

**OVERSIGHT BOARD  
OF THE  
SUCCESSOR AGENCY  
TO THE  
ORANGE REDEVELOPMENT AGENCY**

**AGENDA ITEM: 4.2  
MEETING DATE: WEDNESDAY, JUNE 11, 2014**

**TO:** Members of the Oversight Board  
**THRU:** John W. Sibley, Executive Director of the Successor Agency to the Orange Redevelopment Agency  
**FROM:** Lisa Kim, Successor Agency Staff

**1. SUBJECT**

Resolution No. OB-0055 – A Resolution of the Oversight Board of the Successor Agency to the Orange Redevelopment Agency approving a Cooperative Agreement No. C-3-2065 between the City of Orange, the Successor Agency to the Orange Redevelopment Agency, and the Orange County Transportation Authority providing for construction funding for the Metrolink Parking at the Orange Transportation Center.

**2. SUMMARY**

A request for reconsideration by the Oversight Board to approve a Cooperative Agreement No. C-3-2065 that secures \$16.7 million in funding from Orange County Transportation Authority and \$3.7 million from former Orange Redevelopment Agency bond funds for a total of \$20.4 million for the construction of the Metrolink Parking Structure at the Orange Transportation Center.

**3. RECOMMENDED ACTION(S)**

1. Approve Resolution No. OB-0055; and,
2. Authorize the Chairperson of the Oversight Board to execute the Agreement.

**4. DISCUSSION and BACKGROUND**

**Background**

In 2010, the City of Orange (City), and the Orange Redevelopment Agency (Agency) entered into a Cooperative Agreement C-9-0901 for Orange County Transportation Authority (OCTA) to fund design of two parking structures at the OTC. Due to cost considerations and site constraints at the West Chapman Parking Lot, the proposed parking structure project narrowed one location at the Lemon Street Parking Lot.

Under the terms of the Cooperative Agreement C-9-0901, the Agency was required to facilitate design of the Metrolink Parking Structure through the retention of Griffin Structures to provide project

management services, LPA Inc to provide design services and The Arroyo Group to provide environmental services. In ROPS 13-14B, the California Department of Finance (DOF) approved contracts with Griffin Structures, LPA Inc, and The Arroyo Group as enforceable obligations.

On February 12, 2014, the Oversight Board approved the Cooperative Agreement C-3-2065 (Agreement) providing for OCTA fund up to \$16.7 million for costs incurred for the Metrolink Parking Structure. The amount is based on engineer's estimates for a five level parking structure consisting of about 611 parking spaces. The remaining \$3.7 million to complete the City's share of the project will be funded through 2008 Redevelopment Bond Funds.

### **Discussion**

On February 12, 2014, the Oversight Board took action to adopt Resolution No. OB-0052 approving the Cooperative Agreement C-3-2065 for commitment of construction funding. On March 28, 2014, DOF notified the Successor Agency that Resolution No. OB-0052 was not approved citing *Health and Safety Code Section 34163(b)* that an agency shall not enter into any contracts or incur obligations with any entity including agreements for construction. It further stated *Health and Safety Code Section 34173(g)* that successor agencies do not have any legal authority to participate in redevelopment activities, except to complete any work related to an approved enforceable obligation.

Staff recommends the Oversight Board move to reaffirm their prior action based on the following findings:

- The Agreement is an “enforceable obligation” under *Health and Safety Code Section 34173(g)* as it implements the obligations set forth in the 2010 Cooperative Agreement C-9-0901 that anticipated OCTA, City and Agency to enter into a separate agreement for the construction phase of the project following completion of the environmental review for the Metrolink Parking Structure Project.
- Under *Health and Safety Code Section 34177(i)*, the Successor Agency shall continue to oversee development of properties until the “contracted work” has been completed or the contractual obligations of the former redevelopment agency can be transferred to other parties. The contractual obligation with OCTA under the approved Cooperative Agreement C-9-0901 is to secure construction funding for the Metrolink Parking Structure.
- *Health and Safety Code Section 34180(e)* authorizes the Oversight Board to approve successor agency actions that continue the acceptance of federal or state grants that are conditioned upon matching funds from the former redevelopment agency. The approval of the Agreement secures matching funds from OCTA.
- On May 30, 2014, the Sacramento Superior Court made its Final Ruling in favor of the City of Orange, the Successor Agency and the Developer. With the Low and Moderate Income Housing Fund Due Diligence Review matter resolved, the Successor Agency submitted a request for issuance of Finding of Completion on June 9, 2014.

## **5. ATTACHMENTS**

- DOF Denial Letter dated March 28, 2014
- Resolution No. OB-0055
- Cooperative Agreement No. C-3-2065

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