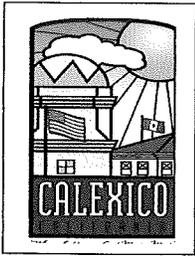


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# AGENDA STAFF REPORT

**DATE:** August 2, 2016

**TO:** Mayor and City Council

**APPROVED BY:** Armando G. Villa, City Manager 

**PREPARED BY:** Armando G. Villa, City Manager

**SUBJECT:** Authorize the City Manager to execute a Memorandum of Understanding by and between the County of Imperial and the City of Calexico for a joint EDA Application for West Second Street Corridor Improvement Grant Project

=====

## Recommendation:

Authorize the City Manager to execute a Memorandum of Understanding by and between the County of Imperial and the City of Calexico regarding project, West Second Street Corridor Improvement, funded by the United States Department of Commerce, Economic Development Administration (EDA).

## Background:

On June 8, 2016 the Calexico City Council adopted Resolution No. 2016-11 authorizing the City to participate as a co-applicant with the County of Imperial to submit a grant application to the U.S. Department of Commerce EDA in the amount of \$3,000,000 for the Calexico West Second Street Corridor Improvement Project. The Resolution authorized having the County of Imperial act as the leading agency for the proposed infrastructure improvement project, and authorized the City Manager to execute a Memorandum of Understanding (MOU) with the County for submittal of the EDA grant application.

The \$3,000,000 EDA grant would allow for investment in much needed infrastructure improvements, totaling approximately \$6,000,000, to accommodate the anticipated expansion of the southwest corner of the City of Calexico, West Second Street. The Calexico International Airport would benefit directly from the proposed infrastructure improvements as well as the current and future commercial developments in the surrounding area. The improvements would provide indirect benefits to Calexico consumers who frequent the commercial area, regional residents who are currently employed by the stores in the affected area as well as

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those who will gain employment from future stores in the area, and the City of Calexico through increased sales tax revenue anticipated from the expansion of the commercial area once the infrastructure is in place.

On July 12, 2016 the County Board of Supervisors adopted Resolution 2016-084 approving the County's participation as lead applicant and administrator of the EDA grant funds and authorizing the County Executive Officer (CEO) to execute an MOU with the City of Calexico, detailing our joint effort in accomplishing the project goals.

**Discussion & Analysis:**

The County of Imperial has provided the City of Calexico with the Memorandum of Understanding, as approved by the County Board of Supervisors on July 12, 2016. Approval of an MOU with the County is essential in order to move forward with completion and submittal of the EDA grant application. Since the language of the MOU was not yet available when the City Council adopted Resolution 2016-11 authorizing the City Manager to enter into an MOU with the County, the MOU is attached for consideration by the City Council.

Highlights of the MOU include the County taking charge of all project activities and requirements, including maintaining and administering funds awarded by the grant. The City of Calexico would provide support by expediting all required city permits and document requests, accept responsibility for the service, maintenance and repair of project improvements, and be responsible for costs that exceed awarded EDA grant funds.

If the City Council is amenable to the MOU being executed by the City Manager, it is requested that they approve the MOU as presented by the County and provide direction to the City Manager to execute the MOU by and between the County of Imperial and the City of Calexico for West Second Street Corridor Improvement EDA Grant.

**Fiscal Impact:**

None to the General Fund. A \$3,000,000 revenue increase designated solely for infrastructure improvements to the West Second Street Corridor Improvement Project.

**Coordinated With:**

None.

**Attachments:**

1. Memorandum of Understanding by and between the County of Imperial and the City of Calexico regarding project funded by the United States Department of Commerce, Economic Development Administration.
2. City of Calexico Resolution 2016-11.
3. Imperial County Resolution 2016-084.

**MEMORANDUM OF UNDERSTANDING BY AND BETWEEN THE COUNTY OF  
IMPERIAL AND THE CITY OF CALEXICO REGARDING PROJECT FUNDED BY  
THE UNITED STATES DEPARTMENT OF COMMERCE, ECONOMIC  
DEVELOPMENT ADMINISTRATION**

This MEMORANDUM OF UNDERSTANDING (“MOU”) is hereby made and entered into on this \_\_\_\_\_ day of \_\_\_\_\_, 2016 by and between the County of Imperial, a political subdivision of the State of California, through its Department of Community and Economic Development (“COUNTY”), and the **City of Calexico**, a California municipal corporation (“CITY”) (individually, “Party;” collectively, “Parties” ).

**A. PURPOSE:**

The purpose of this MOU is to outline the agreement between COUNTY and CITY regarding a joint grant application to the United States Department of Commerce, Economic Development Administration (“EDA”) for offsite infrastructure improvements, including but not limited to earthwork, sewer and water system upgrades, installation of storm drain system, surfacing improvements and underground utilities, necessary to expand the current Gran Plaza Outlet and construct the Gran Plaza Power Center, also described as the Gran Plaza, LP Project, located at West Second Street between the Calexico International Airport and All American Canal (“Project”).

It is estimated that the Project will generate sales tax revenue as well as create more than 600 new jobs.

**B. COUNTY SHALL:**

1. Participate as Lead applicant for purposes of the EDA grant application.
2. Participate as a co-recipient for the Project.
3. As Lead, be in charge of all Project activities and requirements, including but not limited to obtaining easements, building permits, encroachment permits, right of ways and maintaining and administering of funds awarded by the grant.

**C. CITY SHALL:**

1. Participate as co-applicant for the purpose of submitting the grant application.
2. Participate as a co-recipient for the Project.
3. Assist COUNTY in all aspects of the Project including but not limited to facilitating and expediting all easements, building permits, encroachment permits, right of ways and construction documents required by City.
4. Accept responsibility for service, maintenance and repair of Project improvements in perpetuity.
5. Be solely responsible for Project costs which exceed awarded EDA grant funds.

D. IT IS FURTHER MUTUALLY UNDERSTOOD AND AGREED BY AND BETWEEN THE PARTIES THAT:

1. Modifications. Any modifications within the scope of the MOU shall be made by mutual consent of the Parties, by the issuance of a written modification, signed and dated by both Parties, prior to any changes being made.
2. Compliance. The Parties agree that in performing this MOU, each party shall comply with all applicable laws, ordinances and codes of the Federal, State and local governments.
3. Term. This MOU shall commence upon the execution date first state above and shall remain in full force and effect until the expiration of the Project or close of the EDA grant awarded, or otherwise terminated in writing by agreement of both Parties.
4. Principal Contacts. The principal contacts for this MOU are:

County Executive Officer County of Imperial 940 W. Main St. Suite 203 El Centro, CA 92243	City Manager City of Calexico 608 Heber Ave. Calexico, CA 92231
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5. Termination. COUNTY retains the right to terminate this Agreement with or without cause by notifying City in writing 20 days prior to termination.
6. Indemnification. City agrees to the fullest extent permitted by law to indemnify, defend, protect and hold harmless County, its directors, elected officials, officers, agents and employees, from and against all claims, expenses, damages, losses, liabilities, causes of action, penalties, attorneys' fees and costs, in law or equity, of every kind and nature whatsoever, arising from or in connection with this MOU including but not limited to the submission of or awarding of any EDA Project related grant, except to the extent such claim, damage, loss, liability, cost or expense was caused by the County's sole negligence or willful misconduct.

IN WITNESS WHEREOF, the Parties hereto have executed this MOU as of the date first stated above.

**COUNTY OF IMPERIAL**

**CITY OF CALEXICO**

By: \_\_\_\_\_  
JESUS J. TERRAZAS, Chairman  
Board of Supervisors

By: \_\_\_\_\_  
ARMANDO VILLA, City Manager

ATTEST:

APPROVED AS TO FORM:  
KATHERINE TURNER  
County Counsel

By: \_\_\_\_\_  
BLANCA ACOSTA  
Clerk of the Board of Supervisors

By: \_\_\_\_\_  
RAQUEL YOUNG  
Deputy County Counsel

## **RESOLUTION NO. 2016-11**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CALEXICO TO PARTICIPATE AS A CO-APPLICANT WITH THE COUNTY OF IMPERIAL TO SUBMIT A GRANT APPLICATION TO THE U.S. EDA FOR THE INFRASTRUCTURE IMPROVEMENT PROJECT ON WEST SECOND STREET, KNOWN AS THE GRAN PLAZA, LP PROJECT**

**BE IT RESOLVED BY** the City Council of the City of Calexico as follows:

### **SECTION 1**

Authorize the City of Calexico to participate as a co-applicant with the County of Imperial to submit a grant application in the amount of \$3,000,000 to the United States Department of Commerce - Economic Development Administration ("EDA") for the development of infrastructure improvements on West Second Street, known as the Gran Plaza, LP Project in the City of Calexico.

### **SECTION 2**

The City Council of the City of Calexico hereby authorizes the Interim City Manager and subsequent permanent City Manager to sign a MOU with the County of Imperial to participate as a co-applicant in the submittal of a U.S. EDA grant application for the development of infrastructure improvements on West Second Street, known as the Grant Plaza, LP Project.

### **SECTION 3**

The City Council of the City of Calexico hereby authorizes the County of Imperial to become the lead agency for the U.S. EDA grant application.

### **SECTION 4**

The City Council of the City of Calexico hereby authorizes and directs the Interim City Manager and subsequent permanent City Manager, or his or her designee to act on the City's behalf in all matters pertaining to this joint application, including submittal of the application, execution of the grant agreement, drawdown of funds, submittal of amendment requests, and execution of grant amendment documents.

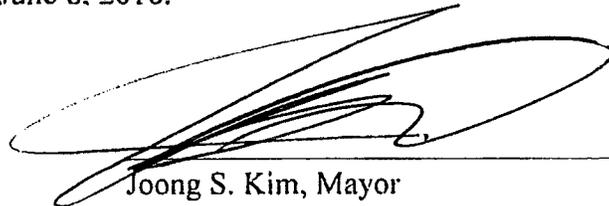
### **NOW THEREFORE, BE IT RESOLVED AS FOLLOWS:**

1. The recitals set forth above are true and correct.
2. Approves the City of Calexico participating as a co-applicant with the County of Imperial, as the lead agency, to submit a grant application in the amount of \$3,000,000 to the United States Department of Commerce - Economic Development Administration ("EDA") for the

development of infrastructure improvements on West Second Street, known as the Gran Plaza, LP Project in the City of Calexico.

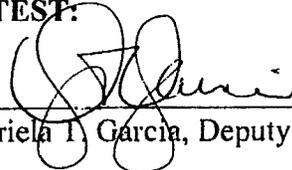
3. Authorize the Calexico Interim City Manager and subsequent permanent City Manager to execute a Memorandum of Understanding with the County of Imperial to participate as a co-applicant with the County to submit a grant application for the U.S. EDA Gran Plaza, LP Infrastructure Improvements Project.
4. Authorized the Calexico Interim City Manager and subsequent permanent City Manager to finalize, execute, and submit all instruments and documents necessary or required by the EDA to submit a grant application, including, but not limited to applications, standard form agreements, amendments and any other related document.

**PASSED, APPROVED AND ADOPTED** at the regular meeting of the City Council of the City of Calexico held on June 8, 2016.



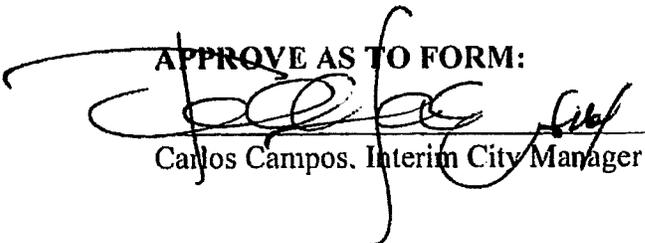
Joong S. Kim, Mayor

**ATTEST:**



Gabriela I. Garcia, Deputy City Clerk

**APPROVE AS TO FORM:**



Carlos Campos, Interim City Manager

STATE OF CALIFORNIA )  
COUNTY OF IMPERIAL ) ss.  
CITY OF CALEXICO )

I, Gabriela T. Garcia, Deputy City Clerk of the City of Calexico, California, do hereby certify, that the foregoing Resolution No. 2016-11 was adopted at a regular meeting of the City Council of the City of Calexico held on the 8<sup>th</sup> day of June, 2016, and was carried by the following vote-to-wit:

AYES: Castro, Real, Moreno  
NOES: Kim  
ABSENT: Hurtado

  
\_\_\_\_\_  
Gabriela T. Garcia, Deputy City Clerk

**RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF IMPERIAL  
AUTHORIZING MEMORANDUM OF UNDERSTANDING WITH THE CITY OF CALEXICO  
FOR SUBMISSION OF A GRANT APPLICATION AS CO-APPLICANT TO THE UNITED  
STATES DEPARTMENT OF COMMERCE, ECONOMIC DEVELOPMENT AND  
ADMINISTRATION FOR INFRASTRUCTURE IMPROVEMENTS AT THE GRAN PLAZA, LP  
PROJECT AND AUTHORIZING COUNTY TO PARTICIPATE AS LEAD APPLICANT**

**RESOLUTION NO. 2016-084**

WHEREAS, the United States Department of Commerce, Economic Development and Administration (“EDA”), through its Public Works and Economic Adjustment Assistance programs, provides grant funding to distressed communities to revitalize, expand and upgrade their physical infrastructure to attract new industry and encourage business expansion; and

WHEREAS, the expansion of the current Gran Plaza Outlet requires off-site infrastructure improvements and the development of a Gran Plaza Power Center, including but not limited to earth work, water and sewer system upgrades, installation of a storm drain system, surfacing improvements and installation of underground utilities (“Project”); and

WHEREAS, the cost of these off-site infrastructure improvements is estimated at more than \$6,500,000; and

WHEREAS, by letter dated June 16, 2016, the City of Calexico (“City”) requested the assistance of the County of Imperial (“County”) with the preparation and submission of a grant application in the amount of \$3,000,000 to the EDA for necessary infrastructure improvements on West Second Street in Calexico, California, known as the Gran Plaza, LP project; and

WHEREAS, the total cost of the Project exceeds the \$3,000,000 grant funds available through the EDA Public Works and Economic Adjustment Assistance program, City shall be solely responsible for providing and/or to collecting from developer all costs for Project which exceed awarded EDA grant funds; and

WHEREAS, City has requested that the County participate as lead applicant and administrator of approved EDA grant funds; and

WHEREAS, obtaining these grant funds will assist the City in pursuing its goal of expanding the current Gran Plaza Outlet and result in generating sales tax revenue and expanding employment opportunities; and

WHEREAS, County and City desire to enter into a Memorandum of Understanding (“MOU”) detailing their joint effort in accomplishing the goals of the Project.

**NOW THEREFORE, THE IMPERIAL COUNTY BOARD OF SUPERVISORS DOES  
HEREBY RESOLVE AS FOLLOWS:**

1. The County Executive Officer is authorized to execute an MOU with the City of Calexico to participate as lead applicant for the EDA grant application.
2. The County Executive Officer is authorized to finalize, execute, and submit all instruments and documents necessary or required by the EDA to participate in the grant program, including but not limited to applicants, standard form agreements, amendments, and any other related documents.

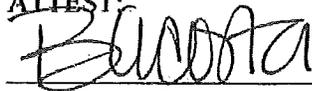
PASSED AND ADOPTED by the Board of Supervisors, County of Imperial, State of California this 12<sup>th</sup>  
day of July, 2016 by the following roll call vote:

Renison, Terrazas, R. Kelley, Castillo.



JESUS I. TERRAZAS  
Chairman of the Board of Supervisors

ATTEST:



BLANCA ACOSTA  
Clerk of the Board of Supervisors