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**REPORT TO THE CITY COUNCIL**

**October 23, 2018**

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**Prepared By:**  
**Vanessa S. Legbandt**  
**Special Counsel to the City**

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**Approved By:**  
**Cruz W. Ramos**  
**City Administrator**

**SUBJECT: A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GUADALUPE, CALIFORNIA APPROVING A COMPENSATION AGREEMENT BETWEEN THE CITY OF GUADALUPE AND THE GUADALUPE CEMETERY DISTRICT AS REQUIRED BY THE LONG-RANGE PROPERTY MANAGEMENT PLAN OF THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF GUADALUPE**

**EXECUTIVE SUMMARY:**

On August 22, 2013, the Oversight Board of the Successor Agency to the Redevelopment Agency of the City of Guadalupe adopted Resolution No. 2013-06 approving a Long-Range Property Management Plan (“LRPMP”) that provided for the disposition of six (6) real property parcels owned by the City’s former redevelopment agency. The California Department of Finance (“DOF”) subsequently approved the LRPMP. One of the properties (the water tower at 313 Obispo Street) was authorized to be transferred to the City from the Successor Agency for governmental uses. Two of the properties were to be retained by the Successor Agency (the Lantern Hotel and Al’s Union parcels) and sold, with the proceeds being distributed to the taxing entities. The remaining three properties (together, the “Property”) are the site of the former Royal Theater and the two adjacent vacant parcels. These three properties were approved to be transferred to the City “for future development.” The LRPMP provides that the City will enter into a compensation agreement with the taxing entities with respect to the Property pursuant to Health and Safety Code Section 34180(f).

A form of Agreement for Joint Use of Property and Taxing Entity Compensation (the “Joint Use/Compensation Agreement”) was previously submitted to the City Council and approved on June 12, 2018. The Joint Use/Compensation Agreement would allow any taxing entity who executes that agreement to use the Property from time to time on terms specified in the Joint Use/Compensation Agreement, and if the City sells the Property the Joint Use/Compensation Agreement sets forth a formula for payments to taxing entities that are parties to that agreement. As of the date of this memorandum, no taxing entities have signed the Joint Use/Compensation Agreement.

The Guadalupe Cemetery District (the "Cemetery District") has indicated a desire to acquire a 1995 Ford Winch Truck (the "Winch Truck") from the City. The City proposes to transfer the Winch Truck to the Cemetery District instead of granting any monetary compensation, use or other rights relating to the Property to the Cemetery District. The Winch Truck was previously declared by the City to be surplus property. The attached Compensation Agreement sets forth the terms on which the City would transfer the Winch Truck to the Cemetery District at no cost, but in full settlement and satisfaction of any rights the Cemetery District may have with respect to the Property.

**RECOMMENDATION:**

That the City Council adopt Resolution No. 2018-65 Approving a Compensation Agreement between the City of Guadalupe and the Guadalupe Cemetery District as Required by the Long-Range Property Management Plan of the Successor Agency to the Redevelopment Agency of the City of Guadalupe

**BACKGROUND:**

All California redevelopment agencies were eliminated on February 1, 2012, pursuant to ABx1 26 and the ruling by the California Supreme Court issued on December 29, 2011, in the case of *California Redevelopment Assn. v. Matosantos* (2011) 53 Cal.4th 231 upholding the constitutionality of AB 26 x1. As a result, all redevelopment agencies in California were succeeded by successor agencies subject to the authority of oversight boards charged with winding up the affairs of redevelopment agencies.

In June 2013, the California Legislature enacted AB 1484, which, among other things, required successor agencies to prepare an LRPMP for the disposition of all real properties owned by the former redevelopment agency. The LRPMP had to be approved by the oversight board and DOF.

The LRPMP of the Successor Agency was approved by resolution of the Oversight Board on February 26, 2015 and was approved by DOF by letter dated September 4, 2015. The LRPMP addressed the disposition of a total of six (6) properties owned by the City's former redevelopment agency, including:

1. The Property (the Royal Theater and two (2) vacant parcels adjacent to the Royal Theater);
2. 313 Obispo Street Water Tower;
3. The Lantern Hotel; and
4. Al's Union.

The LRPMP approves the Property for transfer to the City for future development.

**DISCUSSION:**

The LRPMP approves the transfer of the Property to the City "for future development." The LRPMP further provides that the City will enter into a compensation agreement with the taxing

entities pursuant to Health and Safety Code Section 34180(f).

Pursuant to the Agreement, in substantially the form submitted herewith, the City proposes to transfer the Winch Truck to the Cemetery District in full satisfaction of any compensation to the Cemetery District for the Property. In exchange for the Winch Truck, the Agreement provides that the Cemetery District will waive all right to payment in compensation for the Property and all right to use or consent to the use, development, sale, conveyance or transfer of the Property.

City staff has not yet presented the proposed form of the Agreement to the Cemetery District; however, the Cemetery District and City staff have discussed the proposed terms of the Agreement. The Resolution presented herewith provides the City Administrator with authority to negotiate minor modifications to the Agreement to accommodate requests received from the Cemetery District.

#### **ALTERNATIVES:**

1. The City Council may decline to take any action at this time.
2. The City Council may approve the Agreement, in substantially the form submitted at this meeting, and authorize the City Administrator to present the Agreement to the Cemetery District. Upon approval by the Cemetery District and execution thereof by the City and Cemetery District, the Agreement will become effective.

#### **FISCAL IMPACT:**

The Agreement provides for the City to transfer the Winch Truck to the Cemetery District. The Winch Truck was previously declared to be surplus by the City. The Agreement relieves the City of any further obligation to provide compensation (in the form of payments or otherwise) to the Cemetery District as a result of the City's acquisition of the Property.

#### **CONCLUSION**

Staff recommends that the City Council adopt Resolution No. 2018-65.

#### **ATTACHMENTS:**

- 1) Resolution No. 2018-65 entitled "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GUADALUPE, CALIFORNIA APPROVING A COMPENSATION AGREEMENT BETWEEN THE CITY OF GUADALUPE AND THE GUADALUPE CEMETERY DISTRICT AS REQUIRED BY THE LONG-RANGE PROPERTY MANAGEMENT PLAN OF THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF GUADALUPE."
- 2) Form of Compensation Agreement

**RESOLUTION NO. 2018-65**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GUADALUPE, CALIFORNIA APPROVING A COMPENSATION AGREEMENT BETWEEN THE CITY OF GUADALUPE AND THE GUADALUPE CEMETERY DISTRICT AS REQUIRED BY THE LONG-RANGE PROPERTY MANAGEMENT PLAN OF THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF GUADALUPE**

**WHEREAS**, the City of Guadalupe (“City”) is a municipal corporation organized and operating under the laws of the State of California; and

**WHEREAS**, the Successor Agency to the Redevelopment Agency of the City of Guadalupe (“Successor Agency”) is a public body corporate and politic, organized and operating under Parts 1.8 and 1.85 of Division 24 of the California Health and Safety Code, and the successor the former Redevelopment Agency of the City of Guadalupe (“former Agency”) that was previously a community redevelopment agency organized and existing pursuant to the Community Redevelopment Law, Health and Safety Code Section 33000, *et seq.*; and

**WHEREAS**, Assembly Bill x1 26 (“AB x1 26”) added Parts 1.8 and 1.85 to Division 24 of the California Health & Safety Code and which laws were modified, in part, and determined constitutional by the California Supreme Court in the petition *California Redevelopment Association, et al. v. Ana Matosantos, et al.*, Case No. S194861 (“*Matosantos Decision*”), which laws and court opinion caused the dissolution of all redevelopment agencies and winding down of the affairs of former redevelopment agencies; thereafter, such laws were amended further by Assembly Bill 1484 (“AB 1484”) (together AB x1 26, the *Matosantos Decision*, and AB 1484 are referred to as the “Dissolution Laws”); and

**WHEREAS**, as of February 1, 2012 the former Agency was dissolved pursuant to the Dissolution Laws and as a separate public entity, corporate and politic, the Successor Agency administers the enforceable obligations of the former Agency and otherwise unwinds the former Agency’s affairs, all subject to the review and approval by a seven-member oversight board (“Oversight Board”); and

**WHEREAS**, Health and Safety Code Section 34191.5(b) requires the Successor Agency to prepare a “long-range property management plan” addressing the future disposition and use of all real property of the former Agency no later than six months following the issuance by the California Department of Finance (“DOF”) to the Successor Agency of a finding of completion pursuant to Health and Safety Code Section 34179.7; and

**WHEREAS**, DOF issued a finding of completion to the Successor Agency on March 18, 2013; and

**WHEREAS**, Pursuant to Health and Safety Code Section 34191.5, the Successor Agency prepared a Long-Range Property Management Plan (“LRPMP”) that addresses disposition of the real property formerly owned by the former Agency; and

**WHEREAS**, on February 26, 2015, the LRPMP was approved by OB Resolution No. 2015-02 of the Oversight Board to the Successor Agency (the "Oversight Board"); and

**WHEREAS**, by letter dated September 4, 2015, DOF approved the LRPMP; and

**WHEREAS**, the LRPMP provides that certain property held by the Successor Agency (the Royal Theatre located at 848 Guadalupe Street, APN 126-143-012, and two adjacent vacant parcels located at 836 Guadalupe Street, APN 115-101-011 and APN 115-113-001) will be transferred to the City for future development pursuant to Health and Safety Code Section 34191.5, subdivisions (c)(2) and (c)(2)(A) (the "Property"); and

**WHEREAS**, the LRPMP provides that the City will enter into an agreement providing for compensation to the affected taxing entities with respect to the Property, pursuant to Health and Safety Code Section 34180(f); and

**WHEREAS**, the Guadalupe Cemetery District (the "Cemetery District") is a taxing entity within the former Agency's redevelopment project area; and

**WHEREAS**, the City has prepared a Compensation Agreement (the "Agreement") to be entered into between the City and the Cemetery District; and

**WHEREAS**, the Agreement provides that the City will convey a certain Winch Truck owned by the City to the Cemetery District; and

**WHEREAS**, in exchange for the City's transfer of the winch truck to the Cemetery District, the Agreement provides that (i) the Cemetery District waives all right to payment in compensation for the Property, and (ii) the Cemetery District waives all right to use or consent to the use, development, sale, conveyance or transfer of the Property; and

**WHEREAS**, the Agreement does not address compensation to any taxing entity other than the Cemetery District relating to the Property; and

**WHEREAS**, the City Council desires to approve the Agreement in substantially the form submitted herewith.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF GUADALUPE:**

Section 1. The foregoing recitals are true and correct and constitute a substantive part of this Resolution.

Section 2. The City Council hereby approves the Agreement in substantially the form presented at this meeting. The Mayor, City Administrator and City Clerk are authorized to execute the Agreement with such revisions as the Mayor, City Administrator, City Attorney, and Special Counsel to the City deem appropriate to further the City's interests. The City Administrator and her authorized designees are authorized and directed to take such actions as may be necessary or appropriate to implement the Agreement, including executing further instruments and agreements, issuing warrants, and taking other appropriate actions to perform the obligations and exercise the rights of the City under the Agreement. A copy of the Agreement when executed shall be placed on file in the office of the City Clerk.

Section 3. The City Administrator is authorized and directed to present the Agreement to the Cemetery District in substantially the form presented at this meeting, and to seek agreement by the Cemetery District to the terms of the Agreement. The Agreement shall become effective upon approval thereof by the Cemetery District and execution of the Agreement by the City and the Cemetery District.

Section 4. The Mayor shall sign the passage and adoption of this Resolution and thereupon the same shall take effect and be in force.

Section 5. The City Clerk shall certify to the adoption of this Resolution.

**APPROVED AND ADOPTED** this 23<sup>rd</sup> day of October 2018.

**CITY OF GUADALUPE**

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John Lizalde, Mayor

(SEAL)

**ATTEST:**

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Joice, Earleen Raguz, City Clerk

STATE OF CALIFORNIA )  
COUNTY OF SANTA BARBARA ) ss.  
CITY OF GUADALUPE )

I, \_\_\_\_\_, City Clerk of the City of Guadalupe, hereby certify that the foregoing resolution was duly adopted by the City Council of the City of Guadalupe, at its regular [special] meeting held on the \_\_\_\_ day of \_\_\_\_\_, 2018, and that it was so adopted by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

\_\_\_\_\_  
City Clerk

(SEAL)



**COMPENSATION AGREEMENT  
(Guadalupe Cemetery District)**

This Compensation Agreement (this “**Agreement**”), dated for reference purposes only as of October 1, 2018, is entered into by and between the City of Guadalupe (“**City**”) and the Guadalupe Cemetery District (“**Cemetery District**”). The City and Cemetery District are sometimes referred to individually as a “**Party**” and collectively as the “**Parties**.”

**RECITALS**

A. Pursuant to Assembly Bill x1 26, effective February 1, 2012 (as amended from time to time, the “**Dissolution Act**”), the Redevelopment Agency of the City of Guadalupe (“**Redevelopment Agency**”) was dissolved, and pursuant to Health & Safety Code Section 34173, the City serves as the successor agency to the dissolved Redevelopment Agency (the “**Successor Agency**”).

B. Pursuant to Health and Safety Code Section 34191.5, the Successor Agency prepared a Long-Range Property Management Plan (“**LRPMP**”) that addresses disposition of the real property formerly owned by the Redevelopment Agency.

C. On February 26, 2015, the LRPMP was approved by OB Resolution No. 2015-02 of the Oversight Board to the Successor Agency.

D. On September 4, 2015, the State Department of Finance approved the LRPMP.

E. The LRPMP provides that (1) certain property held by the Successor Agency (the Royal Theatre located at 848 Guadalupe Street, APN 126-143-012, and two adjacent vacant parcels located at 836 Guadalupe Street, APN 115-101-011 and APN 115-113-001) (the “**Property**”) will be transferred to the City for future development pursuant to Health and Safety Code Section 34191.5, subdivisions (c)(2) and (c)(2)(A) and (2) the City will enter into a compensation agreement with the affected taxing entities (the “**Taxing Entities**”) pursuant to Health and Safety Code Section 34180(f). This Agreement constitutes the compensation agreement between the City and the Cemetery District required by the LRPMP.

F. The City obtained an appraisal of the fair market value of the Property, dated June 12, 2017, which determined that the fair market value of the Property is \$110,000. The City has offered to allow certain public entities that levy taxes within the Redevelopment Agency’s redevelopment project area to use the Property or, if the City sells the Property, the City has offered to pay such taxing entities a portion of the value of the Property (reduced by the amount of a loan secured by the Property and estimated costs of selling the Property). The City estimates the Cemetery District’s share of this payment, if and when paid, would have been \$1,768.15 (the “**Potential Compensation Amount**”). The Potential Compensation Amount is calculated based on the Cemetery District’s 1.9351475% share of the 1.00% general property tax levy within the Redevelopment Agency’s redevelopment project area, as reported by the County of Santa Barbara.

G. The Cemetery District wishes to acquire a winch truck currently owned by the City and described in more detail below, in exchange for the Cemetery District’s agreement to forego any rights with respect to the Property (including the Potential Compensation Amount) that the Cemetery

District could claim under the Dissolution Act, including without limitation Health and Safety Code Sections 34180(f) and 34191.5(c).

H. The foregoing recitals are true and correct.

NOW THEREFORE, the Parties agree as follows.

1. **Conveyance of Winch Truck.** In consideration of the Cemetery District's agreements, acknowledgements, waivers and releases set forth in this Agreement, the City hereby agrees to transfer and convey, by bill of sale, all right, title and interest held by the City in that certain 1995 Ford winch truck, Plate Number 027096, Vehicle Identification Number 1FDHF38C6SEA53467 (the "Winch Truck"). The Winch Truck is currently owned by the City and has been declared to be surplus by the City. The City shall transfer title to the Winch Truck to the Cemetery District within ten (10) business days following the Cemetery District's execution of this Agreement.

2. **Rights of the City.** The Cemetery District acknowledges and agrees that, pursuant to the LRPMP, the City is entitled to receive fee title to the Property from the Successor Agency at no cost pursuant to the LRPMP, at any time (as determined by the City and the Successor Agency).

3. **Release, Waiver, Acknowledgement and Agreement by Cemetery District.** In consideration of the City's transfer of the Winch Truck to the Cemetery District, the Cemetery District hereby provides the express waivers, releases, acknowledgements and agreements set forth below:

(a) The Cemetery District shall have no right, title or interest in or to the Property.

(b) The Cemetery District shall have no consent or approval rights with respect to the use, development, sale, conveyance, or transfer of the Property or any part thereof, any encumbrance of any portion of the Property, or any other matters relating to the Property.

(c) The Cemetery District waives any and all right it may have otherwise had to receive the Potential Compensation Amount and shall receive no compensation in connection with the Property, including any percentage or portion of the proceeds of any sale of the Property, except as provided in Section 1 hereof.

(d) The Cemetery District acknowledges and agrees that the City may (but is not required to) spend money to renovate the Property and that such renovations, or other circumstances or market conditions, may increase the value of the Property. Further, if the City sells or leases the Property to a governmental entity or a non-profit entity, the Property may no longer be subject to taxation during the term of ownership or use by such entity. The Cemetery District will receive no payment or other benefit as a result of any increase in the value of the Property from time to time, whether as a result of the activities of the City at the Property or otherwise, and shall have no right to contest or object to a sale or lease of the Property that might reduce the assessed value of the Property.

(e) Except as expressly set forth in this Agreement, the Cemetery District hereby waives any and all rights (as respects the City, Redevelopment Agency or Successor Agency) arising under Health and Safety Code Sections 34180(f) and 34191.5(c) or the LRPMP.

(f) In addition to the conveyance of the Property to the City, the LRPMP provides that certain property held by the Successor Agency (the City's water storage tank and water treatment facility located at 303 Obispo Street) will be transferred to the City for a governmental use, as permitted by Health and Safety Code Sections 34181(a) and 34191.5(c)(2) ("Governmental Use Property"), and that certain property held by the Successor Agency (the Former Lantern Hotel located 879 Guadalupe Street and the Former AI's Union located at 995 Guadalupe Street) will be sold by the Successor Agency, with the proceeds of sale to be distributed to the County Auditor-Controller for distribution to the taxing entities pursuant to Health and Safety Code Section 34191.5, subdivisions (c)(2) and (c)(2)(B) ("Successor Agency Sale Property"). Neither the Dissolution Act nor the LRPMP requires the City to pay compensation to any Taxing Entity with respect to the Governmental Use Property or the Successor Agency Sale Property. Accordingly, this Agreement does not address the conveyance or use of the Governmental Use Property or the Successor Agency Sale Property and does not provide for compensation to any Taxing Entity in connection with the conveyance or use of the Governmental Use Property or the Successor Agency Sale Property.

4. **Miscellaneous Provisions.**

(a) **Notices.** Except as otherwise specified in this Agreement, all notices to be sent pursuant to this Agreement shall be made in writing and sent to the Parties at their respective addresses set forth below:

If to the City: City of Guadalupe  
918 Obispo Street  
P O BOX 918  
Guadalupe, CA 93434

If to the Cemetery District: Guadalupe Cemetery District  
4655 West Main Street  
Guadalupe, CA 93434  
Attention: Superintendent  
Tel: (858) 343-1415

Either Party may change its address for notices by written notice delivered to the other Parties in accordance with this Section. All such notices shall be sent by: (i) personal delivery, in which case notice is effective upon delivery; (ii) certified or registered mail, return receipt requested, in which case notice shall be deemed delivered on receipt if delivery is confirmed by a return receipt; or (iii) nationally recognized overnight courier, with charges prepaid or charged to the sender's account, in which case notice is effective on delivery if delivery is confirmed by the delivery service.

(b) **Headings; Interpretation.** The Section headings and captions used herein are solely for convenience and shall not be used to interpret this Agreement. The Parties agree that this Agreement shall not be construed as if prepared by one of the Parties, but rather according to its fair meaning as a whole, as if all Parties had prepared it.

(c) **Action or Approval.** Whenever action and/or approval by City is required under this Agreement, the City Administrator or her designee may act on and/or approve such matter unless specifically provided otherwise, or unless the City Administrator determines in her sole discretion that such action or approval requires referral to City Council for consideration.

(d) **Entire Agreement.** This Agreement contains the entire agreement among the Parties with respect to the subject matter hereof, and supersedes all prior written or oral agreements, understandings, representations or statements between the Parties with respect to the subject matter hereof.

(e) **Counterparts.** This Agreement may be executed in multiple counterparts, each of which shall be an original and all of which taken together shall constitute one instrument. The signature page of any counterpart may be detached therefrom without impairing the legal effect of the signature(s) thereon provided such signature page is attached to any other counterpart identical thereto having additional signature pages executed by the other Parties. Any executed counterpart of this Agreement may be delivered to the other Parties by facsimile and shall be deemed as binding as if an originally signed counterpart was delivered.

(f) **Severability.** If any term, provision, or condition of this Agreement is held by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this Agreement shall continue in full force and effect unless an essential purpose of this Agreement is defeated by such invalidity or unenforceability.

(g) **No Third Party Beneficiaries.** Except as expressly set forth herein, nothing contained in this Agreement is intended to or shall be deemed to confer upon any person, other than the Parties, any rights or remedies hereunder.

(h) **Governing Law; Venue.** This Agreement shall be governed by and construed in accordance with the laws of the State of California without regard to principles of conflicts of laws. Any action to enforce or interpret this Agreement shall be filed and heard in the Superior Court of Santa Barbara County, California or in the Federal District Court for the Central District of California.

*[SIGNATURES APPEAR ON FOLLOWING PAGES.]*

IN WITNESS WHEREOF, the City and the Cemetery District have executed this Compensation Agreement by their authorized representatives.

**CITY OF GUADALUPE**, a municipal corporation

By: \_\_\_\_\_  
John Lizalde, Mayor

Attest:

\_\_\_\_\_  
Joice Earleen Raguz, City Clerk

Approved as to form:

\_\_\_\_\_  
Philip F. Sinco, City Attorney

The Cemetery District has executed this Compensation Agreement by its authorized representative, as indicated below.

**GUADALUPE CEMETERY DISTRICT**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Attest:

\_\_\_\_\_  
Cemetery District Secretary

Approved as to form:

\_\_\_\_\_  
Cemetery District Legal Counsel