

CITY OF GALT

Barbara Payne, Mayor
Marylou Powers, Vice Mayor
Mark Crews, Council Member
Randy Shelton, Council Member
Mike Singleton, Council Member

Elizabeth Aguire, City Clerk
Shaun Farrell, City Treasurer

Steven Rudolph, City Attorney



Jason Behrmann, City Manager

Barry Weiss, Assistant City Manager
Curt Campion, Community Dev. Director
Loren Cattolico, Police Chief
Gregg Halladay, Public Work Director
Paula Islas, Human Resources Admin.
Boyce Jeffries, Parks & Rec. Director
Inez Kiriui, Finance Director

A G E N D A

SPECIAL CITY COUNCIL MEETING

COUNCIL CHAMBERS, 380 CIVIC DRIVE, GALT, CALIFORNIA
FRIDAY, JANUARY 21, 2011, 5:00 PM

NOTE: Speaker Request Sheets are provided on the table inside the entrances to the council chambers. If you wish to address the council during the meeting, please complete a speaker sheet and give it to the city clerk. A maximum of five minutes is allowed for each speaker.

NOTE. If you need a disability-related modification or accommodation, including auxiliary aids or services, to participate in this meeting, please contact the City Clerk's office, 209-366-7130, 380 Civic Drive, at least two days prior to the meeting.

NOTE. Public records, including writings relating to an agenda item for open session of a regular meeting and distributed less than 72 hours prior to the meeting, are available for public inspection at the City Clerk's Office, 380 Civic Drive, Galt, California.

NOTE. Please turn off all cell phones and pagers during the council meeting.

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- A. **CALL MEETING TO ORDER** - Roll Call: Powers, Singleton, Shelton, Crews, Payne.
- B. **PUBLIC COMMENT** - Under Government Code Section 54954.3, members of the audience may address the council on any agenda item before or during the council's consideration of the item. Please fill out a speaker sheet located on the table inside the entrances to the council chambers and forward the completed speaker sheet to the city clerk prior to addressing the council. We request that you state whether you live within the Galt city limits or the county area. A maximum of five minutes is allowed for each speaker.
- C. **REGULAR CALENDAR:**
1. **SUBJECT:** Cooperative Agreement between Agency and City.

**GALT CITY COUNCIL AGENDA
SPECIAL MEETING OF JANUARY 21, 2011
PAGE 2**

RECOMMENDED ACTION: Adopt a Resolution authorizing the expenditure of tax increment funds for specified public improvements and redevelopment activities, adopting findings required by Health and Safety Code Section 33445, and authorizing the execution of a cooperative agreement with the Redevelopment Agency of the City of Galt.

D. ADJOURN TO THE REDEVELOPMENT AGENCY

**A G E N D A
REDEVELOPMENT AGENCY MEETING**

1. Roll Call: Board Members: Powers, Singleton, Shelton, Crews, Payne.
2. Public Comment:
3. **SUBJECT:** Cooperative Agreement between Agency and City.
RECOMMENDED ACTION: Adopt a Resolution authorizing the expenditure of tax increment funds for specified public improvements and redevelopment activities, adopting findings required by Health and Safety Code Section 33445, and authorizing the execution of a cooperative agreement with the City of Galt.

E. ADJOURN AND RECONVENE TO THE GALT CITY COUNCIL

ADJOURNMENT

ELIZABETH AGUIRE, CITY CLERK: Agenda Report. The agenda for this Galt City Council Meeting was posted in the following listed sites before the close of business at 5:00 pm on the Friday preceding the meeting:

1. City Hall Lobby, 380 Civic Drive;
2. U.S. Post Office, 600 N. Lincoln Way; and
3. Marian O. Lawrence Library, 1000 Caroline Avenue.



COUNCIL AGENDA REPORT

Meeting Date: January 21, 2011
Item Number:

FROM: City Manager / Executive Director
City Attorney / Agency Counsel

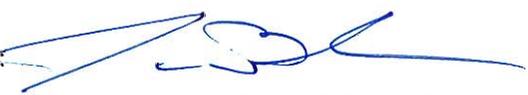
Prepared By: City Attorney / Agency Counsel 

SUBJECT: RESOLUTION NO. 2011-_____ AUTHORIZING THE EXPENDITURE OF TAX INCREMENT FUNDS FOR SPECIFIED PUBLIC IMPROVEMENTS AND REDEVELOPMENT ACTIVITIES, ADOPTING FINDINGS REQUIRED BY HEALTH AND SAFETY CODE SECTION 33445, AND AUTHORIZING THE EXECUTION OF A COOPERATIVE AGREEMENT WITH THE REDEVELOPMENT AGENCY OF THE CITY OF GALT

RESOLUTION NO. 2011-_____ AUTHORIZING THE EXPENDITURE OF TAX INCREMENT FUNDS FOR SPECIFIED PUBLIC IMPROVEMENTS AND REDEVELOPMENT ACTIVITIES, ADOPTING FINDINGS REQUIRED BY HEALTH AND SAFETY CODE SECTION 33445, AND AUTHORIZING THE EXECUTION OF A COOPERATIVE AGREEMENT WITH THE CITY OF GALT

RECOMMENDATION

1. Adopt the attached Resolution authorizing the expenditure of tax increment funds for specified public improvements and redevelopment activities, adopting findings required by Health and Safety Code section 33445, and authorizing the execution of a cooperative agreement with the Redevelopment Agency of the City of Galt.
2. Adopt the attached Resolution authorizing the expenditure of tax increment funds for specified public improvements and redevelopment activities, adopting findings required by Health and Safety Code section 33445, and authorizing the execution of a cooperative agreement with the City of Galt.

City Manager Approval: 

.....

TYPE OF ITEM:	COUNCIL ACTION:	Approved	Denied	Revised
<input type="checkbox"/> Consent	Reso No _____			Ord No _____
<input type="checkbox"/> Departmental	Moved By:			
<input type="checkbox"/> Public Hearing	Seconded By:			
<input type="checkbox"/> Redevelopment Agency	Vote:			
<input type="checkbox"/> Other				

DISCUSSION

The Governor's Office has announced in a budget proposal that it intends to eliminate Redevelopment Agencies by March of 2011. The Legislative Analyst has recommended the adoption of urgency legislation to immediately curtail current spending and financial commitments by Redevelopment Agencies. Therefore, there is a risk that potential legislation may be introduced as early as next week that would have an effective date as of the date of introduction of the bill.

It is possible, however, that Redevelopment Agency funds which are committed to be expended by valid contracts executed before the bill is introduced could be exempted from the State legislation. Therefore, we are recommending that the Redevelopment Agency Board and the City Council each approve a resolution allowing current and future redevelopment funds to be encumbered to continue vital public infrastructure, economic development and affordable housing programs in Galt. The Redevelopment Agency would agree to fund, and the City would agree to: (1) construct certain specified projects, (2) acquire certain specified properties, and (3) provide administrative support and services, all for the benefit of the Galt Redevelopment Project Area.

The administrative services and specified projects are described in the exhibits attached to the Cooperative Agreement.

In order to expend Redevelopment Agency funds for publicly-owned improvements located within the Galt Redevelopment Project Area, both the Agency Board and the City Council must find that payment for the cost of installation and construction of the improvements are of benefit to the Project Area by helping to eliminate blight within the Project Area; that no other reasonable means of financing the installation and construction are available to the community; and that the payment of funds is consistent with the Implementation Plan adopted by the Redevelopment Agency. In addition, the City Council must consent to the use of Redevelopment Agency funds for such purposes.

The Cooperative Agreement is exempt from CEQA pursuant to CEQA Guidelines section 15378(b)(4), because the agreement is related solely to a government funding mechanism or other fiscal activity which does not involve a commitment to construct a project. Each of the projects identified in the Cooperative Agreement will be reviewed for environmental impacts prior to construction by the City.

FINANCIAL IMPACT

The Redevelopment Agency faces a risk of the permanent loss of funding through the actions of the State of California. The amount of funds encumbered are existing and future Redevelopment Agency funds that are not otherwise obligated to pay debt service on bonds issued or to be issued by the Agency, and not otherwise obligated to pay other contractual indebtedness.

ALTERNATIVES

1. Provide further direction to staff.
2. No action.

ATTACHMENTS

1. Resolution No. 2011-_____ authorizing the expenditure of tax increment funds for specified public improvements and redevelopment activities, adopting findings required by Health and Safety Code section 33445, and authorizing the execution of a cooperative agreement with the Redevelopment Agency of the City of Galt.
2. Resolution No. 2011- _____ authorizing the expenditure of tax increment funds for specified public improvements and redevelopment activities, adopting findings required by Health and Safety Code section 33445, and authorizing the execution of a cooperative agreement with the City of Galt
3. Cooperative Agreement between the Redevelopment Agency of the City of Galt and the City of Galt.

RESOLUTION NO. _____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GALT
AUTHORIZING THE EXPENDITURE OF TAX INCREMENT FUNDS FOR
SPECIFIED PUBLIC IMPROVEMENTS AND REDEVELOPMENT ACTIVITIES,
ADOPTING FINDINGS REQUIRED BY HEALTH AND SAFETY CODE SECTION
33445, AND AUTHORIZING THE EXECUTION OF A COOPERATIVE AGREEMENT
WITH THE REDEVELOPMENT AGENCY OF THE CITY OF GALT**

WHEREAS, the Redevelopment Agency of the City of Galt (“**Agency**”) is a redevelopment agency formed, existing and exercising its powers pursuant to California Community Redevelopment Law, Health and Safety Code Section 33000 *et seq.* (“**CRL**”);

WHEREAS, the City Council (“**City Council**”) of the City of Galt (“**City**”) has adopted and amended, from time to time, the Redevelopment Plan (the “**Redevelopment Plan**”) for the Galt Redevelopment Project (the “**Project Area**”);

WHEREAS, in keeping with the goals of the Agency to eliminate blight in the Project Area in accordance with the Redevelopment Plan and Agency’s current Implementation Plan (“**Implementation Plan**”), the City and Agency have been working cooperatively regarding the development of certain public improvements in the Project Area;

WHEREAS, the City and Agency have determined that it would be mutually beneficial to enter into a Cooperative Agreement (the “**Agreement**”) a copy of which is on file with the City Clerk and Agency Secretary, pursuant to which the Agency would agree to pay for certain public improvements and other activities to be undertaken by the City in the furtherance of the redevelopment of the Project Area;

WHEREAS, pursuant to Section 33445 of the CRL, the Agency may, with the consent of the City, pay for all or a portion of the cost of the land for, and the cost of construction of, any building, facility, structure, or other improvements that are publicly owned and located within the Project Area if the City Council finds based upon substantial evidence that:

(1) The acquisition of the land or the installation or construction of the buildings, facilities, structures, or other improvements that are publicly owned are of benefit to the Project Area;

(2) The acquisition of the land or the installation or construction of the buildings, facilities, structures, or other improvements that are publicly owned benefits the Project Area by helping to eliminate blight within the Project Area, or will directly assist in the provision of housing for low- or moderate-income persons;

(3) No other reasonable means of financing the acquisition of the land or the installation or construction of the buildings, facilities, structures, or other improvements that are publicly owned, are available to the community; and

(4) The payment of funds for the acquisition of land or the cost of buildings, facilities, structures, or other improvements that are publicly owned is consistent with the implementation plan adopted pursuant to CRL Section 33490.

WHEREAS, the Staff Report accompanying this Resolution, the Redevelopment Plan, and the Implementation Plan provide additional information upon which the findings and actions set forth in this Resolution are based;

WHEREAS, the expenditure of tax increment funds for the projects identified in the Agreement will be of benefit to the Project Area by facilitating the elimination of blight and the development of affordable housing;

WHEREAS, the improvements to be funded pursuant to the Agreement are provided for in the Redevelopment Plan, and the expenditure of tax increment funds for such improvements is consistent with the Implementation Plan adopted by the Agency pursuant to Health and Safety Code Section 33490, in that they will further the goals and objectives of the Redevelopment Plan, improve the appearance of the Project Area, eliminate blight, improve access to Project Area businesses, support economic development, and support the development of affordable housing;

WHEREAS, the activities and improvements proposed to be funded pursuant to the Agreement will not generate cash flow to the City or Agency, and therefore cannot support debt service; the City has no unrestricted general fund revenue available for such purposes without a reduction in vital community services; and the City does not have and cannot reasonably obtain revenue available for such purposes, and therefore no other reasonable means of financing such activities and improvements exists;

WHEREAS, as is further set forth below, the activities and improvements contemplated in the Agreement have no potential for physical effects on the environment because they only involve the transfer of funding between the Agency and the City, and the Agreement requires that each individual improvement, project and/or activity listed in the Agreement will be fully and/or further evaluated at a project level in full compliance with CEQA and the National Environmental Protection Act, as applicable, when sufficient physical details regarding site and proposed design and construction are available to permit meaningful CEQA review (see CEQA Guidelines, Section 15004(b)(1)). Therefore, approval of the Agreement is exempt from review pursuant to CEQA Guidelines Sections 15061(b)(3) and 15378(b)(3).

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Galt that it hereby:

1. Finds based upon the foregoing recitals and the evidence set forth in the Staff Report, accompanying this Resolution that: (i) the expenditure of tax increment funds for the projects, activities and programs identified in the Agreement will be of benefit to the Project Area by helping to eliminate blighting conditions and facilitating the development of low and moderate-income housing, (ii) no other reasonable means of financing such projects activities and programs is reasonably available, and (iii) completion of such projects is provided for and

consistent with the Redevelopment Plan and the Implementation Plan previously adopted by the Agency Board and City Council.

2. Finds that the Agreement is exempt from CEQA review pursuant to CEQA Guidelines Sections 15061(b)(3) and 15378(b)(4) in that it can be seen with certainty that there is no possibility that the activities or projects in question may have a significant impact on the environment because the City has discretionary authority regarding whether the following projects will go forward or not and will not exercise its discretion regarding these activities or projects until such time as all appropriate CEQA review has been completed.

3. Approves the Agency's expenditure of tax increment funds in the amounts and for the purposes specified in the Agreement.

4. Approves the actions to be undertaken and the services to be provided by the City as specified in the Agreement.

5. Authorizes the City Manager to execute the Agreement on behalf of the City substantially in the form on file with the City Clerk and to undertake such actions and to execute such additional instruments as may be necessary or desirable in order to carry out the intent of this Resolution.

6. Authorizes the City Clerk or designee to file a Notice of Exemption for the approval of the Agreement with the County Clerk of Sacramento County in conformance with the procedures provided for the filing of such notices in the California Environmental Quality Act and the CEQA Guidelines.

Adopted and approved by the City Council of the City of Galt at a meeting held on the 21st day of January, 2011 by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Barbara Payne, Mayor
City of Galt

ATTEST:

Elizabeth Aguire, City Clerk

RESOLUTION NO. _____

**A RESOLUTION OF THE REDEVELOPMENT AGENCY OF THE CITY OF GALT
AUTHORIZING THE EXPENDITURE OF TAX INCREMENT FUNDS FOR
SPECIFIED PUBLIC IMPROVEMENTS AND REDEVELOPMENT ACTIVITIES,
ADOPTING FINDINGS REQUIRED BY HEALTH AND SAFETY CODE SECTION
33445, AND AUTHORIZING THE EXECUTION OF A COOPERATIVE AGREEMENT
WITH THE CITY OF GALT**

WHEREAS, the Redevelopment Agency of the City of Galt (“**Agency**”) is a redevelopment agency formed, existing and exercising its powers pursuant to California Community Redevelopment Law, Health and Safety Code Section 33000 *et seq.* (“**CRL**”);

WHEREAS, the City Council (“**City Council**”) of the City of Galt (“**City**”) has adopted and amended, from time to time, the Redevelopment Plan (the “**Redevelopment Plan**”) for the Galt Redevelopment Project (the “**Project Area**”);

WHEREAS, in keeping with the goals of the Agency to eliminate blight in the Project Area in accordance with the Redevelopment Plan and Agency’s current Implementation Plan (“**Implementation Plan**”), the City and Agency have been working cooperatively regarding the development of certain public improvements in the Project Area;

WHEREAS, the City and Agency have determined that it would be mutually beneficial to enter into a Cooperative Agreement (the “**Agreement**”) a copy of which is on file with the City Clerk and Agency Secretary, pursuant to which the Agency would agree to pay for certain public improvements and other activities to be undertaken by the City in the furtherance of the redevelopment of the Project Area;

WHEREAS, pursuant to Section 33445 of the CRL, the Agency may, with the consent of the City, pay for all or a portion of the cost of the land for, and the cost of construction of, any building, facility, structure, or other improvements that are publicly owned and located within the Project Area if the City Council finds based upon substantial evidence that:

(1) The acquisition of the land or the installation or construction of the buildings, facilities, structures, or other improvements that are publicly owned are of benefit to the Project Area;

(2) The acquisition of the land or the installation or construction of the buildings, facilities, structures, or other improvements that are publicly owned benefits the Project Area by helping to eliminate blight within the Project Area, or will directly assist in the provision of housing for low- or moderate-income persons;

(3) No other reasonable means of financing the acquisition of the land or the installation or construction of the buildings, facilities, structures, or other improvements that are publicly owned, are available to the community; and

(4) The payment of funds for the acquisition of land or the cost of buildings, facilities, structures, or other improvements that are publicly owned is consistent with the implementation plan adopted pursuant to CRL Section 33490.

WHEREAS, the Staff Report accompanying this Resolution, the Redevelopment Plan, and the Implementation Plan provide additional information upon which the findings and actions set forth in this Resolution are based;

WHEREAS, the expenditure of tax increment funds for the projects identified in the Agreement will be of benefit to the Project Area by facilitating the elimination of blight and the development of affordable housing;

WHEREAS, the improvements to be funded pursuant to the Agreement are provided for in the Redevelopment Plan, and the expenditure of tax increment funds for such improvements is consistent with the Implementation Plan adopted by the Agency pursuant to Health and Safety Code Section 33490, in that they will further the goals and objectives of the Redevelopment Plan, improve the appearance of the Project Area, eliminate blight, improve access to Project Area businesses, support economic development, and support the development of affordable housing;

WHEREAS, the activities and improvements proposed to be funded pursuant to the Agreement will not generate cash flow to the City or Agency, and therefore cannot support debt service; the City has no unrestricted general fund revenue available for such purposes without a reduction in vital community services; and the City does not have and cannot reasonably obtain revenue available for such purposes, and therefore no other reasonable means of financing such activities and improvements exists;

WHEREAS, as is further set forth below, the activities and improvements contemplated in the Agreement have no potential for physical effects on the environment because they only involve the transfer of funding between the Agency and the City, and the Agreement requires that each individual improvement, project and/or activity listed in the Agreement will be fully and/or further evaluated at a project level in full compliance with CEQA and the National Environmental Protection Act, as applicable, when sufficient physical details regarding site and proposed design and construction are available to permit meaningful CEQA review (see CEQA Guidelines, Section 15004(b)(1)). Therefore, approval of the Agreement is exempt from review pursuant to CEQA Guidelines Sections 15061(b)(3) and 15378(b)(3).

NOW, THEREFORE, BE IT RESOLVED by the Redevelopment Agency of the City of Galt that it hereby:

1. Finds based upon the foregoing recitals and the evidence set forth in the Staff Report, accompanying this Resolution that: (i) the expenditure of tax increment funds for the projects, activities and programs identified in the Agreement will be of benefit to the Project Area by helping to eliminate blighting conditions and facilitating the development of low and moderate-income housing, (ii) no other reasonable means of financing such projects, activities and programs is reasonably available, and (iii) completion of such projects is provided for and

consistent with the Redevelopment Plan and the Implementation Plan previously adopted by the Agency Board and City Council.

2. Finds that the Agreement is exempt from CEQA review pursuant to CEQA Guidelines Sections 15061(b)(3) and 15378(b)(4) in that it can be seen with certainty that there is no possibility that the activities or projects in question may have a significant impact on the environment because the City has discretionary authority regarding whether the following projects will go forward or not and will not exercise its discretion regarding these activities or projects until such time as all appropriate CEQA review has been completed.
3. Approves the Agency's expenditure of tax increment funds in the amounts and for the purposes specified in the Agreement.
4. Approves the actions to be undertaken and the services to be provided by the City as specified in the Agreement.
5. Authorizes the Agency Executive Director to execute the Agreement on behalf of the Agency substantially in the form on file with the Agency Secretary and to undertake such actions and to execute such additional instruments as may be necessary or desirable in order to carry out the intent of this Resolution.
6. Authorizes the Agency Secretary or designee to file a Notice of Exemption for the approval of the Agreement with the County Clerk of Sacramento County in conformance with the procedures provided for the filing of such notices in the California Environmental Quality Act and the CEQA Guidelines.

Adopted and approved by the Redevelopment Agency of the City of Galt at a meeting held on the 21st day of January, 2011 by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

Barbara Payne, Chairperson
Board of Directors
Redevelopment Agency of the City of Galt

ATTEST:

Elizabeth Aguire, Agency Secretary

**COOPERATIVE AGREEMENT BETWEEN THE
REDEVELOPMENT AGENCY OF THE CITY OF GALT AND
THE CITY OF GALT**

This Cooperative Agreement (this “**Agreement**”) is entered into effective as of January ____, 2011 (“**Effective Date**”) by and between the Redevelopment Agency of the City of Galt, a public body corporate and politic (“**Agency**”) and the City of Galt, a municipal corporation (“**City**”). The Agency and the City are hereinafter collectively referred to as the “**Parties**.”

RECITALS

A. Pursuant to authority granted under Community Redevelopment Law (California Health and Safety Code Section 33000 *et seq.*) (“**CRL**”), the Agency has responsibility to implement the redevelopment plan for the Galt Redevelopment Project (the “**Project Area**”) established by the Redevelopment Plan adopted for the Project Area pursuant to Ordinance No. 83-10, adopted on June 7, 1983 (and as subsequently amended from time to time, hereafter the “**Redevelopment Plan**”).

B. Pursuant to Section 33220 of the CRL, any public body is authorized to enter into an agreement with the Agency for the purpose of aiding and cooperating in the planning, undertaking, construction, or operation of redevelopment projects located within the jurisdiction in which such public body is authorized to act, upon the terms and with or without consideration as such public body determines.

C. Pursuant to Section 33126(b) of the CRL, the Agency may enter into a contract with any other public agency pursuant to which such public agency furnishes necessary staff services associated with or required by redevelopment.

D. Pursuant to Section 33445 of the CRL, the Agency may, with the consent of the City, pay for all or a portion of the cost of the land for, and the cost of construction of, any building, facility, structure, or other improvements that are publicly owned and located within or contiguous to the Project Area if the City Council finds based upon substantial evidence that:

(1) The acquisition of the land or the installation or construction of the buildings, facilities, structures, or other improvements that are publicly owned are of primary benefit to the Project Area;

(2) The acquisition of the land or the installation or construction of the buildings, facilities, structures, or other improvements that are publicly owned benefits the Project Area by helping to eliminate blight within the Project Area, or will directly assist in the provision of housing for low- or moderate-income persons;

(3) No other reasonable means of financing the acquisition of the land or the installation or construction of the buildings, facilities, structures, or other improvements that are publicly owned, are available to the community;

(4) The payment of funds for the acquisition of land or the cost of buildings, facilities, structures, or other improvements that are publicly owned is consistent with the implementation plan adopted pursuant to CRL Section 33490; and

(5) The acquisition of land and the installation of each building, facility, structure, or improvement that is publicly owned is provided for in the Redevelopment Plan.

E. On the basis of the information and evidence presented to the City Council and the governing board of the Redevelopment Agency and provided in the staff report and other materials accompanying the resolutions approving this Agreement, and based upon further information contained in the Redevelopment Plan and the Implementation Plan, the City Council and the Redevelopment Agency have adopted the findings described in Recital D with respect to the public improvements to be funded by the Agency pursuant to this Agreement.

F. The Parties desire to enter into this Agreement to set forth activities, services, and improvements that the City will undertake or make available to the Agency in furtherance of the redevelopment of the Project Area, and to provide that the Agency will pay for or reimburse the City for actions undertaken and costs and expenses incurred for and on behalf of the Agency or otherwise in furtherance of the redevelopment of the Project Area.

NOW, THEREFORE, in consideration of the mutual covenants, conditions and promises herein contained, the Parties hereby agree as follows.

1. Term. The term of this Agreement shall commence on the Effective Date, and shall continue in effect throughout the period during which the Agency remains in existence. Notwithstanding the foregoing, the Parties agree that if and to the extent any payment obligation incurred by the Agency pursuant to this Agreement may extend beyond the term during which the Agency is authorized to undertake activities pursuant to state law, such obligations shall be paid from any resources available to Agency or its successor in interest (subject to Section 7 below), including without limitation, tax increment revenue available to the Agency or its successor pursuant to Article XVI, Section 16 of the California Constitution and CRL Section 33670, the proceeds of bonds or other indebtedness heretofore or hereafter issued by the Agency (subject to applicable limitations imposed by federal law and the applicable bond indenture and related documents), reserve funds (to the extent not otherwise legally obligated), lease revenues, interest, and proceeds from the sale of land or other assets.

2. City to Provide Services. In support of the redevelopment of the Project Area, the City agrees to provide the staffing and other services described in the attached Exhibit A. Agency agrees to pay City for the cost of such staffing and other services in the amounts and in accordance with the schedule described in the attached Exhibit A.

3. Agency to Pay for Public Improvements. The Agency agrees to pay to the City the amounts set forth in Exhibit B for the cost of construction of the public improvements and acquisition of property therein identified and in accordance with the schedule set forth therein.

4. Agency to Provide Funds for Low and Moderate-Income Housing. The Agency agrees to pay to the City all funds within its Low and Moderate Income Housing Fund (Fund 91) not previously obligated by Agency pursuant to the CRL or otherwise, for the purpose of increasing, improving and preserving the supply of low- and moderate-income housing within the City, to be utilized for the programs and activities identified in Exhibit A hereto.

5. Indebtedness. The obligations of the Agency to make payment to City pursuant to this Agreement shall constitute an indebtedness of the Agency within the meaning of Article XVI, Section 16 of the California Constitution and CRL Section 33670, and shall be payable from tax increment paid to the Agency pursuant to Article XVI, Section 16 of the California Constitution and CRL Section 33670 or from any other source legally available to the Agency for such payment, and shall constitute an indebtedness of the Agency until paid in full. The Agency shall include its obligations to the City under this Agreement as an indebtedness on the Agency's statement of indebtedness filed with the County Auditor pursuant to CRL Section 33675.

6. Subordination. The obligations of the Agency to make payments to City pursuant to this Agreement shall be subordinate to any obligation of the Agency to pay debt service on bonds heretofore or hereafter issued by the Agency and to pay any other contractual indebtedness of the Agency incurred prior to the date of this Agreement.

7. Project Approvals; Environmental Review. The actions contemplated by this Agreement - the approval of funding sources for future improvements, activities and programs - has no potential for physical effects on the environment. Each individual improvement, project and/or activity listed in this Agreement has been or will be fully evaluated at a project level in full compliance with the California Environmental Quality Act ("CEQA") and the National Environmental Protection Act ("NEPA"), as applicable, when sufficient physical details regarding site and proposed design and construction are available to permit meaningful CEQA review. (See CEQA Guidelines, Section 15004(b)(1)). This Agreement does not, and is not intended to, limit in any manner the discretion of the City or the Agency, as applicable, in connection with the issuance of approvals and entitlements for the projects described in this Agreement, including without limitation, all required environmental review, all required public proceedings, and the City's and/or Agency's subsequent review and approval of plans and specifications.

8. Severability. If any term, provision, covenant, or condition set forth in this Agreement is held by the final judgment of a court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions, covenants, and conditions shall continue in full force and effect to the extent that the basic intent of the Parties as expressed herein can be accomplished. In addition, the Parties shall cooperate in good faith in an effort to amend or modify this Agreement in a manner such that the purpose of any invalidated or voided provision, covenant, or condition can be accomplished to the maximum extent legally permissible.

9. No Third-Party Beneficiaries; Assignments. Nothing in this Agreement is intended to create any third-party beneficiaries to the Agreement, and no person or entity other than the Agency and the City, and the permitted successors and assigns of either of them, shall be authorized to enforce the provisions of this Agreement.

10. Further Assurances. Each Party agrees to execute, acknowledge and deliver all additional documents and instruments, and to take such other actions as may be reasonably necessary to carry out the intent of the transactions contemplated by this Agreement.

11. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California.

12. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original and all of which shall constitute but one and the same instrument.

13. Amendments. This Agreement may be modified or amended, in whole or in part, only by an instrument in writing, executed by the Parties.

14. Recitals. The Recitals set forth above are hereby incorporated into this Agreement as though fully set herein.

15. Exhibits. Exhibits A and B attached hereto are hereby incorporated into this Agreement by reference.

SIGNATURE PAGE FOLLOWS

IN WITNESS WHEREOF, the Parties have executed this Cooperative Agreement as of the date first written above.

CITY:

**CITY OF GALT,
a municipal corporation**

By: _____

Title: City Manager

ATTEST:

By: _____
Elizabeth Aguire, City Clerk

APPROVED AS TO FORM:

By: _____
Steven Rudolph, City Attorney

AGENCY:

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

By: _____

Title: Executive Director

ATTEST:

By: _____
Elizabeth Aguire, Agency Secretary

APPROVED AS TO FORM:

By: _____
Steven Rudolph, Agency Counsel