

**AGENDA**  
**COMMUNITY REDEVELOPMENT AGENCY**  
**REGULAR MEETING**  
**BANNING, CALIFORNIA**

June 23, 2009  
4:30 p.m.

Banning Civic Center  
Council Chambers  
99 E. Ramsey St.

**I. CALL TO ORDER**

Roll Call – Boardmembers Botts, Franklin, Hanna, Machisic, Chairman Robinson

**II. PUBLIC COMMENTS/PRESENTATIONS/APPOINTMENTS**

PUBLIC COMMENTS – *On Items Not on the Agenda – On Items Not on the Agenda*

*A three-minute limitation shall apply to each member of the public who wishes to address the Agency Boardmembers on a matter not on the agenda. A thirty-minute time limit is placed on this section. No member of the public shall be permitted to "share" his/her three minutes with any other member of the public. (Usually, any items received under this heading are referred to staff for future study, research, and appropriate Agency Action.) See last page. PLEASE STATE YOUR NAME AND ADDRESS FOR THE RECORD.*

**III. A. CONSENT ITEMS**

*(The following items have been recommended for approval and will be acted upon simultaneously, unless any member of the Agency Board wishes to remove an item for separate consideration.)*

**Motion: That the Agency Board approve Consent Item 1 - 3**

Items to be pulled \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_ for discussion.

1. CRA Resolution No. 2009-10, Approving a Loan and Repayment and Repayment Between the City and the Redevelopment Agency to Facilitate the Funding of Redevelopment Capital Projects. . . . . 1
2. CRA Resolution No. 2009-12, Approving the Third Amendment to the Owner Participation Agreement with Robert Feeman, Dirk Dorning, and Others for the Renovation of the Oddfellows Building at the Southwest Corner of San Gorgonio Avenue and Ramsey Street . . . . . 5

*The City of Banning promotes and supports a high quality of life that ensures a safe and friendly environment, fosters new opportunities and provides responsive, fair treatment to all and is the pride of its citizens.*

3. Adopt the 2009-2010 Cooperative and Repayment Agreement between the City of Banning and the Banning Community Redevelopment Agency for the Payment of Administrative Expenses. . . . . 12

**IV. DIRECTORS'S REPORTS**

1. Recommendation to Adopt CRA Resolution No. 2009-11, Adopting the Annual Budget for the Fiscal Year 2009-10 . . . . . 19  
**Recommendation: That the Agency Board adopt CRA Resolution No. 2009-11, Authorizing the adoption of the Annual budget for Fiscal Year July 1, 2009 to June 30, 2010.**
  - a) Consideration of Contract with Banning Cultural Alliance for Downtown Revitalization Activities for FY 09/10 . . . . . 24
  - b) Consideration of Contract with Banning Chamber of Commerce For Economic Development and Business Support Services for FY 09/10. . . . . 37

**V. CLOSED SESSION**

1. Real Property Negotiations  
 The Agency Board will meet in closed session pursuant to the provisions of Government Code Section 54956.8 to confer with its real property negotiator Brian Nakamura in regards to the property located Ramsey and 22<sup>nd</sup> Street – APN# 538-162-016, Fox Theater – 60 W. Ramsey St. – APN#540-240-012 and Mt. San Jacinto College.

**VI. ADJOURNMENT**

*Pursuant to amended Government Code Section 54957.5(b) staff reports and other public records related to open session agenda items are available at City Hall, 99 E. Ramsey St., at the office of the City Clerk during regular business hours, Monday through Friday, 8 a.m. to 5 p.m.*

**NOTICE:** Any members of the public may address this meeting of the Community Redevelopment Agency on any item appearing on the agenda by approaching the microphone in the Council Chambers and asking to be recognized, either before the item about which the member desired to speak is called, or at any time during consideration of the item. A five minute limitation shall apply to each member of the public, unless such time is extended by the Chairman and Boardmembers. No member of the public shall be permitted to “share” his/her five minutes with any other member of the public.

Any member of the public may address this meeting of the Community Redevelopment Agency on any item which does not appear on the agenda, but is of interest to the general public and is an item upon which the Chairman and Boardmembers may act. A three-minute limitation shall apply to each member of the public, unless such time is extended by the Chairman and Boardmembers. No member of the public shall be permitted to “share” his/her three minutes with any other member of the public. The Chairman and Boardmembers will in most instances refer items of discussion which do not appear on the agenda to staff for appropriate action or direct that the items be placed on a future agenda of the Community Redevelopment Agency. However, no other action shall be taken, nor discussion held by the Chairman and Boardmembers on any items which does not appear on the agenda, unless the action is otherwise authorized in accordance with the provisions of subdivision (b) of Section 54954.2 of the Government Code.

*In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the City Clerk's Office (909) 922-3102. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangement to ensure accessibility to this meeting. [28 CFR 35.102-35.104 ADA Title II].*

**COMMUNITY REDEVELOPMENT AGENCY  
CONSENT ITEM**

**Date:** June 23, 2009

**TO:** Redevelopment Agency Board

**FROM:** Bonnie J. Johnson, Finance Director

**SUBJECT:** Recommendation to adopt Resolution No. 2009-10, a resolution of the Redevelopment Agency of the City of Banning, approving a loan and repayment between the City and the Redevelopment Agency to facilitate the funding of Redevelopment Capital Projects

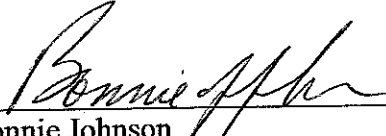
**RECOMMENDATION:** “That the Redevelopment Agency of the City of Banning adopt Resolution No. 2009-10, a resolution of the Redevelopment Agency of the City of Banning, approving a loan and repayment between the City and the Redevelopment Agency to facilitate the funding of Redevelopment Capital Projects.”

**JUSTIFICATION:** This agreement is necessary in order to use tax increment revenue for funding various CRA capital project expenses.


**BACKGROUND/ANALYSIS:** This is a housekeeping item. Historically the Agency has simply made operating transfers from the debt service fund, the fund in which all tax increment must be deposited, into the Capital Project Fund to pay for capital project costs other than those paid for with bond proceeds. Under the California Health and Safety Code, tax increment can only be used to pay indebtedness of the Agency. The attached resolution will establish indebtedness on behalf of the Agency as of the fiscal year ending June 30, 2009 in the amount necessary to cover project expenses for 2008-09. The loan will be made from the General Fund to the Agency on June 30, 2009 and then be repaid by the Agency to the General Fund on July 1, 2009. This transaction results in revenue (i.e. loan proceeds) to the capital project fund of the Agency and loan repayment (i.e. expense) from the debt service fund of the Agency. There is no net fiscal effect on the General Fund. Failure to approve the attached resolution will result in the Agency reporting to the County on its Statement of Indebtedness more funds that it actually has available. In other words, on the Statement of Indebtedness, an annual required filing, the Agency can only report indebtedness. To the extent tax increment is spent on items that do not constitute debt, the report will reflect more available fund balance than the Agency actually has. Furthermore, the Agency will only continue to receive the maximum tax increment if it reports a sufficient amount of debt. In as much as the Agency now has two outstanding bond issues, this will not be a problem in the short-term, but ultimately if funds are spent on items other than qualifying indebtedness, the Agency’s tax increment allocations from the County may fall short of meeting all its obligations.

**FISCAL DATA:** No additional appropriations are necessary. The budget has been prepared to accommodate the necessary movement of funds.

**RECOMMENDED BY:**

  
\_\_\_\_\_  
Bonnie Johnson  
Finance Director

**APPROVED BY:**

  
\_\_\_\_\_  
Brian Nakamura  
Executive Director

**CRA RESOLUTION NO. 2009-10**

**A RESOLUTION OF THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF BANNING APPROVING A LOAN AND REPAYMENT BETWEEN THE CITY AND THE REDEVELOPMENT AGENCY TO FACILITATE THE FUNDING OF REDEVELOPMENT CAPITAL PROJECTS**

**WHEREAS**, Under the California Health and Safety Code, tax increment revenue of the Agency can only be used to pay indebtedness of the Agency; and

**WHEREAS**, the Agency will only continue to receive its full allocation of tax increment revenue by incurring indebtedness; and

**WHEREAS**, the Agency desires to use a portion of its excess tax increment on various capital projects; and

**WHEREAS**, adequate fund balances are available in the CRA to fund the recommended loan and repayment;

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Directors of the Redevelopment Agency of the City of Banning, California that the Agency hereby accepts a loan from the City's General Fund on June 30, 2009 in the amount of \$2,936,635. The loan will be repaid to the General Fund July 1, 2009. No interest will accrue on this loan.

**PASSED, APPROVED AND ADOPTED** this 23rd day of June 2009.

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Don R. Robinson, Chairman  
Community Redevelopment Agency

APPROVED AS TO FORM AND  
LEGAL CONTENT:

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David J. Aleshire, Agency Counsel  
Aleshire & Wynder, LLP

ATTEST:

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Marie A. Calderon, Secretary  
City of Banning

CERTIFICATION

I, MARIE A. CALDERON, Secretary of the Community Redevelopment Agency of City of Banning, California, do hereby certify that the foregoing CRA Resolution No. 2009-10 was duly adopted by the Community Redevelopment Agency of the City of Banning, California at a regular meeting thereof held on the 23rd day of June, 2009 by the following vote, to wit:

AYES:

NOES:

ABSTAIN:

ABSENT:

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Marie A. Calderon, Secretary  
Community Redevelopment Agency

**COMMUNITY REDEVELOPMENT AGENCY AGENDA  
CONSENT ITEM**

**DATE:** June 23, 2009

**TO:** Community Redevelopment Agency Board

**FROM:** Duane Burk, Director of Public Works

**SUBJECT:** Community Redevelopment Agency (CRA) Resolution No. 2009-12, "Approving the Third Amendment to the Owner Participation Agreement with Robert Freeman, Dirk Dorning, and Others for the Renovation of the Oddfellows Building at the Southwest Corner of San Gorgonio Avenue and Ramsey Street"

**RECOMMENDATION:** The Community Redevelopment Agency adopt CRA Resolution No. 2009-12, "Approving the Third Amendment to the Owner Participation Agreement with Robert Freeman, Dirk Dorning, and Others for the Renovation of the Oddfellows Building at the Southwest Corner of San Gorgonio Avenue and Ramsey Street.

**JUSTIFICATION:** Article 7.13 of the Owner Participation Agreement (OPA) provides that amendments to the agreement must be in writing and signed by the Participant and Agency.

**BACKGROUND:** The Community Redevelopment Agency adopted CRA Resolution No. 2007-06 on March 27, 2007. This resolution approved an Owner Participation Agreement (OPA) with Robert Freeman, Dirk Dorning and others providing for the Community Redevelopment Agency's financial participation in the redevelopment of the building located at 42 West Ramsey Street, commonly known as the Oddfellows building. The original loan amount was \$685,000.00. The OPA was subsequently amended in 2008 by the Agency to adjust certain insurance requirements.


On May 26, 2009, the Second Amendment to the OPA was approved under CRA Resolution No. 2009-09 to include reimbursement for the installation of an electrical conduit system that would service the Oddfellows building along with other businesses currently operating in the vicinity including the Fox Theatre, Lithopass Printing, and the building located at 33 South San Gorgonio Avenue. The increased loan amount and revised scope of work were incorporated to include the installation of a conduit bank approximately 150' in length from the existing vault on Ramsey Street to the landscape median located in the alleyway on the south side of the building for an amount of \$42,000.00.

Currently, the project has exceeded the contemplated financing pursuant to the OPA preventing the project from moving forward. It is essential to make revisions to the costs in order to complete this project. At this time it has been determined that additional assistance from the Community Redevelopment Agency in the form of a loan is necessary; therefore, staff is requesting the approval of a Third Amendment to the OPA. This Third Amendment will increase the amount of the loan in an amount of \$398,152.78 and adjust the schedule as described in Exhibit "A" attached hereto. The principal of the loan shall be amortized over 17 years and be payable monthly beginning with the date that is the third anniversary of the loan effective date.

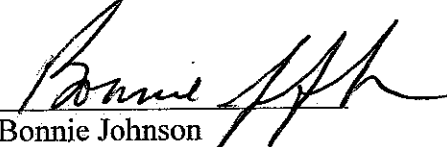
Staff appreciates that this is a significant financial loan for the Community Redevelopment Agency to undertake; however, once completed, this project will continue the visual upgrade of the downtown area. It will ensure that there is an art gallery and a coffeehouse at this key corner location for the next 10 years while enhancing the flow of pedestrian traffic from Livingston Street to Ramsey Street and creating outdoor dining opportunities. Additionally, it will help establish the downtown as a center of art and culture in the region.

**FISCAL DATA:** The projected unencumbered balance in the 2003 bond proceeds fund is \$1,558,743. Staff is recommending an appropriation from those funds to cover the costs associated with this Third Amendment to the Owner Participation Agreement.

**RECOMMENDED BY:**

  
\_\_\_\_\_  
Duane Burk  
Director of Public Works

**REVIEWED BY:**

  
\_\_\_\_\_  
Bonnie Johnson  
Finance Director

**APPROVED BY:**

  
\_\_\_\_\_  
Brian Nakamura  
Executive Director

**CRA RESOLUTION NO. 2009-12**

**A RESOLUTION OF THE COMMUNITY REDEVELOPMENT (CRA) AGENCY OF THE CITY OF BANNING, CALIFORNIA, APPROVING THE THIRD AMENDMENT TO THE OWNER PARTICIPATION AGREEMENT WITH ROBERT FREEMAN, DIRK DORNING, AND OTHERS FOR THE RENOVATION OF THE ODDFELLOWS BUILDING AT THE SOUTHWEST CORNER OF SAN GORGONIO AVENUE AND RAMSEY STREET**

**WHEREAS**, the Community Redevelopment Agency adopted CRA Resolution No. 2007-06 on March 27, 2007 which approved an Owner Participation Agreement (OPA) with Robert Freeman, Dirk Dorning and others providing for the Community Redevelopment Agency's financial participation in the redevelopment of the building located at 42 West Ramsey Street, commonly known as the Oddfellows Building; and

**WHEREAS**, the OPA was amended in 2008 by the Community Redevelopment Agency to adjust certain insurance requirements; and

**WHEREAS**, on May 26, 2009, the Second Amendment to the OPA was approved under CRA Resolution No. 2009-09 to include reimbursement for the installation of an electrical conduit system that would service the Oddfellows building along with other businesses currently operating in the vicinity including the Fox Theatre, Lithopass Printing, and the building located at 33 South San Gorgonio Avenue; and

**WHEREAS**, the project has exceeded the contemplated financing pursuant to the OPA preventing the project from moving forward and it is essential to make revisions to the costs in order to complete this project;

**WHEREAS**, it has been determined that additional assistance from the Agency in the form of a loan is necessary; therefore, staff is requesting the approval of a Third Amendment to the OPA which will increase the amount of the loan in an amount of \$398,152.78 and adjust the project schedule as described in Exhibit "A" attached hereto;

**WHEREAS**, the principal of the loan shall be amortized over 17 years and be payable monthly beginning with the date that is the third anniversary of the loan effective date.

**NOW, THEREFORE, BE IT RESOLVED** by the Community Redevelopment Agency of the City of Banning, California, as follows:

**Section I.** The Executive Director of the Community Redevelopment Agency of the City of Banning is hereby authorized to execute the Third Amendment to the March 27, 2007 Owner Participation Agreement with Robert Freeman, Dirk Dorning, and others calling for reimbursement of the cost to renovate the Oddfellows Building in an amount "Not to Exceed" \$398,152.78.

**Section II.** The Director of Finance is authorized to make necessary budget appropriations and adjustments in order to utilize 2003 Bonds Proceeds for the Third Amendment to the Owner Participation Agreement in an amount of \$398,152.78

**PASSED, APPROVED AND ADOPTED** this 23<sup>rd</sup> day of June, 2009.

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Robert E. Botts, Mayor  
City of Banning

APPROVED AS TO FORM AND  
LEGAL CONTENT:

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David J. Aleshire, City Attorney  
Aleshire & Wynder, LLP

ATTEST:

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Marie A. Calderon, City Clerk  
City of Banning

**EXHIBIT 'A'**

**ADDITIONAL LOAN AMOUNT &  
REVISED SCHEDULE**

**BANNING COMMERCIAL INVESTOR - CONSTRUCTION COSTS**

\$ PAID BY CITY	ITEMS	COST	NOTES	SUBORDINATE
	Traffic Control	\$991.50		
	Fencing	\$2,100.00	\$700 per month	
	Temp. Toilet	\$240.00	90 Days	
	Interior Painting	\$12,600.00	Rafael Gonzalez Aztecas (Quote #1)	\$2,600.00
	Glazing Window Fronts	\$3,846.03	Balance (StageCoach Glass)	
	Sidewalks	\$8,131.00		
	Drywall	\$11,510.00	Quote #2 (Downstairs Only)	
	Dump Fees	\$2,000.00		
	Tile	\$18,000.00	MGM Grand (Quote #14).	\$8,820.00
	Hand Rails	\$18,000.00	Law Steel (Quote #12)	
	Framing	\$10,000.00	Balance (Preferred Framing)	
	Stucco (fog)	\$3,000.00	Balance (Mark Harrison Stucco)	
	Flat Work	\$3,000.00	Electric Panel & Stoops	
	<b>Electrical</b>		(Quote #13:) 800amp	
	A. Customer Side: Panel to Building	\$24,400.00	Estimate: \$20,000 (Transformer to Panel)	
	B. Customer Side: Fixtures	\$4,000.00	No estimate/Quote	
	C. City Side: Service Run to Transformer	\$16,500.00	Estimate: \$33,000 (Vault to Transformer)	
	<b>Plumbing</b>	\$13,000.00	Balance	
	A. Fixtures	\$2,000.00		
	B. Gas	\$3,000.00	Black Pipe	
	C. Gutters/Downspouts	\$3,000.00		
	<b>Mechanical</b>	\$52,000.00	(Comfort Air)	
	<b>Phone</b>			
	Verizon	\$4,300.00		
	Neon	\$8,700.00	Quiel Bros (Quote #3a)	
	Awnings Repair	\$4,300.00	Riverside Tent and Awning (Quote #11)	
	Pointing	\$2,000.00	Leo Rivera	
	Site Clean Up	\$1,500.00		
	Flooring - Summers	\$1,500.00	Balance Material	
	Flooring - T&S	\$21,630.00	(Quote #4: \$10,050 is for upper floor which is included in the \$31K)	\$10,050.00
	Ceiling	\$44,050.00	Quote #5 Advanced Installations	
	Insulation (upstairs)	\$4,520.00	Quote #6 Advanced Installations	
	Handicap Ramps	\$7,684.00	Balance Completed	
	Doors, Int. Hardware	\$5,000.00		
	<b>SUB-TOTAL</b>	<b>\$316,502.53</b>		
	10% Contingency	\$31,650.25		
	Lawsuit	\$50,000.00		
	<b>TOTAL</b>	<b>\$398,152.78</b>		



**COMMUNITY REDEVELOPMENT AGENCY  
CONSENT ITEM**

**Date:** June 23, 2009

**TO:** Redevelopment Agency Board

**FROM:** Bonnie J. Johnson, Finance Director

**SUBJECT:** Recommendation to adopt the 2009-2010 Cooperative and Repayment Agreement between the City of Banning and the Banning Community Redevelopment Agency for the payment of Administrative Expenses

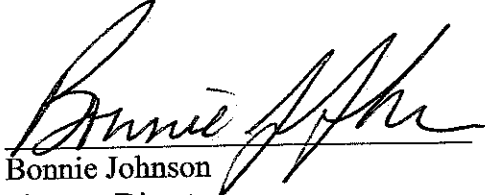
**RECOMMENDATION:** “The Banning Community Redevelopment Agency adopt the 2009-2010 Cooperative and Repayment Agreement between the City of Banning and the Redevelopment Agency.”

**JUSTIFICATION:** This agreement is necessary in order to use tax increment revenue for CRA administrative services provided by the City of Banning.

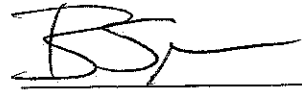
**BACKGROUND/ANALYSIS:** This is a housekeeping item. Historically, the Agency has simply made operating transfers from the debt service fund, the fund in which all tax increment must be deposited, into the administration fund to pay all administrative expenses of the Agency. Theoretically, all expenses would be paid by the City and the Agency would simply reimburse the City. However, in practice, some of these costs are direct costs of the Agency and others are allocations for City services per the Citywide Cost Allocation Plan. Therefore, although the agreement covers all Agency administrative expenses only a portion of these costs are reimbursed to the City, while the balance are direct charges to the Agency. Under the California Health and Safety Code, tax increment can only be used to pay indebtedness of the Agency. The attached agreement establishes the administrative expenses as indebtedness. The attached agreement will allow the appropriate reimbursements and transfer of funds for 2009-10. Failure to approve this agreement will result in the Agency reporting to the County on its Statement of Indebtedness more funds than it actually has available. In other words, on the Statement of Indebtedness, an annual required filing, the Agency can only report indebtedness. To the extent tax increment is spent on items that do not constitute debt, the report will reflect more available fund balance than the Agency actually has. Furthermore, the Agency will only continue to receive the maximum tax increment if it reports a sufficient amount of debt. In as much as the Agency now has two outstanding bond issues, this will not be a problem in the short-term, but ultimately if funds are spent on items other than qualifying indebtedness, the Agency's tax increment allocations from the County may fall short of meeting all of its obligations.

**FISCAL DATA:** No additional appropriations are necessary. The budget has been prepared to accommodate the transfer of necessary funds.

**RECOMMENDED BY:**

  
\_\_\_\_\_  
Bonnie Johnson  
Finance Director

**APPROVED BY:**

  
\_\_\_\_\_  
Brian Nakamura  
Executive Director

**2009-2010 COOPERATION AND REPAYMENT AGREEMENT  
BANNING REDEVELOPMENT AGENCY**

This 2009-2010 Cooperation and Repayment Agreement ("Agreement") is hereby made and entered into by and between the Banning Redevelopment Agency, a public body corporate and politic ("Agency") and the City of Banning, a general law municipal corporation ("City"), as of June 23, 2009 as set forth below:

**RECITALS**

- A. The Agency, a subdivision of the State of California, is a separate and distinct legal entity from the City, existing and exercising the powers vested under the California Community Redevelopment Law (California Health and Safety Code section 33000, *et seq.*) ("Community Redevelopment Law").
- B. The City Council of the City of Banning, acting pursuant to the provisions of the Community Redevelopment Law, has activated the Agency and has declared itself to constitute the Governing Board of the Agency.
- C. Pursuant to the Community Redevelopment Law, the Agency is performing a public function of the City and may have access to services and facilities of the City, and may accept assistance from the City.
- D. Pursuant to California Health and Safety Code §§ 33126, 33127, and 33220 the Agency is authorized to obtain and the City to provide staff services, office space, and necessary equipment and supplies, and to give and receive aid and cooperation in the planning, undertaking, construction and operation of redevelopment projects.
- E. City has administrative personnel and necessary facilities required for the operation of Agency and Agency desires to utilize City's personnel and facilities in order to more effectively control Agency's costs of the administration of Agency's redevelopment activities.
- F. Based on the foregoing, City and Agency desire to enter into this Agreement: (i) to provide for the personnel, services and facilities which the City will provide for and make available to Agency in furtherance of the activities and functions of the Agency under the Community Redevelopment Law; (ii) to establish the reasonable costs of the personnel, services and facilities to be provided by City to Agency; and (iii) to set forth the obligation of Agency to repay City for prior expenditures on its behalf and to and/or pay for such future costs and expenses incurred by the City for and on behalf of the Agency.

## OPERATIVE PROVISIONS

NOW, THEREFORE, the parties hereto agree as follows:

1. **Services Provided.** City's officers and employees shall, at the request of the Agency, perform services for the Agency in carrying out its redevelopment work as follows:
  - 1.1 Those City officers and employees who are also appointed to positions or offices with or related to the Agency shall perform services for the Agency in a dual capacity.
  - 1.2 The City Manager shall perform services for the Agency as its Executive Director and shall establish the procedures to be followed in the request for, and the rendering of such services. These services shall include, but not be limited to services by a Redevelopment Director and City's Finance Director.
  - 1.3 City shall provide Agency access to supplies, facilities, and utilities with respect to Agency operations.
  - 1.4 City shall provide for the expenditure of City funds by the City on behalf of the Agency as requested by Agency.
  - 1.5 The foregoing services shall be provided to Agency with regard to the general administration of the Agency as well as with regard to each Project Area of Agency for fiscal year 2009-10.
  - 1.6 Agency shall pay to the City the value of the above-referenced services established in accordance with generally accepted municipal accounting practices on a no-less-than-quarterly basis during the course of fiscal year 2009-10.
2. **Payment.** In consideration of the services and facilities to be provided to Agency pursuant to this Agreement, Agency agrees to pay to City, as soon as is practicable from available tax increment funds, for services, facilities, and utilities provided as follows:
  - 2.1 The sum of \$632,486 for fiscal year 2009-10 as set forth in Exhibit "A" attached hereto and incorporated herein by this reference. City shall invoice Agency no less than quarterly, reflecting all charges attributable to Agency for fiscal year 2009-10.
  - 2.2 Any obligation of Agency to make payments hereunder from tax increment or any other funds shall be subordinate to any obligation to use such funds to service any bonds heretofore or herein after issued by Agency with respect to redevelopment activities which may occur in Agency's project areas.

- 2.3 The parties agree that tax increment funds subject to Health and Safety Code § 33334.2 shall only be used to reimburse or pay costs related to the preservation, improvement and creation of low and moderate income housing with the Agency's jurisdiction.
3. **Indebtedness Created.** The obligations of the Agency under this Agreement, whether to advance funds or to reimburse the City for services rendered or expenditures made on the Agency's behalf shall constitute an indebtedness of the Agency within the meaning of California Health and Safety Code section 33670, *et seq.*, for each project area for which the debt was incurred. Upon receipt of the billing therefore from the City, the debt will be due and payable by the Agency in accordance with the terms of this Agreement.
4. **Inclusion in Insurance Policy.** The City agrees to include the Agency within the terms of the City's insurance policy.
5. **Remedies.** If either party defaults with regard to any of the provisions of this Agreement, the non-defaulting party shall serve written notice of such default upon the defaulting party. If the default is not cured by the defaulting party within ninety (90) days after service of the notice of default, or if the default is not commenced to be cured within thirty (30) days after service of the notice of default and is not cured promptly within a reasonable period of time after commencement, the defaulting party shall be liable to the other party for damages caused by such default.
6. **Miscellaneous Provisions.** The following provisions shall apply to this Agreement:
- 6.1 **Integration.** This Agreement consists of pages 1 through 4, inclusive, which constitute the entire understanding and agreement of the parties and supersedes all negotiations or previous agreements between the parties with respect to all or any part of the subject matter hereof.
- 6.2 **Recitals and Definitions.** The Recitals set forth at the beginning of this Agreement are a substantive and integral part of this Agreement and are incorporated by reference in the Operative Provisions of this Agreement.
- 6.3 **Severability.** Each provision, term, condition, covenant, and/or restriction, in whole and in part, in this Agreement shall be considered severable. In the event any provision, term, condition, covenant, and/or restriction, in whole and/or in part, in this Agreement is declared invalid, unconstitutional, or void for any reason, such provision or part thereof shall be severed from this Agreement and shall not affect any other provision, term, condition, covenant, and/or restriction, of this Agreement and the remainder of the Agreement shall continue in full force and effect.

- 6.4 Amendments to Agreement. Any amendments to this Agreement must be in writing and signed by the appropriate authorities of the Agency and City.
- 6.5 Counterpart Originals. This Agreement may be executed in duplicate originals, each of which is deemed to be an original.
- 6.6 Effective Date of Agreement. This Agreement shall not become effective until the date it has been formally approved by the Agency's Governing Board and executed by the appropriate authorities of the Agency and Participant.
- 6.7 The Agreement shall supersede any prior agreement between the parties hereto dealing with the subject matter of this Agreement.

WHEREFORE, the parties hereto have executed this Agreement as of the date and year set forth below opposite the name of each such party.

**CITY OF BANNING**  
A Municipal Corporation

Date: \_\_\_\_\_ By: \_\_\_\_\_  
Mayor

Date: \_\_\_\_\_ Attest: \_\_\_\_\_  
City Clerk

**BANNING REDEVELOPMENT AGENCY**  
City of Banning, California

Date: \_\_\_\_\_ By: \_\_\_\_\_  
Chairman

Date: \_\_\_\_\_ By: \_\_\_\_\_  
Secretary

Approved as to Form: \_\_\_\_\_  
David J. Aleshire, City Attorney  
Aleshire & Wynder, LLP

**EXHIBIT A**

**REIMBURSEMENT FOR ADMINISTRATIVE SERVICES  
FOR REDEVELOPMENT AGENCY TO CITY**

Fiscal Year 2009-10

	<u>FY 2009-10</u>
Personnel	\$ 408,946
Services and Supplies	72,321
Interfund Services	<u>132,178</u>
TOTAL	\$ 613,445
Add Increase in Fund Balance	<u>+ 19,041</u>
NET REIMBURSEMENT	\$ 632,486

**COMMUNITY REDEVELOPMENT AGENCY AGENDA  
REPORTS OF OFFICERS**

**Date:** June 23, 2009

**TO:** Community Redevelopment Agency Board

**FROM:** Bonnie J. Johnson, Finance Director

**SUBJECT:** Recommendation to Adopt CRA Resolution No. 2009-11 Adopting the Annual Budget for the Fiscal Year 2009-10

**RECOMMENDATION:** “The Agency Board adopt CRA Resolution No. 2009-11, authorizing the adoption of the Annual Budget for Fiscal Year July 1, 2009 to June 30, 2010.”

**JUSTIFICATION:** Each fiscal year the Board adopts a budget for the upcoming fiscal year, which will serve as a guide in providing desired level of services to the Community. The budget being considered is for a one year period.

**BACKGROUND/ANALYSIS:** The Community Redevelopment Agency (CRA) is comprised of four operating and three bond proceed funds. These funds are the Low to Moderate (Low/Mod) Housing Fund, a Debt Service Fund, an Administration Fund, a Project Fund, two bond proceeds funds related to the 2003 Tax Allocation Bonds and one bond proceeds project fund related to the 2007 Tax allocation Bonds.

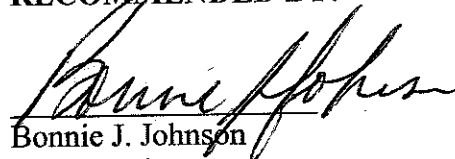
The Low to Moderate (Low/Mod) Income Housing Fund, by statute, receives 20% of the Agency’s net property tax increment revenue. The three bond funds, one for Low/Mod Housing and two for Project Improvements, have a limited life, which is related to the spending of the bond proceeds. Once bond proceeds have been entirely spent, these bond funds will be closed.

The Proposed Budget being presented is the same document that was presented at the June 9th CRA Workshop. The Proposed Budget document (on file with the City Clerk’s office), provides a funding overview of all CRA operations. Staff is aware however that the Board is scheduled to hear presentations from two community organizations at this meeting (The Cultural Alliance and Chamber of Commerce). The proposed budget contains \$100,000 for funding related to such organizations. If the Board wishes to amend the proposed budget for this item or any other item, it can certainly do so at this meeting and still meet the legal deadline of adopting the budget on or before June 30<sup>th</sup>. Staff will subsequently publish the final budget reflecting any approved amendments.

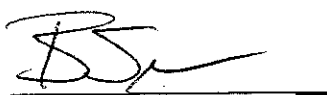
Remaining budget balances allocated in previous fiscal years for capital improvement projects or other necessary continuing appropriations will be brought back to the Board for approval after the close of the current fiscal year. These carryover balances have been accounted for in the 2008-09 estimated actual figures presented in the Budget.

**FISCAL DATA:** All anticipated 2009-10 operational activities of the Agency have been budgeted for. Capital monies will be appropriated as projects are approved and contracts awarded.

**RECOMMENDED BY:**

  
\_\_\_\_\_  
Bonnie J. Johnson  
Finance Director

**APPROVED BY:**

  
\_\_\_\_\_  
Brian Nakamura  
Executive Director

**CRA RESOLUTION NO. 2009-11**

**A RESOLUTION OF THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF BANNING ADOPTING THE ANNUAL BUDGET FOR THE FISCAL YEAR JULY 1, 2009 TO JUNE 30, 2010 AND MAKING APPROPRIATIONS TO MEET EXPENSES APPROVED THEREIN**

**WHEREAS**, the Executive Director prepared the annual budget for the fiscal year 2009-10 which set forth all of the expected revenues of the City of Banning Community Redevelopment Agency, and the recommended appropriations to meet the operating and capital expenses for all Agency funds; and

**WHEREAS**, the Agency Board has considered the recommendations and approved or modified them so as to best serve the interest of the citizens of the City of Banning;

**WHEREAS**, per Health and Safety Code section 33334.3 (d), the Agency determines annually that the planning and administrative expenses are necessary for the production, improvement, or preservation of low- and moderate-income housing; and

**WHEREAS**, it is essential that the City's Redevelopment Agency adopt a budget plan establishing the revenues and expenditures for all of its funds;

**NOW, THEREFORE, BE IT RESOLVED BY THE COMMUNITY REDEVELOPMENT AGENCY BOARD** that the Annual Budget for the Fiscal Year 2009-10 as summarized in the bound Proposed Budget (as presented at the June 9, 2009 workshop and on file in the City Clerk's Office), is hereby approved and adopted, and the appropriations therein shall be expended in accordance with all applicable laws. In addition, Attached as Exhibit "A" to this resolution is a CRA Fund Summary.

**PASSED, APPROVED AND ADOPTED** this 23rd day of June, 2009.

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Don Robinson, Chairman  
Community Redevelopment Agency

APPROVED AS TO FORM AND  
LEGAL CONTENT:

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David J. Aleshire, Agency Counsel  
Aleshire & Wynder, LLP

ATTEST:

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Marie A. Calderon, Secretary  
Community Redevelopment Agency

CERTIFICATION:

I, Marie A. Calderon, Secretary to the Community Redevelopment Agency of the City of Banning, California, do hereby certify that the foregoing CRA Resolution 2009-11 was adopted by the CRA of the City of Banning, at a regular meeting thereof held on the 23rd day of June 2009, by the following vote, to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

---

Marie A. Calderon, Secretary  
Community Redevelopment Agency

CITY OF BANNING  
*Fund Summary Status*  
 Proposed Budget  
 FY 2009-2010

FUND NAME	(1) Estimated Balance @ July 1, 2009	(2) FY 2009-10 Proposed Revenue	(3) FY 2009-10 Proposed Expenditures	(4) Proj. YTD Gain/(Loss) (Col. 2-3)	(5) Proj. Balance @ June 30, 2010 (Col. 1+4)
<b><i>Community Redevelopment Agency Funds</i></b>					
Low\Mod Housing	3,719,589	1,093,064	552,127	540,937	4,260,526
Debt Service Fund	1,600,688	5,530,708	6,107,176	(576,468)	1,024,220
Administration Fund	65,015	641,886	613,445	28,441	93,456
1992 Low\Mod Housing Bond Proceeds	53,490	750	0	750	54,240
Tax Allocation Bonds-2007 Tabs	11,468,659	75,000	0	75,000	11,543,659
Tax Allocation Bonds-2003 Tabs	1,558,743	5,000	0	5,000	1,563,743
Low\Mod Tax Alloc Bonds-2003 Tabs	1,693,729	20,000	0	20,000	1,713,729
Project Fund	3,610,051	1,025,000	638,168	386,832	3,996,883
<b>Total</b>	<b>23,769,964</b>	<b>8,391,408</b>	<b>7,910,916</b>	<b>480,492</b>	<b>24,250,456</b>

## COMMUNITY REDEVELOPMENT AGENCY MEETING

### REPORT OF OFFICERS

**DATE:** June 23, 2009

**TO:** Community Redevelopment Agency Board

**FROM:** John Jansons, Redevelopment Manager

**THROUGH:** Brian Nakamura, Executive Director

**SUBJECT:** Consideration of Contract with Banning Cultural Alliance for Fiscal Year 2009-2010 for Downtown Arts, Cultural and Revitalization Activities.

#### **RECOMMENDATION:**

Consideration of a new contract in the amount of \$131,500 with the Banning Cultural Alliance for Fiscal Year 2009-2010 for downtown art initiatives, cultural activities and downtown revitalization efforts and authorize the Executive Director to execute the contract.

#### **JUSTIFICATION:**

Cultural enrichment of the community, support for the arts and revitalization of downtown through beautification and events has been a priority for the community and the Redevelopment Agency (Agency) for several years. The Banning Cultural Alliance (BCA) is the Agency's and City's primary partner in this effort.

#### **BACKGROUND:**

In 2006, the Agency entered into a two year agreement for Fiscal Years 2006-2007 and 2007-2008 with the BCA for downtown art initiatives, cultural activities and downtown revitalization efforts at an amount of \$171,500 for each year.

On August 5, 2008, the Agency approved a new contract with the BCA, for the period of July 1, 2008 through June 30, 2009 for "Downtown Banning Revitalization" activities. Compensation from the Agency to the BCA for the contract was \$171,500.00 or \$14,291.67 per month.

#### **DISCUSSION:**

Over the last three years, the BCA has performed or caused to be performed a number of actives on behalf of the Agency designed to improve the quality of life in Banning, promote the arts and cultural activities as a building block for healthy youth activities and a healthy community, and acts as an ombudsman for downtown revitalization activities and initiatives, both public and private. In summary these include:

- Production of Downtown Events,
- Marketing of Events,
- Operate the Banning Center for the Arts Gallery,
- Forward the Formation of a “Banning Downtown Association”,
- Operate and support a Youth Arts Council,
- Collaborate with other Revitalization and Community Stakeholders, and
- Support Implementation of the Agency’s 5 Year Plan.

In April, staff met with the BCA representatives to discuss potential Agency funding for FY 09-10 that would be representative of a refinement of the BCA’s deliverables from past years and recognize the City’s and Agency’s budget reduction directives.

Following additional discussions between staff and the BCA, and further refinement of the scope of work and proposed deliverables requested by staff, the BCA submitted a final request for funding in June 2009, for FY 2009-2010 in the amount of \$131,500, or \$10,958.00 per month.

The current amount requested of \$131,500 represents a decrease over the prior year of \$40,000 or approximately 24% and reflects the refined scope of work and deliverables and recognizes the City’s and Agency’s budget realities.

The current proposal for funding (**Attachment 1**) includes the proposed budget utilizing Agency funds (**Attachment 2**) along with additional information requested by staff about the BCA’s overall financial status (**Attachment 3**).

The contract to be executed with the BCA proposes that the BCA be paid in installments, on a quarterly basis upon receipt and reconciliation of quarterly progress and financial reports. Twenty-five percent (25%) would be advanced to the BCA at the start of the term of the Agreement following full execution by the BCA and Agency.

Staff from the BCA will be available to address comments and answer questions of the Board at this meeting.


**CONCLUSION:**

It is respectfully recommended that the Board approve a new contract in the amount of \$131,500 with the Banning Cultural Alliance for Fiscal Year 2009-2010 for downtown art initiatives, cultural activities and downtown revitalization efforts and authorize the Executive Director to execute the contract.


**FISCAL DATA:**

Funding for this contract can be allocated under Redevelopment Agency Account Number 860-9200-490.33-11.

**RECOMMENDED BY:**

  
\_\_\_\_\_  
John Jansons  
Redevelopment Manager

**APPROVED BY:**

  
\_\_\_\_\_  
Brian Nakamura  
Executive Director

**REVIEWED BY:**

\_\_\_\_\_  
Bonnie Johnson  
Finance Director

Attachments:

1. 2009-2010 Proposal
2. Proposed Contract Budget
3. BCA Overall Budget

**ATTACHMENT 1**  
**2009-2010 PROPOSAL**

**BANNING CULTURAL ALLIANCE  
DOWNTOWN REVITALIZATION PROPOSAL  
FY 2009-10**

**Vision Statement**

Downtown Banning is a focal point for activities of all types, including socializing, entertainment, dining, shopping and living, but retaining at its core, the heart of a small town. Those businesses that draw people to downtown Banning are valued as community assets and their needs are met. New entrepreneurs are attracted to live and work in the area. The area becomes so desirable that they remain because they thrive with the increased activity in the area.

Downtown Banning is a safe, vital, and attractive mixed-use environment that celebrates the diversity of entertainment opportunities. A rejuvenated downtown includes a mix of new buildings and renovated structures knitted together with shared architectural features, attractive landscaping, public art and street trees, creating a shady boulevard and accommodating sidewalks that include facilities and rest stops for pedestrians. Other public facilities have also been enhanced. New housing and increased densities in the District create activity and expand the market base for local neighborhood-serving retail. Community identity and the cultural heritage of the community have been strengthened and livable public spaces have been created.

**Shared Values**

**Value 1 A pedestrian friendly, diverse, destination-oriented, revitalized downtown:**

- High quality, well-managed development a reality
- Safe walkable, well-lighted areas constructed
- Recruitment and promotion of retail and residential uses on-going and active
- Diverse art in public places
- Attractive pocket parks and the “greening” of downtown
- Special indoor-outdoor events and cultural activities take place
- Quality restaurants downtown
- Fox Theatre remodeled with up-to-date seating
- Façade and structural improvements evident on key buildings

**Value 2: Appropriate traffic flows and beautified main arterials**

- Attractive main arterials (ex. Ramsey Street and San Gorgonio Avenue) and more appropriate traffic flows

- Streetscape beautification evident through proper choice and placement of trees and flowering plants, etc.
- Attractive, peaceful and welcoming streetscape

**Value 3: Increased tax and job generating businesses:**

- Variety of shops and services
- Active recruitment of boutiques, restaurants, art galleries, etc.
- Excellent financial base with diversification of revenues supporting the city's budget
- Businesses that are ecologically sensitive and compatible are encouraged

**Value 4: A responsive local government**

- City staff is accessible, dedicated and accountable
- City staff is responsive to residents' and businesses' needs, concerns and inquiries
- Services are provided in an efficient and effective way
- Implementation and enforcement of codes assure the aesthetic vision and the public health of the downtown area
- City Council employs on-going oversight of downtown revitalization by setting annual goals, objectives and timelines with staff, and providing incentives to bring businesses to area.
- Quarterly study sessions with City Council and staff review the status of goals and their implementation
- City staff reaches out and collaborates with the community.
- Consolidation of government and public services

**Value 5: Ecologically and environmentally sensitive businesses generate tax revenue in the downtown area.**

- Businesses in downtown area follow environmentally sensitive practices and exemplify social consciousness through products, services, and appearance.
- All businesses are esthetically pleasing.
- Businesses present do not pollute the environment, are family friendly, and do not cause health problems to customers.
- There are defined design standards for property structures and signage
- City collaborates to assure that businesses who want permits meet all standards
- Xeriscaping is utilized as much as possible
- Graffiti is cleaned up within 72 hours
- Galleries, bookstores, studios and other performing arts venues are featured.
- The atmosphere encourages outdoor dining.

## **Introduction**

The Alliance will continue to focus on the above vision core values in 2009-10. Through the knowledge that has been gathered over the past two years, some changes are proposed for the upcoming project year. A Cultural Plan will be developed to enhance efforts to reach our goals. As a PBID is unrealistic in the current economic climate and the reality that very little has been accomplished to create a reason for businesses and property owners to tax themselves, The Alliance will, instead continue to build the Banning Business Association that will be on track for a PBID whenever that is feasible.

## **Cultural Plan**

For 2009-10 The Alliance will focus on a more targeted approach to its revitalization efforts through the development of a cultural plan

A Cultural Plan, facilitated by the Director of the Riverside Arts Council, will be a specific element of the Five Year Revitalization Plan. Additional partners will be identified to join The Alliance in the development of this plan. Downtown partners will also participate in producing events and promoting activities for mutual benefit as a result of this plan. One example: various local eateries will cater dinner theater to be offered and other performing arts events sponsored by The Alliance on a regular basis in downtown Banning. Arts groups as additional partners, specifically in downtown Banning, will benefit from a comprehensive plan, including a city brochure, to promote their businesses.

The outcome of a completed Cultural Plan in one year will be expanded interest and participation among a broad and diverse group of individuals and businesses in developing downtown and supporting projects designed for that purpose.

## **Banning Business Association**

The Banning Business Association will hold regularly scheduled meetings around common agenda items and plan their participation in other promotions of downtown activity in addition to their participation in the Phineas Festival of Lights, the Art Hop and Cool Summer Nights, Stagecoach Days, etc.

the Banning Business Association will be encouraged to be full participants in the planning for Camino El Paseo and the San Gorgonio Inn site.

The outcome will be an officially formed entity, registered with the state, and active in all aspects of downtown planning and activities.

## **Downtown Promotional Events**

The Banning Cultural Alliance proposes to continue its successful partnership with the City of Banning to revitalize downtown Banning. Base line activity has

been established and institutionalized in downtown Banning, i.e., the annual Art Hop, the Phineas Festival of Lights, The Pass Area Performing Artists, The Banning Center for the Arts Gallery, banners through the Mural Council, the Sculpture and Memorial Garden, and Cool Summer Nights.

Continued growth in numbers of people attending downtown functions is one anticipated outcome.

Another anticipated outcome is more direct support for select downtown businesses through partner promotions.

### **Gallery**

The Banning Center for The Arts Gallery will continue to bring in world class artists and artistic events to downtown and renovate its space to provide teaching opportunities (and income) to local artists and accommodate affordable classes to residents with limited resources.

The outcome of the renovation and associated publicity will be more revenue generated through the Gallery and broader awareness throughout the Pass Area.

Another outcome will be increased foot traffic to the Gallery due to its growing reputation of the quality of the offerings at the gallery and the expanded classes offered.

### **Youth**

The Youth Arts Council and associated programs will continue to grow a stable and ongoing program with a core curriculum of visual and performance arts, community service, and art appreciation.

The Youth Arts Council is attracting talented and accomplished volunteers to teach their craft in visual arts, theater and music as a part of their ongoing program. PAPA members are doing Readers Theater, The Sun Lakes Art League is preparing to teach classes, and various other individual talented volunteers are stepping up to teach other artistic skills.

Through their planning and participation in Cool Summer Nights they are bringing music, theater, and dance for families to enjoy together. As a result they are learning a new pride in the community in which they live.

Members of the Youth Arts Council and other youth participants are excited about the plans for Camino El Paseo. As a result, The Alliance will include youth as it plans for community meetings to discuss the proposed Camino El Paseo project.

An outcome for the youth program will be filling the void left by budget cuts in the school district, working in partnership with Community Services, and with other

non-profits. The other outcome will be a broader base of young people exposed to arts and culture and discovering their own passion for and talent in the various arts.

Other outcomes expected at the end of 2009-10 are:

- a clearly defined Arts District,
- an expanded Banner program with Business advertising and themed art,
- a city brochure extolling the virtues and assets of Banning, and
- development of a plan through the Banning Business Association to pursue a "Main Street" program in conjunction with plans for Camino El Paseo and the San Gorgonio Inn site plans.

### **Conclusion**

The Banning Cultural Alliance has successfully partnered with the City of Banning in the development of Downtown since 2005. The fruits of this partnership are evident by the numbers of people who simply know where downtown Banning is and who don't give a second thought to coming downtown after dark.

Our latest joint accomplishment is the development and opening of the Sculpture & Memorial Garden giving local artists a venue to show their work and bringing in artists from as far away as Ojai, Burbank and Idyllwild. This has made Banning a focus for artists far beyond the Pass Area.

As the City moves forward with its plans for the physical improvements to downtown Banning, The Alliance looks forward to continuing its role in bringing together the elements that will assure a successful cultural and economic future to provide a high quality of life for Banning residents.

**ATTACHMENT 2**  
**PROPOSED CONTRACT BUDGET**

**ATTACHMENT 2**

**BANNING CULTURAL ALLIANCE**

**DOWNTOWN REVITALIZATION**

**REQUEST JULY 2009 - JUNE  
2010**

**DOWNTOWN PROMOTIONAL EVENTS**

Coordinator .75 FTE	\$ 37,500	
Rentals	\$ 4,800	
Other	\$ 3,600	
Advertising	\$ 13,100	
Entertainment	\$ 6,000	
Contractors	\$ 1,500	
		\$ 66,500

**GALLERY**

Manager	\$ 8,400	
Utilities	\$ 5,000	
Insurance	\$ 3,000	
		\$ 16,400

**YOUTH**

Program Director .75 FTE	\$ 25,740	
Supplies	\$ 3,000	
Other	\$ 1,000	
		\$ 29,740

**Banning Business Association**

ED .25FTE	\$ 12,000	
		\$ 12,000

**OVERHEAD**

\$ 12,470	
	\$ 12,470

**TOTAL REQUEST**

\$ 137,110	\$ 137,110
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**ATTACHMENT 3**  
**BCA OVERALL BUDGET**

**ATTACHMENT 3**

**BANNING CULTURAL ALLIANCE**

**BUDGET  
July 2009- 2010**

**INCOME**

Alliance Dues		\$ 5,000
Contributions		\$ 5,000
Downtown Promotion events		\$ 7,500
Fundraising events net		\$ 5,000
Gallery		\$ 7,200
Grants	City of	
	B	\$137,100
Grants	Other	\$ 20,000
Interest		\$ 1,200
Programs		\$ 25,000
Rentals		\$ 15,000
Sponsors		\$ 12,000
Contributions Bldg/Garden		\$ 8,500

**TOTAL INCOME** \$248,500

**Note: Income does not include Inkind contributions of \$30,000**

**EXPENDITURES**

Contractors	\$ 58,300
Equipment	\$ 1,000
Events/Marketing	\$ 27,500
Gallery	\$ 17,000
Insurance	\$ 7,000
Audit	\$ 3,700
Programs	\$ 22,500
Staff	\$ 74,500
Operation	\$ 15,000
Occupancy	\$ 12,000
Bldg/Garden Improvements	\$ 10,000

**TOTAL EXPENDITURES** \$248,500

**Note: Budget does not include gallery renovation**

## COMMUNITY REDEVELOPMENT AGENCY MEETING

### REPORT OF OFFICERS

**DATE:** June 23, 2009

**TO:** Community Redevelopment Agency Board

**FROM:** John Jansons, Redevelopment Manager

**THROUGH:** Brian Nakamura, Executive Director

**SUBJECT:** Request for funding for Fiscal Year 2009-2010 from Banning Chamber of Commerce for Economic Development and Business Support Services.

#### **RECOMMENDATION:**

That the Community Redevelopment Agency Board approve a contract with the Banning Chamber of Commerce for Economic Development and Business Support services in the amount of \$40,000 for Fiscal Year 2009-2010 and authorize the Executive Director to Execute the Contract.

#### **JUSTIFICATION:**

The Community Redevelopment Agency (Agency), manages the Office of Economic Development for the City of Banning and is the lead city department responsible for activities, initiatives, leadership, programs and partnerships that foster economic development and increases the economic vitality of the City of Banning and the Banning business community.

#### **BACKGROUND:**

Historically, the City of Banning has contracted with the Banning Chamber of Commerce (Chamber) to provide services that support the City's economic development strategies, activities and action plans.

Over the years, contracts with the Chamber have provided for City support of Chamber economic development activities, production of events, support for Chamber functions and services and the day-to-day operations of the Chamber.

Past partnerships between the City and the Chamber have been mutually beneficial to best serve the Banning business community and to be proactive and responsive to economic development opportunities and challenges.

**DISCUSSION:**

Economic Development and continued support of the Banning business community remains a high priority for the Agency. One way in which the Agency can broaden its reach in support of the business community and in an effort to increase the economic vitality of Banning is through key, strategic partnerships and associations with other economic development entities. These include: the Banning Chamber of Commerce, Banning Cultural Alliance, Riverside County EDA, California Association for Local Economic Development (CALED), the California Redevelopment Agency (CRA), the International Council on Shopping Centers (ICSC) and other real estate and business development organizations.

Earlier this year, Agency staff and the Chamber began a series of discussions to identify and discuss ways to partner for the betterment of the Community. The result of these discussions was a joint proposal to work more closely together to improve and strengthen the Banning economy and approach economic development opportunities and challenges as a team when and where appropriate.

The Chamber and Agency staff are requesting that the Agency enter into a contract (**Attachment 1**) for FY 09-10 in the amount of \$40,000 for the Chamber to provide services to the Agency and the community in support of business retention, expansion and recruitment and other services that support the business community including those detailed in Exhibit A of the Contract. These include:

- Chamber Membership and Board of Directors Membership
- Banning Marketing and Event Production and Support
- Business Retention, Expansion, and Attraction
- Tourism/City Visitations/Potential New Home Buyers
- City/Chamber Partnerships
- Status, Activity and Progress Reporting

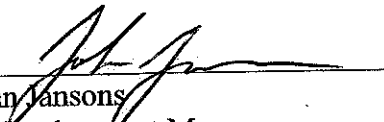
**CONCLUSION:**

It is respectfully recommended that the Community Redevelopment Agency Board approve a contract with the Banning Chamber of Commerce for Economic Development and Business Support services in the amount of \$40,000 for Fiscal Year 2009-2010 and authorize the Executive Director to Execute the Contract.


**FISCAL DATA:**

Funding for this contract can be allocated under Redevelopment Agency Account Number 860-9200-490.33-11.

**RECOMMENDED BY:**

  
\_\_\_\_\_  
John Jansons  
Redevelopment Manager

**APPROVED BY:**

  
\_\_\_\_\_  
Brian Nakamura  
Executive Director

**REVIEWED BY:**

\_\_\_\_\_  
Bonnie Johnson  
Finance Director

Attachments:

1. Draft Agreement

**AGREEMENT BETWEEN THE CITY OF BANNING AND  
BANNING CHAMBER OF COMMERCE**

This Agreement is made and entered into this 1<sup>st</sup> day of July, 2009, by and between the City of Banning, a municipal corporation (hereinafter called "City"), and the Banning Chamber of Commerce, a nonprofit California corporation (hereinafter called "Chamber").

**WITNESSETH AS FOLLOWS:**

**WHEREAS**, the City is desirous of promoting its advantages as a business, educational, cultural, recreational, industrial and residential center, disseminating information relative thereto, and properly following up and giving consideration to inquiries made from time to time relative to the various activities of the City; and

**WHEREAS**, the Chamber is a nonprofit organization designed to advance the commercial, financial, industrial, and civic interests of the Banning community and to serve as a clearinghouse, a public relations counselor, an information bureau and a research and promotion medium;

NOW, THEREFORE, THE PARTIES AGREE AS FOLLOWS:

**I. SCOPE OF SERVICES**

The Chamber shall employ competent personnel to carry on promotional activities herein enumerated and maintain regular office hours of 9:00 a.m. – 5:00 p.m., Monday through Friday, excluding holidays. However, office hours may begin earlier than 9:00 a.m. and extend later than 5:00 p.m. Chamber staff shall answer promptly all correspondence relative to the business, industrial, residential, educational, cultural and recreational advantages and opportunities in the City, and disseminate information by correspondence, newspaper publicity and personal contacts favorably advertising such advantages and opportunities. The Chamber shall serve as an information bureau and referral agency to its members and new business owners on such matters as commercial building code/signing requirements, business license matters and disseminate City publications and materials provided by the City.

In addition, the Chamber shall perform services described in Exhibit A, Scope of Services addressing four major tasks (Banning Marketing; Business Retention, Expansion, and Attraction; Tourism/City Visitations/Potential New Home Buyers; and City/Chamber Partnerships), attached hereto and incorporated herein.

## **2. COMPENSATION**

Subject to and in accordance with the terms and provisions of said Agreement, the City agrees to pay Chamber for said annual services a total sum of \$10,000 per quarter installments, a total of \$40,000, for which the City will receive Chamber of Commerce membership benefits. Such payments may be subject to approval of the monthly report by the City Council upon recommendation by the City Manager. Quarterly payments shall be made on or about the 15<sup>th</sup> day of July, October, January, and April of each fiscal year.

## **3. RECORDS AND AUDITS**

The City Manager or his/her designated representative shall at any time during regular business hours have the right to examine, review, audit all books and records of the Chamber, including financial ledgers and accounting records related to the services performed by Chamber hereunder, and the City's payments of compensation and the expenditures thereof.

Upon termination of the Agreement by the expiration of its term, completion of the scope of work herein, or otherwise, Chamber shall submit to City a fiscal expenditure report with a detailed accounting of all expenditures related to the scope of services provided for by this agreement, including the receipt and appropriated expenditure of compensation by the Chamber hereunder. All expenditures shall be verified with original receipts for said expenditures. Said report shall be submitted to the City within ninety (90) calendar days of the close of the Chamber's fiscal year.

## **4. TERM OF AGREEMENT**

The term of Agreement shall continue on an annual basis until such time that it is cancelled by either party. Each fiscal year, as part of the budget process, the City will budget accordingly for any services provided for by the Chamber. This Agreement may be terminated by either party giving thirty (30) days written notice of said termination, except for grounds of fraud or malfeasance, in which case said Agreement may be terminated at will by the City, effective immediately, and all monies paid by the City hereunder and unspent by the Chamber shall be forthwith returned.

This Agreement shall be effective as of the 1<sup>st</sup> day of July, 2009.

## **5. REPORTS**

The Chamber shall submit progress reports, on a monthly basis, to the City Manager relating to the scope of services outlined herein as well as the activities undertaken as specified in this contract. The report shall recount in detail the



99 E. Ramsey Street  
Banning, CA 92220

Chamber: President/CEO  
Chamber of Commerce  
88 E. Ramsey Street  
Banning, CA 92220

Any notice given hereunder shall be deemed effective in the case of personal delivery, upon receipt thereof, or, in the case of mailing, at the moment of deposit in the course of transmission with the United States Postal Service, with the exception of a notice of termination.

**10. ASSIGNMENT**

This is a professional services contract for unique services. Neither the Chamber of the City may assign or transfer any rights or obligations arising from this Agreement, or any part thereof, without the prior written consent of the other party.

**11. ATTORNEY'S FEES**

If either party commences an action against the other party arising out of or in connection with this Agreement, the prevailing party shall be entitled to recover from the losing party reasonable attorney's fees and expenses of litigation, including but not limited to court costs.

**12. AMENDMENTS**

The provisions of this Agreement may be amended only by an instrument in writing duly executed by each of the parties hereto.

**13. INTEGRATION**

This writing constitutes the entire and complete Agreement between the parties hereto relative to the subject hereof. No party relies upon any warranty or representation, express or implied not specifically set forth herein.

City of Banning:	Banning Chamber of Commerce
Name: _____	Name: _____
Title: _____	Title: _____
Signature: _____	Signature: _____

Approved as to Form: \_\_\_\_\_

## EXHIBIT A

### The City of Banning And Banning Chamber of Commerce

#### Scope of Services 2009-2010 Contract

The listings itemized below are services that the Chamber performs on behalf of the City of Banning. Many of the items would not be possible to the degree noted if it weren't for the City/Chamber partnership described in the companion agreement.

#### **Banning Marketing**

##### **Task #1**

The Banning Chamber of Commerce will create and produce full-color City map to be distributed at the Chamber and City Hall. To be paid for by advertisement. This is down on a semi Annual basis in alternating years.

##### **Deliverable:**

Chamber to complete updated map during this contract.  
(Tentative delivery January 1, 2010)

##### **Task #2**

The Banning Chamber of Commerce will work with the City to coordinate and host annual "State of the City Address."

The Banning Chamber of Commerce will assist the City of Banning in producing a professional video presentation for utilization at the State of the City Address.

##### **Deliverable:**

Produce State of the City Event in cooperation with the City, and provide assistance to the City to produce presentation for use at State of the City.

##### **Task #3**

The Banning Chamber of Commerce to develop an information packet for new residents and businesses.

##### **Deliverable:**

Prepare and have available for distribution and information packet for new residents and businesses.

##### **Task #4**

The Banning Chamber of Commerce will participate by providing support, when given sufficient notice, in City of Banning Special Events including but not limited to the City's annual birthday, Stagecoach Days, and Phinneas Christmas Tree Festival of Lights Event.

**Deliverable:**

Chamber of Commerce will provide labor and resources to support and assist with production and delivery of the four events listed above.

**Task #5**

Generally the Chamber will assist the City at trade show and other events including but not limited to the International Council of Shopping Centers (ICSC) when requested by the City.

**Deliverable:**

Chamber will assist the City with marketing and preparatory work associated with supporting City trade missions as requested.

**Task #6**

The Banning Chamber of Commerce will recognize the City as a "Chamber of Commerce Board member" and provide similar benefits to the City including but not limited to advertising and representation.

**Deliverable:**

City to hold a Board of Directors position as an Ex-Officio, voting member of the Chamber Board and be listed as a Board member on all Chamber publications etc.

**Business Retention, Expansion, and Attraction**

**Task #1**

The Banning Chamber of Commerce will conduct a quarterly "Business Leaders Roundtable" discussions. These Roundtable discussions will invite business leaders from various industry sectors to meet with City officials discussing business needs and issues associated with the City's general plan and other City services.

**Deliverable:**

Chamber will organize and produce the "Business Leaders Roundtable" On a quarterly basis (tentative: October, January, April, June).

**Task #2**

The Banning Chamber of Commerce will conduct an annual survey of members to evaluate items such as Chamber services, city services, business retention, relocation and expansion, development, as well as other

critical business sector inquiries. Results will be tabulated and provided to city staff.

**Deliverable:**

Chamber to conduct an Annual Survey of all Chamber members (Approx 400) by Jan.- Feb. 2010 and present results to the City and the Community in March 2010.

**Task #3**

The Banning Chamber of Commerce teamed with the City Manager's Office will visit up to 20 existing businesses to determine business climate and needs.

**Deliverable:**

Chamber to organize an schedule five business visitations per quarter. Businesses to be interviewed will be coordinated and approved by the city in advance.

**Task #4**

The Banning Chamber of Commerce will conduct at least one (1) Business Exposition within the City limits of Banning and participate and partner with the Beaumont Chamber for one event focused on the Pass area and promote the Exposition to all businesses and the community. All Businesses, members and non-members of the Chamber will be invited to display.

**Deliverable:**

One Expo in Banning and partner in one expo with Beaumont serving the Pass Area.

**Task #5**

The Banning Chamber of Commerce will promote the City of Banning as well as the Chamber through press releases, news stories to media, attending city council meetings, and general public relations efforts to support the City and the Chamber.

**Deliverable:**

Provide media and public relations support to the City as requested.

**Task #6**

The Banning Chamber of Commerce will continue to promote the City of Banning by holding monthly breakfast meetings for members. The City will be identified as a sponsor of one of the meetings and be given time as a host speaker to update the attendees of City happenings.

**Deliverable:**

Produce and host Monthly breakfast meetings (12).

**Task #6**

The Banning Chamber of Commerce will develop, publish and maintain a Business Directory, which includes a listing of all Chamber members, accompanied with their names, addresses, phone number and business type. The business directory will be provided to all members, copies will be distributed to city staff, and will be distributed in appropriate Chamber mailings.

**Deliverable:**

Develop, publish and maintain a Business Directory, which includes a listing of all Chamber members and provide to City and for general distributin.

**Task #7**

The Chamber E-newsletter will be mailed monthly. The Chamber will provide free space, as available, for City information-copy to be submitted by City staff. Distribution to all Chamber members and any other interested parties.

**Deliverable:**

Develop, publish and distribute a Chamber newsletter, mailed monthly. The Chamber will provide free space, on a quarterly basis for City information-copy to be submitted by City staff and will include in alternate quarters a copy of the City newsletter as an insert.

**Task #8**

The Banning Chamber of Commerce will promote business growth and development through ribbon cutting ceremonies and groundbreaking ceremonies for new businesses. The Chamber will coordinate with the City Manager's Office on each event.

**Deliverable:**

Chamber to conduct ribbon cutting events and ground breaking events as calendared throughout the year (Est. 6-12).

**Task # 9**

The Banning Chamber of Commerce will perform mailings and answer phone inquiries of businesses looking to relocate. The Chamber will coordinate those efforts with the City's Economic and/or Redevelopment Department(s).

**Deliverable:**

Chamber to provide log of contacts to the City for coordination and follow-up on a monthly basis.

**Tourism/City Visitations/Potential New Home Buyers**

**Task #1**

The Banning Chamber of Commerce will develop promotional pieces, along with the City of Banning promoting tourism in Banning.

**Deliverable:**

Chamber to develop and publish a tri fold Tourism brochure and provide 500 hard copies and electronic/digital copy to City by Dec 31, 2010.

**Task #2**

The Banning Chamber of Commerce will perform mailings, answer phone inquiries, stock materials, and use other avenues of promotion for the City of Banning. These additional avenues may include Out of Town business Expositions and trade shows.

**Deliverable:**

Chamber to provide log of contacts/mailings to the City for coordination and follow-up on a monthly basis.

**Task #3**

The Banning Chamber of Commerce will maintain a master community event calendar linked to the City's web page and distribute as needed.

**Deliverable:**

Update event calendar weekly and include City events.

**City/Chamber Partnerships**

**Task #1**

The Banning Chamber of Commerce will work with key city personnel to serve the public. The Chamber will take inquiries, phone calls, referrals, and information dissemination.

**Deliverable:**

Chamber to provide log of contacts/mailings to the City for coordination and follow-up on a monthly basis.

**Task #2**

The Banning Chamber of Commerce will continue to work with the SBDC by providing office space, phone services, information, referrals, and media space in the Chamber newsletter. The City will be identified as a sponsor of the SBDC on all Chamber material including but not limited to newsletters and signage.

**Deliverable:**

Chamber to provide log of contacts/mailings to the City for coordination and follow-up on a monthly basis. Chamber to make office space available for SBDC meeting with clients monthly.

**Task #3**

The Banning Chamber of Commerce will maintain a link on their home page that takes visitors directly to [www.ci.banning.ca.us](http://www.ci.banning.ca.us) (City web page).

**Deliverable:**

Maintain link on their home page that takes visitors directly to [www.ci.banning.ca.us](http://www.ci.banning.ca.us) (City web page).

**Documentation**

**Task and Deliverable:**

The Chamber will provide the City Manager of Banning with a monthly report on their activities and the status of conforming with this the contract.