

REDEVELOPMENT AGENCY

GOVERNMENTAL CENTER
AGENCY ADMINISTRATOR



COUNTY OF SANTA CRUZ

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May 22, 1998

Agenda: June 2, 1998

Board of Directors
County of Santa Cruz Redevelopment Agency
701 Ocean Street
Santa Cruz, CA. 95060

Extension of Time for Reimbursement Agreement

Dear Members of the Board:

As part of constructing improvements on Portola Drive last year, the Agency entered into an agreement with Dorothy and Stuart Rosendale, the developers of a property fronting on the roadway, which would allow the Agency to install their required frontage and utility connections as part of the road project, with the owner reimbursing the Agency for its costs through a Reimbursement Agreement. That agreement, which was approved by your Board in June of 1997, provided a note at 8% interest which was secured by the property, and required that note would be paid off in full at the time of sale of the first lot or one year, whichever came first. The year period of the note is approaching next month, and as a result of the Agency's notice of demand, the owners have requested an extension of the terms of the loan for one more year. As a result of two aborted sales they have been unable to market the property, but are confident that it will sell this next year. We believe that extension of the note is appropriate with the following two conditions: the owners must come current on past interest due and the interest rate on the note would be increased from 8% to 10%.

It is therefore RECOMMENDED that your Board, as the Board of Directors for the Redevelopment Agency, authorized the RDA Administrator to negotiate and sign a revised loan agreement consistent with the terms outlined in this letter.

Very truly yours,

Tom Burns
Redevelopment Agency Administrator

RECOMMENDED:

Susan A. Mauriello
Redevelopment Agency Director