

MEMO

To: TOWN COUNCIL

From: Joanna Gutierrez, Town Clerk *Joanna*

Subject: Additional Agenda Material
May 3, 2011 Town Council Meeting
Agenda Item 7e re Paradise Community Village

Date: May 2, 2011

Attached is additional agenda material regarding agenda item 7e, the Paradise Community Village (PCV) Joint Infrastructure and Wastewater Treatment Proposal, received this morning from staff for distribution.

The attached document is a Memorandum of Understanding dated March 29, 2011, between PCV, Paradise Recreation & Park District; Youth For Change; Community Housing Improvement Program; and Paradise Ridge Youth Soccer Club.

jmg/attachment(s)

cc: Chuck Rough
Dwight Moore
Paradise Post
Public View Packet

MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding ("MOU") is executed on the date last set forth below opposite the parties' signatures by and between Paradise Youth Sports and Family Center, a California non-profit, public benefit corporation doing business as Paradise Community Village ("PCV"), Paradise Recreation and Park District, a California recreation and park district ("PRPD"), Youth For Change, a California non-profit, public benefit corporation ("Youth"), Community Housing Improvement Program, Inc., a California non-profit public benefit corporation ("CHIP"), and Paradise Ridge Youth Soccer Club ("Club"), and is based upon the following the facts:

A. The parties jointly wish to construct necessary infrastructure improvements (the "Improvements") for the project commonly known as "Paradise Community Village" (the "Project") on land owned by PCV, which improvements are identified in the vesting tentative subdivision map approved by the Town on September 27, 2010 (the "Map").

B. Club owns property immediately adjacent to the east of the Project over which certain of the Improvements will cross and upon which certain of the Improvements will be constructed. PCV has an easement appurtenant to the Project property over and on the Club property.

C. The parties now desire to agree as to the contribution each will make for the construction of the Improvements and the consideration each will receive in return therefor, all as more particularly set forth below.

In consideration of the above facts, the recital of which is incorporated in the below agreement of the parties as though fully set forth, and of the mutual conditions, covenants and promises set forth herein, the parties agree as follows:

1. **Contributions.** Subject to the conditions precedent set forth below, each of the parties shall contribute the following for the construction of the Improvements. PRPD shall contribute monies in the amount of \$200,000.00, possibly together with an additional \$100,000.00 in the event it obtains grant funding therefor. Youth and CHIP, acting as a single party ("Youth-CHIP"), and Club shall contribute monies in the amount of \$400,000.00 each. As soon as reasonably practicable following execution

hereof, PCV, working with the Project engineer, NorthStar Engineering, shall develop a construction schedule for the Project showing the dates upon which (i) construction shall commence, (ii) certain phases thereof will be completed, (iii) installment payments for the completed phases will be due, and (iv) construction shall be completed. PCV will provide such schedule to the parties hereto for their review and approval. Each party shall be deemed to have approved the construction schedule unless within ten days of delivery of such to it, it notifies all the parties hereto in writing of any objections it has thereto. In the event a party so objects to the construction schedule, the parties shall meet and confer within ten days of the date of such written objections. The construction schedule will be modified as agreed upon.

Subject to the terms and conditions of any construction loan it has obtained in order to make the above contribution, each party shall contribute at least 30 days before an installment payment is due as indicated on the agreed construction schedule its prorate share of such, namely 40 percent each for Youth-CHIP and Club and 20 percent for PRPD, or in the event PRPD contributes \$300,000.00, Youth-CHIP, 36.36 percent each, and PRPD, 27.27 percent. Notwithstanding the foregoing, within 30 days of approval of the construction schedule, but subject to the terms and conditions of any such construction loan, each of them shall contribute its percentage share of the first installment payment due. All such funds shall be deposited in an interest bearing account in the name of PCV established in a commercial banking institution in the Town of Paradise of PCV's selection. PCV shall strictly account for all funds deposited in such account, interest accrued thereon, and all withdrawals therefrom and provide to the parties hereto on a monthly basis a copy of the general ledger for such account.

2. **Conditions Precedent.** As express condition precedents to the parties' obligations to contribute monies as set forth above, (i) PCV shall secure from one or more sources funds sufficient to enable it to construct a wastewater treatment facility for the Project, the estimated cost of which is \$450,000.00 and (ii) the parties hereto, and such other persons who by reason of the Bylaws of PCV appoint directors of PCV who wish to do so, shall execute a written Development Agreement addressing their joint development of the Improvements and the Project and their respective rights and obligations with respect thereto. Should these conditions not be satisfied on or before April 30, 2011, then at the

election of any party or parties hereto. this MOU shall be null and void as to that party or parties and of no further force or effect.

3. **Consideration.** In consideration for their contributions, each of the parties shall receive therefor the following:

a. CHIP, upon exercise of its Option to acquire such, will be deeded Lot 1 on the Map for the construction of workforce housing thereon, from which Youth shall benefit;

b. PRPD will be deeded Lots 2 and 3 on the Map for purposes of constructing thereon recreation and park improvements consisting of a skate and possibly bike park and a passive park; and,

c. Club will receive the benefit of the Improvements to be built on its property, facilitating use by it of its property, and of the other Improvements, which, though built on the Project property, will be available for its use and benefit.

4. **Non-Binding Nature of MOU.** The parties contemplate preparation of a more detailed Development Agreement between them containing additional terms and conditions that are customary for a transaction of the nature contemplated in this MOU. It is understood and agreed that this MOU shall not be binding on the parties unless and until such Development Agreement is executed. Despite the foregoing, it is understood and agreed that this MOU binds the parties to negotiate in good faith for a period of 30 days following the execution hereof for the completion of such Development Agreement.

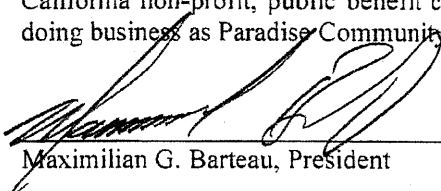
Executed on the date last set forth below opposite the parties' signatures.

PCV:

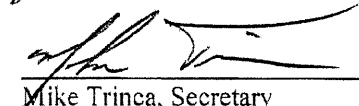
Date: March 29, 2011

Paradise Youth Sports & Family Center, a
California non-profit, public benefit corporation
doing business as Paradise Community Village

By:


Maximilian G. Barteau, President

By:


Mike Trinca, Secretary

Date: March 29, 2011

PRPD:

Paradise Recreation & Park District

By: 

Mike Trinca, General Manager

Date: March 21, 2011

YOUTH:

Youth for Change, a Californian non-profit,
public benefit corporation

By: 

George Siler, President

Date: March 20, 2011

CHIP:

Community Housing Improvement
Program, Inc., a California non-profit public
benefit corporation

By: 

David Ferrier, Executive Director

Date: March 29, 2011

CLUB:

Paradise Ridge Youth Soccer Club, an
unincorporated association

By: 

Its:

Maximilian G. Barteau, President