



**City Council  
Successor Redevelopment Agency  
Financing Authority  
Housing Authority**

**AGENDA**

**Wednesday**

**Regular**

**Closed Session 5:30 p.m.  
Regular Session 6:00 p.m.**

**February 19, 2014**

**City Hall  
100 West California Avenue  
Ridgecrest CA 93555**

**(760) 499-5000**

**Daniel O. Clark, Mayor  
Marshall 'Chip' Holloway, Vice Tempore  
James Sanders, Council Member  
Lori Acton, Council Member  
Steven P. Morgan, Council Member**

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LAST ORDINANCE NO. 14-xx  
LAST RESOLUTION CITY COUNCIL NO. 14-12  
LAST RESOLUTION FINANCING AUTHORITY NO. 14-xx  
LAST RESOLUTION OF THE HOUSING AUTHORITY NO. 14-xx  
LAST RESOLUTION OF THE SUCCESSOR REDEVELOPMENT AGENCY NO. 14-xx

## **CITY OF RIDGECREST**

### **CITY COUNCIL REDEVELOPMENT SUCCESSOR AGENCY HOUSING AUTHORITY FINANCING AUTHORITY**

#### **AGENDA**

Regular Council  
Wednesday February 19, 2014

**CITY COUNCIL CHAMBERS CITY HALL**  
100 West California Avenue  
Ridgecrest, CA 93555

**Closed Session – 5:30 p.m.**  
**Regular Session – 6:00 p.m.**

This meeting room is wheelchair accessible. Accommodations and access to City meetings for people with other handicaps may be requested of the City Clerk (499-5002) five working days in advance of the meeting.

In compliance with SB 343. City Council Agenda and corresponding writings of open session items are available for public inspection at the following locations:

1. City of Ridgecrest City Hall, 100 W. California Ave., Ridgecrest, CA 93555
2. Kern County Library – Ridgecrest Branch, 131 E. Las Flores Avenue, Ridgecrest, CA 93555
3. City of Ridgecrest official website at <http://ci.ridgecrest.ca.us>

**CALL TO ORDER**

**ROLL CALL**

**APPROVAL OF AGENDA**

**PUBLIC COMMENT – CLOSED SESSION**

## AGENDA - CITY COUNCIL - REGULAR

February 19, 2014

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### CLOSED SESSION

- GC54956.9 (d) (1) Conference With Legal Counsel – Liability Claim Of Luke Smith – Claim No 14-01
- GC54956.9 (d) (1) Conference With Legal Counsel – Liability Claim Of Kyeong H. Corbin – Claim No 14-02
- GC54956.9 (d) (4) Conference With Legal Counsel – Existing Litigation - Squillacote v. Frid, CASE NO. S-1500-CV-276362 SPC
- GC54956.9 (d) (4) Conference with Legal Counsel – Existing Litigation - Cole v. Myers, CASE NO. R-1502-CS-17170
- GC54956.9 (d) (4) Conference with Legal Counsel – Existing Litigation - Balfour v. Ridgecrest, CASE NO. S-1500-CV-280015 LHB
- GC54956.9 (d) (4) Conference with Legal Counsel – Potential Litigation – James B. Ponak v. City of Ridgecrest

### REGULAR SESSION – 6:00 p.m.

- Pledge Of Allegiance
- Invocation

### CITY ATTORNEY REPORT

- Closed Session
- Other

### PUBLIC COMMENT

### PRESENTATIONS

1. Presentation By Council Of A Proclamation For Safe Surrender Baby Month
2. Presentation To Council Of Upcoming Production Of A Petroglyph Show By Steve Brown, Owner/Publisher Of The Sun Runner Magazine And Host Of PBS Television's 'The Real California Desert' Show
3. Presentation To Council By California Meetings And Events Bakersfield Office Of Marketing Plans And Benefits Of The Proposed Petroglyph Festival
4. Presentation To Council Of The Ridgecrest Boulevard Construction Project

**AGENDA - CITY COUNCIL - REGULAR**

February 19, 2014

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**CONSENT CALENDAR**

5. Approve A Resolution Of The City Of Ridgecrest Successor Redevelopment Agency Approving The Property Management Plan (PMP)  
Parsons
6. Approve A Resolution Of The City Of Ridgecrest Successor Redevelopment Agency Approving The Recognized Obligation Payment Schedule (ROPS) 2014-15A  
Parsons
7. Approve Draft Minutes Of The Regular City Council/Successor Redevelopment Agency/Financing Authority/Housing Authority Meeting Dated February 5, 2014  
Ford

**DISCUSSION AND OTHER ACTION ITEMS**

8. Discussion And Approval By Minute Motion Of A Funding Request For The Petroglyph Rock Art Festival  
Clark

**COMMITTEE REPORTS**

**Activate Community Talents And Interventions For Optimal Neighborhoods Task Force (ACTION)**

Members: Jim Sanders, Dan Clark  
Meetings: 3<sup>rd</sup> Tuesday of the Month at 4:00 P.M., Kerr-McGee Center  
Next Meeting: To Be Announced

**Veterans Advisory Committee**

Members: Dan Clark  
Meetings: 1<sup>st</sup> and 3<sup>rd</sup> Monday of the Month At 6:00 p.m., Council Conference Room  
Next Meeting: To Be Announced

**Ridgecrest Area Convention And Visitors Bureau (RACVB)**

Members: Chip Holloway  
Meetings: 1<sup>st</sup> Wednesday Of The Month, 8:00 A.M.  
Next Meeting: Date and Location To Be Announced

**OTHER COMMITTEES, BOARDS, OR COMMISSIONS**

**CITY MANAGER REPORT**

**MAYOR AND COUNCIL COMMENTS**

**ADJOURNMENT**

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**A Proclamation of  
The City Of Ridgecrest, California**

**SAFELY SURRENDERED BABY AWARENESS MONTH**

**WHEREAS, The Safely Surrendered Baby Law was created in 2001 with the intent to save the lives of newborn infants at risk of abandonment by encouraging parents or persons with lawful custody to safely surrender the infant within 72 hours of birth, with no questions asked; and**

**WHEREAS, since the Safely Surrendered Baby Law's inception there have been 39 infants saved in Kern County and placed in loving homes; and**

**WHEREAS, In Ridgecrest and throughout Kern County, a newborn baby can be safely surrendered into the hands of any hospital emergency room or Fire Station staff; and**

**WHEREAS, The Safely Surrendered Baby Coalition, under the coordination of the Department of Human Services, works to educate Ridgecrest Citizens and all Kern County residents about this important law. The coalition is made up of a small group of dedicated individuals representing a long list of agencies, non-profits, hospitals, and stakeholders, including First Five Kern, the Kern County Fire Department, Bakersfield City Fire Department, Bakersfield Police Department, Right to Life, Kern Medical Center, Mercy & Memorial Hospitals, San Joaquin Community Hospital & Clinica Sierra Vista, to name a few.**

**Now, therefore, be it proclaimed:**

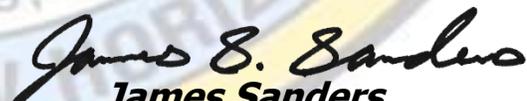
**The City Council of the City of Ridgecrest does hereby proclaim the month of February as Safely Surrendered Baby Awareness Month and encourages all Ridgecrest citizens to reach out and assist the Safely Surrender Baby Coalition with their endeavors.**

**Proclaimed February 19, 2014**

  
**Daniel O. Clark, Mayor**

  
**Marshall "Chip" Holloway  
Vice Mayor**

  
**Steven P. Morgan  
Council Member**

  
**James Sanders  
Council Member**

  
**Lori Acton  
Council Member**

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**CITY COUNCIL/SUCCESSOR REDEVELOPMENT AGENCY/FINANCING  
AUTHORITY/HOUSING AUTHORITY AGENDA ITEM**

**SUBJECT:** A Presentation of the West Ridgecrest Boulevard Project from Mahan Avenue to South China Lake Boulevard by the Design Firm Mark Thomas Inc.

**PRESENTED BY:**  
Ed Noriega, Mark Thomas Inc.

**SUMMARY:**  
Representatives from the design firm, Mark Thomas, will be giving a power point presentation regarding the Construction Phase of the West Ridgecrest Boulevard Project from Mahan Avenue to South China Lake Boulevard.

**FISCAL IMPACT:** None

Reviewed by Finance Director

**ACTION REQUESTED:**  
None

**CITY MANAGER / EXECUTIVE DIRECTOR RECOMMENDATION:**

Action as requested:

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**5**

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**CITY COUNCIL / REDEVELOPMENT SUCCESSOR AGENCY / FINANCING  
AUTHORITY/HOUSING AUTHORITY AGENDA ITEM**

**SUBJECT:**

Review And Approve Property Management Plan (PMP) Of The Former Ridgecrest Redevelopment Agency By Resolution

**PRESENTED BY:**

Gary Parsons

**SUMMARY:**

The City Council at their regular meeting of January 11, 2012 adopted Resolution No 12-02, electing to serve as the Successor Agency to the prior Ridgecrest Redevelopment Agency and making certain findings in connection therewith.

The staff has prepared the Ridgecrest Redevelopment Successor Agency Property Management Plan (PMP) of the prior Ridgecrest Redevelopment Agency and is recommending approval by the Successor Agency and its approval for presentation for review and adoption by Resolution to the Oversight Board.

The Property Management Plan outlines the liquidation of former Redevelopment Agency real property assets.

Staff will provide an overview and respond to any questions of the council concerning the Property Management Plan and recommend its approval for submitting to the Oversight Board and on to the State of California Department of Finance (DOF) for its approval.

Proposed Property Management Plan attached.

**FISCAL IMPACT:**

Liquidation Of Former Agency Real Property Assets By The Successor Agency

**ACTION REQUESTED:**

Review and approval of Successor agency Property Management Plan and Resolution

**CITY MANAGER / EXECUTIVE DIRECTOR RECOMMENDATION:**

Review and Comment :

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**RESOLUTION NO. 14 - XX**

**A RESOLUTION OF THE CITY OF RIDGECREST SUCCESSOR REDEVELOPMENT AGENCY APPROVING THE PROPERTY MANAGEMENT PLAN (PMP)**

**WHEREAS**, the Ridgecrest Successor Redevelopment Agency has met and has duly considered the proposed Property Management Plan (PMP); and

**WHEREAS**, prior to its meeting on February 19, 2014, the members of the Ridgecrest Successor Redevelopment Agency have been provided with copies of the proposed Property Management Plan (PMP); and

**WHEREAS**, the Ridgecrest Successor Redevelopment Agency has reviewed the proposed Property Management Plan (PMP); and

**WHEREAS**, the Ridgecrest Successor Redevelopment Agency desires to express and memorialize its approval of the proposed Property Management Plan (PMP) with this Resolution.

**NOW THEREFORE, BE IT RESOLVED** by the Ridgecrest Successor Redevelopment Agency, as follows:

- SECTION 1.** The Ridgecrest Successor Redevelopment Agency finds and determines that the foregoing recitals are true and correct.
- SECTION 2.** The Ridgecrest Successor Redevelopment Agency approves the proposed Property Management Plan (PMP).
- SECTION 3.** The Successor Agency is authorized and directed to submit the proposed Property Management Plan (PMP) to the Ridgecrest Oversight Board for its review and approval for submission to the California Department of Finance.
- SECTION 4.** The Successor Agency shall maintain on file as a public record this Resolution and the proposed Property Management Plan (PMP) as approved hereby.

**PASSED, APPROVED, AND ADOPTED** at a meeting of the Ridgecrest City Council, held on this the 19<sup>th</sup> day of February, 2014 by the following vote, to wit:

Ayes:  
Noes:  
Absent:  
Abstain:

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Daniel O. Clark, Mayor

ATTEST:

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Rachel J. Ford, CMC, City Clerk

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# LONG-RANGE PROPERTY MANAGEMENT PLAN

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## CITY OF RIDGECREST SUCCESSOR AGENCY



Prepared By:



### **KOSMONT COMPANIES**

865 S. Figueroa Street, #3500

Los Angeles, CA 90017

Telephone: (213) 417-3300

[www.kosmont.com](http://www.kosmont.com)

**FEBRUARY 11, 2014**

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The analyses, projections, assumptions, rates of return, and any examples presented herein are for illustrative purposes and are not a guarantee of actual and/or future results. Project pro forma and tax analyses are projections only. Actual results may differ materially from those expressed in this analysis.

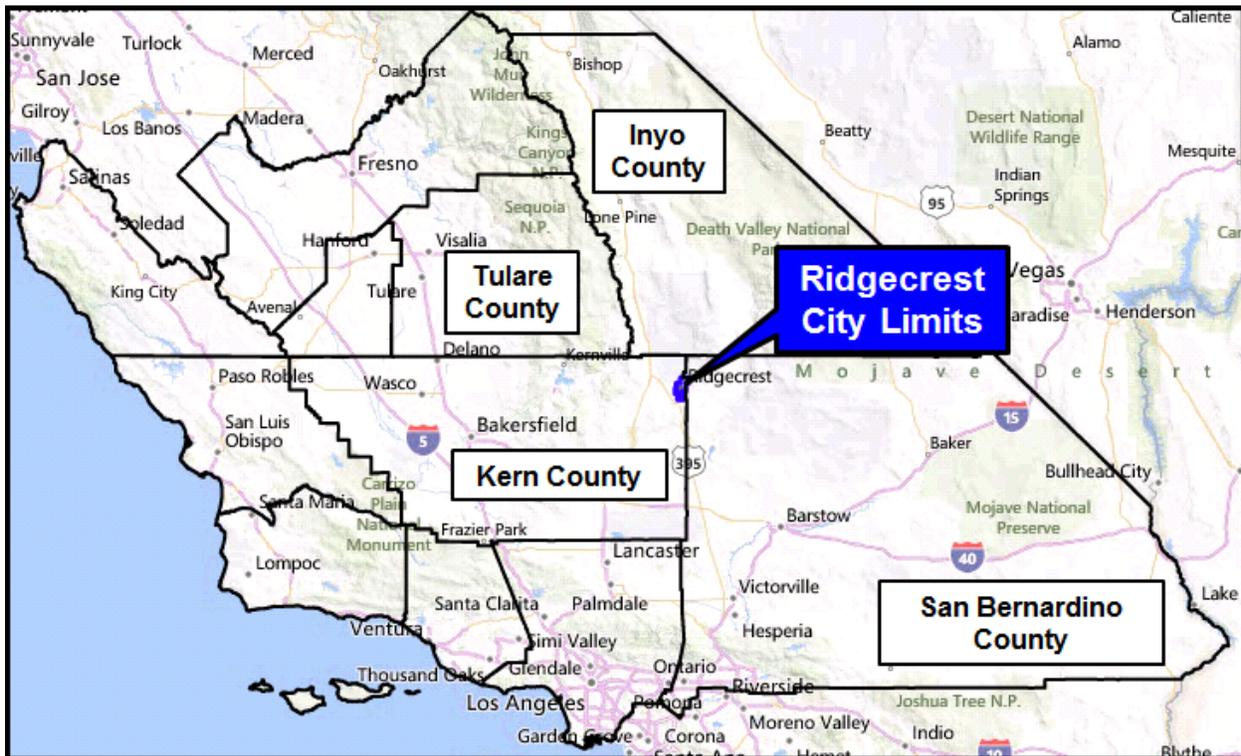
865 South Figueroa Street, 35th Floor Los Angeles California 90017 ph 213.417.3300 fax 213.417.3311

# 1.0 Introduction

## 1.1 Background & Purpose

Health and Safety Code Section 34191.5, added by AB 1484 (signed into law on June 27, 2012), requires each Successor Agency (“SA”) to prepare and approve a Long-Range Property Management Plan (“LRPMP”) that addresses the disposition and use of the real properties of the former redevelopment agency. Properties held by a successor agency cannot be disposed of until the State Department of Finance (“DOF”) has approved the LRPMP. This document is the LRPMP for the SA to the former City of Ridgecrest Redevelopment Agency (“RDA”).

Table 1.1: City Location Map



## 1.2 Successor Agency Property Summary

The SA / former RDA owns four (3) district properties (comprised of 26 parcels) in the City of Ridgecrest. Of these properties, one (1) distinct property (comprised of 1 parcel) is a governmental use property that is proposed to be transferred to the City to continue exclusive governmental use. One (1) distinct property (comprised of 24 parcels) is designated to be transferred to the City for future development. The remaining one (1) distinct property (comprised of 1 parcel) is designated for liquidation, with sale proceeds to be distributed as property tax to local taxing entities. Table 1.2 below summarizes the recommendations for disposition for the LRPMP properties, and Exhibit 1.2 on the following page includes a map of the SA properties.

Table 1.2: Successor Agency Property Summary

#	Address / Description	APN	Purpose			
			Gov't	Future Dev.	Liquid.	Enf. Oblig.
1	Flood Control Site	033-050-23	X			
2	Ridgecrest Business Park	033-070-01 033-070-02 033-070-03 033-070-05 033-070-06 033-070-07 033-070-08 033-070-09 033-070-10 033-070-11 033-070-12 033-070-14 033-070-15 033-070-16 033-070-28 033-070-29 033-070-30 033-070-31 033-070-32 033-070-33 033-070-34 033-070-35 033-070-36 033-070-41		X		
3	227 Desert Candles St.	080-161-25			X	

Exhibit 1.2: Map of Successor Agency Properties



## 2.0 Long-Range Property Management Plan (PMP)

### Property #1: Flood Control Site



Parcel Data – Property #1	
<b>Address</b>	N/A
<b>APN</b>	033-050-23
<b>Lot Size</b>	12.43 acres
<b>Use</b>	This property is a vacant lot, the majority which contains a natural depression of approximately 3 feet in depth utilized as essential flood control public infrastructure supporting the surrounding property, including the planned Ridgecrest Business Park Redevelopment Project.
<b>Zoning</b>	Western ~6 acres: CS – Service Commercial (General Plan C – Commercial) Eastern ~6 acres: M1 – Light Industrial (General Plan I – Industrial)
<b>Current Title</b>	Ridgecrest Successor Agency

Acquisition & Valuation Information – Property #1	
<b>Purchase Date</b>	April 2003
<b>Purchase Price</b>	Former Redevelopment Agency property valued at \$163,097 was exchanged for the subject Property valued at \$245,025
<b>Funding Source</b>	Tax increment
<b>Purpose</b>	Acquired by the Ridgecrest Redevelopment Agency as essential flood control public infrastructure for surrounding property, including the planned Ridgecrest Business Park Redevelopment Project
<b>Estimate of Current Value</b>	\$0.00
<b>Method of Valuation</b>	Non-revenue generating public amenity

Revenues Generated by Property & Contractual Requirements – Property #1	
<b>No Revenues or Contractual Requirements</b>	There are currently no revenues generated by this property and no contractual requirements.

History of Environmental Contamination or Remediation Efforts – Property #1	
<b>None</b>	No known history of environmental contamination, designation, as Brownfield site, or remediation.

**Transit-Oriented Development & Agency Planning Objectives – Property #1**

<b>Potential for TOD</b>	Not applicable
<b>Agency Planning Objectives</b>	Utilizing the site as essential flood control public infrastructure meets a number of the Agency’s goals from the approved Five-Year Implementation Plan (adopted February 12, 2010), including Redevelopment Plan Goal #3 (“ACCESS” / Improve Community Facilities) and Redevelopment Plan Goal #4 (“GROW” / Cultivate New Investment). Additionally, public infrastructure on this property supports the planned Ridgecrest Business Park Redevelopment Project as explicitly characterized within the approved Five-Year Implementation Plan. <sup>1</sup>

**Brief History of Previous Development Proposals and Activities – Property #1**

<b>History</b>	There has been no notable development proposal activity or other activity in connection with this property since Agency acquisition.
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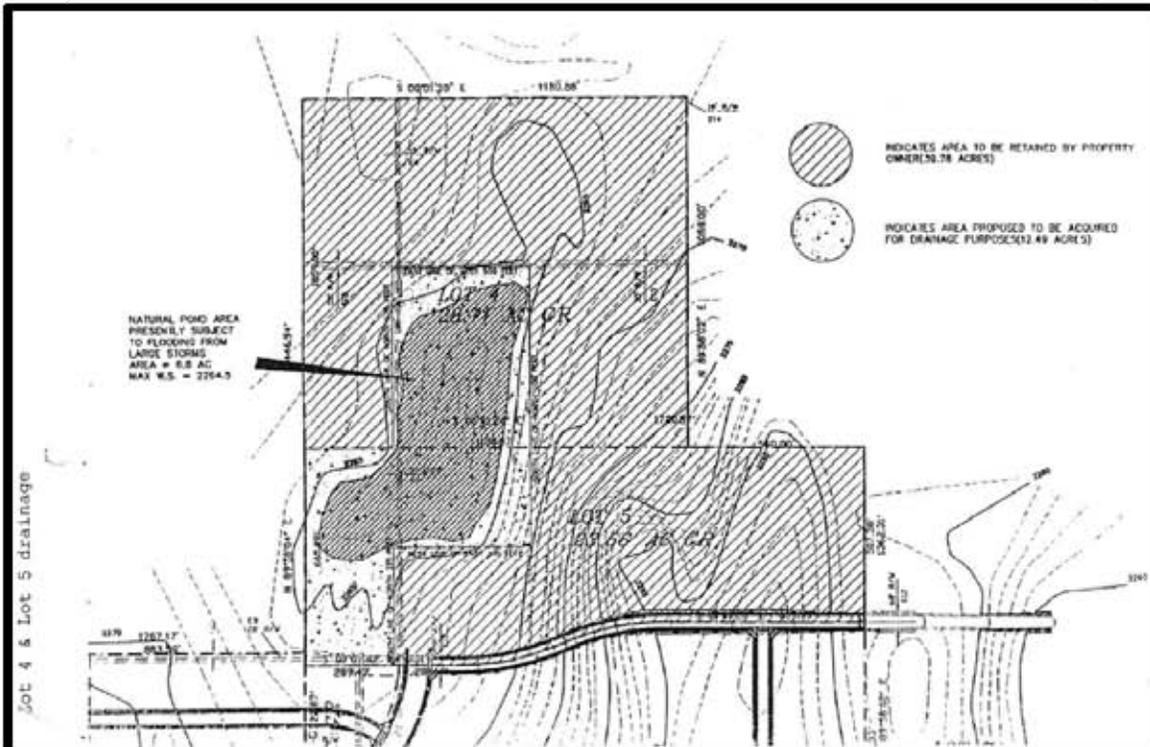
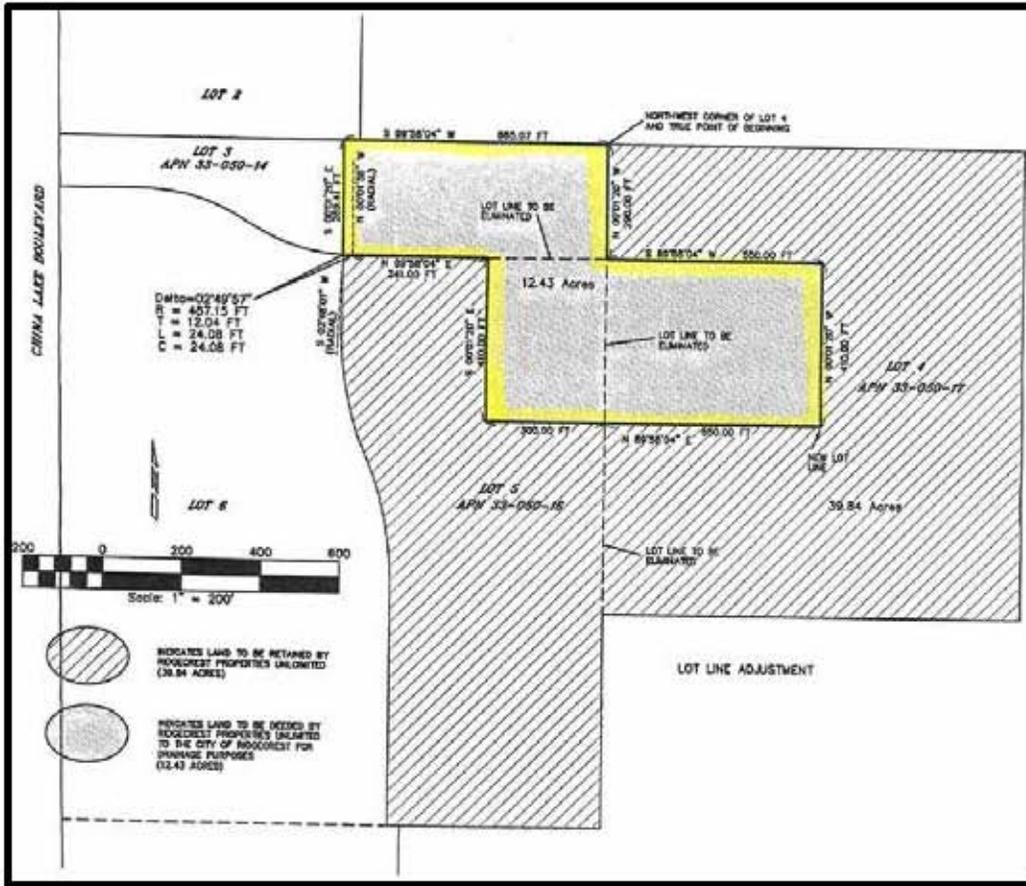
**Recommendation for Disposition – Property #1**

<b>Retain for Government Use</b>	Retention of the property by the City for government use is consistent with the goals in the approved City of Ridgecrest Redevelopment Agency Implementation Plan adopted February 12, 2010. Health and Safety Code Section 34181(a) allows for the City to retain title to property constructed and used for governmental purpose such as roads, school buildings, parks, police and fire stations, libraries, and local agency administrative buildings to the appropriate public jurisdiction pursuant to any existing agreements relating to the construction or use of such an asset.
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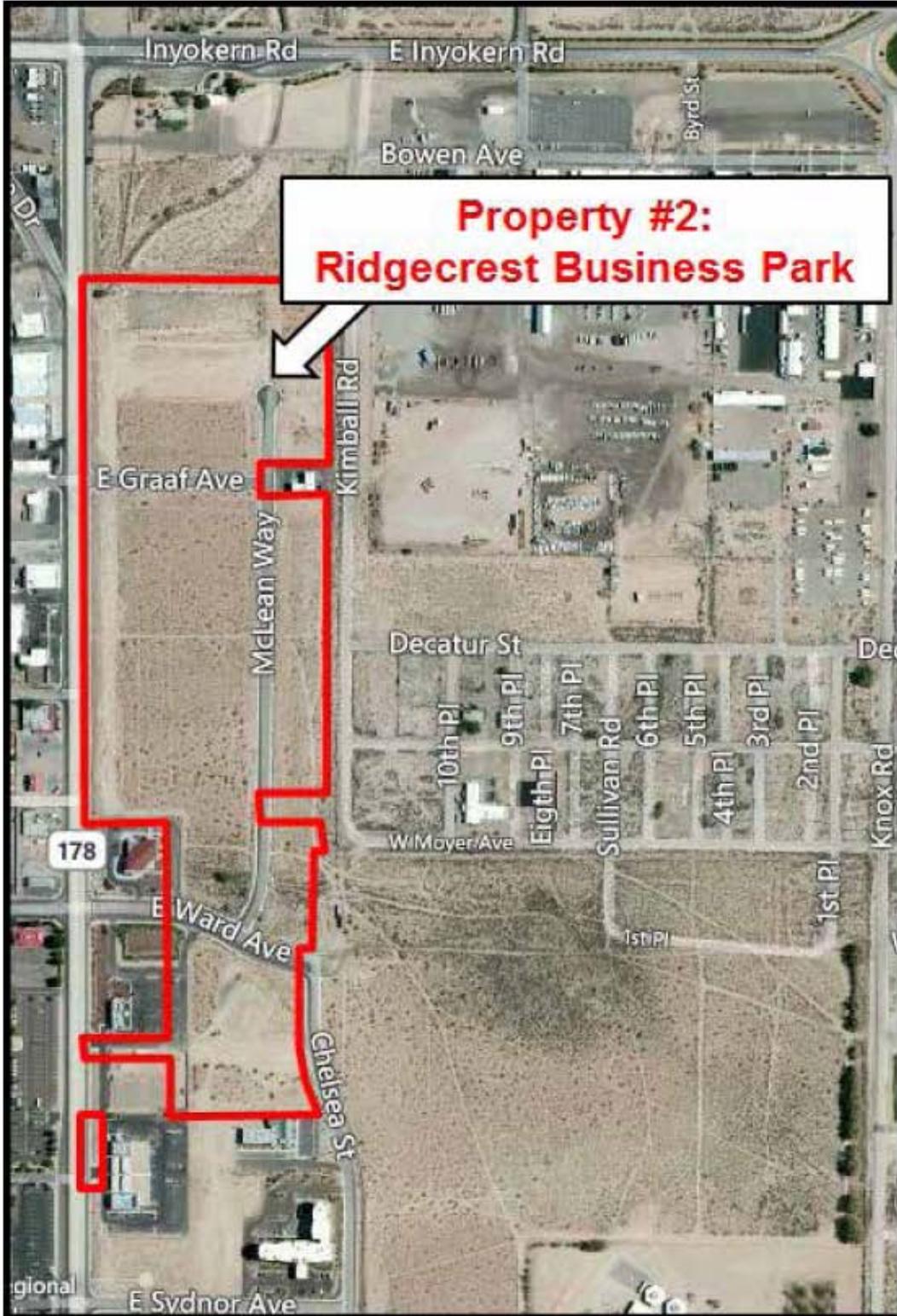
<sup>1</sup> See pages 4-5 of 17 of the approved City of Ridgecrest Redevelopment Project Implementation Plan (attached) for a list of goals and planned Redevelopment Projects for the Redevelopment Agency



The analyses, projections, assumptions, rates of return, and any examples presented herein are for illustrative purposes and are not a guarantee of actual and/or future results. Project pro forma and tax analyses are projections only. Actual results may differ materially from those expressed in this analysis.



**Property #2: Ridgecrest Business Park**



Parcel Data – Property #2	
<b>Address</b>	N/A
<b>APN</b>	033-070-01 through 03 033-070-05 through 12 033-070-14 through 16 033-070-28 through 36 033-070-41 (24 total parcels)
<b>Lot Size</b>	Approximately 36.1 acres
<b>Use</b>	This property is a vacant lot, designated for the planned Ridgecrest Business Park Redevelopment Project
<b>Zoning</b>	CS – Service Commercial (General Plan C – Commercial)
<b>Current Title</b>	Ridgecrest Successor Agency

Acquisition & Valuation Information – Property #2	
<b>-Purchase Date</b>	May 2000
<b>Purchase Price</b>	\$348,480 cash plus \$1,853,478 promissory note due to China Lake Properties limited partnership to be adjusted as delineated in Section 1.3 of attached Ridgecrest Business Park Purchase and Sale Agreement, including condition of sharing of 50% of sale proceeds from eventual sale of a portion of the property by the former Redevelopment Agency following development of the planned Ridgecrest Business Park Redevelopment Project.
<b>Funding Source</b>	Tax increment
<b>Purpose</b>	This property was acquired by the Ridgecrest Redevelopment Agency to implement a significant Business Park Redevelopment Project to facilitate investment and revitalization in this commercial and industrial area of the City.
<b>Estimate of Current Value</b>	\$1,853,478
<b>Method of Valuation</b>	Appraisal dated October 13, 2003

Revenues Generated by Property & Contractual Requirements – Property #2	
<b>Contractual Requirements Upon Sale of Property</b>	There are currently no revenues generated by this property. There are contractual requirements involving the sharing of sale proceeds generated by the eventual sale of the property by the former Redevelopment Agency following development of the planned Ridgecrest Business Park Redevelopment Project as delineated in Section 1.3 of attached Ridgecrest Business Park Purchase and Sale Agreement.

History of Environmental Contamination or Remediation Efforts – Property #2	
None	No known history of environmental contamination, designation as Brownfield site, or remediation.

**Transit-Oriented Development & Agency Planning Objectives – Property #2**

Potential for TOD	Not applicable
Agency Planning Objectives	<p>Development of the site as the Ridgecrest Business Park meets a number of the Agency’s goals from the approved Five-Year Implementation Plan (adopted February 12, 2010), including Redevelopment Plan Goal #1 (“CLEAN” / Update and Renovate) and Redevelopment Plan Goal #4 (“GROW” / Cultivate New Investment).</p> <p>More directly, the Ridgecrest Business Park Redevelopment Project is explicitly characterized within the approved Five-Year Implementation Plan as a planned implementation activity of the former Redevelopment Agency.<sup>2</sup></p>

**Brief History of Previous Development Proposals and Activities – Property #2**

History	Since Agency acquisition of this property in May 2000, the City has invested U.S. Economic Development Administration (EDA) grant funds of approximately \$1.7 million into public infrastructure (street) improvements on and surrounding the property.
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**Recommendation for Disposition – Property #2**

Retain for Future Development	Health and Safety Code Section 34191.5 (c) (2)(A) allows for the City to retain title to property for development that is included in an approved redevelopment plan. The future development of the property by the City is consistent with the approved Redevelopment Plan adopted February 12, 2010 as noted above.
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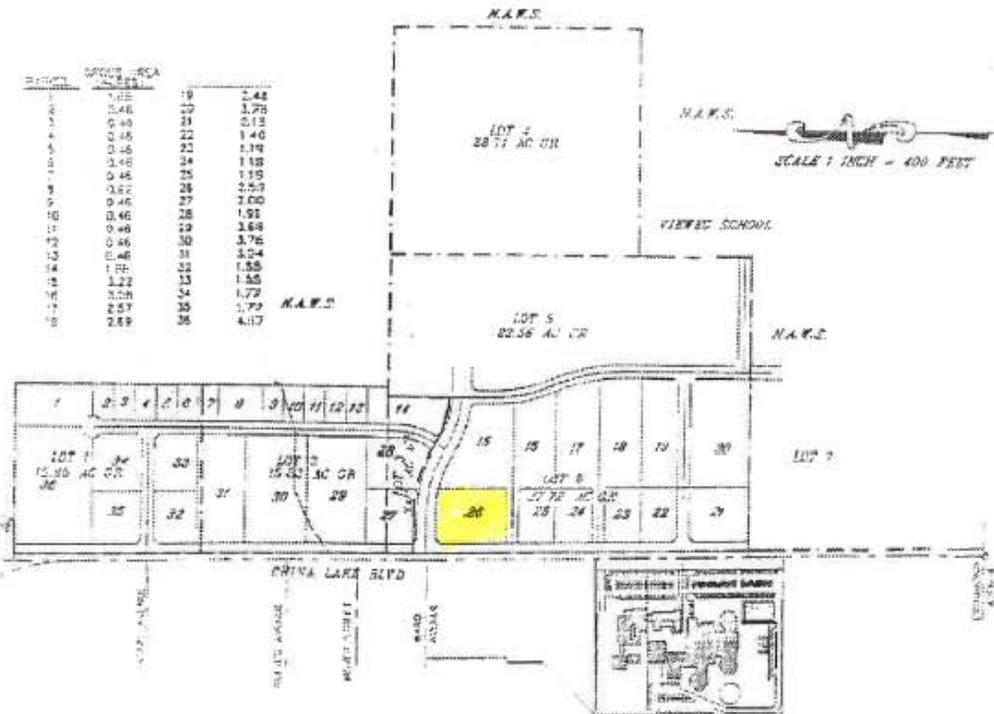
<sup>2</sup> See pages 4-5 of 17 of the approved City of Ridgecrest Redevelopment Project Implementation Plan (attached) for a list of goals and planned Redevelopment Projects for the Redevelopment Agency

"The Ridgecrest Business Park"

## The Ridgecrest Business Park

East side of N. China Lake Blvd.  
 At the north entrance to the City of Ridgecrest

A new 63 acre business, technology, and medical Business park  
 Opening Winter of 2001



**Property #3: 227 Desert Candles Street**





Parcel Data – Property #3	
<b>Address</b>	227 Desert Candles St.
<b>APN</b>	080-161-25
<b>Lot Size</b>	0.24 acres
<b>Use</b>	This property contains a vacant, dilapidated single family residential dwelling
<b>Zoning</b>	R-1 – Single Family Residential (General Plan RL – Residential Low)
<b>Current title</b>	Ridgecrest Successor Agency

Acquisition & Valuation Information – Property #3	
<b>Purchase Date</b>	October 1998
<b>Purchase Price</b>	\$1.00
<b>Funding Source</b>	Low Income Housing Set-Aside Funds
<b>Purpose</b>	Future low-income housing development
<b>Estimate of Current Value</b>	\$40,000
<b>Method of Valuation</b>	Comparable sales with consideration of significant rehabilitation costs necessary on the property

Revenues Generated by Property & Contractual Requirements – Property #3	
<b>No Revenues or Contractual Requirements</b>	There are currently no revenues generated by this property and there are no contractual requirements related to this property.
History of Environmental Contamination or Remediation Efforts – Property #3	
<b>None</b>	No known history of environmental contamination, designation as Brownfield site, or remediation.
Transit-Oriented Development & Agency Planning Objectives – Property #3	
<b>Potential for TOD</b>	Not applicable
<b>Agency Planning Objectives</b>	Future development of this property by a private third party as a residential project has potential to meet Redevelopment Plan Goal #6 (“LIVE” / Housing for All) from the approved Five-Year Implementation Plan (adopted February 12, 2010). <sup>3</sup>
Brief History of Previous Development Proposals and Activities – Property #3	
<b>History</b>	Purchased from U.S. Department of Housing and Urban Development (HUD) in 1998 for future low-income housing development. Multiple attempts were made to transfer to third parties for development; however dilapidated conditions and the presence of a pool on the property have made it difficult to facilitate development.
Recommendation for Disposition – Property #3	
<b>Liquidation</b>	Sale of property to developer or end-user for development consistent with Agency planning objectives for a sale price consistent with estimate of current value. Revenue generated from the sale of this property is proposed to be distributed to local taxing agencies pursuant to AB 1484.

<sup>3</sup> See pages 4-5 of 17 of the approved City of Ridgecrest Redevelopment Project Implementation Plan (attached) for a list of goals and planned Redevelopment Projects for the Redevelopment Agency

## **3.0 Attachments**

- A. Approved City of Ridgecrest Redevelopment Project Five-Year Implementation Plan (February 12, 2010)**
- B. Parcel Map – Ridgecrest Business Park**
- C. Purchase and Sale Agreement – Ridgecrest Business Park**

## **ATTACHMENT A:**

**Approved City of Ridgecrest Redevelopment  
Project Implementation Plan (February 12, 2010)**

# FIVE YEAR IMPLEMENTATION PLAN

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## RIDGECREST REDEVELOPMENT PROJECT

FY 2009-10 through 2013-14

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FEBRUARY 12, 2010



# RIDGECREST REDEVELOPMENT PROJECT

Five Year Implementation Plan: FY 2009-10 through 2013-14

## ABOUT THIS IMPLEMENTATION PLAN

In 1993, the State Legislature enacted Assembly Bill 1290 requiring all redevelopment agencies to adopt five year implementation plans and ten year housing compliance plans. In fulfillment of Article 16.5 of California Community Redevelopment Law ("CRL"), the Ridgecrest Redevelopment Agency ("Agency") has prepared this Implementation Plan for the Ridgecrest Redevelopment Project Area ("Implementation Plan"). This Implementation Plan is the Agency's fourth Implementation Plan and covers fiscal years 2009-10 through 2013-14. Included in this Implementation Plan are the Agency's anticipated redevelopment and affordable housing programs during the five year planning period.

This Implementation Plan conforms to the City's General Plan and has been prepared according to guidelines established in the programs and goals outlined in the Housing Element of the General Plan.

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# RIDGECREST REDEVELOPMENT PROJECT

Five Year Implementation Plan 2009-10 through 2013-14

## ABOUT THE PROJECT AREA

Who, What, When, Where, and Why

The City of Ridgecrest ("City") encompasses 13,691 acres in Kern County near the southern portion of the Indian Wells Valley. The City is surrounded by four mountain ranges: the Sierra Nevada on the west, the Cosos on the north, the Argus Range on the east, and the El Paso Mountains on the south. It is approximately 80 miles from the Lancaster/ Palmdale area and approximately 125 miles from both Bakersfield and San Bernardino, the three nearest major urban centers.

Prior to the establishment of the Naval Ordinance Test Station (NOTS) at China Lake in 1943, the community consisted of a few scattered farms and homesteads. Ridgecrest was founded in 1963, after development during the 1950s and 1960s housing and services for Federal employees and contractors. NOTS, later China Lake Naval Weapons Center (NWC) and now the China Lake Naval Air Weapons Station (NAWS), continue to be the major source of employment for Ridgecrest residents. At the same time NAWS depends increasingly upon Ridgecrest for services. The economic stability Ridgecrest has enjoyed as a service community for the NAWS has been essential to its successful emergence as a community in its own right.

On November 16, 1986, the City Council adopted the Ridgecrest Redevelopment Plan and Project Area. The Project Area represents 54 percent of the total city-wide acreage, with the remainder of the City's acreage falling within NAWS and several vacant lot on the outskirts of the City. The Project Area is generally bound by Inyokern Road to the north, the Kern County limit to the east, College Heights Boulevard to the south, and Mahan Street to the west. The Project Area encompasses approximately 7,405 acres and contains a mix of land uses, predominantly residential and governmental. Other uses within the Project Area include commercial, industrial, and other miscellaneous land uses.

Notable Timeframes and Limitations		Land Uses	Population
Redevelopment Plan	Adopted 11/16/1986 Expires 11/16/2027	7,405 Acres	26,767 People <sup>3</sup>
Final Date to Incur Indebtedness	None	<ul style="list-style-type: none"> <li>Commercial</li> <li>Government</li> <li>Industrial</li> <li>Miscellaneous</li> <li>Residential</li> <li>Vacant</li> </ul>	<ul style="list-style-type: none"> <li>White</li> <li>Black</li> <li>Asian/Pacific Islander</li> <li>Other</li> </ul>
Eminent Domain Authority	N/A		
Final Date to Collect Tax Increment Revenue	11/16/2037		
Annual Tax Increment Revenue Limit <sup>1</sup>	\$ 20,063,181		
Total Bonded Indebtedness Limit <sup>2</sup>	\$ 200,631,814		

<sup>1</sup> The annual Tax Increment Revenue Limit is adjusted annually by a Consumer Price Index (CPI) Inflationary factor. The Revenue Limit in 1986 was \$10,000,000.

<sup>2</sup> The Total Bonded Indebtedness Limit is adjusted annually by a Consumer Price Index (CPI) Inflationary factor. The Indebtedness Limit in 1986 was \$100,000,000.

<sup>3</sup> 2009 population estimate from ESRI, based on 2000 Census information. Hispanic/Latino is not considered a separate racial category by the Census Bureau. Of the 26,767 people in Ridgecrest, 5,062 (18.9%) identify themselves as being of Hispanic origin.



# RIDGECREST REDEVELOPMENT PROJECT

Five Year Implementation Plan 2009-10 through 2013-14

## REDEVELOPMENT PLAN GOALS

Community Reinvestment and Revitalization

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Adopted in 1986, the Redevelopment Plan establishes a variety of goals for redevelopment of the Project Area; these goals frame the near term redevelopment objectives for the Implementation Plan period. The Redevelopment Plan goals are listed below:



**CLEAN**

**Update and Renovate.** To stimulate and provide new private investment opportunities by revitalizing property characterized by deterioration or blight, and to encourage continued investment in the older commercial and industrial areas of the City. To remedy, remove and prevent blight and economic obsolescence.



**SHOP**

**Revitalize the Downtown.** Develop Ridgcrest as a regional center for shopping, business services, and a variety of recreational experiences by strengthening retail and other commercial functions.



**ACCESS**

**Improve Community Facilities.** To eliminate circulation problems through the reconstruction and improvement of existing streets in the project area. To improve inadequate public utilities, infrastructure and civic facilities which impair and, in some cases, prevent development allowed by the General Plan.



**GROW**

**Cultivate New Investment.** To remove physical restraints such as existing subdivision patterns which inhibit market forces for redevelopment or reuse. To provide for the expansion, renovation and relocation of businesses within the Project Area to enhance their economic viability.



**HELP**

**Encourage Participation.** Develop an effective local government that is responsive to the identified public service needs of the community, and maximize community participation in policy decisions. To encourage the cooperation and participation of residents, business, business persons, public agencies, and community organizations in the redevelopment process and activities.



**LIVE**

**Housing for All.** Facilitate provision of a range of housing by location, type, and price to meet the growth needs of the City. Promote affordable housing opportunities in compliance with the CRL and promote rehabilitation of the existing housing stock where appropriate.

# RIDGECREST REDEVELOPMENT PROJECT

Five Year Implementation Plan 2009-10 through 2013-14

## PROPOSED REDEVELOPMENT PROJECTS AND PROGRAMS

Five Year Work Program for Reinvestment & Revitalization

Over the next five years, the Agency plans to implement the following redevelopment projects and programs using available non-housing redevelopment funds. The list below describes the projects proposed, what blighting conditions would be eliminated, approximate costs, and the Redevelopment Plan goals that would be achieved<sup>1</sup>.

Project/Description	Preliminary Cost Estimates	Goals Achieved
<p><b>Ridgecrest Business Park</b>                      The Agency will promote the expansion of and upgrade local commercial facilities by providing funding for exterior and interior rehabilitation. The Agency will also fund the installation of a traffic signal at China Lake Blvd and Ward St. This project encompasses over 5.3 acres and contains 36 parcels located on North China Lake Boulevard.</p> <p>Completion of this program would address vacant buildings, low lease rates, and dilapidated buildings in the Project Area.</p> <p><i>Timeframe</i>.....2011-14</p>	<p>\$2,000,000</p>	 <p>GROW</p>  <p>CLEAN</p>
<p><b>Ridgecrest Industrial Park Development</b>                      The Agency will promote the conversion of an existing and planned 81-acre industrial park near West Inyokern Road and Mahan Street into a mixed use development featuring research and development, manufacturing, and commercial uses.</p> <p>Completion of this project would address high vacancy rates, low lease rates, factors hindering the viable use of buildings and parcels.</p> <p><i>Timeframe</i>.....2011-14</p>	<p>\$500,000</p>	 <p>GROW</p>  <p>CLEAN</p>
<p><b>Capital Infrastructure Improvements</b>                      Design and reconstruct infrastructure at West Ridgecrest Boulevard, College Height Street, and Norma Street. Projects will include traffic improvements, curbs, gutters, and sidewalks where necessary.</p> <p>Completion of these projects would address factors hindering the viable use of buildings or lots.</p> <p><i>Timeframe</i>.....2010-14</p>	<p>\$6,800,000</p>	 <p>ACCESS</p>  <p>GROW</p>

<sup>1</sup> Costs are subject to change, and completion of these projects may require future action by the Agency.

# RIDGECREST REDEVELOPMENT PROJECT

Five Year Implementation Plan 2009-10 through 2013-14

Project/Description	Preliminary Cost Estimates	Goals Achieved
<p><b>Corporate City Yard</b> Design and construction of a Corporate City Yard incorporating public works, street maintenance, central garage fleet operations, parks and recreation, transit and other ancillary operations to a central location.</p> <p>Completion of this project would facilitate development of inadequate lots and vacant properties.</p> <p><i>Timeframe</i>.....2010-12</p>	\$3,000,000	 CLEAN
<p><b>Agency Economic Development, Business Retention, and/or Incentive Grant Program</b> The Agency will provide grants and loans to provide development, relocation, or a loan funding aimed to increase jobs or employment opportunities within the City.</p> <p>Completion of this program will decrease business vacancies and increase low lease rates. It will also create and retain jobs within the Project Area.</p> <p><i>Timeframe</i>.....2010-14</p>	\$2,750,000	 CLEAN  GROW
<p><b>Agency Improvement, Façade, and Business Retention Olde Towne Enhancement Grant Program</b> The Agency may provide revolving loans to stimulate economic growth, business development, and business retention within the Project Area. Loan proceeds may be utilized to offset Development Impact Fees or Drainage and/or Traffic Fees for commercial, industrial, professional services, or retail properties.</p> <p>Completion of this program will decrease business vacancies and increase low lease rates. It will also create and retain jobs within the Project Area.</p> <p><i>Timeframe</i>.....2011-14</p>	\$1,000,000	 SHOP  CLEAN
<p><b>Civic Center Solar Realignment Energy Project</b> The Agency will participate in an alternative Solar Energy Project to install a .5 megawatt photo-voltaic facility to provide heating, air conditioning, and electrical power for the civic center and community center. The project will replace inefficient, aging, and overloaded systems with new energy efficient systems.</p> <p>Completion of this project will improve public facilities.</p> <p><i>Timeframe</i>.....2011-13</p>	\$500,000	 CLEAN

# RIDGECREST REDEVELOPMENT PROJECT

Five Year Implementation Plan 2009-10 through 2013-14

Project/Description	Preliminary Cost Estimates	Goals Achieved
<p><b>Parks and Recreation</b>                      The Agency will acquire land to expand the Kerr McGee Youth Sports Complex, and will fund the rehabilitation and construction of facilities, including playing fields, tennis courts, restrooms, concession stands, storage facilities, lighting, fencing, and parking at the Kerr McGee Youth Sports Facility and Jackson Sports Complex. The Agency will also conduct a Phase I study for the development of an aquatic park at a location to be determined.</p> <p>Completion of this project will provide public facilities and improve existing public facilities.</p> <p><i>Timeframe.....2011-15</i></p>	<p>\$4,935,000</p>	 GROW
<p><b>Other Redevelopment Initiatives</b></p> <p>Consistent with the Redevelopment Plan, the Agency anticipates pursuing additional projects including infrastructure, public facilities, and other non-residential projects.</p> <p>The purpose of these projects would be to eliminate persistent elements of blight in the Project Area.</p> <p><i>Timeframe.....2009-13</i></p>	<p>Contingent on available funding</p>	
<p><b>Total Preliminary Cost Estimate</b></p>	<p><b>\$21,485,000</b></p>	

# RIDGECREST REDEVELOPMENT PROJECT

Five Year Implementation Plan 2009-10 through 2013-14

## PROPOSED HOUSING PROJECTS AND PROGRAMS

Five Year Work Program for Building Community Assets

Over the next five years, the Agency plans to implement the following affordable housing projects and programs. The list below describes the projects proposed, what blighting conditions would be eliminated, approximate costs, and the Redevelopment Plan goals that would be achieved.

Project/Description	Preliminary Cost Estimates	Goals Achieved
<p><b>Ridgecrest Villa Apartments Conversion</b></p> <p>The Agency will enter into an affordable housing agreement with the owner of a 24-unit apartment complex on 1.2 acres located at 141 West Upjohn Avenue. The Agency will provide a loan for the rehabilitation and conversion of the units to affordable senior housing. The loan will be partially forgivable upon successful completion of the conversion.</p> <p>Completion of the project will create affordable housing.</p> <p><i>Timeframe</i>..... 2010-11</p>	<p>\$750,000</p>	 CLEAN  LIVE
<p><b>Briarwood Apartment Rehabilitation</b></p> <p>The Agency will provide financing to rehabilitate a 48-unit apartment complex and convert the units to income restricted housing featuring long-term affordability covenants. The project is located at 831 North Norma Street and encompasses approximately 2.5 acres.</p> <p>Completion of the project will create affordable housing.</p> <p><i>Timeframe</i>..... 2011</p>	<p>\$ 2,500,000</p>	 CLEAN  LIVE
<p><b>Apartment Construction on West Argus Avenue</b></p> <p>The Agency will help finance the development of a 50-unit apartment complex on a 3 acre parcel located along West Argus Avenue. The project will yield very low to moderate income rental housing units featuring 55 year affordability covenants.</p> <p>Completion of the project will create affordable housing.</p> <p><i>Timeframe</i>..... 2011-12</p>	<p>\$2,000,000</p>	 LIVE  HELP

# RIDGECREST REDEVELOPMENT PROJECT

Five Year Implementation Plan 2009-10 through 2013-14

<p><b>Workforce Multi-Family Housing Projects</b></p> <p>Workforce housing units are needed throughout the community to support the service sector employment base. The Agency will identify locations of parcels approximately 2.5 acres in size to develop approximately 50 units of workforce housing. The units are anticipated to be a rental product featuring 55 year affordability covenants.</p> <p>Completion of the project will create affordable housing.</p> <p><i>Timeframe</i>..... 2011-14</p>	<p>\$2,000,000</p>	 <p>LIVE</p>
<p><b>Infill Projects for Affordable Housing</b></p> <p>The Agency will identify opportunities to facilitate infill housing projects on vacant parcels in the Project Area, specifically near the Ridgecrest Heights area. The Agency anticipates the development of 50 low to moderate income housing units that will be sold and feature 45 year affordability covenants.</p> <p>Completion of this project will facilitate development of inadequate lots and vacant properties, and will create affordable housing.</p> <p><i>Timeframe</i>..... 2011-14</p>	<p>\$1,500,000</p>	 <p>LIVE</p>  <p>GROW</p>
<p><b>Habitat for Humanity</b></p> <p>The Agency is working with Habitat for Humanity to provide housing to low-income families in the Project Area. The Agency anticipates that 6 single family homes with 45 year affordability covenants will be developed over the next five years.</p> <p>Completion of this project will create affordable housing.</p> <p><i>Timeframe</i>..... 2011-14</p>	<p>\$115,000</p>	 <p>LIVE</p>  <p>HELP</p>
<p><b>First Time Homebuyers Program</b></p> <p>The Agency will assist up to 18 low and moderate income first-time homebuyers by providing \$7,500 in down payment assistance to qualified applicants.</p> <p>Completion of this project will help to eliminate the blighting condition of a prevalence of depreciated property values and will create affordable housing within the Project Area.</p> <p><i>Timeframe</i>..... 2011-14</p>	<p>\$135,000</p>	 <p>LIVE</p>  <p>HELP</p>
<p><b>Total Preliminary Cost Estimate</b></p>	<p><b>\$9,000,000</b></p>	

## RIDGECREST REDEVELOPMENT PROJECT

Five Year Implementation Plan 2009-10 through 2013-14

### AFFORDABLE HOUSING PROGRAM COMPLIANCE OBJECTIVES

Ten Year Outlook of Affordable Housing

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The CRL requires all redevelopment agencies to prepare and adopt affordable housing compliance plans for successive ten year cycles, and include updates corresponding with adoption of their five year implementation plans.

This section of the Implementation Plan addresses specific requirements in the CRL with respect to prior affordable housing activities and the anticipated housing program for the current Ten-year Compliance Period from fiscal years 2004-05 through 2013-14 ("Ten Year Planning Period"). Additionally, this section evaluates the Agency's affordable housing requirements for the life of the Redevelopment Plan.

Redevelopment agencies use implementation plans to establish ten year objectives to achieve compliance with the state law in its affordable housing programs. These housing goals generally fall into three categories:

- Housing Production – Based on the number of housing units constructed or substantially rehabilitated over a ten year period, a redevelopment agency must ensure that a percentage of these units are affordable to low and moderate income households.
- Replacement Housing – Another legal obligation for redevelopment agencies is to ensure that any housing units destroyed or removed as a result of an Agency redevelopment project are replaced within four years.
- Expenditures by Household Types – The law establishes specific requirements on the amount of housing set-aside funds an agency must spend over the Ten Year Planning Period on housing affordable to very low income households, low income households, and housing for residents under the age of 65.

The housing program goals are described in this report.

## **RIDGECREST REDEVELOPMENT PROJECT**

Five Year Implementation Plan 2009-10 through 2013-14

### **HOUSING PRODUCTION**

#### Estimated Production Needs

This section of the Implementation Plan identifies all new residential construction or substantial rehabilitation that has occurred within the Project Area since adoption of the Redevelopment Plan in order to determine affordable housing production needs. It accounts for past residential construction and substantial rehabilitation, and includes projections of new dwelling units that may be constructed or substantially rehabilitated during the current ten year planning period, which extends through June 30, 2014.

To date, the Agency has not directly developed or substantially rehabilitated housing units in the Project Area. However, per Section 33413(b) of the CRL, not less than 15 percent of the units produced by persons or entities other than the Agency must be affordable to low and moderate income households. In addition, not less than 40 percent of the required affordable units must be available to very low income households at an affordable housing cost. To satisfy the Agency's production requirements, new or substantially rehabilitated units must have recorded 55-year income restrictions or covenants for rental units and 45-year income restrictions or covenants for owner occupied units. The affordable housing units may be constructed inside or outside the Project Area, but units outside the Project Area may only be counted on a 2-for-1 basis. The Agency may also purchase affordability covenants on very-low or low-income multifamily units and received production credit for such purchases on a limited basis.

Table 1 summarizes the housing production activities within the Project Area, including the first five years of the Ten Year Planning Period, and identifies the projected production requirements for FY 2009-10 through 2013-14 of the Ten Year Planning Period, and over the life of the Redevelopment Plan. Historical construction and substantial rehabilitation statistics were provided by the State Department of Finance. The number of affordable units required is based on statutory thresholds, and the Agency is responsible for ensuring that the appropriate number of affordable units is created during the ten year planning period.

It should be noted that neither the existing housing units nor projections for future dwelling units include any units to be developed by the Agency. However, the Agency will continue to cooperate with and provide assistance and incentives to private developers, in order to fulfill the Agency's affordable housing production requirements.

## RIDGECREST REDEVELOPMENT PROJECT

Five Year Implementation Plan 2009-10 through 2013-14

Time Period	Actual/Assumed Housing Units Constructed and Substantially Rehabilitated in Project Area	Required Affordable Units <sup>1</sup>	
		Total	Very Low
<b>Inception to 1993-94</b>	<b>3,059</b>	<b>459</b>	<b>184</b>
<b>1994-95 to 2003-04</b>	<b>58</b>	<b>9</b>	<b>4</b>
<b>Ten Year Planning Period</b>	<b>1,492</b>	<b>224</b>	<b>90</b>
2004-05 to 2008-09 (Actual)	488	73	30
2009-10 to 2013-14 (Forecast)	1,004	151	60
<b>2014-15 to 2018-19 (Forecast)</b>	<b>1,197</b>	<b>180</b>	<b>72</b>
<b>2019-20 to End of Plan (Forecast)</b>	<b>2,152</b>	<b>323</b>	<b>129</b>
<b>Redevelopment Plan Duration (1986 to 2027)</b>	<b>7,958</b>	<b>1,195</b>	<b>479</b>
<b>Notes:</b>			
1/	All required units based on 15 percent of actual/assumed units developed by entities other than the Agency. No units developed by the Agency.		
<i>Sources: California Department of Finance, Kern KOG</i>			

In the current 2004-05 through 2013-14 planning period, actual and projected housing production is estimated to result in a need for 224 affordable units with 90 units affordable to very low income households. Over the duration of the Redevelopment Plan, the Agency is projected to need 1,195 affordable units of which 479 units must be affordable to very low income households.

The Agency has been able to obtain some of these affordable units to date, as discussed in the following section.

## RIDGECREST REDEVELOPMENT PROJECT

Five Year Implementation Plan 2009-10 through 2013-14

### Housing Production Fulfillment

Table 2 identifies the Agency's anticipated plans to meet identified production requirements for the Ten Year Planning Period, and over the life of the Redevelopment Plan.

Time Period	Units Required (from Table 1)		Units Produced		Additional Units Required		Net Surplus Units Produced <sup>1/</sup>	
	Total	Very Low	Total	Very Low	Total	Very Low	Total	Very Low
<b>10 Year Planning Period</b>	<b>224</b>	<b>90</b>	<b>0</b>	<b>0</b>	<b>224</b>	<b>90</b>	<b>0</b>	<b>0</b>
2004-05 to 2008-09(Actual) <sup>2/</sup>	73	30	0	0	73	30	0	0
2009-10 to 2013-14(Forecast)	151	60	0	0	151	60	0	0
2014-15 to 2018-19 (Forecast)	180	72	0	0	180	72	0	0
2019-20 to End of Plan (Forecast)	323	129	0	0	323	129	0	0
<b>Redevelopment Plan Duration <sup>3/</sup></b> (1986-2027)	<b>1,195</b>	<b>479</b>	<b>487</b>	<b>147</b>	<b>708</b>	<b>332</b>	<b>0</b>	<b>0</b>

**Notes:**

1/ The surplus affordable units in a 10-year period may be applied against the unit production requirements during the following ten-year compliance period, while any deficit affordable units must be first produced during the following ten-year compliance period.

2/ Affordable Units Required based on actual or estimated Total Units Produced during each planning period within the Project Area pursuant to CRL Section 33413 (b).

3/ Redevelopment Plan Duration totals include requirements and production from the periods between the Plan inception and 2003-04. All requirements from the 1994-95 to 2003-04 period have been fulfilled, and a surplus of 19 affordable units constructed during this time period may be used to address future needs. A deficit of 41 very low income units stemming from the pre-1994 period must be addressed before the end of the Plan Duration.

*Source: City of Ridgecrest Redevelopment Agency and California Department of Finance Housing Estimates.*

The Agency exceeded its affordable housing requirements during the 1994-95 to 2003-04 planning period, and carried a surplus of 19 total affordable units into the current Ten Year Planning Period. The surplus units may be used to help meet future requirements during any planning period until the end of the Redevelopment Plan duration. However, the Agency does have a deficit of 41 very low income units that was accumulated before 1994, when the obligation to fulfill housing requirements during each planning period came into effect. This deficit may be filled at any time prior to the end of the Redevelopment Plan duration.

During the first five years of the current Ten Year Planning Period (fiscal year 2004-05 through 2008-09), the Agency generated a requirement for 73 affordable units, of which 30 needed to be affordable to very low income households. During the remainder of the Ten Year Planning Period (fiscal year 2009-10 through 2013-14), the Agency is anticipated to incur a need for 151 inclusionary units, of which 60 need to be very low income units. To meet its estimated requirements for the Ten year Planning Period, over the next five years the Agency must produce 224 affordable units, of which 89 units must be affordable to very low income households.

## RIDGECREST REDEVELOPMENT PROJECT

Five Year Implementation Plan 2009-10 through 2013-14

From 2014-15 to the remaining life of the Redevelopment Plan, the Agency is projected to generate the need for 503 affordable units of which 201 need to be affordable to very low income households. Over the duration of the Plan, it is estimated that the Agency will generate the need for 1,195 affordable housing units, including 478 very low income units. Thus far, 487 total affordable housing units, including 147 very low income units, have been constructed in the Project Area.

### REPLACEMENT HOUSING NEEDS

The CRL requires that whenever dwelling units housing low and moderate income households are destroyed as part of an Agency project, the Agency is responsible for ensuring that an equivalent number of replacement units are constructed or substantially rehabilitated within four years. These units must provide at least the same number of bedrooms destroyed, and 100 percent of the replacement units must be affordable to the same income categories (i.e. very low, low, and moderate) as those removed. The Agency receives a full credit for replacement units created inside or outside the Project Area.

According to Agency records, no units have been destroyed by Agency activity. Additionally, no units are expected to be destroyed or removed as a part of an Agency project during the planning period or over the life of the Redevelopment Plan.

### LOW AND MODERATE INCOME HOUSING FUND

The Agency's primary source of funding for housing program implementation is the annual set-aside deposits of 20% of the Agency's total tax increment in the Low and Moderate Income Housing Fund ("Housing Fund"). The CRL requires that not less than 20% of all tax increment revenue allocated to the Agency must be used to increase, improve, and preserve the community's supply of housing available, at affordable housing cost, to persons and families of very low, low, and moderate incomes. Beginning July 1, 2009, the Agency had a Housing Fund balance of approximately \$4,901,910<sup>2</sup>. As shown in Table 3, it is estimated that the Agency will deposit an additional \$10,178,073 into the Housing Fund.

**Table 3: Estimated Housing Fund Deposits**

Fiscal Year	Estimated Deposit Amount	
	Annual	Cumulative
2009-10	\$ 1,971,970	\$ 1,971,970
2010-11	1,965,134	3,937,104
2011-12	2,021,967	5,959,071
2012-13	2,079,936	8,039,007
2013-14	2,139,065	10,178,073

*Source: RSG Tax Increment Projections*

#### Targeting of Housing Fund Expenditures

Effective January 1, 2002, expenditure of housing set-aside revenues is subject to certain legal requirements. At a minimum, the Agency's low and moderate income housing set-aside revenue is to be expended in proportion to the community's need for very low and low income housing, as well as the proportion of the low income population under the age of 65. New legal requirements took effect in 2006 that modified the previous limitation of spending Housing Fund monies on households under the age of 65. Section 33334.4(b) of the CRL formerly required that an agency spend its Housing Fund monies "in at least the same proportion as the low-income population under age 65 bears to the most recent census." The new statute provides a higher level of specificity to spend monies "in at least the same proportion as the number of low-income households with a member under age 65 bears to the total number of low-income households of the community as reported in the most recent census."

<sup>2</sup> Per Agency's Basic Financial Statements and Independent Auditors Report for the Fiscal Year Ended June 30, 2009.

## RIDGECREST REDEVELOPMENT PROJECT

Five Year Implementation Plan 2009-10 through 2013-14

The percentage of very low and low income household expenditure requirements are based on Kern County Association of Governments ("KCOG") Regional Housing Needs Assessment ("RHNA") requirements for the City of Ridgecrest for the planning period of January 1, 2006 through June 30, 2014. The percentage of low income households under the age of 65 is based on Comprehensive Housing Affordability Strategy<sup>3</sup> ("CHAS") reports of 2000 Census data as required by CRL Section 33334.4, enacted in 2005. Data relating to low income households under the age of 65 is not readily available from the Census. However, CHAS uses an extrapolation of Census data to calculate the number of low income households under the age of 62; which is the data that may be closest to that which is required by the CRL and used in this Plan.

Table 4 below presents the Agency's requirements over the Ten Year Planning Period for Housing Fund expenditures, from January 1, 2002 June 30, 2014.

Household Type	Minimum Percentage of Housing Fund Expenditures
Very Low Income Households	41%
Low Income Households	28%
Households Under Age 65	71%

*Source: ESRI Business Online, KCOG, HUD*

Between 2002 through 2006, the Agency's expenditures on non-senior housing were expected to be proportional to the prior requirement of 89 percent. However, for expenditures after 2006, including this implementation plan period, the minimum non-senior housing requirement is 71 percent of total Housing Fund expenditures. The minimum requirements for very-low and low income housing are 41 percent and 28 percent of total Housing Fund expenditures, respectively. Over the next five years of the compliance planning period available Housing Fund revenue must be allocated to meet these RHNA-based ratios.

### Housing Set-Aside Expenditures since January 2002

The proportionality requirements affect expenditures over a ten year period, although the law permits the compliance initially for a period beginning January 2002 and ending June 30, 2014. Table 5 below documents the amount of Housing Fund revenues used since January 2002 for these income categories. The Agency is required to fulfill its target requirements by FY 2013-14.

<sup>3</sup> Comprehensive Housing Affordability Strategy, "<http://socds.huduser.org/chas/index.htm>"

## RIDGECREST REDEVELOPMENT PROJECT

Five Year Implementation Plan 2009-10 through 2013-14

**Table 5: Expenditure Targeting Status - Actual and Planned Expenditures**

	Total <sup>1/</sup>	Very Low Income	Low Income	Households Under Age 65
<b>Expenditure Targeting Summary</b>				
Actuals (2001-02 through 2008-09)	\$ 687,433	\$ 64,551	\$ 559,132	\$ 212,433
Planned (2009-10 through 2013-14) <sup>2/</sup>	9,000,000	3,914,216	2,165,459	6,691,039
<b>Planning Period Projected Totals</b>	<b>9,687,433</b>	<b>3,978,767</b>	<b>2,724,591</b>	<b>6,903,472</b>
<b>Planning Period Targets <sup>3/</sup></b>	<b>100%</b>	<b>41%</b>	<b>28%</b>	<b>71%</b>

**Notes:**

- 1/ Also includes moderate income household and senior housing expenditures which are not subject to proportionality requirements.
- 2/ Planned expenditures based on projects listed in 2009-10 implementation plan and are subject to change.
- 3/ Targets based on estimates of planned expenditures and targeting percentages shown in Table 4. Actual targets are based on actual expenditures at the end of the 2001-02 - 2013-14 compliance period.

*Source: City of Ridgecrest financial statements and estimated housing fund expenditures*

The Agency spent \$64,551 on very low income households and \$559,132 on low income households during the 2001-02 through 2008-09 period. During this period, the Agency spent \$212,433 on households under age 65. Under current total planned expenditures, the Agency is required to spend at least \$3,914,216 on very low income housing, and \$2,165,459 on low income housing during the 2009-10 through 2013-14 period. The Agency must also spend \$6,691,039 on housing for households under age 65 during this period.

## RIDGECREST REDEVELOPMENT PROJECT

Five Year Implementation Plan 2009-10 through 2013-14

### Units Assisted by the Housing Fund

State law requires a recap of the affordable housing projects for families (households under the age of 65) assisted by the Housing Fund over the past implementation plan period. In addition the CRL requires a recap of affordable housing projects assisted by the Housing Fund. Table 6 below summarizes these statistics by project from 2002 through 2009 to account for affordable housing projects since proportionality requirements became effective.

Project/Location	Housing Set-Aside Expenditures	Units Assisted by Housing Set-Aside Fund (FY 2001-02 through 2008-09)					Total
		Extr. Low	Very Low	Low	Moderate		
<b>Family Projects</b>	<b>\$ 212,433</b> 31%	<b>0</b>	<b>27</b>	<b>49</b>	<b>40</b>	<b>116</b>	
First Time Homebuyer	\$ 15,000	0	26	19	15	60	
Ridgecrest Cares	\$ 32,433	0	1	9	0	10	
Desert Willows	\$ 75,000	0	0	15	0	15	
Habitat for Humanity	\$ 30,000	0	0	6	0	6	
Women's Shelter	\$ 60,000	0	0	0	25	25	
<b>Senior Projects</b>	<b>\$ 475,000</b> 69%	<b>0</b>	<b>3</b>	<b>23</b>	<b>0</b>	<b>26</b>	
High Desert Haven	\$ 475,000	0	3	23	0	26	
<b>Totals</b>	<b>\$ 687,433</b> 100%	<b>0</b>	<b>30</b>	<b>72</b>	<b>40</b>	<b>142</b>	

### Housing Units Constructed During Prior Implementation Plan Period without Using Housing Funds

No income-restricted housing units with affordability covenants were constructed in the Project Area without using Housing Funds during the prior Implementation Plan period.

## **ATTACHMENT B:**

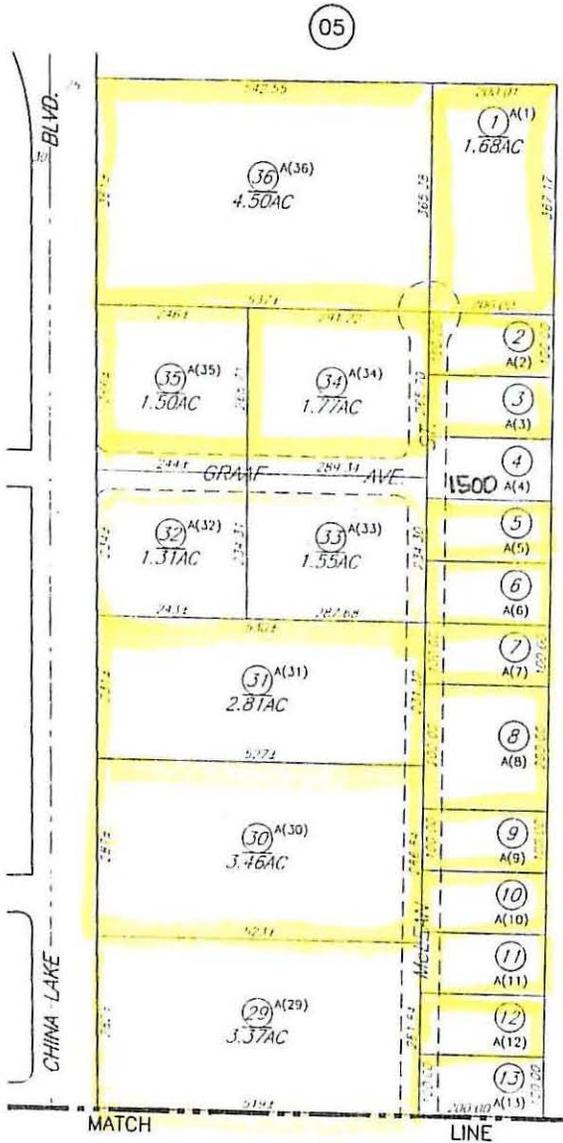
**Parcel Map – Ridgecrest Business Park**

033-07

PTN. E1/2 SEC. 27 T.26S. R.40E.

# RRSA Property List RBP Summary #2-24,31 Parcel Map 10819

033-07



BK. 419

LEGEND	
REVISED	June 7, 2011
JURISDICTION	CITY OF RIDGECREST
SUBD. KEY	
BLF	SUBD
A	PM 10819
B	LA #20420M059
C	LA 06-04
D	LA 07-08
E	PM 11806
LOT DESIGNATIONS	(AS PARENTHESES)
DISCLAIMER	This map is for assessment purposes only. It is not to be construed as portraying legal ownership or divisions of land for purposes of zoning or subdivision law.



BK. 421



ASSESSORS MAP NO. 033-07  
COUNTY OF KERN

08

## **ATTACHMENT C:**

**Purchase and Sale Agreement –  
Ridgecrest Business Park**

**Ridgecrest Business Park (RBP)  
Purchase Agreement and Escrow Instructions**

4/19/00

**AGREEMENT AND ESCROW INSTRUCTIONS FOR ACQUISITION OF REAL PROPERTY**

**THIS AGREEMENT AND ESCROW INSTRUCTIONS FOR SALE AND ACQUISITION OF REAL PROPERTY** (the "Agreement") is entered into by and between the Ridgecrest Redevelopment Agency, a public body corporate and politic, (hereinafter called "Agency"), and China Lake Properties, a California limited partnership (hereinafter called "China Lake") for acquisition by the Agency of certain real property hereinafter set forth and is made on the basis of the following facts, intentions and understandings.

**RECITALS**

**A.** China Lake is the present owner of that certain real property and the improvements located thereon (the "Property") located in Ridgecrest, California, (the "City") at Blocks 1000 through 1600 on the east side of China Lake Boulevard, and more particularly described in Exhibit "A" ("Legal Description"), which is attached hereto and incorporated herein by reference.

**B.** Agency desires to acquire the Property for purposes of redevelopment, including (a) the integration of all existing and proposed development into an overall business park for the area, maximizing and enhancing the existing amenities, (b) enhancing the area as a business park for the entire City and (c) providing for much needed commercial activity and growth within the community, and China Lake has agreed to sell, assign and transfer the Property on the terms and conditions set forth in this Agreement.

**AGREEMENT**

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

**1. Purchase and Sale of China Lake's Interest.** China Lake shall sell to Agency, and Agency shall purchase from China Lake, China Lake's Interest in the Property, which consists of a fee simple interest (subject to the exceptions to title as set forth in the title policy approved in writing by the Executive Director of the Agency, or his designee), for a Purchase Price calculated as follows: (i) the first eight (8) acres at zero; (ii) the next eight (8) acres (the first sixteen (16) acres being referred to as the "Group I Parcels") at one dollar (\$1.00) per square foot; (iii) the next twenty-one (21) acres (the "Group II Parcels") at one dollar (\$1.00) per square foot; and (iv) the balance of the Property (the "Group III Parcels") at fifty percent (50%) of the fair market value to be determined as provided in Section 1.3 hereof.

**1.1** The Purchase Price shall be paid part in cash, in an amount equal to \$348,480 (the "Cash Amount") and part in accordance with the terms of a promissory note in the initial amount of \$1,853,478.00 which amount is to be adjusted as provided in Section 1.3 (the "Note Amount") substantially in the form attached hereto as Exhibit "E" (the "Promissory Note") for purposes of this Agreement, the Purchase Price for the Group III Parcels has been set at \$1.00 per square foot, which amount will be adjusted as provided in Section 1.3. The Promissory Note shall be secured by a deed of trust on the Property (excluding therefrom the Group I Parcels and the Land Underlying the Proposed Rights-of-Way for the Improvements) in substantially the form attached hereto as Exhibit "F" (the "Deed of Trust"). The Land Underlying the Proposed Rights-of-Way which are to be excluded from the effect of the Deed of Trust are identified in Exhibit "A," and are subject to a

Power of Termination as defined in Civil Code section 885.010, et. sec., or successor provisions thereto, as more fully described in the Grant Deed referred to below).

1.2 The Promissory Note shall provide among other things that a pro-rata portion of the principal thereof shall be payable to China Lake upon close of escrow with respect to a sale or lease of any portion of the Group II Parcels or Group III Parcels. The portion of the Purchase Price to be paid with respect to any parcel shall be calculated on gross square foot basis and shall be measured as if the property extends to the centerline of any adjacent public right-of-way other than China Lake Boulevard. The Purchase Price for the Group II Parcels and the Land Underlying the Proposed Rights-of-Way shall be calculated based on \$1.00 per square foot and the Purchase Price with respect to the sale of the Group III Parcels (exclusive of the Land Underlying the Proposed Rights-of-Way) shall be calculated based on the adjusted amount as determined pursuant to Section 1.3 hereof.

1.3 The Purchase Price (and the Note Amount) with respect to the Group III Parcels has been set initially at \$1.00 per square foot and shall be adjusted upon the sale or lease of all of the Group I Parcels and Group II Parcels. The Agency shall provide written notice to China Lake of opening escrow with respect to the final parcel or parcels of the Group II Parcels. The parties shall then meet to establish the fair market value for the Group III Parcels. If an agreement cannot be reached as to fair market value, either party, or both, may obtain an appraisal from an MAI (or similarly qualified) appraiser and if an agreement cannot be reached, then the two appraisers shall select a third similarly qualified appraiser. Fair market value shall then be determined based on the average of the two closest appraised values. Each appraiser shall be instructed to assume completion of the Improvements. If China Lake fails to meet with the Agency or fails to obtain an appraisal as provided in this section, then fair market value of the Group III Parcels shall be determined based on the appraisal obtained by the Agency. In the event that all of the Group III Parcels have not been sold within three (3) years of the establishment of the adjusted Purchase Price for the acres and each three years thereafter, the Purchase Price shall be adjusted again in accordance with the above procedure for the then unsold Group III Parcels. For purposes of this section the fair market value of the Group III Parcels shall set with out regard to the Land Underlying the Proposed Rights-of-Way, which has been set at \$1.00 per square foot.

The Land Underlying the Proposed Rights-of-Way is subject to a Power of Termination, as defined by Civil Code section 885.010, et. sec., or successor provisions thereto, to the extent that the Improvements as defined in the Agreement to be constructed upon such land or portion thereof, are not completed. The exercise of the Power of Termination shall be identified by the commencement of a foreclosure proceeding, non-judicially by the recordation of a notice of default, or judicially by the filing of a complaint for judicial foreclosure. Further, the trustee's deed upon sale in a non-judicial foreclosure action or the entry of judgment in an action for judicial foreclosure shall be effective to transfer the title to the Land Underlying the Proposed Rights-of-Way then subject to the Power of Termination to the transferee identified in such trustee's deed or the such judgment or execution resulting therefrom. This Power of Termination shall not apply to any portion of the Land Underlying the Proposed Rights-of-Way upon which the Improvements have been completed.

2. **Closing.** This transaction shall close ("Closing") no later than April 28, 2000 (the "Outside Date"). The Closing shall occur at a location within Kern County at a time and place reasonably agreed on by the parties. The "Closing" shall mean the time and day the Grant Deed (referred to below) are filed for record with the Kern County Recorder. The "Closing Date" shall mean the day on which the Closing occurs.

3. **Conditions of Closing.** The Closing is conditioned upon:

(a) Conveyance to Agency of good and marketable title free of any and all interests, encumbrances, liens, easements, rights of possession, rights of approval by third parties as to the development of the Property or other clouds of title, except for such exceptions as set forth in the title insurance policy approved in writing by the Executive Director of the Agency, or his designee; and

(b) Delivery of a standard CLTA Owner's title insurance policy, at Agency's expense, subject only to such liens, encumbrances, clouds or conditions as may be approved in writing by Agency's Executive Director, or designee; and

(c) Satisfaction of all of the China Lake's obligations enumerated in Section 4 hereof; and

(d) Satisfaction of all of Agency's obligations in Section 5 hereof; and

(e) Agency's written approval of the Preliminary Title Report required under Section 9.2 of this Agreement; and

(f) Agency's environmental consultant, if any, providing to Agency evidence deemed sufficient by Agency, in writing that the Property is clear of hazardous contamination. The cost of said site investigation shall be at the expense of Agency; and

(g) China Lake's execution of an affidavit of exemption from the Foreign Investment in Real Property Tax Act ("FIRPTA"); and

The closing of escrow on the transaction shall be deemed a waiver of any unsatisfied condition. To the extent that any of the above conditions cannot be satisfied or waived, then this Agreement shall be terminated.

4. **China Lake's Obligations.** China Lake shall deliver to escrow on or before noon, five (5) business days after this Agreement is executed by Agency a grant deed signed by China Lake and notarized in the form of Exhibit "C" attached hereto and incorporated herein by this reference (the "Grant Deed").

5. **Agency's Obligations.** No later than 12:00 o'clock noon one business day before the anticipated Closing, Agency shall deliver to escrow the following:

(a) The Cash Amount; and

(b) The certificate of acceptance (Exhibit "D") signed by Agency's authorized representative in the form attached to the Grant Deed.

(c) The Promissory Note and the Deed of Trust signed by the Agency and notarized in the form of Exhibit "E" and Exhibit "F" attached hereto and incorporated herein by this reference.

**6. Representations and Warranties of China Lake.** China Lake represents and warrants to Agency as follows:

(a) China Lake is the owner of the Property and has full right, power, title and lawful authority to enter into this Agreement and to grant, sell and convey the Property as provided herein and, except as disclosed in writing by the China Lake to the Agency, China Lake has not entered into or executed any agreement or document which would transfer all or part of China Lake's interest in the Property to any third party; and

(b) There are no tenants or other persons who have a lawful interest in the Property; and

(c) Except as disclosed by the China Lake in writing to the Agency, there are no service contracts or other contracts affecting the Property; and

(d) To the best of China Lake's knowledge, there are no actions, suits, material claims, legal proceedings, or any other proceedings affecting the Property or any portion thereof, at law, or in equity before any court or governmental agency, domestic or foreign; and

(e) Until the closing, China Lake shall maintain the Property in such condition as existed on March 15, 2000, the date on which Agency conducted an inspection of the Property; and

(f) Until the closing, China Lake shall not do anything which would impair China Lake's title to any of the Property; and

(g) To the best of China Lake's knowledge, neither the execution of this Agreement nor the performance of the obligations herein will conflict with, or breach any of the provisions of any bond, note, evidence of indebtedness, contract, lease, or other agreement or instrument which affects the Property; and

(h) Until the closing, China Lake shall, upon learning of any fact or condition which would cause any of the warranties and representations in this Section 6 not to be true as of closing, immediately give written notice of such fact or condition to Agency; and

(i) China Lake is not a "foreign person" within the parameters of FIRPTA, or is exempt from the provisions of FIRPTA, or that China Lake has complied and will comply with all the requirements under FIRPTA.

The representations and warranties set forth in this Section 6 shall survive close of escrow.

**7. Intentionally Omitted.**

**8. Condition of the Property.**

**8.1 Hazardous Waste.** Neither China Lake nor, to the best of China Lake's knowledge, any previous owner, tenant, occupant, or user of the Property used, generated, released, discharged, stored, or disposed of any hazardous waste, toxic substances, or related materials ("Hazardous Materials") on, under, in, or about the Property, or transported any Hazardous Materials to or from the Property. China Lake shall not cause or permit the presence, use generation, release,

discharge, storage, or disposal of any Hazardous Materials on, under, in, or about, or the transportation of any Hazardous Materials to or from, the Property. The term "Hazardous Material" shall mean any substance, material, or waste which is or becomes regulated by any local governmental authority, the State of California, or the United States Government, including, but not limited to, any material or substance which is (i) defined as a "hazardous waste," "extremely hazardous waste," or "restricted hazardous waste" under Section 25115, 25117 or 25122.7, or listed pursuant to Section 25140 of the California Health and Safety Code, Division 20, chapter 6.5 (Hazardous Waste Control Law), (ii) defined as "hazardous substance" under Section 25316 of the California Health and Safety Code, Division 20, Chapter 6.8 (Carpenter-Presley-Tanner Hazardous Substance Account Act), (iii) defined as a "hazardous material," "hazardous substance," or "hazardous waste" under Section 25501 of the California Code of Regulations, Division 20, Chapter 6.95 (Hazardous Materials Release Response Plans and Inventory), (iv) defined as a "hazardous substance" under Section 25281 of the California Health and Safety Code, Division 20, Chapter 6.7 (Underground Storage of Hazardous Substances), (v) petroleum, (vi) asbestos, (vii) polychlorinated byphenyls, (viii) listed under Article 9 or defined as "hazardous" or extremely hazardous" pursuant to Article 11 of Title 22 of the California Administrative Code, Division 4, Chapter 20, (ix) designated as a "hazardous substances" pursuant to Section 311 of the Clean Water Act, (33 U.S.C. 51317), (x) defined as a "hazardous waste" pursuant to Section 1004 of the Resource Conservation and Recovery Act, 42 U.S.C. 56901 et seq. (42 U.S.C. 56903) or (xi) defined as a "hazardous substances" pursuant to Section 101 of the Comprehensive Environmental Response, Compensation, and Liability Act, 42. U.S.C. 56901 et seq. (42 U.S.C. 59601).

**8.2 Compliance with Environmental Laws.** To the best of China Lake's knowledge, the Property and its present use do not violate any applicable laws and governmental regulations including, without limitation, all applicable federal, state, and local laws pertaining to air and water quality, hazardous waste, waste disposal, and other environmental matters, including, but not limited to, the Clean Water, Clean Air, Federal Water Pollution Control, Solid Waste Disposal, Resource Conservation Recovery and Comprehensive Environmental Response Compensation and Liability Acts, and the California Environmental Quality Act, and the rules, regulations, and ordinances of the City within which the subject property is located, the California Department of Health Services, the Regional Water Quality Control Board, the State Water Resources Control Board, the Environmental Protection Agency, and all applicable federal, state, and local agencies and bureaus.

**8.3 Agency's Environmental Contingency.** This Agreement, or escrow created hereby, is additionally contingent upon the Agency receiving satisfactory evidence, in the form of an environmental assessment report, from a licensed contractor who is acceptable to the Agency in its sole and absolute discretion and who shall be hired by the Agency, showing that the Property is free from any Hazardous Materials in the soil or groundwater, or any other conditions which may affect the value of the Property. In the event the Agency is not able to obtain such an environmental assessment report, the Agency is entitled to conduct such further and other examination and testing as it or any other responsible governmental agency may require or request to determine the nature, source, scope, and extent of such Hazardous Materials, or it may cancel escrow. If a licensed contractor selected by the Agency determines that there are Hazardous Materials in, on or under the Property, including in the groundwater, then the Agency may elect to: (i) cancel escrow; or (ii) purchase the Property at the price agreed to herein. Regardless of which option is selected by the Agency in the event Hazardous Materials are found in, on or under the Property, neither party waives or relinquishes any common law or statutory rights it or they may have against one another or third persons arising from or related to the cause or source of the Hazardous Materials, or for contribution

or indemnity as a result of site evaluation, remediation and clean-up costs and liability. The Agency, at its option, may elect to remove or cause the removal of any Hazardous Waste; provided, that the costs incurred by the Agency shall be deducted from future sales proceeds of the Property prior to completing any calculations required by Section 1.1 until the Agency is fully reimbursed for such costs.

**9. Escrow.** Within five (5) days after the execution of this Agreement by Agency, the parties shall open escrow with an escrow company mutually agreeable to the Agency and China Lake (the "Escrow Agent").

**9.1 Escrow Fees, Charges and Costs.** Agency agrees to pay all of China Lake's and Agency's usual fees, charges, and costs which arise from escrow.

**9.2 Preliminary Title Report.** Promptly after the opening of escrow, Agency shall obtain a Preliminary Title Report on this Property issued by a title company selected by the Agency.

**10. Escrow Instructions.** This Agreement constitutes the joint escrow instructions of Agency and China Lake, and Escrow Agent to whom these instructions are delivered is hereby empowered to act under this Agreement. The parties hereto agree to do all acts necessary to close this escrow in the shortest possible time.

By noon, the last business day before Closing, Agency will deposit the certificate of acceptance with Escrow Agent. Agency agrees to deposit the Cash Amount together with the Promissory Note and Deed of Trust upon demand of Escrow Agent. Agency and China Lake agree to deposit with Escrow Agent any additional instruments as may be necessary to complete this transaction.

Insurance policies for fire or casualty, if any, are not to be transferred, and China Lake will cancel his own policies after the Closing.

All funds received in this escrow shall be deposited with other escrow funds in a general escrow account(s) and may be transferred to any other such escrow trust account in any state or national bank doing business in the State of California. All disbursements shall be made by check from such account. However, if escrow does not close within 2 business days from deposit of the Purchase Price, the funds shall be deposited into an interest bearing account with such interest accruing to the benefit of the Agency.

Escrow agent is instructed to release China Lake's escrow closing and Agency's escrow closing statement to the parties as identified in Section 15.4 of this Agreement.

Escrow Agent is authorized to, and shall:

(a) Pay and charge China Lake, with China Lake's prior written consent, for any amount necessary to place title in the condition necessary to satisfy Section 3 of this Agreement (Agency's sole remedy in the event that China Lake fails to agree to such payments or charges shall be termination of this agreement pursuant to section 11); and

(b) Pay and charge Agency for any escrow fees, charges, and costs payable under Section 9.1 and 9.2 of this Agreement; and

(c) Disburse funds, deliver, and record the Grant Deed and the Deed of Trust when conditions of this escrow have been fulfilled by Agency and China Lake; and

(d) Do such other actions as necessary, including obtaining policy of title insurance, to fulfill its obligations under this Agreement; and

(e) If the provisions of FIRPTA apply to the transaction memorialized in this Agreement, and unless China Lake is not a "foreign person" or an exemption applies, the Escrow Agent shall deduct and withhold from China Lake's proceeds ten percent (10%) of the gross sales price and shall otherwise comply with all applicable provisions of FIRPTA. China Lake and Agency agree to execute and deliver as directed by Escrow Agent any instrument, affidavit, and statement, and to perform any act reasonably necessary to comply with the provisions of FIRPTA and regulation promulgated thereunder. China Lake expressly agrees to execute a Certificate of Non-Foreign Status by individual transferor and/or a China Lake's Certification of Compliance with Real Estate Reporting Requirement of the 1986 Tax Reform Act as may be required by Escrow Agent, on the form to be supplied by Escrow Agent; and

(f) Prepare and file with all appropriate governmental or taxing authorities a uniform settlement statement, closing statement, tax withholding forms including an IRS 1099-S form, and be responsible for withholding taxes, if any such forms are provided for or required by law.

All time limits within which any matter herein specified is to be performed may be extended, but only by mutual agreement of the parties hereto, and by amendment of this Agreement. Any amendment of, or supplement to, this Agreement must be in writing, and signed by both parties, hereto.

#### **11. Termination.**

If (except for deposit of money by Agency, which shall be made by Agency upon demand of Escrow Agent before the Closing) escrow is not in condition to close by the Outside Date, then either party may give ten (10) days written notice to the other and if at the end of such notice period the escrow is not in a condition to close, such party may, in writing, demand the return of money or property and terminate this Agreement.

**12. Loss or Damage.** Loss or damage to the Property, by fire or other casualty, occurring prior to the recordation of the Grant Deed shall be at the risk of China Lake. In the event that loss or damage to the Property, by fire or other casualty, occurs prior to recordation of the Grant Deed, Agency may elect to require that the China Lake pay to Agency the proceeds of any insurance which may become payable to China Lake by reason thereof, or to permit such proceeds to be used for the restoration of the damage done, or to reduce the total price by an amount equal to the diminution in value of the Property by reason of such loss or damage or the amount of insurance payable to China Lake, whichever is greater.

**13. Construction of Improvements.** The Agency, at no cost to China Lake, will construct or cause the construction of all of the off-site public improvements required in connection with the development of the Property as described in Exhibit B (the "Improvements"). The Improvements shall be constructed in accordance with the Schedule attached hereto as part of Exhibit "B" (the "Schedule"). The Agency shall fund all of the construction of the Improvements,



including, without limitation, engineering and design services and marketing costs. Additionally, the Agency shall pay for the demolition and removal of any existing buildings or improvements on the Property prior the commencement of construction of the Improvements and shall comply with all mitigation measures required pursuant to the California Environmental Quality Act or other environmental review requirements. The Agency agrees to commence construction of the Improvements not later than March 15, 2002 and thereafter to proceed with reasonable diligence Improvements. The obligation of the Agency to proceed with the development of the Improvements shall be secured by a deed of trust in the form attached hereto as Exhibit "F."

**14. Sale or Lease of the Property.** The Agency agrees that it will use its best efforts to market and sell or lease the Property for the purpose of developing a business park. The Agency shall be solely responsible for determining to whom to sell or lease the Property and for what consideration. If all of the Property has not been sold or leased by the end of the tenth (10<sup>th</sup>) year following the Close of Escrow, the Agency agrees to sell all or any portion of the Property to a third party or parties identified in writing to the Agency by China Lake with a specific reference to exercise of the provisions of this Section 14; provided, that the Agency shall receive not less than one-half of fair market value of the portion of the Property being sold and that China Lake delivers a release of the Deed of Trust with respect to the portion of the Property being sold in exchange for payment to China Lake of the balance of the proposed purchase price.

**15. General Provisions.**

**15.1 Real Estate Brokerage Commission.** China Lake represents and warrants to the Agency that the Agency is not responsible for any broker's or finder's commission or finder's fee if any, in connection with this transaction, and agrees to defend and hold harmless the Agency from any claim to any such commission or fee resulting from any action on its part.

**15.2 Assignment.**

This Agreement shall be binding upon and shall inure to the benefit of Agency and China Lake and their respective heirs, personal representatives, successors and assigns.

Agency shall not assign this Agreement or any interest or right under this Agreement or under the escrow prior to the close of escrow without obtaining the prior written consent of China Lake. China Lake may not assign any of its rights pursuant to this Agreement without the written consent of the Agency. In no event shall any assignment relieve the assigning party of any of its obligations under this Agreement.

**15.3 Attorneys' Fees.** In any action between the parties to interpret, enforce, award, modify, rescind, or otherwise in connection with any of the terms or provisions of this Agreement, the prevailing party in the action shall be entitled, in addition to damages, injunctive relief, or any other relief to which it might be entitled to, reasonable costs and expenses including, without limitation, litigation costs and reasonable attorneys' fees.

**15.4 Approvals and Notices.** Any approval, disapproval, demand, document or other notice ("Notice") which either party may desire to give to the other party under this Agreement must be in writing and may be given by any commercially acceptable means to the party to whom the Notice is directed at the address of the party as set forth below, or at any other address as that party



may later designate by Notice. Any Notice given under this paragraph, whether personally or by mail, shall be deemed received only upon actual receipt by the intended party.

To China Lake: China Lake Properties  
5150 Savannah Drive  
Banning, California 92220  
Attention: Robert Menke

To Agency: Ridgecrest Redevelopment Agency  
100 W. California Avenue  
Ridgecrest, California 93555  
Attention: Executive Director

With Copies To: Stradling Yocca Carlson and Rauth  
660 Newport Center Drive, Suite 1600  
Newport Beach, California 92660  
Attention: David R. McEwen

**15.5 Jurisdiction and Venue.** This Agreement shall be construed under the laws of the State of California in effect at the time of the signing of this Agreement. The parties consent to the jurisdiction of the California courts with venue in Kern County.

**15.6 Titles and Captions.** Titles and captions are for convenience of reference only and do not define, describe or limit the scope or the intent of this Agreement or of any of its terms. Reference to section numbers are to sections in this Agreement, unless expressly stated otherwise.

**15.7 Interpretation.** As used in this Agreement, masculine, feminine or neuter gender and the singular or plural number shall each be deemed to include the others where and when the context so dictates. The word "including" shall be construed as if followed by the words "without limitation." This Agreement shall be interpreted as though prepared jointly by both parties.

**15.8 No Waiver.** A waiver by either party of a breach of any of the covenants, conditions or agreements under this Agreement to be performed by the other party shall not be construed as a waiver of any succeeding breach of the same or other covenants, agreements, restrictions or conditions of this Agreement.

**15.9 Modifications.** Any alteration, change or modification of or to this Agreement, in order to become effective, shall be made in writing and in each instance signed on behalf of each party.

**15.10 Severability.** If any term, provision, condition or covenant of this Agreement or its application to any party or circumstances shall be held, to any extent, invalid or unenforceable, the remainder of this Agreement, or the application of the term, provision, condition or covenant to persons or circumstances other than those as to whom or which it is held invalid or unenforceable, shall not be affected, and shall be valid and enforceable to the fullest extent permitted by law.



**15.11 Offer.** Any delivery of unsigned copies of this Agreement is solely for the purpose of review by the party to whom delivered, and neither the delivery nor any prior communications between the parties, whether oral or written, shall in any way be construed as an offer by Agency, nor in any way imply that Agency is under any obligation to enter the transaction which is the subject of this Agreement. The signing of this Agreement by China Lake constitutes an offer which shall not be deemed accepted by Agency unless and until buyer has signed this Agreement. This is not a binding agreement until and unless executed on behalf of Agency by its Executive Director or his designee after adoption of a resolution or minute action by the Agency.

**15.12 Right of Access.** Agency shall first be entitled to possession of the Property on and after the Closing Date. Prior to the Closing date, Agency, and its representatives, agents, employees, contractors and designees shall have the right of access to the Property at all reasonable times for the purpose of making necessary and appropriate inspections, tests, borings, samplings, surveys, etc. The Agency shall save and protect the China Lake against any liability and/or claims resulting from such access or use of the Property undertaken pursuant to this Section.

**15.13 Computation of Time.** The time in which any act is to be done under this Agreement is computed by excluding the first day (such as the day escrow opens), and including the last day, unless the last day is a holiday or Saturday or Sunday, and then that day is also excluded. The term "holiday" shall mean all holidays as specified in Section 6700 and 6701 of the California Government Code. If any act is to be done by a particular time during a day, that time shall be Pacific Time Zone time.

**15.14 Legal Advice.** Each party represents and warrants to the other the following: they have carefully read this Agreement, and in signing this Agreement, they do so with full knowledge of any right which they may have; they have received independent legal advice from their respective legal counsel as to the matters set forth in this Agreement, or have knowingly chosen not to consult legal counsel as to the matters set forth in this Agreement; and, they have freely signed this Agreement without any reliance upon any agreement, promise, statement or representation by or on behalf of the other party, or their respective agents, employees, or attorneys, except as specifically set forth in this Agreement, and without duress or coercion, whether economic or otherwise.

**15.15 Time of Essence.** Time is expressly made of the essence with respect to the performance by Agency and China Lake of each and every obligation and condition of this Agreement including, without limitation, the Closing.

**15.16 Cooperation.** Each party agrees to cooperate with the other in the Closing of this transaction and, in that regard, to sign any and all documents which may be reasonably necessary, helpful, or appropriate to carry out the purposes and intent of this Agreement including, but not limited to, releases or additional agreements.

**15.17 Records.** The Agency agrees that all business records relating to the park will be held in confidence to the extent permitted by law.

**16. Agreement in Total.**

**16.1 Merger of Prior Agreements and Understandings.** This Agreement contains the entire understanding between the parties relating to the transaction contemplated by this Agreement. All prior or contemporaneous agreements, understandings, representations and



statements, oral or written, are merged in this Agreement and shall be of no further force or effect. China Lake is entering this Agreement based solely upon the representations set forth herein and upon China Lake own independent investigation of any and all fact China Lake deems material.

**16.2 Counterparts.** This Agreement may be signed in multiple counterparts which, when signed by all parties, shall constitute a binding agreement.

**16.3 Exhibits Incorporated by Reference.** All exhibits attached to this Agreement are incorporated in this Agreement by this reference. This Agreement is executed in three (3) duplicate originals, each of which is deemed to be an original. This Agreement includes twelve (12) pages and six (6) exhibits including Exhibit "A," Legal Description; Exhibit "B," Agency Improvements; Exhibit "C," Grant Deed; Exhibit "D," Certificate of Acceptance; Exhibit "E," Promissory Note; and Exhibit "F," the Deed of Trust.

A handwritten signature in blue ink, appearing to be 'M. J. A.', is located at the bottom center of the page.

IN WITNESS WHEREOF, the Agency and the China Lake have signed this Agreement on the date set forth below:

**SELLER:**

**CHINA LAKE PROPERTIES**, a California limited partnership

Dated: 4-19, 2000

By: B. A. Menke  
Its: General Partner

**BUYER:**

**RIDGECREST REDEVELOPMENT AGENCY**, a public body, corporate and politic

Dated: \_\_\_\_\_, 2000

\_\_\_\_\_  
Executive Director

**ATTEST:**

\_\_\_\_\_  
Agency Secretary

IN WITNESS WHEREOF, the Agency and the China Lake have signed this Agreement on the date set forth below.

**SELLER:**

**CHINA LAKE PROPERTIES**, a California limited partnership

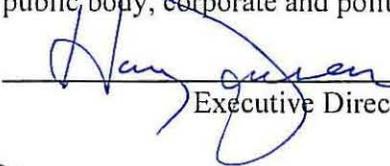
Dated: \_\_\_\_\_, 2000

By: \_\_\_\_\_  
Its: \_\_\_\_\_

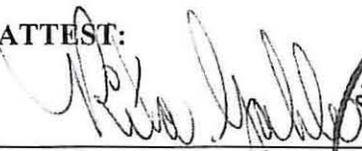
**BUYER:**

**RIDGECREST REDEVELOPMENT AGENCY**, a public body, corporate and politic

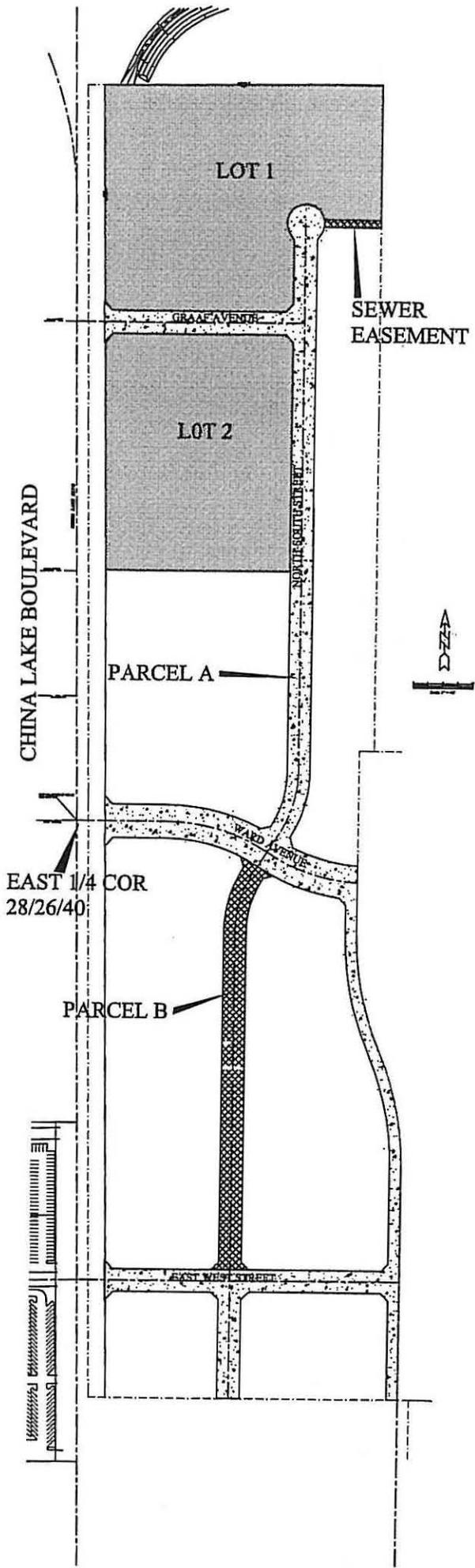
Dated: 4-26, 2000

  
\_\_\_\_\_  
Executive Director

**ATTEST:**

  
\_\_\_\_\_  
Agency Secretary





**EXHIBIT "A"**

**LEGAL DESCRIPTION**

PARCEL 1:

THOSE PORTIONS OF SECTION 27, TOWNSHIP 26 SOUTH, RANGE 40 EAST, M.D.B.M., IN THE CITY OF RIDGECREST, COUNTY OF KERN, STATE OF CALIFORNIA, AS PER THE OFFICIAL PLAT THEREOF, DESCRIBED AS FOLLOWS:

COMMENCING AT SAID POINT "A" AS DESIGNATED ON EXHIBIT "B" ATTACHED TO THE QUITCLAIM DEED EXECUTED BY THE UNITED STATES OF AMERICA IN FAVOR OF CHAPARRAL INVESTMENTS, A LIMITED PARTNERSHIP, RECORDED OCTOBER 3, 1983 IN BOOK 5594, PAGE 597 OF OFFICIAL RECORDS OF KERN COUNTY, CALIFORNIA, THENCE NORTH 00°28'10" WEST, 1375.259 FEET; THENCE NORTH 00°52'32" WEST, 3716.493 FEET TO THE TRUE POINT OF BEGINNING; THENCE NORTH 00°52'32" WEST, 883.557 FEET; THENCE NORTH 89°25'18" EAST, 787.555 FEET; THENCE SOUTH 00°03'57" EAST, 883.580 FEET; THENCE SOUTH 89°25'19" WEST, 755.068 FEET TO THE TRUE POINT OF BEGINNING.

PARCEL 2:

COMMENCING AT POINT "A", AS DESIGNATED ON EXHIBIT "B" ATTACHED TO QUITCLAIM DEED EXECUTED BY THE UNITED STATES OF AMERICA IN FAVOR OF CHAPARRAL INVESTMENTS, A LIMITED PARTNERSHIP, RECORDED OCTOBER 3, 1983 IN BOOK 5594, PAGE 597 OF OFFICIAL RECORDS OF KERN COUNTY, CALIFORNIA, THENCE NORTH 00°28'10" WEST, 1375.259 FEET; THENCE NORTH 00°52'32" WEST, 2840.196 FEET TO THE TRUE POINT OF BEGINNING; THENCE NORTH 00°52'32" WEST, 876.297 FEET; THENCE NORTH 89°25'29" EAST, 755.068 FEET; THENCE SOUTH 00°03'57" EAST, 883.585 FEET; THENCE SOUTH 89°58'04" WEST, 762.653 FEET TO THE TRUE POINT OF BEGINNING.

PARCEL 3

COMMENCING FOR A POINT OF REFERENCE AT THE POINT LABELED AS TRUE POINT OF BEGINNING FOR PARCEL B ON WESTERN DIVISION OF DEPARTMENT OF NAVY – NAVY FACILITIES COMMAND DRAWING NUMBER C-102522 DATED FEBRUARY 18, 1983, THE CALIFORNIA STATE PLANE COORDINATES, ZONE 5 FOR SAID POINT ARE N 111,952.404,E2,395,610,131 AS SHOWN ON SAID DRAWING C-102522, AS DESIGNATED ON EXHIBIT "B" ATTACHED TO QUITCLAIM DEED EXECUTED BY THE UNITED STATES OF AMERICA IN FAVOR OF CHAPARRAL INVESTMENTS, A LIMITED PARTNERSHIP, RECORDED OCTOBER 3, 1983 IN BOOK 5594, PAGE 597 OF OFFICIAL RECORDS OF KERN COUNTY; CALIFORNIA; THENCE ALONG THE FOLLOWING TWO COURSE(S); TO THE TRUE POINT OF BEGINNING OF THIS LEGAL DESCRIPTION; THENCE NORTH 00°28'10" WEST, A DISTANCE OF 1375.259 FEET; THENCE NORTH 00°52'32" WEST, A DISTANCE OF 2840.196 FEET; THENCE LEAVING SAID TRUE POINT OF BEGINNING ALONG THE FOLLOWING 6 COURSE(S); THENCE NORTH 89°58'04" EAST, A DISTANCE OF 722.65 FEET; THENCE SOUTH 00°03'57" EAST, A DISTANCE OF 290.00 FEET; THENCE

ALONG A CURVE WHOSE RADIUS POINT BEARS NORTH 00°01'56" WEST, WHOSE RADIUS 675.86 FEET THROUGH A CENTRAL ANGLE OF 22°10'04" TO A POINT WHICH BEARS SOUTH 22°08'08" WEST, FROM SAID RADIUS POINT; THENCE ALONG A CURVE WHOSE RADIUS POINT BEARS SOUTH 22°08'08" WEST, WHOSE RADIUS IS 675.86 FEET THROUGH A CENTRAL ANGLE OF 22°10'04" TO A POINT WHICH BEARS NORTH 00°01'56" WEST, FROM SAID RADIUS POINT; THENCE SOUTH 89°58'04" WEST, A DISTANCE OF 210 FEET; THENCE NORTH 00°52'32" WEST, A DISTANCE OF 190.11 FEET TO THE TRUE POINT OF BEGINNING.

PARCEL 4:

COMMENCING FOR A POINT OF REFERENCE AT THE POINT LABELED AS TRUE POINT OF BEGINNING FOR PARCEL B ON WESTERN DIVISION OF DEPARTMENT OF NAVY – NAVY FACILITIES COMMAND DRAWING NUMBER C-102522 DATED FEBRUARY 18, 1983, THE CALIFORNIA STATE PLANE COORDINATES, ZONE 5 FOR SAID POINT ARE N 111,952.404, E 2,395,610.131 AS SHOWN ON SAID DRAWING C-102522, AS DESIGNATED ON EXHIBIT "B" ATTACHED TO QUITCLAIM DEED EXECUTED BY THE UNITED STATES OF AMERICA IN FAVOR OF CHAPARRAL INVESTMENTS, A LIMITED PARTNERSHIP, RECORDED OCTOBER 3, 1983 IN BOOK 5594, PAGE 597 OF OFFICIAL RECORDS OF KERN COUNTY; CALIFORNIA; THENCE LEAVING SAID TRUE POINT OF BEGINNING ALONG THE FOLLOWING 2 COURSE(S): THENCE NORTH 00°28'10" WEST, A DISTANCE OF 1375.259 FEET; THENCE NORTH 00°52'32" WEST, A DISTANCE OF 1119.132 FEET; THENCE LEAVING SAID TRUE POINT OF BEGINNING ALONG THE FOLLOWING 9 COURSE(S); THENCE NORTH 00°52'32" WEST, A DISTANCE OF 1530.958 FEET; THENCE NORTH 89°58'04" EAST, A DISTANCE OF 210 FEET; THENCE ALONG A CURVE WHOSE RADIUS POINT BEARS SOUTH 00°01'56" EAST, WHOSE RADIUS IS 675.86 FEET THROUGH A CENTRAL ANGLE 22°10'04" TO A POINT WHICH BEARS NORTH 22°08'08" EAST, FROM SAID RADIUS POINT, THENCE ALONG A CURVE WHOSE RADIUS POINT BEARS NORTH 22°08'08" EAST WHOSE RADIUS IS 675.86 FEET THROUGH A CENTRAL ANGLE OF 22°10'04" TO A POINT WHICH BEARS SOUTH 00°01'56" EAST, FROM SAID RADIUS POINT; THENCE SOUTH 00°01'02" EAST, A DISTANCE OF 620.00 FEET; THENCE SOUTH 89°58'02" WEST, A DISTANCE OF 824.93 FEET; TO THE TRUE POINT OF BEGINNING.



ATTACHMENT A

PROPERTY DESCRIPTION

PARCEL 1:

THOSE PORTIONS OF SECTION 27, TOWNSHIP 26 SOUTH, RANGE 40 EAST, M.D.B.M., IN THE CITY OF RIDGECREST, COUNTY OF KERN, STATE OF CALIFORNIA, AS PER THE OFFICIAL PLAT THEREOF, DESCRIBED AS FOLLOWS:

COMMENCING AT SAID POINT "A" AS DESIGNATED ON EXHIBIT "B" ATTACHED TO THE QUITCLAIM DEED EXECUTED BY THE UNITED STATES OF AMERICA IN FAVOR OF CHAPARRAL INVESTMENTS, A LIMITED PARTNERSHIP, RECORDED OCTOBER 3, 1983 IN BOOK 5594, PAGE 597 OF OFFICIAL RECORDS OF KERN COUNTY, CALIFORNIA, THENCE NORTH 00°28'10" WEST, 1375.259 FEET; THENCE NORTH 00°52'32" WEST, 3716.493 FEET TO THE TRUE POINT OF BEGINNING; THENCE NORTH 00°52'32" WEST, 883.557 FEET; THENCE NORTH 89°25'18" EAST, 787.555 FEET; THENCE SOUTH 00°03'57" EAST, 883.580 FEET; THENCE SOUTH 89°25'19" WEST, 755.068 FEET TO THE TRUE POINT OF BEGINNING.

PARCEL 2:

COMMENCING AT POINT "A", AS DESIGNATED ON EXHIBIT "B" ATTACHED TO QUITCLAIM DEED EXECUTED BY THE UNITED STATES OF AMERICA IN FAVOR OF CHAPARRAL INVESTMENTS, A LIMITED PARTNERSHIP, RECORDED OCTOBER 3, 1983 IN BOOK 5594, PAGE 597 OF OFFICIAL RECORDS OF KERN COUNTY, CALIFORNIA, THENCE NORTH 00°28'10" WEST, 1375.259 FEET; THENCE NORTH 00°52'32" WEST, 2840.196 FEET TO THE TRUE POINT OF BEGINNING; THENCE NORTH 00°52'32" WEST, 876.297 FEET; THENCE NORTH 89°25'29" EAST, 755.068 FEET; THENCE SOUTH 00°03'57" EAST, 883.585 FEET; THENCE SOUTH 89°58'04" WEST, 762.653 FEET TO THE TRUE POINT OF BEGINNING.

PARCEL 3

COMMENCING FOR A POINT OF REFERENCE AT THE POINT LABELED AS TRUE POINT OF BEGINNING FOR PARCEL B ON WESTERN DIVISION OF DEPARTMENT OF NAVY - NAVY FACILITIES COMMAND DRAWING NUMBER C-102522 DATED FEBRUARY 18, 1983, THE CALIFORNIA STATE PLANE COORDINATES, ZONE 5 FOR SAID POINT ARE N 111,952.404,E2,395,610,131 AS SHOWN ON SAID DRAWING C-102522, AS DESIGNATED ON EXHIBIT "B" ATTACHED TO QUITCLAIM DEED EXECUTED BY THE UNITED STATES OF AMERICA IN FAVOR OF CHAPARRAL INVESTMENTS, A LIMITED PARTNERSHIP, RECORDED OCTOBER 3, 1983 IN BOOK 5594, PAGE 597 OF OFFICIAL RECORDS OF KERN COUNTY; CALIFORNIA; THENCE ALONG THE FOLLOWING TWO COURSE(S); TO THE TRUE POINT OF BEGINNING OF THIS LEGAL DESCRIPTION; THENCE NORTH 00°28'10" WEST, A DISTANCE OF 1375.259 FEET; THENCE NORTH 00°52'32" WEST, A DISTANCE OF 2840.196 FEET; THENCE LEAVING SAID TRUE POINT OF BEGINNING ALONG THE FOLLOWING 6 COURSE(S); THENCE NORTH 89°58'04" EAST, A DISTANCE OF 722.65 FEET; THENCE SOUTH 00°03'57" EAST, A DISTANCE OF 290.00 FEET; THENCE ALONG A CURVE WHOSE RADIUS POINT BEARS NORTH 00°01'56" WEST, WHOSE



RADIUS 675.86 FEET THROUGH A CENTRAL ANGLE OF 22°10'04" TO A POINT WHICH BEARS SOUTH 22°08'08" WEST, FROM SAID RADIUS POINT; THENCE ALONG A CURVE WHOSE RADIUS POINT BEARS SOUTH 22°08'08" WEST, WHOSE RADIUS IS 675.86 FEET THROUGH A CENTRAL ANGLE OF 22°10'04" TO A POINT WHICH BEARS NORTH 00°01'56" WEST, FROM SAID RADIUS POINT; THENCE SOUTH 89°58'04" WEST, A DISTANCE OF 210 FEET; THENCE NORTH 00°52'32" WEST, A DISTANCE OF 190.11 FEET TO THE TRUE POINT OF BEGINNING.

**PARCEL 4:**

COMMENCING FOR A POINT OF REFERENCE AT THE POINT LABELED AS TRUE POINT OF BEGINNING FOR PARCEL B ON WESTERN DIVISION OF DEPARTMENT OF NAVY – NAVY FACILITIES COMMAND DRAWING NUMBER C-102522 DATED FEBRUARY 18, 1983, THE CALIFORNIA STATE PLANE COORDINATES, ZONE 5 FOR SAID POINT ARE N 111,952.404,E2,395,610.131 AS SHOWN ON SAID DRAWING C-102522, AS DESIGNATED ON EXHIBIT "B" ATTACHED TO QUITCLAIM DEED EXECUTED BY THE UNITED STATES OF AMERICA IN FAVOR OF CHAPARRAL INVESTMENTS, A LIMITED PARTNERSHIP, RECORDED OCTOBER 3, 1983 IN BOOK 5594, PAGE 597 OF OFFICIAL RECORDS OF KERN COUNTY; CALIFORNIA; THENCE LEAVING SAID TRUE POINT OF BEGINNING ALONG THE FOLLOWING 2 COURSE(S): THENCE NORTH 00°28'10" WEST, A DISTANCE OF 1375.259 FEET; THENCE NORTH 00°52'32" WEST, A DISTANCE OF 1119.132 FEET; THENCE LEAVING SAID TRUE POINT OF BEGINNING ALONG THE FOLLOWING 9 COURSE(S); THENCE NORTH 00°52'32" WEST, A DISTANCE OF 1530.958 FEET; THENCE NORTH 89°58'04" EAST, A DISTANCE OF 210 FEET; THENCE ALONG A CURVE WHOSE RADIUS POINT BEARS SOUTH 00°01'56" EAST, WHOSE RADIUS IS 675.86 FEET THROUGH A CENTRAL ANGLE 22°10'04" TO A POINT WHICH BEARS NORTH 22°08'08" EAST, FROM SAID RADIUS POINT, THENCE ALONG A CURVE WHOSE RADIUS POINT BEARS NORTH 22°08'08" EAST WHOSE RADIUS IS 675.86 FEET THROUGH A CENTRAL ANGLE OF 22°10'04" TO A POINT WHICH BEARS SOUTH 00°01'56" EAST, FROM SAID RADIUS POINT; THENCE SOUTH 00°01'02" EAST, A DISTANCE OF 620.00 FEET; THENCE SOUTH 89°58'02" WEST, A DISTANCE OF 824.93 FEET; TO THE TRUE POINT OF BEGINNING.

**BUT EXCLUDING THEREFROM THE FOLLOWING:**

**LOT 1**

Beginning at a point of reference at the East quarter corner of Section 28 T 26 S R 40 E from whence the southeast corner of said section bears S 00d 52' 32" E thence N 00d 44' 24" W a distance of 1321.99' thence N 89d 56' 03" E a distance of 75.01' thence N 00d 52' 32" W a distance of 49.72' to the true point of beginning;

thence S 45d 28'14" E a distance of 28.08' to a point thence N 89d 56'03" E a distance of 464.38' to a point thence N 44d 56'03" E a distance of 28.28' to a point thence N 00d 03'57" W a distance of 164.71' to a point around a curve to the left through a central angle of 42d 50'00" an arc distance of 18.69' a chord bearing of N 21d 28'57" W a distance of 18.26' to a point around a curve to the right through a central angle of 222d 50'00" an arc distance of 194.46' a chord bearing of N 68d 31'03" E a distance of 93.09' to a point thence N 89d 56'03" E a distance of 150.00' to a point thence N 00d 03'57" W a distance of 367.17' to a point thence S 89d 25'19" W a distance of 742.90' to a point thence S 00d 54'34" E a distance of 576.57'



to the Point of Beginning  
Containing 383659.1010 square feet or 8.8076 acres more or less.

#### LOT 2

Beginning at a point of reference at the East quarter corner of Section 28 T 26 S R 40 E from whence the southeast corner of said section bears S 00d 52' 32" E thence N 00d 44' 24" W a distance of 1321.99' thence N 89d 56' 03" E a distance of 75.01' thence S 00d 52' 32" E a distance of 50.29' to the true point of beginning;

thence S 00d 52'32" E a distance of 608.68' to a point thence N 89d 58'03" E  
a distance of 494.36' to a point thence N 00d 03'57" W a distance of 609.19' to a point  
thence N 45d 03'57" W a distance of 28.28' to a point thence S 89d 56'03" W  
a distance of 462.97' to a point thence S 44d 31'46" W a distance of 28.48' to a point  
to the Point of Beginning

Containing 313364.0132 square feet or 7.1938 acres more or less.

#### SEWER EASEMENT

A 20' wide easement for sewer purposes, 10' on either side of said line

Beginning at a point of reference at the East quarter corner of Section 28 T 26 R 40 from whence the southeast corner of said section bears S 00d 52' 32" E ;

thence N 00d 52'32" W a distance of 1324.57' to a point thence N 89d 56'03" E  
a distance of 608.68' to a point thence N 00d 03'57" W a distance of 265.70' to a point  
thence N 89d 56'03" E a distance of 50' to the Point of Beginning a point thence N 89d 56'03" E  
a distance of 150' to a point.

End of description.

## LAND UNDERLYING PROPOSED RIGHTS-OF-WAY

### PARCEL A (Phase I Improvements)

Beginning at a point of reference at the East quarter corner of Section 28 T 26 S R 40 E from whence the southeast corner of said section bears S 00d 52' 32" E thence continuing to the true point of beginning;

thence S 00d 52'32" E a distance of 65.30' to a point thence N 44d 32'46" E a distance of 28.49' to a point thence N 89d 58'04" E a distance of 144.04' to a point around a curve to the right through a central angle of 33d 18'16" an arc distance of 257.01' a chord bearing of S 73d 22'48" E a distance of 253.41' to a point around a curve to the left through a central angle of 25d 29'59" an arc distance of 236.84' a chord bearing of S 69d 28'40" E a distance of 234.89' to a point thence S 41d 07'30" E a distance of 26.30' to a point thence S 00d 01'20" E a distance of 79.94' to a point around a curve to the left through a central angle of 23d 36'48" an arc distance of 326.61' a chord bearing of S 11d 49'44" E a distance of 324.30' to a point around a curve to the right through a central angle of 23d 36'48" an arc distance of 301.88' a chord bearing of S 11d 49'44" E a distance of 299.75' to a point thence S 00d 01'24" E a distance of 257.72' to a point thence S 44d 58'19" W a distance of 28.28' to a point thence S 89d 58'02" W a distance of 715.32' to a point thence N 45d 27'15" W a distance of 28.08' to a point thence S 00d 52'32" E a distance of 100.01' to a point thence N 44d 32'45" E a distance of 28.49' to a point thence N 89d 58'02" E a distance of 261.92' to a point thence S 45d 00'58" E a distance of 28.29' to a point thence S 00d 00'01" W a distance of 262.27' to a point thence N 89d 58'02" E a distance of 60.00' to a point thence N 00d 00'01" E a distance of 262.29' to a point thence N 44d 59'02" E a distance of 28.28' to a point thence N 89d 58'02" E a distance of 351.91' to a point thence S 45d 01'41" E a distance of 28.29' to a point thence S 00d 01'24" E a distance of 262.27' to a point thence N 89d 58'02" E a distance of 29.99' to a point thence N 00d 01'20" W a distance of 619.99' to a point around a curve to the left through a central angle of 23d 36'48" an arc distance of 314.25' a chord bearing of N 11d 49'44" W a distance of 312.03' to a point around a curve to the right through a central angle of 23d 36'48" an arc distance of 314.25' a chord bearing of N 11d 49'44" W a distance of 312.03' to a point thence N 00d 01'20" W a distance of 79.94' to a point thence N 00d 01'20" W a distance of 105.60' to a point around a curve to the right through a central angle of 23d 16'39" an arc distance of 179.63' a chord bearing of N 75d 09'26" W a distance of 178.40' to a point thence N 15d 44'52" W a distance of 29.62' to a point around a curve to the left through a central angle of 32d 05'20" an arc distance of 184.82' a chord bearing of N 15d 58'43" E a distance of 182.41' to a point thence N 00d 03'57" W a distance of 1403.73' to a point around a curve to the right through a central angle of 42d 50'00" an arc distance of 18.69' a chord bearing of N 21d 21'03" E a distance of 18.26' to a point around a curve to the left through a central angle of 265d 40'01" an arc distance of 231.84' a chord bearing of S 89d 56'03" W a distance of 73.33' to a point around a curve to the right through a central angle of 42d 50'00" an arc distance of 18.69' a chord bearing of S 21d 28'57" E a distance of 18.26' to a point thence S 00d 03'57" E a distance of 164.71' to a point thence S 44d 56'03" W a distance of 28.28' to a point thence S 89d 56'03" W a distance of 464.38' to a point thence N 45d 28'14" W a distance of 28.08' to a point thence S 00d 52'32" E a distance of 100.01' to a point thence N 44d 31'46" E a distance of 28.48' to a point thence N 89d 56'03" E a distance of 462.97' to a point thence S 45d 03'57" E a distance of 28.28' to a point thence S 00d 03'57" E a distance of 1139.02' to a point around a curve to the right through a central angle of 32d 47'18" an arc distance of 154.51' a chord bearing of S 16d 19'42" W a distance of 152.41' to a point thence S 75d 23'56" W a distance of 27.11' to a point

around a curve to the left through a central angle of 28d 06'28" an arc distance of 261.06'  
a chord bearing of N 75d 58'42" W a distance of 258.45' to a point thence S 89d 58'04" W  
a distance of 145.95' to a point thence N 45d 27'14" W a distance of 28.08' to a point  
thence S 00d 52'32" E a distance of 64.71' to a point  
to the Point of Beginning  
Containing 303058.6477 square feet or 6.9573 acres more or less.

PARCEL B (Phase II Improvements)

Beginning at a point of reference at the East quarter corner of Section 28 T 26 S R 40 E from whence  
the southeast corner of said section bears S 00d 52' 32" E thence  
thence S 00d 52'32" E a distance of 65.30' to a point thence N 44d 32'46" E a distance of 28.49' to a  
point thence N 89d 58'04" E a distance of 144.04' to a point around a curve to the right  
through a central angle of 33d 18'16" an arc distance of 257.01' a chord bearing of S 73d 22'48" E  
a distance of 253.41' to the point of beginning, thence, around a curve to the left through a central  
angle of 05d 11'48" an arc distance of 48.27' a chord bearing of S 59d 19'34" E a distance of 48.25' to  
a point thence S 75d 23'56" W a distance of 27.11' to a point around a curve to the left through a  
central angle of 32d 47'18" an arc distance of 154.51' a chord bearing of S 16d 19'42" W a distance of  
152.41' to a point thence S 00d 03'57" E a distance of 873.13' to a point thence S 45d 02'57" E a  
distance of 28.28' to a point thence S 89d 58'02" W a distance of 100.00' to a point thence N 44d  
57'03" E a distance of 28.29' to a point thence N 00d 03'57" W a distance of 873.08' to a point  
around a curve to the right through a central angle of 32d 05'20" an arc distance of 184.82'  
a chord bearing of N 15d 58'43" E a distance of 182.41' to a point thence N 15d 44'52" W  
a distance of 29.62' to a point around a curve to the right through a central angle of 06d 47'27"  
an arc distance of 52.40' a chord bearing of S 60d 07'23" E a distance of 52.37' to a point  
to the Point of Beginning  
Containing 65789.0505 square feet or 1.5103 acres more or less.



STATE OF CALIFORNIA

)

) ss.

COUNTY OF

)

On \_\_\_\_\_, before me, \_\_\_\_\_, Notary Public,  
(Print Name of Notary Public)

personally appeared \_\_\_\_\_

personally known to me

-or-

proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

\_\_\_\_\_  
Signature Of Notary

**OPTIONAL**

Though the data below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent reattachment of this form.

**CAPACITY CLAIMED BY SIGNER**

**DESCRIPTION OF ATTACHED DOCUMENT**

- Individual
- Corporate Officer

\_\_\_\_\_  
Title(s)

\_\_\_\_\_  
Title Or Type Of Document

- Partner(s)       Limited
- General
- Attorney-In-Fact
- Trustee(s)
- Guardian/Conservator
- Other: \_\_\_\_\_

\_\_\_\_\_  
Number Of Pages

Signer is representing:  
Name Of Person(s) Or Entity(ies)

\_\_\_\_\_  
Date Of Documents

\_\_\_\_\_  
Signer(s) Other Than Named Above



## EXHIBIT "B"

### AGENCY IMPROVEMENTS

The Agency intends to complete the project which includes construction of infrastructure improvements for a 58.55 acre business park and is planned to be accomplished in two phases. Phase-I includes development of 38 to 42 acres through an Economic Development Administration (EDA) grant. Construction for Phase-I Improvements is tentatively scheduled to begin on March 15, 2002, with completion by March of 2003. Phase-II includes development of the remaining acreage and is scheduled for implementation when approximately 70% to 80% of the Phase-I parcels have been fully developed.

Phase I and II improvements include surface preparation and utility distribution systems. Surface requirements include streets, gutters, sidewalk, street lighting, and drainage improvements. Utility distribution systems for water and sewer are included as well as some preparatory work (trenching and conduit) for electrical and communication lines. Electric and communication wires and gas distribution lines will be provided for through a separately funded but related project, necessary for complete development of each parcel.

The 38 to 42 acres included in the Phase I Business Park project will be subdivided into approximately 20 to 27 parcels. These parcels will be created as a result of implementing all required infrastructure improvements, right-of-way dedications and utility laterals to each parcel. This will facilitate the rapid construction of buildings in order to fast track parcel development by new businesses. Of the 25 parcels 15 will be approximately 20,000 SF in size and the 10 larger parcels will vary in size up to 211,000 SF.

## **Phase I Performance Schedule**

### **Financing**

1. EDA authorizes funding for Infrastructure improvements 07-15-2000\*

### **Design**

1. Contract award for Engineering and Construction drawing preparation 01-15-2001
2. Plans, Specifications and Engineering drawings completed 09-15-2001

### **Entitlements**

1. Planning and Environmental (entitlements/Public hearings) initiated 07-15-2000
2. Planning and Environmental completed 04-15-2001

### **Construction**

1. Advertise and award construction contract 03-15-2002
2. Start of project construction 03-15-2002
3. Complete project construction 03-15-2003
4. Start of project inspection 03-15-2002
5. Project inspection complete 03-15-2003
6. Project construction close out 09-15-2003

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\* Failure to receive funding commitment by this date is not a default so long as subsequent times are met.

**Phase II Performance Schedule**

Base Date means the date of sale of the final Group II Parcel.

**Financing**

- 1. Agency receives commitment for funding for Phase II Infrastructure Improvements 6 months following Base Date

**Design**

- 1. Contract award for Engineering and Construction drawing preparation 12 months following Base Date
- 2. Plans, Specifications and Engineering drawings completed 6 months following Base Date

**Entitlements**

- 1. Planning and Environmental (entitlements/Public hearings) initiated 6 months following Base Date
- 2. Planning and Environmental completed 15 months following Base Date

**Construction**

- 1. Advertise and award construction contract 26 months following Base Date
- 2. Start of project construction 26 months following Base Date
- 3. Complete project construction 38 months following Base Date
- 4. Start of project inspection 26 months following Base Date
- 5. Project inspection complete 28 months following Base Date
- 6. Project construction close out 44 months following Base Date

**EXHIBIT "C"**

WHEN RECORDED MAIL TO and )  
MAIL TAX STATEMENTS TO: )  
 )  
Ridgecrest Redevelopment Agency )  
100 W. California Avenue )  
Ridgecrest, California 93555 )  
Attention: Agency Secretary )  
 )

(Space above for recorder's use only)  
No recording fee pursuant to Government Code Section 6103

**GRANT DEED**

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged,

**China Lake Properties**

hereby GRANT(S) to Ridgecrest Redevelopment Agency, a body corporate and politic the real property in the City of Ridgecrest, County of Kern, State of California, described in Attachment A, attached hereto and incorporated.

The Land Underlying the Proposed Rights-of-Way is subject to a Power of Termination, as defined by Civil Code section 885.010, et. sec., or successor provisions thereto, to the extent that the Improvements as defined in the Agreement to be constructed upon such land or portion thereof, are not completed. The exercise of the Power of Termination shall be identified by the commencement of a foreclosure proceeding, non-judicially by the recordation of a notice of default, or judicially by the filing of a complaint for judicial foreclosure. Further, the trustee's deed upon sale in a non-judicial foreclosure action or the entry of judgment in an action for judicial foreclosure shall be effective to transfer the title to the Land Underlying the Proposed Rights-of-Way then subject to the Power of Termination to the transferee identified in such trustee's deed or the such judgment or execution resulting therefrom. This Power of Termination shall not apply to any portion of the Land Underlying the Proposed Rights-of-Way upon which the Improvements have been completed.

Dated: 04/19/2000

**CHINA LAKE PROPERTIES**, a California limited partnership

By: *Meghan M. Handland*  
Its: *General Partner*

*MTO*

CONFIRMED TO BE A TRUE  
COPY OF THE ORIGINAL  
FILED IN THE PUBLIC RECORDS

EXHIBIT "E"

PROMISSORY NOTE

\$ \_\_\_\_\_

2 May 2000  
Ridgecrest, California

**FOR VALUE RECEIVED, RIDGECREST REDEVELOPMENT AGENCY**, a public body corporate and politic (the "Agency"), promises to pay to China Lake Properties, a California limited partnership ("China Lake") or order at China Lake's office at 5150 Savannah Drive, Banning, California 92220, or such other place as China Lake may designate in writing, the principal sum of One Million, Eight Hundred Fifty-Three, Four Hundred Seventy-Eight Dollars (\$1,853,478.00) (the "Note Amount"), in currency of the United States of America, which at the time of payment is lawful for the payment of public and private debts.

**1. Agreement.** This Promissory Note (the "Note") is given in accordance with that certain Agreement and Escrow Instructions For Acquisition of Real Property executed by the Agency and China Lake, dated as of 2 May 2000 (the "Agreement"). The rights and obligations of the Agency and China Lake under this Note shall be governed by the Agreement and by the additional terms set forth in this Note.

**2. Interest.** The Note Amount shall bear interest at the rate of zero percent (0.00%) per annum.

**3. Repayment of Note Amount.** The Note Amount shall be payable in part upon the sale or lease of any part of the Group II or Group III Parcels calculated in the manner provided in Section 1 of the Agreement. Notwithstanding the foregoing, the full Note Amount may be accelerated as set forth in Section 12 below. The Note Amount shall be adjusted in the manner provided in Section 1.3 of the Agreement.

**4. Security.** This Note is secured by a Deed of Trust With Assignment of Leases and Rents, Security Agreement, Financing Statement, and Fixture Filing (the "Deed of Trust") dated as of the same date as this Note.

**5. Waivers**

(a) Agency expressly agrees that this Note or any payment hereunder may be extended from time to time at China Lake's sole discretion and that China Lake may accept security in consideration for any such extension or release any security for this Note at its sole discretion.

(b) No extension of time for payment of this Note made by agreement by China Lake with any person now or hereafter liable for the payment of this Note shall operate to release, discharge, modify, change or affect the original liability of Agency under this Note, either in whole or in part.

(c) The obligations of Agency under this Note shall be absolute and Agency waives any and all rights to offset, deduct or withhold any payments or charges due under this Note for any reasons whatsoever.

(d) Agency waives presentment, demand, notice of protest and nonpayment, notice of default or delinquency, notice of acceleration, notice of costs, expenses or leases or interest thereon, notice of dishonor, diligence in collection or in proceeding against any of the rights or interests in or to properties securing or this Note, and the benefit of any exemption under any homestead exemption laws, if applicable.

(e) No previous waiver and no failure or delay by China Lake in acting with respect to the terms of this Note or the Deed of Trust shall constitute a waiver of any breach, default, or failure or condition under this Note, the Deed of Trust or the obligations secured thereby. A waiver of any term of this Note, the Deed of Trust or of any of the obligations secured thereby must be made in writing and shall be limited to the express written terms of such waiver.

**6. Attorneys' Fees and Costs.** Agency agrees that if any amounts due under this Note are not paid when due, to pay in addition, all costs and expenses of collection and reasonable attorneys' fees paid or incurred in connection with the collection or enforcement of this Note, whether or not suit is filed.

**7. Joint and Several Obligation.** This Note is the joint and several obligation of all makers, sureties, guarantors and endorsers, and shall be binding upon them and their heirs, successors and assigns.

**8. Amendments and Modifications.** This Note may not be changed orally, but only by an amendment in writing signed by China Lake and by the Agency.

**9. Agency May Assign.** China Lake may, at its option, assign its right to receive payment under this Note without necessity of obtaining the consent of the Agency.

**10. Agency Assignment Prohibited.** In no event shall Agency assign or transfer any portion of this Note without the prior express written consent of China Lake, which consent may be given or withheld in China Lake's sole discretion.

**11. Terms.** Any terms not separately defined herein shall have the same meanings as set forth in the Agreement.

**12. Acceleration and Other Remedies.** Upon: (a) the occurrence of a default under the terms of this Note, or (b) a breach or default under the Agreement, China Lake may, at China Lake's option, declare the outstanding principal amount of this Note, and all other sums secured by the Deed of Trust, to be due and payable immediately, and upon such declaration, such principal and other sums shall immediately become and be due and payable without demand or notice, all as further set forth in the Deed of Trust. All costs of collection, including, but not limited to, reasonable attorneys' fees and all expenses incurred in connection with protection of, or realization on, the security for this Note, may be added to the principal hereunder, and shall accrue interest as provided herein. China Lake shall at all times have the right to proceed against any portion of the security for this Note in such order and in such manner as China Lake may consider appropriate, without waiving any rights with respect to any of the security. Any delay or omission on the part of China Lake in exercising any right hereunder, under the Agreement or under the Deed of Trust shall not operate as a waiver of such right, or of any other right. No single or partial exercise of any right or remedy hereunder or under the Agreement or any other document or agreement shall preclude other or further exercises thereof, or the exercise of any other right or remedy. The acceptance of payment of any sum payable

hereunder, or part thereof, after the due date of such payment shall not be a waiver of China Lake's right to either require prompt payment when due of all other sums payable hereunder or to declare an Event of Default for failure to make prompt or complete payment.

**13. Consents.** Agency hereby consents to: (a) any renewal, extension or modification (whether one or more) of the terms of the Agreement or the terms or time of payment under this Note, (b) the release or surrender or exchange or substitution of all or any part of the security, whether real or personal, or direct or indirect, for the payment hereof, (c) the granting of any other indulgences to Agency, and (d) the taking or releasing of other or additional parties primarily or contingently liable hereunder. Any such renewal, extension, modification, release, surrender, exchange or substitution may be made without notice to Agency or to any endorser, guarantor or surety hereof, and without affecting the liability of said parties hereunder.

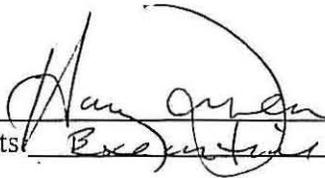
**14. Successors and Assigns.** Whenever "Agency" is referred to in this Note, such reference shall be deemed to include the Ridgecrest Redevelopment Agency and its successors and assigns, including, without limitation, any subsequent assignee or holder of this Note. All covenants, provisions and agreements by or on behalf of Agency, and on behalf of any makers, endorsers, guarantors and sureties hereof which are contained herein shall inure to the benefit of China Lake and China Lake's successors and assigns.

**15. No Personal Liability.** In the event of any default under the terms of this Note or the Deed of Trust, the sole recourse of China Lake for any and all such defaults shall be by judicial foreclosure or by the exercise of the trustee's power of sale, and the Agency shall not be personally liable for the payment of this Note or for the payment of any deficiency established after judicial foreclosure or trustee's sale; provided, however, that the foregoing shall not in any way affect any rights China Lake may have (as a secured party or otherwise) hereunder or under the Agreement or Deed of Trust to (a) recover directly from the Agency any amounts secured by the Deed of Trust, or any funds, damages or costs (including without limitation reasonable attorneys' fees and costs) incurred by China Lake as a result of fraud, misrepresentation or waste; or (b) recover directly from the Developer any condemnation or insurance proceeds, or other similar funds or payments attributable to the Property which under the terms of the Deed of Trust should have been paid to China Lake, and any costs and expenses incurred by China Lake in connection with (a) or (b) above (including without limitation reasonable attorneys' fees and costs).

16. **Miscellaneous.** Time is of the essence hereof. This Note shall be governed by and construed under the laws of the State of California except to the extent Federal laws preempt the laws of the State of California. Developer acknowledges that this Note was entered into and is to be performed in the County of Kern and irrevocably and unconditionally submits to the jurisdiction of the Superior Court of the State of California for the County of Kern or the United States District Court of the Central District of California, as Agency hereof may deem appropriate, or, if required, the Municipal Court of the State of California for the County of Kern, in connection with any legal action or proceeding arising out of or relating to this Note. Developer also waives any objection regarding personal or in rem jurisdiction or venue.

**AGENCY:**

**RIDGECREST REDEVELOPMENT AGENCY,**  
a public agency, corporate and politic

By:   
Its: Executive Director



FIRST AMERICAN TITLE COMPANY  
634 S. CHINA LAKE BLVD. STE. G \* RIDGECREST, CA 93555  
(760) 375-4790

ESCROW NUMBER: 44861T  
PROPERTY: VACANT LAND  
RIDGECREST, CA 93555  
PTN. 27/26/40

TODAY'S DATE: 5/12/2000  
CLOSING DATE: 5/12/2000

ESCROW CLOSING STATEMENT OF:  
RIDGECREST REDEVELOPMENT AGENCY, a public body corporate@

OTHER PARTY:  
CHINA LAKE PROPERTIES, LTD., a California Limited @

BUYER'S CLOSING STATEMENT

DESCRIPTION	DEBITS	CREDITS
Sales Price	2,201,958.00	
Deposit By		357,190.58
First Deed of Trust (New) CHINA LAKE PROPERTIES, LTD., a		1,853,478.00
Prorate Real Estate 5/12/2000 to 7/01/2000 @ \$5935.00/6 mos.	1,615.64	
Title Policy Fee FIRST AMERICAN TITLE INS. CO.	4,972.00	
Escrow Fee FIRST AMERICAN TITLE INS. CO.	1,877.00	
Recording fees: Deed \$ 33.00 Mtg \$ 68.00 Releases \$ 25.00	84.50	
Balance Due To Buyer	161.44	
TOTALS	2,210,668.58	2,210,668.58

This statement should be retained by you for Income Tax purposes.

CERTIFIED TO BE A TRUE  
CORRECT COPY OF SIGNED ORIGINAL  
FIRST AMERICAN TITLE COMPANY



# FIRST AMERICAN TITLE COMPANY

634 S. CHINA LAKE BLVD. STE. G - RIDGECREST, CA 93555  
Phone: (760) 375-4790 Fax: (760) 375-6807

## ESCROW RECEIPT

RECEIPT NUMBER  
**008646**

100-02  
Co. Off.

44861T  
Escrow Number

5/10/2000  
Date

Funds in the amount of \$ 8,710.58

were received from RIDGECREST REDEVELOPMENT AGENCY, a public body cor

and are credited to the escrow account of RIDGECREST REDEVELOPMENT AGENCY, a public body cor

	Bank Name	Check Number	ABA Number	Account Number
Check \$ <u>8,710.58</u>	<u>UNION BANK</u>	<u>04117</u>	<u>16-49</u>	

Property Location  
**VACANT LAND**  
**RIDGECREST, CA 93555**  
**PTN. 27/26/40**

TS

Customer Copy

By:   
Authorized Signature



# FIRST AMERICAN TITLE COMPANY

634 S. CHINA LAKE BLVD. STE. G - RIDGECREST, CA 93555  
Phone: (760) 375-4790 Fax: (760) 375-6807

## ESCROW RECEIPT

RECEIPT NUMBER  
**008647**

100-02  
Co. Off.

44861T  
Escrow Number

5/10/2000  
Date

Funds in the amount of \$ 348,480.00

were received from RIDGECREST REDEVELOPMENT AGENCY, a public body cor

and are credited to the escrow account of RIDGECREST REDEVELOPMENT AGENCY, a public body cor

	Bank Name	Check Number	ABA Number	Account Number
Check \$ <u>348,480.00</u>	<u>UNION BANK</u>	<u>04115</u>	<u>16-49</u>	

Property Location  
**VACANT LAND**  
**RIDGECREST, CA 93555**  
**PTN. 27/26/40**

TS

Customer Copy

By:   
Authorized Signature

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**CITY COUNCIL / REDEVELOPMENT SUCCESSOR AGENCY / FINANCING  
AUTHORITY/HOUSING AUTHORITY AGENDA ITEM**

**SUBJECT:**

Review And Approve Recognized Obligations Payment Schedule (ROPS 2014-15A) Of The Former Ridgecrest Redevelopment Agency By Resolution

**PRESENTED BY:**

Gary Parsons

**SUMMARY:**

The City Council at their regular meeting of January 11, 2012 adopted Resolution No 12-02, electing to serve as the Successor Agency to the prior Ridgecrest Redevelopment Agency and making certain findings in connection therewith.

The staff has prepared the Ridgecrest Redevelopment Successor Agency Recognized Obligations Payment Schedule (ROPS 2014-15A) of the prior Ridgecrest Redevelopment Agency and is recommending approval by the Successor Agency and its approval for presentation for review and adoption by Resolution to the Oversight Board.

The Recognized Obligations Payment Schedule (ROPS 2014-15A) is for the period of July 1, 2014 through December 31, 2014.

Staff will provide an overview and respond to any questions of the council concerning the ROPS 2014-15A and recommend approval for submitting to the Oversight Board and then to the State of California Department of Finance (DOF).

**FISCAL IMPACT:** Funding of Recognized Obligations of the Successor Agency

**ACTION REQUESTED:**

Review and approval of ROPS 2014-15A and Corresponding Resolution

**CITY MANAGER / EXECUTIVE DIRECTOR RECOMMENDATION:**

Review and Comment :

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**RESOLUTION NO. 14 - XX**

**A RESOLUTION OF THE CITY OF RIDGECREST SUCCESSOR REDEVELOPMENT AGENCY APPROVING THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS) 2014-15A**

**WHEREAS**, the Ridgecrest Successor Redevelopment Agency has met and has duly considered a Draft Recognized Obligation Payment Schedule (ROPS) for the period July 1, 2014 through December 31, 2014 in the form submitted by the Successor Agency staff (the "Draft ROPS14-15A"); and

**WHEREAS**, prior to its meeting on February 19, 2014, the members of the Ridgecrest Successor Redevelopment Agency have been provided with copies of the Draft ROPS14-15A and instruments referenced in the Draft ROPS14-15A; and

**WHEREAS**, the Ridgecrest Successor Redevelopment Agency has reviewed the Draft ROPS14-15A and those instruments referenced in the Draft ROPS14-15A; and

**WHEREAS**, the Ridgecrest Successor Redevelopment Agency desires to express and memorialize its approval of the Draft ROPS14-15A with this Resolution.

**NOW THEREFORE, BE IT RESOLVED** by the Ridgecrest Successor Redevelopment Agency, as follows:

- SECTION 1.** The Ridgecrest Successor Redevelopment Agency finds and determines that the foregoing recitals are true and correct.
- SECTION 2.** The Ridgecrest Successor Redevelopment Agency approves as the Recognized Obligation Payment Schedule for the period July 1, 2014 through December 31, 2014.
- SECTION 3.** The Successor Agency is authorized and directed to submit the ROPS14-15A to the Ridgecrest Oversight Board for its review and approval for submission to the California Department of Finance.
- SECTION 4.** The Successor Agency shall maintain on file as a public record this Resolution and the ROPS14-15A as approved hereby.

**PASSED, APPROVED, AND ADOPTED** at a meeting of the Ridgecrest City Council, held on this the 19<sup>th</sup> day of February, 2014 by the following vote, to wit:

Ayes:  
Noes:  
Absent:  
Abstain:

---

Daniel O. Clark, Mayor

ATTEST:

---

Rachel J. Ford, CMC, City Clerk

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## Recognized Obligation Payment Schedule (ROPS 14-15A) - Summary

Filed for the July 1, 2014 through December 31, 2014 Period

**Name of Successor Agency:** Ridgecrest  
**Name of County:** Kern

Current Period Requested Funding for Outstanding Debt or Obligation	Six-Month Total
<b>Enforceable Obligations Funded with Non-Redevelopment Property Tax Trust Fund (RPTTF) Funding</b>	
<b>A Sources (B+C+D):</b>	<b>\$ -</b>
B Bond Proceeds Funding (ROPS Detail)	-
C Reserve Balance Funding (ROPS Detail)	-
D Other Funding (ROPS Detail)	-
<b>E Enforceable Obligations Funded with RPTTF Funding (F+G):</b>	<b>\$ 2,122,923</b>
F Non-Administrative Costs (ROPS Detail)	1,997,923
G Administrative Costs (ROPS Detail)	125,000
<b>H Current Period Enforceable Obligations (A+E):</b>	<b>\$ 2,122,923</b>
<b>Successor Agency Self-Reported Prior Period Adjustment to Current Period RPTTF Requested Funding</b>	
I Enforceable Obligations funded with RPTTF (E):	2,122,923
J Less Prior Period Adjustment (Report of Prior Period Adjustments Column S)	-
<b>K Adjusted Current Period RPTTF Requested Funding (I-J)</b>	<b>\$ 2,122,923</b>
<b>County Auditor Controller Reported Prior Period Adjustment to Current Period RPTTF Requested Funding</b>	
L Enforceable Obligations funded with RPTTF (E):	2,122,923
M Less Prior Period Adjustment (Report of Prior Period Adjustments Column AA)	-
<b>N Adjusted Current Period RPTTF Requested Funding (L-M)</b>	<b>2,122,923</b>

Certification of Oversight Board Chairman:  
Pursuant to Section 34177(m) of the Health and Safety code, I  
hereby certify that the above is a true and accurate Recognized  
Obligation Payment Schedule for the above named agency.

Name	Title
/s/	
Signature	Date



**Recognized Obligation Payment Schedule (ROPS) 14-15A - Report of Cash Balances**  
(Report Amounts in Whole Dollars)

Pursuant to Health and Safety Code section 34177(l), Redevelopment Property Tax Trust Fund (RPTTF) may be listed as a source of payment on the ROPS, but only to the extent no other funding source is available or when payment from property tax revenues is required by an enforceable obligation.

A	B	C	D	E	F	G	H	I	
		<b>Fund Sources</b>							
		<b>Bond Proceeds</b>		<b>Reserve Balance</b>		<b>Other</b>	<b>RPTTF</b>		
	<b>Cash Balance Information by ROPS Period</b>	Bonds Issued on or before 12/31/10	Bonds Issued on or after 01/01/11	Prior ROPS period balances and DDR balances retained	Prior ROPS RPTTF distributed as reserve for next bond payment	Rent, Grants, Interest, Etc.	Non-Admin and Admin	<b>Comments</b>	
<b>ROPS 13-14A Actuals (07/01/13 - 12/31/13)</b>									
1	<b>Beginning Available Cash Balance (Actual 07/01/13)</b> Note that for the RPTTF, 1 + 2 should tie to columns J and O in the Report of Prior Period Adjustments (PPAs)	27,815,992					522,626		
2	<b>Revenue/Income (Actual 12/31/13)</b> Note that the RPTTF amounts should tie to the ROPS 13-14A distribution from the County Auditor-Controller during June 2013	36,476					1,318,487		
3	<b>Expenditures for ROPS 13-14A Enforceable Obligations (Actual 12/31/13)</b> Note that for the RPTTF, 3 + 4 should tie to columns L and Q in the Report of PPAs						1,309,378		
4	<b>Retention of Available Cash Balance (Actual 12/31/13)</b> Note that the RPTTF amount should only include the retention of reserves for debt service approved in ROPS 13-14A								
5	<b>ROPS 13-14A RPTTF Prior Period Adjustment</b> Note that the RPTTF amount should tie to column S in the Report of PPAs.	No entry required						-	
6	<b>Ending Actual Available Cash Balance</b> C to G = (1 + 2 - 3 - 4), H = (1 + 2 - 3 - 4 - 5)	\$ 27,852,468	\$ -	\$ -	\$ -	\$ -	\$ 531,735		
<b>ROPS 13-14B Estimate (01/01/14 - 06/30/14)</b>									
7	<b>Beginning Available Cash Balance (Actual 01/01/14)</b> (C, D, E, G = 4 + 6, F = H4 + F4 + F6, and H = 5 + 6)	\$ 27,852,468	\$ -	\$ -	\$ -	\$ -	\$ 531,735		
8	<b>Revenue/Income (Estimate 06/30/14)</b> Note that the RPTTF amounts should tie to the ROPS 13-14B distribution from the County Auditor-Controller during January 2014						3,705,878		
9	<b>Expenditures for 13-14B Enforceable Obligations (Estimate 06/30/14)</b>						4,266,093		
10	<b>Retention of Available Cash Balance (Estimate 06/30/14)</b> Note that the RPTTF amounts may include the retention of reserves for debt service approved in ROPS 13-14B								
11	<b>Ending Estimated Available Cash Balance (7 + 8 - 9 - 10)</b>	\$ 27,852,468	\$ -	\$ -	\$ -	\$ -	\$ (28,480)		





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**CITY COUNCIL/SUCCESSOR REDEVELOPMENT AGENCY/HOUSING  
AUTHORITY/FINANCING AUTHORITY AGENDA ITEM**

**SUBJECT:**

Minutes of the Regular City Council/Successor Redevelopment Agency/Housing Authority/Financing Authority Meeting of February 5, 2014

**PRESENTED BY:**

Rachel J. Ford, City Clerk

**SUMMARY:**

Draft Minutes of the Regular City Council/Successor Redevelopment Agency/Housing Authority/Financing Authority Meeting of February 5, 2014

**FISCAL IMPACT:**

None

Reviewed by Finance Director:

**ACTION REQUESTED:**

Approve minutes

**CITY MANAGER 'S RECOMMENDATION:**

Action as requested: Approve Draft Minutes

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**MINUTES OF THE REGULAR MEETING OF THE  
RIDGECREST CITY SUCCESSOR AGENCY,  
FINANCING AUTHORITY, AND HOUSING AUTHORITY**

**City Council Chambers  
100 West California Avenue  
Ridgecrest, California 93555**

**February 5, 2014  
5:30 p.m.**

This meeting was recorded and will be on file in the Office of the City Clerk for a certain period of time from date of approval by City Council/Redevelopment Agency. Meetings are recorded solely for the purpose of preparation of minutes.

**CALL TO ORDER**

Mayor Clark called the meeting to order at 5:30 p.m.

**ROLL CALL**

Council Present: Mayor Dan Clark; Vice Mayor 'Chip' Holloway; Council Members Jim Sander (arrived prior to closed session); Lori Acton; and Steven Morgan

Council Absent: None

Staff Present: Acting City Manager Rachelle McQuiston; City Clerk Rachel J. Ford; City Attorney Keith Lemieux; and other staff

**APPROVAL OF AGENDA**

1. Removed Item No. 13
2. Moved Item No. 12 to be heard immediately following presentations

*Motion To Approve Agenda (As Amended) Made By Council Member Morgan, Second By Council Member Acton. Motion Carried By Voice Vote Of 4 Ayes (Mayor Clark, Council Members Holloway, Acton, And Morgan); 0 Noes; 0 Abstain; And 1 Absent (Council Member Sanders)*

**PUBLIC COMMENT – CLOSED SESSION**

None Presented

## **CLOSED SESSION**

GC54956.8 Local Agency Real Property Negotiations – Negotiation for Purchase – APN 067-050-15 located at 602 west Ridgecrest Blvd. - Agency Negotiator Loren Culp, City Engineer and Gary Parsons, Economic Development Program Manager

## **REGULAR SESSION – 6:00 p.m.**

- Pledge Of Allegiance
- Invocation

## **CITY ATTORNEY REPORT**

- Closed Session
  - Real Property Negotiations – received report – no reportable action.
- Other
  - None

## **PUBLIC COMMENT**

Christina Witt

- Spoke on right turn lanes for charter school.

Unknown Speaker

- Spoke on youth baseball funding and requested funding to pay for equipment replacement.

Tom Wiknich

- Graduated from police academy.
- Spoke on communication at the meetings.
- Suggested allowing dialogue on agenda item subjects rather than public comment without opportunity to respond.

Jerry Taylor

- Spoke on previous discussion of street projects and reminded council of pavement management study 2016 projections for streets
- Spoke on micro-paving and reminded council of the reduced life expectancy versus full reconstruction.
- Gave scenarios and suggested investments

Mike Neel

- Spoke on measure 'L' incident not being in report.
- Spoke on pet incident with Helen Jackson arrest and charges.
- Expressed disappointment with police.

## PRESENTATIONS

### 1. Presentation To Council From The Exchange Club Of Ridgecrest

Mayor Clark received a presentation of a flag honoring his participation in the 1000 Flags Parade and related events from the Exchange Club

### 2. Presentation Of The Employee Of The Month Award

Clark

- Council awarded the Employee of the Month to Sandra Aichlmayer

### 3. Presentation To Council By Eileen Shibley On Cal UAS

- Council received a presentation on Cal UAS activities and future projects.

Steve Morgan

- Spoke on opportunity for City of Ridgecrest which staff should have conversation with Cal UAS regarding economic development
- Eileen Shibley - Spoke on meeting with an organization which may provide opportunity for lease arrangement between government installations and private enterprise. Discussions are preliminary at this stage but would like to request consideration if appropriate for start-up funding.

Lori Acton

- Questioned if legislation is being formulated.
  - Eileen Shibley – privacy legislation is being proposed on both state and federal arenas.
- Thanked Eileen and Cal UAS for their efforts to enhance the community.

Jim Sanders

- Thanked Cal UAS and spoke on positive FAA comments

Chip Holloway

- Publicly thanked Eileen and Cal UAS for their efforts.
- Expressed frustration in lack of state support and political decision.
- Presented example of privacy legislation and use of drones for police and other opportunities which are being stalled by special interest groups.
- Thanked airport for vision and investment

Dan Clark

- Thanked Eileen for their efforts.

**4. Presentation Of The Comprehensive Annual Financial Report (CAFR)**

**McQuiston**

- Council received a presentation of the Comprehensive Annual Financial Report from Kenneth Pun of Audit Firm of Pun & McGeady. *(Copy Available in the City Clerk's Office).*

Dan Clark

- Questioned what a healthy liability is recommended for a budget.
  - Ken Pun – responded with examples dependent on the agency and area.

**DISCUSSION ITEM NO. 12** *(Moved Prior To Approval Of Agenda)*

**Tax Allocation Bond Project Review**

**McRea**

Gary Parsons

- Presented the staff report and PowerPoint presentation

Steve Morgan

- Referenced Old Town project and requested clarification of actions previously taken

Lori Acton

- Requested clarification of the Ridgcrest Commercial Specific Plan
  - Gary Parsons – clarified this is the Wal-Mart project
- Asked for a list of projects under Economic Development
  - Gary Parsons – at this time no specific projects however generating jobs was the primary request, followed by small business incentives, and thirdly for building refurbishment.
- Questioned the amount for roads and if the Wal-Mart project was covering roads.
  - Gary Parsons – clarified the current agreements with Wal-Mart

Jim Sanders

- Referenced Old Town Enhancement program which has already been spent
  - Gary Parsons – Balsam Street improvements clarification, at some point if we receive reimbursement from Department of Finance for the \$3 million then could reallocate those funds.
- Inquired on the obligation with bond holders
  - Gary Parsons – reviewed the bond requirements as being used for brick and mortar construction rather than consultants for advertising or other services. Engineering work is related to the street however if the street was not built could be challenged.

Jim Sanders *(continued)*

- Questioned the portions and whether they were part of the agreement with the bondholders.
  - Gary Parsons – responded and assured the projects have been reviewed by legal counsel and have met their approval

Lori Acton

- Questioned if the bonds are for brick and mortar then would incentives for economic development meet the requirement
  - Gary Parsons – presented examples of what is allowed and what is not.

Chip Holloway

- Referenced previous discussions and the original bond list allocations.
- Reviewed the original agenda item recommendations
- Comfortable with the allocations in the summary however is concerned with less money going to the economic development allocation and the need for the future.
- Need to proceed forward with the allocations and meet the expenditure requirements.

Dan Clark

- Good with the allocations as presented.
- Referenced previous discussions and time constraints if projects are changed.
- Comfortable with giving direction to staff to move forward.

### Recess for 10 minutes

#### Public Comment for item no. 12

Dave Matthews

- Asked about possibility of modifying the bond due to extenuating circumstances.
- Expressed concern about trying to spend the funds too quickly
  - Keith Lemieux – some leeway of what constitutes spending the money and bond counsel will review

Mike Neel

- Expressed strong objection to handouts being presented at the meeting and not 3 days prior to the meeting
- Suggested rescheduling the discussion
- Presented graphics of where city needs to be and how much is allocated toward streets.
- Commented on police salaries being paid by Measure 'L' and recommended Council spend every dollar possible for streets
- Commented on campaign promises made for sports fields

Christina Witt

- Agree city needs revenue and ways to bring it here
- Commented on suggestion of an indoor pool which can be used year round
- Exemplified In-Shape Health having an active indoor pool
- Spoke on personal car not being maintained when the opportunity was available and compared streets repair and maintenance.
- Asked if TAB funds could be used to purchase equipment to maintain the streets once repaired.
- Wants to see council repair the streets but also outline the future maintenance costs and fund those.

Jim Fallgetter

- Spoke on Balsam Street improvements and the potential for enhancing the old town district.
- Suggested improvements to streets and sidewalks which would not involve the landlords or businesses
- Commented on Encinitas California
- Possibility of a round-about located at Balsam and French streets
- Suggested enhancing Balsam Street is directly related to economic development.
- Leaving economic development undefined could be problematic
- Commented on the corporate yard improvements and suggested spending those funds toward economic development

Ron Porter

- Spoke on funds given to the department of finance
  - Keith Lemieux responded about a dispute which is ongoing.
- Suggested asking bond holders to move the deadline use date
  - Gary Parsons – not bond holders but rather the IRS which requires a percentage of the funds be expended within five years.
- Disappointed this is a last minute item.
- Reviewed agenda item and questioned land acquisition.
- Suggested building concession stand and restrooms separate from each other and questioned the amount allocated for the construction
- Spoke on other allocations.
  - Gary Parsons – responded
- Questioned grant programs
  - Lori Acton – reviewed agenda backup including history of the TAB funds and as the reader continues reading the backup it ends with the actual condensed list that council approved.
- Commented the lists do not match each other and suggested bringing back for more discussion.
  - Rachelle McQuiston – confirmed this is a comprehensive list of all projects which were approved.

Alex Rhineheart

- Commented on traveling thru California and the worst roads found being in Ridgecrest
- Encouraged council spending as much as possible on roads.
- Spoke on quality of life and economic development.
- Encouraged to hear that leftover funds will be put toward streets

Tom Wiknich

- Motions were taken on the items listed.
- As a council member, requested more discussion and details, but never had the detailed discussions.
- Commented on original parks budget of turning parks over to users.
  - Steve Morgan – no official action to do this by resolution, parks will remain under City control
- Spoke on requests for specific agenda items and discussions which were turned down.
- Spoke on original \$1 million allocation to repair swimming pool and asked for the plan for the pool
  - Chip Holloway – plan is being developed which will come before council and will not require \$1 million to accomplish. Plan includes a cover and could extend the pool life for several more years. Pool has been underutilized for many years.
- Support having \$1 million for the pool.
- Original Ridgecrest Blvd. project, \$1 million put up for project was to have been the total contribution for City, now see additional funding required.
  - Loren Culp – need to refer the question to Mr. Speer who is not here.
- Referenced the Wal-Mart project and suggest this is more toward economic development rather than streets and flood control.
- Requested pavement management system clarification
  - Chip Holloway – responded most is repairs with some new construction.
- Asked for clarification of pole relocation
  - Steve Morgan – explained the pole relocation which is City responsibility rather than utility company.
- Asked what happens to the economic development funding if not used in the required time frame
  - Gary Parsons – responded
- Asked attorney if projects are allocated is it considered spent
  - Keith Lemieux – working on it with bond counsel
- Would like more details on the parks and recreation allocation.

Andy Anderson

- Asked about the parks which are now not being turned over to the users and how City plans to maintain them thereby preserving the money expended to upgrade the parks.
  - Jason Patin – have been maintaining them and no new requests for staffing.
- Projects approved in the past and question the funding shortage, asked to not change or delete programs to meet the budget but extend to a future time when funds could be found to complete them.

Ron Porter

- When redevelopment funds were taken, does city have to repay these bonds
  - Steve Morgan – still have to repay however no longer have the money, the state has the money and payment is being made thru them.

Justin O'Neill

- Agree that roads are extremely important however eventually they will break.
- Suggested more funding be invested in economic development to build revenues for future maintenance.
- Without investing in the future economic structure then will be back at the same place in 10-15 years.
- Does not help to fix a pothole if in 10 years can't re-fix the pothole
- Need independence from the state
- Encouraged council to explore other resources

Jerry Taylor

- Agree with Justin on comments for economic development
- Commented on reduction of funds to corporate yard which has other offset funding from grants
- Spoke on lost sales taxes via internet and other out of town purchases so need economic development
- Spoke on the challenge of trying to expend the funds for streets without consultants and staffing
- Spoke on parks and recreation and possible reduction of funds if Measure 'L' is not refunded.
- Referenced Kerr McGee approvals and insurance funding which can offset the TAB allocation
- Reviewed other parks allocations and suggested striking some of the funding.
- Commented on previous discussions of preserving Aquatic Park and council meetings with little discussion before voting.
- Suggested going back to previous discussions and review details as well as broad investments across the board.

Jerry Taylor *(continued)*

- Referred to the original pavement management study and commented that roads are going to fail earlier because work was not done at the time the study was completed.
- Commented on parks being turned over to the groups who use them.
- Suggested teaming with others in the community as partners.
- Spoke on maintaining facilities rather than reinvesting because maintenance has not been done.
  - Gary Parsons – referenced agenda backup including motions.

Closed public comment at 9:05 p.m.

Dan Clark

- Asked for direction to staff

Steven Morgan

- Commented that costs are estimates and if they are actually more then there is a problem however if the costs are less than estimated then do not see an issue with rolling remaining funds to streets.
- Commented on the cost of replacing the building and funds received by insurance will not cover the entire cost of rebuilding what we would like to have
- Believe council has done the best we can

Lori Acton

- Previous councils have made the decisions and I trust their decisions.
- Project list is still fluid enough that it can be adjusted as needed.
- Good with moving forward because if it stops now then will not be ready to move forward in time to expend the funds as required by the IRS.

Jim Sanders

- Requested clarification of why the process would stop if Council chose to review the list and adjust it.
  - Gary Parsons – clarified engineering already done and the need to go before the state with revised lists. Once department of finance issued certificate of compliance staff began moving forward with projects already allocated.
- Believe the list needs to be updated as some things have changed, in particular the parks and recreation department with new management and believe the vision several years ago is not the same. Would like to reevaluate those projects and have staff come to council with ideas they would like to see changed.
- Not looking for total overhaul, just massage a few things

Chip Holloway

- Parks master plan was already paid for with these funds due to ADA compliance issues. The plan is a Cadillac plan which will cost more. Can eliminate what we can't afford and work on those we can afford. This will happen throughout the process.
- Council is committed to getting the right person in parks and recreation and right now the organizations are not willing to take over the parks in their current condition and we owe it to them to improve the parks before they can take over.
- Do not want to increase any category on the list except streets without coming before council
- Don't want an infrastructure committee because I want these issues coming before the full council.
- Comfortable staying within the borders presented and come back with projects later.

Dan Clark

- Commented on Mr. Wiknich's statements regarding lack of discussions and agreed there were some issues that seemed rushed.
- Quality of life committee did crunch numbers and present projects
- At this time willing to go forward with the projects as allocated by the previous council.
- Broad approach and feel confident we should move forward

Chip Holloway

- Reviewed previous quality of life recommendation for parks.

Jim Sanders

- Asked when council would be able to review individual projects within each category
  - Gary Parsons – council will be required to approve the expenditures on each project as staff brings forward and council will have opportunities to make changes. This allows staff to move forward with their cap and will be working on projects within that cap.
  - Jason Patin – spoke on what was originally approved and how the numbers have changed. Plan on going back to each park and re-evaluating them.
- Concerned if staff moves forward with this list, council would not have the opportunity to make changes.
  - Jason Patin – parks plans will be brought back for discussion and funding requests which council can change at that time.

Chip Holloway

- Council is comfortable with the general expenditure amount and the detailed projects will come back to council for discussion and vote.

## CONSENT CALENDAR

5. Adopt A Resolution Consenting To The Inclusion Of Properties Within The City's Jurisdiction In The California HERO Program And Approving An Amendment To A Related Joint Powers Agreement Speer
6. Adopt A Resolution Authorizing Destruction Of Certain Records In Accordance With Established Record Retention Regulations McQuiston
7. Approve By Minute Motion Approval Of The Appropriation Of Unanticipated Revenue And Approve Corresponding Appropriation Increases To The Self-Insurance Fund McQuiston
8. Approve By Minute Motion Approval Of The Appropriation Of Unanticipated Revenue And Approve Corresponding Appropriation Increases For Tax Allocation Refunding Bonds (TAB) Funding McQuiston
9. Approval Of Draft Minutes Of The Regular Council Meeting Dated December 18, 2013 Ford
10. Approval Of Draft Minutes Of The Regular Council Meeting Dated January 15, 2014 Ford

Items Pulled From Consent Calendar

- 5, 7, and 8

*Motion To Approve Items 6, 9, and 10 Of The Consent Calendar Made By Council Member Acton, Second By Council Member Holloway. Motion Carried By Roll Call Vote Of 5 Ayes (Mayor Clark, Council Members Holloway, Sanders, Acton, and Morgan), 0 Noes, 0 Abstain, And 0 Absent*

### Item 5 Discussion

Dave Matthews

- Requested translation
  - Chip Holloway – responded with explanation of HERO program which allows homeowners to finance projects for energy retrofit.

Item 7 discussion

Ron Porter

- Questioned the breakdown of where the money was being allocated.
  - Rachelle McQuiston - responded

Jerry Taylor

- Requested council look at the type of insurance for depreciated value or replacement value and suggested enhancing coverage for the future.

Item 8 discussion

Ron Porter

- Asked about these funds being moved to general fund
  - Rachelle McQuiston – anticipated how much could be spent by the end of this budget year. Have to recognize the funds and allocate where staff can begin spending on various projects. Remaining funds that cannot be spent this budget year is placed in capital projects until staff can come back to council with detailed projects. If there is a concern, council can modify the amounts. If council directs then funds will not be spent without coming back to council with exception of chamber of commerce.
- Feels these funds should come back to council before expending.

*Motion To Approve Items 5, 7, and 8 Of The Consent Calendar Made By Council Member Acton, Second By Council Member Holloway. Motion Carried By Voice Vote Of 5 Ayes (Mayor Clark, Council Members Holloway, Sanders, Acton, and Morgan), 0 Noes, 0 Abstain, And 0 Absent*

**DISCUSSION AND OTHER ACTION ITEMS**

**11. Appointment To Fill A Vacancy On The Planning Commission Alexander**

Lori Acton

- Presented the staff report and nominated Matthew Baudhuin to replace Pat Brokke

Council concurred with nomination

**12. Adopt A Resolution Approving A Contract Between The City Of Ridgecrest And Kern County Fire Services McQuiston**

- Item pulled prior to approval of the agenda

### **13. Year End Budget Projections FY 2013-14**

**McQuiston**

Rachelle McQuiston

- Presented the staff report

Dan Clark

- Commented on TOT revenues

### **14. Discussion Of Funding For The 2014 Petroglyph Festival**

**Clark**

Dan Clark

- Presented the staff report requesting City commitment of up to \$10,000 in a combination of cash and in-kind services.
- Reviewed the educational and other events being planned for the festival

Steven Morgan

- Asked Doug Lueck to discuss the other investors involved in this project
  - Doug Lueck – RACVB is investing 10,000 plus pursuing grants. Chamber of commerce has been approached to sponsor. Working on a sponsorship program which will be proposed once outlined. Spoke on consultant discussions and the economic value of the festival.
  - Harris Brokke – spoke about PBS program which will reach 20 million viewing audience. Looking to brand Ridgecrest as the rock art capital of the west. Expecting students from Lancaster, Palmdale, and Los Angeles to visit. Large development opportunity for the community and need seed money which will probably not be needed in the future as the festival takes off. Bringing new money to the community.
  - Reviewed estimated attendance to the Indian Pow Wow and the festival, could reach up to 5,000 people.
  - Doug Lueck – LA Unified school district is planning on bringing up to 1000 students per day to the festival and at this time we can't handle that many, but the cost is already covered by grants and student funding.
  - Solomon – spoke on chamber of commerce participation.
  - Justin O'Neill – spoke on the fund raising process through sponsorship opportunities for businesses and reviewed the success of the 50<sup>th</sup> anniversary celebration. Commented on attendance and the benefits to the community. Local element has expressed desire to have more events like these in the community. Spoke on opportunity to make an investment that will benefit the community by capturing the tourism dollars that go by on highway 395 every year.
- Want the public to know this is a partnership and not just a group of people asking for a handout. Difficult to discuss a project like this with the revenue shortages we are experiencing.
- Asked if this is a commitment of cash, in-kind, and needs to be defined.

Lori Acton

- Lucky to attend these meetings and see what is happening in the community. There is a lot of involvement from many different entities
- This is worthwhile and will ultimately benefit the entire community.
- Currently working on some STEM grant money for boys and girls club who will be involved.
- Support the request

Jim Sanders

- Like the idea of the festival and support ways of bringing people to the community
- Little hesitant to commit at this time because do not know very much about it at this time.
- Questioned more detail of the in-kind service
  - Dan Clark – hope to use the Kerr McGee Center for some of the educational events and possible permit fee waivers then make up the \$10,000 balance as a cash donation.

Chip Holloway

- Had good turnouts for two local events but these were local events and one of them was free
- Want council members to define the in-kind service and those costs.
- Trying to attract people from out of town and making momentum with wildflower festival.
- Concerned that we do just enough to get by and then expect a great return
- Asked Doug to come back to council with an honest, full plan showing how much money we really should spend on an event of this size.
- Have not seen anything in the community to build this up. May want to do a two-year plan after seeing the expert's numbers.
- I want an event that people are excited about and who will participate and attend.

Harris Brokke

- Commented on the budget presented to the council. Still have to raise the funds. Developer is behind the plan for 2014. Two years planning could make a better event but do have support for the 2014 plan and are gather support from the local businesses. Meeting with the developer on Friday.

Chip Holloway

- Even if happy with the plan right now, want to fund it out of the FY 2014-15 budget and want to see a more detailed plan and if more is needed then need to have the discussion with everyone.

Dan Clark

- Commented on discussion with organizers of the Bishop Mule Days which includes year round staffing to prepare for it. Their comment was to grow it slow.
- Budget is an estimate and the plan is aggressive and could be a good economic development mechanism.
- Suggested funding out of the current general fund reserve.
  - Rachelle McQuiston – do not want to touch the general fund reserve unless in an emergency. Could seek the funds from other budgets.
- Believe this is something we need to fund and was hoping to do so out of the current budget.
- Asked Doug Lueck about the needs.
  - Doug Lueck – will know more this weekend and may be able to pay the consultant on a payment plan. If have to hold back on marketing then will disrupt the festival success

Lori Acton

- Suggested council keep in mind and RACVB come back with more information at a future meeting.
  - Doug Lueck – consultant will hit the ground running and may need funding before next budget year.
- Suggesting this as an agenda item in two weeks with more information being available.

Dan Clark

- Happy with coming back at the next council member.

Jim Sanders

- Requested full projections and details before moving forward.

Dan Clark

- Shared that National Geographic is interested in the Indian Pow Wow and doing a lineage study on the indigenous tribes in this area.

Steve Morgan

- Asked for a budget outline for the in-kind services being proposed.
- Not against the idea of paying more but want to see the budget.

## COMMITTEE REPORTS

### **Activate Community Talents And Interventions For Optimal Neighborhoods Task Force (ACTION)**

Members: Jim Sanders, Dan Clark  
Meetings: 3<sup>rd</sup> Tuesday of the Month at 4:00 P.M., Kerr-McGee Center  
Next Meeting:

Jim Sanders

- Met January and discussed teen court which shows a reduction to students needing assistance and indicates the program is working
- Chief Strand mentioned an abuse counseling program

### **Veterans Advisory Committee**

Members: Dan Clark  
Meetings: 1<sup>st</sup> and 3<sup>rd</sup> Tuesday of the Month At 6:30 p.m., Kerr-McGee Center  
Next Meeting:

Dan Clark

- Reviewed meeting
- Non-profit application
- Veterans stand-down certificate of appreciation

### **Ridgecrest Area Convention And Visitors Bureau (RACVB)**

Members: Chip Holloway  
Meetings: 1<sup>st</sup> Wednesday Of The Month, 8:00 A.M.  
Next Meeting: at location to be announced

Chip Holloway

- Read director's report (*Copy Available In The City Clerk's Office*)
- Long Beach Travel Adventure Show this weekend, February 7, 8 and 9, 2014. Doug Lueck and Kari Hunter from RACVB and Harris Brokke of Maturango Museum will be attending.
- U.S. Travel Association subject was State of the Union and Travel. Featuring issues of critical importance to travel community, including immigration reform, quality job creation social media and America's infrastructure challenges.
- Attended State of the County Dinner and Address in Bakersfield on Wednesday, January 29, 2014.
- 2014 Creative Handbook, 25<sup>th</sup> anniversary which goes out to production directors, producers and film production companies. Passed around to Board of Directors.
- Locations California Magazine is circulated and each Board of Director given a copy with tab on page 20, which has "The California High Deserts" half page ad.
- March 28, 29 & 30, 2014: Still coming is, Steve Brown, Editor and Publisher from "The Sun Runner" PBS show, The California Deserts will have television group filming live in Ridgecrest.
- January 22, 23 and 24, 2014 met with Ramon Jaime, Executive Producer, Logistics and Marketing.
- FILMING: Doug Dressler of NATILUS PRODUCTIONS for 2 days, with a crew of 35 for Lamborghini car commercial at Inyokern Airport.
- Next Board of Directors meeting will be Wednesday, March 5, 2014, location to be determined.

## **OTHER COMMITTEES, BOARDS, OR COMMISSIONS**

Lori Acton

- Attended Meth Amphetamine task force in Bakersfield.
- Attended Jawbone Canyon Friends of the Desert

## **CITY MANAGER REPORT**

- No Report

## **MAYOR AND COUNCIL COMMENTS**

Steve Morgan

- Thanked Mayor and members present for the information on the petroglyph festival
- Think it's worthwhile and if I can afford it will personally donate \$200 and if I can do more then I will.
- Couple of comments made earlier by Mr. Neel were from the Measure 'L' meeting
- Item under complaint at the Measure 'L' meeting were my comments, I asked them to think about some things. Did not direct them or tell them to make a certain decision. I was part of the process.
- Have known for years that city's insurance does not cover rebuild cost because I asked. If we want to find out what full replacement costs would be then let's have the conversation.
- Respect the conversation from Jim about his TAB concerns.
- TAB always had the uneasy feeling to members of the project about coming back with specific projects with detailed budgets. Council has always said this and no one believes us. Streets list is now approved and council has told staff to move forward, the other divisions are going to have to do the same thing. Fully expect the replacement for concession stand to be more than what was received.
- The building was not ADA compliant or properly plumbed and in essence was a condemned building so this is what insurance paid us.
- We correct things when we find them and council does care
- Adamant that we need the infrastructure committee back and will explain why when a certain report comes before the council
- Have to trust our staff and show faith in them and then project it to our citizens and get them onboard. Sometimes we succeed and other we fail.

Lori Acton

- Soft goods are great but there is only so much people can buy. We need to seriously look at bringing in more industry.
- Regarding the water issues in the valley, Wednesday at the senior center will receive the full report and looks like we will have to import water. Visit the county website and read the report

Jim Sanders

- Appreciate everyone's patience with the TAB concerns
- Attended committee meetings for league of California cities
- Member of the community services committee and discussed what the committee wants to focus on for the state such as bills relating to homeless, mental health, human trafficking, panhandling, and e-cigarettes
- Environmental quality committee and had state senator discuss water bonding and the drought being an opportunity to push water bonding forward. Definite needs but uncertain about how the bill will look like in its final form. Also discussed plastic bag legislation.
- Excited to be a part of the league of California cities that watch and weigh in on state legislation. Hard for Ridgecrest to have influence in Sacramento but combined with other cities in the league give a formidable power.

Chip Holloway

- Reviewed Mike Neel's example of a graph showing that all of parks problems could be solved completely for 20-30 years with all the TAB funds
- Tired of the selective statements being put out in the community
- Commented on streets conditions in other cities including Las Vegas and Los Angeles as having streets in worse condition than Ridgecrest
- Spoke on ideas for new ways of gathering funding for roads being proposed including meters on cars that show miles driven
- Need a balance to everything done in government, parks and recreation and economic development are just as important as streets
- Spoke on being transparent with Measure 'L' and the impact of AB109 on public safety
- Reviewed league of California cities committee meeting which reviewed the impacts of AB 109, legislation pertaining to recreational marijuana and taxation.
- Commented on a small windfall we might get with triple flip catchup for the payment which has been in arrears however gas tax may be going down
- Revenue and taxation committee spoke on water bills and the California infrastructure bank, additional redevelopment bills and house passed a San Joaquin water bill.
- Want to see about giving a loan to the sports association for equipment.

Dan Clark

- Visited with 9 tribes and Cpt. Lazar at Death Valley and have about an 80% support from the tribes for the petroglyph festival.
- Need to educate the students and people not to desecrate the Native American art.
- Supervisor Gleason is putting funding to Petroglyph Park and planning to have educational lessons.
- Requested one more council member to participate on the committee
  - Lori Acton will attend
- Plan on doing a better job educating council on the petroglyph meetings.
- Commented on suggestion of having committee meetings prior to council meetings and asked about the process of setting the agenda's. Asked council to think about it.
- Previous council chose not to allow marijuana dispensaries in the community and commented on the effects on youth and the brain. Asked if the community and council need to think about their posture.
- Requested this community say no to recreational marijuana.

**ADJOURNMENT at 11:01 pm**

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Rachel J. Ford, CMC  
City Clerk

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**CITY COUNCIL/SUCCESSOR REDEVELOPMENT AGENCY/  
FINANCING AUTHORITY/HOUSING AUTHORITY AGENDA ITEM**

**SUBJECT:** Request for Sponsorship of the Petroglyph Rock Art Festival from the City of Ridgecrest

**PRESENTED BY:**  
Dan Clark, Mayor

**SUMMARY:**

This item came before Council at the regular meeting of February 5, 2014 and was tabled to this meeting while Festival organizers prepared a draft budget and action plan for the Council to consider.

A Petroglyph rock art festival will be held in November 2014. Business leaders from the Ridgecrest community are planning a Petroglyph rock art festival to highlight the rock art in the area to brand the Ridgecrest area as the rock art capital of North America. With the Petroglyphs in Little Petroglyph Canyon, the area is widely known for having some of the finest Petroglyphs in North America and Little Petroglyph Canyon is designated as a national historic landmark.

The plan is to make this festival an annual event. This could be a tremendous draw to bring tourists to the Ridgecrest area to stay in our hotels, eat in our restaurants and shop at other local businesses. Once tourists have been to Ridgecrest, we expect many of them to come back again because there is much to see within a short drive of the Ridgecrest area.

A request for the City of Ridgecrest to sponsor the event was made by the Maturango Museum of the Indian Wells Valley. The recommended sponsorship contribution amount is \$10,000 including in-kind contributions.

**FISCAL IMPACT:**

In-Kind Contributions and/or Cash Not to exceed \$10,000

Reviewed by Finance Director

**ACTION REQUESTED:**

Discuss the subject request and determine whether to sponsor the event.

**CITY MANAGER / EXECUTIVE DIRECTOR RECOMMENDATION:**

Action as requested:

Submitted by: Dennis Speer  
(Rev. 02/13/12)

Action Date: February 19, 2014

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