



STAFF REPORT CITY COUNCIL AGENDA

DATE: April 22, 2016
STUDY SESSION DATE: N/A

AGENDA ITEM: Resolution # F.52.
MEETING DATE: May 2, 2016

TITLE OF ITEM: Receive Report, Review Proposal And Consider Approval Of Resolution No. 2016-65, Directing Staff To Proceed With An Exclusive Negotiation Agreement With The Del Curto Brothers Group For The Acquisition Of The 400 Block Property On San Benito Street.

BRIEF DESCRIPTION: The City Council will receive a report, review a proposal and consider approval of a resolution directing staff to proceed with an Exclusive Negotiation Agreement with The Del Curto Brothers Group for the acquisition of the 400 Block property with a commitment to build four mixed use buildings on the north parcel, reserve the central parcel as open space and construct a 7,420 foot philanthropic center in partnership with the Community Foundation for San Benito County on the south parcel.

STAFF RECOMMENDATION: Staff recommends that the City Council review the proposal submitted for the 400 block, determine the submittal from the Del Curto Brothers Group in partnership with the CFSBC is complete and approve Resolution No. 2016-65.

DEPARTMENT SUMMARY: On January 19, 2016, the City Council approved a 90 day extension to the Request for Proposal for a catalyst project on the 400 Block Property (the "Property") at the corner of Fourth and San Benito Streets. The extended RFP was released on January 20th with a deadline of April 19, 2016. Last fall the Property was appraised for \$290,000. Based on the appraisal, the City could receive \$52,603 from the sale of the property with the balance of the funds disbursed to taxing entities.

On April 19, 2016, the City Clerk opened a sealed proposal from the Del Curto Brothers Group (the "Developer") in partnership with the Community Foundation for San Benito County (CFSBC) which is included as Exhibit 2 of the attached resolution. The proposal met the minimum purchase price of \$290,000. The vision for project establishes a pedestrian scale mixed use development with paseos and public open space areas integrated between five buildings ranging in height from one to four stories. The north Parcel 1 would be developed with four buildings with 6,760 square feet of ground floor retail space and 11,840 square feet of residential (16 units). Parcel 2 (former Briggs Alley) would be left in open space. Parcel 3 would be developed as a two-story, 7,420 square foot philanthropic center for the CFSBC. The cost of construction for the building will be donated to the CFSBC by a resident of San Benito County but built by the Developer. The Developer approached staff during the RFP process and expressed a desire to negotiate the use of parking spaces within the Briggs Building for the 16 proposed residences.

Staff has reviewed the proposal, determined that it is complete and believes that it will fulfill the objectives of the former RDA to revitalize downtown Hollister. The project will add needed housing to the downtown core; the proposed philanthropic center will provide conference and meeting facilities that are unavailable in the community today and an outdoor plaza connected to an interior assembly area for gatherings. The mixed use multi-story pedestrian oriented development is consistent with the General Plan but as explained in the attached Supplemental Staff Report, the rooflines will need to be adjusted to conform to the Downtown Strategy Plan Design Guidelines adopted by the City Council. The project will also benefit from the proximity of the Briggs Building Parking structure. The cost of construction of the philanthropic center will be funded by a resident from San Benito County.

Staff Recommendation: That the City Council approve the resolution directing the City Manager to enter into an Exclusive Negotiating Agreement for the project with provisions to provide parking for residents in the Briggs Building Parking Structure.

ATTACHMENTS:	Supplemental Staff Report, Resolution
FINANCIAL IMPACT:	\$52,603 (18% of the sales price) to the General Fund
CEQA:	§15332 In-Fill Development Projects
DEPARTMENT:	Development Services Department
CONTACT PERSON:	Mary M. Paxton
DEPARTMENT HEAD:	William B. Avera
PHONE NUMBER:	(831) 636-4316

THIS REPORT WAS REVIEWED BY THE CITY MANAGER WHO CONCURS WITH THE STAFF RECOMMENDATION: _____

William B. Avera, City Manager

RESOLUTION NO. 2016 - 65

A RESOLUTION OF THE CITY COUNCIL AUTHORIZING AN EXCLUSIVE NEGOTIATION AGREEMENT FOR THE SALE OF REAL PROPERTY (0.48 ACRES) LOCATED ON THE SOUTHWEST CORNER OF FOURTH AND SAN BENITO STREETS TO THE DEL CURTO BROTHERS GROUP

WHEREAS, the City owns two parcels and a portion of Briggs Alley consisting of approximately 0.48 acres located at the southeast corner of Fourth and San Benito Streets (hereinafter "the Parcel"); and

WHEREAS, the former Hollister Redevelopment Agency purchased several properties on the "400 Block" of San Benito Street to eliminate blight related to catastrophic damage to buildings from the Loma Prieta Earthquake to implement the 1991 Downtown Strategy and Plan to assemble the 400 Block properties for economic development and to facilitate the a catalyst project that would benefit from the Briggs Building parking structure; and

WHEREAS, the California state legislature enacted Assembly Bill x1 26 (the "Dissolution Act") to dissolve redevelopment agencies formed under the Community Redevelopment Law (Health and Safety Code Section 33000 et seq.); and

WHEREAS, on January 9, 2012 and pursuant to Health and Safety Code Section 34173, the City Council (the "City Council") declared that the City, a municipal corporation (the "City"), would act as successor agency (the "Successor Agency") for the dissolved City of Hollister Redevelopment Agency (the "Former RDA") effective February 1, 2012; and

WHEREAS, on January 9, 2012 and pursuant to Health and Safety Code Section 34176, the City Council declared that the City would retain all rights, powers, assets, liabilities, duties, and obligations associated with the housing activities of the Former RDA, effective February 1, 2012; and

WHEREAS, on February 1, 2012, the Former RDA was dissolved pursuant to Health and Safety Code Section 34172; and

WHEREAS, on June 27, 2012 Assembly Bill 1484 amended the Dissolution Act and added requirements in Health and Safety Code Section 34191.5 that requires the Successor Agency to prepare a Long Range Property Management Plan for the disposition of Successor Agency property within six months of the issuance of the Finding of Completion for the Due Diligence Review; and

WHEREAS, the Department of Finance issued a Finding of Completion on May 29, 2013 for the Successor Agency Due Diligence Review of Housing and Other Funds; and

WHEREAS, the Successor Agency prepared a Long Range Property Management Plan in compliance with the provisions of Health and Safety Code Section 34191.5 and the guidelines posted on the Department of Finance web page and adopted Resolution 2013-03 on August 19, 2013 directing staff to submit the plan to the Oversight Board and Department of Finance; and

WHEREAS, the Oversight Board approved the Long Range Property Management Plan on October 3, 2013 and it was submitted to the Department of Finance; and

WHEREAS, the Oversight Board approved an amendment to the Long Range Property Management Plan on January 2, 2014 and it was re-submitted to the Department of Finance; and

WHEREAS, the Department of Finance issued a letter on February 21, 2014 approving the Successor Agency Long Range Property Management Plan; and

WHEREAS, the Long Range Property Management Plan proposed that the City should be allowed to continue the use of the Parcel for non-profit activities open to the public until an agreement can be negotiated for a keystone commercial or mixed use development on the Parcel; and

WHEREAS, the amended Long Range Property Management Plan stated that prior to the transfer of the property to the City, it would be necessary for the City to enter into a compensation agreement required by Health and Safety Code Section 34180 (f) (a); and

WHEREAS, the City Council approved Resolution 2014-77 on April 21, 2014 directing staff to prepare and negotiate a compensation agreement with other taxing entities; and

WHEREAS, staff negotiated a compensation agreement with other taxing entities and the agreement was approved on August 4, 2014 and is on file with the City Clerk; and

WHEREAS, the Successor Agency and City approved Resolutions 2014-12SA and 2014-179 on September 8, 2014 authorizing the execution of documents such as lot-line adjustments and quit claim deeds to clear the title for the future transfer of the Parcel in anticipation of the future sale of the property and the transfer of the Parcel to the City to hold for future redevelopment; and

WHEREAS, the Successor Agency and City executed grant deeds to transfer the ownership of the Parcel to the City in January of 2015; and

WHEREAS, the staff was approached by two parties interested in developing the Property in the fall of 2015; and

WHEREAS, the Parcel is zoned Downtown Mixed Use; and

WHEREAS, an appraisal has been completed establishing a minimum value of \$20 per square foot of land for the fee simple interest of the Parcel, for a total of Two Hundred Ninety Thousand Dollars (\$290,000); and

WHEREAS, on November 2, 2015 the City Council approved Resolution 2015-211 authorizing staff to release a Request for Proposal/Qualifications (RFP/RFQ) for the development of the Parcel with a catalyst project; and

WHEREAS, on January 19, 2016, the City Council at a duly noticed public meeting directed staff to extend the RFP/RFQ period for at least ninety (90) days; and

WHEREAS, on April 19, 2016, the City Clerk publicly opened one qualifying sealed proposal for the purchase of the Parcel from the Del Curto Brothers Group; and

WHEREAS, the City Council has reviewed the proposal and has determined that the Del Curto Brothers proposal in partnership with the Community Foundation for San Benito County of constructing a mixed use development with 16 residences on the upper floors of the northern parcel and a 7,420 square foot philanthropic center will provide needed housing, conference and meeting facilities for the community and non-profits and additional retail spaces with modern facilities and will add and wage earnings by future employees and foot traffic downtown; and

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL as follows:

That the City of Hollister hereby accepts the proposal submitted by the Del Curto Brothers Group dated April 19, 2016, attached hereto as Exhibit 2 for the purchase of the Parcel as legally described in Exhibit 1, attached hereto.

The sale of the property as proposed in Exhibit 2 conforms to the Long Range Property Management Plan for the Parcel required by Health and Safety Codes Sections §34181 and §34191.5.

The City Manager is authorized to enter into an Exclusive Negotiating Agreement with the Del Curto Brothers Group for the sale of the property that substantially conforms to Exhibit 2 with provision to negotiate an agreement to allow parking for sixteen residents in the Briggs Building Parking Structure.

CEQA Finding. The City Council finds that the sale of the former RDA property is categorically exempt from CEQA review pursuant to CEQA Guidelines 15332 In-Fill Development Projects because the proposal as described in Exhibit 2 is consistent with the General Plan, the development will occur within the City on less than a one-half acre area, the project site has no value as habitat for endangered, rare or threatened species, the approval of the project would not result in any significant effects related to traffic, noise, air quality or water quality, the site can be adequately served by all required utilities and public services, the project is designed as a pedestrian oriented development near a transit stop and a mixed use infill development that could contribute to vehicle miles travelled and associated greenhouse gas emissions.

PASSED AND ADOPTED at a regular meeting of the City Council held this 2nd day of May 2016, by the following votes:

AYES:

NOES:

ABSENT:

Ignacio Velazquez, Mayor

ATTEST:

Thomas Graves, CMC, City Clerk

APPROVED AS TO FORM:
L + G LLP, Attorneys at Law

Brad Sullivan, City Attorney

Exhibit 1

Parcel 1 includes all of San Benito County Assessor Parcel 054-011-036.

Parcel 2 includes portions of Assessor Parcel Numbers 054-011-016 and 054-011-030 and is described as follows: BEING A PORTION of Lots 29, 30, 31 and 32 of Block 14 of the Town of Hollister, according to the map thereof recorded March 23, 1870 in Volume 1 of Maps, page 54, San Benito County Records, bounded by a line more particularly described as follows:

Beginning at the intersection of the westerly line of San Benito Street at the southerly line of Briggs Alley and thence running along the said westerly line of San Benito Street South $2^{\circ} 55' 51''$ West 74.39 feet, more or less, to the southeasterly corner of that certain Parcel One described in the Final Order of Condemnation recorded November 25, 1996 as Instrument number 9611258, San Benito County Records; thence along the southerly line of said Parcel One and parallel with the northerly line of Fifth Street North $87^{\circ} 06' 01''$ West 84.49 feet; thence leaving said southerly line of Parcel One and running parallel to the westerly line of San Benito Street North $2^{\circ} 55' 51''$ East 74.41 feet, more or less, to a point in the southerly line of Briggs Alley; thence along said southerly line South $87^{\circ} 05' 09''$ East 84.49 feet to the point of beginning.

The property also includes the portion of Briggs Alley between parcels 1 and 2.



SUPPLEMENTAL STAFF REPORT CITY COUNCIL AGENDA

F.52.3.

DATE: MAY 2, 2016

TITLE OF ITEM: Review of a proposal for disposition of the 400 Block.

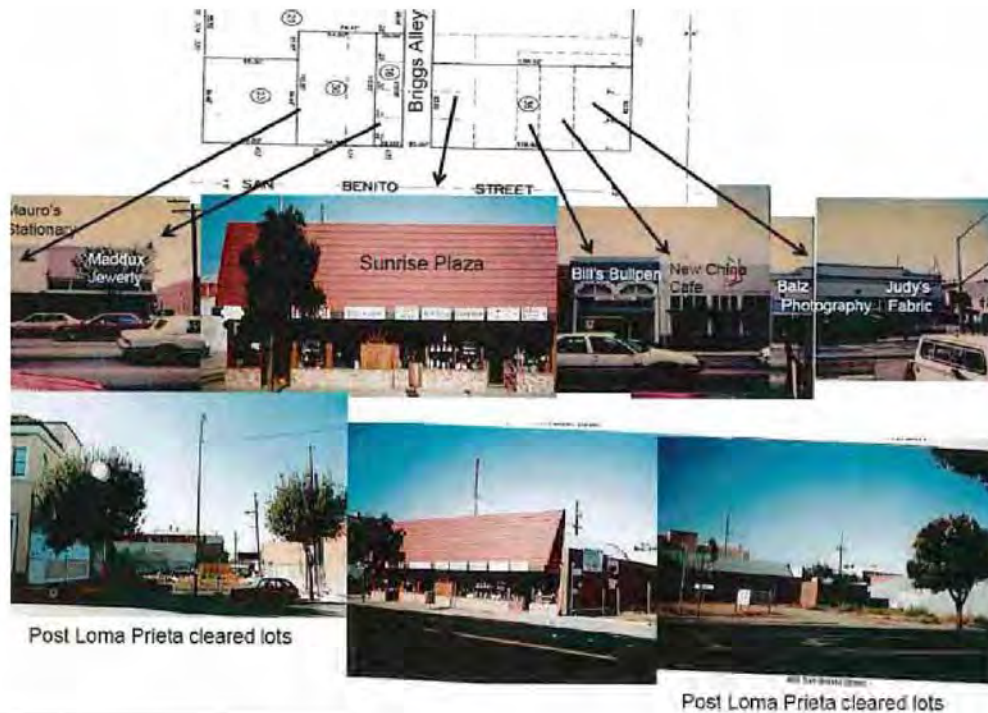
DEPARTMENT SUMMARY: On November 2, 2015, the City Council approved Resolution 2015-211 authorizing staff to release a Request for Proposal for a catalyst project on the 400 Block Property (the "Property") at the southwest corner of Fourth and San Benito Streets. A Request for Proposal was released on November 8th with a submittal deadline of January 5, 2016. The RFP was distributed to over 40 developers and builder's exchanges in the region, posted on Ebidboard.com and the City's home page. A public notice was published on December 25, 2015 notifying the public of the request for proposal, the submittal deadline of January 5, 2016 and that the City Council would review the proposals at a meeting on January 19, 2016. Two parties requested an extension during the RFP period due to the holidays. The City Council approved an extension on January 19, 2016 for at least 90 days. The extended RFP was released on January 20th with a deadline of April 19, 2016.

The General Plan designation of the 400 Block Property is Downtown Commercial Mixed Use and the City's Zoning Code designates the property as Downtown Mixed Use (DMU). The property consists of three parcels totaling 19,673 square feet (0.45 acre). A four story structure with a maximum height of 72 feet is allowed in the zoning district.

The Property was transferred to the City of Hollister from the Successor Agency (SA) to the former City of Hollister Redevelopment Agency (RDA) in January of 2015. The SA received approvals for a Long Range Property Management Plan (LRPMP) to sell the Property from the Oversight Board to the SA and the Department of Finance (DOF) in January and February of 2015. The LRPMP was approved to allow the City of Hollister to fulfill the intent of the former RDA to reserve the property for the development of a catalyst project that could benefit from the nearby Briggs Building Parking structure. Since the approved plan did not assure immediate sale of the Property, the DOF required the SA to negotiate a Compensation Agreement with taxing entities. The City negotiated a Compensation Agreement with all taxing entities that was executed in August of 2014. Pursuant to the Compensation Agreement and the Dissolution Act, the City of Hollister will share the proceeds from the future sale of the Property with the taxing entities. The Property was appraised for a value of \$290,000 last fall. The City could receive nearly to \$52,603 from the proceeds from the sale based on the appraised value.

The 400 Block properties were acquired by the former Hollister Redevelopment Agency to assist with revitalization of downtown Hollister after the 1989 Loma Prieta Earthquake. The majority of the buildings on the 400 block were condemned and demolished after the Loma Prieta Earthquake (see below). The RDA provided

relocation assistance to businesses and subsequently assembled the 400 block properties with the objective of implementing a 1991 Downtown Strategy and Plan vision to redevelop the 400 block with a larger catalyst project that would benefit from use of the nearby Briggs Building parking structure.



Between 2002 and early 2015, the combination of the sewer moratorium, the great recession, and dissolution of Redevelopment agencies in California inhibited the potential to develop the property.

On April 19, 2016, the City Clerk opened a sealed proposal from one qualifying developer, the Del Curto Brothers Group in partnership with the Community Foundation for San Benito County which is attached to this report. The proposal met the minimum purchase price of \$290,000.

The vision for development of the property establishes a pedestrian scale and oriented development with paseos and public and private open space areas integrated between five buildings that would vary in height from one to four stories.

Parcel 1: The Del Curto Brothers Group proposes to develop northern 11,698 square foot Parcel 1 with one retail and three mixed use buildings centered around a 3,500 square foot open air courtyard with a water feature and outdoor seating and dining. Retail uses (6,760 square feet) are proposed on the ground floor and 16 residential units are proposed on the upper floors. The elevations on Sheet C-1 of the attached proposal show that open air balconies will face to the interior courtyard as well as San Benito Street.

Building A would be a 1,871 square foot one-story building at the corner of Fourth and San Benito Street slated for retail use. A rounded glass wall would face the corner.

Building B would be three stories with a 2,000 square foot retail/restaurant area on the ground floor with potential to connect with activities outdoor plaza at the Philanthropic center proposed on Parcel 3. Six units are proposed on the upper floors with three on the second and three on the third. A 600 square foot deck for the home owners is proposed on the third floor with an elevated bridge to link the units in Buildings C and D.

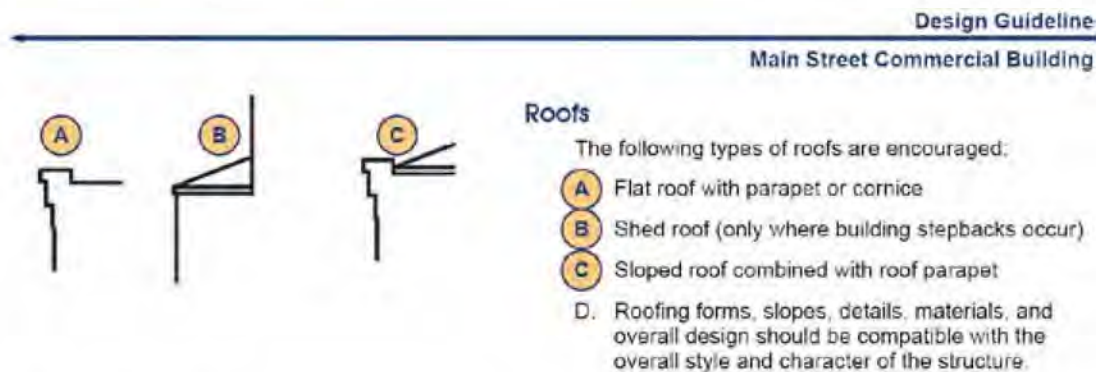
Buildings C and D will each be four stories and will be located next to the Briggs Building Parking structure. Each ground floor will have close to 1,490 square feet of retail area. The second floor of each building will have single story dwelling units. Two story units will be located on the third and fourth floors with six units in Building C and five units in Building D.

Parcel 2 which is the 1,690 square foot right-of-way of the former Briggs Alley is proposed to be left in open space and serve as a pedestrian corridor between San Benito Street, the Briggs Buildings and Parcels 1 and 3.

Parcel 3 is the southern 6,285 square foot lot on the 400 Block. The Del Curto Brothers are proposing to build two-story a 7,420 square foot Philanthropic Center for the Community Foundation for San Benito County (CFSBC). The cost of construction for the building will be donated to the CFSBC by a resident of San Benito County. The building will include small and large conference/assembly areas available for the community, non-profit board meetings, community meetings and gatherings and offices for 7 to 9 local non-profit organizations. One of the assembly areas will connect to a 1,800 square foot outdoor plaza located between the former Briggs Alley and the access road to the parking garage. A kitchen/snack area will be connected to the assembly area.

The Del Curto Brothers Group approached staff during the RFP process and expressed a desire to negotiate the use of parking spaces within the Briggs Building for the 16 proposed residences.

The City Council adopted the Design Guidelines in the Downtown Strategy Plan. The conceptual renderings, site planning, building facades and forms conform to most aspects of the plan. One exception is the roof lines. The Strategy Plan encourages flat roofs with parapet or cornice, shed roof (only where step backs occur), or sloped roof combined with roof parapet as shown below. The conceptual plans show a peaked roof which conflicts with the defining characteristics of the Downtown National Historic District. Staff recommends revisions to the roof-lines through the Site and Architectural Review process.



The development is designed with paseos between buildings and to be pedestrian friendly which is consistent numerous policies in the General Plan for the Downtown Commercial and Mixed Use land use designation.

Staff Recommendation: Staff has reviewed the proposal and believes that it will fulfill the objectives of the former RDA to revitalize downtown Hollister because the project will add needed housing to the downtown core, the proposed philanthropic center will provide needed conference and meeting facilities that are not available in the community today and a variety of stakeholders downtown. The mixed use multi-story pedestrian oriented development is consistent with the General Plan. The project will also benefit from the proximity of the Briggs Building Parking structure. The cost of construction of the philanthropic center will be funded by a resident from San Benito County.

Staff recommends the City Council approve the resolution attached to this staff report directing the City Manager to enter into an Exclusive Negotiating Agreement for the project with provisions to provide parking for residents in the Briggs Building Parking Structure.

***400 BLOCK
PROPOSAL***

Exhibit 2



The Del Curto Group



*P.O. Box 1311 Hollister, Ca. 95024
Office (831) 637-4583
Cell (831)902-5454
Fax (831)637-6940*

April 18, 2016

*The City Of Hollister
Attn: Mary M. Paxton
375 5th St.
Hollister, Ca. 95023
(831) 636-4316*

Dear Mary,

Our team is submitting a proposal for the 400 Block development of a 4 story building consisting of Commercial/Retail space with a pedestrian friendly courtyard area with fountain/garden and siting area at street level. The 2nd, 3rd and levels will consist of residential condominiums with open air balconies that are open to the central courtyard and San Benito St.

Our team is partnering with the Community Foundation/Randy Wolf for the construction of a two level open air structure they will own and occupy. This building will be adjacent to the Vault building. We believe our team can satisfy The City's desire for a development that will attract the community to the downtown area and provide much needed affordable housing.

Thank You

Exhibit 2

Table of Contents

<i>Page 1</i>	<i>Developer team biography</i>
<i>Page 2</i>	<i>Project approach</i>
<i>Page 3</i>	<i>Preliminary architectural and site renderings</i>
<i>Page 4</i>	<i>List of potential tenants</i>
<i>Page 5</i>	<i>Estimated total project costs</i>
<i>Page 6-8</i>	<i>Business Financials</i>
<i>Page 9</i>	<i>Financial resources</i>
<i>Page 10</i>	<i>Project schedule</i>
<i>Page 11</i>	<i>Statement of qualifications</i>
<i>Page 12</i>	<i>References</i>
<i>Page 13</i>	<i>Proposal sheet</i>

Developer Team Biography

*Del Curto Bros. Construction Co., Darin and Derek Del Curto
Community Foundation/Randy Wolf
JW Design Group, Jerry Whitney
Private Capital Group, Jim Petralia*

DC Bros. was established in 1988 by Derek and Darin. Since its inception they have developed in Hollister, Santa Cruz and Gilroy areas. Developments have included minor and major subdivisions consisting 4-14 lot residential home developments in Gilroy. We have experience in working with agencies such as Coastal Commission and the City of Capitola for a 4 unit development which consisted of 4-2300 square foot homes with a unique design in capturing ocean views with common areas on 2nd story. Current developments in the City of Hollister under construction are a 22 lot residential development off Hillcrest Road, 4 townhouse complex on East St. and 8 unit townhouse development at 853 San Benito St.

DC Bros. are capable of constructing the proposed project at the 400 block and have always met their deadlines and milestones with their projects in the past.

The Community Foundation was established 1982 for San Benito County has donated to a variety of local causes and nonprofits. The common factor in each instance was that funds were granted to benefit the people of San Benito County. In 2002, the Foundation hired its first full-time executive director and funded the start of the Permanent Endowment. The board has increased in size to 16 members and over 25 local community leaders sit on five committees (grants, finance, challenge grant, public relations, special events) supporting the board and local interests.

Jerry with JW design has worked on various projects consisting of residential and commercial in Monterey County, Santa Cruz County and the State of Nevada. Jerry was instrumental in the design of our 8 unit project on San Benito St. which included professional colored renderings. Jerry is a vital asset to our team and is very capable of design/ plans for our proposed project.

Jim with Private Capital has been our lender for projects in the last 3-4 years. His company has financed our projects from \$250,000.00-\$1,800,000.00. Our 8 unit development on San Benito St. has a loan commitment of \$1,800,000.00 and is under construction at this time.



Community
Foundation

FOR SAN BENITO COUNTY

FOUNDATION BOARD

Chair

Phil Fortino

Vice Chair

Rebecca Medeiros Wolf

Secretary

Kathy Flores

CFO, Treasurer

Mike Grace

Past Chair

Fernando Gonzalez

Christine Breen

Vince Brigantino

Alfonso Castaneda

Alan Clark

Marilyn Ferreira

Kay Filice

Steve Hudner

Susan Schwabacher Modic

Anne Morris

Allison Rohnert

Ed Stephenson

Bob Tiffany

Gene Zanger

President/CEO

Gary Byrne

Thursday, April 14, 2016

Dear City of Hollister,

The Community Foundation for San Benito County, a 501c3 nonprofit, organization, is seeking to build a community philanthropic center on the south parcel of the "400 Block".

The Foundation is working in collaboration with Del Curto Bros. Construction Co., Darin and Derek Del Curto. It is our hope to be part of the revitalization of our downtown.

On this parcel of 6,285 square feet, we propose to build a two story building of approximately 8,000 square feet. The building will accommodate 7 to 9 local nonprofit organizations, and be a conference center for the community. With space for board meetings, community meetings and community gatherings. The board of directors for the foundation strongly feel that this is very much in line with the mission of the foundation.

"Dedicated to building a stronger community and enhancing the quality of life in San Benito County through the support of philanthropic activities"

The cost of this project has been donated to the community by a resident of San Benito County. The donation value will be approximately \$900,000.

As of March 31, 2016 the community foundation has assets of \$9m, made up of \$7.7m in stock and bonds and \$1.3 in cash.

829 San Benito St, Ste 200
Hollister, CA 95023
831.630.1924
FAX 831.630.1934
www.cffsbc.org

501(c)3 Organization
TIN 77-0312582

Sincerely,

Gary Byrne
President and CEO

For Good... For Ever!

Project Approach:

Our preliminary approach would consist of commercial retail space at street level, 50% of exterior wall would include glazing (glass). The open air courtyard would consist of approximately 3500 square foot with a water fountain feature, along with raised planters, seating area with outdoor dining tables. The courtyard would open up to the sky in all 4 stories. Open air balconies at the 2nd, 3rd and 4th levels will face to the interior courtyard and San Benito St. The 2nd, 3rd and 4th levels of the exterior will be terraced from the ground level to give it a softer transition for the exterior elevation.

The 2nd, 3rd and 4th levels will consist of residential condominiums with open air walkway.

Our team has visited various pedestrian friendly cities throughout California with the intent of gathering ideas developers have incorporated into open space in downtown developments. Our desire is to have a pleasant, inviting and safe space where the community can congregate, dine and meander in and through our proposed development.

Exhibit 2

List of Potential Tenants

1. *Community Foundation of San Benito County(Gary Byrne)*
2. *Ray and Peggy Pierce with Pierce Realty*
3. *Cold Stone Creamery*
4. *Wine and Cheese tasting room*
5. *Gavilan College*
6. *Retail Candy Store*
7. *Boutique gift shop*
8. *Restaurant and bar*
9. *Café and Pastry shop with outdoor dining*
10. *Residential condominiums would be offered for sale*

Exhibit 2

Estimated Total Project Costs

1. Preliminary design	\$ 5,600.00
2. Final Design	\$ 11,000.00
3. Building Plans	\$ 75,000.00
4. Construction hard costs (Corner north parcel)	\$ 2,850,000.00
5. Construction hard costs (Community Foundation south parcel)	\$ 900,000.00
6. Land Acquisition	\$ 390,000.00
7. Soft Costs	\$ 280,000.00
(Overhead, Interest, Insurance)	

Total-----\$ 4,511,600.00

Exhibit 2



OMB APPROVAL NO.: 3245-0188
EXPIRATION DATE: 01/31/2018

PERSONAL FINANCIAL STATEMENT
7(a) / 504 LOANS AND SURETY BONDS

U.S. SMALL BUSINESS ADMINISTRATION

As of January 4, 2016

SBA uses the information required by this Form 413 as one of a number of data sources in analyzing the repayment ability and creditworthiness of an application for an SBA guaranteed 7(a) or 504 loan or a guaranteed surety.

Complete this form for: (1) each proprietor; (2) general partner; (3) managing member of a limited liability company (LLC); (4) each owner of 20% or more of the equity of the Applicant (including the assets of the owner's spouse and any minor children); and (5) any person providing a guaranty on the loan.

Return completed form to:
For 7(a) loans: the lender processing the application for SBA guaranty
For 504 loans: the Certified Development Company (CDC) processing the application for SBA guaranty
For Surety Bonds: the Surety Company or Agent processing the application for surety bond guaranty

Name <u>Del Curto Bros. Const. Co., Inc.</u>	Business Phone <u>831-637-4583</u>
Home Address <u>P.O. Box 1311</u>	Home Phone <u>831-902-5454</u>
City, State, & Zip Code <u>Hollister, Ca 95024</u>	
Business Name of Applicant <u>Same as Above</u>	

ASSETS	LIABILITIES (Omit Cents)
Cash on Hand & in banks.....	
Savings Accounts.....	
IRA or Other Retirement Account.....	
(Describe in Section 5)	
Accounts & Notes Receivable.....	
(Describe in Section 5)	
Life Insurance - Cash Surrender Value On.....	
(Describe in Section 8)	
Stocks and Bonds.....	
(Describe in Section 3)	
Real Estate.....	
(Describe in Section 4)	
Automobiles.....	
(Describe in Section 5, and include Year/Make/Model)	
Other Personal Property.....	
(Describe in Section 5)	
Other Assets.....	
(Describe in Section 5)	
Total Assets	

Section 1. Source of Income.

Salary.....
Net Investment Income.....
Real Estate Income.....
Other Income (Describe below)*.....

Description of Other Income in Section 1.

*Alimony or child support payments should not be disclosed in "Other Income" unless it is desired to have such payments counted toward total income.

Exhibit 2

Section 2. Notes Payable to Banks and Others. (Use attachments if necessary. Each attachment must be identified as part of this statement and signed.)

Names and Addresses of Noteholder(s)	Original Balance	Current Balance	Payment Amount	Frequency (monthly, etc.)	How Secured or Endorsed Type of Collateral
PLM					
PLM					

Section 3. Stocks and Bonds. (Use attachments if necessary. Each attachment must be identified as part of this statement and signed.)

Number of Shares	Name of Securities	Cost	Market Value Quotation/Exchange	Date of Quotation/Exchange	Total Value

Section 4. Real Estate Owned. (List each parcel separately. Use attachment if necessary. Each attachment must be identified as a part of this statement and signed.)

	Property A	Property B	Property C
Type of Real Estate (e.g. Primary Residence, Other Residence, Rental Property, Land, etc.)	Commercial Development	Mixed Use Development	Residential Development
Address	0 Chappell Road	853 San Benito Street	El Cerro
Date Purchased			
Original Cost			
Present Market Value			
Name & Address of Mortgage Holder			
Mortgage Account Number			
Mortgage Balance			
Amount of Payment per Month/Year			
Status of Mortgage			

Section 5. Other Personal Property and Other Assets. (Describe, and, if any is pledged as security, state name and address of lien holder, amount of lien, terms of payment and, if delinquent, describe delinquency.)

Equipment

Section 6. Unpaid Taxes. (Describe in detail as to type, to whom payable, when due, amount, and to what property, if any, a tax lien attaches.)

Section 7. Other Liabilities. (Describe in detail.)

Exhibit 2

Section 8. Life Insurance Held. (Give face amount and cash surrender value of policies – name of insurance company and Beneficiaries.)

I authorize the SBA/Lender/Surety Company to make inquiries as necessary to verify the accuracy of the statements made and to determine my creditworthiness.

CERTIFICATION: (to be completed by each person submitting the information requested on this form)

By signing this form, I certify under penalty of criminal prosecution that all information on this form and any additional supporting information submitted with this form is true and complete to the best of my knowledge. I understand that SBA or its participating Lenders or Certified Development Companies or Surety Companies will rely on this information when making decisions regarding an application for a loan or a surety bond. I further certify that I have read the attached statements required by law and executive order.

Signature *Derek Del Curto*

Date 01/04/2016

Print Name Derek Del Curto

Social Security No. [REDACTED]

Signature *Darin Del Curto*

Date 01/04/2016

Print Name Darin Del Curto

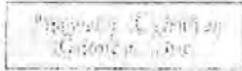
Social Security No. [REDACTED]

NOTICE TO LOAN AND SURETY BOND APPLICANTS: CRIMINAL PENALTIES AND ADMINISTRATIVE REMEDIES FOR FALSE STATEMENTS:

Knowingly making a false statement on this form is a violation of Federal law and could result in criminal prosecution, significant civil penalties, and a denial of your loan or surety bond application. A false statement is punishable under 18 U.S.C. §§ 1001 and 3571 by imprisonment of not more than five years and/or a fine of up to \$250,000; under 15 U.S.C. § 645 by imprisonment of not more than two years and/or a fine of not more than \$5,000; and, if submitted to a Federally-insured institution, a false statement is punishable under 18 U.S.C. § 1014 by imprisonment of not more than thirty years and/or a fine of not more than \$1,000,000. Additionally, false statements can lead to treble damages and civil penalties under the False Claims Act, 31 U.S.C. § 3729, and other administrative remedies including suspension and debarment.

PLEASE NOTE: The estimated average burden hours for the completion of this form is 1.5 hours per response. If you have questions or comments concerning this estimate or any other aspect of this information, please contact Chief, Administrative Branch, U.S. Small Business Administration, Washington, D.C. 20416, and Clearance officer, Paper Reduction Project (3245-C188), Office of Management and Budget, Washington, D.C. 20503. PLEASE DO NOT SEND FORMS TO OMB.

Exhibit 2



TEL: 831-647-1258 • FAX: 1-831-401-2290
90 PACIFIC STREET, SUITE 555-D • MONTEREY, CA 93940
CalBRE #01839461

December 16, 2015

Re: Del Curto Brothers Construction Company, Inc.

To Whom It May Concern:

I am writing this letter at the request of Darin Del Curto with whom I have had a business relationship that is focused on land development and construction. Private Capital Group, Inc. (PCG) is duly licensed and in good standing with the California Bureau of Real Estate. I am the President and the Broker of Record for PCG and have been in this business exclusively since 1979. PCG is in the business of arranging private money loans secured exclusively by Real Property in the State of California. One emphasis of this company is arranging loans to acquire land for development and construction.

Arranging and managing construction from the lenders point of view carries a higher degree of difficulty over placing a loan on a property that is already improved. The builder must produce a viable budget to build the structure and then must adhere to a stringent fund control regimen that assures the property improvements are built according to the draw system set forth. Releases are procured from each party working on the property during each phase of development in order to assure that the lender remains in a priority position throughout the duration of the project.

I am highly selective regarding the parties with whom I arrange development /construction loans. I limit this activity to only a few parties to include Del Curto Brothers Construction Company, Inc. I would take this occasion to give you the following recommendation:

Darin Del Curto has informed me that the City of Hollister is considering his company as a potential purchaser of a City owned property located downtown that is in need of development.

Both Darin and Derek Del Curto build a quality product and have been honest and forthright in every aspect of our relationship to date. I look forward each time to their next project because they have been able to stay on budget and have worked very well with our fund control system. Each and every time to date, that I have arranged a loan for them to build a project, the loan has either paid off early or on time.

As a general rule, I am very reticent to give recommendations; However I do want to recommend the Del Curto Brothers to you. If you do work with them on this project, in my opinion, the chances of success are excellent.

If you would like to speak with me directly, I am available during normal business hours at:
831-647-1258.

Sincerely,



James A. Petralia

Exhibit 2

Project Schedule

<i>1.</i>	<i>Site and architectural application submittal</i>	<i>May1, 2016</i>
<i>2.</i>	<i>Completion of plans ready for submittal</i>	<i>November 1, 2016</i>
<i>3.</i>	<i>Plan check and revisions</i>	<i>May 1, 2017</i>
<i>4.</i>	<i>Building permit issued</i>	<i>May 30, 2017</i>
<i>5.</i>	<i>Grading and foundation completion</i>	<i>July 1, 2017</i>
<i>6.</i>	<i>Construction completed</i>	<i>March 1, 2018</i>
<i>7.</i>	<i>Final occupancy</i>	<i>April 1, 2018</i>

Statement of Qualifications

2006-2007: *4 lot split sub-division with construction of 4 ocean front beach homes.*

Development and construction of 10 homes ranging from 2400 S.F. to 3800 S.F. for real estate speculation.

2006-2008: *Development of 14 lot major sub-division with construction of 2400 S.F. homes.*

4 lot split sub-division with construction of 4 two story homes for real estate speculation.

2008-2012: *Complete construction of a 5500 S.F. Medical/office facility*

Obtain certification from Bank of America to renovate their extensive foreclosure list of homes for real estate speculation.

Contracted with several clients to construct their private residences ranging from 2500 S.F. to 4000 S.F.

2012-Present: *Development and construction of various homes ranging from 2100 S.F. to 3300 S.F. for real estate speculation.*

Development and under construction of two mixed use developments in Hollister.

We work with various sub-contractors whom have proven to us quality of workmanship and meeting required timelines on our projects. We have built a team of subcontractors whom will be employed on our proposed 400 block project. Derek and Darin Del Curto will be actively supervising all aspects of the construction process of our proposed project.

Exhibit 2

References

1. *Nino Development Inc. Mike Nino 330 Tres Pinos Rd. Hollister, Ca. (831) 635-0745*
2. *Ray and Peggy Pierce Real Estate 225 Sixth St. Ste D Hollister, Ca. (831) 801-2400*
3. *McKinnon Lumber John Barrett 375 Fifth St. Hollister, Ca. (831) 637-5767*

Exhibit 2

400 Block Proposal Sheet

This sheet shall be submitted with proposals and will be available to review immediately by all bidders. The City Clerk or Designee will read the information aloud to attendees. Please summarize.

Proposed Purchase Price \$ 390,000

Proposed Terms of Purchase CLOSE ESCROW AT BUILDING
PERMIT

Proposed Use of Property MIXED USE



SAN BENITO STREET ELEVATION



Exhibit 2

MUNICIPAL PARKING GARAGE

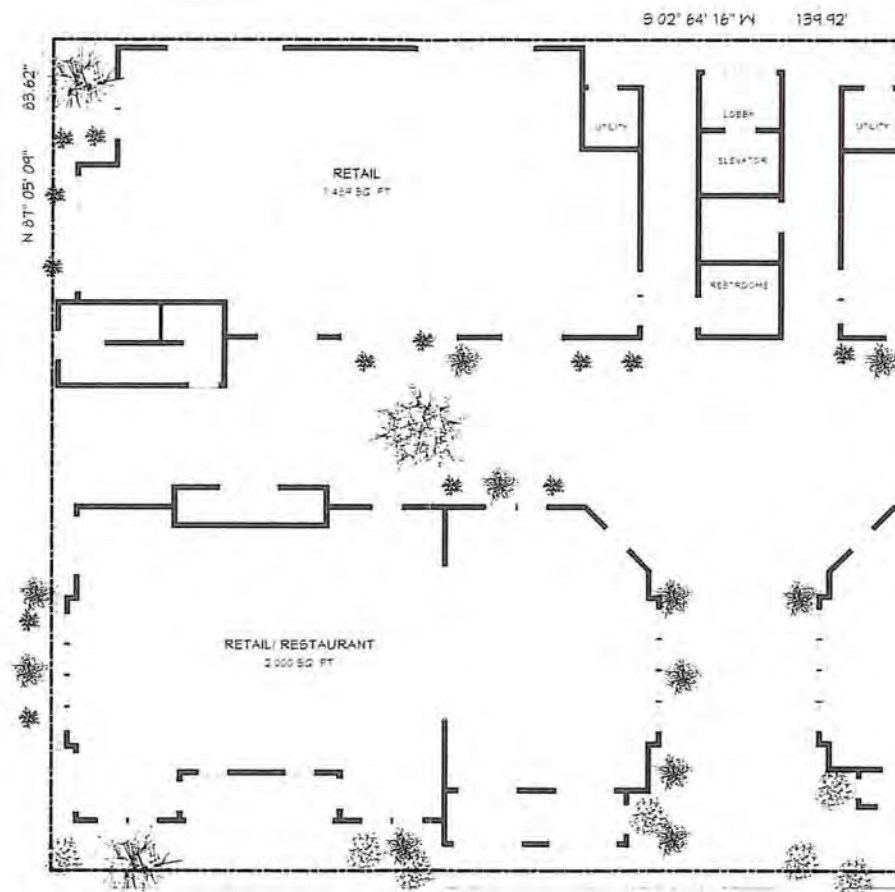
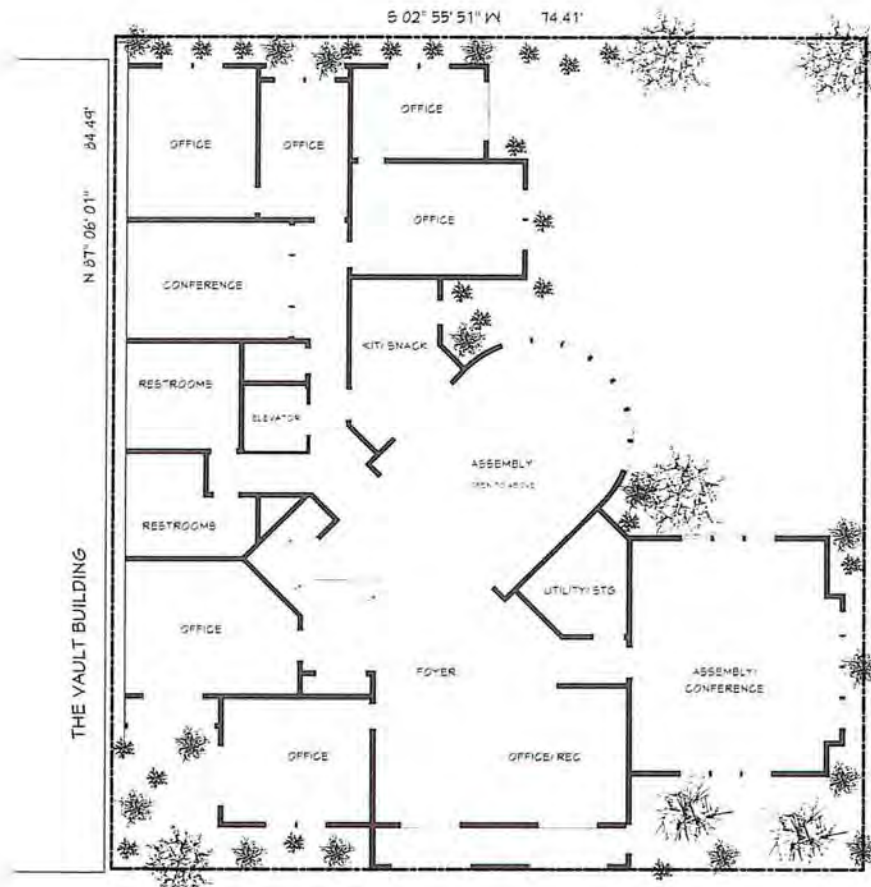
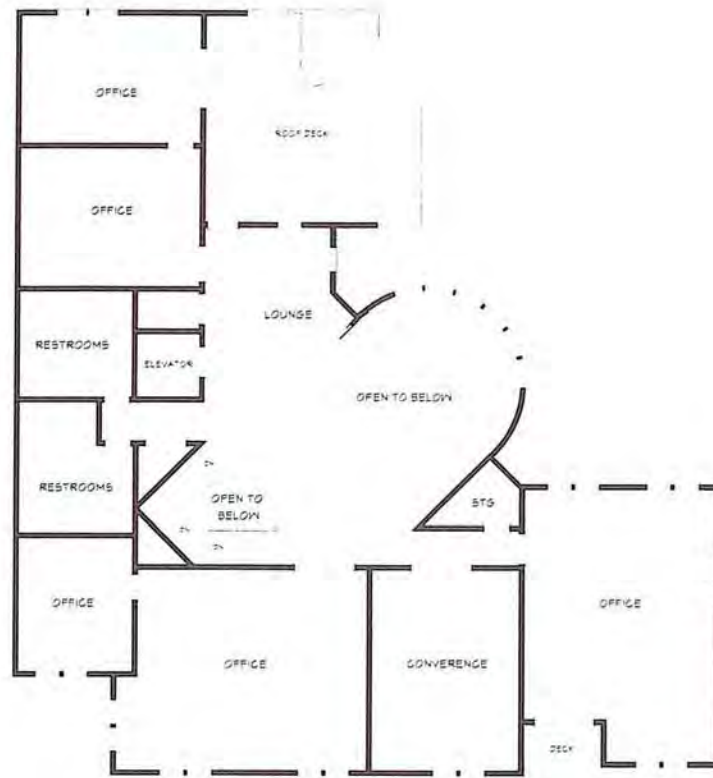
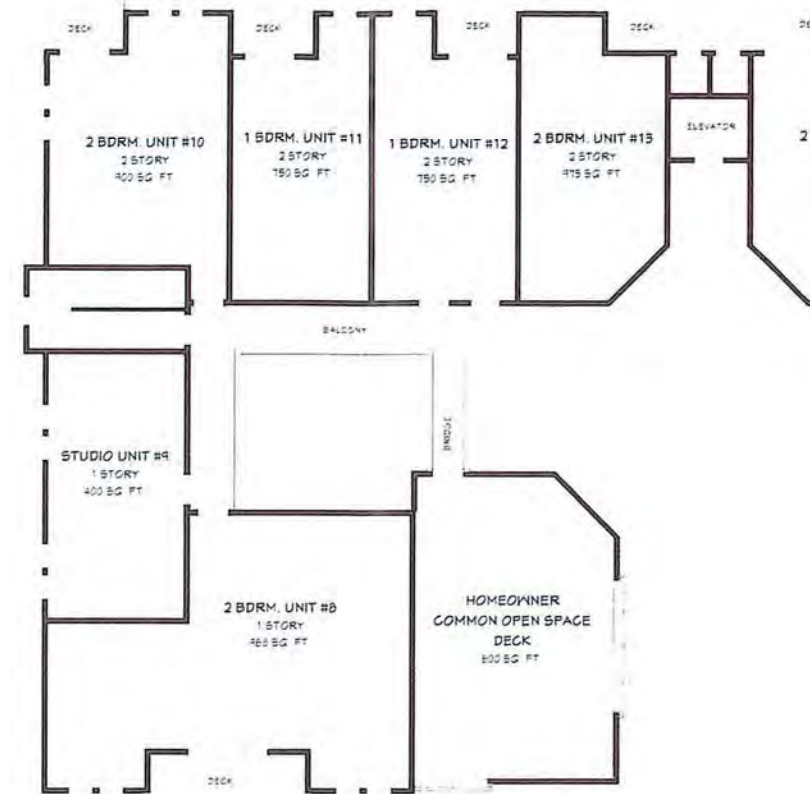
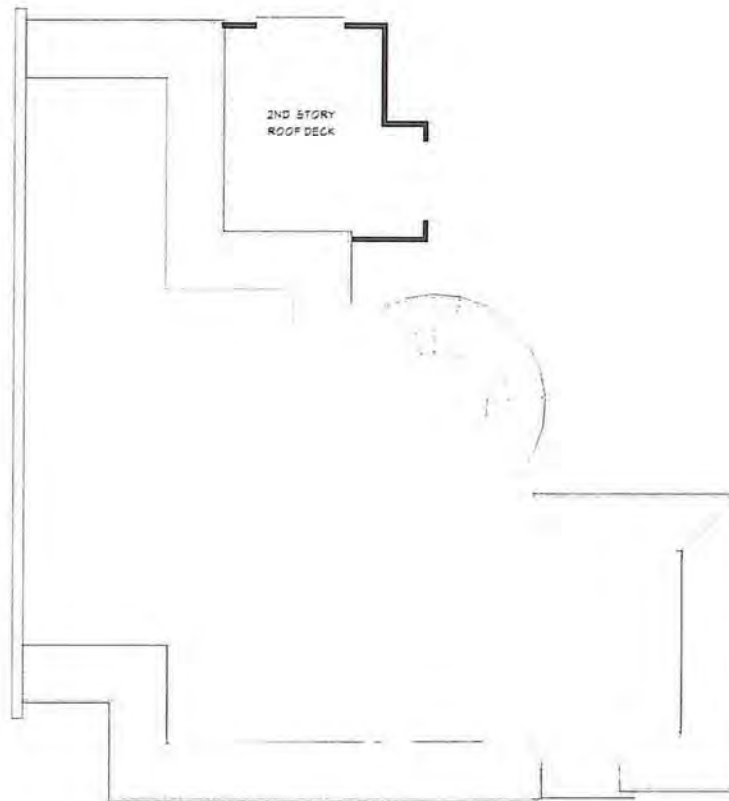


Exhibit 2



A SECOND LEVEL FLOOR PLAN
1/8"=1'-0"

Exhibit 2



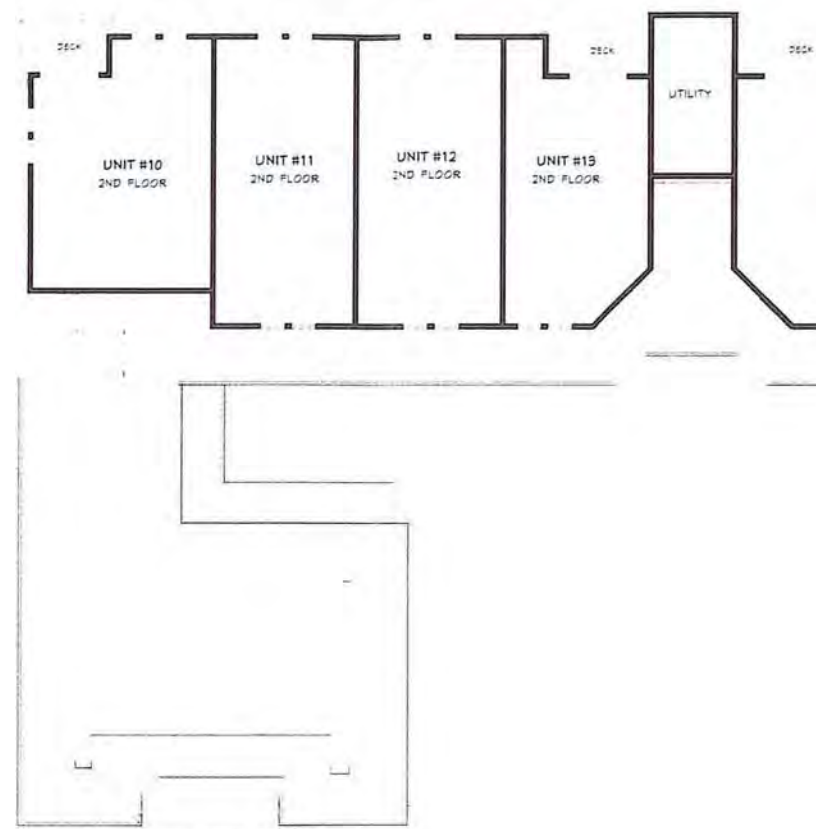
A

THIRD LEVEL FLOOR PLAN

1/8"=1'-0"

Exhibit 2

BUILDING E



FOURTH LEVEL FLOOR PLAN

1/8"=1'-0"