

**SPECIAL MEETING
CALIFORNIA CITY REDEVELOPMENT AGENCY
TUESDAY, June 1, 2010 immediately following the 5:30pm City
Council meeting
Council Chambers, 21000 Hacienda Blvd.
MINUTES**

OPENING CEREMONIES

The meeting was called to order at 6:08p.m. by Chairman Lessenevitch. Following the pledge of allegiance the City Clerk called the roll.

PRESENT: Directors Smith, Strong, Edmiston, Adams
Chairman Lessenevitch

ABSENT: None

ADOPT AGENDA

Motion by Vice Chairman Adams, second by Director Smith to adopt the agenda. Motion carried 5-0

NEW BUSINESS

NB 1. Loan Guarantee Proposal - Executive Director Weil

Executive Director Weil reported that the California City Best Western has been in negotiations with Mojave Desert Bank to obtain a construction loan on approximately \$1.3 million. The bank has secured a guarantee for 80% of the loan from USDA and is now looking to try and secure the remaining 20% through the Redevelopment Agency. Mr. Weil, along with Vice Chairman Adams and Director Smith, attended a meeting with the President/CEO of Mojave Desert Bank to work out the details. The bank is asking for \$270,000 guarantee over a four year period. The guarantee would not be paid out unless at the end of the fourth year there has been a failure to obtain profitability, which staff will work out a definition that will be accessible to all. Bank regulators are requiring that the hotel show a profit after four years. The Agency will have a position in the event there is a foreclosure. Staff is asking for a consensus to go forward and work out the final details with the bank and will be brought back before the Agency. Staff feels that owner Mr. Patel has shown good faith with securing the franchise for \$50,000 and that he is already the owner of 17 other hotels.

Board questions were addressed. Clarification was given to the public in regards to this not being a loan.

Motion by Vice Chairman Adams, second by Director Smith to pursue until we find out all the particulars. Motion carried 5-0

ADJOURNMENT:

Motion by Vice Chairman Adams, second by Director Strong to adjourn at 6:16pm. Motion carried.

Respectfully Submitted:

Denise Hilliker
Agency Secretary

APPROVED BY AGENCY ON _____