

**RESOLUTION NO. \_\_\_\_\_ (N.C.S.)**

**A RESOLUTION APPROVING AN AMENDMENT TO AN ECONOMIC DEVELOPMENT  
INCENTIVE AGREEMENT BETWEEN THE CITY OF SALINAS AND REXFORD TITLE,  
INC. FOR THE PROPOSED GATEWAY RETAIL CENTER**

WHEREAS, on October 11, 2011, the Salinas City Council approved Resolution No. 20113 (N.C.S.) which authorized the Mayor to enter into an Economic Development Incentive Agreement (Agreement) between the City of Salinas and Rexford Title, Inc. (Developer) related to development of a retail project commonly known as the "Gateway Center" on approximately 20.23 acres of real property in the City of Salinas; and

WHEREAS, the Gateway Center is a retail center, which is anticipated to be anchored by a Lowe's home improvement store; and

WHEREAS, Section 2 of the Agreement provides for a ten-year term beginning on the date of the Commencement of Operations, as defined in Section 7 of the Agreement; and

WHEREAS, the Agreement provides for the equal sharing between the City and the Developer of sales tax revenues for the term of the Agreement, up to a total maximum cumulative amount of \$1,712,800; and

WHEREAS, the Developer did not commence development of the Gateway Center as originally anticipated due to the substantial downturn in the economy both at the time the Agreement was approved and in the years following the time the Agreement was approved; and

WHEREAS, the Developer has indicated that due to present economic conditions it now desires to construct the Gateway Center and has requested that the date for commencement of the ten-year term be re-set to the date a certificate of occupancy is issued for the Lowe's home improvement store, which is anticipated to be constructed in 2017; and

WHEREAS, a change in the date for commencement of the ten-year term of the Agreement requires an amendment to the Agreement; and

WHEREAS, since the City Council's approval of the Agreement, the voters of Salinas approved an extension of a then existing transactions and use tax known as Measure V (now known as Measure E) which was specifically excepted from the calculation of the revenue sharing contemplated in the Agreement. And, the voters of Salinas also approved an additional transactions and use tax commonly known as Measure G, which the City Council desires to specifically except from the revenue sharing contemplated in the Agreement; and

WHEREAS, the City Council finds and determines that the findings made in Resolution No. 20113 (N.C.S.) remain to be true and correct and each of them is incorporated herein by reference; and

WHEREAS, the Agreement is also Exhibit B to a Development Agreement entered into by and between the City and the Development for the Gateway Center project; and

WHEREAS, On October 11, 2011, the City Council adopted the Gateway Center Specific Plan Mitigated Negative Declaration (MND) and the Mitigation Monitoring and Reporting Program. The proposed development complies with the Specific Plan and the MND.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF SALINAS that the City Manager is authorized, for and on behalf of the City and as its act and deed, to enter into an amendment to the Economic Development Incentive Agreement between the City of Salinas and Rexford Title, Inc. for the Gateway Center project and to take whatever additional action may be necessary to effectuate the intent of this Resolution including, but not limited to, the execution of an amendment to the Development Agreement to incorporate the amendment to the Economic Development Incentive Agreement.

PASSED AND APPROVED this 20<sup>th</sup> day of September 2016 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED:

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Joe Gunter, Mayor

ATTEST:

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Patricia M. Barajas, City Clerk

**CITY OF SALINAS**  
**ECONOMIC DEVELOPMENT INCENTIVE AGREEMENT**  
**AMENDMENT NO. 1**

**GATEWAY CENTER COMMERCIAL PROJECT**

This Amendment No. 1 (Amendment) is entered into this 20th day of September, by and between the City of Salinas, a California charter city and municipal corporation hereinafter referred to as "the City", and Rexford Title, Inc., hereinafter referred to as "the Developer" with respect to the Economic Development Incentive Agreement entered into by and between the City and the Developer on October 11, 2011.

**RECITALS**

WHEREAS, on October 11, 2011, the Salinas City Council approved Resolution No. 20113 (N.C.S.) which authorized the Mayor to enter into an Economic Development Incentive Agreement (Original Agreement) between the City and the Developer related to development of a retail project commonly known as the "Gateway Center" on approximately 20.23 acres of real property in the City of Salinas; and

WHEREAS, the Gateway Center is a retail center, which is anticipated to be anchored by a Lowe's home improvement store; and

WHEREAS, Section 2 of the Original Agreement provides for a ten-year term beginning on the date of the Commencement of Operations, as defined in Section 7 of the Original Agreement; and

WHEREAS, the Original Agreement provides for the equal sharing between the City and the Developer of sales tax revenues for the term of the Original Agreement, up to a total maximum cumulative amount of \$1,712,800; and

WHEREAS, the Developer did not commence development of the Gateway Center as originally anticipated due to the substantial downturn in the economy both at the time the Agreement was approved and in the years following the time the Original Agreement was approved; and

WHEREAS, the Developer has indicated that due to present economic conditions it now desires to construct the Gateway Center and has requested that the date for commencement of the ten-year term be re-set to the date a certificate of occupancy is issued for the Lowe's home improvement store, which is anticipated to be constructed in 2017; and

WHEREAS, a change in the date for commencement of the ten-year term of the Original Agreement requires an amendment to the Original Agreement; and

WHEREAS, since the City Council's approval of the Original Agreement, the voters of Salinas approved an extension of a then existing transactions and use tax known as Measure V (now known as Measure E) which was specifically excepted from the calculation of the revenue sharing contemplated in the Original Agreement. And, the voters of Salinas also approved an additional transactions and use tax commonly known as Measure G, which the City Council desires to specifically except from the revenue sharing contemplated in the Original Agreement; and

WHEREAS, the City Council finds and determines that the findings made in Resolution No. 20113 (N.C.S.) remain to be true and correct and each of them is incorporated herein by reference; and

WHEREAS, the Original Agreement is also Exhibit B to a Development Agreement entered into by and between the City and the Development for the Gateway Center project.

NOW, THEREFORE, the City and the Developer agree to amend the Original Agreement as follows:

1. The last sentence of Section 3(b) of the Original Agreement shall be amended to read as follows:

"The Measure E Transactions and Use Tax (formerly referred to as Measure V) and the Measure G Transactions and Use Tax shall not be included in the calculation of the Quarterly Incentive Payments."

2. Section 7 of the Original Agreement shall be amended to read as follows:

"7. Commencement of Operations. For purposes of this Agreement and for the commencement of the Quarterly Incentive Payments, the Gateway Center shall be deemed to have commenced operations on the date a Certificate of Occupancy is issued for the Lowe's home improvement store to be constructed within the Gateway Center or twenty-four months from the date the City Council approves Amendment No. 1 to this Agreement, whichever occurs first ("Commencement of Operations)."

IN WITNESS WHEREOF, the undersigned, as authorized representatives of the City of Salinas and of Rexford Title, Inc., have entered into this Agreement as of the date first written above.

**CITY OF SALINAS**

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Ray Corpuz, City Manager

APPROVED AS TO FORM

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Christopher A. Callihan, City Attorney

ATTEST

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Patricia M. Barajas, City Clerk

**REXFORD TITLE, INC.**

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By  
Its

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By  
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