DOWNTOWN RETAIL REVITALIZATION

PROJECT COOPERATION AGREEMENT

REL:Agmt-181:wc
73-0903K0187-001

DOWNTOWN RETAIL REVITALIZATION
PROJECT COOPERATION AGREEMENT

This Cooperation Agreement is made and entered into this _____ day of _____, 1987, by and between the City of Santa Barbara, a municipal corporation ("City") and the Redevelopment Agency of the City of Santa Barbara (hereinafter "Agency"), a public body, corporate and politic formed and operating under and by authority of California Health and Safety Code sections 33000 et seq., known and to be cited as the California Community Redevelopment Law.

I

RECITALS

WHEREAS, the City Council of City approved and adopted the Redevelopment Plan for the Central City Redevelopment Project on November 14, 1972 by Ordinance No. 3566, amended the Redevelopment Plan on August 30, 1977 by Ordinance No. 3923 and further amended the Redevelopment Plan on December 16, 1986 by Ordinance No. 4438. The Central City Redevelopment Project Area Plan, as amended, is sometimes referred to hereinafter as the "Redevelopment Plan"; and

WHEREAS, Ordinance No. 3566 provides in pertinent part:

> "m) In order to implement and facilitate the effectuation of the Redevelopment Plan hereby approved, certain official action may be required to be taken by this body, and, accordingly, this body hereby (1) pledges its cooperation in assisting to carry out the Redevelopment Plan, (2) requests the various officials, departments, boards and agencies of the City of Santa Barbara having administrative responsibilities in the premises likewise to cooperate to such end and to exercise their respective functions and powers in a manner consistent with the Redevelopment Plan, and (3) stands ready to consider and take appropriate action upon proposals and measures designed to effectuate the Redevelopment Plan."; and

WHEREAS, the Redevelopment Plan provides, in part, as follows:

> Sec. 407 COOPERATION WITH PUBLIC BODIES. "Certain public bodies are authorized by

State Law to aid and cooperate, with or without consideration, in the planning, undertaking, construction, or operation of this Project. The agency shall seek the aid and cooperation of such public bodies and shall attempt to coordinate this Plan with the activities of such public bodies in order to accomplish the purposes of redevelopment and highest public good..." and,

Sec. 700 ACTIONS BY THE CITY. "The City shall aid and cooperate with the Agency in carrying out this Plan and shall take all actions necessary to ensure the continued fulfillment of the intent and purpose of this Plan and to prevent the recurrence or spread in the area of conditions causing blight. Action by the City shall include, but not be limited to, the following:

A. Institution and completion of proceedings for opening, closing, vacating, widening, or changing the grades of streets, alleys, and other public rights-of-way, and for other necessary modification of the streets, the street layout, and other public rights-of-way of the Project Area. Such action by the City shall include the requirement of abandonment and relocation by the public utility companies of their operations in public rights-of-way as appropriate to carry out this Plan.

B. Institution and completion of proceedings necessary for changes and improvements in publicly-owned utilities within or affecting the Project Area.

C. Revision of zoning within the Project Area to permit the land uses and development authorized by the General Plan and this Plan and to carry out the controls and restrictions of this Plan.

D. Performance of the above, and all other functions and services relating to public health, safety, and physical development normally rendered in accordance with a schedule which will permit the redevelopment of the Project Area to be commenced and carried to completion without unnecessary delays.

E. The undertaking and completing of any other proceedings necessary to carry out the Project."; and

WHEREAS, California Health and Safety Code Section 33220 (a provision of the Community Redevelopment Law) provides, in part:

> For the purpose of aiding and cooperating in the planning, undertaking, construction, or operation of redevelopment projects located within the area in which it is authorized to act, any public body, upon the terms and with or without consideration as it determines, may:
>
> (a) Dedicate, sell, convey, or lease any of its property to a redevelopment agency.
>
> (b) Cause parks, playgrounds, recreational, community, educational, water, sewer or drainage facilities, or any other works which it is otherwise empowered to undertake, to be furnished adjacent to or in connection with redevelopment projects.
>
> (c) Furnish, dedicate, close, vacate, pave, install, grade, regrade, plan, or replan streets, roads, roadways, alleys, sidewalks, or other places which it is otherwise empowered to undertake.
>
> (d) Plan or replan, zone or rezone any part of such area and make any legal exceptions from building regulations and ordinances.
>
> (e) Enter into agreements with the federal government, an agency, or any other public body respecting action to be taken pursuant or any of the powers granted by this part or any other law; such agreements may extend over any period, notwithstanding any law to the contrary...
>
> (g) Purchase and buy or otherwise acquire land in a project area from an agency for redevelopment in accordance with the plan, and in connection therewith, is hereby authorized to become obligated in accordance with Section 33437 except that

subdivision (b) of Section 33437 shall apply to a public body only to the extent that it is authorized (and funds have been made available) to make the redevelopment improvements or structures required.

For the purposes of effectuating the Redevelopment Plan, Agency is entering into a Disposition and Development Agreement ("DDA") with Paseo Nuevo Associates, a California limited partnership ("Developer"), which DDA was approved by Agency and City at a joint public hearing on _____, 1987, reference to which is hereby made and which DDA is incorporated herein. The DDA provides for the acquisition by Agency of certain properties ("Project Site") described in the DDA which are within an area bounded by State Street, Chapala Street, Canon Perdido Street and Ortega Street and for the lease, redevelopment, construction and operation of a Retail Center on the Site. De La Guerra Street and Fernald Avenue are public streets lying within the area of the Project Site. The DDA also contemplates the construction, use and operation of certain public parking facilities to be located on the Project Site and on certain public parking lots now owned and operated by City adjacent to the Site.

Pursuant to law, an Environmental Impact Report has been prepared and certified, the governing board of Agency has approved the DDA and the City Council of City has consented to the DDA and the lease of the Project Site to Developer.

In accordance with the DDA, the Project Site is to be developed as a Retail Center by Developer. The City and Agency are to concurrently cause the provision of public parking facilities in coordination with the construction of the Retail Center, which will require the closing and vacation of Fernald Avenue and a portion of De La Guerra Street and the incorporation of such street areas into the Project Site. The completion of the contemplated redevelopment of the Project Site in accordance with the DDA is in the vital and best interest of City and the health, safety and welfare of its residents and the residents of the State of California, and is an important and ambitious step towards achieving Agency's goal of effectuating the Redevelopment Plan.

Performance of the DDA by Agency and Developer and completion of the development of the Project Site in accordance with the DDA has and will require a substantial investment of both private and public sector monies and planning effort. Agency has issued tax allocation bonds as part of its financing program to aid Agency in implementing the redevelopment of the Project Site and may issue additional such bonds for the same purposes in the near future. The financing of Agency and City plans for the redevelopment of the downtown area of City are

closely and vitally linked to the successful implementation of the Redevelopment Plan and the DDA.

Any lack of certainty for the implementation of the DDA could result in a waste of resources and increases in costs, delays in construction and occupancy, delay or loss of City benefits such as tax revenues, new employment and improved public facilities and would cause disincentives to redevelopment regarding the Retail Center and other projects of the Agency and City within the Project Area. The purpose of this Cooperation Agreement is to provide additional certainty that the redevelopment contemplated in the DDA will be completed, that the investments of public monies and efforts will accomplish their intended goals and that the participation and cooperation of City departments and officers towards these purposes can be assured and expedited.

II

FINDINGS

A. City has determined, and hereby finds, that the consent to the Disposition and Development Agreement by City and the execution of this Cooperation Agreement by City is (with the exception of the approval of the Retail Center's architectural design by the Architectural Board of Review and the Landmarks Committee and the approval by the Landmarks Committee of the demolition of certain existing structures presently occupying the Project Site) and ought to be the last discretionary approval to be rendered by City, its departments, boards and officers for the development of the Retail Center as described in the DDA. Therefore, the City finds and determines that this Cooperation Agreement is and shall constitute the entitlement to Agency and Developer to implement the DDA in accordance with the terms and conditions of the DDA.

B. City has determined, and hereby finds, that the DDA and the development contemplated by the DDA and this Cooperation Agreement are consistent with the Community Redevelopment Law, the Redevelopment Plan, the General Plan of the City and with any applicable specific plan or zoning ordinance for the Project Site, and that City and Agency have completed all necessary proceedings in accordance with the City's applicable ordinances, codes, rules and regulations for its approval.

C. City hereby approves the disposition of the real property of Agency as provided in the DDA.

D. City has also determined, and hereby finds, that the development of the Project Site as a Retail Center pursuant to the DDA is permitted by City Ordinance No. 4460 relating to

the Temporary Suspension on the Acceptance of New Application for Land Use Permits adopted in June 23, 1987.

E. On May 26, 1987, City, pursuant to Section 404 of the Redevelopment Plan, approved the activities of the Agency contemplated by the DDA.

F. The Agency has given reasonable opportunities to owners of real property, pursuant to Owner Participation Guidelines of the Agency, to participate in the proposed redevelopment activity.

NOW, THEREFORE, in consideration or their mutual covenants and promises, conditions, limitations and other provisions of this Cooperation Agreement, in furtherance of the purposes and intent expressed in the above recitals, and exercising powers under the Redevelopment Plan and the Community Redevelopment Law, City and Agency do hereby agree as follows:

1. DEFINITIONS. Capitalized terms used herein shall be as defined in the DDA unless specifically defined herein or their context herein indicates otherwise.

2. IMPLEMENTATION BY CITY. In order to implement and facilitate the DDA, as presently approved or, as it may be amended hereafter with the approval of the City Council, certain official actions may or must be taken by City. Therefore City agrees to take the following actions:

A. PUBLIC RIGHTS OF WAY. To close those portions of De La Guerra Street (except that portion of De La Guerra Street more particularly described as Parcel 8 in Section 104.1B of the DDA) ("Non-Vacated De La Guerra Street") and Fernald Avenue that lie within the Project Site by vacating the public rights of way on, over, under and through said street portions pursuant to the provisions of the Public Streets, Highways and Service Easement Vacation Law (Streets and Highways Code §§8300-8363), to deed and convey to Agency all ownership and title to said street portions for inclusion in the Project Site at such time and in such manner as Agency may request, and to close Non-Vacated De La Guerra Street to vehicular traffic, excepting service vehicle use, by limiting public use of Non-Vacated De La Guerra Street to pedestrian traffic. The City will coordinate such closure with the acquisition by Agency of the other real properties constituting the Project Site and enable Agency to assemble the component real properties of the Project Site for lease and development of the Project Site as a Retail Center in accordance with the DDA.

B. EASEMENT OVER PUBLIC RIGHT-OF-WAY. To execute, acknowledge and deliver to Developer an easement over Non-vacated De La Guerra Street for pedestrian and service vehicle

ingress and egress, construction, maintenance and repair of utility lines, landscaping, and construction and maintenance of non-building improvements.

C. PUBLIC PARKING FACILITIES. To cause the construction, maintenance and operation of Public Parking Facilities in accordance with Sections 104.3 and 701 of the DDA and the Parking Agreement (DDA Attachment No. 2).

D. EXECUTION AND DELIVERY OF INSTRUMENTS. To direct and authorize the Mayor of City, the City Administrator or such other officer of City authorized to execute instruments and agreements on behalf of City to execute and deliver, at the times required by the DDA, the instruments and agreements contemplated by the DDA and to which City is, or may be, a party, including, but not limited to the Parking Agreement (DDA Attachment No. 2) and Parking Covenants (Parking Agreement Attachment No. 1).

E. EXECUTION OF COVENANT. When and if requested by Agency, to execute, acknowledge and record Public Parking Covenants containing substantially the terms as set forth in Exhibit "A" attached hereto restricting the real property commonly referred to as City Lots #2 and #10 to public automobile parking for the benefit of the real property commonly referred to as City Lot #1, and any real property hereafter acquired by City or its successors and assigns in the Project Site.

F. CONVEYANCE OF CITY PROPERTY. To deed and convey to Agency all right, title and interest to the real property commonly referred to as City Lot #1 for inclusion in the Project Site and to deed and convey to Agency all interest in the real property commonly known as City Lots #10 and #2 in order to permit the construction of parking structures as required by Sections. 104.3 and 701 of the DDA and the Parking Agreement.

G. DOWNTOWN PARKING EXPANSION PROGRAM ("DPEP"). To cause, or cooperate with Agency in, the construction of Public Parking Facilities in accordance with the Parking Agreement (DDA Attachment No. 2) on City Lot 2 and City Lot 10 (described as Parking Parcels A and B, the "Parking Parcels", in Section 104.3 of the DDA) and such other facilities as may be substituted to function as such parking facilities in accordance with the DDA; to obtain, or cooperate with Agency in obtaining, the necessary financing and funds for the construction of such facilities, including the planning, design, engineering and analysis of the feasibility of the facilities; to enter into and deliver such other and further instruments and documents as may be reasonably necessary to implement and finance the provision of such Public Parking Facilities, including (as example, but not as limitation)

leases, operating agreements, maintenance agreements, installment sales agreements and other contracts in which City may be the lessee, buyer or operator, as the case may be; to implement the procedures and hearings necessary for consideration and adoption of a downtown parking assessment, the issuance of lease revenue bonds or certificates and other sources of financing for the Parking Facilities (including, but not limited to the establishment of a Downtown Parking Area Assessment District substantially as described in the Downtown Parking Area Assessment District Engineer's Report (hereinafter "Engineer's Report"), a copy of which has been received and filed by the City Council of City on September 8, 1987 and hereinafter referred to as the Downtown Parking Expansion Program (DPEP).

H. DPEP ALTERNATIVE. In the event that City does not form an assessment area consistent with or substantially similar to the DPEP as described in the Engineer's Report upon petition from interested property owners to institute those proceedings necessary to form an assessment area encompassing only the real property included within the Project Site which assessment area is capable of enabling the City to acquire, operate and maintain the On-Site Parking Facility as a public parking facility in a manner consistent with the DDA and the Parking Agreement.

I. OPERATION OF PUBLIC PARKING FACILITIES. During any and all periods in which City is operating any public parking facilities in the Downtown Business Area (to wit; that area bounded by Sola Street, De La Vina Street, Santa Barbara and U.S. Highway 101) to accept the continuing responsibility and obligation for the maintenance, repair, replacement and operation of the Public Parking Facilities, to operate the Public Parking Facilities as public facilities and in accordance with the Parking Covenants, the REA and the Parking Agreement; and to enter into and deliver such other and further instruments and documents as may be reasonably necessary to implement and finance the operation, maintenance, replacement and repair of the Public Parking Facilities, including (as example, but not as limitation) leases, operating agreements, maintenance agreements, installment sales agreements and other contracts in which City may be the lessee, buyer or operator, as the case may be.

J. PROJECT CONDITIONS. To cooperate in the satisfaction of the Conditions of Approval for the Downtown Retail Revitalization Project for Paseo Nuevo (the "Conditions") adopted by the Planning Commission of the City on April 15, 1987 (which approval by the Planning Commission was appealed to the City Council of City and the appeal thereof denied by the City Council pursuant to a Decision and Findings of the City Council adopted May 26, 1987) by doing, performing and agreeing to the following:

(1) The issuance by City to Developer and Developer's contractors of such permits, licenses and rights of entry, in form and content approved by the City Attorney, for entry by Developer upon City property or rights-of-way as may be convenient and necessary to perform and complete the work contained in the conditions at (i) subparagraphs (a) through (j), inclusive, of Section C(1), (ii) subparagraphs D(1), D(2), D(6), D(14) of Section D(iii) the work of the qualified historical archaeologist necessary to prepare the report referred to in paragraph E(4), and (iv) Section F.

(2) The improvement plans required by Condition C(1) shall be deemed determined by the Public Works Department upon review by and an approval signed by the City Engineer.

(3) The DDA executed and delivered by Agency and Developer shall constitute the "Executed Agreement" referred to in Condition C(2) of the Conditions, and no further Executed Agreement shall be necessary.

(4) To accept the dedication or offer of dedication required by Condition C(3) upon completion of the work described in said Condition.

(5) City agrees, at its sole cost and expense and at no further expense to Developer or Agency, to perform and complete all the traffic improvements required by Resolution 87-030 in accordance with and within the time set forth on the Schedule set forth in the Downtown Area Streets Program ("DASP") attached hereto as Exhibit "B", which Exhibit contains the endorsement and concurrence of the City Engineer on behalf of the Public Works Departments. City further agrees that to the extent that the amounts in the DSAP Fund referred to in Section 4(B) hereof are insufficient to cause the timely completion of the required work, City shall budget and appropriate such additional funds from City revenues and reserves as may be required.

(6) Upon payment of the Downtown Traffic Fee by Agency and the Agency Advance to City pursuant to Section 4(B) hereof, Condition E(3) shall be deemed satisfied.

K. To permit full access to City owned property for short periods of time on a nonexclusive basis in order to allow Agency or Developer to conduct any necessary soil, geological, archeological, toxic substance or other similar tests which may be required in order to develop and construct the Retail Center or the On-Site Parking Structure.

3. FUTURE CITY COOPERATION. The City pledges its continued cooperation to carry out the DDA, as it may be amended hereafter with City approval, and hereby:

A. NECESSARY CITY ACTIONS. Agrees that the Project Site may be redeveloped in accordance with the terms and conditions in the DDA so that to the extent that an aspect of redevelopment (such as the permitted uses of the Project Site, and the intensity, density and height of such uses) is addressed in the DDA, the terms of the DDA shall govern and any City action, including, without limitation, approval of the recordation of a subdivision map, redevelopment parcel map, or a zone change, variance, conditional use, or street vacation, necessary to effectuate the DDA shall be deemed merely "ministerial" in nature.

B. COOPERATION OF CITY BOARDS AND OFFICIALS. Directs the various officials, departments, boards, commissioners and agencies of the City having administrative responsibilities affecting the Project Site, to cooperate and to exercise their respective functions and powers in a manner consistent with the DDA, including, without limitation, expeditiously processing and approving all applications which conform to the DDA.

C. APPLICABLE CODE PROVISIONS. Agrees that, except as otherwise provided herein, those provisions of the Santa Barbara Municipal Code, other City Ordinances and presently effective regulations and rules regulating the permitted uses of land, the density, design, improvements, fees, issuances of permits, subdivision and construction standards and specifications applicable to the development of the Project Site and the regulatory standards applicable to the development of the Project Site pursuant to the DDA shall be those ordinances, policies, standards, provisions, regulations and rules in effect on the date on which the City Council approved the DDA (the "Applicable Municipal Code Provisions"). However, in the event that the Applicable Municipal Code Provisions are made

less restrictive subsequent to said date, the less restrictive provisions shall apply to the development of the Project Site.

D. ADDITIONAL REQUIREMENTS; NECESSARY APPROVALS. Agrees that during the term of this Cooperation Agreement the City shall not require the Developer to obtain any approvals or permits for the development of the Project Site in accordance with the DDA other than those permits or approvals which are required by the Applicable Municipal Code Provisions. City agrees to grant to Developer all approvals and permits (including, without limitation, variances from the Applicable Municipal Code Provisions) which are required by the City for the development of the Project Site during the term of this Cooperation Agreement, provided, (i) the development authorized by such permit or approval is in substantial conformance with the DDA; (ii) other than in the case of a variance from the Applicable Municipal Code Provisions, Developer, in obtaining required permits or approvals, has complied or will be required to comply with the Applicable Municipal Code Provisions and conditions set by the City Council; and (iii) as to any such variance, Agency confirms that such variance is necessary for the successful completion of the development of the Project Site in conformance with the DDA. City agrees that the terms, conditions and requirements for such permits or approvals shall not prevent development of the Project Site in substantial accordance with the terms of the DDA.

E. COMPLIANCE WITH NEW LAWS. Agency and City agree that in the event that any subsequent changes in state or federal law or regulation prevent or preclude compliance with one or more provisions of this Cooperation Agreement, such provision shall be deleted or modified to conform to such subsequent changes. Any such modification or deletion shall be made only to the extent necessary to comply with any such new federal or state law or regulation and shall be made by the parties with the intent of carrying out the objectives of this Cooperation Agreement and to enable Developer to construct the improvements described in the DDA.

In the event that it shall be determined that due to the rehabilitation of the Rehabilitation Parcels as contemplated by the DDA additional parking spaces will be required in order to issue building permits for such rehabilitation, the City finds that the provision of the 1104 spaces in City lots 2 and 10 contain excess parking capacity over and above the parking code requirements for the rehabilitation center; and that no additional spaces to obtain the building permit for the Rehabilitation Parcel will be required but shall be deemed satisfied by such excess spaces.

4. IMPLEMENTATION BY AGENCY. In order to implement and facilitate the DDA, as it may be amended hereafter with the

approval of the City Council, certain Agency actions may or must be taken; the Agency therefore agrees to take the following actions:

A. STREET AGREEMENT. To execute a Street Agreement with the City sufficient to ensure design and construction of the improvement described in the Conditions imposed upon the Retail Center as listed in Conditions (C)(1)(a)-(j) on a time schedule which coincides with the construction schedule of the Retail Center.

B. RETAIL CENTER DOWNTOWN TRAFFIC FEES. To pay to the City 1987 Downtown Traffic Fees as established by City Resolution No. 87-030 (adopted March 17, 1987) in the amount of $2,700,000 as payment in full for such fees and satisfaction of Project Condition E(3), as imposed by the Planning Commission.

C. AGENCY ADVANCE.

(1) To advance to the City, as a loan, the amount of $2,330,000 (hereinafter the "Agency Advance") pursuant to the provisions of Resolution No. 87-030 in order to fund the DASP in accordance with the DASP construction schedule approved by Resolution No. 87-030. The advance of $2,330,000, the fees paid for the Retail Center pursuant to Resolution 87-030 and any other Downtown Traffic Fees paid by other "Downtown Projects" (as defined in Resolution No. 87-030) within the Fee Area (as defined by Resolution No. 87-030) shall be paid into a special DASP Fund to be set aside by City (the DSAP Fund) for the purposes of (i) first performing and completing the traffic improvement work required by said Resolution and (ii) repaying to Agency, as funds derived from such fees become available, the Agency Advance.

(2) Until all the work of traffic improvement set forth in said Resolution has been completed and in service, City agrees to impose and collect the fees required by said Resolution and to use and apply said fees, the balances in the DASP Fund and all interest and earning attributable or allocable to the amounts in the DASP Fund, solely for the purposes set forth in said Resolution and this subparagraph; and until such time, City agrees not to appropriate or budget the funds, amounts and balances in said DASP Fund for any other purpose. All interest and earnings on the amounts held in the DASP Fund shall be added to the fund and shall become part thereof.

(3) In lieu of interest on the unpaid balance of the Agency Advance, City agrees to allow Agency to set off against interest owing to the Agency any 1987 Downtown Traffic Fees (Resolution 87-030) which are imposed upon displaced

businesses relocated by the Agency as a result of the construction of the Retail Center.

5. CONSTRUCTION AND SEVERANCE. The agreements of City and Agency contained in this Agreement are in furtherance and exercise of all of the various powers and rights of City and Agency, however derived, to contract and to otherwise act in order to implement and carry out this Agreement, which powers and rights City and Agency intend to exercise to the fullest. City and Agency do not agree, or intend to agree, to any promise, agreement, obligation or undertaking that is beyond such respective powers or rights, or which constitutes an alienation or delegation of a governmental duty or prerogative if such alienation or delegation is prohibited by law or constitution.

In the event that various laws or constitutional provisions conflict as to the ability of City or Agency to carry out any provision of this Agreement, any of which would prevent the enforcement of any agreement hereunder, such provision is to be construed and implemented as derived from such power or right which enables the implementation of the provision in question, and the provision in question is to be so construed.

To the extent that any provision of this Agreement contains an agreement, action or undertaking which is, after proper construction and interpretation, so prohibited, that portion of such provision shall be unenforceable and shall be severed from this Agreement. Such severance shall not render the remaining portions of this Agreement unenforceable, and this Agreement, after such severance, shall continue to be in full force and effect. In the event any provision of this Agreement is subject to conflicting interpretations, any of which would be an interpretation which would require it to be rendered unenforceable or subject to severance but another interpretation would not, that provision shall be construed so as not to render it unenforceable and severable.

6. EXPENDITURE OF CITY FUNDS. In addition to the express agreements of City to perform or to cooperate under this Cooperation Agreement and its attendant obligations to appropriate and expend necessary funds, City agrees to further cooperate with Agency and to assist Agency in the Agency's performance and fulfillment of the terms, provisions, covenants and conditions specified in the DDA; provided, however, that such agreement to further cooperate and assist Agency shall not require the appropriation or expenditure of funds or monies of City unless City shall otherwise expressly agree.

7. LEGAL ACTIONS. In the event that the implementation of this Cooperation Agreement is suspended or prohibited by

reason of a court order or for any other reason through no fault of Developer, Developer may nonetheless, at its sole option, apply for the process permits and approvals under the City's land use planning process then in effect as applicable to the Project Site.

8. DURATION. This Cooperation Agreement shall remain in effect as long as necessary to carry out the purposes of the DDA.

ATTEST
CITY CLERK

By_____
Deputy City Clerk

APPROVED AS TO FORM
CITY ATTORNEY

By_____
Assistant City Attorney

ATTEST
AGENCY SECRETARY

By_____

CITY OF SANTA BARBARA, a municipal corporation

By_____
Mayor

APPROVED AS TO CONTENT
AGENCY EXECUTIVE DIRECTOR/COMMUNITY DEVELOPMENT DIRECTOR

By_____
Assistant Community Development Director

REDEVELOPMENT AGENCY OF THE CITY OF SANTA BARBARA

By_____
Executive Director

EXHIBIT "A"

TERMS AND CONDITIONS OF PUBLIC PARKING COVENANTS

The Public Parking Covenants shall contain the following terms and conditions:

1. The covenant shall require that City Lot 2 and City Lot 10 ("Offsite Parking Parcels") be used exclusively for public automobile parking purposes. Included within such use shall be parking of automobiles and motor vehicles, ingress to and egress from the Offsite Parking Parcels of automobiles and motor vehicles for such purpose, ingress and egress of pedestrians to and from automobiles and motor vehicles parked on the Offsite Parking Parcels and the adjoining public streets, and purposes ancillary and incidental thereto ("Parking"). Except as provided below, no other use shall be permitted.

2. Parking on the Offsite Parking Parcels shall at all times be offered to members of the general public on a first-come, first-serve basis, without preference or discrimination. All rules, regulations, fees, charges or other aspects of operation of the parking facilities on the Offsite Parking Parcels shall at all times be nondiscriminatory and shall apply equally to all members of the general public.

3. All structures, improvements or other buildings constructed upon the Offsite Parking Parcels shall be limited to those which are necessary to provide and operate the Parking; provided, however, up to ten percent (10%) of such structures, improvements and other buildings may be used for purposes other than Parking.

4. There shall not be constructed upon the Offsite Parking Parcels, nor shall any owner or person in possession thereof permit the construction of, any improvements, structures or other buildings, nor shall any building permits be issued for any improvements, structures or other buildings, except as otherwise specified, permitted or allowed in the covenant.

5. The covenant shall expressly state that it is essential and unique and that a breach of the covenant may only be adequately remedied by specific enforcement thereof. Enforcement shall be by proceedings at law or in equity against any person or persons violating or attempting to violate the covenant; provided that nothing contained in the covenant shall be construed to mean that damages are an adequate remedy at law.

6. The covenant shall run with the land and shall constitute a burden upon the Offsite Parking Parcels and shall be binding upon City, its successors and assigns, and every person or entity thereafter acquiring an interest in the Offsite Parking Parcels.

7. The covenant shall initially benefit that portion of the Project Site presently owned by City. The covenant shall expressly state that the benefit of the covenant shall run to any other property located within the Project Site as and when such other property is acquired by City or Agency, and to City and Agency and any person or entity thereafter acquiring any fee, leasehold or other interest in the Project Site from Agency or City.

8. The covenant shall contain such additional terms and conditions as are consistent with the terms and conditions set forth herein and as may be agreed to by and between the parties hereto.

EXHIBIT B

DOWNTOWN AREA STREETS PROGRAM PROJECT DESCRIPTIONS

March 6, 1987

A. CARRILLO STREET

1. Phase I (De La Vina to Castillo) Completion Summer 1988. $640,000.00

   Widen Carrillo Street by 4 feet each side, to provide an additional westbound through lane. Signal replacements (Hispanic), asphalt overlay, street trees, bus pockets, landscaped medians, removal of parking and restriping are required parts of these traffic improvements.

2. Phase II (Castillo to West of SPRR) Completion Summer 1989. $731,000.00

   Widen Carrillo between Castillo and SB 101 ramps by approximately 11 feet to provide additional westbound through lane. Widening is on north side from Castillo to northbound freeway ramps and on both sides from the northbound ramps to just west of SPRR. Additional widening is required on the south side of Carrillo Street, west of the southbound ramps to provide for a separate right turn lane. The southbound offramp must be widened to provide a separate right turn lane. Signal modifications, retaining walls, bridge widening, overlay, landscaped median, restriping, street trees and sidewalk narrowing (5' minimum) are required parts of these traffic improvements.

3. Phase III* (De La Vina to East of Chapala) Completion Fall 1989 $380,000.00

   Widen Carrillo between De La Vina and Chapala by 4 feet each side to provide an additional westbound through lane. Widen Carrillo east of Chapala by 3 feet (tapering to zero widening) to provide a transition to the widened Carrillo west of Chapala. Widen the east side of De La Vina to provide for a separate left turn lane. Signal replacements (Hispanic), overlay, restriping, street trees, landscaped medians and removal of parking are required parts of these traffic improvements.

   * The Carrillo Street Phase III traffic improvements are conditions of approval for the Levy Office Building project. The costs of these improvements are <u>not included</u> in the revised traffic mitigation fee.

EXHIBIT B

B. <u>HALEY/GUTIERREZ ONE-WAY PAIR</u>

1. Phase I (Chapala to Castillo) Completion Summer 1988
$294,000.00

Restripe Haley Street from Chapala Street to Bath Street to provide for an additional westbound through lane. Widen Haley Street from Bath Street to Castillo Street to provide an additional westbound left turn lane at Castillo Street and an eastbound left turn lane at Bath Street. Make Castillo Street one-way southbound from Cota Street to Haley Street. Signal modifications, street trees, utility undergrounding, overlay, restriping and removal of parking are required parts of these traffic improvements.

2. Phase II (Chapala to Alisos) Completion Summer 1989
$1,852,000.00

Make Haley Street and Gutierrez Street a one-way pair from Chapala Street to Alisos Street. Widen Garden Street north of Gutierrez Street for 300 feet to provide the required transition from the Garden Street interchange. Right-of-way signal modifications, new signals (State/Gutierrez, Laguna/Gutierrez, Haley/Laguna, Haley/Salsipuesdes, Gutierrez/Salsipuedes) chip sealing and restriping are required parts of these traffic improvements.

3. Phase III (Chapala to Castillo) Completion ?*
$2,934,000.00

Extend Gutierrez Street to Bath Street and construct a new northbound freeway on-ramp starting at Bath Street. Remove the northbound on-ramp at Castillo Street and realign Castillo and Haley into a "T" intersection. Widen Castillo at the southbound ramps to provide a left turn lane and widen the southbound off-ramp to provide an additional left turn lane. Extensive right-of-way purchases, new signals, a new overhead structure, utility undergrounding, street trees, substantial narrowing of sidewalks, overlay and removal of parking are required parts of these traffic improvements.

* A joint project with CalTrans would be required in order to proceed with these traffic improvements. The cost of these improvements makes this project infeasible for the City to undertake without substantial participation by CalTrans. CalTrans funding for such a project is very unlikely for the next 5 to 10 years. The cost of these improvements is <u>not included</u> in the revised fee. In addition, completion of the Crosstown Freeway project may make this project unnecessary.

C. MISSION STREET

1. Phase I (De La Vina to State) Completion Summer 1989
$240,000.00

Realign and widen Mission Street at De La Vina Street. Remove parking from De La Vina to State to provide one extra through-lane. Street trees, utility undergrounding, right-of-way purchases, overlay, signal modification and removal of parking are required parts of these improvements.

2. Phase II (Castillo to Northbound Ramps) Completion Summer 1989
$236,000.00

Widen the north side of Mission Street from Castillo to the Northbound ramps to provide a separate right turn lane. Street trees, utility undergrounding, overlay and signal modifications are required parts of these improvements.

D. VARIOUS TRAFFIC SIGNAL IMPROVEMENTS Completion Fall 1989
$1,037,000.00

Upgrade signals with mastarms at 4 locations along Chapala Street and Anacapa Street and install new traffic signals at the following locations: State/Sola, De La Vina/Figueroa, De La Vina/Canon Perdido, Garden/Canon Perdido, Laguna/Canon Perdido, Olive/Canon Perdido.

Note: Final design of the improvements listed above may result in changes to the project descriptions in order to maximize traffic capacity and safety while minimizing costs.

DOWNTOWN AREA STREETS PROGRAM COST & CONSTRUCTION SCHEDULE SUMMARY

March 6, 1987

Costs

Project	Cost	Completion
A. Carrillo Street		
1. Phase I (De La Vina to Castillo)	$640,000	Summer 1988
2. Phase II (Castillo to West of SPRR)	$731,000	Summer 1989
3. Phase III (De La Vina to East of Chapala)	*	Fall 1989
B. Haley/Gutierrez One-Way Pair		
1. Phase I (Chapala to Castillo)	$294,000	Summer 1988
2. Phase II (Chapala to Alisos)	$1,852,000	Summer 1989
3. Phase III (Chapala to Castillo)	**	
C. Mission Street		
1. Phase I (De La Vina to State)	$240,000	Summer 1989
2. Phase II (Castillo to Northbound Ramps)	$236,000	Summer 1989
D. Various Traffic Signal Improvements	$1,037.000	Fall 1989
Total Cost of Traffic Improvements to be Funded by Downtown Fees	$5,030,000	
Downtown Fees Collected To Date	-$ 440,000	
Cost Basis for Revised Fee	$4,590,000	

* Not included in fee calculation. Improvements to be constructed by Levy Office Building Development.

** Not included in fee calculation. Cost makes project infeasible. Need for project is uncertain.

TABLE 5-5 (Revised March 1987)

Level of Service for CBD Traffic Improvements
(Assumes Completed Crosstown Freeway Project)

A. CARRILLO ST.	NOW	CUMULATIVE	W/PROPOSED MITIGATIONS
1. PHASE I			
Carrillo/Bath	.73 C	.86 D	.73 C
Carrillo/Castillo	.63 B	.74 C	.67 B
2. PHASE II			
Carrillo/NB Ramps	.70 C	.86 D	.71 C
Carrillo/SB Ramps	.68 B	.87 D	.75 C
3. PHASE III			
Carrillo/De La Vina	.69 B	.82 D	.76 C
Carrillo/Chapala	.73 C	.87 D	.74 C

B. HALEY/GUTIERREZ ONE-WAY PAIR

1. PHASE I			
Haley/Castillo	.74 B	*.98 E	*.84 D

* Level of Service calculations for this intersection are based on conservative assumptions regarding redistribution of traffic resulting from the X-Town. A less conservative redistribution would result in an acceptable Level of Service.

2. PHASE II

	CUMULATIVE W/O ONE-WAY PAIR	CUMULATIVE W/ ONE-WAY PAIR
State/Haley	.84 D	.68 B
State/Gutierrez	.92 E	.59 A
Garden/Haley	.88 D	.68 B
Garden/Gutierrez	1.01 E	.70 C

C. MISSION STREET	NOW	CUMULATIVE	MITIGATIONS
1. PHASE I			
Mission/De La Vina	.73 C	.84 D	.68 B
Mission/ Chapala	.69 B	.80 D	.69 B
Mission/State	.73 C	.85 D	.68 B
2. PHASE II			
Mission/NB Ramps	.75 C	.85 D	.69 B