

RESOLUTION NO. SA-2019-____

**A RESOLUTION OF THE SUCCESSOR AGENCY OF THE
REDEVELOPMENT AGENCY OF THE CITY OF LAKE ELSINORE,
CALIFORNIA, APPROVING THE SIXTH AMENDMENT TO THE
STADIUM INTERIM MANAGEMENT AGREEMENT BETWEEN THE
SUCCESSOR AGENCY OF THE REDEVELOPMENT AGENCY OF THE
CITY OF LAKE ELSINORE AND THE LAKE ELSINORE STORM LP**

Whereas, in furtherance of the Redevelopment Plan for the Rancho Laguna Redevelopment Project Area 3 ("Redevelopment Plan") and that certain First Amendment to Amended and Restated Option Agreement Under Threat of Condemnation and Irrevocable Offer To Donate Stadium Site and Stadium Access Parcel and Unconditional Acceptance Subject To Covenants, Conditions, Restrictions and Reservations ("Offer to Donate") dated August 5, 1993, the former Redevelopment Agency of the City of Lake Elsinore (the "RDA") acquired certain real property for redevelopment purposes and thereafter, in 1994, completed the Lake Elsinore Diamond Stadium ("Diamond Stadium") on property donated for purposes of developing a minor league professional baseball stadium; and

Whereas, in furtherance of the Redevelopment Plan and the covenants, conditions, restrictions and reservations set forth in the Offer to Donate restricting the use of the property as a minor league professional baseball stadium for a minimum of fifty (50) years, the RDA operated, managed and maintained the Diamond Stadium pursuant to various agreements, including a Concession License Agreement, a License Agreement, and a Stadium Field and Maintenance Agreement (collectively, "Stadium Operations Contracts"); and

Whereas, following the dissolution of the RDA, the Successor Agency of the Redevelopment Agency of the City of Lake Elsinore ("Successor Agency") was been established to wind down the affairs of the RDA in accordance with the California Health and Safety Code; and

Whereas, in 2012, the Successor Agency and the Oversight Board to the Successor Agency ("Lake Elsinore Oversight Board") approved the Stadium Interim Management Agreement dated January 1, 2013 by and between the Successor Agency and the Lake Elsinore Storm LP (the "Interim Agreement") to provide for the performance of the enforceable obligations under the Stadium Operation Contracts and the Offer to Donate, including maintenance, management, promotion and operations of the Diamond Stadium and following such approval by the Lake Elsinore Oversight Board and the Successor Agency, the Interim Agreement was submitted to and approved by the State Department of Finance ("DOF"); and,

Whereas, in 2013, the Successor Agency and the Lake Elsinore Oversight Board approved the First Amendment to Stadium Interim Management Agreement dated January 1, 2014 by and between the Successor Agency and the Lake Elsinore Storm LP (the "First Amendment") and following such approval by the Lake Elsinore Oversight Board and the Successor Agency, the First Amendment was submitted to and approved by the DOF; and,

Whereas, in 2014, the Successor Agency and the Lake Elsinore Oversight Board approved the Second Amendment to Stadium Interim Management Agreement dated January 1, 2015 by and between the Successor Agency of the Redevelopment Agency of the City of Lake Elsinore and the Lake Elsinore Storm LP (the "Second Amendment") and following such approval by the Lake Elsinore Oversight Board and the Successor Agency, the Second Amendment was submitted to and approved by the DOF; and,

Whereas, in 2015, the Successor Agency and the Lake Elsinore Oversight Board approved the Third Amendment to Stadium Interim Management Agreement dated January 1, 2016 by and between the Successor Agency of the Redevelopment Agency of the City of Lake Elsinore and the Lake Elsinore Storm LP (the "Third Amendment") and following such approval by the Lake Elsinore Oversight Board and the Successor Agency, the Third Amendment was submitted to and approved by the DOF; and,

Whereas, in 2016, the Successor Agency and the Lake Elsinore Oversight Board approved the Fourth Amendment to Stadium Interim Management Agreement dated January 1, 2017 by and between the Successor Agency of the Redevelopment Agency of the City of Lake Elsinore and the Lake Elsinore Storm LP (the "Fourth Amendment") and following such approval by the Lake Elsinore Oversight Board and the Successor Agency, the Fourth Amendment was submitted to and approved by the DOF; and,

Whereas, in 2018, the Successor Agency and the Lake Elsinore Oversight Board approved the Restated Fifth Amendment to Stadium Interim Management Agreement dated May 8, 2018 by and between the Successor Agency of the Redevelopment Agency of the City of Lake Elsinore and the Lake Elsinore Storm LP and the Extension to Restated Fifth Amendment dated June 26, 2018 (collectively, the "Fifth Amendment") and following such approvals by the Lake Elsinore Oversight Board and the Successor Agency, the Fifth Amendment was submitted to and approved by the DOF; and,

Whereas, the Interim Agreement and the First, Second, Third, Fourth and Fifth Amendments have been successfully implemented to provide for efficient and cost effective management, maintenance and operation of the Diamond Stadium but, absent a Sixth Amendment, the Interim Agreement will expire on September 30, 2019; and,

Whereas, consistent with the legislative authorization contained in AB 1484 and SB 107 allowing successor agencies to enter into enforceable obligations for the purpose of maintaining the assets of the former redevelopment agency and implementing enforceable obligations pursuant to underlying contracts and agreements, the Successor Agency seeks to provide for the continued, efficient and cost effective management, maintenance and operation of the Stadium and to retain the Storm to carry out such continuing obligations on an interim basis for in accordance with the proposed Sixth Amendment; and,

Whereas, pursuant to Health and Safety Code Section 34177(o)(1) a "Recognized Obligation Payment Schedule" that lists all obligations of the former redevelopment agency that are enforceable within the meaning of subdivision (d) of Section 34167 for the period commencing July 1, 2018 – June 30, 2019 (the "ROPS 18-19") which lists, among other things, as enforceable obligations of the Successor Agency, the following obligations related to the Lake Elsinore Diamond Stadium (the "Stadium"): (i) License Agreement; (ii) Maintenance Agreement; (iii) Concession Agreement; (iv) Stadium operations and maintenance obligations, and (v) the Interim Agreement (as amended) has been approved by the Successor Agency and the Oversight Board and subsequent ROPS will be similarly prepared throughout the term of the Stadium Operations Contracts .

NOW, THEREFORE, THE SUCCESSOR AGENCY OF THE REDEVELOPMENT AGENCY OF THE CITY OF LAKE ELSINORE, CALIFORNIA, DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. The Recitals set forth above are true and correct and incorporated herein by reference.

Section 2. Based on the information presented in the staff report and testimony received, the Successor Agency finds (i) that the proposed Sixth Amendment to the Interim Agreement is reasonable and necessary to satisfy the Successor Agency's contractual obligations under the Stadium Operations Contracts and to protect and maintain the assets of the former Redevelopment Agency, (ii) that Real Property Tax Trust Fund (RPTTF) revenues requested by the Successor Agency in the ROPS 18-19 includes funds necessary to meet the Successor Agency's enforceable obligations, and (iii) that the Sixth Amendment to the Interim Agreement is in the best interests of the taxing entities because the Storm's skills, knowledge and resources will provide continued, efficient and cost effective management, maintenance and operation of the Diamond Stadium which will protect the public's investment in the Stadium, minimize costs and mitigate against potential breach of contract and related damages.

Section 3. Based on the above findings, the Successor Agency approves the Sixth Amendment to the Stadium Interim Management Agreement by and between the Successor Agency of the Redevelopment Agency of the City of Lake Elsinore and the Lake Elsinore Storm LP in substantially the form attached and in such final form as approved by Successor Agency Counsel and submitted to and approved by the Riverside Countywide Oversight Board.

Section 4. If any provision of this Resolution or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of this Resolution which can be given effect without the invalid provision or application, and to this end the provisions of this resolution are severable. The Successor Agency hereby declares that it would have adopted this Resolution irrespective of the invalidity of any particular portion thereof.

Section 5. This Resolution shall take effect from and after the date of its passage and adoption in accordance with, and subject to, all applicable requirements of the Health & Safety Code.

Passed, Approved and Adopted by the Successor Agency of the Redevelopment Agency of the City of Lake Elsinore, California, this 8th day of January, 2019.

Steve Manos, Chair

ATTEST:

APPROVED AS TO FORM:

Mark Mahan, Deputy
Agency Secretary

Barbara Leibold
Agency Counsel

STATE OF CALIFORNIA)
COUNTY OF RIVERSIDE) ss.
CITY OF LAKE ELSINORE)

I, Mark Mahan, Deputy Secretary of the Successor Agency of the Redevelopment Agency of the City of Lake Elsinore, California, hereby certify that Resolution No. SA-2019-__ was adopted by the Successor Agency of the Redevelopment Agency of the City of Lake Elsinore at a Regular meeting held on the 8th day of January, 2019 by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Mark Mahan, Deputy Agency Secretary