



City of Santa Ana
20 Civic Center Plaza, Santa Ana, CA 92701
Staff Report
May 2, 2023

TOPIC: Resolution Grant of the Santa Ana Civic Center

AGENDA TITLE

Adopt Resolution for State of California Grant and Approve Appropriation Adjustment Recognizing \$9,000,000 of State Grant Funds for the Modernization of the Santa Ana Civic Center

RECOMMENDED ACTION

1. Adopt a resolution approving the submission of applications for specified grant funds from the State of California and authorizing the City Manager to execute the necessary grant contract and submit project applications for the use of \$9,000,000.
2. Approve an Appropriation Adjustment recognizing State of California Grant Funds in the amount of \$9,000,000. *(Requires five affirmative votes)*

DISCUSSION

The State of California has authorized a grant of \$9,000,000 to the City of Santa Ana for the modernization of the Santa Ana Civic Center.

Currently, modernization efforts have begun throughout the Civic Center including a \$400 million investment by the County of Orange for new headquarters, a \$500 million multi-agency investment for the OC Streetcar (Orange County's first modern streetcar), and a \$34.5 million investment by the City towards the transformation of the Main Library. Additionally, in an effort to obtain additional site control for the Civic Center, the City recently acquired approximately 2.2 acres from the County of Orange via a land exchange. This newly acquired area includes the Plaza of the Flags and a Japanese Garden.

An area of interest for the City in the modernization of the Civic Center is the acquisition and demolition of an obsolete State building located at 28 Civic Center Plaza. This 9-story building is approximately 130,000 square feet on 0.5 acres in size and is surrounded by City-owned property (Exhibit 1). The City has been in discussions with the State for the potential acquisition since mid-2020. An appraisal conducted in December 2022 valued the building at \$3,826,000.

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The \$9 million from the State will provide the necessary funding for the acquisition and demolition of the State building and additional modernization efforts for City Hall and the Civic Center project area.

To receive the funds from the State, the City is required to adopt a Resolution (Exhibit 2). Once the State receives the adopted Resolution, it will issue a Grant Contract to the City of Santa Ana. Once the Grant Contract is executed, the State requires a Project Application to be submitted with the project budget. A sample Grant Contract and Project Application are attached as Exhibits 3 & 4.

Authorizing these items will enable staff to proceed with executing the grant contract with the State and formally submit the applications for the specified projects. A Purchase and Sale Agreement for 28 Civic Center Plaza will be presented for City Council consideration at a later date.

FISCAL IMPACT

Approval of the appropriation adjustment will recognize a total of \$9,000,000 in State Grant funds to revenue account (41818002-52025 State Grant-Direct) and appropriate same to the following expenditure accounts. Any remaining balances not expended at the end of the fiscal year will be presented to City Council for approval of carryovers to FY 2023-24.

Fiscal Year	Accounting Unit- Account	Fund Description	Accounting Unit, Account Description	Amount
FY 22-23	41818833-66200	CDA Capital Projects	Modernization of SA Civic Center, Buildings & Building Imp.	\$3,900,000
FY 22-23	41818833-62300	CDA Capital Projects	Modernization of SA Civic Center, Contract Services	\$5,100,000
Total Expenditures				\$9,000,000

EXHIBIT(S)

1. Location Map
2. Resolution
3. Sample Grant Contract
4. Sample Grant Application

Submitted By: Michael L. Garcia, Executive Director of Community Development

Approved By: Kristine Ridge, City Manager