



**REPORT TO THE SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY OF THE CITY OF GUADALUPE
Agenda of November 28, 2023**

Joy Otsuki

Prepared by:
Joy Otsuki, Special Counsel to the Successor Agency

Todd Bodem

Approved by:
Todd Bodem, City Administrator

SUBJECT: Resolution of the Successor Agency to the Redevelopment Agency of the City of Guadalupe approving the Transfer of Property for Future Development to the City of Guadalupe in accordance with Health & Safety Code section 34181(a) (former Al's Union site)

RECOMMENDATION:

That the Successor Agency Board adopt Resolution No. 2023-03 entitled "Resolution of the Successor Agency to the Redevelopment Agency of the City of Guadalupe Approving the Transfer of Property for Future Development to the City of Guadalupe in accordance with Health & Safety Code Section 34181(a)."

EXECUTIVE SUMMARY:

Pursuant to California Health and Safety Code (HSC) Section 34181(a), the Successor Agency to the Redevelopment Agency of the City of Guadalupe (Successor Agency) may transfer real property to the City of Guadalupe (City) for future development, provided that the City enters into a Compensation Agreement with the taxing entities providing for the distribution of sales proceeds to the taxing entities upon the eventual sale of the property.

BACKGROUND:

The former Guadalupe Redevelopment Agency received a donation of a vacant 0.42-acre commercial parcel located at 995 Guadalupe Street at the corner of Guadalupe Street and 10th Street (APN 115-071-001), known as the "Al's Union Site" (and hereafter referred to as the "Property"). The Property was contaminated and designated by the State as Leaking Underground Fuel Tank (LUFT) Site #52010.

In 2011, the California Legislature enacted Assembly Bill 1x26 to eliminate redevelopment agencies (as amended to date, the "Dissolution Law"). In January 2012, the City of Guadalupe elected to serve as the Successor Agency to its former Redevelopment Agency ("Successor Agency"). As part of the dissolution process, the Successor Agency became successor in interest to various real property formerly owned by the Redevelopment Agency, including the Property.

Long Range Property Management Plan:

In accordance with the Dissolution Law, the Successor Agency submitted a “Long Range Property Management Plan” to the California Department of Finance (DOF) proposing that the Property be sold after remediation was completed. The DOF approved the Successor Agency’s Long Range Property Management Plan. The Successor Agency engaged in ongoing remediation of the Property, and after the remediation process was completed, received a letter dated June 30, 2022, from the Santa Barbara County Public Health Department providing a certification of completion of remedial action. The letter states that no further action is required related to the petroleum release at the site.

Surplus Land Act:

In addition to the Dissolution Law, the Successor Agency must comply with the California Surplus Land Act (Gov. Code, § 54220, et seq.) (“SLA”), which requires that before a local agency, including a Successor Agency, takes any action to sell or lease surplus property, it must declare the property to be either “surplus land” or “exempt surplus land”.

The SLA defines “surplus land” as land owned in fee simple by any local agency for which the local agency’s governing body takes formal action in a regular meeting declaring that such land is surplus and is not necessary for the agency’s use. The SLA requires a local agency, including a Successor Agency, to declare such property to be either “surplus land” or “exempt surplus land” prior to taking any action to sell or lease the property.

The SLA further requires local agencies to give written notice of the availability of surplus lands to local public entities (“NOA”), including schools and park districts, within whose jurisdiction the property is located, as well as to housing sponsors that have notified HCD of their interest in surplus properties. The SLA imposes a mandatory negotiation process giving priority to affordable housing development.

On June 13, 2023, the Successor Agency declared the Property as “surplus land.” On June 27, 2023, the Successor Agency issued a NOA for the Property. The Successor Agency did not receive any responses to the NOA expressing an interest in acquiring the Property within the 60-day noticing period, which expired on August 28, 2023.

By letter dated September 19, 2023, the Successor Agency informed the California Department of Housing and Community Development (“HCD”) that the Successor Agency had fulfilled its obligations pursuant the SLA such that it was permitted to dispose of the Property without regard to the provisions of the SLA. The Successor Agency received a letter from HCD dated October 9, 2023, determining that the Successor Agency had met the requirements of the SLA and is therefore permitted to sell or lease the Property.

Countywide Oversight Board and Department of Finance Approval:

As part of the dissolution of the former Redevelopment Agency, Health & Safety Code Section 34177(e) requires the Oversight Board to direct the Successor Agency to dispose of any real property held by the Successor Agency. The LRPMP stated that the Property would be sold by the Successor Agency, but since the LRPMP was approved, the Successor Agency wishes to dispose of the Property in a manner not contemplated by the LRPMP. In order for this to occur, the Successor Agency is required to obtain the approval of the Oversight Board and the Department of Finance. Upon Successor Agency approval of the transfer proposed herein, Successor Agency Staff will submit to the Countywide Oversight Board an

agenda item considering the proposed transfer at the Countywide Oversight Board's next regularly scheduled meeting on January 17, 2024.

DISCUSSION:

Staff recommends that the Property be transferred to the City for future development. The Property is the last real property held by the Successor Agency, and must be "disposed of" prior to the Successor Agency's filing of a "Last & Final ROPS" (LFROPS). The Successor Agency desires to file a LFROPS as soon as practical in order to minimize the time and expense required to maintain the Successor Agency. Once a LFROPS is prepared and approved, the Successor Agency will no longer be required to prepare and submit an annual ROPS to the Oversight Board and Department of Finance. Health and Safety Code Section 34191.6(a) states that successor agencies that have received a Finding of Completion may file a Last and Final ROPS when the following conditions are met: 1) the remaining debt is limited to administrative costs and payments pursuant to enforceable obligations with defined payment schedules; 2) all remaining obligations have been previously listed on the ROPS and approved for payment by the Department of Finance ("DOF"); and 3) the Successor Agency is not party to outstanding or unresolved litigation.

Accordingly, the Successor Agency must dispose of this last piece of real property in order to file a LFROPS. Transfer of the Property to the City for future development will require that the City share any profit made from the future sale or operation of the AI's Union Property with the Taxing Entities in accordance with Health & Safety Code Section 34180(f).

A form of Compensation Agreement to be negotiated by the City and the Taxing Entities is attached to the proposed resolution approving the transfer of the Property. The City is currently considering approval of a Compensation Agreement for the Royal Theater, which, if approved, will be circulated for execution by the Taxing Entities. The Compensation Agreement for the Property differs from the Compensation Agreement for the Royal Theater, as the Royal Theater was transferred pursuant to the Long Range Property Management Plan and a prior agreement with the Cemetery District was entered into with respect to the Royal Theater property. The execution of the Compensation Agreement for the Royal Theater will be pursued concurrently with the approval of the Countywide Oversight Board and Department of Finance Approvals for the transfer of the Property to the City. The DOF has up to 105 days (from the date of submittal of a signed Countywide Oversight Board resolution) to consider the proposed transfer of the Property to the City.

The Compensation Agreement sets forth how proceeds from the sale of the Property will be distributed to the Taxing Entities when the City conveys the Property to a private developer for redevelopment, or, if the Property is used for an interim use, when the Property is operated at a profit. The net proceeds received by the City from the interim use and/or ultimate sale of the Property to a private developer will be remitted to the Guadalupe County Auditor-Controller who will then distribute the net proceeds to the Taxing Entities in proportion to their normal respective property tax shares.

The attached Resolution No. 2023-03 authorizes the Successor Agency, upon approval by the Countywide Oversight Board and DOF, and full execution of the Compensation Agreement, to convey the Property to the City for future development.

The Countywide Oversight Board's Resolution approving such transfer must be transmitted to the Department of Finance ("DOF"). DOF has five (5) days after submittal to request a review and one hundred (100) days thereafter to review the Countywide Oversight Board Resolution if it decides to do so.

ALTERNATIVE:

The Successor Agency may decline to adopt the form of Resolution submitted herewith.

FISCAL IMPACT:

None. The Successor Agency is limited to making payments reflected on an approved ROPS.

CONCLUSION:

Staff recommends that the Successor Agency Board adopt Resolution No. 2023-03.

ATTACHMENTS:

1. Letter from HCD
2. Resolution No. 2023-03 entitled "Resolution of the Successor Agency to the Redevelopment Agency of the City of Guadalupe Approving Transfer of Property for Future Development to the City of Guadalupe in accordance with Health & Safety Code Section 34181(a)"
3. Form of Compensation Agreement

**LETTER FROM HCD
WILL BE PROVIDED DURING THE MEETING**

SUCCESSOR AGENCY RESOLUTION NO. 2023-03

A RESOLUTION OF THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF GUADALUPE, APPROVING THE TRANSFER OF PROPERTY FOR FUTURE DEVELOPMENT TO THE CITY OF GUADALUPE IN ACCORDANCE WITH HEALTH & SAFETY CODE SECTION 34181(a)

WHEREAS, on June 29, 2011, the Legislature of the State of California (the “State”) adopted Assembly Bill x1 26 (“AB 26”), which amended provisions of the State’s Community Redevelopment Law (Health & Safety Code sections 33000 et seq.); and

WHEREAS, pursuant to AB 26 and the California Supreme Court decision in *California Redevelopment Association, et al. v. Ana Matasantos, et al.*, which upheld AB 26 (together with AB 1484, as amended to date, the “Dissolution Law”), the former Redevelopment Agency of the City of Guadalupe (the “Agency”) was dissolved on February 1, 2012; and

WHEREAS, the Successor Agency to the Redevelopment Agency of the City of Guadalupe (the “Successor Agency”) is charged with implementing recognized enforceable obligations and winding down of the affairs of the former Redevelopment Agency of the City of Guadalupe (the “Agency”) in accordance with the California Health and Safety Code; and

WHEREAS, the Successor Agency is the owner of certain real property located at 995 Guadalupe Street, in the City of Guadalupe (“City”) more particularly described as Assessor’s Parcel Number 115-071-001 (the “Property”); and

WHEREAS, applicable law permits the Property to be conveyed by the Successor to the City for future redevelopment activities by the City consistent with the Redevelopment Plan, and requires that such conveyance to the City shall occur upon the full execution of a compensation agreement (the “Compensation Agreement”) between the City and the affected taxing entities (as listed in the Compensation Agreement, the “Taxing Entities”) for the distribution of net funds received, if any, from the sale of the Property. Such agreement is entitled “Compensation Agreement Pursuant to Health & Safety Code 34180(f) Regarding Successor Agency Transfer of Property to the City of Guadalupe” (“Compensation Agreement”) and a form of such Compensation Agreement is attached hereto; and

WHEREAS, the requirements of Health & Safety Code Section 34181(f) will be satisfied, in that the Oversight Board will hold a public meeting to consider the transfer of the Property from the Successor Agency to the City, ten (10) days public notice of said transfer will be provided by the Oversight Board, and members of the public will be given an opportunity to comment on the transfer of the Property; and

WHEREAS, all other legal prerequisites to the adoption of this Resolution have occurred.

NOW, THEREFORE, THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF GUADALUPE, DOES HEREBY RESOLVE, DETERMINE AND ORDER AS FOLLOWS:

SECTION 1. The Recitals set forth above are true and correct and incorporated herein by reference.

SECTION 2. Upon receipt of all approvals required by the Dissolution Law and full execution of a Compensation Agreement by the Taxing Entities and the City, in such final form as is reasonably approved by the parties thereto, the Successor Agency is authorized and directed to convey the Property to the City and to take any other action and execute any documents as may be necessary to implement the conveyance of the Property to the City, pursuant to Health and Safety Code section 34181, subdivision (a).

SECTION 3. Successor Agency Chair Ariston Julian, or his designee, is hereby authorized and directed to execute grant deeds in a form acceptable to Successor Agency Counsel to transfer ownership of the Property to the City of Guadalupe and, if deemed appropriate by Successor Agency Counsel, enter into such agreements or other documents as may be required in accordance with the Health & Safety Code, and to take such other actions on behalf of the Successor Agency with respect to the foregoing as may be necessary in accordance with applicable law.

SECTION 4. If any provision of this Resolution or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of this Resolution which can be given effect without the invalid provision or application, and to this end the provisions of this Resolution are severable. The Successor Agency hereby declares that it would have adopted this Resolution irrespective of the invalidity of any particular portion thereof.

SECTION 5. This Resolution shall take effect from and after the date of its passage and adoption in accordance with, and subject to, all applicable requirements of the Health & Safety Code.

PASSED, APPROVED, AND ADOPTED at a special meeting on the 28th day of November 2023 by the following vote:

MOTION:

AYES:

NOES:

ABSENT:

ABSTAINED:

I, Amelia Villegas, Secretary of the Successor Agency to the Redevelopment Agency of the City of Guadalupe, do hereby certify that the foregoing **Successor Agency Resolution No. 2023-03** was duly adopted by the Board of the Successor Agency to the Redevelopment Agency of the City of Guadalupe at a meeting held on November 28, 2023.

ATTEST:

Amelia M. Villegas, Secretary
Successor Agency of the Redevelopment
Agency of the City of Guadalupe

Ariston Julian, Chair
Successor Agency of the Redevelopment
Agency of the City of Guadalupe

APPROVED AS TO FORM:

Philip F. Sinco, Successor Agency Counsel

**COMPENSATION AGREEMENT PURSUANT TO HEALTH
AND SAFETY CODE SECTION 34180(f) FOR TRANSFER OF
THE AL'S UNION PROPERTY FOR FUTURE
DEVELOPMENT ACTIVITY**

This Agreement, dated for reference purposes as of _____, 202__ [INSERT DATE OF TRANSFER OF PROPERTY TO CITY] is entered into by and among the following public agencies (all of which are sometimes referred to individually as a **“Party”** and collectively as the **“Parties”**):

City of Guadalupe (**“City”**);
 County of Santa Barbara (**“County”**);
 Santa Maria Public Airport District (**“Airport District”**);
 Guadalupe Cemetery District (**“Cemetery District”**);
 Cachuma Resource Conservation District (**“Resource Conservation District”**);
 Santa Maria Valley Water Conservation District (**“Water Conservation District”**);
 Guadalupe Union School District (**“Guadalupe USD”**);
 Santa Maria Joint Union High School District (**“Santa Maria JUHSD”**);
 Allan Hancock Community College District (**“Allan Hancock CCD”**); and
 Santa Barbara County Education Office (**“Office of Education”**).

The Parties to this Agreement (other than the City) are sometimes referred to individually as a **“Taxing Entity”** and collectively as the **“Taxing Entities.”**

RECITALS

A. These Recitals refer to and utilize certain capitalized terms which are defined in Section 1 of this Agreement. The Parties intend to refer to those definitions in connection with the use thereof in this Agreement.

B. Pursuant to Assembly Bill xl 26, effective February 1, 2012, the Redevelopment Agency of the City of Guadalupe (**“Redevelopment Agency”**) was dissolved, and pursuant to Health and Safety Code Section 34173, the City serves as the successor agency to the dissolved Redevelopment Agency (the **“Successor Agency”**).

C. 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.

D. 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”**).

E. On September 4, 2015, the State Department of Finance (**“DOF”**) approved the LRPMP.

F. The former Redevelopment Agency received a donation of a vacant 0.42-acre commercial parcel located at 995 Guadalupe Street at the corner of Guadalupe Street and 10th

Street (APN 115-071-001), known as the “Al’s Union Site” (and hereafter referred to as the “Property”). The Property was contaminated and designated by the State as Leaking Underground Fuel Tank (LUFT) Site #52010.

G. The LRPMP called for the sale of the Property by the Successor Agency. Since the approval of the LRPMP, the Successor Agency has engaged in ongoing remediation of the Property, and after the remediation process was completed, received a letter dated June 30, 2022, from the Santa Barbara County Public Health Department providing a certification of completion of remedial action. The letter states that no further action is required related to the petroleum release at the site.

H. The California Surplus Land Act (Gov. Code, § 54220, *et seq.*) (“SLA”), requires that before a local agency, including a Successor Agency, takes any action to sell or lease surplus property (including a transfer to the City), it must declare the property to be either “surplus land” or “exempt surplus land”. The SLA further requires local agencies to give written notice of the availability of surplus lands to local public entities (“NOA”), within whose jurisdiction the property is located, as well as to housing sponsors that have notified HCD of their interest in surplus properties. The SLA imposes a mandatory negotiation process giving priority to affordable housing development.

I. On June 13, 2023, the Successor Agency declared the Property as “surplus land.” On June 27, 2023, the Successor Agency issued a NOA for the Property. The Successor Agency did not receive any responses to the NOA expressing an interest in acquiring the Property within the 60-day noticing period, which expired on August 28, 2023. By letter dated September 19, 2023, the Successor Agency informed the California Department of Housing and Community Development (“HCD”) that the Successor Agency had fulfilled its obligations pursuant the SLA such that it was permitted to dispose of the Property without regard to the provisions of the SLA. The Successor Agency received a letter from HCD dated October 9, 2023 determining that the Successor Agency had met the requirements of the SLA and was therefore permitted to transfer, sell or lease the Property.

J. Instead of selling the Property to a third party, the Successor Agency elected to transfer the Property to the City for future development. The Successor Agency is charged with winding down the affairs of the former redevelopment agency, and transfer of the Property to the City expedites the wind-down of the Successor Agency.

K. Transfer of the Property to the City was approved by the Countywide Oversight Board on [January 17, 2024]. The Department of Finance approved the transfer of the Property to the City on _____, 2024.

L. Health and Safety Code Section Code 34180(f) requires execution of a compensation agreement among the City and the Taxing Entities providing for specified proceeds of the City’s subsequent disposition of the Property to be distributed to the Taxing Entities in accordance with their proportional shares of the base property tax revenues.

M. This Agreement constitutes such compensation agreement. The Property was transferred to the City on _____, 2024.

N. The Property is currently vacant land. The Successor Agency did not receive any responses to its NOA for development of the Property in 2023. Though the City anticipates selling the Property for future development, prior to the disposition of the Property to a third party, the City may use the Property for a municipal use or other uses in accordance with the City's General Plan and applicable laws.

O. City and the Taxing Entities desire to enter into this Agreement to provide for the distribution of net proceeds upon (i) the interim use of the Property, if any, and (ii) the sale of the Property to a third party developer for future development.

P. The Parties further desire to enter into this Agreement to provide for the execution of an appropriate compensation agreement in accordance with Health and Safety Code Section 34180(f).

NOW, THEREFORE, the Parties agree as follows:

Section 1. Definitions. The following definitions shall apply in this Agreement:

(a) "Agreement" means this Compensation Agreement Pursuant To Health and Safety Code Section 34180(f) for Transfer of AI's Union Property For Future Development Activity, as may be amended from time to time.

(b) "Applicable Fiscal Year" means each Fiscal Year of the City in which the City receives Interim Municipal Use Annual Operating Proceeds from an Interim Municipal Use of one or more of the Properties, as more fully described in Section 7.

(c) "Applicable Shares" has the meaning given in Section 6(a).

(d) "Auditor-Controller" means the Santa Barbara County Auditor-Controller.

(e) "City" means the City of Guadalupe.

(f) "DDA" means, with respect to the Property, the disposition and development agreement between the City and a Developer for the Property.

(g) "Developer" means, with respect to the Property, the developer to which the City disposes of the Property pursuant to a DDA.

(h) "Disposition Proceeds" means, with respect to the Property, the gross purchase price and other compensation, if any, actually received by the City from the Developer in consideration for the disposition of the Property pursuant to the DDA, less the sum of the City's actual costs for the following items (but only to the extent paid from City funds and not from funds provided by the Successor Agency, a Developer, or another separate entity), each to be documented in reasonable detail in the Disposition Proceeds Statement for the Property:

(1) the City's actual, reasonable costs for normal maintenance, management and insurance of the applicable Property from the date the Property was transferred

by the Successor Agency to the City to the date the Property is disposed of by the City to the Developer pursuant to the DDA;

(2) the City's actual costs of any rehabilitation, improvement to alleviate blight, and capital improvements or repairs to maintain the Property in a safe and lawful condition incurred from the date the Property is transferred by the Successor Agency to the City to the date the Property is disposed of by the City to the Developer pursuant to the DDA;

(3) the City's actual costs of site preparation, including hazardous materials remediation and pollution legal liability insurance premiums, if any, required to be paid by the City under the DDA for the applicable Property to prepare the Property for disposition;

(4) the City's actual, reasonable costs to pay third party vendors for appraisal, legal, real estate consultant and marketing, title company, title insurance and other costs related to Developer selection, DDA preparation and approval, and closing costs for disposition of the Property; plus

(5) any broker's commissions payable by the City pursuant to the DDA for the Property.

(i) "Disposition Proceeds Receipt Date" means, with respect to each Property, the date on which the City receives the proceeds from the disposition of that Property to the Developer pursuant to the DDA.

(j) "Disposition Proceeds Statement" means, with respect to each Property, the statement prepared by the City and delivered to the Taxing Entities in accordance with Section 5(b).

(k) "DOF" means the California Department of Finance.

(l) "Effective Date" has the meaning given in Section 2.

(m) "ERAF" means the Educational Revenue Augmentation Fund maintained by the Auditor-Controller.

(n) "Fiscal Year" means the fiscal year of the City in effect from time to time. The current Fiscal Year period of the City commences on July 1 of each calendar year and ends on the following June 30.

(o) "Former RDA" means the Redevelopment Agency of the City of Guadalupe.

(p) "Interim Municipal Use" means an interim use by the City of the Property, such as for a municipal or government use, landscape features, parking lots available for community events, and other similar uses.

(q) “Interim Municipal Use Annual Operating Proceeds” means, for each Applicable Fiscal Year, the gross revenue actually received by the City from an Interim Municipal Use of the Property as documented in reasonable detail in the Operating Proceeds Statement for the Applicable Fiscal Year.

(r) “LRPMP” means the Long-Range Property Management Plan of the Successor Agency.

(s) “Operating Proceeds Statement” means, with respect to each Applicable Fiscal Year, the statement prepared by the City and delivered to the Taxing Entities in accordance with Section 7(c).

(t) “Oversight Board” means the Successor Agency’s oversight board established and acting in accordance with the Redevelopment Dissolution Statutes.

(u) “Parties” means all of the parties to this Agreement as set forth in the opening paragraph of this Agreement. “Party” means one of the Parties individually.

(v) “Property” means the following parcel of real property that is owned by the City and subject to the terms of this Agreement:

(1) a vacant 0.42-acre commercial parcel located at 995 Guadalupe Street at the corner of Guadalupe Street and 10th Street (APN 115-071-001).

(w) “Redevelopment Dissolution Statutes” means collectively ABx1 26 enacted in June 2011, as amended to date.

(x) “Redevelopment Plan” means the [Consolidated Amended and Restated Redevelopment Plan for the Guadalupe Merged Redevelopment Project] adopted by the City Council of the City by Ordinance No. [REDACTED] on [REDACTED].

(y) “Successor Agency” means the Successor Agency to the Guadalupe Redevelopment Agency.

(z) “Taxing Entities” means, collectively, the following entities that comprise affected taxing entities for purposes of the Redevelopment Dissolution Statutes:

- City of Guadalupe (“**City**”);
- County of Santa Barbara (“**County**”);
- Santa Maria Public Airport District (“**Airport District**”);
- Guadalupe Cemetery District (“**Cemetery District**”);
- Cachuma Resource Conservation District (“**Resource Conservation District**”);
- Santa Maria Valley Water Conservation District (“**Water Conservation District**”);
- Guadalupe Union School District (“**Guadalupe USD**”);
- Santa Maria Joint Union High School District (“**Santa Maria JUHSD**”);
- Allan Hancock Community College District (“**Allan Hancock CCD**”); and
- Santa Barbara County Education Office (“**Office of Education**”).

Section 2. Effectiveness of Agreement. This Agreement shall become effective only upon satisfaction of the following conditions:

(a) Approval of this Agreement by the City and direction by the City Council to execute and implement this Agreement pursuant to Health and Safety Code Section 34180(f) (the “City Action”);

(b) Approval by the Oversight Board for transfer of the Property to the City for future development. The transfer was approved by the Oversight Board on [January 17, 2024].

(c) Approval by DOF of the Oversight Board action approving the transfer. DOF notified the Oversight Board and Successor Agency of its approval of the transfer by letter dated _____, 2024.

(d) Signature of this Agreement by each of the parties hereto. Promptly following the effectiveness of this Agreement, the City and the Successor Agency shall transmit notice to all the other Parties that the Agreement is effective and specifying the date the Agreement became effective (the “Effective Date”).

Once effective, the terms and conditions of this Agreement shall apply retroactively to the date the Properties were transferred to the City by the Successor Agency.

Section 3. Signatories With Respect To Certain Funds.

(a) City. The City of Guadalupe administers the following funds, and in addition to entering into this Agreement for the City itself, the City is authorized to, and has entered into and executed this Agreement on behalf of the following:

- Fund #0640 City of Guadalupe (12.8351938% of 22-23 Tax Base)
- Fund #0680 Guadalupe Lighting (3.8440946% of 22-23 Tax Base)

(b) County. The County administers the following special districts and funds, and in addition to entering into this Agreement for the County itself, the County is authorized to, and has entered into and executed this Agreement on behalf of the following:

- Fund #0001 General (15.9892704% of 22-23 Tax Base)
- Fund #2280 Fire Protection District (0% of 22-23 Tax Base)
- Fund #2400 Flood Ctr/Water Conservation District (0.2155233% of 22-23 Tax Base)
- Fund #2460 Guadalupe Flood Zone Number 3 (0.8584783% of 22-23 Tax Base)
- Fund #2570 SM River Levee Maintenance Zone (0.1234373% of 22-23 Tax Base)
- Fund #3050 Water Agency (0.2684557% of 22-23 Tax Base)
- Fund #9802 Education Revenue Augmentation (ERAF) (11.9251073% of 22-23 Tax Base)

(c) **Airport District.** The Airport District administers the following special district and fund, and in addition to entering into this Agreement for the Airport District itself, the Airport District is authorized to, and has entered into and executed this Agreement on behalf of the following:

- Fund #3210 Santa Maria Public Airport Dst (0.9576147% of 22-23 Tax Base)

(d) **Cemetery District.** The Cemetery District administers the following special district and fund, and in addition to entering into this Agreement for the Cemetery District itself, the Cemetery District is authorized to, and has entered into and executed this Agreement on behalf of the following:

- Fund #3280 Guadalupe Cemetery District (1.9151936% of 22-23 Tax Base)

(e) **Resource Conservation District.** The Resource Conservation District administers the following special district and fund, and in addition to entering into this Agreement for the Resource Conservation District itself, the Resource Conservation District is authorized to, and has entered into and executed this Agreement on behalf of the following:

- Fund #4500 Cachuma Resource Cons Dist (0.0022189% of 22-23 Tax Base)

(f) **Water Conservation District.** The Water Conservation District administers the following special district and fund, and in addition to entering into this Agreement for the Water Conservation District itself, the Water Conservation District is authorized to, and has entered into and executed this Agreement on behalf of the following:

- Fund #5700 SM Vly Wtr Cons -General (0.3784720% of 22-23 Tax Base)

(g) **Guadalupe USD.** Guadalupe USD administers the following special district and fund, and in addition to entering into this Agreement for Guadalupe USD itself, Guadalupe USD is authorized to, and has entered into and executed this Agreement on behalf of the following:

- Fund #6901 Guadalupe Union Sch Dist-Gen. (28.4494279% of 22-23 Tax Base)

(h) **Santa Maria JUHSD.** Santa Maria JUHSD administers the following special district and fund, and in addition to entering into this Agreement for Santa Maria JUHSD itself, Santa Maria JUHSD is authorized to, and has entered into and executed this Agreement on behalf of the following:

- Fund #8301 SMJH District-General (15.3884393% of 22-23 Tax Base)

(i) **Allan Hancock CCD.** Allan Hancock CCD administers the following special district and fund, and in addition to entering into this Agreement for Allan Hancock CCD itself, Allan Hancock CCD is authorized to, and has entered into and executed this Agreement on behalf of the following:

- Fund #9410 Allan Hancock CC District-Gen (4.0807335% of 22-23 Tax Base)

(j) **Office of Education.** The Office of Education (i.e., the office of the Santa Barbara County Superintendent of Schools) administers the following special fund and in addition to entering into this Agreement for the Office of Education itself, the Office of Education is authorized to, and has entered into and executed this Agreement on behalf of the following:

- Fund #9801 County School Service (2.7683393% of 22-23 Tax Base)

Section 4. **Conveyance of Property To City.** In consideration for the distributions to the Taxing Entities by the City through the Auditor-Controller set forth in Section 6 (updated as to percentages for the year in which the distribution occurs), the Successor Agency did convey, and the City did accept, all of the interest in and to the Properties (subject to the special provisions regarding the conveyance of the Properties).

Section 5. **Disposition of Property By City.** Within a time frame determined by the City to yield a financially feasible and marketable development, the City shall use diligent good faith efforts to select a Developer for the Property, negotiate and obtain approval and execution of the DDA for the Property, and dispose of the Property to the Developer in accordance with the applicable DDA. City shall obtain the Disposition Proceeds for distribution through the Auditor-Controller to the Taxing Entities pursuant to Section 6 and to enable development of each Property in accordance with the Redevelopment Plan. As required by Government Code Section 52201, the purchase price payable to the City for the Property under the applicable DDA shall be an amount that is determined to be not less than the Property's fair market value at highest and best use, or the Property's fair reuse value at the use and with the covenants and conditions and development costs authorized by the applicable DDA.

By not later than the date of first published notice of the City Council public hearing for the applicable DDA (the "DDA Public Hearing Notice"), the City shall provide each Taxing Entity with a copy of the DDA Public Hearing Notice (including the date, time and location of the public hearing and the location at which the proposed DDA may be inspected and copied), and a statement setting forth the proposed purchase price to be paid to the City under the proposed DDA.

Upon the execution of the DDA for the Property, the City shall transmit a copy of the executed DDA to the other Parties.

Section 6. Compensation To Taxing Entities Related To Disposition Proceeds.

(a) Distribution of Disposition Proceeds. Within fifteen (15) days after the Disposition Proceeds Receipt Date with respect to the Property, the City shall remit the Disposition Proceeds for the Property to the Auditor-Controller for subsequent distribution by the Auditor-Controller among the Taxing Entities in proportion to their shares of the base property tax (the “Applicable Shares”), as determined by the Auditor- Controller pursuant to Health and Safety Code Section 34188. The attached Exhibit A shows, for illustrative purposes only, the Applicable Shares of the Taxing Entities that would have applied to a distribution under this Section 6 had the distribution been made for the fiscal 2022-23 year, as provided by the Auditor-Controller.

(b) Accounting Requirements. At the time of each distribution pursuant to subsection (a), the City shall provide to the Taxing Entities and the Auditor- Controller a statement prepared in accordance with sound accounting practice that provides the City’s calculation of the Disposition Proceeds (the “Disposition Proceeds Statement”). The City shall keep complete, accurate and appropriate books and records of its calculation of the Disposition Proceeds with respect to each distribution. The Auditor- Controller shall have the right, on behalf of the Taxing Entities and upon reasonable written notice to City, to audit and examine such books, records and documents and other relevant items in the possession of City, but only to the extent necessary for a proper determination of Disposition Proceeds.

Section 7. Compensation To Taxing Entities Related To Interim Municipal Use Annual Operating Proceeds.

(a) Applicability. The provisions of this Section 7 shall apply for each Fiscal Year in which the Property is used for an Interim Municipal Use and generates Interim Municipal Use Annual Operating Proceeds to the City (each, an “Applicable Fiscal Year”). Nothing in this Agreement shall obligate the City to charge any fees or other amounts or to collect any revenues with respect to an Interim Municipal Use of any of the Properties.

(b) Distribution of Interim Municipal Use Annual Operating Proceeds. Within ninety (90) days after the end of each Applicable Fiscal Year, the City shall remit the Interim Municipal Use Annual Operating Proceeds for that Applicable Fiscal Year to the Auditor-Controller for subsequent distribution by the Auditor-Controller among the Taxing Entities in proportion to their Applicable Shares, as determined by the Auditor- Controller pursuant to Health and Safety Code Section 34188. The attached Exhibit A shows, for illustrative purposes only, the Applicable Shares of the Taxing Entities that would have applied to a distribution under this Section 7 had the distribution been made for the fiscal 2022-23 year, as provided by the Auditor-Controller.

(c) Governmental, Public and Community Uses Permitted. The City may use the Property for any interim use permitted by applicable laws, and may permit the Taxing Entities to use the Property without charge. The City shall have no obligation to permit the Taxing Entities to use the Property for fee-generating uses, use by for-profit third parties, political or campaign-related uses, or any other use not related to the governmental purposes of the Taxing Entities. The City may permit fundraising uses supporting the governmental purposes of the Taxing Entities or the community in the City’s sole and absolute discretion.

(d) Accounting Requirements. At the time of each distribution pursuant to subsection (a), the City shall provide to the Taxing Entities and the Auditor- Controller a statement prepared in accordance with sound accounting practice that provides the City's calculation of the Interim Municipal Use Annual Operating Proceeds (the "Operating Proceeds Statement"). The City shall keep complete, accurate and appropriate books and records of its calculation of the Interim Municipal Use Annual Operating Proceeds with respect to each distribution. The Auditor-Controller shall have the right, on behalf of the Taxing Entities and upon reasonable written notice to City, to audit and examine such books, records and documents and other relevant items in the possession of City, but only to the extent necessary for a proper determination of the Interim Municipal Use Annual Operating Proceeds.

Section 8. Term of Agreement: Early Termination.

(a) Term. The term of this Agreement shall commence on the Effective Date and, unless sooner terminated as otherwise provided in this Agreement, shall expire upon (i) the earlier to occur of twenty-five (25) years from the date set forth above, or (ii) the distribution by the City of all amounts owed to the Taxing Entities under this Agreement.

(b) Early Termination. Notwithstanding any other provision of this Agreement, a Party may terminate this Agreement upon written notice to the other Parties if a court order, legislation, or DOF policy reverses DOF's directive regarding the need for this Agreement and the payment of compensation by the City pursuant to Health and Safety Code Section 34180(1) (an "Early Termination"). An Early Termination shall become effective five (5) days after the terminating Party delivers the required notice to the other Parties in accordance with Section 9(a). Upon effectiveness of an Early Termination, no Party shall have any further rights or obligations under this Agreement, and the City may retain the Disposition Proceeds from the disposition of any Property for which the City has not yet received the Disposition Proceeds as of the effective date of the Early Termination, and may retain any Interim Municipal Use Annual Operating Proceeds for which the City was not required to make the distribution to the Taxing Entities as of the effective date of the Early Termination; provided, however, that the City shall have no right to recover any Disposition Proceeds or any Interim Municipal Use Annual Operating Proceeds from any Taxing Entity that were distributed by the City prior to the effective date of the Early Termination.

Section 9. Miscellaneous Provisions.

(a) Rights of the City. The Parties acknowledge and agree that, pursuant to the Redevelopment Dissolution Statutes, the City is entitled to receive fee title to the Property from the Successor Agency at no cost, subject only to this Agreement. Except for the right to receive Disposition Proceeds (if any) pursuant to Section 6 and the right to receive Interim Municipal Use Annual Operating Proceeds (if any) pursuant to Section 7, the Parties hereby expressly acknowledge and agree as follows:

(b) The Taxing Entities (other than the City) shall have no right, title or interest in or to the Property, and

(c) The Taxing Entities (other than the City), shall have no consent or approval rights with respect to the use of the Property or any part thereof, the development of the Property, the 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 during or following the Term hereof, except to the extent such Taxing Entities have regulatory authority with respect to such matters pursuant to applicable laws, and

(d) The Taxing Entities shall have no right to receive any payment or other compensation in connection with a sale of the Property by the City, including any percentage or portion of the proceeds of such sale, except for such Taxing Entity's share of Disposition Proceeds as set forth in Section 6. In this regard, the Parties acknowledge and agree that the City may (but is not required to) spend money to renovate the Property in connection with any Interim Municipal Use and that such renovations, or other circumstances or market conditions, may increase the value of the Property. Such renovation costs, if any, may be deducted by the City in calculating Disposition Proceeds or Interim Municipal Use Annual Operating Proceeds, as applicable.

(e) Notices. All notices, statements, or other communications made pursuant to this Agreement to another Party or Parties shall be in writing, and shall be sufficiently given and served upon the Party if sent by (1) United States certified mail, return receipt requested, postage prepaid, or (2) nationally recognized overnight courier, with charges prepaid or charged to sender's account, and addressed to the applicable Party at the address set forth on that Party's signature page. Any Party may change its address for notice purposes by written notice to the other Parties prepared and delivered in accordance with the provisions of this Section.

(f) No Third Party Beneficiaries. No person or entity other than the Parties and their permitted successors and assigns, shall have any right of action under this Agreement.

(g) Litigation Regarding Agreement. In the event litigation is initiated attacking the validity of this Agreement, each Party shall in good faith defend and seek to uphold the Agreement and shall be responsible for its own legal fees and costs.

(h) State Law; Venue. This Agreement, and the rights and obligations of the Parties hereto, shall be construed and enforced in accordance with the laws of the State of California. 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.

(i) Attorneys' Fees. In any action which a Party brings to enforce its rights hereunder, the unsuccessful Party or Parties shall pay all costs incurred by the prevailing party, including reasonable attorneys' fees and costs.

(j) Entire Agreement; Amendment. This Agreement constitutes the entire and integrated agreement of the Parties and supersedes all prior negotiations, representations, or agreements, either written or oral, except the 2018 Agreement (which remains in full force and effect). This Agreement may be modified only in writing and only if signed by all of the Parties, except as otherwise provided below.

(k) Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same agreement. 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.

(l) Non-Waiver. No waiver of a breach, failure of any condition, or any right or remedy contained in or granted by the provisions of this Agreement will be effective unless it is in writing and signed by the waiving Parties.

(m) No Partnership. Nothing contained in this Agreement shall be construed to constitute any Party as a partner, employee, joint venturer, or agent of any other Party.

(n) Ambiguities. Any rule of construction to the effect that ambiguities are to be resolved against the drafting party does not apply in interpreting this Agreement.

(o) Exhibits. The following exhibit is incorporated in this Agreement by reference:

Exhibit A: Taxing Entities Applicable Shares of Property Taxes

(p) 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.

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

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the date set forth in the opening paragraph of this Agreement.

[signature pages S-1 through S-10 follow]

IN WITNESS WHEREOF, the City has executed this Compensation Agreement by its authorized representative, as indicated below, on behalf of the entities and funds set forth in Section 3 of this Agreement.

CITY OF GUADALUPE, a municipal corporation

By: _____

Name: _____

Title: _____

Attest by: _____

Approved as to form:

City Attorney

Address for Notices:

City of Guadalupe
918 Obispo Street
PO Box 918
Guadalupe, CA 93434

SIGNATURES CONTINUE ON FOLLOWING PAGES

The County has executed this Compensation Agreement by its authorized representative, as indicated below, on behalf of the entities and funds set forth in Section 3 of this Agreement.

COUNTY OF SANTA BARBARA, a political subdivision of the State of California

By: _____

Name: _____

Title: _____

Attest by: _____

Approved as to form:

County Counsel

Address for Notices:

County of Santa Barbara
[insert address for notices]

SIGNATURES CONTINUE ON FOLLOWING PAGES

The Airport District has executed this Compensation Agreement by its authorized representative, as indicated below, on behalf of the entities and funds set forth in Section 3 of this Agreement.

**SANTA MARIA PUBLIC AIRPORT
DISTRICT**

By: _____

Name: _____

Title: _____

Attest by: _____

Approved as to form:

Address for Notices:

Santa Maria Public Airport District
[insert address for notices]

SIGNATURES CONTINUE ON FOLLOWING PAGES

The Cemetery District has executed this Compensation Agreement by its authorized representative, as indicated below, on behalf of the entities and funds set forth in Section 3 of this Agreement.

GUADALUPE CEMETERY DISTRICT

By: _____

Name: _____

Title: _____

Attest by: _____

Approved as to form:

Address for Notices:

Guadalupe Cemetery District
[insert address for notices]

SIGNATURES CONTINUE ON FOLLOWING PAGES

The Resource Conservation District has executed this Compensation Agreement by its authorized representative, as indicated below, on behalf of the entities and funds set forth in Section 3 of this Agreement.

CACHUMA RESOURCE CONSERVATION DISTRICT

By: _____

Name: _____

Title: _____

Attest by: _____

Approved as to form:

Address for Notices:

Cachuma Resource Conservation District
[insert address for notices]

SIGNATURES CONTINUE ON FOLLOWING PAGES

The Water Conservation District has executed this Compensation Agreement by its authorized representative, as indicated below, on behalf of the entities and funds set forth in Section 3 of this Agreement.

**SANTA MARIA VALLEY WATER
CONSERVATION DISTRICT**

By: _____

Name: _____

Title: _____

Attest by: _____

Approved as to form:

Address for Notices:

Santa Maria Valley Water Conservation District
[insert address for notices]

SIGNATURES CONTINUE ON FOLLOWING PAGES

The Guadalupe USD has executed this Compensation Agreement by its authorized representative, as indicated below, on behalf of the entities and funds set forth in Section 3 of this Agreement.

GUADALUPE UNION SCHOOL DISTRICT

By: _____

Name: _____

Title: _____

Attest by: _____

Approved as to form:

Address for Notices:

Guadalupe Union School District
[insert address for notices]

SIGNATURES CONTINUE ON FOLLOWING PAGES

The Santa Maria JUHSD has executed this Compensation Agreement by its authorized representative, as indicated below, on behalf of the entities and funds set forth in Section 3 of this Agreement.

SANTA MARIA JOINT UNION HIGH SCHOOL DISTRICT

By: _____

Name: _____

Title: _____

Attest by: _____

Approved as to form:

Address for Notices:

Santa Maria Joint Union High School District
[insert address for notices]

SIGNATURES CONTINUE ON FOLLOWING PAGES

The Allan Hancock CCD has executed this Compensation Agreement by its authorized representative, as indicated below, on behalf of the entities and funds set forth in Section 3 of this Agreement.

**ALLAN HANCOCK COMMUNITY
COLLEGE DISTRICT**

By: _____

Name: _____

Title: _____

Attest by: _____

Approved as to form:

Address for Notices:

Allan Hancock Community College District
[insert address for notices]

SIGNATURES CONTINUE ON FOLLOWING PAGES

The Office of Education has executed this Compensation Agreement by its authorized representative, as indicated below, on behalf of the entities and funds set forth in Section 3 of this Agreement.

SANTA BARBARA COUNTY EDUCATION OFFICE

By: _____

Name: _____

Title: _____

Attest by: _____

Approved as to form:

Address for Notices:

Santa Barbara County Education Office
[insert address for notices]

EXHIBIT A

ILLUSTRATIVE TAXING ENTITIES
 APPLICABLE SHARES OF PROPERTY TAXES

Below is the allocation percentages for FY 22-23 for proceeds of a sale of an asset:

		Calculate TRA Allocation Ratios 34188	
		A	B = A / Σ A
Fund	Taxing Agency	Property Tax Increment Dollars from TRAs within RDA Boundaries FY 22-23	Ratio %
0001	General	446,761	15.9892704%
0640	City of Guadalupe	358,632	12.8351938%
0680	Guadalupe Lighting	107,409	3.8440946%
0685	Guadalupe Redevelopment Agency		
2280	Fire Protection Dist	0	0.0000000%
2400	Flood Ctrl/Wtr Cons Dst Mt	6,022	0.2155233%
2460	Guadalupe Flood Zone Number 3	23,987	0.8584783%
2570	SM River Levee Maint Zone	3,449	0.1234373%
3050	Water Agency	7,501	0.2684557%
3210	Santa Maria Public Airport Dst	26,757	0.9576147%
3280	Guadalupe Cemetery District	53,513	1.9151936%
4500	Cachuma Resource Cons Dist	62	0.0022189%
5700	SM Vly Wtr Cons - General	10,575	0.3784720%
6901	Guadalupe Union Sch Dist-Gen	794,914	28.4494279%
8301	SMJH District-General	429,973	15.3884393%
9410	Allan Hancock CC Dist-Gen	114,021	4.0807335%
9801	County School Service	77,351	2.7683393%
9802	Education Revenue Augmentation	333,203	11.9251073%
		2,794,130	1.0000000%