EXHIBIT 2

ORDINANCE NO. 4326

AN ORDINANCE OF THE COUNTY OF SANTA BARBARA
APPROVING A REDEVELOPMENT PLAN AS THE OFFICIAL
REDEVELOPMENT PLAN FOR THE GOLETA OLD TOWN
REDEVELOPMENT PROJECT AREA.

WHEREAS, at the direction of the Board of Supervisors of the County of Santa Barbara, a
Redevelopment Plan was prepared by the Redevelopment Agency of the County of Santa
Barbara ("Agency") for a proposed Goleta Old Town Redevelopment Project (the "Project"),
pursuant to the Community Redevelopment Law (California Health and Safety Code, Section
33000 et seq.); and

WHEREAS, the Board of Supervisors of the County of Santa Barbara, by Resolution No. 96-220
(6/14/96), designated the Goleta Old Town Redevelopment Survey Area and authorized the
commencement of actions to determine if a redevelopment project within said area was feasible; and

WHEREAS, on June 17, 1997 (Resolution No. 97-256), the Redevelopment Agency of the
County of Santa Barbara (the "Agency") transmitted applicable documents to the State Board of
Equalization and all County taxing officials and entities which levy taxes or for whom taxes are
levied on property in the proposed Project Area (the "Affected Taxing Entities") including a
statement that a Redevelopment Plan for a proposed Goleta Old Town Project was being
prepared, and offered to consult with all Affected Taxing Entities; and

WHEREAS, the Agency has formulated and prepared a proposed Redevelopment Plan for the
Goleta Old Town Project Area (the "Project Area") and a Preliminary Report and Report to the
Board on the Proposed Redevelopment Plan for the Goleta Old Town Redevelopment Project
Area (the "Report to Board") in accordance with the provisions of Community Redevelopment
Law; and

WHEREAS, The Board of Supervisors has received from the Agency, the proposed
Redevelopment Plan together with the Preliminary Report and Report to Board which includes:
the reasons for the selection of the Project Area; specific projects proposed by the Agency; why
redevelopment cannot be accomplished by private enterprise; the need for redevelopment; a
description of the physical, social and economic conditions existing in the Project Area; a
proposed implementation plan; the proposed method of financing the redevelopment of the
Project Area; the plan and method of relocation; a neighborhood impact report; and facts
showing that the area is predominantly urbanized; and

WHEREAS, on April 28, 1998, by Resolution the Agency adopted rules governing participation
and preferences by property owners and business occupants in the Project Area; and
WHEREAS, the Board of Supervisors and the Agency held a joint public hearing on June 3, 1998 to consider the approval and adoption of the proposed Redevelopment Plan; and

WHEREAS, a notice of joint public hearing was duly published and mailed at the time and in the manner required by law; and

WHEREAS, The Board of Supervisors has certified the Final Environmental Impact Report; and

WHEREAS, all actions required by law have been taken by all appropriate public agencies;

The Board of Supervisors of the County of Santa Barbara ordains as follows:

SECTION 1. The purpose and intent of the Board of Supervisors with respect to the Goleta Old Town Redevelopment Project Area is to eliminate the existing conditions of blight in the Project Area, to prevent the spread or recurrence of such conditions, and to achieve the objectives set forth in the Redevelopment Plan, by undertaking all appropriate projects and activities pursuant to the Community Redevelopment Law, California Health and Safety Code Section 33000, et. seq. (the "Law").

SECTION 2. No written objections to the Redevelopment Plan for the Goleta Old Town Redevelopment Project Area (the "Redevelopment Plan") were received. Comments regarding the proposed Goleta Growth management Ordinance Amendments for Goleta Old Town were received, however this issue is relevant to the Goleta Old Town Revitalization Plan and not the Redevelopment Plan.

SECTION 3. The Redevelopment Plan, attached hereto as Attachment 1, is incorporated herein by reference.

SECTION 4. Upon consideration of all aspects of the Redevelopment Plan, the various reports and other information provided and presented to the Board of Supervisors, all written and oral communications concerning the Redevelopment Plan submitted prior to the close of the joint public hearing held by the Board of Supervisors and Redevelopment Agency of the County of Santa Barbara on the Redevelopment Plan, and all evidence and testimony presented for or against all aspects of the Redevelopment Plan, the Board of Supervisors hereby finds and determines that:

1. The purposes and intent of the Board of Supervisors with respect to the Project Area are:

   (a) To eliminate the existing conditions of blight in the Project Area as documented in the Preliminary Report, approved by the Santa Barbara County Redevelopment Agency Board of Directors (Board of Directors-- Resolution No. 97-256, 6/17/97).

   (b) To prevent the recurrence of blighting conditions within the Project Area.
(c) To provide for participation by owners and tenants and reentry preferences to persons engaged in business within the Project Area to participate in the redevelopment of the Project Area; to encourage and ensure the development of the Project Area in the manner set forth in the proposed Redevelopment Plan; and to provide for the relocation of any residents, if any, displaced by implementing the proposed Redevelopment Plan.

(d) Generally, to improve and construct or provide for the construction of public infrastructure, enhance economic development and assist in the retention of existing businesses, assist with community center rehabilitation and expansion, to provide funds for clean-up of properties contaminated with hazardous materials, and other public improvements and to improve the quality of the environment in the Project Area to the benefit of the Project Area and the general public as a whole.

(e) To provide for renovation of existing housing stock, and new housing as required and necessary, to satisfy the needs of the various age, income and ethnic groups of the community.

2. The Board of Supervisors hereby finds and determines that:

(a) The Project Area is a blighted area, the redevelopment of which is necessary to effectuate the public purposes declared in the Community Redevelopment Law of the State of California and specifically that the area is characterized by properties which suffer from physical and economic blight because of one or more of the factors listed below. Evidence for the findings is contained in the Preliminary Report, approved by the Board of Directors (Resolution No. 97-256, 6/17/97).

(i) unsafe or unhealthy buildings
(ii) factors which hinder economic viability
(iii) incompatible uses
(iv) lots with inadequate/irregular shape
(v) economic decline
(vi) high business vacancies and low lease rates
(vii) inadequate Commercial Facilities

(b) the Redevelopment Plan will redevelop the Project Area in conformity with the Community Redevelopment Law of the State of California in the interests of the public peace, health, safety, and welfare;

(c) the adoption and carrying out of the Redevelopment Plan is economically sound and feasible, as described in the Financing Plan-- Appendix A, Report to the Board of Supervisors, approved by the Board of Directors (Resolution No. 98-153-RA, 4/28/98);

(d) the Redevelopment Plan is consistent with the General Plan of the County of Santa Barbara, including but not limited to its Housing Element which substantially complies
with Government Code Sections 65580 et seq. as determined by the Planning Commission (Resolution No. 98-03, 2/25/98);

(e) the carrying out of the Redevelopment Plan will promote the public peace, health, safety and welfare of the County of Santa Barbara and will effectuate the purposes and policies of the Community Redevelopment Law of the State of California;

(f) the Agency has a feasible method or plan for the relocation of families and persons to be temporarily or permanently displaced from housing facilities in the Project Area, as described in the Report to the Board of Supervisors, approved by the Board of Directors (Resolution No. 98-153-RA, 4/28/98);

(g) inclusion within the Project Area of any lands, buildings or improvements which are not detrimental to the public health, safety or welfare is necessary for effective redevelopment of the Project Area and is not included for the purpose of obtaining the allocation of tax increment revenues from such area pursuant to Section 33670 of the Community Redevelopment Law without other substantial justification for its inclusion, as documented in the Preliminary Report, approved by the Board of Directors (Resolution No. 97-256, 6/17/97) and the Report to the Board of Supervisors, approved by the Board of Directors (Resolution No. 98-153-RA, 4/28/98);

(h) the Project Area is predominantly urbanized, as defined by subdivision (b) of Section 33320.1, and documented in the Preliminary Report, approved by the Board of Directors (Resolution No. 97-256, 6/17/97); and

(i) the Project Area includes a parcel of land that is larger than two acres and is in agricultural use (Key Site #6, Page, APN 71-130-23), is not enforceably restricted, and is appropriate to be included within the Project Area due to the following:

i. The inclusion of the land in the Project Area is consistent with the purposes of this part.

ii. The inclusion of the land in the Project Area will not cause the removal of adjacent land, designated for agricultural use in the community's general plan, from agricultural use.

iii. The inclusion of the land within the Project Area is consistent with the General Plan.

iv. The inclusion of the land in the Project Area will result in a more contiguous pattern of development.

v. There is no proximate land that is not in agricultural use, that is both available and suitable for inclusion within the Project Area, and is not already proposed to be within the Project Area.
(j) the time limitation and limitation on the number of dollars to be allocated to the Agency are reasonably related to the proposed projects to be implemented in the Project Area and to the ability of the Agency to eliminate blight within the Project Area.

(k) i. There are, or shall be provided, in the Project Area or in other areas not generally less desirable in regard to public utilities and public and commercial facilities and at rents or prices generally in the financial means of the families and persons displaced from the Project Area, decent, safe, and sanitary dwellings equal in number to the number of and available to the displaced families and persons and reasonably accessible to their place of employment.

ii. Families and persons shall not be displaced prior to the adoption of a relocation plan pursuant to Sections 33411 and 33411.1 of Community Redevelopment Law. Dwelling units housing persons and families of low or moderate income shall not be removed or destroyed prior to the adoption of a replacement housing plan pursuant to Sections 33334.5, 33413, and 33413.5 of Community Redevelopment Law.

(l) All noncontiguous areas of the Project Area are either blighted or necessary for effective redevelopment and are not included for the purpose of obtaining the allocation of taxes from the area pursuant to Section 33670 without other substantial justification for their inclusion.

(m) The elimination of blight and the redevelopment of the Project Area could not be reasonably expected to be accomplished by private enterprise acting alone without the aid and assistance of the agency.

3. The Board of Supervisors is satisfied that if displacement occurs, permanent housing facilities will be available within three (3) years from the time occupants of the Project Area are displaced, and that pending the development of such facilities, temporary housing facilities will be available at rents comparable to those in Goleta Old Town at the time of their displacement. No persons or families of low and moderate income shall be displaced from residences unless and until there is suitable housing available and ready for occupancy.

4. In order to implement and facilitate the implementation of the Redevelopment Plan hereby approved, the Board of Supervisors hereby declares its intention to undertake and complete any proceeding necessary to be carried out by the County of Santa Barbara under the provisions of the Redevelopment Plan.

5. The Redevelopment Plan is hereby approved, adopted and designated as the official Redevelopment Plan for the Goleta Old Town Redevelopment Project Area, and is hereby incorporated herein by reference and made a part hereof as if fully set forth at length herein, a copy of which is hereby directed to be on file with the Clerk of the Board of Supervisors.

6. The Clerk of the Board of Supervisors is hereby directed to send a certified copy of this ordinance to the Agency, and the Agency is hereby vested with the responsibility for
carrying out the Redevelopment Plan, subject to the provisions of the Redevelopment Plan for
the Goleta Old Town Redevelopment Project.

7. The Clerk of the Board of Supervisors is hereby directed to record within thirty
(30) days from the adoption of this ordinance with the County Recorder of Santa Barbara County
a description of the land within the Project Area and a statement that the proceedings for the
redevelopment of the Project Area have been instituted under the Community Redevelopment
Law. The Agency is hereby directed to effectuate recordation in compliance with the provisions
of Section 27295 of the Government Code to the extent applicable.

8. County of Santa Barbara Planning & Development is hereby directed for a period
of two (2) years after the effective date of this ordinance to advise all applicants for building
permits within the Project Area that the site for which a building permit is sought for the
construction of buildings or other improvements is within a redevelopment project area.

9. The Clerk of the Board of Supervisors is hereby directed to transmit within thirty
(30) days following adoption of the Redevelopment Plan, a copy of the description and statement
recorded by the County pursuant to Section 7 of this ordinance, a copy of this ordinance, and a
map or plat indicating the boundaries of the Project Area to the Auditor and Assessor of Santa
Barbara County, to the governing body of each of the taxing agencies which levies taxes upon
any property in the Project Area, and to the State Board of Equalization.

10. If any part of this Ordinance or the Redevelopment Plan which it approves is held
to be invalid for any reason, such decision shall not affect the validity of the remaining portion of
this Ordinance or of the Redevelopment Plan, and this Board of Supervisors hereby declares that
it would have passed the remainder of the Ordinance or approved the remainder of the
Redevelopment Plan if such invalid portion thereof had been deleted.

11. This ordinance shall take effect and be in force thirty (30) days after the date of its
passage, and before the expiration of fifteen (15) days after its passage, it or a summary of it shall
be published once with the names of the members voting for and against the same in the Goleta
Valley Voice and Santa Barbara News-Press, newspapers of general circulation published in the
County of Santa Barbara.
PASSED, APPROVED AND ADOPTED THIS 7th day of July, 1998 by the following vote:


NOES: Supervisors Staffel and Urbanske.

ABSTAIN: None.

ABSENT: None.

[Signature]
Chairman, Board of Supervisors

ATTEST:
MICHAEL F. BROWN
CLERK OF THE BOARD

By: [Signature]

APPROVED AS TO FORM:
STEPHEN SHANE STARK
COUNTY COUNSEL

By: [Signature]
Deputy County Counsel

APPROVED AS TO ACCOUNTING FORM:
ROBERT W. GEIS, C.P.A.
Auditor-Controller

[Signature]