block 9 of Hughes Addition to the Town now City of Madera, according to the map entitled, "Map of Lankershim Colony and addition to the Town of Madera & C." filed and recorded in the office of the County Recorder of the County of Fresno, State of California, February 5, 1889 in Vol. 4 of maps at page 31.

APN: 010-134-006

EXHIBIT C
FORM OF GRANT DEED AND CERTIFICATE OF ACCEPTANCE

(SEE ATTACHED)

WHEN RECORDED MAIL TO:

Judicial Council of California
Administrative Office of the Courts
Office of Court Construction and Management
455 Golden Gate Avenue
San Francisco, CA 94102
Attn: Director

OFFICIAL STATE BUSINESS – EXEMPT
FROM RECORDING FEES PURSUANT TO
GOV'T. CODE SECTION 27383 AND
DOCUMENTARY TRANSFER TAX PURSUANT
TO REVENUE AND TAXATION CODE
SECTION 11922.

SPACE ABOVE THIS LINE FOR RECORDER'S
USE

GRANT DEED

Agency: Judicial Council of California,
Administrative Office of the Courts
Project:
Project Parcel:

REDEVELOPMENT AGENCY OF THE CITY OF MADERA, a public body, corporate and politic,

hereby GRANTS to **THE STATE OF CALIFORNIA**, by and through **THE JUDICIAL COUNCIL OF CALIFORNIA, ADMINISTRATIVE OFFICE OF THE COURTS**, the following described real property situated in the State of California, County of Madera, City of Madera, described as follows:

See Exhibit "A"
consisting of one (1) page attached hereto
and by this reference made a part hereof.

REDEVELOPMENT AGENCY OF THE CITY OF MADERA

By: _____
Name:
Its:
Dated: _____

EXHIBIT "A"

LEGAL DESCRIPTION OF THE REAL PROPERTY

**LEGAL DESCRIPTION
EXHIBIT "A"**

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE City OF MADERA, COUNTY OF MADERA, and STATE OF CALIFORNIA AND IS DESCRIBED AS FOLLOWS:

PARCEL 1:

Lots 25 and 26 and the Northeasterly 100 feet of Lots 27, 28, 29, 30, 31 and 32 in Block 9 of Hughes Addition to the Town (now City) of Madera, according to the map entitled, "Map of Lankershim Colony and Addition to the Town of Madera etc.", according to the map thereof recorded in Book 4, Page 31 of Maps, Fresno County Records.

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APN: portion 010-134-005

PARCEL 2:

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APN: 010-134-001

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APN: 010-134-002

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APN: 010-134-003

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Lots 9 and 10 in Block 9 of Hughes Addition to the Town now City of Madera, according to the map entitled, "Map of Lankershim Colony and addition to the Town of Madera & C." filed and recorded in the office of the County Recorder of the County of Fresno, State of California, February 5, 1889 in Vol. 4 of maps at page 31.

APN: 010-134-006

CERTIFICATE OF ACCEPTANCE

Agency: JUDICIAL COUNCIL OF CALIFORNIA,
ADMINISTRATIVE OFFICE OF THE COURTS

Project:

DGS Parcel: 10538

Assessor's Parcel No.:

This is to certify that, pursuant to sections 15853, 27281 and 70301 et seq. of the California Government Code, the interest in real property conveyed by the Grant Deed dated _____ from the Redevelopment Agency of the City of Madera, a public body, corporate and politic, to THE STATE OF CALIFORNIA, by and through THE JUDICIAL COUNCIL OF CALIFORNIA, ADMINISTRATIVE OFFICE OF THE COURTS, is hereby accepted by the undersigned officer on behalf of the State Public Works Board pursuant to authority conferred by resolution of said Board duly adopted on _____ and the Grantee consents to the recordation thereof by its duly authorized officer.

Note to Recorder: *If this certificate is for a correction deed, all corrections and/or changes to the previously recorded deed must be reviewed and accepted by the State prior to recording a correction deed. All correction deeds require a new Certificate of Acceptance dated subsequent to recordation of the original deed or the most recent correction deed, if any.*

Accepted

STATE OF CALIFORNIA
STATE PUBLIC WORKS BOARD

By _____
Jerry Leong
Assistant Administrative Secretary

Dated: _____

Consent

THE JUDICIAL COUNCIL OF CALIFORNIA,
ADMINISTRATIVE OFFICE OF THE COURTS

By _____
William C. Vickrey
Administrative Director of the Courts

Dated: _____

Approved as to form:
ADMINISTRATIVE OFFICE OF THE COURTS
OFFICE OF THE GENERAL COUNSEL

By: _____
Melvin L. Kennedy
Managing Attorney, Real Estate Unit

Dated: _____

Exhibit "D"

DEPICTION OF ALLEY

ORIGINAL

NOTE: This map is for informational purposes only and is not for the intent of interpreting legal boundary rights, taxing regulations and/or legality of land division laws.

05/11/14 4:11
-2 01 3-11 5-11
-3 11

HUGHES ADDN.
4-31 F.C.R.

SEC. 24 T.11S. R17E. M.D.B.&M.

CITY OF MADERA
BLKS. 25 & 32

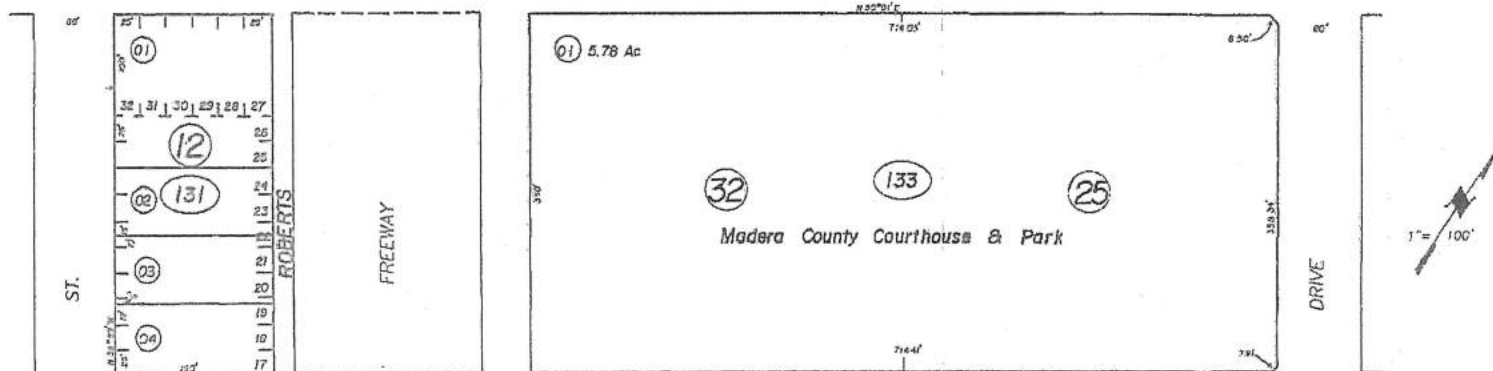
10-13

WEST

YOSEMITE

AVE.

Tax Area Code
02-040



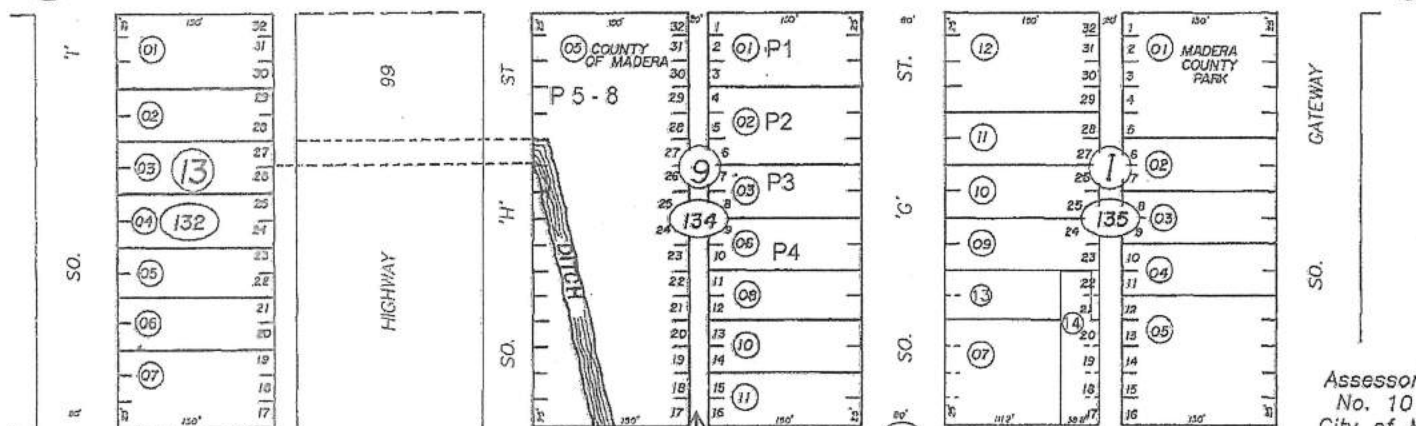
12

WEST

6 TH.

ST.

7
15



**MADERA REDEVELOPMENT AGENCY
REPORT TO THE CITY COUNCIL
AND THE AGENCY BOARD**

BOARD MEETING OF: March 11, 2009

AGENDA ITEM NUMBER: 4A

APPROVED BY:


Executive Director

Subject: Update on the Courthouse Relocation Project and Consideration of Resolutions Amending the Sales Agreement with Madera County and the Memorandum of Understanding with Madera County

Summary: The Agency Board/City Council will be provided with an update on the activities related to the Courthouse Relocation Project and consider the following actions:

- 1) Consideration of a resolution amending the Sales Agreement with the County of Madera.
- 2) Consideration of a resolution amending the Memorandum of Understanding with the County of Madera.

HISTORY/BACKGROUND

At the meeting of January 14, 2009, the Agency Board and City Council were provided the attached memorandum regarding staff actions related to the Courthouse Relocation Project. Subsequent to this memorandum, the following actions have been taken.

1. Approved **sales agreement for 220-224 South 'G' Street (\$538,125.00) and 228 South 'G' Street (\$280,000.00)**. The acquisition of these properties was outside the scope of our reimbursement agreement with the AOC; however, they were considered necessary so that adequate land was available for a parking facility.
2. Adopted **Resolution of Necessity for 216 South 'G' Street**.
3. **Circulation of the Relocation Plan for businesses and residents that are being displaced by the project is underway.**

A summary of funds that have been committed is outlined below:

Acquisition Costs	\$1,895,000.00
Relocation/Engineering/Environmental Consultants	\$281,380.00
TOTAL	\$2,176,380.00

Additionally, our Memorandum of Understanding and sales agreement with Madera County commits the Agency to funding the construction of parking facilities (estimated at \$4.2 million) within one (1) year of the completion of the construction of the new Courthouse. As a result of this commitment, on February 11, 2009 the Agency Board unanimously voted to postpone a number of important redevelopment projects so that the state and federal economic crisis would not impact our ability to fund the construction of the parking facility. Essentially, we committed existing bond proceeds.

SITUATION

In October 2008, the AOC provided the County with a six (6) page Memorandum of Understanding that would effectuate the land exchange between the two (2) entities. The County did not get back to the AOC until February 2009. At that time, the requested changes were so significant that they were rejected by the AOC. Most of the changes related to the issue of parking. In that the parking issue was not addressed, the Board of Supervisors did not approve the agreement. More recently, the AOC has communicated to Mr. Stell Manfredi and myself, that all of the AOC/County/Agency agreements should specifically relate to land transfers, reimbursements, etc. Any references to parking will delay getting the project before the state Public Works Board.

On March 2, 2009, County/Agency representatives met to address AOC/County concerns as they relate to the parking issue. Recommended actions include the following:

1. Amend the Agency/County sales agreement to delete any reference to the future construction of parking facilities. A copy of the amended sales agreement will be provided to AOC.
2. Amend the Agency/County Memorandum of Understanding to strengthen the language related to the Agency's financial participation on the construction of the parking facilities.

The City Attorney/County Counsel worked out language that should be satisfactory to all parties. Subject to positive action by the Agency, the Board of Supervisors will consider the agreements at their meeting of March 17, 2009.

VISION 2025 LINKAGE

While the project does not specifically incorporate strategies in the vision or action plans of Vision Madera 2025, it may represent one or more examples of economic opportunities to be realized by Madera.

RECOMMENDATION

Staff recommends the Agency Board take the following actions:

1. Adopt the resolution amending the sales agreement with the County of Madera.
2. Adopt the resolution amending the Memorandum of Understanding with the County of Madera.

JET:sb

Attachments:

- 1/7/09 memo and follow-up memo dated 2/9/09
- Amended sales agreement
- Amended MOU

MADERA COUNTY CONTRACT NO. 8783A-c-2009
(Amended Memorandum of Understanding - Transfer of Real Property and
Transactions Related to Construction of
New Superior Court Facility at Madera, California)

THIS MEMORANDUM OF UNDERSTANDING ("MOU") is entered into as of the 17TH day of March 2009, by and among the COUNTY OF MADERA, a political subdivision of the State of California ("COUNTY"), and the CITY OF MADERA REDEVELOPMENT AGENCY, a public body, corporate and politic, ("CITY RDA"), also collectively referred to herein as the "PARTIES."

RECITALS

A. The purpose of this MOU is to facilitate the transfer, as set forth herein, certain real property as described below.

B. The Superior Court of the State of California, at Madera County, California, has received funding for construction of a new courthouse and related facilities in Madera County (Courthouse Project).

C. CITY RDA prefers that the Superior Court locate its Courthouse Project within the city limits of the City of Madera in the area generally referred to as downtown Madera.

D. COUNTY prefers that the Superior Court locate its Courthouse Project in the immediate vicinity of the County Government Center, at 200 West Fourth Street, and in the immediate vicinity of the present Superior Court facility, at 209 West Yosemite Avenue (Present Courthouse).

E. The Superior Court has considered various possible sites for construction of the Courthouse Project, and has identified a preferred site at the southeast corner of West Sixth Street and South 'H' Street (the "Sixth & 'H' Location").

F. The Sixth & 'H' Location is situated within the city limits of the City of Madera and is owned, in part, by the County of Madera.

G. Upon approval of the MOU by the PARTIES, the PARTIES shall implement the MOU by subsequent execution of documents and performance of such other acts of their respective governing bodies and staff personnel, as are necessary to effect the provisions, purposes and intent of this MOU.

H. The real property transfers as set forth herein and as are the subject of this MOU, are acknowledged and declared by the PARTIES to be for public purposes.

AGREEMENT

1. TRANSFER OF COUNTY CENTRAL GARAGE PARCEL. The PARTIES will enter into such further agreement(s), as necessary, whereby the COUNTY will transfer ownership to CITY RDA of the real property commonly known as the Central Garage parcel, situated at 221 South 'H' Street, Madera, California, and upon which parcel is also situated the former Information Technology/Environmental Health/Sheriff building, at 216 West Sixth Street, Madera, California, and which parcel is also identified as Assessor's Parcel Number (A.P.N.) 010-134-005-0 (Transfer Parcel). Transfer of the Transfer Parcel to the CITY RDA shall not occur until September 30, 2010.

1.01 CITY RDA will transfer the Transfer Parcel to the State of California Administrative Office of the Courts (State AOC) for the express purpose of construction of the Courthouse Project upon the Central Garage Parcel. COUNTY understands that construction of Courthouse Project will necessarily entail relocation of COUNTY's Central Garage operations to another location, which relocation COUNTY will undertake at no cost to CITY RDA or to the State AOC. County shall be solely responsible for any necessary environmental clean up of said Transfer Parcels in compliance with all federal and state laws.

1.02 CITY RDA's agreement with State AOC respecting Courthouse Project construction will expressly provide that neither the State AOC, State of

California, Superior Court, nor any affiliated entity, will make or assert any claim of ownership to the improvements or parcel situated at 209 West Yosemite Avenue, Madera, California, and also identified as A.P.N. 010-092-001-0, after vacating such location, which vacation will occur not later than ninety (90) days after completion of construction of the Courthouse Project.

- 1.03 In further consideration for the transfer of the real property described in Section 1, CITY RDA will construct a parking facility with a minimum of two hundred fifty to three hundred (250-300) parking spaces, immediately adjacent to the new courthouse. CITY RDA shall negotiate with the AOC to ensure that said two hundred fifty to three hundred (250 - 300) space parking facility will be completed simultaneously or no later than one (1) year from the issuance of the Certificate of Occupancy for the new courthouse. COUNTY shall not become obligated under this agreement to operate, fund, maintain or contribute to the acquisition of real property for, or for construction, of said parking facility.
- 1.04 CITY RDA will, at COUNTY'S sole option, expend funds in an amount equal to the appraised value at the time of transfer of the Transferred Parcel, with improvements, to either: demolish COUNTY's jail annex facility located in the historic Courthouse Park, 210 West Yosemite Avenue, Madera, California, or, renovate the former COUNTY Library building located at 135 West Yosemite Avenue, Madera, California. Both parties hereto shall bear fifty percent (50%) of the expenses of said appraisal. In the event that the appraised value is not adequate for either project, COUNTY, at its option, shall provide the additional funds for

completion of the project or select another project consistent with CITY RDA five year implementation plan.

1.05 In the event that COUNTY decides to sell the Present Courthouse parcel, COUNTY grants to CITY RDA a right of first refusal to purchase the Present Courthouse parcel at its appraised value at the time of offer to purchase or at a price equal to a bona fide offer to purchase, provided, however, that CITY RDA must ensure that the continued usage of the Present Courthouse parcel will remain and continue to be primarily a governmental institution usage for a period of twenty (20) years from the date of transfer. CITY RDA shall have ninety (90) days from the date of notification of potential sale of said property to exercise its rights under this section.

1.06 Contingent upon the agreement of the Veterans of Foreign Wars (VFW) to sell and relocate from their present facility, as identified below and pursuant to the terms provided herein below, COUNTY and CITY RDA agree to contribute an equal sum not to exceed One Hundred Thousand Dollars (\$100,000.00) each, or to provide property and city improvements in lieu of cash payments to facilitate relocation of the Veterans of Foreign Wars (VFW), from their present facility at 200 South 'G' Street, Madera, California, to another facility location to be determined. COUNTY has a reversionary interest in the present VFW facility, and will obtain a reversionary interest in any facility to which the VFW may relocate, by written agreement, the terms of which shall also provide for perpetual no-cost rental privileges for COUNTY, CITY RDA, City of Madera, and their affiliated entities at the new VFW facility.

2. **TRANSACTIONS COSTS.** Costs incurred with the carrying out of the above-referenced transactions, including but not limited to, escrow, title insurance, recording, and other costs and expenses will be shared equally among the PARTIES.

3. **COLLECTIVE ACTION.** Understanding that third party agreements must be executed to effect the purposes of this agreement, the PARTIES agree to work collectively so far as reasonably and legally possible to effectuate, accomplish and carry-out the terms and intent of this MOU.

4. **WAIVER OF FEES AND COSTS.** To the extent allowed by law, the PARTIES each agree not to impose, and to waive all fees and costs, otherwise imposable on the other party relating to the provisions contained in this MOU including, but not limited to, permit fees, and any other fees related to the above-referenced transactions, except as provided in Section 2 hereto.

5. **ASSIGNMENT.** Rights or obligations arising under the terms of this MOU may not be assigned by any party without the express written consent of both PARTIES.

6. **MODIFICATION.** This MOU may only be modified in writing duly executed and ratified by the PARTIES hereto.

7. **CONDITIONAL MOU.** This MOU contemplates the execution of subsequent agreements with third parties who are not bound by the terms of this agreement. This agreement shall be considered a conditional agreement between the PARTIES for the purposes of effectuating the execution of the anticipated subsequent agreements and to ensure that the parties to this agreement act in good faith to carry forward this intent. In the event that the AOC, the State of California, the City of Madera, City RDA or County of Madera are unable to reach an agreement necessary to effectuate the construction of a new courthouse and parking facility within the

parameters of this agreement, any party hereto may withdraw from this agreement upon notice to the other party.

8. **BINDING EFFECT.** Except as provided in Section 7 and Section 9, this MOU shall be binding upon the heirs, representatives, and assigns of the PARTIES.

9. **SUBSEQUENT AGREEMENTS.** This MOU contemplates a series of legally enforceable agreements and/or actions to be entered into by the PARTIES including escrows, land use or transaction agreements, and related agreements which must be drafted and executed at later dates. This MOU contemplates all of the essential terms, conditions, rights, duties and obligations of the PARTIES which shall become binding upon execution and/or ratification as appropriate by COUNTY and CITY RDA as public agencies of each and all of the additional agreements referenced herein, provided each such referenced agreement is adopted in substantially the form and content contemplated by the PARTIES hereto.

10. **PEN AND INK CORRECTIONS.** Notwithstanding any provision herein, pen and ink corrections may be inserted and considered binding upon initialization by all PARTIES.

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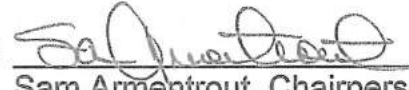
* * * * *

IN WITNESS WHEREOF, the foregoing MOU is executed on the day and year
first written above.

COUNTY OF MADERA


Chairman, Board of Supervisors

CITY OF MADERA
REDEVELOPMENT AGENCY

By: 
Sam Armentrout, Chairperson

ATTEST:


Clerk, Board of Supervisors

ATTEST:


Sandi Brown, Agency Secretary

Approved as to Legal Form:
COUNTY COUNSEL

By: 

Approved as to Legal Form:
GENERAL COUNSEL

By: 
Richard K. Denhalter 3/12/09

ACCOUNT NUMBER(S)



MEMORANDUM OF UNDERSTANDING
(Transfer of Real Property and Transactions Related to Construction of
New Superior Court Facility at Madera, California)

THIS MEMORANDUM OF UNDERSTANDING ("MOU") is entered into as of the 12th day of November 2008, by and among the COUNTY OF MADERA, a political subdivision of the State of California ("COUNTY"), and the CITY OF MADERA REDEVELOPMENT AGENCY, a public body, corporate and politic, ("CITY RDA"), also collectively referred to herein as the "PARTIES."

RECITALS

A. The purpose of this MOU is to facilitate the transfer, as set forth herein, certain real property as described below.

B. The Superior Court of the State of California, at Madera County, California, has received funding for construction of a new courthouse and related facilities in Madera County (Courthouse Project).

C. CITY RDA prefers that the Superior Court locate its Courthouse Project within the city limits of the City of Madera in the area generally referred to as downtown Madera.

D. COUNTY prefers that the Superior Court locate its Courthouse Project in the immediate vicinity of the County Government Center, at 200 West Fourth Street, and in the immediate vicinity of the present Superior Court facility, at 209 West Yosemite Avenue (Present Courthouse).

E. The Superior Court has considered various possible sites for construction of the Courthouse Project, and has identified a preferred site at the southeast corner of West Sixth Street and South 'H' Street (the "Sixth & 'H' Location").

F. The Sixth & 'H' Location is situated within the city limits of the City of Madera and is owned, in part, by the County of Madera.

G. Upon approval of the MOU by the PARTIES, the PARTIES shall implement the MOU by subsequent execution of documents and performance of such other acts of their respective

governing bodies and staff personnel, as are necessary to effect the provisions, purposes and intent of this MOU.

H. The real property transfers as set forth herein and as are the subject of this MOU, are acknowledged and declared by the PARTIES to be for public purposes.

AGREEMENT

1. TRANSFER OF COUNTY CENTRAL GARAGE PARCEL. The PARTIES will enter into such further agreement(s), as necessary, whereby the COUNTY will transfer ownership to CITY RDA of the real property commonly known as the Central Garage parcel, situated at 221 South 'H' Street, Madera, California, and upon which parcel is also situated the former Information Technology/Environmental Health/Sheriff building, at 216 West Sixth Street, Madera, California, and which parcel is also identified as Assessor's Parcel Number (A.P.N.) 010-134-005-0 (Transfer Parcel). Transfer of the Transfer Parcel to the CITY RDA shall not occur until September 30, 2010.

1.01 CITY RDA will transfer the Transfer Parcel to the State of California Administrative Office of the Courts (State AOC) for the express purpose of construction of the Courthouse Project upon the Central Garage Parcel. COUNTY understands that construction of Courthouse Project will necessarily entail relocation of COUNTY's Central Garage operations to another location, which relocation COUNTY will undertake at no cost to CITY RDA or to the State AOC. County shall be solely responsible for any necessary environmental clean up of said Transfer Parcels in compliance with all federal and state laws.

1.02 CITY RDA's agreement with State AOC respecting Courthouse Project construction will expressly provide that neither the State AOC, State of California, Superior Court, nor any affiliated entity, will make or assert any claim of ownership to the improvements or parcel situated at 209 West Yosemite Avenue, Madera, California, and also identified as A.P.N. 010-092-001-0, after vacating such location, which vacation will occur not later than ninety (90) days after completion of construction of the Courthouse Project.

- 1.03 CITY RDA intends to construct a parking facility with a minimum two hundred fifty to three hundred (250 - 300) parking spaces, immediately adjacent to the new courthouse. CITY RDA shall negotiate with the AOC in good faith to ensure that said two hundred fifty to three hundred (250 - 300) space parking facility shall be completed simultaneously or no later than one (1) year from the issuance of the Certificate of Occupancy for the new courthouse. COUNTY shall not become obligated under this agreement to transfer property identified in paragraph 1.01 unless and until COUNTY is satisfied that the parking facility will be constructed.
- 1.04 CITY RDA will, at COUNTY'S sole option, expend funds in an amount equal to the appraised value at the time of transfer of the Transferred Parcel, with improvements, to either: demolish COUNTY's jail annex facility located in the historic Courthouse Park, 210 West Yosemite Avenue, Madera, California, or, renovate the former COUNTY Library building located at 135 West Yosemite Avenue, Madera, California. Both parties hereto shall bear fifty percent (50%) of the expenses of said appraisal. In the event that the appraised value is not adequate for either project, COUNTY, at its option, shall provide the additional funds for completion of the project or select another project consistent with CITY RDA five year implementation plan.
- 1.05 In the event that COUNTY decides to sell the Present Courthouse parcel, COUNTY grants to CITY RDA a right of first refusal to purchase the Present Courthouse parcel at its appraised value at the time of offer to purchase or at a price equal to a bonified offer to purchase, provided, however, that CITY RDA must ensure that the continued usage of the Present Courthouse parcel will remain and continue to be primarily a governmental institution usage for a period of twenty (20) years from the date of transfer. CITY RDA shall have ninety (90) days from the date of notification of potential sale of said property to exercise its rights under this section.

1.06 Contingent upon the agreement of the Veterans of Foreign Wars (VFW) to sell and relocate from their present facility, as identified below and pursuant to the terms provided herein below, COUNTY and CITY RDA agree to contribute an equal sum not to exceed One Hundred Thousand Dollars (\$100,000.00) each, or to provide property and city improvements in lieu of cash payments to facilitate relocation of the Veterans of Foreign Wars (VFW), from their present facility at 200 South 'G' Street, Madera, California, to another facility location to be determined. COUNTY has a reversionary interest in the present VFW facility, and will obtain a reversionary interest in any facility to which the VFW may relocate, by written agreement, the terms of which shall also provide for perpetual no-cost rental privileges for COUNTY, CITY RDA, City of Madera, and their affiliated entities at the new VFW facility.

2. **TRANSACTIONS COSTS.** Costs incurred with the carrying out of the above-referenced transactions, including but not limited to, escrow, title insurance, recording, and other costs and expenses will be shared equally among the PARTIES.

3. **COLLECTIVE ACTION.** Understanding that third party agreements must be executed to effect the purposes of this agreement, the PARTIES agree to work collectively so far as reasonably and legally possible to effectuate, accomplish and carry-out the terms and intent of this MOU.

4. **WAIVER OF FEES AND COSTS.** To the extent allowed by law, the PARTIES each agree not to impose, and to waive all fees and costs, otherwise imposable on the other party relating to the provisions contained in this MOU including, but not limited to, permit fees, and any other fees related to the above-referenced transactions, except as provided in Section 2 hereto.

5. **ASSIGNMENT.** Rights or obligations arising under the terms of this MOU may not be assigned by any party without the express written consent of both PARTIES.

6. **MODIFICATION.** This MOU may only be modified in writing duly executed and ratified by the PARTIES hereto.

7. **CONDITIONAL MOU.** This MOU contemplates the execution of subsequent agreements with third parties who are not bound by the terms of this agreement. This agreement shall be considered a conditional agreement between the PARTIES for the purposes of effectuating the execution of the anticipated subsequent agreements and to ensure that the parties to this agreement act in good faith to carry forward this intent. In the event that the AOC, the State of California, the City of Madera, City RDA or County of Madera are unable to reach an agreement necessary to effectuate the construction of a new courthouse and parking facility within the parameters of this agreement, any party hereto may withdraw from this agreement upon notice to the other party.

8. **BINDING EFFECT.** Except as provided in Section 7 and Section 9, this MOU shall be binding upon the heirs, representatives, and assigns of the PARTIES.

9. **SUBSEQUENT AGREEMENTS.** This MOU contemplates a series of legally enforceable agreements and/or actions to be entered into by the PARTIES including escrows, land use or transaction agreements, and related agreements which must be drafted and executed at later dates. This MOU contemplates all of the essential terms, conditions, rights, duties and obligations of the PARTIES which shall become binding upon execution and/or ratification as appropriate by COUNTY and CITY RDA as public agencies of each and all of the additional agreements referenced herein, provided each such referenced agreement is adopted in substantially the form and content contemplated by the PARTIES hereto.

10. **PEN AND INK CORRECTIONS.** Notwithstanding any provision herein, pen and ink corrections may be inserted and considered binding upon initialization by all PARTIES.

* * * * *

IN WITNESS WHEREOF, the foregoing MOU is executed on the day and year first written above.

COUNTY OF MADERA


Chairman, Board of Supervisors

CITY OF MADERA
REDEVELOPMENT AGENCY

By: 
Sally J. Bompreszi, Chairperson

ATTEST:


Clerk, Board of Supervisors



ATTEST:

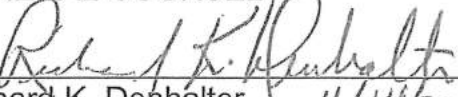

Sandi Brown, Agency Secretary



Approved as to Legal Form:
COUNTY COUNSEL

By: 

Approved as to Legal Form:
GENERAL COUNSEL

By: 
Richard K. Denhalter 11/14/08

ACCOUNT NUMBER(S)

MADERA REDEVELOPMENT AGENCY REPORT TO THE AGENCY BOARD

BOARD MEETING OF: April 8, 2009

AGENDA ITEM NUMBER: 5A

APPROVED BY:


Executive Director

Subject: Consideration of a Resolution Amending the Agreement with the Administrative Office of the Courts Related to the Courthouse Relocation Project

Summary: The Agency Board will consider a resolution amending the agreement with the Administrative Office of the Courts (AOC).

HISTORY/BACKGROUND

The Agency approved an agreement with the Administrative Office of the Courts in December 2008. The agreement is reviewed by the Department of General Services (DGS) prior to submittal to the Public Works Board. A number of changes were requested by DGS, the most important of which related to the payment of Development Impact Fees. The City Attorney changed the wording to better protect the interests of the Agency and the City. The changes were acceptable to AOC.

VISION 2025 LINKAGE

While the approval of this item does not specifically incorporate strategies in the vision or action plans, it may represent one or more examples of economic opportunity realized in Madera.

RECOMMENDATION

Staff recommends the Agency Board adopt the resolution approving an amendment to the agreement.

JET:sb

Attachment:

- Resolution (Agency)
- Agreement

MADERA REDEVELOPMENT AGENCY REPORT TO THE AGENCY BOARD

BOARD MEETING OF:

June 10, 2009

AGENDA ITEM NUMBER:

3F

APPROVED BY:


Executive Director

Subject: Consideration of a Resolution Approving Amendment to the Agreement with Administrative Office of Courts Related to the Courthouse Relocation Project

Summary: The Agency Board will consider a resolution amending the agreement with the Administrative Office of the Courts (AOC).

HISTORY/BACKGROUND

The Agency approved the agreement with the Administrative Office of the Courts in December 2008, and an amended agreement in April 2009. The purpose of this amendment is to change all references of a "sales agreement" to the "acquisition agreement." Additionally, they are deleting the section related to providing us an option to acquire their property for \$1.00 to construct a parking facility. This will be part of a future agreement that will specifically address the parking issue. Finally, the agreement makes it clear that the state is not subject to any restrictions, controls or limitations under the Redevelopment Plan, General Plan or other municipal code provisions. This is similar to other public projects, including those constructed by Madera County and Madera Unified School District.

VISION 2025 LINKAGE

Approval of the action being requested is not addressed in the vision or action plans of Vision Madera 2025. The requested action is not in conflict with any of the actions or goals contained in the plan.

RECOMMENDATION

Staff recommends the Agency Board adopt the resolution amending the agreement with the Administrative Office of the Courts.

JET:sb

Attachment:
-Resolution (Agency)

ACTION ITEMS

ACTION ITEM—1

JUDICIAL COUNCIL OF CALIFORNIA (0250)
NEW MADERA COURTHOUSE, MADERA COUNTY
JCC Parcel Number 20-F1; DGS Parcel Number 10538

Authority: Chapters 171 and 172, Statutes of 2007, Item 0250-301-3037(2)

Consider authorizing acquisition, contingent upon the Madera Redevelopment Agency (Madera RDA) satisfactorily completing the tasks listed below and direct the Administrative Office of the Courts to return to the Public Works Board to certify that all work has been completed and is acceptable prior to final approval of all agreements, resolutions, and other ancillary acquisition documents.

The conditions precedent to final acquisition approval include, but are not limited to:

- (1) Acquisition of the five contiguous parcels by the Madera RDA and assembling all properties into a single parcel;
- (2) Completion of any and all applicable occupant relocation assistance;
- (3) Unconditional abandonment of the alley between the parcels;
- (4) Relocation of an irrigation district right of way and associated improvements off the property;
- (5) Demolition of all unnecessary above and below ground improvements;
- (6) Removal of underground storage tanks, above ground storage tanks, and 55 gallon oil, solvent, transmission oil, and hydraulic fluid drums situated on one of the five parcels, along with any contaminated soils, and
- (7) Provide the state a "No Further Action" letter issued by the appropriate state regulatory agency or the designated County environmental health agency.

ACTION ITEMS

STAFF ANALYSIS ITEM—1

Judicial Council of California
New Madera Courthouse
Madera County

Action requested

If approved, the requested action would authorize acquisition.

Scope Description

This project is within scope. The action would authorize the Judicial County of California (Council) to acquire approximately 2.24 acres of unimproved land from the City of Madera Redevelopment Agency (Madera RDA) to construct court facilities and related improvements for use by the Superior Court of California, Madera County for judicial, court, administrative office, and related purposes. The site is currently comprised of three privately owned improved parcels, one privately owned unimproved parcel, and one County owned improved parcel. Prior to transfer of the property to the State of California (State) the Madera RDA will need to

(1) acquire the five contiguous parcels with title satisfactory to the state, (2) provide applicable occupant relocation assistance, (3) cause the vacation of the alley between the parcels, (4) relocate an irrigation district right of way and associated improvements off the property, (5) demolish all above and below ground improvements, and (6) assemble the properties into a single parcel.

The project will replace deficient existing court facilities and provide juror and court related public parking as well as secure parking for judicial officers and staff. The property, located in downtown Madera across from the historic courthouse (now museum), is situated proximate to the Madera Courthouse Park, the County Administrative Center, and the County public parking garage. The site meets the Council requirements in terms of size, location, accessibility, and costs.

Funding and Cost Verification

This project is within cost. Chapters 171 and 172, Statutes of 2007, Item 0250-301-3037(2) provides funding for this acquisition. The property can be acquired with the funds available and in accordance with Legislative intent.

CEQA

A Notice of Exemption was filed with the State Clearinghouse on October 2, 2008. The period of time in which a court action challenging this CEQA determination expired November 7, 2008.

Project Schedule

Anticipated close of escrow is December 2010 and conditioned on the State Public Works Board determination that the outstanding conditions of property were satisfactorily cleared.

Condition of Property

On May 5, 2009, the Department of General Services-Environmental Services Section (DGS-ESS) reviewed the report in accordance with the Condition of Property recommendations made on July 1, 2008. Tetra Tech recommended that a Phase II Environmental Site Assessment be conducted for the subject property referred to as the Central Garage because this property and associated outbuildings and a fueling station showed evidence of soil stains.

The Phase II Environmental Site Assessment was completed by Krazan & Associates, Inc., on March 31, 2009. It was determined that this parcel required further testing of soil and gas for evidence of constituents of concern beneath the former hydraulic vehicle lifts and a sub-slab soil gas sample from beneath the on-site maintenance building. Conclusions of these tests determined that no further investigation is warranted because the concentrations are well below the levels of concern and do not pose a significant health risk to people who may live or work at the site. A limited soil assessment dated March 27, 2009, was also conducted in the area of the existing 10,000-gallon gasoline Underground Storage Tank (USTs) and associated product lines and dispensers. No petroleum hydrocarbons were detected in the soil samples. The report conclusion is that no further soil assessment appears warranted.

Other:

- The State Public Works Board authorized site selection for this project on August 8, 2008.
- The property is situated within the Madera RDA Plan Area. The Property Acquisition Agreement (PAA) includes a clause wherein the RDA agrees that it will not exercise any rights it may have under its redevelopment plan to restrict or control the JCC's development or use of the property.

- Prior to transfer of the property to the State, the Madera RDA will (1) acquire the five contiguous parcels, (2) provide applicable occupant relocation assistance, (3) cause the vacation of the alley between the parcels, (4) relocate an irrigation district right of way and associated improvements off the property, (5) demolish all above and below ground improvements, and (6) assemble the properties into a single parcel. In addition, prior to close of escrow, the RDA will remove underground storage tanks, above ground storage tanks, and 55 gallon oil, solvent, transmission oil, and hydraulic fluid drums situated on the County owned property, along with any contaminated soils, and provide the State a "No Further Action" letter issued by the appropriate State regulatory agency or the designated County environmental health agency. All of these items are conditions that must be satisfactorily resolved before an acquisition of the property will be finalized.
- The property will be acquired in part in exchange for the State's equity interest in the existing court facility. The total compensation for the property shall be the sum of the DGS approved appraised values for the parcels as currently improved and the actual invoiced land assembly costs incurred by the Madera RDA including, but not necessarily limited to, occupant relocation, improvements demolition, alley abandonment, and irrigation district right of way relocation. However, the total compensation shall not exceed \$2,915,000.00 which amount is less than the sum of the DGS approved appraisals, the estimated occupant relocation assistance, and the JCC engineering department demolition and related land assembly cost estimates.
- The PAA does not include the Department of General Services' standard environmental indemnification language. However, based on the DGS-ESS staff's site visit, review of the Phase I and Phase II Environmental Site Assessments, and review of additional soil sampling results; it does not appear that there are any environmental conditions which would present exceptional risk to the State. It should be noted that the lack of standard indemnification language does not relieve the seller or prior owners of liability under existing law.
- All improvements will be demolished and occupants relocated by the RDA prior to transfer of title to the State.
- There is no relocation assistance involved with the transfer of this property to the State.
- There is no implied dedication involved with this project.

Staff Recommendation: Authorize acquisition, contingent upon the Madera RDA satisfactorily completing the tasks listed below and direct the Administrative Office of the Courts to return to the Public Works Board to certify that all work has been completed and is acceptable prior to final approval of all agreements, resolutions, and other ancillary acquisition documents.

The conditions precedent to final acquisition approval include, but are not limited to:

- (1) Acquisition of the five contiguous parcels by the Madera RDA and assembling all properties into a single parcel;
- (2) Completion of any and all applicable occupant relocation assistance;
- (3) Unconditional abandonment of the alley between the parcels;

- (4) Relocation of an irrigation district right of way and associated improvements off the property;**
- (5) Demolition of all unnecessary above and below ground improvements;**
- (6) Removal of underground storage tanks, above ground storage tanks, and 55 gallon oil, solvent, transmission oil, and hydraulic fluid drums situated on one of the five parcels, along with any contaminated soils, and**
- (7) Provide the state a "No Further Action" letter issued by the appropriate state regulatory agency or the designated County environmental health agency.**

MADERA REDEVELOPMENT AGENCY REPORT TO THE AGENCY BOARD

BOARD MEETING OF: April 14, 2010

AGENDA ITEM NUMBER: 6A

APPROVED BY:


Executive Director

Subject: Consideration of a Resolution Approving a Project Agreement Term Sheet for the Courthouse Parking Garage

Summary: The Agency Board will consider a resolution approving a Project Agreement Term Sheet for the Courthouse Parking Garage.

HISTORY/BACKGROUND

By previous action, the Agency entered into an agreement with the Administrative Office of the Courts (AOC) to assemble property for the relocation of the Madera Courthouse. The transfer of property must be completed by December 1, 2010. Per our agreement with the County of Madera, an agreement for the construction of parking facilities must be in place before they will transfer title to County-owned property.

SITUATION

The Project Agreement Term Sheet is not a legally binding document; however, it is designed to outline the specific "deal points" and will require approval by the State of California Department of Finance and State Public Works Board before we can formalize the final agreement. Proposed terms and conditions are as follows:

1. The garage will be developed as an exclusively AOC owned and operated facility **for use by the general public during normal business hours.**
2. AOC will be responsible for developing, designing and constructing the facility.
3. The Redevelopment Agency will contribute the \$2.9 million we receive from our reimbursement agreement and sell the Bravo/Rangel properties to AOC for \$1.00. Estimated construction costs are \$4,966,000.00.

Again, the term sheet has been approved by AOC and following Agency action, it will be sent to the California Department of Finance and Public Works for final approval.

VISION 2025 LINKAGE

While the approval of this item does not specifically incorporate strategies contained in the action plans of Vision Madera 2025, it is not in conflict with any of the actions or goals contained in the plan.

RECOMMENDATION

Staff recommends the Agency Board adopt the resolution approving the Project Agreement Term Sheet for the Courthouse Parking Garage.

JET:sb

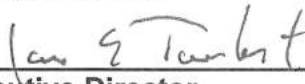
Attachments:

- Resolution
- Project Agreement Term Sheet

**MADERA REDEVELOPMENT AGENCY
REPORT TO THE AGENCY BOARD**

BOARD MEETING OF: June 9, 2010
AGENDA ITEM NUMBER: 4B
Special Agenda

APPROVED BY:


Executive Director

Subject: Consideration of a Resolution Approving an Amendment to the Real Property Acquisition Agreement with the Administrative Office of the Courts Related to the Courthouse Relocation Project

Summary: The Agency Board will consider a resolution approving an amendment to the Real Property Acquisition Agreement with the Administrative Office of the Courts (AOC) related to the Courthouse Relocation Project.

HISTORY/BACKGROUND

By previous action, the Agency approved a reimbursement agreement for the acquisition of property associated with the Courthouse Relocation Project. It is the desire of Agency staff to utilize the proceeds of the acquisition agreement to satisfy our funding commitment for the parking garage. The following language accomplishes this objective.

4. Total Acquisition Costs

The Buyer's total acquisition costs ("Total Acquisition Costs") shall be the sum of the total acquisition costs of Parcels 2, 3, and 4; all actually incurred land assembly costs of all the parcels (Parcels 1, 2, 3, and 4), including but not limited to any and all relocation expenses and benefits paid to the current property owners and all abatement, remediation, and demolition costs; the costs of the vacation of the alley located between the parcels; and the demolition and removal of alley improvements and underground utilities in accordance with section 6.2 below. Seller shall submit to Buyer and to escrow, not later than 10 days before closing, an itemized statement of such costs setting forth the total thereof as the stipulated Total Acquisition Costs which costs shall not exceed Two Million Nine Hundred Fifteen Thousand Dollars (\$2,915,000) *minus Two Million Nine Hundred Dollars (\$2,900,000) which represents Buyers cash contribution to the Project Costs, for a net amount due to escrow of \$15,000.* The parties acknowledge that the Total Acquisition Costs and the other mutual covenants and agreements contained herein are adequate and sufficient consideration in support of this Agreement.

VISION 2025 LINKAGE

While the approval of this item does not specifically incorporate strategies contained in the action plans of Vision Madera 2025, it is not in conflict with any of the actions or goals contained in the plan.

RECOMMENDATION

Staff recommends the Agency Board adopt the resolution approving the amendment to the Real Property Acquisition Agreement with the Administrative Office of the Courts (AOC) related to the Courthouse Relocation Project.

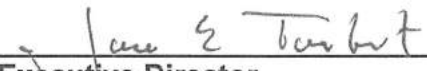
JET:sb

Attachment: Resolution

**MADERA REDEVELOPMENT AGENCY
REPORT TO THE AGENCY BOARD**

BOARD MEETING OF: June 9, 2010
AGENDA ITEM NUMBER: 4A
Special Agenda

APPROVED BY:


Executive Director

Subject: Consideration of a Resolution Approving an Amendment to the Project Agreement Term Sheet for the Courthouse Parking Garage

Summary: The Agency Board will consider a resolution approving an amendment to the Project Agreement Term Sheet for the Courthouse Parking Garage.

HISTORY/BACKGROUND

By previous action, the Agency approved a Project Agreement Term Sheet for the Courthouse Parking Garage. Per the terms of the agreement, the Agency would be required to deposit \$2.9 million in an escrow account upon approval of the final parking agreement. It was the desire of Agency staff to utilize the proceeds of the acquisition agreement to satisfy our funding commitment for the parking garage. The following language accomplishes this objective.

2. B. (1) RDA Funds. As a benefit to the public in providing services to the public and the redevelopment of the downtown City of Madera to retain and attract government, institutional and commercial services, and in exchange for (a) the annual use of the garage for the Old Timer's Day Parade held each September; the RDA shall contribute \$2,900,000 in cash to the Project. *The Buyer's total acquisition costs ("Total Acquisition Costs") shall be the sum of the total acquisition costs of Parcels 2, 3, and 4; all actually incurred land assembly costs of all the parcels (Parcels 1, 2, 3, and 4), including but not limited to any and all relocation expenses and benefits paid to the current property owners and all abatement, remediation, and demolition costs; the costs of the vacation of the alley located between the parcels; and the demolition and removal of alley improvements and underground utilities in accordance with section 6.2 below. Seller shall submit to Buyer and to escrow, not later than 10 days before closing, an itemized statement of such costs setting forth the total thereof as the stipulated Total Acquisition Costs which costs shall not exceed Two Million Nine Hundred Fifteen Thousand Dollars (\$2,915,000) minus Two Million Nine Hundred Dollars (\$2,900,000) which represents Buyers cash contribution to the Project Costs, for a net amount due to escrow of \$15,000. The parties acknowledge that the Total Acquisition Costs and the other mutual covenants and agreements contained herein are adequate and sufficient consideration in support of this Agreement.*

VISION 2025 LINKAGE

While the approval of this item does not specifically incorporate strategies contained in the action plans of Vision Madera 2025, it is not in conflict with any of the actions or goals contained in the plan.

RECOMMENDATION

Staff recommends the Agency Board adopt the resolution approving the amendment to the Project Agreement Term Sheet for the Courthouse Parking Garage.

JET:sb

Attachment: Resolution

CONSENT ITEMS

CONSENT ITEM—2

JUDICIAL COUNCIL OF CALIFORNIA (0250)
ADMINISTRATIVE OFFICE OF THE COURTS
NEW MADERA COURTHOUSE
MADERA COUNTY
AOC Facility Number 20-F1

*Authority: Chapters 171 and 172, Statutes of 2007, Item 0250-301-3037 (2)
Chapters 268 and 269, Statutes of 2008, Item 0250-301-3037 (2),
as reappropriated by the Budget Act of 2009
Chapter 1, Statutes of 2009, Third Extraordinary Session, as amended by
Chapter 1, Statutes of 2009, Fourth Extraordinary Session
Item 0250-301-3037 (5)*

Consider recognizing a scope change

CONSENT ITEMS

STAFF ANALYSIS ITEM—2

Judicial Council of California
Administrative Office of the Courts
New Madera Courthouse, Madera County

Action Requested

If approved, the requested action would recognize a scope change.

Scope Description

This project is not within scope. The authorized scope for this project is to construct a new 10-courtroom, 110,700 square foot facility on approximately 5.7 acres in Madera County. At the June 12, 2009, State Public Works Board (Board) Meeting, the Board approved the acquisition of 5.7 acres from the City of Madera Redevelopment Agency (Madera RDA), which included space for the new courthouse and 60 surface parking spots. The court had existing available parking in the public garage (county-owned), nearby lots, and unmetered street parking to provide adequate, but not ideal, parking for court staff and the public. Secured judicial officer parking for 12 spaces is included in the basement level of the new project.

The Madera RDA has agreed to donate three parcels of land (0.6 acres), the remaining vacated city-owned alley, and reduce the acquisition costs for the original 5.7 acre site in order for the state to construct a 250-space parking garage that will be owned and operated by the state. The original 60 surface parking spots will no longer be needed. The Madera RDA will clear the site of all structures prior to conveyance to the state. In exchange, the City of Madera will be allowed to use the parking structure at no cost for five specified events each year. We estimate that the donation of these three additional parcels will be brought to the Board for approval by September 2010.

A letter of notification was sent to the Legislature on June 18, 2010 and the waiting period has expired with no adverse comments.

Funding and Cost Verification

This project is within cost. Chapters 171 and 172, Statutes of 2007, Item 0250-301-3037 (2) authorized the acquisition phase. Chapters 268 and 269, Statutes of 2008, Item 0250-301-3037 (2), as reappropriated by the Budget Act of 2009, authorized the preliminary plans phase. Chapter 1 (3X), Statutes of 2009, Item 0250-301-3037 (5), as amended by Chapter 1 (4X), Statutes of 2009, authorized the working drawings phase.

\$100,208,000	total authorized project costs
\$100,137,000	total estimated project costs
\$ 4,126,000	project costs previously allocated: \$469,000 acquisition and \$3,657,000 preliminary plans
\$ 96,011,000	projects costs to be allocated: \$4,863,000 working drawings and \$91,148,000 construction (\$81,738,000 contract, \$3,942,000 contingency, \$1,260,000 A&E, and \$4,208,000 other project costs)

CEQA

A Notice of Exemption was filed with the State Clearinghouse on October 2, 2008. The statutes of limitation period expired, without adverse comments.

Project Schedule

Approve preliminary plans	September 2010
Complete working drawings	May 2011
Complete construction	April 2013

Staff Recommendation: Recognize scope change.

MADERA REDEVELOPMENT AGENCY REPORT TO THE AGENCY BOARD

BOARD MEETING OF: August 11, 2010

AGENDA ITEM NUMBER: 6B

APPROVED BY:


Executive Director

Subject: Consideration of a Resolution Approving Project Development Agreement for the New Courthouse Parking Garage

Summary: The Agency Board will consider a resolution approving a Project Development Agreement for the new Courthouse Parking Facility.

HISTORY/BACKGROUND

By previous action, the Agency entered into an agreement with the Administrative Office of the Courts (AOC) to assemble property for the relocation of the Madera Courthouse. The transfer of property must be completed by December 1, 2010. Per our agreement with the County of Madera, an agreement for the construction of parking facilities must be in place prior to the transfer of title of county-owned property to the Agency.

SITUATION

The proposed agreement is consistent with the "term sheet" which has been previously approved by the Agency. Key provisions are:

1. The garage will be developed as an exclusively AOC owned and operated facility for use by the general public during normal business hours.
2. The AOC will be responsible for developing, designing and constructing the facility.
3. The Redevelopment Agency will contribute the \$2.9 million we receive from our reimbursement agreement, and sell the Bravo/Rangel properties to the AOC for \$1.00. Estimated construction costs are \$4,966,000.00.

VISION 2025 LINKAGE

While the approval of this item does not specifically incorporate strategies in the vision or action plans, it may represent one or more examples of economic opportunity realized in Madera.

RECOMMENDATION

Staff recommends the Agency Board adopt the resolution approving the agreement for the Courthouse Parking Facility.

JET:sb

Attachment:
-Resolution (Agency)

**PROJECT DEVELOPMENT AGREEMENT
FOR THE
NEW COURTHOUSE PARKING GARAGE**

BY AND AMONG

MADERA REDEVELOPMENT AGENCY,

**THE JUDICIAL COUNCIL OF CALIFORNIA,
ADMINISTRATIVE OFFICE OF THE COURTS,**

AND

**THE SUPERIOR COURT OF CALIFORNIA,
COUNTY OF MADERA**

PROJECT DEVELOPMENT AGREEMENT FOR THE NEW COURTHOUSE PARKING GARAGE

THIS PROJECT DEVELOPMENT AGREEMENT FOR THE NEW COURTHOUSE PARKING GARAGE (the "PDA"), is made and entered into on this 21st day of January, 2011, by and among the MADERA REDEVELOPMENT AGENCY, a public body, corporate and politic (the "MRA"); the JUDICIAL COUNCIL OF CALIFORNIA, an entity established by the Constitution of the State of California (the "Council"), the ADMINISTRATIVE OFFICE OF THE COURTS, the staff agency to the Council (the "AOC"); and the SUPERIOR COURT OF CALIFORNIA, COUNTY OF MADERA (the "Court"). "Party" means any one, and "Parties" means all, of the MRA, the AOC, and the Court.

RECITALS

A. Prior to the Effective Date, the Parties have worked cooperatively and in good faith to plan for the funding, construction and operation of a new parking garage with an area of approximately 88,000 gross square feet to house approximately 250 vehicles (the "Parking Garage") to be located immediately adjacent to the New Madera Courthouse Project currently under development by the AOC. The Parking Garage will provide a benefit to the public and the redevelopment of the downtown of the City of Madera by increasing available parking for the Court and its users, as well as providers and users of other government, institutional and commercial services, and for public events such as the City of Madera's annual "Old Timer's Day Parade."

B. In order to complete the Project at its desired location, the MRA has agreed to contribute (i) the Property on which the Parking Garage and Improvements will be constructed by way of sale to the State for \$1.00 and other good and valuable consideration, and (ii) an offset in the amount of \$2,900,000 against the total acquisition costs of \$2,915,000 for the real property for the New Madera Courthouse Project that the MRA agreed to sell to the State pursuant to that certain "Real Property Acquisition Agreement" dated as of December 22, 2008 (the "Offset"). The AOC has agreed to design and construct the Parking Garage and Improvements in conjunction with New Madera Courthouse Project, and to contribute all of the cost of completion of the Parking Garage Project utilizing funds already approved for the New Madera Courthouse Project including the Offset. The Parties estimate the Project Cost of the Parking Garage and Improvements to be \$4,966,000. The Court will not be required to contribute any cash for completion of the Parking Garage Project, but only to participate in certain specified design and construction related activities.

C. Following completion of the Parking Garage and Improvements, the AOC has agreed to own, operate and maintain the Parking Garage and Improvements at its own cost and expense for the benefit of the Court and the public in accordance with certain guidelines agreed to by the Parties.

D. The Parties acknowledge that prior to the MRA's transfer of the Property to the State or commencement of anything other than feasibility studies with respect to design development of the Parking Garage and Improvements, the CEQA process must be completed including the applicable appeal period which appeal period expired as of July 1, 2010.

E. The Parties desire to memorialize each Party's contributions to the design, development, funding, construction and completion of the Parking Garage and Improvements (the "Parking Garage Project") as well as each Parties' on-going benefits and responsibilities after its completion.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties hereby agree as follows:

AGREEMENT

1. Defined Terms and Effective Date.

1.1. Defined Terms. The following terms will have the following meanings for purposes of this PDA:

"CEQA" means the California Environmental Quality Act, California Public Resources Code sections 21000, *et seq.* and its implementing guidelines, Title 14, California Code of Regulations, sections 15000, *et seq.*

"Change Order" means any change to the Project Contracts agreed upon in writing by the AOC and the Contractor to (a) increase or decrease the maximum amount payable to the Contractor under the Construction Contract, (b) increase or decrease the scope of work to be provided under any portion of any of the Project Contracts, or (c) accelerate or decelerate any portion of the Project Completion Schedule.

"Claim" or **"Claims"** means any and all demands, complaints, petitions, causes of action, suits, proceedings, claims, judgments, or liabilities, of any and every kind and nature, incurred, suffered by, or asserted against any one or more of the State Parties, by reason of, arising from, or related to the design, development, construction, completion, funding, or operation of the Parking Garage Project, including any such matter arising out of this PDA.

"Close-Out Documents" means the following construction close-out documents, each in an industry-standard form and content: (i) copies of final permits, certificates of inspection, certificates of acceptance, and certificates of occupancy; (ii) operating and maintenance manuals; (iii) indemnities, warranties, and guarantees; (iv) releases of performance and payment bonds; (v) maintenance agreements; (vi) record documents; (vii) evidence of required insurance coverages; and (viii) all other close-out submittals required of the Contractor under its contract.

"Construction Contract" means the contract between the AOC and the Contractor, including the general conditions and supplementary conditions thereto, and any amendments, riders, or addenda thereto entered into from time to time, providing for construction of the Building and Improvements by the Contractor, as modified by any Change Orders and Field Directives.

"Construction Costs" means any and all costs or expenses incurred in connection with: (a) drafting, negotiating, and preparing in final execution form the Design and Construction Documents and Project Contracts; (b) the construction of the Parking Garage and Improvements; (c) any and all supervision, coordination, management, and labor (including overtime) necessary for the construction of the Parking Garage and Improvements; (d) any and all costs of equipment, materials, goods, and supplies necessary for the construction of the Parking Garage and Improvements; (e) any and all other costs and expenses of the Contractor, and any agent, subcontractor, or material supplier engaged by or otherwise associated with the Contractor, under the Project Contracts, as modified by approved Change Orders, in connection with the construction of the Parking Garage and Improvements; and (f) any and all costs and expenses incurred to obtain and maintain insurance policies and bonding that the Contractor is required to provide for the Parking Garage Project, including, but not limited to, payments of premiums for any and all insurance policies, performance bonds, and payment bonds provided by the Contractor pursuant to the Contract Documents in connection with the construction of the Parking Garage and Improvements; all as set forth in the Project Budget and included in the Project Cost.

"Contractor" means and refers to the duly-licensed entity, or its successor or permitted assign, which is an independent contractor, licensed by the State to provide general construction services, who is selected for the Parking Garage Project by the AOC in accordance with the AOC's policies and procedures for soliciting, awarding, and executing AOC contracts for construction projects of a size and character substantially similar to the Parking Garage and Improvements, and in accordance with all applicable Legal Requirements.

"DGS" means the California Department of General Services, an agency of the State.

"DOF" means the California Department of Finance, an agency of the State.

"Effective Date" means the date that this PDA is fully signed and approved by the Parties, which is the date on which this PDA will take effect and be binding on the Parties.

"Field Directive" means any written change in the Project Contracts that does not fall within the definition of a Change Order. A Field Directive may include a change that refines the Project Contracts, but shall not change the maximum amount payable under the Project Contracts, nor shall it adversely affect the Schedule or the scope of work under the Project Contracts.

"Indemnified Loss" means damages, losses, fees, fines, penalties, costs, expenses, including attorney fees, and any other payment obligations arising from a Claim, or a Liability Claim, as determined by the context in which the term is used in this PDA.

"Judicial Officers" means any elected or appointed judges of the Court, any appointed commissioners or referees of the Court, any judges or retired judges assigned by the chairperson of the Judicial Council to serve as a judge of the Court, and any attorney who is a member of the California State Bar, and who is designated by the presiding judge of the Court, or by any other judge of the Court, as a temporary judge, acting in his or her capacity as such.

"Liability Claims" means any and all demands, complaints, petitions, causes of action, suits, proceedings, or claims alleging, related to, or arising out of any: (a) personal injury to or death of any person in, on, or about the Real Property; (b) damage to, or destruction or loss of, business personal property of the MRA, the State Parties in, on, or about the Real Property; (c) damage to or destruction or loss of personal property of any third party in or about the Real Property; or (d) damage to or destruction or loss of any part of the Parking Garage, any or all of which at any time is caused by any actual or alleged acts, errors, omissions, negligence (whether active or passive), or willful misconduct of the State Parties, representatives, agents, or invitees, on one hand, or the MRA Parties representatives, agents, or invitees, on the other hand, as applicable, in respect of any part of the Parking Garage.

"New Madera Courthouse Project" means the new court facility and related improvements including a building with an area of approximately 99,879 gross square feet (excluding the basement) (the **"New Madera Courthouse"**) for use by the Court and to be located at Sixth and G Streets in downtown Madera, California which is currently funded in the Fiscal Year ("FY") 2010-11 State Budget Act for the remaining acquisition and Working Drawing Phases (by reappropriation from FY 2007-08 and FY 2009-10, respectively) and the Construction Phase for this Project.

"Parking Garage and Improvements" means the Parking Garage, together with all infrastructure, whether above ground or underground, grounds, landscaping, utilities service connections, and any other improvements on or to the Property, all as delineated in the Design and Construction Documents.

"Project Budget" means all anticipated costs and expenses, categorized by types thereof, to develop, design, construct, administer, finance, and complete the Building, including, but not limited to any and all Construction Costs, and any and all costs for insurance, performance bonds, and payment bonds. The Project Budget will be proposed by the AOC, and reviewed by the MRA and Court as provided in this PDA, as modified by Change Orders.

"Project Completion" means the satisfaction of all of the following: (a) completion of all work required for the construction and completion of the Parking Garage and Improvements, other than Punch List items, in conformity with the Project

Contracts, as modified by Change Orders and Field Directives, if any; (b) receipt of all final Approvals for the Parking Garage and Improvements; (c) issuance of a final certificate of occupancy or its equivalent for the Parking Garage by the State Fire Marshal indicating that the Parking Garage is suitable for occupancy and its intended use; and (d) recordation of a notice of completion (or its equivalent) for the Parking Garage with the County of Madera Office of Recorder.

"Project Completion Schedule" means the written schedule, prepared by the AOC, and reviewed by the MRA and the Court, for the development, design, construction, and completion of the Parking Garage Project.

"Project Cost" means the total amount of all costs and expenses actually expended by the Parties in respect of the line items included in the Project Budget for development, design, construction, administration, and completion of all elements of the Parking Garage Project, including Change Orders, but not any post-Project Completion costs including any cost of operating the Parking Garage.

"Punch List Items" means those tasks required to correct minor defects or deficiencies in the Building or to complete the construction of or finishes in the Parking Garage, in accordance with the Design and Construction Documents or the Project Contracts, that do not affect either the intended function or operation of the Building, and that are itemized on a written punch list describing tasks and work to be completed prior to the AOC's authorization of the release of the final payment to the Contractor under the Construction Contract.

"PWB" means the Public Works Board of the State of California.

"Real Property" means, together, the Property and the Building.

"State" means the State of California acting by and through the Council.

"State Parties" means and refers to the Council, the AOC, the Court, and their respective officers, agents, and employees.

2. Contributions to the Parking Garage Project.

2.1. MRA Contributions.

2.1.1. Property. Subject to the terms and conditions of a "Property Acquisition Agreement" to be entered into by and between the MRA and the State (the **"Acquisition Agreement"**) and approval by the Director of DGS, authorization by PWB, and approval by the Director of DOF, the MRA will transfer to the State in exchange for \$1.00 and other good and valuable consideration those certain parcels of real property located in the City of Madera, County of Madera, State of California commonly referred to by street address or function as follows:

Parcel 1: APN # 010-134 008 200 South G Street;
Parcel 2: APN # 010-134 010 224 South G Street;

Parcel 3: APN # 010-134 011 228 South G Street; and
That portion of the alley located adjacent to Parcels 1, 2, and 3.

These properties together comprise a parcel of land of approximately 0.585 acres, which shall be assembled and, along with any improvements affixed thereto which have not been removed pursuant to the terms hereof and all privileges, entitlements, easements, and appurtenances pertaining thereto, shall be conveyed and referred to herein as the "Property" which is more particularly depicted in Exhibit A ("Map of Property") and more particularly described in Exhibit B ("Current Legal Descriptions of Property").

2.1.2. Funds. The MRA will contribute an amount equal to the Offset which the AOC will apply towards Project Costs. The Parties will approve an amendment to that Real Property Purchase Agreement providing for the Offset (the "RPPA Amendment") at the same time this PDA is approved. A copy of the form of that RPPA Amendment is attached hereto as Exhibit C.

2.1.3. Limitation. The Parties agree that the MRA will have no financial or other obligations for the Project Cost or for any costs associated with the ownership, operation and maintenance of the Parking Garage and Improvements except as expressly set forth in this section 2.1 of the PDA.

2.2. AOC Contributions.

2.2.1. Cash. The AOC will contribute all Project Costs required to complete the Parking Garage Project including an amount equal to the Offset from capital project funds identified in the approved and authorized New Madera Courthouse Project.

2.3. Court Contribution. The Court will not be required to contribute any funds to the Project Costs provided, however, that as set forth in sections 4.2.5.2 and 4.2.5.3 below, upon commencement of operation of the Parking Garage, the Court may be required to pay the cost of enhanced security services for Court users of the Parking Garage, and the cost of any subsidy of parking costs that it may elect to provide to its Judicial Officers or employees.

2.4. Administrative Staff Costs. Each Party will be responsible for its own administrative staff costs associated with any aspect of the Parking Garage Project.

3. Development, Design, Construction, and Completion of the Parking Garage and Improvements.

3.1. AOC Participation. The AOC is responsible for the development, design, construction, and completion of the Parking Garage and Improvements and completion of the Parking Garage Project in general conformance with generally-accepted industry standards for a project of a substantially similar size and character,

and in accordance with the requirements set forth in this PDA. This overall responsibility includes, but is not limited to the following areas:

3.1.1. PWB Approval. Prior to the transfer of the Property by the MRA to the AOC, the AOC will take all steps necessary to seek and obtain PWB approval of the acquisition of the Property.

3.1.2. Design. The AOC will be responsible for initiation and completion of the design process for the Parking Garage and Improvements including preparation of schematic designs, site plans, preliminary plans, final construction plans and specifications (the "Design Documents") as well as the Project Budget, the Project Completion Schedule, and all other related construction documents (together, the "Design and Construction Documents"). As set forth in section 3.2 below, the MRA will have certain opportunities to participate in the design review process, and as set forth in section 3.3 below, the Court will also have certain obligations and opportunities to participate as well.

3.1.3. Approvals. The AOC will apply for and obtain, or cause to be applied for and obtained, all permits, licenses, certificates, authorizations, consents, assessments, and approvals necessary or required for the Parking Garage Project from those governmental authorities and public agencies having regulatory or oversight jurisdiction over the Parking Garage Project, including, but not limited to, the Division of the State Architect, and the Office of the State Fire Marshal (the "Approvals").

3.1.4. Legal Requirements. The AOC will be responsible for ensuring compliance with any and all applicable federal and State laws, regulations, codes, requirements, the California Rules of Court, and any binding order of a court or governmental agency or entity specifically applicable to the Parking Garage Project (the "Legal Requirements").

3.1.5. Project Contracts. The AOC will be responsible for entering into all contracts for professional services required to implement the Design and Construction Documents in order to complete the Parking Garage Project including the architectural and engineering contract, the Construction Contract and contracts for other required ancillary services (the "Project Contracts"). The AOC will also be responsible for completing the bidding and procurement process for all of Project Contracts.

3.1.6. Construction Management and Administration. The AOC will be responsible for providing all construction management and administration for the Parking Garage Project including, but not limited to, managing and monitoring the Contractor in connection with the Contractor's performance of its obligations under the Construction Contract which includes checking the Contractor's work for conformance with the Design and Construction Documents, the Approvals and Legal Requirements.

3.1.7. Construction Insurance. The AOC will provide for construction insurance for the Parking Garage Project under the terms and conditions of

the AOC's owner controlled insurance program (the "OCIP") and/or insurance required to be maintained by the Contractor. The AOC will require that all insurance policies obtained pursuant to that OCIP and/or insurance required to be maintained by the Contractor (other than professional liability coverage and workers compensation coverage) will list the MRA, the Court, the State, the Council, and the AOC as additional insureds by specific endorsement to each such policy. The cost of all insurance policies obtained under the OCIP and/or insurance required to be maintained by the Contractor, insofar as they pertain to the Parking Garage Project, will be included as part of the Project Cost.

3.1.8. Disbursing Payments and Resolving Claims. The AOC shall be responsible for disbursing all payments and fulfilling all "owner's" obligations under the Project Contracts, by litigating, settling, or otherwise participating in the dispute-resolution process for all claims and disputes arising under the Project Contracts.

3.1.9. Completion. The AOC will be responsible for providing notice to the MRA and Court that the Parking Garage and Improvements are ready for final inspection and for securing from the Contractor at Project Completion (defined below) all Close-Out Documents (defined below).

3.2. MRA Participation.

3.2.1. PWB Approval. The MRA will cooperate with the AOC as necessary in order for the AOC to timely seek and obtain PWB approval of the Parking Garage Project.

3.2.2. Design and Construction Documents. The MRA will have the right and opportunity, but not the obligation, to review each iteration of the Design and Construction Documents. Within 20 calendar days after the MRA's receipt of each such iteration of the one or more of the Design and Construction Documents, the MRA shall be entitled, but not obligated, to provide written comments to the AOC and the Court on issues related to cost control, project scope and feasibility.

3.3. Court Participation. The Court will review and comment on the Design and Construction Documents with any such comments to be provided to the AOC within 20 calendar days after receipt of each iteration of the document or documents in question.

3.4. Change Orders and Field Directives. The Parties acknowledge that changes to the Project Contracts may be necessary from time to time prior to or during the construction of the Parking Garage and Improvements to correct errors or to effect efficiencies, or to otherwise perform the Parking Garage Project in accordance with the terms of this PDA. Such changes will be authorized and executed solely by the AOC, as necessary, either as Change Orders or Field Directives. Among the Parties, only the AOC shall have the right to request Change Orders. Costs and expenses resulting from

Change Orders will be the financial responsibility of the AOC. The Parties acknowledge only the AOC may issue Field Directives.

3.5. Deliveries During Construction. During the construction of the Parking Garage and Improvements, the AOC shall make logs, schedules, and project notes from the weekly construction meetings available to the MRA and the Court for review upon request.

3.6. No Third Parties Benefited. There shall not be any intended third party beneficiaries to this PDA, with the exception that the State of California is an intended beneficiary of this PDA.

3.7. Independent Relationship. Nothing contained in this PDA shall create, or be deemed to create, any relationship of principal-agent, master-servant, employer-employee, partnership, joint venture, or association between or among any of the Parties. The relationship between and among the Parties is that of independent contractors, with each Party at all times acting in an independent capacity from the other.

4. Operation of Parking Garage and Improvements Upon Project Completion.

4.1. Maintenance and Operation of the Parking Garage. The AOC will at all times be solely responsible for the maintenance and operation of the Parking Garage and Improvements, provided, however, that subject to section 4.1.2 below, the AOC may hire a third party service provider to operate and maintain the Parking Garage. The Court will assist the AOC by reviewing and commenting on any proposed agreement with a third party for operation and maintenance of the Parking Garage and Improvements.

4.1.1. Maintenance. The AOC will maintain the Parking Garage and Improvements at a level consistent with the adjacent New Madera Courthouse including all regular cleaning, trash removal, graffiti abatement, and periodic repair and maintenance of the structure and building systems of the Parking Garage. The AOC will also be responsible for ensuring that all required regular fire inspections of the Parking Garage and Improvements occur on a timely basis. Any future structural alteration, addition or repair will be designed, inspected, constructed and permitted in compliance with all applicable Approvals and Legal Requirements.

4.1.2. Operation. The AOC will own and operate the Parking Garage in compliance with all Approvals and Legal Requirements for the benefit of the public utilizing the New Madera Courthouse and other nearby governmental and non-governmental facilities, and by the Court staff working at the New Madera Courthouse. The AOC may charge users parking fees for the use of the Parking Garage.

4.2. Use of the Parking Garage. The AOC will operate the Parking Garage in compliance with all Approvals and Legal Requirements for the benefit of the public utilizing the New Madera Courthouse and other nearby governmental and non-

governmental facilities, and by the Court staff working at the New Madera Courthouse according to the following schedule:

4.2.1. Normal Business Hours. During "Business Hours" defined as 7:00AM to 6:00PM every Monday through Friday, but excluding Court holidays, the Parking Garage will be open to all members of the general public on a first-come first-served basis.

4.2.2. Evenings, Weekends and Holidays. During the hours of (a) 6:00PM to 9:00PM every Monday through Friday, but excluding Court holidays; (b) 9:00AM to 7:00PM on Saturdays and Court holidays; and (c) 11:00AM to 5:00PM on Sundays, the Parking Garage may remain open for use by the general public on a first-come first-served basis. Determination of non-Business Hours operation of the Parking Garage may be adjusted depending on the level of demand and the amount of revenue required to operate and maintain the Parking Garage during these hours.

4.2.3. City of Madera Old Timer's Day Parade. During the hours of 7:00AM to 9:00PM each year on the day designated by the City of Madera for the "Old Timer's Day Parade," usually in the month of September, the Parking Garage will be open to the general public on a first-come first-served basis without charge.

4.2.4. Other Special Uses. Upon request by the MRA or the City of Madera, notwithstanding section 4.1.2 above, parking charges for evening and weekend use, may be adjusted for up to four special events each year and any excess of the parking charges collected over actual operating expenses for the Parking Garage be paid to the MRA or the City of Madera as directed.

4.2.5. Court Use.

4.2.5.1. Reserved Parking. Notwithstanding the foregoing, the Court shall 24 hours per day, seven days per week and 365 days per year have the right to park up to five vehicles in the Parking Garage in reserved spaces. These reserved parking spaces may be separated and secured from the other parking spaces in the Parking Garage.

4.2.5.2. Enhanced Security Services. In order to equitably distribute the overall cost of security services required for safe and secure operation of the Parking Garage, the Court may be asked by the AOC to contribute to the cost of any enhanced security services required or desired by the Court with respect to its use of the Parking Garage.

4.2.5.3. Subsidized Parking. The Court will be responsible for the cost of any subsidies of parking costs that it may choose to provide to any of its Judicial officers or staff.

4.3. Insurance.

4.3.1. Operating Insurance. The AOC will be solely responsible for obtaining and maintaining, or causing its third party service provider hired to operate and maintain the Parking Garage, through commercial insurance policies, a program of self-insurance, or participation in a joint powers authority established for the purpose of pooling self-insured claims the following types of insurance necessary to cover the Parties for the Parking Garage and Improvements and the operation thereof:

4.3.2. All risk property insurance.

4.3.3. Public liability insurance.

4.3.4. Automobile liability insurance, including garagekeepers liability.

4.3.5. Workers compensation and employer's liability.

5. Miscellaneous.

5.1. Indemnity. Each Party will, and does hereby agree to, indemnify, defend, and hold harmless the other Parties (including each such other Party's officers, agents, and employees) from and against: (a) any and all Indemnified Loss arising from Claims asserting actual or alleged acts, errors, omissions, negligence (whether active or passive), or willful misconduct of the indemnifying Party or the indemnifying Party's officers, agents, employees, contractors, and invitees, except that no Party shall be entitled to be indemnified to the extent that any such Claims for Indemnified Loss arise from the acts, errors, omissions, negligence (whether active or passive), or willful misconduct of such Party (including such other Party's officers, agents, employees, contractors, and invitees); and (b) any and all Indemnified Loss arising from Liability Claims asserting actual or alleged acts, errors, omissions, negligence (whether active or passive) or willful misconduct of a Party (including its officers, agents, employees, contractors, and invitees) on, in, or with respect to any part of the Parking Garage and Improvements, except that no Party shall be entitled to be indemnified to the extent that any such Liability Claims for Indemnified Loss arise from the acts, errors, omissions, negligence (whether active or passive), or willful misconduct of such Party (including such other Party's respective officers, agents, employees, contractors, and invitees).

5.2. Dispute Resolution.

5.2.1. Unassisted Negotiation; Mediation. In the event of a dispute between the Parties relating to performance of the Parties' obligations under this PDA, or any aspect of the Parking Garage Project, the MRA Executive Director, the Court's Chief Executive Officer and an Assistant Director of the AOC's Office of Court Construction and Management, or their respective designees, will meet to discuss a resolution to the dispute. Any designee appointed must have the authority to negotiate for and to effectively recommend settlement to, the Party that he or she represents. If the Parties are not able to resolve their dispute within 30 calendar days through that

unassisted negotiation, they will attempt to resolve the dispute by mediation under this section 5.2.

5.2.2. Initiation of Mediation. One or more of the Parties may request the initiation of mediation for any dispute by delivering a written request for mediation ("Mediation Request") to the other Party. The Mediation Request must (a) include a brief summary of the issues in dispute, (b) state the dates on which the requesting Party is unavailable to attend the mediation within the immediately-succeeding 90 calendar days after the delivery to the other Party of the Mediation Request, and (c) list at least three neutral mediators who are acceptable to the requesting Party for mediation of the dispute. Within five business days after the requesting Party's delivery of a Mediation Request to the other Party, the responding Party must deliver to the requesting Party a response to the Mediation Request ("Mediation Response"), which must: (x) include a brief summary of the issues in dispute (which may or may not be the same as the summary provided by the requesting Party); (y) state the dates on which the responding Party is unavailable to attend the mediation within the 85 calendar days immediately following the requesting Party's receipt of the Mediation Response; and (z) state whether any of the neutral mediators listed in the Mediation Request are acceptable to the responding Party and, if none are, then the Mediation Response must list at least three neutral mediators who are acceptable to the responding Party.

5.2.3. Selection of Mediator. Within ten calendar days after delivery to the requesting Party of the Mediation Response, the Parties will attempt in good faith to agree upon a neutral mediator to preside over the mediation. Any mediator used for the mediation shall have all of the following qualifications:

5.2.3.1. the mediator shall be an attorney or a retired Judicial officer (from a county other than the County of Madera);

5.2.3.2. the mediator shall not have any prior involvement for any Party in any facts arising out of the dispute, or in the preparation or the negotiation of this PDA, or any other agreement to be entered into under or in respect of this PDA; and

5.2.3.3. the mediator must have experience in the litigation, mediation, or adjudication of disputes arising out of the development, design, funding, construction, or operation of public facilities.

The mediator must discharge his or her duties impartially and as a neutral, independent participant to the mediation process to assist the Parties to achieve a settlement and compromise of their dispute, taking into consideration the relevant facts, applicable Law and the pertinent provisions of any relevant agreement between the MRA, the Court and the AOC. If the Parties are not able to agree upon a neutral mediator to mediate the dispute within that 10 day period, then within 10 additional days after the end of the initial 10 day period, the MRA shall select a mediator and the AOC and the Court shall

together select a mediator, and the two mediators so selected by the Parties shall select the neutral mediator who will mediate the dispute.

5.2.4. Cost of Mediation. The Parties will share equally in payment of all costs of the mediation, including the compensation of the mediator. The Parties and the mediator must reach a written agreement regarding the mediator's compensation and expenses before the mediation is commenced.

5.2.5. Date, Time, and Place of Mediation. In consultation with the Parties, the mediator will fix the date, time, and place of each mediation session. The mediation may be held at any convenient location agreeable to the Parties and the mediator. Mediation must be completed within 90 calendar days after the requesting Party's delivery to the responding Party of the Mediation Request.

5.2.6. Attendance at Mediation. Both Parties must attend the mediation session(s). The Parties may satisfy this attendance requirement by sending a representative familiar with the facts of the dispute, who has the authority to negotiate on behalf of, and to effectively recommend settlement to, the Party he or she represents. Any Party to the mediation may have the assistance of an attorney or other representative of its choice at its own cost. Other persons may attend the mediation sessions only with the consent of the Parties and the mediator.

5.2.7. Statements Before Mediation. The mediator will determine the manner in which the issues in dispute will be framed and addressed. The Parties should expect that the mediator will request a premediation statement outlining facts, issues, and positions of each Party ("**Premediation Statement**") in advance of the mediation session. At the discretion of the mediator, the Premediation Statements or other information may be mutually exchanged by the Parties.

5.2.8. Confidentiality. The mediation will be confidential in all respects, and the provisions of California Evidence Code sections 1152 and 1154 will apply to all written and verbal evidence presented in the mediation and to settlement communications made in the Premediation Statement, during the mediation itself, or otherwise in furtherance of or related to the mediation or the settlement of the dispute. The Premediation Statements shall be confidential, for settlement purposes only, and will not be admissible for any purpose other than for the mediation. Without limiting the foregoing, the provisions of California Evidence Code sections 1115 through 1128, inclusive, will apply in connection with any mediation under this Agreement.

5.3. Event of Default. Upon the occurrence of a breach or default by any Party in the performance of any of its obligations under this PDA, any Party not in breach or in default may provide written notice to the breaching or defaulting Party of the breach or default (each a "**Default Notice**"). Upon receipt of the Default Notice, the breaching or defaulting Party shall have 30 days within which to cure the breach or default described in the Default Notice and to provide evidence of such cure to the Party providing such Default Notice; provided however, that if such breach or default is not capable of cure within such 30 day period, then no breach or default shall be deemed to

have occurred by reason of such failure so long as the breaching or defaulting Party gives the Party that provided the Default Notice a written notice describing, with reasonable particularity, the steps that the breaching or defaulting Party shall take to cure the breach or default, and promptly commences, and diligently and continuously prosecutes, such cure to completion within a reasonable period, but not to exceed 90 days from the breaching or defaulting Party's receipt of the Default Notice (the 30 day or 90 day cure period, as applicable, the "Cure Period"). If the breaching or defaulting Party does not provide reasonable evidence of the cure to the non-defaulting Party within the applicable Cure Period, then the defaulting Party shall be deemed to have committed an "Event of Default" hereunder, the Party giving the Default Notice shall have the right, but not the obligation, to pursue its legal and equitable rights and remedies in respect of such Event of Default.

5.4. Standard for Approvals. Except as otherwise specifically set forth in this PDA, whenever in this PDA the approval or consent of a Party is required, such Party's approval or consent will not be unreasonably withheld or delayed; provided however, that it will not be unreasonable for any Party to withhold its approval or consent when granting such approval or consent would be inconsistent with any Law, or when granting such approval or consent requires the expenditure of funds that have not been properly authorized or appropriated therefor; and further provided, however, that notwithstanding anything to the contrary set forth in this PDA, it shall not be unreasonable for any Party to withhold or condition its approval or consent with respect to any matter that would require a financial expenditure by such Party in excess of such Party's financial commitment agreed to in this PDA, and each Party shall be entitled to give or withhold its consent to any such matter and/or expenditure in its sole and absolute discretion.

5.5. AOC's Coordination. The AOC will coordinate with the other State Parties, the DOF, the PWB, the Department of General Services, the State legislature, and any other State authority, board, or agency having regulatory or other jurisdiction over the Parking Garage Project toward the timely completion of their necessary reviews, comments, approvals, consents, agreements, and appropriations of funds, as applicable, under this PDA and otherwise for the Parking Garage Project .

5.6. Force Majeure. Notwithstanding anything stated in this PDA to the contrary, neither the State Parties nor the MRA shall be responsible for performance of their obligations under this PDA, to the extent that, or while, such Party's performance is prevented, hindered, or delayed by fire, flood, earthquake, elements of nature, acts of God, acts of war (whether declared or undeclared), terrorism (whether actual or threatened), riots, strikes, rebellion, revolutions, or other acts, omissions, circumstances, or events beyond such Party's reasonable control, regardless of whether foreseen or unforeseen, including acts, omissions, circumstances, or events caused by third parties including but not limited to the Contractor and any other third party that has a contract or agreement with such Party (individually or collectively, "Force Majeure"). During a Force Majeure, the Party affected by the Force Majeure shall give to each other Party prompt written notice of the Force Majeure including a reasonably-detailed description of the circumstances constituting the Force Majeure.

Upon giving such notice of Force Majeure, the obligations of the Party giving such notice of Force Majeure shall be suspended during, but no longer than, the continuance of the Force Majeure, as and to the extent that the obligations of such Party are affected by the Force Majeure, plus a brief, reasonable time thereafter to allow such Party to resume performance. The Party whose performance is excused due to the occurrence of a Force Majeure shall, during such period, keep the other Parties reasonably informed of the continuance of the Force Majeure.

5.7. Entire Agreement. This PDA, together with the Acquisition Agreement, the RPPA Amendment, and all other agreements and instruments entered into between the Parties under the terms of this PDA, including each and every exhibit attached hereto and thereto, contain the entire and complete integrated agreement of the Parties with respect to the Parking Garage Project and the operation of the Parking Garage and Improvements, and supersede any and all other previous or concurrent understandings, arrangements, or agreements, oral or written. No promises, representations, warranties, or inducements of any kind exist between the Parties to this PDA with respect to the subject matter hereof except as expressly set forth in this PDA, the Acquisition Agreement, and such other agreements, instruments, and documents.

5.8. Amendment. No addition to or modification of the terms of this PDA will be valid unless made in a written amendment to this PDA, which is formally approved and signed by each of the Parties to this PDA.

5.9. Waiver. The waiver of any duty or obligation of a Party or Parties under this PDA shall be valid and effective only if evidenced by a document signed by the Party or Parties agreeing to the waiver. The waiver of any duty or obligation of a Party on one occasion shall not constitute a continuing waiver of that Party's performance of the same duty or obligation or any other occasion, nor shall such waiver constitute a waiver of any other duty or obligation of such Party at the same or any other time, except as and if specifically set forth in the document evidencing the waiver. Any failure or delay on the part of any Party hereto in the exercise of any power, right, or privilege hereunder does not operate as a waiver thereof, nor does a Party's single or partial exercise of any such power, right, or privilege preclude that Party's other or further exercise of the same or any other power, right, or privilege.

5.10. Project Representatives. Within 10 days after the Effective Date, each Party will designate an individual as its Project Representative to coordinate the various elements of the Parking Garage Project. Within such 10 day period, each Party will notify the other Parties in writing of the names and contact information for such Party's Project Representative. In the event that a Party at any time thereafter designates a new Project Representative, that Party shall notify the other Parties of the name and contact information of the individual who will serve as a new Project Representative.

5.11. Notices. All notices required to be given by either Party will be made in writing and may be effected (i) by personal delivery, (ii) via reputable overnight courier service, (iii) by mail, registered or certified, postage prepaid with return receipt

requested, or (iv) by facsimile transmission. Notices sent by courier or mail must be addressed to the Parties at the addresses, and faxed notices must be sent to the parties at the facsimile numbers, appearing below in this section 5.11, but each party may change its designated address or facsimile number by giving written notice to the other party in accordance herewith. Notices delivered personally will be deemed communicated as of actual receipt; notices sent via overnight courier will be deemed communicated as of the date delivered by the courier; mailed notices will be deemed communicated as of the date of receipt or the fifth day after mailing, whichever occurs first; and faxed notices will be deemed communicated as of the time and date of the facsimile confirmation printout of the recipient. The parties' addresses, telephone numbers, and facsimile numbers are as follows (telephone numbers are provided for convenience only):

MRA: Madera Redevelopment Agency
428 E. Yosemite Avenue,
Madera, CA 93638
Telephone: 559-661-5110
Facsimile: 559-674-7018
E-mail: jtaubert@cityofmadera.com

AOC: Judicial Council of California
Administrative Office of the Courts
Office of Court Construction and Management
Attn: Manager, Real Estate
455 Golden Gate Avenue
San Francisco, CA 94102
Telephone: (415) 865-4048
Facsimile: (415) 865-8885
E-mail: eunice.calvert-banks@jud.ca.gov

and

Judicial Council of California
Administrative Office of the Courts
Office of Court Construction and Management
Attn: Director
2860 Gateway Oaks, Suite 400
Sacramento, CA 95833
Telephone: (916) 263-1493
Facsimile: (916) 263-2342
E-mail: lee.willoughby@jud.ca.gov

With a copy to: Judicial Council of California
Administrative Office of the Courts
Office of the General Counsel
Attn: Supervising Attorney, Real Estate Unit
455 Golden Gate Avenue
San Francisco, CA 94102
Telephone: (415) 865-4056
Facsimile: (415) 865-8885
E-mail: leslie.miessner@jud.ca.gov

Court: Superior Court of California, County of Madera
Attn: Court Executive Officer
209 West Yosemite Avenue
Madera, CA 93637
Telephone: (559) 661-2896
Facsimile: (559) 675-4947
E-mail: bonnie.thomas@madera.courts.ca.gov

In addition, any and all audit requests and notices by the MRA relating to any alleged breach, default, or Event of Default under this PDA by AOC or the Court will also be directed to:

Administrative Office of the Courts
455 Golden Gate Avenue
San Francisco, California 94102
Attn: Senior Manager, Business Services
Voice: (415) 865-4090
Facsimile: (415) 865-4326

Notwithstanding the foregoing provisions of this section 5.11, the Parties agree that informal communications concerning the status of the Parking Garage Project, including communications related to the scheduling of meetings, inspections, systems testing, and related matters, may be given by e-mail or telephone to the Parties' respective Project Representatives.

5.12. Authority. Each Party hereby represents and warrants to the other Parties that it is duly authorized and empowered to execute, enter into, and perform its obligations set forth in this PDA, and that the individual signing this PDA on its behalf has been duly authorized to execute this PDA on its behalf and will, by signing this PDA on its behalf, legally bind the Party for whom he or she signs to the terms and conditions of this PDA. Each Party further represents and warrants to the other Parties that, except as expressly set forth in this PDA, no other officer, agency, board, commission, legislative, judicial, or administrative branch, or department or authority, as applicable, is required to give its approval or consent to this PDA in order for such Party to authorize, enter into, and perform its obligations under this PDA, or that if such approval or consent to this PDA is required and can be obtained prior to the Parties' approval and execution of this PDA, such approval or consent has been obtained.

5.13. Counterparts. This PDA may be executed in one or more original counterparts, all of which together will constitute one and the same agreement.

5.14. Captions, Paragraph Headings, Recitals and Exhibits. The captions, section headings, and section numbers in this PDA are inserted for convenience of reference only, and do not define, limit, construe, or describe the scope or intent of any provision of this PDA. The recitals set forth at the beginning of this PDA and the exhibits attached hereto are incorporated herein as a part of the PDA for all purposes as though set forth fully herein.

5.15. Severability. In the event any provisions of this PDA are held by a court of competent jurisdiction to be invalid, void, or unenforceable, the Parties to this PDA will use their best efforts to determine how to amend such provisions with valid and enforceable provisions acceptable to all Parties, and the remaining provisions of this PDA will nevertheless continue in full force and effect without being impaired or invalidated in any way.

5.16. Governing Law; Jurisdiction. This PDA will be governed and construed in accordance with the laws of the State of California. The Parties, to the fullest extent permitted by Law, knowingly, intentionally, and voluntarily, with and upon the advice of competent counsel, submit to personal jurisdiction in the State over any suit, action, or proceeding commenced by any Party, person, or entity arising from or related to the terms set forth in this PDA.

5.17. Assignment; Binding Effect. No Party to this PDA may assign its rights or delegate its obligations under this PDA to any other person or entity, in whole or in part, without the prior written consent of the other Parties hereto, which consent may be given or withheld in the sole and absolute discretion of the other Parties. Any purported assignment or delegation of any term or provision of this PDA made by any Party without the prior, written consent of each of the other Parties hereto will be void *ab initio* and of no force or effect whatsoever. This PDA is binding upon and will inure to the benefit of the Parties hereto and their respective legal representatives, successors-in-interest, and permitted assigns.

[Signature page follows.]

IN WITNESS of the foregoing provisions, the Parties have entered into this PDA as of the date first written above.

MADERA REDEVELOPMENT AGENCY,
a public body, corporate and politic

By: _____
Name: Robert L. Poythress
Title: Agency Chairperson
Date: _____

Approved as to Form and Legal Content:

Richard K. Denhalter
General Counsel

JUDICIAL COUNCIL OF CALIFORNIA,
ADMINISTRATIVE OFFICE OF THE COURTS

By: William C. Vickrey
Name: William C. Vickrey
Title: Administrative Director of the Courts
Date: 6-21-11

Approved as to Form:
Administrative Office of the Courts,
Office of the General Counsel

By: Leslie G. Miessner
Name: Leslie G. Miessner
Title: Supervising Attorney, Real Estate Unit
Date: 11/21/11

SUPERIOR COURT OF CALIFORNIA,
COUNTY OF MADERA

By: _____
Name: Hon. Mitchell C. Rigby
Title: Presiding Judge
Date: _____

IN WITNESS of the foregoing provisions, the Parties have entered into this PDA as of the date first written above.

MADERA REDEVELOPMENT AGENCY,
a public body, corporate and politic


By: 

Name: Robert L. Poythress

Title: Agency Chairperson

Date: 1-14-11

Approved as to Form and Legal Content:



Richard K. Denhalter

General -Counsel

1/19/11

JUDICIAL COUNCIL OF CALIFORNIA,
ADMINISTRATIVE OFFICE OF THE
COURTS

By: _____

Name: William C. Vickrey

Title: Administrative Director

Date: _____

APPROVED AS TO FORM:

Administrative Office of the Courts

Office of the General Counsel

By: _____

Name: Leslie G. Miessner

Title: Supervising Attorney, Real Estate
Unit

Date: _____

SUPERIOR COURT OF CALIFORNIA,
COUNTY OF MADERA

By: 

Name: Hon. Mitchell C. Rigby

Title: Presiding Judge

Date: 1-18-11

EXHIBIT A

MAP OF PROPERTY

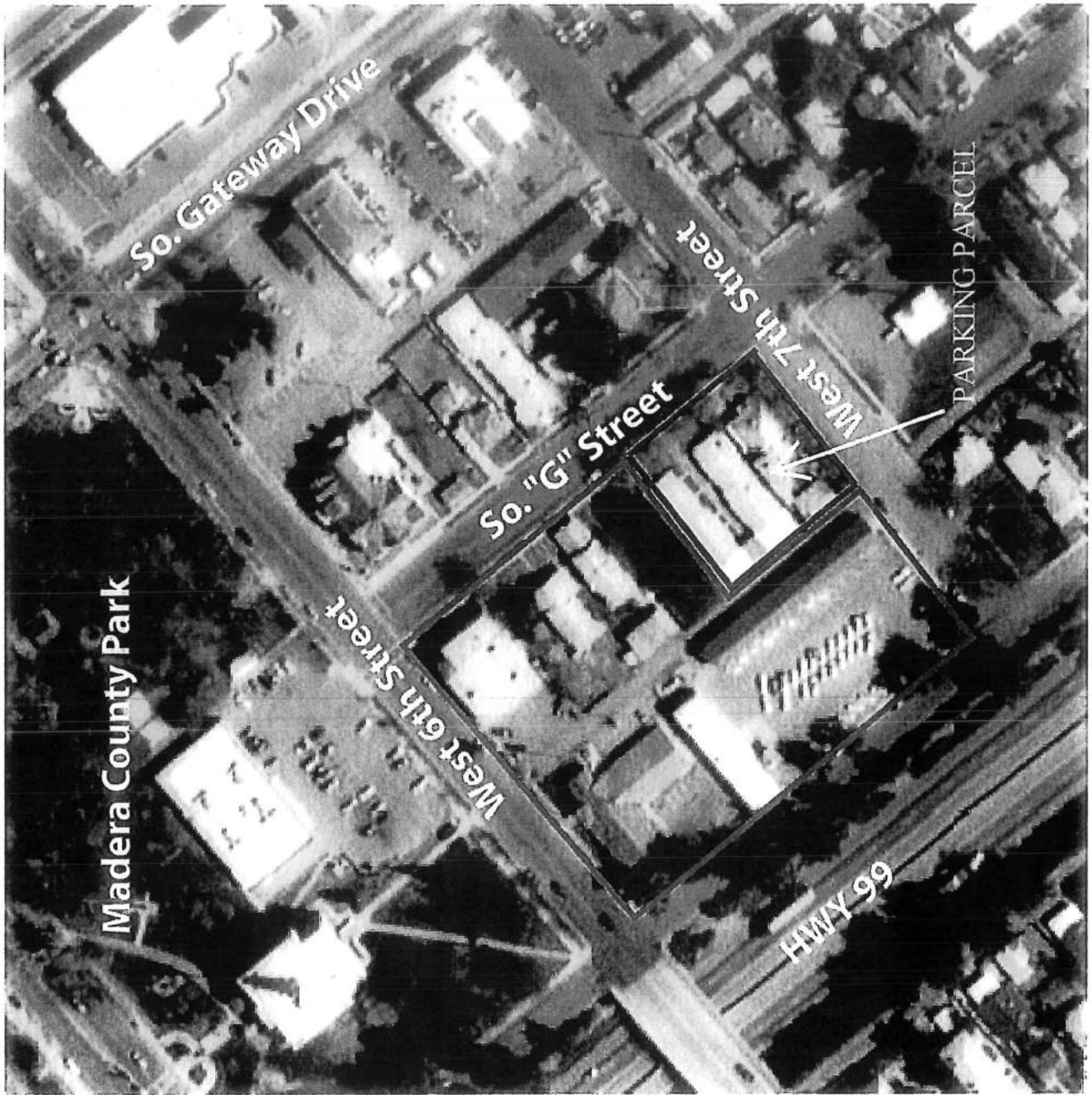


EXHIBIT B

LEGAL DESCRIPTION OF PROPERTY

LEGAL DESCRIPTION

EXHIBIT "A"

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF MADERA, COUNTY OF MADERA, STATE OF CALIFORNIA AND IS DESCRIBED AS FOLLOWS:

Parcel No. 1 APN: 010-130-011

Lots 15 and 16 in Block 9 of Hughes Addition to the Town (now City) of Madera, according to the Map entitled, "Map of Lankershim Colony and Addition to the Town of Madera," filed and recorded in the office of the County recorder of the County of Fresno, State of California, February 5, 1889 in Book 4 of Maps, at Page 31

Together with that portion of the 20' wide alley shown within said Block 9 of the aforementioned Hughes Addition, which would accrue by operation of law by reason of the abandonment of said alley as disclosed County of Madera Resolution No. 10-89, which was recorded in document recorded August 5, 2010, as document No. 2010021400, Madera County Records.

Parcel No. 2 APN: 010-130-008 & 010

Lots 11, 12, 13 and 14 in Block 9 of Hughes Addition to the Town (now City) of Madera, according to the map entitled, "Map of Lankershim Colony and addition to the Town of Madera", filed and recorded in the office of the County Recorder of the County of Fresno, State of California, February 5, 1889 in Vol 4 of Maps at Page 31.

Together with that portion of the 20' wide alley shown within said Block 9 of the aforementioned Hughes Addition, which would accrue by operation of law by reason of the abandonment of said alley as disclosed County of Madera Resolution No. 10-89, which was recorded in document recorded August 5, 2010, as document No. 2010021400, Madera County Records.

EXHIBIT C

AMENDMENT TO REAL PROPERTY PURCHASE AGREEMENT



**Judicial Council of California
Administrative Office of the Courts
Office of Court Construction and Management
455 Golden Gate Avenue, San Francisco, CA 94102-3688**

Project: New Madera Courthouse
Location: Madera, California
Current Assessor Portion 010-134-005; 010-134-001; 010-134-002; 010-134-
Parcel Nos.: 003; 010-134-006
Title Order No.:

FIRST AMENDMENT TO REAL PROPERTY ACQUISITION AGREEMENT

This FIRST AMENDMENT TO THE REAL PROPERTY ACQUISITION AGREEMENT (the "**Amendment**"), dated as of _____, 2011, is made by and between the MADERA REDEVELOPMENT AGENCY, a public body, corporate and politic (the "**Seller**") and THE STATE OF CALIFORNIA, acting by and through THE JUDICIAL COUNCIL OF CALIFORNIA, ADMINISTRATIVE OFFICE OF THE COURTS (the "**Buyer**") with respect to the following facts:

RECITALS

A. Seller and Buyer entered into that certain "Real Property Acquisition Agreement" dated as of December 22, 2008 (the "**Agreement**") wherein Seller agreed to sell, and Buyer agreed to purchase, four parcels of real property and a portion of an alley located in the City of Madera, California (the "**Real Property**"). The transaction contemplated by the Agreement has not yet closed.

B. Since the date of the Agreement, Seller and Buyer have negotiated an agreement for construction and operation of a parking garage immediately adjacent to the Real Property on the terms and conditions set forth in that certain "Project Development Agreement" (the "**PDA**"), a copy of which is attached hereto as Exhibit "**A**" and incorporated herein.

C. As set forth in section 2.1.2 of the PDA, as part of the negotiated deal for the Parking Garage Project, the Seller has agreed to allow an offset of \$2,900,000 against the maximum amount of Total Acquisition Costs of \$2,915,000 for the Real Property provided for in section 4 of the Agreement, and Buyer agreed to apply that offset amount against the total Project Cost of the Parking Garage Project (each as defined in the PDA) leaving Seller with no obligation to provide any funds for completion of the Parking Garage Project.

D. In order to effectuate the deal for the Parking Garage Project as set forth in the PDA, the Seller and Buyer desire to amend and modify the Agreement to allow for this offset against the Total Acquisition Costs of the Real Property.

NOW, THEREFORE, for good and valuable consideration the receipt and adequacy of which is hereby acknowledged, the parties hereto agree as follows:

AGREEMENT

1. **Incorporation of Recitals; Defined Terms.** The foregoing Recitals are true and correct and are incorporated into this Amendment by this reference. Any defined terms not defined herein will have the definition meaning given those terms in the Agreement or PDA.

2. **Amendment of Section 4: Total Acquisition Costs.** Section 4 of the Agreement is hereby amended and modified by the addition of the following at the end of that section:

Notwithstanding the foregoing, the Buyer will apply an offset in the amount of \$2,900,000 against its obligation to pay the Total Acquisition Costs of \$2,915,000 (the "**Offset**") in exchange for Buyer's agreement to apply that amount against the total Project Costs for the Parking Garage Project as evidenced by the approval and execution by Buyer and Seller of the PDA in substantially the same form as attached to the Amendment as Exhibit A.

3. **Amendment of Section 6.9: Seller Deliveries.** In addition to the Seller Deliveries identified in sections 6.9.1, 6.9.2 and 6.9.3, Seller shall also deliver or cause to be delivered to Escrow Holder (a) one fully executed copy of the PDA in the same form as Exhibit A to this Amendment and (b) one copy of Seller's authorization to enter into, deliver and perform the PDA and this Amendment.

4. **Amendment of Section 7.5: Buyer Deliveries.** Section 7.5 of the Agreement is hereby deleted in its entirety and replaced by the following new section 7.5:

7.5 Buyer Deliveries. At least three (3) business days prior to the Closing Date, Buyer shall have delivered to Escrow Holder the Total Acquisition Costs less the Offset, along with all other documents, instruments, or items reasonably requested and deemed necessary by Escrow Holder to consummate the Close of Escrow in accordance with the terms of this Agreement ("**Buyer Deliveries**").

5. **Amendment of Section 9.2.3.3: Disbursement of Total Acquisition Costs.** Section 9.2.3.3 of the Agreement is hereby deleted in its entirety and replaced by the following new section 9.2.3.3:

9.2.3.3. Disbursement of Total Acquisition Costs.
Escrow Holder has confirmed that Buyer's conditions to the

disbursement of the Total Acquisition Costs have been satisfied, and that the Total Acquisition Costs, less the Offset and Seller's share of Closing Costs, has been disbursed to, and received by, Seller in accordance with Seller's instructions.

6. **SPWB Approval.** This Amendment has no force or effect and is not binding on the State of California unless and until it is authorized by the SPWB at a duly noticed public meeting.

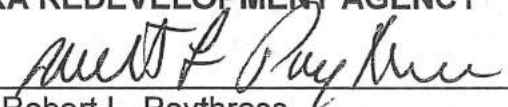
7. **Correction.** The Parties acknowledge and agree that Seller's name as given in the Agreement was incorrectly stated as "Redevelopment Agency of the City of Madera" but should instead have been "Madera Redevelopment Agency" and that the Grant Deed shall be corrected prior to its execution and delivery.

7. **No Further Modifications.** Except as specifically modified herein, the Agreement remains unmodified and in full force and effect.

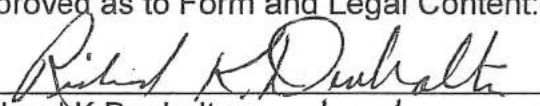
IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the later date of execution set forth below.

SELLER:

MADERA REDEVELOPMENT AGENCY

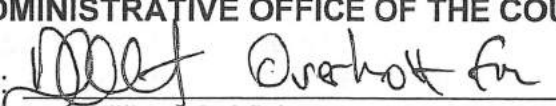
By: 
Name: Robert L. Poythress
Title: Agency Chairperson
Dated: 1-20-11

Approved as to Form and Legal Content:


Richard K. Denhalter
Agency Counsel 1/20/11

BUYER:

**THE STATE OF CALIFORNIA, by and through
THE JUDICIAL COUNCIL OF CALIFORNIA,
ADMINISTRATIVE OFFICE OF THE COURTS**

By: 
Name: William C. Vickrey
Title: Administrative Director
Dated: 1-21-11

APPROVED AS TO FORM:
Administrative Office of the Courts,
Office of the General Counsel

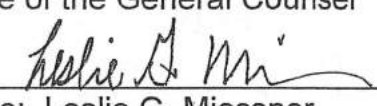
By: 
Name: Leslie G. Miessner
Title: Supervising Attorney, Real Estate Unit
1/21/11

EXHIBIT A

Project Development Agreement for the New Courthouse Parking Garage

**Project Agreement Term Sheet
New Courthouse Parking Garage
Superior Court of California, City of Madera**

Date: December 1, 2010

City: Madera	Related Court Facility: New Madera Courthouse Madera, California
Total Sq. Footage: 88,000 gross sq. ft. to house approximately 250 vehicles	

1. **Parties and Purpose:** The MADERA REDEVELOPMENT AGENCY, ("MRA"), the Judicial Council of California ("Council"), Administrative Office of the Courts (together with the Council, the "AOC"), and the Superior Court of California, County of Madera ("Court") enter into this Project Agreement Term Sheet ("Term Sheet") to memorialize and approve in concept, solely for the convenience of the MRA, the AOC, and the Court the anticipated principal terms for the proposed development, construction, funding, ownership and use of a New Courthouse Parking Garage ("Garage") for the benefit of court users, on land to be wholly owned by the State of California acting by and through the Council in the downtown area of Madera, California. For purposes of this Term Sheet, the MRA, the AOC, and the Court are sometimes referred to individually as a "**Party**" and collectively as the "**Parties**", and the development, construction, funding, and ownership of the Garage are sometimes collectively referred to as the "**Project**".

The Parties anticipate that the Garage will be developed as an exclusively AOC owned and operated facility for use by the general public during normal business hours; however, the Parties contemplate that the Garage will also be made available to the public during limited evening and weekend hours under terms described herein, to be operated by AOC.

This Term Sheet is not intended to be legally binding on any of the Parties. The Parties acknowledge and agree that no agreement on joint development of the Garage can or will occur until after completion of CEQA review and subsequent review and approval by the State of California Department of Finance and State Public Works Board. Following such CEQA review and State approvals, if the Parties should enter into any agreements in connection with the Project, the terms and conditions of such agreements shall be mutually acceptable to the Parties, and, upon the approval, execution, and delivery of such agreements, they will be legally binding on the Parties. The Parties contemplate that such agreements would include a Development Agreement with Maintenance, Use and Operating Conditions, a Real Property Acquisition Agreement, and other such agreements as deemed necessary (the "**Project Agreements**"), which the Parties would negotiate and fully execute

prior to any additional material expenditure of funds by the Parties for this Project. MRA notes that funds have already been freely and unilaterally spent by the MRA for acquisition of the property for the Project. The principal terms of the Project remain subject to negotiation notwithstanding the Parties' execution of this Term Sheet.

2. **Proposed AOC, Court, and MRA Roles and Responsibilities in the Project:** The roles and responsibilities of the Parties in the development, construction, funding, delivery, and completion of the Garage indicated in these provisions of section 2(A) of this Term Sheet set forth certain principles for the Parties' intended roles in development, design, construction, funding, ownership and management of the Project. The Parties acknowledge that they will draft and negotiate the specific structure and terms in the Project Agreements defining their respective roles, rights, and responsibilities in a manner consistent with the conceptual, general principles provided in section 2(A) of this Term Sheet, to the extent feasible and consistent with law. The Parties further acknowledge and agree that provisions of this section 2 may be expanded or contracted, as necessary, subject at all times to agreement of the Parties.

A. **Purchase, Development, Construction, and Delivery.**

- (1) **Property Acquisition by MRA.** The real property identified in Section 3.A.(1-3) in this Term Sheet upon which the Project shall be partially constructed has been or will be acquired by the MRA in cooperation with the City of Madera, utilizing public funds of the MRA, and is or will be owned by the MRA. The Parties intend that the AOC shall acquire full title of the real properties for the Project from the MRA.
- (2) **AOC Participation.** The Parties intend that the AOC have responsibility for owning, developing, designing, constructing, completing and managing the day-to-day operational and maintenance responsibilities the Project. If, in connection with the contribution of designated MRA's funds, the Parties determine that the Project must be structured in a certain manner in order to accommodate obligations arising from the use of such funds, then the Parties will cooperate to structure the terms of the Project Agreements to meet those obligations. If such restructuring requires the AOC to perform on behalf of the MRA certain obligations identified in the Term Sheet as MRA obligations, then the Project Agreements will include an indemnification by the AOC in favor of the MRA from any and all liability arising from the AOC's performance of such obligations undertaken on behalf of the MRA.
- (3) **Specific AOC Responsibilities for Permitting, Compliance, and Project Contracts.** To the fullest extent permitted by law, the Parties intend that the AOC be responsible to: (a) obtain and ensure compliance with all required permits and approvals for the Project, including approval of the Project and environmental review under the California Environmental Quality Act ("CEQA"); (b) ensure that the Project complies with all applicable regulatory requirements and that the Garage be designed, inspected, constructed, and permitted by the appropriate State Building officials; (c) enter into contracts for professional services required in connection with the Project, including the architectural and engineering contract(s), the construction contract, contracts for title services, environmental assessment of the Project site, and other due diligence services,

and other required ancillary services; (d) perform construction management and administration; (e) perform the bidding and procurement process for construction of the Garage; and (f) develop, modify, and monitor adherence to the Project schedule and design development and construction milestones.

(4) Specific AOC Responsibilities for Design Process. The Parties intend that the AOC be responsible for the design process, including the preparation of final construction plans and specifications for the Garage, which would be in accordance with applicable state building codes.

(5) Insurance During Construction. The AOC will provide for the construction insurance either by including the Project under the terms and conditions of the AOC owner controlled insurance program, or by requiring the construction contractor to obtain and maintain usual and customary workers compensation, commercial general liability, automobile liability and builder's risk insurance, with limits of liability of at least equal to that which the AOC maintains, or requires of contractors, for public projects of a similar size, scope, and nature to the Project. The AOC would require that such insurance policies list the MRA and the Court as additional insureds in respect of such contracts and for any ancillary work performed on MRA property (such as modifications to curbs and gutters), with the same coverages and limits as the named insureds under such insurance policies.

(6) Insurance During Post Completion Operations. The AOC would be solely responsible to provide the property insurance policies for the Garage. In addition the AOC would be responsible for claims and lawsuits resulting from the operation and management of the garage through the purchase of public liability insurance, or a program of self-insurance, or public liability insurance provided by a third party garage maintenance and management provider. Any public liability insurance policy obtained by the AOC, or a garage maintenance and management provider, will include the MRA and the Court as additional insureds. Each Party would be responsible to provide its own workers' compensation coverage for its own employees without any right of recovery or subrogation as against the other Parties.

(7) MRA Participation. The Parties intend that the MRA have the opportunity to review each iteration of Project design and construction documents, Project cost estimates, Project budget, and Project schedule, and to provide to the AOC comments on issues related to cost control, Project scope and feasibility. The MRA would also have the opportunity to review and comment on the schematic design and site plan.

(8) Court Participation. The Parties intend that the Court assist the AOC in (a) the design development process, including the various iterations of the concept drawings and the Project plans and specifications, and (b) development of the Project schedule including design development and construction milestones. Such assistance includes reviewing and commenting on development of the Project Agreements including the Project schedule, and other Project documents and agreements, including any third party garage management, use and maintenance agreements.

B. **Project Funding.** The Parties presently estimate that the construction cost of the Project would be approximately \$4,966,000 ("Project Construction Cost"). It is the intent of the Parties that costs for design fees, construction administration, and inspections will be absorbed by and provided for by the AOC's New Madera Courthouse project, and that the Project will be concurrently developed and constructed with the New Madera Courthouse. Costs for maintenance and operations shall be the responsibility of the AOC. The Project Construction Costs shall be provided by the following:

- (1) **MRA Funds.** As a benefit to the public in providing services to the public and the redevelopment of the downtown City of Madera to retain and attract government, institutional and commercial services, and in exchange for (a) the annual use of the garage for the Old Timer's Day Parade held each September; the MRA shall contribute \$2,900,000 to the Project by way of offset of the property purchase price, as provided in the First Amendment to Real Property Acquisition Agreement, the MRA has agreed to allow an offset of \$2,900,000 against the maximum amount of Total Acquisition Costs for the Real Property in the amount of \$2,915,000. Upon execution of the binding Project Agreements, the AOC shall transfer the amount of \$15,000 to the MRA in escrow and the MRA shall transfer to the AOC full title to the real properties for the project in escrow. The AOC shall then be entitled to withdraw from the account for monthly progress payments made to the construction contractor. Escrow account may be interest bearing and interest shall accrue to the benefit of first to the project for change orders, and secondarily to the MRA.

- (2) AOC Funds. Subject to approval by the State Public Works Board, the AOC shall contribute all amounts in excess of \$ 2,900,000 required to construct and complete the Project, from capital project funds identified in the approved New Madera Courthouse project which is currently funded in the Fiscal Year ("FY") 2010-11 State Budget Act for the remaining Acquisition and Working Drawings Phases (by reappropriation from FY 2007-08 and FY 2009-10, respectively) and the Construction Phase for this project.
- (3) Court Contributions. The Parties anticipate that the Court would not be required to contribute any funds to the development and construction of the Project; provided, however, that the Court may be asked to contribute with respect to enhanced security services at the Garage. If paid parking were to be implemented at the Garage, the Court would be responsible for the cost of any subsidy to its Judicial officers or employees that it may elect to provide.
- (4) Administrative Costs. Each Party would be individually responsible for its own administrative staff costs associated with the Project.
- (5) Limitation on MRA Obligations. The Parties intend that the MRA would have no financial or other obligations for the Total Project Cost or the costs associated with operation and maintenance of the Garage other than those expressly described in this Term Sheet, and that all costs and expenses of the Project and associated with the operation and maintenance of the Garage, other than those specifically allocated to the MRA in this Term Sheet, would be borne solely by the AOC and the Court.

3. Real Property Conveyance:

- A. As a benefit to the public in providing services to the public and the redevelopment of the downtown City of Madera to retain and attract government, institutional and commercial services, and in consideration for the annual use of the garage for the Old Timer's Day Parade held each September, the MRA would convey to the AOC and, subject to all usual and customary due diligence inquiries and if such due diligence reveals no substantive defect in title or condition, the AOC would accept, the following three parcels of real property located in the City of Madera to use for construction and operation of the Garage: The parcel are identified as:
 - (1) APN # 010-134 008
 - (2) APN # 010-134 010
 - (3) APN #010-134 011
- B. Transfer of Title. As necessary, the MRA would hold legal title to the three parcels, and would the Transfer of Title to the three parcels, and to the MRA-owned alley abutting the parcels, to the AOC upon execution of the Project Agreements. No covenants or restrictions would be placed upon the titles other than the right to reversion if the AOC fails to construct the Garage.

4. **Maintenance, Use and Operating Conditions** The Parties intend that the roles and responsibilities of the Parties in the operation and use of the Garage be as follows:
- A. **Maintenance.** The AOC will be solely responsible to maintain the Garage including regular cleaning, trash removal, and periodic facility repairs as needed. The Garage shall be kept in similar upkeep as the adjacent New Madera Courthouse. The AOC reserves the right to hire a third party provider for these services. A copy of a sample agreement for such provider is attached for reference. The AOC will also be solely responsible for ensuring that all recurring fire inspections of the Garage required by law be performed by the State Fire Marshal and/or the City of Madera Fire Marshal; and that any structural alterations or additions to the Garage made after occupancy be designed, inspected, constructed, and permitted by the appropriate State Fire Marshal or City of Madera or City Fire Marshal, to the fullest extent required by applicable law.
- B. **Use.** During normal business hours 7:00 am to 6:00 pm, the Garage shall be available to all members of the public without exclusion on a "first-come-first-served" basis. Up to 5 vehicles owned by the Court may be parked in the facility in reserved spaces without restriction to hours. (24/7). Court owned vehicle parking spaces may be separated from other spaces by chain link fencing or other similar barriers to prevent theft and vandalism.
- (1) During the hours from 6:00 pm to 9:00 pm, Monday through Friday, and during the hours of 9:00am to 7:00 pm on Saturdays and Court Holidays and 11:00 am to 5:00 pm on Sundays the Garage may remain open to use by the public. [Parties shall determine in the final Agreement if we want start with these after hours or use the phrase "*or only upon demonstration of sufficient demand and realized revenue to offset the increased costs of operating and maintaining the facility during these hours*"]
- (2) The Garage shall be open and available to the public without charge, from 7:00 am to 9:00 pm for the City's *Old Timer's Day Parade*, each year, usually in September or as City designates.
- C. **Operation.** The AOC shall operate the Garage for the benefit of the public and Court staff in their use of the adjacent Courthouse. The AOC's expenses for maintenance and operations may be offset by a parking fee charged to all users of the Garage on an hourly or monthly permit basis. Notwithstanding the foregoing, the AOC may determine that it is in its best interest to charge users of the Garage a parking fee to offset the cost and expense of maintaining and operating the Garage Fees shall be determined by the AOC based upon estimated actual expenses and revenue collections, and shall be adjusted annually.
- (1) Charges for evening and weekend use, if different from normal business hours, shall be permitted for up to 4 special events annually that the MRA or the City of Madera request use of the garage and a higher rate, wherein proceeds in excess of the actual operating costs would be to the benefit of the MRA or the City of Madera.

- (2) In the event that a third party provider is retained to maintain and operate the Garage, the Provider shall not generate excess revenue but may recover the expenses of its services. See attached reference contract for a third party provider.

[Signature page follows.]

Approved as to Form and Legal Content:

By: Richard K. Denhalter
Richard K. Denhalter
General Counsel 1/19/11

**MADERA REDEVELOPMENT
AGENCY ,**
a political subdivision of the State of
California

By: Robert L. Poythress
Name: Robert L. Poythress
Its: Agency Chairperson
Date: 1-14-11

Approved As To Form:
Administrative Office of the Courts, Office of
the General Counsel

By: Charles R. Martel
Charles R. Martel
Attorney

**JUDICIAL COUNCIL OF CALIFORNIA,
ADMINISTRATIVE OFFICE OF
THE COURTS**

By: G. L. White
Its: Business Services Manager
Date: 1/21/11

**SUPERIOR COURT OF CALIFORNIA,
CITY OF MADERA**

By: Mitchell C. Rigby
Name: Hon. Mitchell C. Rigby
Its: Presiding Judge
Date: 1-18-11

MADERA REDEVELOPMENT AGENCY REPORT TO THE AGENCY BOARD

BOARD MEETING OF: August 11, 2010

AGENDA ITEM NUMBER: 6C

APPROVED BY:


Executive Director

Subject: Consideration of a Resolution Approving an Amendment to the Real Property Acquisition Agreement with the Administrative Office of the Courts and Rescinding Resolution No. MRA-1414

Summary: The Agency Board will consider a resolution approving an amendment to the Real Property Acquisition Agreement with the Administrative Office of the Courts (AOC) and rescinding Resolution No. MRA-1414.

HISTORY/BACKGROUND

By previous action, the Agency approved a Real Property Acquisition Agreement with the AOC. The agreement provided that the Agency would be reimbursed \$2,915,000.00 for acquisition costs associated with the Courthouse Relocation Project. The amendment provides that the \$2.9 million in acquisition costs will be applied to the Agency's contribution to the construction of the parking facilities. The Agency approved Resolution No. MRA-1414 prior to the approval of a formal agreement. Consequently, Resolution No. MRA-1414 will be rescinded.

VISION 2025 LINKAGE

While the approval of this item does not specifically incorporate strategies in the vision or action plans, it may represent one or more examples of economic opportunity realized in Madera.

RECOMMENDATION

Staff recommends the Agency Board adopt the resolution approving an amendment to the Real Property Acquisition Agreement with the Administrative Office of the Courts (AOC) and rescinding Resolution No. MRA-1414.

JET:sb

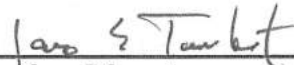
Attachment:
-Resolution (Agency)

**MADERA REDEVELOPMENT AGENCY
REPORT TO THE CITY COUNCIL
AND THE AGENCY BOARD**

BOARD MEETING OF: November 10, 2010

AGENDA ITEM NUMBER: 5A

APPROVED BY:



Executive Director

Subject: Joint Public Hearing and Consideration of Resolutions Approving 33433 Report and Sale of Property Located at 200 South G Street, APN 010-134-001; 208 South G Street, APN 010-134-002; 212 South G Street, APN 010-134-003; 216 South G Street, APN 010-134-006; 220-224 South G Street, APN 010-134-008 and 010-134-010; and 216 West 6th Street/221 South H Street, APN 010-134-005 to the State of California, acting by and through the Judicial Council of California, Administrative Office of the Courts for the Construction of the New Courthouse and Parking Garage

Summary: This is a noticed public hearing between the Agency and City Council regarding the transfer of Agency-owned property to the State of California, acting by and through the Judicial Council of California, Administrative Office of the Courts.

HISTORY/BACKGROUND

By previous action, the Agency has acquired six (6) parcels to accommodate a new courthouse and related parking facilities. The buildings, hazardous materials (asbestos), MID Canal, and two (2) underground storage tanks have been removed.

It is proposed that the costs associated with these activities serve as the Agency's financial contribution to the parking facility. The total cost to the Agency is included in the 33433 Report.

The key elements of the agreement are as follows:

- 1) The State of California will construct a courthouse of approximately 105,000 sf, with ten (10) courtrooms and support staff office space for use by the Madera County Superior Court.
- 2) The State of California will construct a multi-story parking structure to accommodate 250-300 vehicles.
- 3) The Agency will convey six (6) parcels to the State.

Activities that still need to be completed include the following:

- 1) Bravo acquisition (November 8, 2010 court date).
- 2) MID abandonment of canal right-of-way (scheduled for November 16, 2010).
- 3) Removal of sewer, water and other utility services (pending Bravo acquisition).

VISION 2025 LINKAGE

While the approval of this item does not specifically incorporate strategies in the vision or action plans of Vision Madera 2025, it may represent one or more examples of economic opportunity realized in Madera.

RECOMMENDATION

Subject to the information provided at the public hearing, staff recommends the City Council/Agency Board adopt the resolutions approving the 33433 Report and sale of property located at 200 South G Street, APN 010-134-001; 208 South G Street, APN 010-134-002; 212 South G Street, APN 010-134-003; 216 South G Street, APN 010-134-006; 220-224 South G Street, APN 010-134-008 and 010-134-010; and 216 West 6th Street/221 South H Street, APN 010-134-005 to the State of California, acting by and through the Judicial Council of California, Administrative Office of the Courts for the construction of the new courthouse and parking garage.

City Council/Agency Board actions:

1. Conduct a **public hearing** concerning the sale of the property.
2. **City Council** – adopt the resolution approving the sale of property acquired with tax increment by the Agency and make related findings.
3. **Agency Board** – adopt the resolution approving the sale of property to the State of California, acting by and through the Judicial Council of California, Administrative Office of the Courts, and authorizing the Chairperson to execute the documents on behalf of the Agency.

Attachments:

- 33433 Report
- Resolutions (City/Agency)



Dissolving Community Redevelopment

June 2011

Urban Land Institute

Dennis Roy

MLA Real Estate Partner Dennis Roy comments on California Governor Jerry Brown's proposal to dissolve all community redevelopment agencies, Budget Trailer Bill known as AB 101, to help close California's budget deficit.

Download attached PDF for article as it appeared in the May/June 2011 edition of the Urban Land Institute magazine.

DISSOLVING COMMUNITY REDEVELOPMENT

By Dennis Roy

On January 10, 2011, Governor Jerry Brown announced his proposal to dissolve all community redevelopment agencies by this July 1 to help close California's \$26 billion—plus budget deficit through fiscal year 2011-2012. That proposal unleashed a firestorm of opposition from the many cities and redevelopment agencies it will affect, as well as the California League of Cities and the Community Redevelopment Association (CRA).

Numerous charges and countercharges followed—from questioning the effectiveness (or ineffectiveness) of redevelopment in California, to a general reexamination of the state's redevelopment process and extensive allegations of redevelopment abuse, including a study by the state controller attempting to document that alleged abuse. For their part, cities and community redevelopment agencies have taken preemptive steps to commit, sequester or otherwise shelter their assets and prospective tax increment revenues from diversion by subsequent state legislation.

If the governor's proposed elimination of redevelopment agencies, as implemented through the Budget Trailer Bill known as AB 101, passes, virtually all redevelopment activity would be immediately suspended except for discharge or payment of existing obligations. Redevelopment agencies would be barred from incurring new obligations or modifying existing agreements and would begin operating immediately as caretakers to comply with preexisting "enforceable obligations." Among other provisions, the legislation provides that:

- Effective July 1, 2011, a successor agency would be created in each local jurisdiction to take over the operation of the terminated redevelopment agency. Subject only to preexisting obligations, the successor agency would liquidate existing agency assets and transfer the proceeds to the county auditor-controller for that county to distribute like other property tax revenues.
- In fiscal 2011-12, the state would receive a projected \$1.7 billion in former tax increment revenues as a result of the elimination of redevelopment agencies and redirect those revenues to pay for trial court and Medi-Cal costs, with a small distribution to cities and counties. Subsequently, taxing agencies would receive these revenues to the extent they are not required for payment of preexisting redevelopment agency obligations.

The governor's proposal has engendered a political and public policy response, identification of legal issues associated with the proposed changes, and preemptive actions by redevelopment agencies to secure their right to use future tax increment revenues and retain existing assets.

Public Policy Response

A June 2009 study, "The Impact of Fiscal 2006-07 Community Redevelopment Agency Activities on the California Economy," commissioned by the CRA and prepared by Time Structures Inc., reveals some of the benefits of redevelopment activities.

Among its conclusions:

- Redevelopment activities supported over 300,000 full- and part-time jobs and generated over \$40 billion in total direct and indirect economic activity in 2006-2007.
- Redevelopment construction increased state income by more than \$22 billion.
- Redevelopment is the second largest source of funds for affordable housing in the state (after the federal government). It also plays an important role in public infrastructure construction--streets, water and sewer lines, parks, libraries, sheriff stations, fire stations and other facilities. If it is eliminated, the state's infrastructure deficit will worsen.
- Economic development is a priority for other states. If California fails to prioritize those expenses it will lose more jobs. Redevelopment is necessary for job generation, which is the ultimate solution to the budget crisis.

The legislature's Legislative Analyst's office argues that the CRA-commissioned study was based on imprecise data measuring construction activity and impacts that were not created by redevelopment, and that there is no way to measure what would have happened without redevelopment. The office concludes that the true net impact of redevelopment on the economy cannot be measured: if other public agencies had access to those resources, they also would have generated jobs, construction projects and general economic activity.

Legal Concerns

The CRA's legal counsel has identified several potential violations of the California Constitution that would result if the governor's proposal is adopted. Among those are the following:

- Proposition 22, approved by voters last November, among other things prohibits the state from directly or indirectly requiring redevelopment agencies to use their tax increment revenues for the benefit of the state in general or any state agency. By eliminating redevelopment agencies and redirecting their assets and revenues to other accounts and entities to support state programs next year--trial courts and Medi-Cal--the governor's proposal is a direct violation of Proposition 22.
- If implemented, the governor's proposal could result in potentially significant bondholder litigation due to the impact of that legislation on the ratings, marketability, and, ultimately, value of the redevelopment agency debt held by bondholders.

The immediate elimination of redevelopment agencies seems precipitous, and perhaps dangerous. Although the governor is under intense pressure to address the deficit and undoubtedly sacrifices will be required in many programs, it is clear that redevelopment serves a broad and unique function in helping the state achieve goals in the areas of infill or urban development, smart growth development patterns, affordable housing, and infrastructure and public facility funding.

Reforming redevelopment and prioritizing its functions are appropriate, but to eliminate one of the few--and arguably most important--tools to achieve these goals seems highly questionable from a public policy perspective. Although parties may disagree over the exact measurement of the direct and indirect impacts of redevelopment, clearly redevelopment funding supports a large number of jobs, particularly in the vulnerable construction industry.

It is noteworthy that once pipeline projects are disrupted, it may be very difficult, if not impossible, to resurrect them should the legislature subsequently realize that it has overstepped. Many of these projects take years to assemble in terms of site control, entitlements and multi-jurisdictional financial assistance and equity funds, and they are often cannot be resuscitated once disrupted. The vacuum that would be left in affordable housing production is a particularly troubling concern at this time.

Rightly or wrongly, given the legal arguments identified by the CRA and its representatives regarding the governor's proposal, and the range of preemptive actions the agencies have taken in response, eliminating the CRA seems certain to result in extensive litigation. Consequently, the governor is unlikely to achieve the funding objectives that were the justification for eliminating agencies, and the beneficial effects of redevelopment will have been jeopardized with no offsetting material benefit.

In the current economic environment, there is insufficient funding for the full range of projects in which redevelopment

agencies have historically engaged. The state necessarily needs to focus on and preserve only the most essential functions of those agencies, including provision of affordable housing, remediation of blighted urban locations to allow infill development, and delivery and enhancement of local infrastructure.

Redevelopment agencies need to engage in some serious and critical self-examination in order to evolve and thereby more effectively respond to today's needs. Such evolution could include a regional focus that minimizes inter-jurisdictional competition over retail sales uses and the fiscalization of land use--the attempt by local jurisdictions to lure tax revenue--generating businesses such as retailers at the expense of other land uses that may have more long-term benefit. It may also be beneficial to broaden the objectives and permitted uses of redevelopment funds beyond the current real property-focused model to include more non-property-based approaches to economic development, including small business targeting and assistance and job training strategies.

Sound public policy lies somewhere between the extreme choices of eliminating redevelopment or accepting the status quo. Hopefully, the legislature will put away the hatchet and pick up the scalpel before serious and, in some cases, irreparable damage is done to this important sector of the California economy.

Dennis Roy is a partner in McKenna Long & Aldridge's, Los Angeles office, where he focuses on real estate law and redevelopment. In addition to representing major commercial and residential developers, he works with numerous Southern California cities and their redevelopment agencies.

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**MADERA REDEVELOPMENT AGENCY
REPORT TO THE CITY COUNCIL
AND AGENCY BOARD**

BOARD MEETING OF: January 12, 2011

AGENDA ITEM NUMBER: 6B

APPROVED BY:


Executive Director

Subject: Consideration of a Resolution Amending Resolution Number 10-231 Approving the Real Property Acquisition Agreement with the Administrative Office of the Courts

Summary: The City Council will consider amending Resolution Number 10-231 approving the Real Property Acquisition Agreement with the Administrative Office of the Courts.

HISTORY / BACKGROUND

On November 10, 2010, the Agency Board and City Council conducted a joint public hearing for the purpose of selling property to the Administrative Office of the Courts (AOC). The Department of General Services (DGS) is requesting that the fifth 'Whereas' in the City resolution, Resolution Number 10-231, be changed as follows:

Existing Language:

"Whereas, the property is sold with a condition that it be used to construct the New Court House Project and the grantee of such property will be required to execute an agreement guaranteeing such use."

Proposed Language:

"Whereas, the subject properties will be acquired by the State of California, acting by and through the Judicial Council of California, Administrative Office of the Courts, from the Madera Redevelopment Agency, with the intention of designing and constructing certain court facilities and related improvements thereon, including a building and a new parking garage."

Apparently, DGS found the language to be too restrictive in that it limited the use of the property (i.e. construction of a courthouse).

LINKAGE TO VISION 2025

Approval of this item is not addressed in the vision or action plans of Vision Madera 2025. The requested action is not in conflict with any of the actions or goals contained in the plan.

RECOMMENDATION

Staff recommends the City Council adopt the resolution amending Resolution Number 10-231 approving the Real Property Acquisition Agreement with the Administrative Office of the Courts.

JET:sb

Attachment:
-Resolution (City)

CONSENT ITEMS

CONSENT ITEM—3

JUDICIAL COUNCIL OF CALIFORNIA (0250)
 ADMINISTRATIVE OFFICE OF THE COURTS
 NEW MADERA COURTHOUSE
 MADERA COUNTY
 AOC Facility Number 20-F1

*Authority: Chapters 171 and 172, Statutes of 2007, Item 0250-301-3037 (2)
 Chapters 268 and 269, Statutes of 2008, Item 0250-301-3037 (2),
 as reappropriated by the Budget Act of 2009
 Chapter 1, Statutes of 2009, Third Extraordinary Session, as amended by
 Chapter 1, Statutes of 2009, Fourth Extraordinary Session
 Item 0250-301-3037 (5)
 Chapter 712, Statutes of 2010, Item 0250-301-0660 (2)*

Consider:

- | | |
|-------------------------------------|-----------------------------|
| a) approving preliminary plans | |
| b) approving a reversion | \$2,971,000 |
| c) recognize an anticipated deficit | \$2,900,000 |
| | (2.9 percent total project) |

CONSENT ITEMS

STAFF ANALYSIS ITEM—3

Judicial Council of California
 Administrative Office of the Courts
 New Madera Courthouse
 Madera County

Action Requested

If approved, the requested action would approve preliminary plans and a reversion, and recognize an anticipated deficit.

Scope Description

This project is within scope. The authorized scope for this project is to construct a new 10-courtroom, 110,700 square foot facility on approximately 5.7 acres in Madera County. This project also includes a 250-space parking structure. This project will consolidate two court locations with seven existing courtrooms and will address the security and overcrowding issues currently facing the court. The new courthouse will be situated proximate to the Madera Courthouse Park, the County Administrative Center, and the County public parking garage.

Funding and Cost Verification

This project is not within cost. Chapters 171 and 172, Statutes of 2007, Item 0250-301-3037 (2) authorized the acquisition phase. Chapters 268 and 269, Statutes of 2008, Item 0250-301-3037 (2), as reappropriated by the Budget Act of 2009, authorized the preliminary plans phase. Chapter 1, Third Extraordinary Session, Statutes of 2009, Item 0250-301-3037 (5), as amended by Chapter 1, Fourth Extraordinary Session, Statutes of 2009, authorized the working drawings phase. Chapter 712, Statutes of 2010, authorized the construction phase.

The original scope of this project included the construction of a new courthouse as well as surface parking for the court. The approved construction costs included \$2,000,000 for the parking. As part of an agreement with the Madera Redevelopment Agency (Madera RDA), the Administrative Office of the Courts received an additional parcel of land in which to build a 250-space parking structure, instead of surface parking. A scope change to include the parking structure was approved by the Board at the July 12, 2010 meeting. The total cost of the new parking structure is approximately \$4,900,000. To offset the cost of the parking structure, the Madera RDA discounted the acquisition price of the land for the new courthouse by \$2,900,000. The recognized anticipated deficit of \$2,900,000 will be added to the construction phase and will not increase overall project costs as there is a corresponding reduction to the acquisition phase. There is also an additional \$71,000 in acquisition savings which is reflected in the reversion request. The construction cost estimate at the end of preliminary plans (100 percent design development) indicates that estimated construction cost reflects the anticipated construction bids. The estimated construction costs include the construction of the parking structure.

\$100,208,000	total authorized project costs
\$100,137,000	total estimated project costs
\$ 7,026,000	project costs previously allocated: \$469,000 acquisition and \$3,657,000 preliminary plans
\$ 93,111,000	projects costs to be allocated: \$4,863,000 working drawings and \$88,248,000 construction (\$81,738,000 contract, \$3,942,000 contingency, \$1,260,000 A&E, and \$1,308,000 other project costs
\$ 2,971,000	reversion: acquisition
\$ 2,900,000	recognized anticipated deficit: construction

CEQA

A Notice of Exemption was filed with the State Clearinghouse on October 2, 2008, and the 35-day statutes of limitation period expired on November 7, 2008, without challenge.

Real Estate Due Diligence

The Department of General Services completed a Summary of Conditions Letter for this project and no significant issues were identified.

Project Schedule

Approve preliminary plans	March 2011
Complete working drawings	October 2011
Start construction	December 2011
Complete construction	October 2013

Staff Recommendation: Approve preliminary plans and a reversion, and recognize an anticipated deficit.

**MADERA REDEVELOPMENT AGENCY
REPORT TO THE CITY COUNCIL
AND THE AGENCY BOARD**

BOARD MEETING OF: June 8, 2011

AGENDA ITEM NUMBER: 6A

APPROVED BY:



Executive Director

Subject: Joint Public Hearing and Consideration of Resolutions Approving 33433 Report and Property Acquisition Agreement for Property Located at 220/224 South G Street (APN: 010-134-008 & 010) and 228 South G Street (APN: 010-134-011) to the State of California, acting by and through the Judicial Council of California, Administrative Office of the Courts (AOC)

Summary: This is a noticed public hearing between the Agency and City Council regarding the transfer of Agency-owned property to the State of California, acting by and through the Judicial Council of California, Administrative Office of the Courts.

HISTORY/BACKGROUND

At the meeting of November 10, 2010, the Agency transferred five (5) of the required seven (7) parcels necessary for the construction of the new courthouse and related parking facilities.

The proposed action is the transfer of the Bravo and Rangel parcels, which the state refers to as the "parking parcels." The cost of acquisition is considered a portion of the Agency's contribution towards the design/construction of the parking facility. The total cost to the Agency is included in the 33433 Report.

There have been ongoing discussions to delete the reversionary language from the previous language in the Madera Parking Garage Property Acquisition Agreement and the Grant Deed. It was staff's position that the request could be supported if language was added that would reimburse our \$2.9 million contribution if the parking garage was not constructed in conjunction with the courthouse. It was concluded that the reversionary language would remain in the parking agreement and removed from the deed. AOC staff has indicated that project design is far enough along that construction of the courthouse without the parking facility would result in significant and costly design changes.

LINKAGE TO VISION 2025

Activities described in this report are not specifically incorporated in the strategies contained in the action plans of Vision Madera 2025 and are not in conflict with any of the actions or goals contained in the plan.

RECOMMENDATION

Subject to the information provided at the public hearing, staff recommends the City Council/Agency Board adopt the resolutions approving the 33433 Report and sale of property located at 220/224 South G Street (APN: 010-134-008 & 010) and 228 South G Street (APN: 010-134-011) to the State of California, acting by and through the Judicial Council of California, Administrative Office of the Courts for a new parking facility to serve the courthouse.

City/Agency Board Action

1. **Conduct a public hearing** concerning the sale of the property.
2. **City Council** – Adopt the resolution approving the sale of property acquired with tax increment by the Agency and making related findings.
3. **Agency Board** - Adopt the resolution approving the sale of property to the State of California, acting by and through the Judicial Council of California, Administrative Office of the Courts, and authorizing the Chairperson to execute the documents on behalf of the Agency.

Attachment:

- Resolutions (City/Agency)
- 33433 Report

**SUMMARY REPORT PURSUANT TO
SECTION 33433
OF THE
CALIFORNIA COMMUNITY REDEVELOPMENT LAW
ON A
REAL PROPERTY ACQUISITION AGREEMENT
BY AND BETWEEN THE
MADERA REDEVELOPMENT AGENCY
AND THE
STATE OF CALIFORNIA, acting by and through the JUDICIAL COUNCIL OF CALIFORNIA,
ADMINISTRATIVE OFFICE OF THE COURTS**

This summary report has been prepared for the Madera Redevelopment Agency ("Agency") pursuant to Section 33433 of the California Health and Safety Code. This report sets forth certain details of the proposed Real Property Acquisition Agreement ("Agreement") between the Agency and the State of California, Acting by and through the Judicial Council of California, Administrative Office of the Courts ("Developer"). The site is located at 200 South G Street, APN 010-134-001; 208 South G Street, APN 010-134-002; 212 South G Street, APN 010-134-003; 216 South G Street, APN 010-134-006; 220-224 South G Street, APN 010-134-008; 010; and 216 West 6th Street/221 South H Street, APN 010-134-005. The six (6) parcels are currently vacant.

I. A copy of the proposed Agreement between the Agency and Developer is available upon request to the Madera Redevelopment Agency, 5 E. Yosemite Avenue, Madera, California, 93638, telephone (559) 661-5110.

II. The proposed sale of land to the Developer is summarized as follows:

A. The cost of the Agreement to Agency:

1. Acquisition Costs	\$1,919,101.00
2. Relocation Costs	132,750.40
3. Demolition and Site Clearance	493,049.83
4. Environmental Assessment	14,000.00
5. Underground Storage Tank (UST) Removal	22,848.00
6. Asbestos Survey	13,125.00
7. Utility Fees and Disconnect	57,122.16
8. Copying and Printing Costs	3,282.75
9. MID Canal Relocation	347,819.75
10. Engineering Services	23,658.35
11. MOU with Madera County	<u>880,000.00</u>
12. Sub Total	3,906,757.25
13. Less Land Sale Proceeds	(\$2,915,000.00)
14. Agency contribution for construction of parking garage	<u>\$2,900,000.00</u>
15. Net Cost to Agency	\$3,891,757.25

B. The highest and best use permitted under the City of Madera General Plan is for public use of the property. Surrounding properties are designated for a combination of residential, commercial and public uses. The estimated value of the interest conveyed determined the highest use permitted for the area is \$2,915,000.00.

C. The purchase price pursuant to the proposed agreement is \$2,915,000.00.

D. The amount of the purchase price is fair market value of the subject parcel. The cost of the property to the Agency is more than the purchase price. However, staff

is of the opinion that the cost to the Agency and the purchase price are justified based on several factors, including:

1. The Agency has demolished a total of eight (8) substandard dwellings.
2. The proposed agreement will upgrade the Sixth and H Street corridor, and the Project Area.
3. The project has eliminated a blighted condition.
4. The proposed agreement will stimulate new investment beneficial to the citizens of Madera and the future revitalization of downtown Madera.
5. The proposed agreement will further the objectives of the Redevelopment Agency.
6. The purchase price is consistent with and based upon previous sales in the area.

III. Salient Points of the Agreement

A. The proposed project will provide 10 courtrooms and associated support space in an approximately 105,000 sf courthouse. The project will consolidate court operations, increase security and replace inadequate and obsolete buildings. The project includes a basement level with sally port and secured parking for judicial officers, and adjacent parking structure for court staff and visitors.

B. Developer Responsibilities

1. The Developer will purchase the site from the Agency for \$2,915,000.00.
2. The Developer will construct a courthouse approximately 105,000 sf, with 10 courtrooms and support staff office space for use by Madera County Superior Court.
3. The Developer will construct a multi-story parking structure to accommodate 250-300 vehicles.

C. Agency Responsibilities

1. The Agency will convey six (6) parcels to the state for \$2,915,000.00, of which \$2,900,000.00 will fund the Agency's obligation to participate in the construction of the parking garage facility.

IV. Blight Elimination

The proposed development as contained in the Agreement is essential to the stimulation of new investment in both the Project Area and Downtown Madera. The property has represented a major blighting influence on the area. The project will increase economic activity in the area, thus strengthening the area for future development while eliminating a blighted condition.



Controller *John Chiang*

California State Controller's Office

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Press Releases

[View as PDF](#)

Controller Completes Review of Milpitas and Morgan Hill Redevelopment Agency Assets

PR12:30
8/28/2012

Contact: Jacob Roper
916-445-2636

SACRAMENTO – State Controller John Chiang today announced completing reviews of the asset transfers by redevelopment agencies in Milpitas and Morgan Hill prior to their dissolution. In both cases, the reviews found that some redevelopment asset transfers were unallowable. This includes real properties, cash, and invested funds.

The Controller's review is mandated by AB1x 26, the legislation that required all redevelopment agencies to cease operations by February 1, 2012. All assets and liabilities of the former redevelopment agencies were to be transferred to a "successor agency" and placed under the direction of an oversight board which is to dispose of the assets, pay off obligations, distribute excess cash to the county auditor-controller for distribution to other local agencies, including schools, and eventually go out of business.

The law requires that all redevelopment assets transferred to a city, county or other public agency after January 1, 2011, must be returned to its successor agency unless the assets were committed to a third party by June 28 of that year. The successor agency's oversight board, made up of local appointees, can return an asset or property to a local government if it serves a governmental purpose.

In Milpitas, its redevelopment agency transferred \$175.6 million in assets between January 1, 2011 and January 31, 2012. Of this amount, \$96.9 million of unallowable asset transfers were made to the City of Milpitas and \$50.2 million of unallowable asset transfers were made to the Milpitas Economic Development Corporation (MEDC). The audit found that the MEDC was established by the City Council in February 2011 and the governing board members were the members of the city council. The review report requires that all unallowable asset transfers be returned by the city and the MEDC to the successor agency.

The Milpitas review also found that an additional \$87.6 million of redevelopment assets have not yet been transferred to the successor agency, and requires that these assets also be transferred to the successor agency. In total, the audit determined that \$234.7 million in redevelopment assets are owed to the RDA's successor agency.

In Morgan Hill, a total of \$228.3 million in redevelopment agency assets were transferred between January 1, 2011 and January 31, 2012, of which \$108.4 million was determined to be unallowable. Of this amount, \$88.6 million and \$19.8 million must be returned by the City of Morgan Hill and the Morgan Hill Economic Development Corporation (MHEDC), respectively. The City of Morgan Hill created the MHEDC in March 2011 prior to the redevelopment agency transferring assets to it. The review found that the city council sat as the board of the MHEDC during the period transfers were made. The MHEDC has added other members since then.

The review also noted that some of the unallowable asset transfers of real estate may qualify as "government purpose," in which case the oversight board of the successor agency is authorized to transfer them to the appropriate local government.

"My responsibility is to conduct these reviews as required by the Legislature and courts, while also helping local governments to make sense of this process," said Chiang. "As redevelopment agencies complete their wind-down, I hope that this provides an opportunity for local economic development to be re-imagined with a greater emphasis on measurable performance, efficiency and accountability."

As required by AB1x 26, the Controller will perform similar reviews of the other 400 former redevelopment agencies across the State. Reviews are currently underway in 12 other cities.

For more information, read the [Milpitas review](#) and the [Morgan Hill review](#) .

###

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California State Controller's Office, Controller John Chiang

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California cities race to shield funds from state

As Jerry Brown seeks to kill redevelopment agencies, officials move to protect the groups' money. They see a raid by Sacramento, while the state says the funds are needed to protect vital services.

January 19, 2011 | By Jessica Garrison, Los Angeles Times

A revolt by city officials against Gov. Jerry Brown's proposal to abolish municipal redevelopment agencies is rapidly spreading across the state.

Over the last several days, officials in Long Beach, Pasadena, Palm Springs and numerous other cities have hastily called special meetings to discuss transferring billions of dollars from their redevelopment agencies to city control to keep the money out of the state's reach.

The move is an attempted end-run around Brown's proposal to scrap redevelopment and allow school districts, counties and the state to take the billions in property tax dollars the agencies now collect to improve blighted areas. Brown predicted that the move would save the state \$1.7 billion in the next fiscal year and send much more money back to school districts and counties in years to come. The redevelopment agencies take in about \$5 billion each year.

To block the governor, some cities have launched a mad dash to lock up future revenue — in effect laying claim to the money Brown wants. They are quickly approving deals with their redevelopment agencies to move forward with a long list of projects, even those described in the vaguest of terms.

Los Angeles was one of the first to move. Its redevelopment commissioners voted Friday to hand control of nearly \$1 billion, for more than 275 projects, to the city. The projects range from building affordable housing in rundown neighborhoods to putting \$35 million toward the planned Eli Broad art museum downtown and contributing nearly half a million dollars to a bicycle facility.

The vote must still be approved by the City Council — and there were signs that Los Angeles officials might be pulling back from the brink, perhaps to seek a deal with the Legislature, which has not yet taken up Brown's budget proposal. On Tuesday morning, the council abruptly postponed a vote on the matter.

Other cities pushed forward.

On Saturday, Culver City officials voted to transfer to the city about \$300 million for a long list of projects. Citrus Heights, in the Sacramento area, and Santa Monica held special meetings to protect money for redevelopment projects Monday night — even though their City Halls were closed for Martin Luther King Day. Pasadena officials met at 7:30 a.m. Tuesday.

The governor's office issued a disapproving statement, saying in part: "These scarce dollars, which could be used to protect police, firefighters and teachers, should not be banked away for special projects."

Added Carroll Wills, a spokesman for the California Professional Firefighters: "We think it's unconscionable.... We are seeing fire stations closing, police officers laid off, school class sizes going up, and essentially what these local governments are doing is saying we want to get ours now and we'll leave the real fiscal problems to everyone else."

But many city officials were unapologetic. They said that the governor was taking their scarce dollars and that redevelopment was a vital tool for creating jobs, promoting economic development and building housing and libraries.

Though little understood by the public, the state's nearly 400 active redevelopment agencies are allowed to collect property taxes that would otherwise go to schools and counties. Often, the agencies partner on projects with private developers, providing subsidies or donating land. The agencies mostly are run by city council members, and thus are a considerable source of power for them.

Supporters praise redevelopment agencies for reviving downtrodden neighborhoods across the state, pointing to successful projects such as Old Pasadena, San Diego's Gaslamp Quarter and downtown Oakland. But many agencies have been criticized for mismanagement, corruption and misplaced priorities.

As the state's financial straits have worsened, redevelopment dollars have come to look increasingly attractive to California leaders. Former Gov. Arnold Schwarzenegger grabbed \$2 billion over the last two years to balance budgets.

City officials thought they had put a stop to state raids of redevelopment agencies with the passage of Proposition 22 in November, which protected redevelopment funds, said Murray Kane, a lawyer who advises several cities that have taken action in the last few days.

No one, apparently, foresaw that Brown would propose killing them altogether.

"Proposition 22 said we can't rob redevelopment agencies anymore, but now the state is saying it is OK to rob them if we kill them first," Kane said. "They actually think murder is a loophole for larceny."

Though Brown's proposal would close the agencies, it would allow them to pay off their bond debts and honor existing agreements.

Cities in effect are taking him up on that — by solidifying agreements that tie up the money.

In some cities the projects were clearly defined and were even underway. The vote was just "getting all our ducks in order," said Santa Monica Mayor Richard Bloom. The list that was approved included a library, a park and affordable housing.

Other cities were moving forward on plans that were far less concrete.

Some of Los Angeles' projects were ill-defined or far off. Among them were a \$5-million endeavor to "attract new retail to vacant space along Pacific Avenue" in San Pedro and a \$20-million effort to turn the old Sears building in Boyle Heights into housing — something the city has been struggling to interest developers in for years.

In Long Beach, which was poised to take action Tuesday night, officials drafted an agreement including \$1.2 billion in projects. More than \$800 million was for "public improvements and neighborhood revitalization," including what a city statement called "future potential projects."

Long Beach officials issued a statement saying the move was necessary because its agency has "long-standing commitments to its community partners."

"These commitments must be protected," it said, "before the state takes these dollars for their own uses."

State officials, grappling with a \$25.4-billion deficit, remained dubious and questioned the priorities of city leaders.

"How do you justify maintaining a system that takes billions of dollars from schools, law enforcement and other vital services and uses that money to subsidize developers?" Tom Dresslar, a spokesman for state Treasurer Bill Lockyer, asked.

jessica.garrison@latimes.com

Times staff writer Kim Christensen contributed to this report.

EXCLUSIVE: Redevelopment dispute might cost Escondido \$20M

JULY 03, 2012 7:00 PM • BY DAVID GARRICK DGARRICK@NCTIMES.COM

Escondido's financial reserves could soon shrink from \$33 million to \$13 million because of a state crackdown on cities that seized assets from their redevelopment agencies just before they were abolished last year.

City officials said last week that they're unsure whether they will be able to keep \$20 million in cash they transferred in February 2011 from the city's redevelopment agency to the city's general fund, which pays for police, firefighters, libraries and recreation programs.

Escondido officials characterized the transfer, which took place less than a month after Gov. Jerry Brown first threatened to abolish redevelopment agencies, as paying back some of the \$34 million the redevelopment agency owed the city from long-ago loans.

But the state controller's office has expressed skepticism about all large asset transfers from redevelopment agencies to cities that took place after Jan. 1, 2011. It's said knowledge of Brown's intention to abolish redevelopment prompted some cities to make questionable asset transfers.

Brown's plan to confiscate redevelopment revenue to help close the state's budget deficit became law in December after months of litigation. Since then, state officials have been trying to take as much redevelopment revenue as possible away from the defunct agencies.

In a letter sent recently to Escondido and other city and county governments, the controller's office said asset transfers would only be honored if a third party was involved, which wasn't the case with Escondido's partial loan payback.

"Ineligible asset transfers must be reversed," Jeff Brownfield, audits division chief for the controller, wrote in the letter. "If you have any questions as to whether a particular asset must be returned, you should place such assets into a reserve pending our review and you should not engage in any attempt to encumber or expend such assets."

Gil Rojas, Escondido's finance chief, said city officials have postponed any plans to spend or even discuss spending the money while they wait for things to clear up.

"We're waiting to see how this all shakes out before we make any concrete decisions about a game plan," said Rojas. "It's an ever-changing information arena."

Rojas said the city was recently audited and was awaiting the results.

He said one reason for concern was legislation proposed last week that would allow state officials to garnish local sales tax revenue and property tax revenue to recover redevelopment money from cities. Rojas said the bill, AB 1484, was emblematic of the state's aggressive moves to grab redevelopment money.

But Rojas said there were also reasons for optimism, primarily that Escondido legitimately loaned its redevelopment agency millions of dollars and that the loans were made long ago.

"They have this thing that some of the loans were sham loans," Rojas said. But he said the

San Diego to Brown: How You Like Them \$4 Billion?

Posted: Thursday, February 17, 2011 5:45 pm

San Diego is planning almost \$4 billion in future redevelopment projects, the most audacious effort of any California city to combat Gov. Jerry Brown's proposal to eliminate redevelopment.

The draft proposal, which was circulated around City Hall today, includes nearly \$2.5 billion targeted for downtown. The list includes projects that wouldn't start until as late as 2048.

San Diego's proposal boosts the month-long fight between cities and Brown to unforeseen heights. Cities around the state have scrambled to protect redevelopment dollars from a potential state axe by selling bonds and, like San Diego is proposing, entering into complicated agreements to secure future property tax dollars without actually spending money now.

In his plan to kill redevelopment, the governor has said he will honor existing agreements. That's caused municipalities across the state to accelerate projects in the works — though San Diego officials aren't even sure if their plan will work.

Previously, Los Angeles and Long Beach have moved to put about \$1 billion aside for future projects in their cities. Four billion dollars is something else.

"If it's \$4 billion in San Diego, I can't think of anybody that would be bigger," said John Shirey, head of the California Redevelopment Association, which represents redevelopment agencies statewide.

The largest single item on San Diego's list is \$1.1 billion for unspecified affordable housing built with downtown property taxes. Other high-profile projects long-targeted for redevelopment dollars won't receive as much support as could be needed for them to be built.

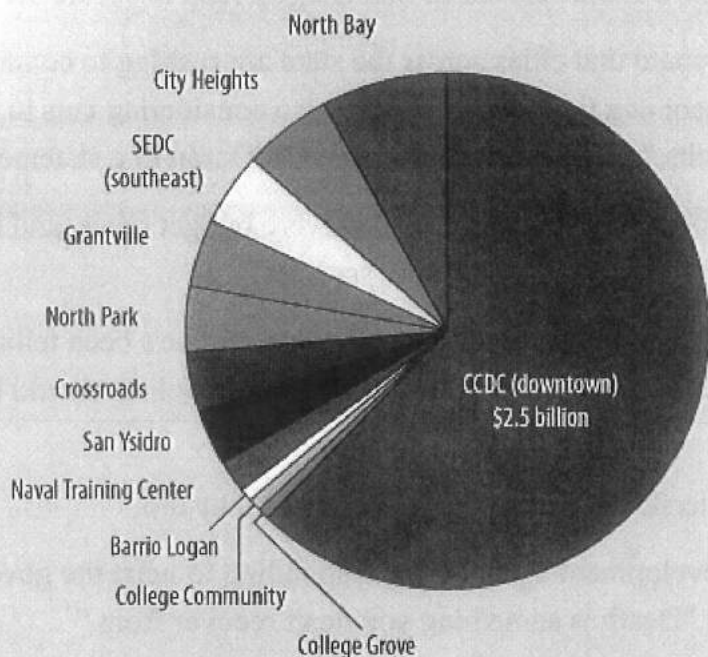
The \$800 million downtown Chargers stadium didn't make the list, but an additional \$150 million to clean the proposed site did. Also, the list includes only \$14 million for a Convention Center expansion now estimated at \$750 million.

\$4 BILLION

City officials want to protect nearly \$4 billion in redevelopment projects before the state addresses a proposal to eliminate redevelopment agencies. This graphic shows where the money would go by redevelopment area, according to the latest draft.

Linda Vista is not visible because its \$426,000 slice is so comparatively small to the other areas.

Source: City of San Diego draft document



Graphic by Keegan Kyle / VOSD

Janice Weinrick, a city redevelopment official, said the list remained in progress.

"I'm still working on it," she said.

But no more money could be added for projects like the Convention Center or the Chargers stadium because of public noticing requirements, she added. (A Chargers official has said he was OK with the stadium's exclusion.)

Neighborhoods other than downtown will receive big slices of the redevelopment pie, too. North Bay in the city's Midway district is targeted for \$311 million in improvements, including \$63 million to develop the Sports Arena site and \$107 million for commercial development along Pacific Highway.

City Heights also is targeted for \$220 million and the city's southeastern neighborhoods \$181 million.

City Council is scheduled to discuss the move on Feb. 28, and other redevelopment projects a day later.

Redevelopment siphons property taxes away from schools, counties, cities and other local governments to improve rundown neighborhoods. Brown is arguing that the state cannot subsidize development at a time when schools and other core government services need money. But redevelopment backers argue that the process allows for job creation, affordable housing and stimulating growth that wouldn't happen otherwise.

The Governor's Office criticized San Diego's rush to secure the money.

"It is unfortunate that cities across the state are rushing to commit hundreds of millions of dollars to redevelopment at a time when they are also considering cuts to core services in order to close large budget deficits," said Brown spokesman Gil Durán in a statement.

"State and local governments are in a severe budget crisis, and every available taxpayer dollar should be used for the highest priority core services."

Shirey, the redevelopment association head, said he's been telling local agencies to try to lock up as much funding as possible, but within reason. The plans should be for real, well thought out projects, he said.

Still, he understands why cities are acting as they are.

"These redevelopment agencies are responding to what the governor is proposing, which is death," Shirey said. "Death is something you don't recover from."

Please contact Liam Dillon directly at liam.dillon@voiceofsandiego.org or 619.550.5663 and follow him on Twitter: twitter.com/dillonliam.

Exhibit T

8. Approve the form of and authorize the execution of the Agreement by and among the Board, the State Treasurer and the above listed Participating Agencies.
9. Approve the form of and authorize the execution of a Purchase Contract by and among the Board, the State Treasurer and the underwriters named therein.
10. Approve the form of and authorize the delivery of a Preliminary Official Statement.
11. Approve and authorize the delivery of an Official Statement.
12. Approve other related actions in connection with the authorization, issuance, sale, and delivery of said revenue bonds.

Estimated Project Costs to be Financed	\$797,493,000
Estimated Par Value of Bonds to be Issued	\$902,955,000
"To Not Exceed" Par Amount	\$994,665,000

BOND ITEMS

STAFF ANALYSIS ITEM—1

2012 Series A
Various Capital Projects

Action Requested

If approved, the requested action would authorize the sale of the 2012 Series A lease revenue bonds and other related actions in connection with the issuance, sale, and delivery of said revenue bonds, including approving the forms of and authorizing the execution of a supplemental indenture, site leases, facility leases, certain amendments to the site and facility leases at Salinas Valley State Prison, project delivery agreements, a continuing disclosure agreement, a Purchase Contract and, authorizing the delivery of a preliminary official statement, and an official statement.

Scope Descriptions and Funding

The projects are within scope and cost.

Judicial Council Project

Madera Courthouse Project (the "Madera Project") consists of construction of a new courthouse for the Superior Court of California, County of Madera. The new courthouse will consist of a 115,804 square foot facility with 10 courtrooms and a separate on-site 256-space, 90,846 square foot parking garage. The facility will be four stories over a basement and will be located on approximately 3.0 acres of state-owned land. The structure will sit on a seismically reinforced concrete slab footing and will consist of steel and concrete structure that is sheathed in granite panels, curtain wall glazing, and zinc panels. Steel columns and beams support floor and roof constructed of metal decking filled with concrete. The building is designed for sustainability with a goal of achieving a Leadership in Energy and Environmental Design Silver rating from the United States Green Building Council.

The Madera Project is estimated to go out to bid in April 2012. Construction of the Madera Project is expected to commence in July 2012, is expected to last 21 months, and occupancy is expected in April 2014. The total project cost is estimated to be \$100,208,000, of which approximately \$88,248,000 is expected to be financed from the 2012A Bonds.

Department of Corrections and Rehabilitation Projects

Salinas Valley State Prison, Soledad: Enhanced Outpatient Program Treatment and Office Space Project (the "SVSP Project") consists of the design and construction of a new two-story, stand alone building adjacent to existing housing. The new building will be approximately 27,200 square feet and will accommodate administration, treatment, and custody services required to support treatment for approximately 300 inmate patients. The foundation will be slab-on-grade and exterior walls will be constructed of concrete masonry unit. Interior walls will consist of gypsum board sheathing over light gauge steel stud framing or concrete masonry unit where required for structural or security purposes. This project will also include 46 parking spaces for new staff. The building is designed for sustainability with a goal of achieving a Leadership in Energy and Environmental Design Silver rating from the United States Green Building Council.

Design of the SVSP Project is complete. Construction commenced in February 2012, is expected to last approximately 19 months, and occupancy is expected in September 2013. The total SVSP Project cost is estimated to be \$19,734,000, all of which is expected to be financed with proceeds from the 2012A Bonds.

California Health Care Facility, Stockton Project (the "CHCF Project") consists of the design and construction of an approximately 1.2 million square foot, fully autonomous institution for adult male inmate patients with serious or chronic medical and mental health needs. Inmate housing will include space for a total of approximately 1,600 inmates, including Medical-High Acuity, Medical-Low Acuity, Mental Health-Intermediate Care Facility-High Custody, Mental Health-Acute Psychiatric, Mental Health Crisis Bed, and permanent work crew inmates. The facility will be enclosed in a secure perimeter that includes a lethal electrified fence, 11 guard towers, and two controlled entry points.

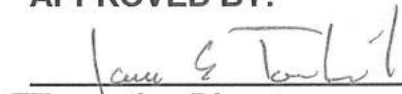
The CHCF Project consists of the design and construction of a complex with 37 single story buildings including various housing units, a central facility shared services

REPORT TO THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY OF THE FORMER MADERA REDEVELOPMENT AGENCY

BOARD MEETING OF: October 15, 2012

AGENDA ITEM NUMBER: 3.2

APPROVED BY:



Executive Director

Subject: Discussion Regarding Recognized Obligation Payment Schedule (ROPS III)

Summary: The Oversight Board will be provided with an update on the Recognized Obligation Payment Schedule (ROPS III) covering the period from January 1, 2013 through June 30, 2013.

HISTORY/BACKGROUND

The ROPS III was submitted to the Department of Finance (DOF) on August 17, 2012. As per the attached letter, they have determined that the following do not qualify as enforceable obligations.

- Arborpoint – We had added 10% administrative costs for all projects. They eliminated the charge on this project.
- Midtown Village Subdivision, the Honda Construction Loan and Avenue 16 Landscaping project did not qualify as enforceable obligations.
- The Replacement Housing Obligation was reduced by \$740,000.00.
- Administrative costs were reduced by \$87,167.00.

We will not request a “meet and confer” on these items. We are still requesting a legal opinion on our housing replacement obligations associated with the courthouse and Riverwalk Subdivision projects.

RECOMMENDATION

Information report – no action is required.

JET:sb

Attachment:
-DOF letter dated 10/1/12



**DEPARTMENT OF
FINANCE**

EDMUND G. BROWN JR. • GOVERNOR

915 L STREET ■ SACRAMENTO CA ■ 95814-3706 ■ WWW.DOF.CA.GOV

October 1, 2012

Mr. Jim Taubert, Executive Director
City of Madera
428 East Yosemite Avenue
Madera, CA 93638

Dear Mr. Taubert:

Subject: Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34177 (m), the City of Madera Successor Agency (Agency) submitted a Recognized Obligation Payment Schedule (ROPS III) to the California Department of Finance (Finance) on August 17, 2012 for the period of January through June 2013. Finance has completed its review of your ROPS III, which may have included obtaining clarification for various items.

HSC section 34171 (d) defines enforceable obligations. Based on a sample of line items reviewed and application of the law, the following do not qualify as enforceable obligations:

- HSC section 34163 (b) prohibits a redevelopment agency (RDA) from entering into a contract with any entity after June 27, 2011. Further, HSC section 34177.3 (a) prohibits a successor agency to begin new redevelopment work, except in compliance with an enforceable obligation that existed prior to June 28, 2011. The following items are not enforceable obligations:
 - Item No. 39 – Arborpoint project in the amount of \$37,500. Total obligation listed on ROPS III is \$412,500, but is supported with the grant amount for \$375,000. Therefore, the over claimed amount of \$37,500 (\$412,500 - \$375,000) is not eligible for Redevelopment Property Tax Trust Fund (RPTTF) funding.
 - Items Nos. 41 and 44 – Midtown Village Subdivision project and Tribune Honda Construction Loan for a total amount of \$1.3 million. No construction loan or construction agreement was provided to establish the items as enforceable obligations. Therefore, the items are not eligible for RPTTF funding.
 - Item No. 45 – Avenue 16 Landscape Project in the amount of \$302,500. No executed construction contract was provided to establish the item as an enforceable obligation, and therefore it is not eligible for RPTTF funding.
 - Item No. 98 – Replacement Housing Obligation in the amount of \$740,000. Of the \$1.24 million obligation reported, only \$500,000 can be supported as follows:

According to the Agency, there are six construction loans outstanding for this item. However, only three loan agreements, totaling \$700,000, were provided. Further, one of the three loan agreements in the amount of \$200,000 was executed on August 8, 2012. Therefore, a total of \$740,000 (\$1,240,000 - \$500,000) is denied as an enforceable obligation and not eligible for Low and Moderate Income Housing Fund (LMIHF) funding.

- Item No. 100 – 1708 Lake Street Lot Split project in the amount of \$24,000. The service agreement was executed on August 8, 2012. Therefore, item is not an enforceable obligation and not eligible for LMIHF funding.
- Pursuant to HSC section 34191.4 (c), until and unless a finding of completion is issued by the Department of Finance, a RDA is prohibited from using stranded bond proceeds that were issued on or before December 31, 2010 for the purpose for which bonds were sold. Therefore, the following items are not enforceable obligations and not eligible for bond funding on this ROPS:
 - Item No. 68 – Adell Improvement Project in the amount of \$1.6 million. No construction contract was provided to establish the item as an enforceable obligation.
 - Item No. 74 – Housing Bond Fund Obligations in the amount of \$810,098. Because no contracts were executed for anticipated affordable housing projects, this item is denied as an enforceable obligation.
 - Item Nos. 75, 76, and 88 – Riverwalk Subdivision in the amount of \$1.5 million. Multiple agreements were executed in 2009 for design, acquisition, and construction of the project. However, the terms of the existing agreements have expired and no agreements were provided to establish items as enforceable obligation.
 - Items Nos. 80 through 83 – Midtown Village in the amount of \$58,075. These items are related to Item No. 41 denied above. Multiple agreements executed in 2009 and 2010 for design, engineering, and consulting services were provided. However, the terms of the agreements have expired and no current agreements were provided to establish items as enforceable obligations.
- Item No. 52 for county property tax administrative fees in the amount of \$5.6 million. HSC section 34182 (e) allows the county auditor-controller to deduct from the RPTTF for their administration costs prior to distributing property tax increment funds. Therefore, item should not be included in the ROPS.
- Items 109 through 162 – Pass-through Payments in the amount of \$2.2 million. Beginning July 1, 2012, the county auditor-controller is responsible for distributing property tax increment funds to the taxing entities. Therefore, these items should not appear on the Agency's ROPS.
- Administrative costs claimed for Redevelopment Property Tax Trust Fund (RPTTF) exceed the allowance by \$87,167. Items 13, 16, 18, 23, 24, 25, 27, 30 to 38, 61, and 62 were considered administrative costs in the amount of \$337,167. HSC section 34171 (b) limits administrative costs for fiscal year 2012-13 to three percent of property tax allocated to the successor agency or \$250,000, whichever is greater.

Except for items denied in whole or in part as enforceable obligations as noted above, Finance is approving the remaining items listed in your ROPS III. If you disagree with the determination with respect to any items on your ROPS III, you may request a Meet and Confer within five business days of the date of this letter. The Meet and Confer process and guidelines are available at Finance's website below:

http://www.dof.ca.gov/redevelopment/meet_and_confer/

The Agency's maximum approved RPTTF distribution for the reporting period is \$3,136,539 as summarized below:

Approved RPTTF Distribution Amount	
For the period of January through June 2013	
Total RPTTF funding requested for obligations	\$ 6,215,666
Less: Six-month total for items denied or reclassified as administrative cost	
Item 13*	0
Item 16*	0
Item 18*	0
Item 23*	8,226
Item 24*	3,084
Item 25*	21,840
Item 27*	5,000
Item 30*	4,000
Item 31*	11,000
Item 32*	0
Item 33*	7,000
Item 34*	12,000
Item 35*	135,017
Item 36*	3,000
Item 37*	2,000
Item 38*	0
Item 39	37,500
Item 44	400,000
Item 45	302,500
Item 52	200,000
Item 109	0
Item 110	1,130,699
Item 111	0
Item 112	105,021
Item 113	27,490
Item 114	164,597
Item 115	436,463
Item 116	65,722
Item 117	510
Item 118	1,026
Item 119	5,067
Item 120	55

Item 121	26,179
Item 122	500
Item 123	8,802
Item 124	2,615
Item 125	2,464
Item 126	0
Item 127	52,043
Item 128	0
Item 129	4,536
Item 130	1,319
Item 131	7,109
Item 132	111,950
Item 133	16,857
Item 134	131
Item 135	263
Item 136	1,300
Item 137	14
Item 138	6,715
Item 139	128
Item 140	2,258
Item 141	671
Item 142	632
Item 143	0
Item 144	(2,648)
Item 145	0
Item 146	(104)
Item 147	(30)
Item 148	(163)
Item 149	0
Item 150	0
Item 151	0
Item 152	(2,566)
Item 153	(387)
Item 154	(3)
Item 155	(6)
Item 156	(30)
Item 157	0
Item 158	(154)
Item 159	(3)
Item 160	(52)
Item 161	(15)
Item 162	(15)
Total approved RPTTF for enforceable obligations	\$ 2,886,539
Plus: Allowable RPTTF distribution for administrative cost for ROPS III	250,000
Total RPTTF approved:	\$ 3,136,539

* Reclassified as administrative cost

Administrative Cost Calculation	
Total RPTTF for the period July through December 2012	\$ 3,392,859
Total RPTTF for the period January through June 2013	2,886,539
Total RPTTF for fiscal year 2012-13:	\$ 6,279,398
Allowable administrative cost for fiscal year 2012-13 (Greater of 3% or \$250,000)	250,000
Administrative allowance for the period of July through December 2012	-
Allowable RPTTF distribution for administrative cost for ROPS III:	\$ 250,000

Pursuant to HSC section 34186 (a), successor agencies were required to report on the ROPS III form the estimated obligations and actual payments associated with the January through June 2012 period. The amount of RPTTF approved in the above table will be adjusted by the county auditor-controller to account for differences between actual payments and past estimated obligations. Additionally, these estimates and accounts are subject to audit by the county auditor-controller and the State Controller.

Please refer to the ROPS III schedule that was used to calculate the approved RPTTF amount:

[http://www.dof.ca.gov/redevelopment/ROPS/ROPS III Forms by Successor Agency/](http://www.dof.ca.gov/redevelopment/ROPS/ROPS%20III%20Forms%20by%20Successor%20Agency/).

All items listed on a future ROPS are subject to a subsequent review. An item included on a future ROPS may be denied even if it was not questioned from the preceding ROPS.

The amount available from the RPTTF is the same as the property tax increment that was available prior to enactment of ABx1 26 and AB 1484. This amount is not and never was an unlimited funding source. Therefore, as a practical matter, the ability to fund the items on the ROPS with property tax is limited to the amount of funding available to the successor agency in the RPTTF.

Please direct inquiries to Beliz Chappuie, Supervisor or Cindie Lor, Lead Analyst at (916) 445-1546.

Sincerely,


STEVE SZALAY
Local Government Consultant

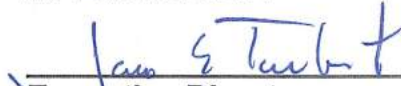
cc: Mr. Bob Wilson, Redevelopment Manager, City of Madera
Mr. Brent Richardson, Deputy City Attorney, City of Madera
Ms. Sandi Brown, Agency Secretary, City of Madera
Mr. Jim Boyajian, Auditor Controller, Madera County

REPORT TO THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY OF THE FORMER MADERA REDEVELOPMENT AGENCY

BOARD MEETING OF: October 15, 2012

AGENDA ITEM NUMBER: 4.1

APPROVED BY:

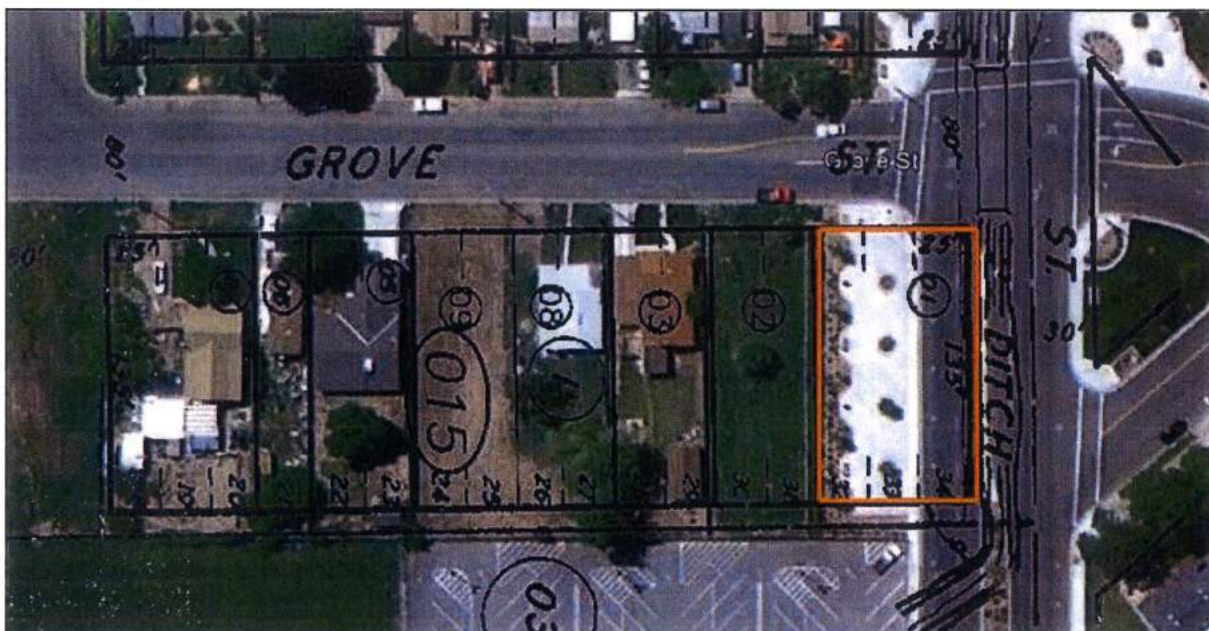

Executive Director

Subject: Consideration of a Resolution Acknowledging and Approving the Transfer of Property Located at 103 Grove Street in the City of Madera (APN 012-015-001) from the City of Madera as the Successor Agency of the former Madera Redevelopment Agency to the City of Madera

Summary: The Oversight Board will consider a resolution acknowledging and approving the transfer of property located at 103 Grove Street in the City of Madera (APN 012-015-001) from the City Council of the City of Madera as the Successor Agency to the former Madera Redevelopment Agency to the City of Madera

HISTORY/BACKGROUND

By previous action, the former Madera Redevelopment Agency acquired property located at 103 Grove Street in the City of Madera. The widening of Olive Avenue and the construction of streetscape improvements on the southeast corner of Olive and Grove Street created an unbuildable parcel. Given the nature of the land use, the City of Madera is the more appropriate owner of the property. The property is detailed on the following site location map.



RECOMMENDATION

Staff recommends the Oversight Board adopt the resolution acknowledging and approving the transfer of property located at 103 Grove Street (APN 012-015-001) from the City of Madaera as the Successor Agency of the former Madera Redevelopment Agency to the City of Madera.

JET:sb

Attachment:
-Resolution

RESOLUTION NO. OB _____

RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE FORMER MADERA REDEVELOPMENT AGENCY OF THE CITY OF MADERA, CALIFORNIA APPROVING THE CONVEYANCE REAL PROPERTY LOCATED AT 103 GROVE STREET IN THE CITY OF MADERA (APN 012-015-001)

WHEREAS, the Legislature of the State of California enacted Assembly Bill AB 1x26 dissolving redevelopment agencies in the State of California; and

WHEREAS, the Madera Redevelopment Agency designated the City of Madera as Successor Agency to the Madera Redevelopment Agency by Resolution No. MRA – 1497 adopted on January 12, 2012; and

WHEREAS, the City of Madera accepted its role as Successor Agency to the former Madera Redevelopment Agency by Resolution No. CC 12-08 adopted on January 12, 2012; and

WHEREAS, the Successor Agency to the former Madera Redevelopment Agency acknowledged the transfer of Properties pursuant to Health and Safety Code Section 34175(b) acquired with Redevelopment Non-Housing Tax Increment and Tax Allocation Bond Proceeds from the Madera Redevelopment Agency to the City of Madera as the Successor Agency to the former Madera Redevelopment Agency; and

WHEREAS, the Successor Agency to the former Madera Redevelopment Agency (the ‘Agency’) has offered to the City of Madera (the “City”), property located at 103 Grove Street (APN 012-015-001) in the City of Madera (the “Property”); and

WHEREAS, the Property is more specifically described in the Grant Deed on file in the office of the City Clerk for more particulars; and

WHEREAS, the conveyance of the Property was deemed to be categorically exempt and to have no significant impacts on the environment pursuant to the California Environmental

Quality Act; and

WHEREAS, conveyance of the Property is consistent with the General Plan of the City of Madera.

NOW, THEREFORE, THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY TO THE FORMER MADERA REDEVELOPMENT AGENCY hereby finds, determines, resolves and orders as follows:

1. The recitals listed above are true and correct.
2. The Oversight Board has reviewed and considered the proposed conveyance of the Property by Grant Deed executed by the Agency as approved and presented by the Successor Agency to the former Madera Redevelopment Agency, a copy of which is on file in the office of the Executive Director of the Successor Agency, and the conveyance of the Property is hereby approved.
3. This resolution is effective immediately upon adoption.

* * * * *