

**AGENDA FOR A
SPECIAL MEETING
OF THE**

**IRWINDALE SUCCESSOR
AGENCY OVERSIGHT BOARD**

June 14, 2018

4:00 P.M. - OPEN SESSION

***IRWINDALE CITY HALL, OUTER COUNCIL CHAMBER
5050 N. IRWINDALE AVENUE
IRWINDALE, CA 91706
626-430-2200***

**Lydia Cano
Loretta Corpis
Camille Diaz
J. Suzie Hsi
Bill Scroggins
Teresa Villegas**

Spontaneous Communications: The public is encouraged to address the Oversight Board on any matter listed on the agenda or on any other matter within its jurisdiction. The Oversight Board will hear public comment on items listed on the agenda during discussion of the matter and prior to a vote. The Oversight Board will hear public comment on matters not listed on the agenda during the Spontaneous Communications period.

Pursuant to provisions of the **Brown Act**, no action may be taken on a matter unless it is listed on the agenda, or unless certain emergency or special circumstances exist. The Oversight Board may direct staff to investigate and/or schedule certain matters for consideration at a future Board meeting.

Americans with Disabilities Act: In compliance with the ADA, if you need special assistance to participate in an Oversight Board meeting or other services offered by this City, please contact City Hall at (626) 430-2200. Assisted listening devices are available at this meeting. Ask the Deputy City Clerk if you desire to use this device. Upon request, the agenda and documents in the agenda packet can be made available in appropriate alternative formats to persons with disabilities. Notification of at least 48 hours prior to the meeting or time when services are needed will assist the City staff in assuring that reasonable arrangements can be made to provide accessibility to the meeting or service.

Note: Staff reports are available for inspection at the office of the Deputy City Clerk, City Hall, 5050 N. Irwindale Avenue, during regular business hours (8:00 a.m. to 6:00 p.m., Monday through Thursday).

OPEN SESSION – 4:00 P.M.

- A. CALL TO ORDER
- B. PLEDGE OF ALLEGIANCE
- C. ROLL CALL / INTRODUCTIONS
 - Lydia Cano, Representative of the Los Angeles County Board of Education
 - Loretta Corpis, Representative of the City of Irwindale
 - Camille Diaz, Representative of the City of Irwindale
 - J. Suzie Hsi, Representative of the County of Los Angeles
 - Vacant, Representative of the Consolidated Fire Protection District of Los Angeles County
 - Bill Scroggins, Representative of the Chancellor of the California Community Colleges
 - Teresa Villegas, Representative of the County of Los Angeles

SPONTANEOUS COMMUNICATIONS

Comments must pertain to business of the Oversight Board. Please limit comments to two (2) minutes.

1. NEW BUSINESS

- A. Purchase and Sale Agreement for Long-Range Property Management Plan (“LRPMP”) Site No. 9 – 4800 Rivergrade Easement and Leases

Subject to the Oversight Board’s approval, the Successor Agency will enter into a Purchase and Sale Agreement with 4800 Rivergrade Chinese, LLC, a California limited liability company, and 4800 Rambeau Rivergrade Road, LLC, a California limited liability company, for the leases associated with 4800 Rivergrade Road. If approved by the Oversight Board, the Oversight Board’s resolution will be forwarded to the California Department of Finance (“DOF”) for their review.

B. Purchase and Sale Agreement for LRPMP Asset No. 18 – 5223 Morada Street

Subject to the Oversight Board's approval, the Successor Agency will enter into a Purchase and Sale Agreement with the City of Irwindale. If approved by the Oversight Board, the Oversight Board's resolution will be forwarded to the DOF for their review.

C. Bond Expenditure Agreement

Subject to the Oversight Board's approval, the Successor Agency will enter into a Bond Expenditure Agreement with the City of Irwindale. If approved by the Oversight Board, the Oversight Board's resolution will be forwarded to the DOF for their review.

2. OLD BUSINESS

None.

3. OVERSIGHT BOARD MEMBER COMMENTS

4. ADJOURN



**OVERSIGHT BOARD
OF THE SUCCESSOR
AGENCY TO THE
IRWINDALE
COMMUNITY
REDEVELOPMENT
AGENCY**

LYDIA CANO
Rep. of County Board of
Education

LORETTA CORPIS
Rep. of Mayor of Irwindale

CAMILLE DIAZ
Rep. of Mayor of Irwindale

J. SUZIE HSI
Rep. of County Board of
Supervisors

BILL SCROGGINS
Rep. of Chancellor of
California Community
Colleges

TERESA VILLEGAS
Rep. of County Board of
Supervisors

VACANT
Rep. of Consolidated Fire
Protection District of Los
Angeles County

DATE: June 14, 2018

TO: Oversight Board of the Successor Agency to the Irwindale Community Redevelopment Agency

FROM: William Tam, Executive Director
Fred Galante, Agency Counsel

SUBJECT: OB Resolution No. 2018-02-039 Approving the Purchase and Sale Agreement of Site No. 9 – **4800 Rivergrade Easement and Leases** of the Successor Agency's Long-Range Property Management Plan

Recommendation

That the Oversight Board adopt:

1. "A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE IRWINDALE COMMUNITY REDEVELOPMENT AGENCY APPROVING THE PURCHASE AND SALE AGREEMENT OF SITE NO. 9 – 4800 RIVERGRADE EASEMENT AND LEASES OF THE SUCCESSOR AGENCY'S LONG-RANGE PROPERTY MANAGEMENT PLAN"

Background

On August 5, 2016, the California Department of Finance ("DOF") approved an amended Long-Range Property Management Plan ("LRPMP") for the disposition of 25 real estate assets transferred from the former Irwindale Community Redevelopment Agency to the Successor Agency following the February 1, 2012 dissolution of redevelopment in California. As required by law, the LRPMP was prepared to delineate the proposed disposition of each of the 25 real estate assets. Under the Dissolution Act, the Successor Agency has the option of: 1) selling the properties, 2) allowing the City to retain properties for economic development, or 3) transferring properties to the City as a governmental asset. In Irwindale's case, the LRPMP stipulates that 17 of the 25 assets will be sold, with the remaining 8 transferred to the City as governmental assets.

4800 Rivergrade Easement and Leases Purchase and Sale Agreement

The property located at 4800 Rivergrade ("Property") was included in the Successor Agency's LRPMP. The LRPMP indicated that the Successor Agency would sell the leasehold interests associated with the Property (Los Angeles County Assessor's Parcel Number 8535-020-045) ("Leases"). The Leases are described as follows:

- **T-Mobile Cell Tower Lease:** On May 8, 1996, Pacific Bell Mobile Services (now, T-Mobile USA, Inc.), a California corporation ("T-Mobile"), entered into a Communications Site Lease Agreement ("T-Mobile Lease") with Bob F. Zadina and JoAnne K. Zadina (the "Zadinas"). On March 14, 2003, the Zadinas assigned the T-Mobile Lease to the Redevelopment Agency.
- **Regency Billboard Lease:** On April 1, 2003, Regency Outdoor Advertising, Inc. a California corporation, and Clear Channel Outdoor, Inc., a Delaware corporation (jointly "Regency"), entered into a Billboard Lease Agreement with the Redevelopment Agency.

4800 Rivergrade Chinese, LLC, a California limited liability company, and 4800 Rambeau Rivergrade Road, LLC, a California limited liability company (jointly "Purchaser"), have offered to purchase the Leases from the Successor Agency for \$645,000. The Purchaser owns the underlying property located at 4800 Rivergrade Road.

Successor Agency counsel has drafted the purchase and sale agreement ("PSA") between the Successor Agency and Purchaser, enclosed with the resolution as Exhibit "A". The PSA further references the fact that the City would charge an annual development fee of approximately \$80,000 per year should the Purchaser wish to convert two of the billboard faces to digital displays, subject to separate consideration by the City Council and compliance with the California Environmental Quality Act ("CEQA"). With the approval of the Oversight Board, the sale may proceed under the terms outlined in the PSA.

Fiscal Implications

Like any sale of Successor Agency properties, proceeds of the sale will be distributed back to the Successor Agency for payment of enforceable obligations and remittance to affected taxing agencies based on their share of the property taxes within the redevelopment project areas. The City may anticipate some costs for screening the property, which have yet to be determined.

ATTACHMENT: APPROVING RESOLUTION WITH EXHIBIT: PURCHASE AND SALE AGREEMENT – Rivergrade Easement and Leases

PREPARED BY: JIM SIMON, ECONOMIC DEVELOPMENT/SUCCESSOR AGENCY
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OVERSIGHT BOARD RESOLUTION NO. 2018-02-039

A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE IRWINDALE COMMUNITY REDEVELOPMENT AGENCY APPROVING THE PURCHASE AND SALE AGREEMENT OF SITE NO. 9 – 4800 RIVERGRADE ROAD OF THE SUCCESSOR AGENCY’S LONG-RANGE PROPERTY MANAGEMENT PLAN

WHEREAS, pursuant to the dissolution of redevelopment agencies per Assembly Bill ("AB") X1 26 (Chapter 5, Statutes of 2011) and ABX1 27 (Chapter 6, Statutes of 2011), and subsequent legislation, AB 1484 (Chapter 26, Statutes of 2012) (altogether, "Dissolution Act"), the City of Irwindale ("City") adopted Resolution No. 2012-08-2547 on January 11, 2012, electing to serve as Successor Agency to the Irwindale Community Redevelopment Agency ("Successor Agency"); and

WHEREAS, the leasehold interests associated with 4800 Rivergrade Road, ("Property") were included in the Successor Agency's Long-Range Property Management Plan ("LRPMP"), which was prepared pursuant to the Dissolution Act and described the proposed plans for disposition of all 25 properties owned by the Irwindale Community Redevelopment Agency at the time of redevelopment dissolution; and

WHEREAS, the LRPMP indicated that the Successor Agency would sell the Leases; and

WHEREAS, on August 5, 2016, the City received notification from the California Department of Finance ("DOF") approving the Successor Agency's Amended LRPMP; and

WHEREAS, 4800 Rivergrade Chinese, LLC, a California limited liability company, and 4800 Rambeau Rivergrade Road, LLC, a California limited liability company (jointly "Purchaser"), have offered to purchase the Leases for \$645,000; and

WHEREAS, the proposed Purchase and Sale Agreement ("PSA") establishes that the intent is for the Purchaser to acquire the Leases from the Successor Agency at the proposed price of \$645,000; and

WHEREAS, the PSA between the Purchaser and the Successor Agency to effectuate the sale of the Leases is enclosed herewith as Exhibit "A".

NOW, THEREFORE, THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE IRWINDALE COMMUNITY REDEVELOPMENT AGENCY DOES HEREBY RESOLVE AS FOLLOWS:

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

Section 2. Approval of PSA. The Oversight Board hereby approves the Purchase and Sale Agreement with 4800 Rivergrade Chinese, LLC and 4800 Rambeau Rivergrade Road, LLC for the purchase of the Leases associated with the property located at 4800 Rivergrade Road.

Section 3. The Oversight Board hereby finds that the sale of the leasehold interests associated with the Property is surplus governmental property and, as such, qualifies as exempt under Class 12 of the CEQA Guidelines, at Section 15312. The Development Services Director is directed to file the appropriate Notice of Exemption.

Section 4. The Executive Director is hereby authorized to transmit and submit this resolution to DOF for review.

PASSED AND ADOPTED at a special meeting of the Oversight Board of the Successor Agency to the Irwindale Community Redevelopment Agency, on the 14th day of June 2018, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Bill Scroggins, Chairman

ATTEST:

Laura Nieto, Secretary

EXHIBIT “A”

PURCHASE AND SALE AGREEMENT
4800 RIVERGRADE ROAD – SITE NO. 9

**PURCHASE AND SALE AGREEMENT OF
EASEMENTS AND LEASES AND ESCROW INSTRUCTIONS**

- 4800 Rivergrade Easement and Leases -

This PURCHASE AND SALE AGREEMENT OF EASEMENTS AND LEASES AND ESCROW INSTRUCTIONS ("**Agreement**") is made as of May ____, 2018 ("**Agreement Date**") by and between the CITY OF IRWINDALE, AS SUCCESSOR AGENCY TO THE IRWINDALE COMMUNITY REDEVELOPMENT AGENCY, a public agency ("**Seller**"), and 4800 RIVERGRADE CHINESE, LLC, a California limited liability company, and 4800 RAMBEAU RIVERGRADE ROAD, LLC, a California limited liability company, and HTZ TRUST, a California trust (jointly "**Buyer**").

RECITALS:

- A.** This Agreement relates to the purchase and sale of leases and easements located at that certain real property identified as APN 8535-020-045, 8535-020-046 and 8535-020-047 and legally described on Exhibit A attached hereto ("**Real Property**").
- B.** Seller owns those certain easements in gross across the Real Property as evidenced by the following ("**Easements**"):

- i. That certain Grant of Easement for Billboard Sign and Access dated _____, 2018 executed by Buyer in favor of Seller and recorded on _____, 2018 as Instrument No. _____ in the Official Records of Los Angeles County, California ("**Billboard Easement**").
- ii. That certain Grant of Easement for Cellular Tower and Access dated _____, 2018 executed by Buyer in favor of Seller and recorded on _____, 2018 as Instrument No. _____ in the Official Records of Los Angeles County, California ("**Cellular Easement**").

Certain improvements exist on the Easements pursuant to the Leases (as defined below).

- C.** Seller owns the following leasehold interests (collectively "**Leases**"):
- i. **T-Mobile Lease:** On May 8, 1996, Pacific Bell Mobile Services (now, T-Mobile USA, Inc.), a California corporation ("**T-Mobile**") entered into that certain Communications Site Lease Agreement ("**T-Mobile Lease**") with Bob F. Zadina and JoAnne K. Zadina (the "**Zadinas**"). On March 14, 2003, the Zadinas assigned the T-Mobile Lease to the Irwindale Community Redevelopment Agency, a public entity ("**ICRA**").
 - ii. **Regency Lease:** On April 1, 2003, Regency Outdoor Advertising, Inc. a California corporation, and Clear Channel Outdoor, Inc. a Delaware corporation (jointly "**Regency**") entered into that certain Billboard Lease Agreement ("**Regency Lease**") with ICRA.
- D.** In 2011, California redevelopment agencies were dissolved. Pursuant to California law, Seller is the successor in interest to the ICRA.
- E.** By their terms, each of the Leases allow Seller to assign its interests.

- F. Seller's Long-Range Property Management Plan ("LRPMP") approved by the California Department of Finance lists the Lease Interests as identified as Item #9 on the LRPMP. The LRPMP identifies the permissible uses for Site #9 as "Sale of Property."
- G. Buyer wishes to acquire the Easements and the Leases pursuant to the terms and conditions in this Agreement and Seller is willing to sell the Easements and Leases to Buyer.
- H. Buyer wishes to convert the two existing static billboard faces to two digital displays, which would be subject to a separate discretionary approval by the City through a development agreement and compliance with the California Environmental Quality Act of 1975 and implementing regulations ("CEQA"), and understands that the City charges an annual development fee of approximately \$80,000 per year for such conversion.

TERMS & CONDITIONS

NOW THEREFORE, in consideration of the mutual promises of the parties, and for good and valuable consideration, the receipt and sufficiency of which is acknowledged, Seller and Buyer agree as follows:

1. PURCHASE AND SALE OF EASEMENTS AND LEASES.

1.1. Purchase and Sale. Subject to the terms and conditions set forth in this Agreement (including the Recitals which are incorporated herein and made a part hereof by reference), Buyer agrees to purchase from Seller, and Seller agrees to sell to Buyer, the Easements and Leases.

1.2. Easements and Leases. Buyer acknowledges that it has previously received copies of the Leases and the Easements.

2. OPENING OF ESCROW. Within three (3) business days of the Agreement Date, the parties shall open an escrow ("**Escrow**") with Escrow Holder by causing an executed copy of this Agreement to be deposited with Jenny Wong, Senior Commercial Escrow Officer at Commonwealth Land Title Company, 888 S. Figueroa Street, Suite 2100, Los Angeles, CA 90017, (213) 330-3101 ___@___ ("**Escrow Holder**"). Escrow shall be deemed open on the date that all of the following occur ("**Opening of Escrow**"): (i) a fully executed copy of this Agreement is delivered to Escrow Holder and accepted by Escrow Holder as evidenced by Escrow Holder's executed acceptance thereof; and (ii) Escrow Holder receives the Deposit (as defined in Section 3.1).

3. PURCHASE PRICE. The purchase price for the Easements and Leases shall be Six Hundred Forty Five Thousand Dollars (\$645,000) ("**Purchase Price**").

3.1 Deposit. At Opening of Escrow, Buyer shall deposit the sum of Fifty Thousand Dollars (\$50,000) ("**Deposit**") with the Escrow Holder.

3.2 Balance of Purchase Price. At least one (1) business day prior to the Closing, Buyer shall deposit with Escrow Holder the Purchase Price less the Deposit.

3.3 Good Funds. All funds deposited into Escrow shall be in "**Good Funds**" which means a wire transfer of funds, cashier's or certified check drawn on or issued by the offices of a financial institution located in the State of California.

4. CLOSING DELIVERIES TO ESCROW HOLDER.

4.1 By Seller. Seller shall deliver the following documents to Escrow not less than one (1) business day prior to the Closing Date:

4.1.1 Assignment and Assumption Agreements. Seller shall deliver three (3) executed copies of an assignment and assumption agreement in the form of Exhibit B attached hereto for each of the respective Lease (collectively the "**Assignment and Assumption Agreements**").

4.1.2 Easement Transfer Agreements. Seller shall deliver three (3) executed and acknowledged copies of the Easement Transfer Agreement in the form attached hereto as Exhibit C for each respective Easement ("**Easement Transfer Agreement**").

4.1.3 Tenant Estoppel Certificates. Seller shall use commercially reasonable efforts to obtain an estoppel certificate in a form reasonably acceptable to Buyer within thirty (30) days of Opening of Escrow. However, Buyer is aware that none of the Leases mandate that the tenant provide an estoppel certificate ("**Estoppel Certificate**") and the failure of Seller to obtain Estoppel Certificates for any or all of the Leases shall not be deemed a default by Seller nor otherwise release Buyer of its obligations under this Agreement.

4.1.4 Title Policy. Within five (5) days from opening of Escrow, Buyer shall order a preliminary title report ("**Title Report**") from Commonwealth Land Title Company ("**Title Company**") with respect to the Real Property for review and approval. At Closing, Seller shall cause the Title Company to issue to Buyer an ALTA non-extended coverage owner's title policy insuring the Easements vested in Buyer with coverage in the amount of the Purchase Price subject to such exceptions as approved by Buyer ("**Title Policy**").

4.1.5 Closing Documents. Seller shall deliver to Escrow any additional documents as may be reasonably required by the Escrow Holder to consummate the transaction contemplated by this Agreement.

4.1.6 Closing Statement. Seller shall approve a settlement statement reflecting the pro-rations and adjustments required under Section 6.

4.1.7 Additional Documents. Seller shall reasonably cooperate with Buyer in the execution of any other documents reasonably required by Seller in order to effectuate this Agreement.

4.2 By Buyer. Buyer shall deliver the following documents to Escrow not less than one (1) business day prior to the Closing Date:

4.2.1 Purchase Price. Buyer shall deliver the Purchase Price in accordance with Section 3.

4.2.2 Assignment and Assumption Agreements. Buyer shall deliver three (3) copies of each of the Assignment and Assumption Agreements.

4.2.3 Easement Transfer Agreements. Buyer shall deliver three (3) executed and acknowledged copies of each of the Easement Transfer Agreements.

4.2.4 Closing Documents. Any other documents as may be reasonably required by the Escrow Holder to consummate the transaction contemplated by this Agreement.

4.2.5 Closing Statement. Buyer shall approve a settlement statement reflecting the pro-rations and adjustments required under Section 6.

4.3 Assembly of Documents. At Closing, Escrow Holder shall (i) assemble four (4) fully executed copies of each of the Assignment and Assumption Agreements and deliver one (1) fully executed copy to each of Buyer, Seller and each tenant under the respective Lease; and (ii) three (3) fully executed copies of the Easement Transfer Agreement for each Easement, one (1) of which shall be delivered to each party and one (1) original shall be recorded in the Official Records of Los Angeles County.

5. CONDITIONS PRECEDENT.

5.1. Conditions to Buyer's Obligations. The obligations of Buyer under this Agreement are subject to the satisfaction or written waiver, in whole or in part, by Buyer of each of the following conditions precedent ("**Buyer's Conditions Precedent**"):

- (a) Escrow Holder holds and will deliver to Buyer the instruments pursuant to Section 4 including (i) one (1) fully executed copy of the Assignment and Assumption Agreement for each Lease; (ii) one (1) fully executed copy of the Easement Transfer Agreements for each Easement; (iii) the Estoppel Certificates if issued by the respective tenant; and (iii) the Title Policy.
- (b) One (1) fully executed copy of each Easement Transfer Agreement is recorded in the Official Records of Los Angeles County.
- (c) Seller is not in default under this Agreement.

5.2. Conditions to Seller's Obligations. The obligations of Seller under this Agreement are subject to the satisfaction or written waiver, in whole or in part, by Seller of the following conditions precedent ("**Seller's Conditions Precedent**"):

- (a) Escrow Holder holds and will deliver to Seller the instruments and funds accruing to Seller pursuant to Section 4 including (i) one (1) fully executed copy of the Assignment and Assumption Agreement for each Lease; (ii) one (1) fully executed copy of the Easement Transfer Agreement for each Easement; and (iii) the Purchase Price.
- (b) One (1) fully executed copy of each Easement Transfer Agreement is recorded in the Official Records of Los Angeles County.
- (c) Buyer is not in default under this Agreement.

6. ESCROW PROVISIONS.

6.1. Escrow Instructions. Sections 1 through 6, inclusive; 8, and 11 through 13, inclusive; shall constitute escrow instructions to Escrow Holder. The terms and conditions in sections of this Agreement not specifically referenced above are additional matters for information of Escrow Holder, but about which Escrow Holder need not be concerned. Buyer and Seller will receive Escrow Holder's general provisions directly from Escrow Holder and will execute such provision upon Escrow Holder's request. To the extent that the general provisions are inconsistent or conflict with this Agreement, the general provisions will control as to the duties and obligations of Escrow Holder only. Buyer and Seller agree to execute additional instructions, documents and forms provided by Escrow Holder that are reasonably necessary to close Escrow. The parties also shall cooperate with executing any documents reasonably required by Escrow Holder to release the funds to the appropriate party upon termination of this Agreement.

6.2. Miscellaneous. At Closing, Escrow Holder shall deliver one (1) original of each Assignment and Assumption Agreement and one (1) original of each Easement Transfer Agreement to Buyer and to Seller. Subject to Section 3.1, all funds received in this Escrow shall be deposited in one or more general escrow accounts of the Escrow Holder with any major bank doing business in the Southern California area, and may be disbursed to any other general escrow account or accounts. All disbursements shall be according to that party's instructions.

6.3. Cost Allocations; Prorations; Closing Statement.

- a. **Cost Allocation.** Each party shall pay one-half (1/2) of the escrow fees. All recording fees shall be paid by Buyer.
- b. **Rent Proration.** Not less than three (3) business days prior to the Closing, Seller shall deliver a rent summary statement to Escrow Holder for each of the Leases. Escrow shall prorate the rental to Closing on the basis of a thirty (30) day month and a three hundred sixty (360) day year.
- c. **Closing Statement.** At least three (3) business days prior to the Closing Date, Escrow Holder shall furnish to each party with a preliminary closing statement for written. After Closing, Escrow Holder shall provide a final closing statement to each party.

7. LIQUIDATED DAMAGES. IF BUYER FAILS TO COMPLETE THE PURCHASE OF THE EASEMENTS AND LEASES AS PROVIDED IN THIS AGREEMENT, SELLER SHALL BE RELEASED FROM ITS OBLIGATION TO SELL THE LEASE INTEREST AND EASEMENTS TO BUYER. BUYER AND SELLER HEREBY ACKNOWLEDGE AND AGREE THAT IT WOULD BE IMPRACTICAL AND/OR EXTREMELY DIFFICULT TO FIX OR ESTABLISH THE ACTUAL DAMAGE SUSTAINED BY SELLER AS A RESULT OF SUCH DEFAULT BY BUYER, AND AGREE THAT THE DEPOSIT IS A REASONABLE APPROXIMATION THEREOF. ACCORDINGLY, IN THE EVENT THAT BUYER BREACHES THIS AGREEMENT BY DEFAULTING IN THE COMPLETION OF THE PURCHASE, THE DEPOSIT SHALL CONSTITUTE AND BE DEEMED TO BE THE AGREED LIQUIDATED DAMAGES OF SELLER, AND SHALL BE PAID BY BUYER TO SELLER AS SELLER'S SOLE AND EXCLUSIVE REMEDY. THE PAYMENT OF THE DEPOSIT AS LIQUIDATED DAMAGES IS NOT INTENDED TO BE A FORFEITURE OR PENALTY, BUT IS INTENDED TO CONSTITUTE LIQUIDATED DAMAGES TO SELLER

PURSUANT TO CALIFORNIA CIVIL CODE SECTIONS 1671, 1676 AND 1677. THE FOREGOING SHALL NOT APPLY TO ANY INDEMNITY PROVISIONS IN THIS AGREEMENT.

SELLER'S INITIALS: _____ BUYER'S INITIALS: _____

8. **CLOSING DATE; TIME IS OF ESSENCE.**

8.1. ***Closing Date.*** Unless otherwise extended in writing by the parties, Escrow shall close within _____ () days of the Opening of Escrow ("**Closing Date**"). The terms "**Close of Escrow**" and/or "**Closing**" are used herein to mean the date that the Easement Transfer Agreements are filed for recording in the Official Records of Los Angeles County, California.

8.2. ***Time is of Essence.*** Buyer and Seller specifically understand that time is of the essence.

8.3. ***Extensions.*** Seller and Buyer may authorize extensions of any deadline under this Agreement by written mutual agreement with a copy delivered to Escrow Holder. The Executive Director of Seller is authorized to execute any extensions on behalf of Seller.

9. **NON-COLLUSION.** No official, officer, or employee of Seller has any financial interest, direct or indirect, in this Agreement, nor shall any official, officer, or employee of Seller participate in any decision relating to this Agreement which may affect his/her financial interest or the financial interest of any corporation, partnership, or association in which (s)he is directly or indirectly interested, or in violation of any interest of any corporation, partnership, or association in which (s)he is directly or indirectly interested, or in violation of any State or municipal statute or regulation. The determination of "financial interest" shall be consistent with State law and shall not include interest found to be "remote" or "non-interest" pursuant to California Government Code Sections 1091 and 1091.5. Buyer warrants and represents that it has not paid or given, and will not pay or give, to any third party including, but not limited to, Seller or any of its officials, officers, or employees, any money, consideration, or other thing of value as a result or consequence of obtaining this Agreement. Buyer further warrants and represents that it has not engaged in any act(s), omission(s), or other conduct or collusion that would result in the payment of any money, consideration, or other thing of value to any third party including, but not limited to, any official, officer, or employee of Seller, as a result or consequence of obtaining this Agreement. Buyer is aware of and understands that any such act(s), omission(s) or other conduct resulting in the payment of money, consideration, or other thing of value will render this Agreement void and of no force or effect.

10. **REPRESENTATIONS AND WARRANTIES OF SELLER.** As of the Agreement Date, Seller represents and warrants to Buyer that, to the best of Seller's actual knowledge but without duty to investigate, each of the following:

a. This Agreement has been duly authorized and executed on behalf of Seller. As of the Opening of Escrow, this Agreement constitutes a valid and binding agreement, enforceable in accordance with its terms.

b. Seller is the sole owner of the Easements and Leases. Seller is not a party to any contract, agreement or commitment to sell, convey, assign, transfer or otherwise dispose of any portion or portions of the Easements or Leases.

c. With respect to the Lease Agreements, there is no default under the Lease Agreements by either Seller or Tenant.

Seller's representations and warranties in this Section shall survive Closing for one (1) year.

11. BROKER'S COMMISSION. Buyer and Seller each represent and warrant to the other that no third party is entitled to a broker's commission and/or finder's fee with respect to the transaction contemplated by this Agreement. Buyer and Seller each agree to indemnify and hold the other party harmless from and against all liabilities, costs, damages and expenses, including, without limitation, attorneys' fees, resulting from any claims or fees or commissions, based upon agreements by it, if any, to pay a broker's commission and/or finder's fee.

12. NOTICES. All notices shall be in writing and delivered personally, by overnight air courier service, by facsimile transmission or email, or by U.S. certified or registered mail, return receipt requested, postage prepaid, to the parties at their respective addresses set forth below, and the same shall be effective upon receipt if delivered personally, one (1) business day after depositing with an overnight air courier, or two (2) business days after depositing in the mail immediately, upon transmission (as confirmed by electronic confirmation of transmission generated by the sender's machine) for any notice given by facsimile or email:

If to Seller: Irwindale Successor Agency
5050 N. Irwindale Ave
Irwindale, CA 91706
Attn: Executive Director

With a copy to: Aleshire & Wynder, LLP
18881 Von Karman Ave., Suite 1700
Irvine, CA 92612
Attn: Fred Galante, Agency Counsel

If to Buyer: 4800 Rivergrade Chinese, LLC
4800 Rambeau Rivergrade Road, LLC
1718 Potrero Ave, Unit E
South El Monte, CA 90069
Attn: Caspar Chou & Mike Rambeau

With a copy to: Tepper & Associates,
9454 Wilshire Boulevard, Suite 800,
Beverly Hills, CA 90212
Attn: Foster Tepper, Esq.

13. MISCELLANEOUS.

13.1. *Assignment.* Neither party shall have the right to assign this Agreement or this Escrow without the prior written consent of the other party.

13.2. Binding Effect. The covenants herein shall bind and inure to the benefit of the executors, administrators, successors and assigns of the respective parties.

13.3. Integration. Seller and Buyer have not made any covenants, warranties or representations not set forth in this Agreement.

13.4. Merger. This Agreement constitutes the entire Agreement between the parties. This Agreement shall as to all prior drafts or forms exchanged between the parties or executed by the parties, be the sole effective agreement between them as to the transaction referenced herein.

13.5. Amendment. This Agreement shall not be amended unless in writing and executed by the parties.

13.6. Governing Law. This Agreement shall be construed according to the laws of the State of California.

13.7. Attorney Fees. In the event any action or suit is brought by a party hereto against another party under this Agreement, the prevailing party shall be entitled to recover the other party together with all costs and expenses incurred in the action.

13.8. Severability. If any term of this Agreement is held by a court of competent jurisdiction to be invalid or unenforceable, then this Agreement, including all of the remaining terms, will remain in full force and effect as if such invalid or unenforceable term had never been included.

13.9. Construction. In determining the meaning of, or resolving any ambiguity with respect to, any word, phrase or provision of this Agreement, no uncertainty or ambiguity shall be construed or resolved against a party under any rule of construction, including the party primarily responsible for the drafting and preparation of this Agreement. Headings used in this Agreement are provided for convenience only and shall not be used to construe meaning or intent. As used in this Agreement, masculine, feminine or neuter gender and the singular or plural number shall each be deemed to include the others wherever and whenever the context so dictates.

13.10. Qualification and Authority. Each individual executing this Agreement on behalf of Buyer represents, warrants and covenants to Seller that (a) such person is duly authorized to execute and deliver this Agreement on behalf of Buyer in accordance with authority granted under its organizational document, and (b) Buyer is bound under the terms of this Agreement.

13.11. No Waiver. The failure of either party to enforce any term, covenant, or condition of this Agreement on the date it is to be performed shall not be construed as a waiver of that party's right to enforce this, or any other, term, covenant, or condition of this Agreement at any later date or as a waiver of any term, covenant, or condition of this Agreement.

13.12. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original but all of which shall be deemed but one and the same instrument

13.13. Execution of Documents. The parties agree to execute such instructions to Escrow Holder and such other instruments and to do such further acts as may be reasonably necessary to carry out this Agreement.

13.14. Inducement. The making, execution and delivery of this Agreement by the parties hereto have been induced by no representations, statements, warranties or agreements other than those expressly set forth herein.

13.15. Relationship of Parties. Notwithstanding anything to the contrary contained herein, this Agreement shall not be deemed or construed to make the parties hereto partners or joint venturers, or to render either party liable for any of the debts or obligations of the other, it being the intention of the parties to merely create the relationship of Seller and Buyer with respect to the Property to be conveyed as contemplated hereby.

13.16. Force Majeure. If either party is delayed or prevented from performing any act required in this Agreement by reason of any event beyond the reasonable control of either party, including without limitation, by labor disputes, fire, unusual delay in deliveries, weather or acts of God, terrorism, delay in the issuance of permits or approvals, acts of governmental entities, unavoidable casualties or any other such causes beyond such party's control, then the time herein fixed for completion of such obligation(s) shall be extended by the number of days that such party has been delayed.

13.17. Exhibits. Exhibits A, B and C are attached hereto are incorporated herein by reference.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date and year first-above written.

REMINDER: Parties must initial Sections 7

BUYER:

4800 RIVERGRADE CHINESE, LLC,
a California limited liability company

By: _____
Caspar Chou, Manager

4800 RAMBEAU RIVERGRADE
ROAD, LLC, a California limited liability
company

By: _____
Mike Rambeau, Manager

HTZ TRUST, a California trust

By: _____
Name: _____

ESCROW HOLDER:

READ AND ACCEPTED:

Commonwealth Land Title Company

By: _____
Jenny Wong, Escrow Officer

Dated: _____, 2018

SELLER:

CITY OF IRWINDALE as Successor
Agency to the Irwindale Community
Redevelopment Agency, a public agency

By: _____
Mark A. Breceda, Chair

ATTEST:

Laura M. Nieto, CMC, Agency Secretary

APPROVED AS TO FORM:

ALESHIRE & WYNDER, LLP

By: _____
Fred Galante, Agency Counsel

EXHIBIT A

LEGAL DESCRIPTION OF REAL PROPERTY

That certain real property in the City of Irwindale, County of Los Angeles, State of California legally described as follows:

EXHIBIT B

ASSIGNMENT AND ASSUMPTION OF LEASE

THIS ASSIGNMENT AND ASSUMPTION OF LEASE ("**Assignment Agreement**") is dated as of _____, 2018, by and between the CITY OF IRWINDALE as Successor Agency to the IRWINDALE COMMUNITY REDEVELOPMENT AGENCY, a public agency ("**Assignor**"), and 4800 RIVERGRADE CHINESE, LLC, a California limited liability company, and 4800 RAMBEAU RIVERGRADE ROAD, LLC, a California limited liability company, and HTZ TRUST, a California trust (jointly "**Assignee**").

RECITALS

- A. [DESCRIBE LEASE]. ("**Lease**"). [DEFINE TENANT] ("**Tenant**").

- B. The Lease does not restrict Assignor's right to transfer its interest in the Lease.

- C. This Assignment Agreement is executed pursuant to that certain Purchase and Sale Agreement of Easement and Leases and Escrow Instructions dated May __, 2018 between the parties ("**PSA**") pursuant to which Assignor is also transferring rights under the Easement to Assignor which transfer agreement will be recorded in the Official Records of Los Angeles County, California ("**Easement Transfer Agreement**").

NOW, THEREFORE, in consideration of the mutual promises of the parties, and for other good and valuable consideration, the receipt and sufficiency of which are acknowledged, the parties agree as follows:

- 1. **Recitals.** All of the foregoing recitals are true and correct and are incorporated herein by reference.

- 2. **Effective Date.** This Assignment Agreement shall be effective upon recordation of the Easement Transfer Agreement in the Official Records of Los Angeles County pursuant to the PSA.

- 3. **Assignment.** As of the Effective Date, Assignor assigns, sells, conveys, and otherwise transfers to Assignee all of Assignor's interests, rights, and obligations under the Lease. Assignor indemnifies and holds Assignee harmless for any liabilities arising under the Lease prior to the date of this Assignment Agreement. As of the Effective Date, Assignor shall have no further liability under the Lease and Assignee shall indemnify and hold Assignor harmless for any liabilities under the Lease, and Assignee shall release Assignor from the performance of any such obligations, terms, covenants, and conditions under the Lease.

- 4. **Assumption.** As of the Effective Date, Assignee assumes all of Assignor's interests, rights, and obligations under the Lease arising after the Effective Date and assumes and agrees to perform all of Assignor's corresponding obligations, terms, covenants, and conditions under the Lease accruing from, and after the Effective Date and indemnifies and holds Assignor harmless for all obligations under the Lease.

- 5. **Due Execution.** The person(s) executing this Assignment Agreement on behalf

of the parties hereto warrant that: (i) such party is duly organized and existing; (ii) they are duly authorized to execute and deliver this Assignment Agreement on behalf of said party; (iii) by so executing this Assignment Agreement, such party is formally bound to the provisions of this Assignment Agreement; and (iv) the entering into of this Assignment Agreement does not violate any provision of any other agreement to which said party is bound.

6. Governing Law. This Assignment Agreement shall be construed according to the laws of the State of California.

7. Attorney Fees. In the event any action or suit is brought by a party hereto against another party under this Assignment Agreement, the prevailing party shall be entitled to recover the other party together with all costs and expenses incurred in the action.

IN WITNESS WHEREOF, the parties have executed this Assignment Agreement as of the Effective Date.

ASSIGNEE:

4800 RIVERGRADE CHINESE, LLC,
a California limited liability company

By: _____
Caspar Chou, Manager

4800 RAMBEAU RIVERGRADE
ROAD, LLC, a California limited liability
company

By: _____
Mike Rambeau, Manager

HTZ TRUST, a California trust

By: _____

ASSIGNOR:

CITY OF IRWINDALE as Successor
Agency to the Irwindale Community
Redevelopment Agency, a public agency

By: _____
Mark A. Breceda, Mayor

ATTEST:

Laura M. Nieto, CMC, Agency Secretary

APPROVED AS TO FORM:

ALESHIRE & WYNDER, LLP

By: _____
Fred Galante, Agency Counsel

EXHIBIT C
EASEMENT TRANSFER AGREEMENT

**FREE RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:**

CITY OF IRWINDALE
as Successor Agency
5050 Irwindale Avenue
Irwindale, California 91706
Attention: Executive Director

(Space Above This Line for Recorder's Office Use Only)

ASSIGNMENT OF EASEMENT

THIS ASSIGNMENT OF EASEMENT ("**Assignment Agreement**") is dated as of _____, 2018, by and between CITY OF IRWINDALE, AS SUCCESSOR AGENCY TO THE IRWINDALE COMMUNITY REDEVELOPMENT AGENCY, a public agency ("**Assignor**"), and 4800 RIVERGRADE CHINESE, LLC, a California limited liability company, and 4800 RAMBEAU RIVERGRADE ROAD, LLC, a California limited liability company, and HTZ TRUST, a California trust (jointly "**Assignee**").

RECITALS

- A. Assignor is the holder of that certain easement in gross under that certain Grant of Easement for _____ dated _____, 2018 executed by Assignee in favor of Assignor and recorded on _____, 2018 as Instrument No. _____ in the Official Records of Los Angeles County, California ("**Easement**").
- B. Assignor desires to transfer the Easement to Assignee who agrees to accept and assume same pursuant to the terms of this Assignment Agreement.

NOW, THEREFORE, in consideration of the mutual promises of the parties, and for other good and valuable consideration, the receipt and sufficiency of which are acknowledged, the parties agree as follows:

- 1. **Recitals.** All of the foregoing recitals are true and correct and are incorporated herein by reference.
- 2. **Effective Date.** This Assignment Agreement shall be effective upon its recordation in the Official Records of Los Angeles County, California.
- 3. **Assignment.** As of the Effective Date, Assignor assigns, sells, conveys, and otherwise transfers to Assignee all of Assignor's interests, rights, and obligations under the Easement. Assignor indemnifies and holds Assignee harmless for any liabilities arising under the Easement prior to the date of this Assignment Agreement. As of the Effective Date, Assignor shall have no further liability under the Easement and Assignee shall indemnify and hold Assignor harmless for any liabilities under the Easement, and Assignee shall release Assignor

from the performance of any such obligations, terms, covenants, and conditions under the Easement.

4. **Assumption.** As of the Effective Date, Assignee assumes all of Assignor's interests, rights, and obligations under the Easement arising after the Effective Date and assumes and agrees to perform all of Assignor's corresponding obligations, terms, covenants, and conditions under the Easement accruing from, and after the Effective Date and indemnifies and holds Assignor harmless for all obligations under the Easement.

5. **Due Execution.** The person(s) executing this Assignment Agreement on behalf of the parties hereto warrant that: (i) such party is duly organized and existing; (ii) they are duly authorized to execute and deliver this Assignment Agreement on behalf of said party; (iii) by so executing this Assignment Agreement, such party is formally bound to the provisions of this Assignment Agreement; and (iv) the entering into of this Assignment Agreement does not violate any provision of any other agreement to which said party is bound.

6. **Governing Law.** This Assignment Agreement shall be construed according to the laws of the State of California.

7. **Attorney Fees.** In the event any action or suit is brought by a party hereto against another party under this Assignment Agreement, the prevailing party shall be entitled to recover the other party together with all costs and expenses incurred in the action.

IN WITNESS WHEREOF, the parties have executed this Assignment Agreement as of the Effective Date.

ASSIGNEE:

4800 RIVERGRADE CHINESE, LLC,
a California limited liability company

By: _____
Caspar Chou, Manager

4800 RAMBEAU RIVERGRADE
ROAD, LLC, a California limited liability
company

By: _____
Mike Rambeau, Manager

HTZ TRUST, a California trust

By: _____

ASSIGNOR:

CITY OF IRWINDALE as Successor
Agency to the Irwindale Community
Redevelopment Agency, a public agency

By: _____
Mark A. Breceda, Mayor

ATTEST:

Laura M. Nieto, CMC, Agency Secretary

APPROVED AS TO FORM:

ALESHIRE & WYNDER, LLP

By: _____
Fred Galante, Agency Counsel

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy or validity of that document.

STATE OF CALIFORNIA)
)
COUNTY OF _____)

On _____, 2018, before me, _____, a Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify UNDER PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Notary in and for the State of California

[SEAL]



**OVERSIGHT BOARD
OF THE SUCCESSOR
AGENCY TO THE
IRWINDALE
COMMUNITY
REDEVELOPMENT
AGENCY**

LYDIA CANO
Rep. of County Board of
Education

LORETTA CORPIS
Rep. of Mayor of Irwindale

CAMILLE DIAZ
Rep. of Mayor of Irwindale

J. SUZIE HSI
Rep. of County Board of
Supervisors

BILL SCROGGINS
Rep. of Chancellor of
California Community
Colleges

TERESA VILLEGAS
Rep. of County Board of
Supervisors

VACANT
Rep. of Consolidated Fire
Protection District of Los
Angeles County

DATE: June 14, 2018

TO: Oversight Board of the Successor Agency to the Irwindale Community Redevelopment Agency

FROM: William Tam, Executive Director
Fred Galante, Agency Counsel

SUBJECT: Consideration of OB Resolution No. 2018-03-040 Approving the Purchase and Sale Agreement of Site No. 18 – **5223 Morada Street Property** of the Successor Agency's Long-Range Property Management Plan

Recommendation

That the Oversight Board adopt:

1. "A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE IRWINDALE COMMUNITY REDEVELOPMENT AGENCY APPROVING THE PURCHASE AND SALE AGREEMENT OF SITE NO. 18 – 5223 MORADA STREET PROPERTY OF THE SUCCESSOR AGENCY'S LONG-RANGE PROPERTY MANAGEMENT PLAN"

Background

On August 5, 2016, the California Department of Finance ("DOF") approved an amended Long-Range Property Management Plan ("LRPMP") for the disposition of 25 real estate assets transferred from the former Irwindale Community Redevelopment Agency to the Successor Agency following the February 1, 2012 dissolution of redevelopment in California. As required by law, the LRPMP was prepared to delineate the proposed disposition of each of the 25 real estate assets. Under the Dissolution Act, the Successor Agency has the option of: 1) selling the properties, 2) allowing the City to retain properties for economic development, or 3) transferring properties to the City as a governmental asset. In Irwindale's case, the LRPMP stipulates that 17 of the 25 assets will be sold, with the remaining 8 transferred to the City as governmental assets.

5223 Morada Street Property Purchase and Sale Agreement

The property located at 5223 Morada Street ("Property") was included in the Successor Agency's LRPMP, which indicated that the Successor

Agency would sell the Property to the Housing Authority for future affordable housing development.

The 0.23-acre Property (Los Angeles County Assessor's Parcel Number 8619-012-907) is in a residential neighborhood and zoned for Single-Family Residential (R1) in the Zoning Code. However, the Property has remained vacant for many years. Currently, the surrounding neighborhood lacks sufficient parking for existing residents. The City recognizes that developing additional housing on the site would only further exacerbate this problem. As a result, the City is now proposing to purchase the Property for its own municipal use, specifically as a public parking lot. Based on the proposed use of the Property, the value of the Property is nominal and therefore would be sold to the City for \$1.00.

Successor Agency counsel has drafted the attached purchase and sale agreement ("PSA") between the Successor Agency and City. With the review and approval by the Oversight Board, the sale may proceed under the terms outlined in the PSA.

The sale of the Property as surplus land does not compel any specific development or project, but any development thereon shall be subject to separate compliance with the California Environmental Quality Act ("CEQA") Guidelines when the project is presented to the City for consideration. Per the CEQA Guidelines, the sale of the Property is exempt from further review per Class 12 of the CEQA Guidelines, Section 15312, insofar as it pertains to the sale of surplus governmental property.

Fiscal Implications

Like any sale of Successor Agency properties, proceeds of the sale will be distributed back to the Successor Agency for payment of enforceable obligations and remittance to affected taxing agencies based on their share of the property taxes within the redevelopment project areas. The City may anticipate some costs for screening the property, which have yet to be determined.

ATTACHMENT: APPROVING RESOLUTION WITH EXHIBIT: PURCHASE AND SALE AGREEMENT – Morada Street

PREPARED BY: JIM SIMON, ECONOMIC DEVELOPMENT/SUCCESSOR AGENCY
CONSULTANT, RSG INC.
714.316.2120
jsimon@webrsg.com

DOMINIQUE CLARK, ECONOMIC DEVELOPMENT/SUCCESSOR AGENCY
CONSULTANT, RSG INC.
714.316.2143
dclark@webrsg.com

OVERSIGHT BOARD RESOLUTION NO. 2018-03-040

A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE IRWINDALE COMMUNITY REDEVELOPMENT AGENCY APPROVING THE PURCHASE AND SALE AGREEMENT OF SITE NO. 18 – 5223 MORADA STREET PROPERTY OF THE SUCCESSOR AGENCY’S LONG-RANGE PROPERTY MANAGEMENT PLAN

WHEREAS, pursuant to the dissolution of redevelopment agencies per Assembly Bill ("AB") X1 26 (Chapter 5, Statutes of 2011) and ABX1 27 (Chapter 6, Statutes of 2011), and subsequent legislation, AB 1484 (Chapter 26, Statutes of 2012) (altogether, "Dissolution Act"), the City of Irwindale ("City") adopted Resolution No. 2012-08-2547 on January 11, 2012, electing to serve as Successor Agency to the Irwindale Community Redevelopment Agency ("Successor Agency"); and

WHEREAS, the property located at 5223 Morada Street was included in the Successor Agency's Long-Range Property Management Plan ("LRPMP"), which was prepared pursuant to the Dissolution Act and described the proposed plans for disposition of all 25 properties owned by the Irwindale Community Redevelopment Agency at the time of redevelopment dissolution; and

WHEREAS, the LRPMP indicated that the Successor Agency would sell the Property; and

WHEREAS, on August 5, 2016, the City received notification from the California Department of Finance ("DOF") approving the Successor Agency's Amended LRPMP; and

WHEREAS, the LRPMP designated that the Property would be sold to the Irwindale Housing Authority; and

WHEREAS, given the undersupply of parking for residents in the neighborhood surrounding the Property, the City has opted to proceed with plans to acquire the property for its own public use, specifically as public parking lot, and the City will covenant to use the Property only as a public parking lot; and

WHEREAS, the proposed Purchase and Sale Agreement ("PSA") establishes that the intent is for the City to purchase the Property from the Successor Agency at the proposed price of \$1.00 given the proposed public use of the Property; and

WHEREAS, the PSA between the City and the Successor Agency to effectuate the sale of the Property is enclosed herewith as Exhibit "A".

NOW, THEREFORE, THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE IRWINDALE COMMUNITY REDEVELOPMENT AGENCY DOES HEREBY RESOLVE AS FOLLOWS:

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

Section 2. Approval of PSA. The Oversight Board hereby approves the Purchase and Sale Agreement with the City of Irwindale for the sale of the Property, located at 5223 Morada Street.

Section 3. The Oversight Board hereby finds that the sale of the Property is surplus governmental property and, as such, qualifies as exempt under Class 12 of the California Environmental Quality Act (“CEQA”) Guidelines, at Section 15312. The Development Services Director is directed to file the appropriate Notice of Exemption.

Section 4. The Executive Director is hereby authorized to transmit and submit this resolution to DOF for review.

PASSED AND ADOPTED at a special meeting of the Oversight Board of the Successor Agency to the Irwindale Community Redevelopment Agency, on the 14th day of June 2018, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Bill Scroggins, Chairman

ATTEST:

Laura Nieto, Secretary

EXHIBIT “A”

PURCHASE AND SALE AGREEMENT
5223 MORADA STREET – SITE NO. 18

**AGREEMENT FOR THE PURCHASE AND SALE OF REAL PROPERTY
MORADA ST. PROPERTY**

This AGREEMENT FOR THE PURCHASE AND SALE OF REAL PROPERTY – MORADA ST. PROPERTY (“**Agreement**”) is made this ____ day of May, 2018 (“**Agreement Date**”) by and between the IRWINDALE SUCCESSOR AGENCY, as successor to the former IRWINDALE COMMUNITY REDEVELOPMENT AGENCY (“**Successor Agency**”) and the CITY OF IRWINDALE, a municipal corporation (“**City**”).

RECITALS

A. Successor Agency is the fee owner of that certain vacant real property located in the City of Irwindale, Los Angeles County, California (APN 8619-012-907) commonly known as “Morada St. Property” and legally described in Exhibit A attached hereto and incorporated herein (“**Property**”).

B. The Property is owned by Successor Agency as a result of Health & Safety Code Section 34167.5. Successor Agency's predecessor in interest to the Property was the Irwindale Community Redevelopment Agency (“**Former RDA**”). On December 29, 2011, the California State Supreme Court issued a ruling on the constitutional validity of two 2011 legislative budget trailer bills, ABX1 26 (Chapter 5, Statutes of 2011) and ABX1 27 (Chapter 6, Statutes of 2011), which resulted in the outright dissolution of all 425 redevelopment agencies in the State of California. As part of that dissolution process, former redevelopment lands, like the Property, inured to successor agencies by operation of law. Moreover, the dissolution laws provide a process for the disposition and/or transfer of assets, including property holdings of the Former RDA. Subsequent legislation, AB 1484 (Chapter 26, Statutes of 2012), which was passed, signed, and enacted on June 28, 2012, made significant changes to the provisions of ABX1 26, including the process for asset management/disposition/transfers, which include preparation and approval of a Long Range Property Management Plan (“**LRPMP**”) by the Successor Agency and State Department of Finance (“**DOF**”).

C. The LRPMP was amended on June 1, 2016 and subsequently approved by the DOF on August 5, 2016. The LRPMP provides that the Property is to be disposed of for development consistent with the Former RDA Redevelopment Plan.

D. Upon acquisition of the Property, costs currently incurred by Successor Agency with respect to the Property will become the responsibility of City.

E. Successor Agency has used diligent efforts to attempt to sell the Property but has been unsuccessful with no interest of any kind in the Property.

F. The Property is undesirable for development due to its location off a narrow street and lack of access to offsite parking (“**Property Limitations**”).

G. City will covenant to use the Property only as a public parking facility (“**Public Purposes**”).

H. City and Successor Agency desire to enter into this Agreement to acknowledge the foregoing recitals and to provide for the sale of the Property by Successor Agency to City.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is acknowledged, the parties mutually agree as follows:

TERMS AND CONDITIONS

1. **INCORPORATION OF RECITALS.** The Recitals are an integral part of this Agreement and set forth the intentions of the parties and the premises on which the parties have decided to enter into this Agreement and are hereby incorporated herein.

2. **PURCHASE AND SALE OF PROPERTY.** City hereby agrees to purchase from Successor Agency, and Successor Agency agrees to sell to City the Property AS-IS together with all rights, privileges, easements, leases, licenses and interests appurtenant thereto, including, without limitation, all oil, gas, water and water rights.

3. **PURCHASE PRICE.** The purchase price for the Property shall be One Dollar (\$1.00) ("**Purchase Price**"). The Purchase Price has been determined by the parties considering the conveyance is (i) AS-IS and subject to any environmental issues; (ii) without representations or warranties; (iii) conveyed only by a quit claim deed; (iv) without title insurance being provided to City; (v) not marketable insofar as there has been a lack of interest in the Property as noted in Recital E; (vi) subject to the Property Limitations; and (vii) subject to the City's covenant that the Property will be used solely for the Public Purposes.

4. **PAYMENT OF PURCHASE PRICE.** City shall pay Successor Agency the Purchase Price for the Property upon delivery of the Quit Claim Deed by Successor Agency to City in the form attached hereto as Exhibit B to be delivered as set forth in Section 5 ("**Quit Claim Deed**").

5. **CLOSING.**

5.1 No escrow. No Escrow will be required under this Agreement. Provided City does not terminate this Agreement pursuant to Section 9, the parties shall consummate this transaction within fifteen (15) days from the Agreement Date ("**Closing**"), by Successor Agency executing, acknowledging and delivering the Quit Claim Deed to City in accordance with the requirements of Section 6.

5.2 Recordation. Promptly following Successor Agency's delivery of the Quit Claim Deed, City shall (i) execute the Certificate of Acceptance and attach it to the Quit Claim Deed and submit it for recordation with the Los Angeles County Records and (ii) deliver the Purchase Price to Successor Agency. It is the intent of the parties that the closing occur no later than thirty (30) days from the Agreement Date.

5.3 Insurance. Except as otherwise provided herein, insurance policies for fire or casualty, if any, are not to be transferred, and Successor Agency agrees to maintain all current fire or casualty policies in force until City has accepted the Quit Claim Deed, at which time Successor Agency may cancel said policies.

6. **CONDITION OF TITLE; POSSESSION.**

6.1 Title. Successor Agency shall convey by Quit Claim Deed to City fee simple title to the Property. The parties agree that no title insurance will be provided at Closing and City waives its right to acquire same and understands the risk of such decision.

6.2 Possession. At the Closing, Successor Agency shall deliver possession of the Property to City free and clear of any possessory interests.

7. **NO REPRESENTATIONS AND WARRANTIES.** Successor Agency makes no representations and warranties to City. Prior to its acquisition, City shall make its own investigation of the Property pursuant to Section 9.

8. **NO ESCROW INSTRUCTIONS; COSTS.**

8.1 No Escrow Instructions. Because this Agreement is being entered into by two related entities, there will be no independent escrow required.

8.2 General Provisions and Costs. Any costs related to the transfer and recordation of the Property shall be borne solely by City.

9. **ENTRY FOR INVESTIGATION.** For a period of ten (10) days following the Agreement Date ("**Inspection Period**"), Successor Agency grants to City, its agents and employees a limited license to enter upon the Property for the purpose of conducting engineering surveys, soil tests, investigations or other studies reasonably necessary to evaluate the condition of the Property, which studies, surveys, investigations and tests shall be done at Successor Agency's sole cost and expense. As a condition to City's entry, inspection or testing, City shall keep the Property free and clear of all materialmen's liens, lis pendens and other liens arising out of the entry and work performed under this Agreement. If City disapproves the condition of the Property, City shall have the right to terminate this Agreement provided City delivers written notice of termination to Successor Agency prior to the end of the Inspection Period.

10. **MISCELLANEOUS.**

10.1 No Conflict of Interest. No officer or employee of City or Successor Agency shall have any financial interest, direct or indirect, in this Agreement nor shall any such officer or employee participate in any decision relating to the Agreement which effects his financial interest or the financial interest of any corporation, partnership or association in which he is, directly or indirectly, interested, in violation of any State statute or regulation. Successor Agency and City each warrant that it has not paid or given and will not pay or give any third party any money or other consideration for obtaining this Agreement.

10.2 Notices. Any notice which either party may desire to give to the other party must be in writing and may be given by personal delivery, facsimile or by mailing the same by U.S. mail to the party to whom the notice is directed at the address of such party at 5050 N. Irwindale Avenue, Irwindale, CA 91706.

10.3 Interpretation; Governing Law. This Agreement shall be construed according to its fair meaning and as if prepared by both parties. This Agreement shall be construed in accordance with the laws of the State of California in effect at the time of the execution of this Agreement. Titles and captions are for convenience only and shall not constitute a portion of this Agreement.

As used in this Agreement, masculine, feminine or neutral gender and the singular or plural number shall each be deemed to include the others wherever and whenever the context so dictates.

10.4 No Waiver. No delay or omission by either party hereto in exercising any right or power accruing upon the compliance or failure of performance by the other party under the provisions of this Agreement shall impair any such right or power or be construed to be a waiver thereof. A waiver by either party of a breach of any of the covenants, conditions or agreements hereof to be performed by the other party shall not be construed as a waiver of any succeeding breach of the same or other covenants, agreements, restrictions or conditions.

10.5 Amendment. None of the terms and provisions hereof shall be altered or amended unless in writing and signed by the parties.

10.6 Severability. If any term, provision, condition or covenant of this Agreement or the application thereof to any party or circumstances shall, to any extent, be held invalid or unenforceable, the remainder of this instrument, or the application of such term, provisions, condition or covenant to persons or circumstances other than those as to whom or which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

10.7 Merger of Prior Agreements and Understandings. This Agreement and other documents incorporated herein by reference contain the entire understanding between the parties relating to the transaction contemplated by this Agreement and all prior to contemporaneous agreements, understandings, representations and statements, oral or written, are merged herein and shall be of no further force or effect.

10.8 Time of Essence. Time is of the essence of this Agreement and of the transfer of title to the Property.

10.9 Execution in Counterparts. This Agreement may be executed in several counterparts, and all so executed shall constitute one agreement binding on both parties, notwithstanding that both parties are not signatories to the original or the same counterpart.

10.10 Attorney's Fees. In the event any action or suit is brought by a party hereto against another party hereunder by reason of any breach of any of the covenants, agreements or provisions on the part of the other party arising out of this Agreement, then in that event the prevailing party shall be entitled to have and recover from the other party all costs and expenses of the action or suit, including actual attorneys' fees, expert witness fees, accounting and engineering fees, and any other professional fees resulting therefrom.

10.11 Incorporation of Exhibits. Exhibits A & B attached hereto are incorporated herein by reference.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date set forth above.

CITY:

CITY OF IRWINDALE, a municipal corporation

By: _____
Mark A. Breceda, Mayor

SUCCESSOR AGENCY:

IRWINDALE SUCCESSOR AGENCY, as successor to the former IRWINDALE COMMUNITY REDEVELOPMENT AGENCY

By: _____
Mark A. Breceda, Chairman

ATTEST:

Laura M. Nieto, CMC, Deputy City Clerk

APPROVED AS TO FORM:

ALESHIRE & WYNDER, LLP

By: _____
Fred Galante, City Attorney

ATTEST:

Laura M. Nieto, CMC, Agency Secretary

APPROVED AS TO FORM:

ALESHIRE & WYNDER, LLP

By: _____
Fred Galante, Agency Counsel

EXHIBIT A

LEGAL DESCRIPTION OF PROPERTY

That certain real property in the City of Irwindale, County of Los Angeles, State of California legally described as follows:

LOTS 8 AND 9 OF TRACT NO. 4316, IN THE CITY OF IRWINDALE, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 50, PAGE(S) 5 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

APN: 8619-012-907

EXHIBIT B
QUIT CLAIM DEED

FREE RECORDING REQUESTED BY
AND WHEN RECORDED RETURN TO:

CITY OF IRWINDALE
5050 N. Irwindale Avenue
Irwindale, CA 91706
Attn: City Manager

APN. 8619-012-907

(Space Above This Line for Recorder's Office Use Only)
(Exempt from Recording Fee per Gov. Code §6103)

THE UNDERSIGNED GRANTOR DECLARES that the
documentary transfer tax is \$0 under R&T Code §11922.

QUIT CLAIM DEED

FOR A VALUABLE CONSIDERATION, the receipt of which is hereby acknowledged and subject to the covenants specified below, the IRWINDALE SUCCESSOR AGENCY, as successor to the former IRWINDALE COMMUNITY REDEVELOPMENT AGENCY ("**Grantor**") remises, releases and quit claims forever without representation or warranty of any kind to the CITY OF IRWINDALE, a municipal corporation ("**Grantee**") that certain real property (Assessor Parcel No. 8619-012-907) in the City of Irwindale, County of Los Angeles, State of California, as more particularly described in Attachment No. 1 attached hereto and incorporated herein by reference ("**Property**").

A. Use Covenant. As material consideration for this conveyance, Grantee covenants for itself and any successors in interest that the Property will be used solely for public purposes which may include a (i) public works maintenance yard to accommodate the operation and maintenance of streets, traffic signs, pavement markings and striping, storm drains, and graffiti removal and (ii) for a limited volume transfer station at the Property to provide temporary storage for broken furniture, appliances, inert material, tires, and trash collected from streets.

B. Covenant of Non-Discrimination. Grantee agrees to refrain from restricting the rental, sale, or lease of any portion of the Property on the basis of race, color, creed, religion, sex, marital status, age, ancestry, or national origin of any person. All such deeds, leases, or contracts shall contain or be subject to substantially the following nondiscrimination or non-segregation clauses:

(a) **Deeds:** In deeds the following language shall appear: "The grantee herein covenants by and for itself, its heirs, executors, administrators, and assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of any person or group of persons on account of race, color, creed, religion, sex, marital status, age, ancestry, or national origin in the sale, lease, rental, sublease, transfer, use, occupancy, tenure, or enjoyment of the land herein conveyed, nor shall the grantee itself, or any persons claiming under or through it, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy of tenants, lessees, subtenants, sublessees, or vendees in the land herein conveyed. The foregoing covenants shall run with the land."

(b) **Leases:** In leases the following language shall appear: "The lessee herein covenants by and for itself, its heirs, executors, administrators, successors, and assigns, and all persons claiming

under or through them, and this lease is made and accepted upon and subject to the following conditions:

"That there shall be no discrimination against or segregation of any person or group of persons on account of race, color, creed, religion, sex, marital status, age, ancestry, or national origin in the leasing, subleasing, renting, transferring, use, occupancy, tenure, or enjoyment of the land herein leased nor shall the lessee itself, or any person claiming under or through it, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy of tenants, lessees, sublessees, subtenants, or vendees in the land herein leased."

(c) **Contracts:** In contracts pertaining to conveyance of the realty the following language shall appear: "There shall be no discrimination against or segregation of any person or group of persons on account of race, color, creed, religion, sex, marital status, age, ancestry, or national origin in the sale, lease, rental, sublease, transfer, use, occupancy, tenure, or enjoyment of the land, nor shall the transferee itself, or any person claiming under or through it, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy of tenants, lessees, subtenants, sublessees, or vendees of the land."

The forgoing covenants shall remain in effect in perpetuity.

IN WITNESS WHEREOF, Grantor has caused this instrument to be executed on its behalf by its officers or agents hereunto as of the date below.

"GRANTOR"

Dated: _____, 2018

IRWINDALE SUCCESSOR AGENCY, as
successor to the former IRWINDALE
COMMUNITY REDEVELOPMENT AGENCY

By _____
Mark A. Breceda, Chairman

ATTEST:

Laura M. Nieto, CMC, Agency Secretary

APPROVED AS TO FORM:

ALESHIRE & WYNDER, LLP

By: _____
Fred Galante, Agency Attorney

CERTIFICATE OF ACCEPTANCE

This is to certify that the interest in real property conveyed by the Quit Claim Deed dated _____, 2018, from the IRWINDALE SUCCESSOR AGENCY, as successor to the former IRWINDALE COMMUNITY REDEVELOPMENT AGENCY, is hereby accepted by the undersigned officer on behalf of CITY OF IRWINDALE pursuant to authority conferred by City Council of City of Irwindale pursuant to that certain AGREEMENT FOR THE PURCHASE AND SALE OF REAL PROPERTY – MORADA ST. PROPERTY approved on _____, 2018, and Grantee consents to recordation thereof by its duly authorized officer.

Dated: _____, 2018

GRANTEE:

CITY OF IRWINDALE, a municipal corporation

By: _____
William Tam, City Manager

ATTACHMENT NO. 1

LEGAL DESCRIPTION OF THE PROPERTY

The real property in the City of Irwindale, County of Los Angeles, State of California legally described as follows:

LOTS 8 AND 9 OF TRACT NO. 4316, IN THE CITY OF IRWINDALE, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 50, PAGE(S) 5 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

APN: 8619-012-907



**OVERSIGHT BOARD
OF THE SUCCESSOR
AGENCY TO THE
IRWINDALE
COMMUNITY
REDEVELOPMENT
AGENCY**

LYDIA CANO
Rep. of County Board of
Education

LORETTA CORPIS
Rep. of Mayor of Irwindale

CAMILLE DIAZ
Rep. of Mayor of Irwindale

J. SUZIE HSI
Rep. of County Board of
Supervisors

BILL SCROGGINS
Rep. of Chancellor of
California Community
Colleges

TERESA VILLEGAS
Rep. of County Board of
Supervisors

VACANT
Rep. of Consolidated Fire
Protection District of Los
Angeles County

DATE: June 14, 2018

TO: Oversight Board of the Successor Agency to the Irwindale Community Redevelopment Agency

FROM: William Tam, Executive Director
Fred Galante, Agency Counsel

SUBJECT: OB Resolution No. 2018-04-41 Approving a Bond Expenditure Agreement

Recommendation

That the Oversight Board adopt:

1. "A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE IRWINDALE COMMUNITY REDEVELOPMENT AGENCY APPROVING A BOND EXPENDITURE AGREEMENT BETWEEN THE CITY OF IRWINDALE AND THE SUCCESSOR AGENCY TO THE IRWINDALE COMMUNITY REDEVELOPMENT AGENCY"

Background

The former Irwindale Community Redevelopment Agency issued Housing Tax Allocation Parity Bonds in 2005. As of the last accounting, \$2,698,542 remains as excess bond proceeds from the Bonds ("Excess Bond Proceeds").

The Successor Agency is proposing a Bond Expenditure Agreement between the City of Irwindale ("City") and the Successor Agency to the Irwindale Community Redevelopment Agency ("Successor Agency") that authorizes the transfer of all unspent Excess Bond Proceeds from the Successor Agency to the City in order to complete projects and activities consistent with the bond covenants. Up to \$3 million of current bond proceeds is authorized for transfer to account for changing balances due to interest.

The attached Bond Expenditure Agreement is a master agreement authorizing the City to spend excess bond proceeds transferred from the Successor Agency on the projects and programs permitted by the original bond covenants. In accordance with the Official Statement for the bonds, the Excess Bond Proceeds may be spent on low- and moderate-income housing activities. Allowing the City to implement affordable housing projects with the excess bond proceeds will

advance the City's community development goals by preserving, improving, and increasing the City's supply of affordable housing.

The proposed Bond Expenditure Agreement will be sent to the Department of Finance ("DOF") for its review. If approved by DOF, the Successor Agency will request the transfer of all remaining bond proceeds from the Successor Agency to the City on the Recognized Obligation Payment Schedule ("ROPS") 19-20. After the transfer is approved on the ROPS, the City may spend Excess Bond Proceeds on eligible housing projects without further DOF review and approval.

Fiscal Implications

Approval of the Bond Expenditure Agreement will result in the transfer of approximately \$2.7 million in Excess Bond Proceeds from the Successor Agency to the City to finance affordable housing activities.

ATTACHMENT: APPROVING RESOLUTION WITH EXHIBIT: BOND EXPENDITURE AGREEMENT

PREPARED BY: JIM SIMON, ECONOMIC DEVELOPMENT/SUCCESSOR AGENCY
CONSULTANT, RSG INC.
714.316.2120
jsimon@webrsg.com

DOMINIQUE CLARK, ECONOMIC DEVELOPMENT/SUCCESSOR AGENCY
CONSULTANT, RSG INC.
714.316.2143
dclark@webrsg.com

OVERSIGHT BOARD RESOLUTION NO. 2018-04-41

A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE IRWINDALE COMMUNITY REDEVELOPMENT AGENCY APPROVING A BOND EXPENDITURE AGREEMENT BETWEEN THE CITY OF IRWINDALE AND THE SUCCESSOR AGENCY TO THE FORMER IRWINDALE COMMUNITY REDEVELOPMENT AGENCY

WHEREAS, pursuant to the dissolution of redevelopment agencies per Assembly Bill ("AB") X1 26 (Chapter 5, Statutes of 2011) and ABX1 27 (Chapter 6, Statutes of 2011), and subsequent legislation, AB 1484 (Chapter 26, Statutes of 2012) (altogether, "Dissolution Act"), the City of Irwindale ("City") adopted Resolution No. 2012-08-2547 on January 11, 2012, electing to serve as Successor Agency to the Irwindale Community Redevelopment Agency ("Successor Agency"); and

WHEREAS, AB 1484 established new post-compliance provisions permitting successor agencies to perform certain actions upon receiving a Finding of Completion from the California Department of Finance ("DOF"); and

WHEREAS, the Successor Agency received its Finding of Completion under Health and Safety Code Section 34179.7 from DOF on April 26, 2013; and

WHEREAS, Health and Safety Code Section 34191.4(c) allows a successor agency that has received a finding of completion to use bond proceeds from bonds issued prior to December 31, 2010 ("Bond Proceeds") for purposes for which the bonds were sold, provided that Bond Proceeds in excess of amounts needed to satisfy approved enforceable obligations as defined in Health and Safety Code Section 34171(d) ("Excess Bond Proceeds") shall be expended in a manner consistent with the original bond covenants, and further provides that such expenditures shall constitute excess bond proceeds obligations within the meaning of Health and Safety Code Section 34191.4(c)(1)(A) that shall be listed separately on the successor agency's Recognized Obligation Payment Schedule ("ROPS"); and

WHEREAS, as of its last accounting, the Successor Agency has determined it is holding Excess Bond Proceeds in the amount up to \$3,000,000 that are not otherwise obligated for a project or other enforceable obligations from the former Irwindale Community Redevelopment Agency's 2005 Housing Tax Allocation Parity Bonds, which refunded obligations originally issued prior to December 31, 2010; and

WHEREAS, the Successor Agency desires to provide Excess Bond Proceeds to the City to enable the City to use such funds in a manner consistent with the original bond covenants to undertake projects and programs that were not previously funded and obligated by Successor Agency or the City; and

WHEREAS, the City and Successor Agency desire to approve a Bond Expenditure Agreement (“Agreement”) attached as Exhibit “A” between the City and Successor Agency; and

WHEREAS, the Agreement would advance the City’s community development goals while maximizing fiscal and social benefits flowing to the taxing entities from successful development. The City Council has found that the use of Excess Bond Proceeds to fund projects permitted in the Agreement is in accordance with Health and Safety Code Sections 33445, 33445.1, and 33679, the original bond covenants, and other applicable laws.

NOW, THEREFORE, THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE IRWINDALE COMMUNITY REDEVELOPMENT AGENCY DOES HEREBY RESOLVE AS FOLLOWS:

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

Section 2. Determination & Approval. The expenditure of Excess Bond Proceeds in accordance with the Agreement will benefit the affected taxing entities, and the Oversight Board herein approves the execution of the Agreement attached as Exhibit “A” and the provision of Excess Bond Proceeds to the City for the purposes described.

Section 4. The Executive Director is hereby authorized to transmit and submit this resolution to DOF for review.

PASSED AND ADOPTED at a special meeting of the Oversight Board of the Successor Agency to the Irwindale Community Redevelopment Agency, on the 14th day of June 2018, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Bill Scroggins, Chairman

ATTEST:

Laura Nieto, Secretary

EXHIBIT “A”

BOND EXPENDITURE AGREEMENT

BOND EXPENDITURE AGREEMENT

This Bond Expenditure Agreement (the “Agreement”) is entered effective _____, 2018, by and between the City of Irwindale, a municipal corporation (the “City”), and the Successor Agency to the Irwindale Community Redevelopment Agency, successor agency to the Irwindale Community Redevelopment Agency under Health and Safety Code Section 34173 (“Successor Agency”) pursuant to City Council Resolution No. _____, Successor Agency Resolution No. _____, and the Irwindale Oversight Board Resolution No. _____.

Recitals

A. The Successor Agency received its Finding of Completion under Health and Safety Code Section 34179.7 from the California Department of Finance on April 26, 2013.

B. Health and Safety Code Section 34191.4(c) allows a successor agency that has received a finding of completion to use bond proceeds from bonds issued prior to December 31, 2010 (“Bond Proceeds”) for purposes for which the bonds were sold, provided that Bond Proceeds in excess of amounts needed to satisfy approved enforceable obligations as defined in Health and Safety Code Section 34171(d) (“Excess Bond Proceeds”) shall be expended in a manner consistent with the original bond covenants, and further provides that such expenditures shall constitute “excess bond proceeds obligations” that shall be listed separately on the successor agency’s Recognized Obligation Payment Schedule (“ROPS”).

C. The Successor Agency has Excess Bond Proceeds from the Successor Agency’s 2005 Taxable Housing Tax Allocation Parity Bonds (“2005 Bonds”). The Successor Agency wishes to use such Excess Bond Proceeds for redevelopment purposes consistent with applicable bond covenants.

D. The California Community Redevelopment Law (Health and Safety Code Section 33000, et seq.) provides for a cooperative relationship between cities and their redevelopment agencies, as well as their successor agencies who have assumed the duties and obligations of the former redevelopment agencies. Under Health and Safety Code Section 33220, a city may aid and cooperate in the planning, undertaking, construction, or operation of redevelopment projects. Health and Safety Code Section 33220(e) specifically authorizes a city to enter into an agreement with its redevelopment agency or any other public entity to further redevelopment purposes. Health and Safety Code Section 34178 allows a successor agency and its sponsoring city to enter into agreements with the approval of the oversight board.

E. The Successor Agency desires to provide Excess Bond Proceeds to the City to enable the City to use such funds, in a manner consistent with the original bond covenants; to undertake projects and programs that were not previously funded and obligated by the Successor Agency or the City. The transfer of these funds to the City would advance the City’s community

development goals while maximizing fiscal and social benefits flowing to the taxing entities from successful development. The City Council has found that the use of Excess Bond Proceeds to fund projects is in accordance with Health and Safety Code Sections 33445, 33445.1, and 33679, the bond covenants, and other applicable law. The Oversight Board to the Successor Agency has determined that the expenditure of Excess Bond Proceeds in accordance with this Agreement will benefit the affected taxing entities, and has approved the execution of this Agreement and the provision of Excess Bond Proceeds to the City for the purposes described herein.

F. In order to facilitate the use of Excess Bond Proceeds consistent with the bond covenants, the Successor Agency and the City have negotiated this Agreement requiring the transfer of current Excess Bond Proceeds by the Successor Agency to the City, and the City's use of such proceeds consistent with applicable bond covenants. The parties intend that this Agreement shall constitute an excess bond proceeds obligation within the meaning of Health and Safety Code Section 34191.4(c)(1)(A) ("Excess Bond Proceeds Obligation") to be paid from Excess Bond Proceeds. Upon approval by the Oversight Board, the Successor Agency will list this Agreement, and the requirement to transfer Excess Bond Proceeds herein, on its ROPS for Fiscal Year 2019-20 ("ROPS 19-20") as an Excess Bond Proceeds Obligation. The California Department of Finance shall review such listing pursuant to its statutory right of review and approval of a ROPS.

NOW, THEREFORE, the parties hereto do mutually agree as follows:

1. RECITALS

The recitals above are an integral part of this Agreement and set forth the intentions of the parties and the premises on which the parties have decided to enter into this Agreement.

2. SUCCESSOR AGENCY'S OBLIGATIONS

The Successor Agency shall have the following obligations under this Agreement:

2.1. **CURRENT EXCESS BOND PROCEEDS.** The Successor Agency shall transfer to the City Excess Bond Proceeds held by the Successor Agency in an amount of up to \$3,000,000.

2.2. **FUTURE EXCESS BOND PROCEEDS.** The Successor Agency shall transfer to the City all future Excess Bond Proceeds held or received by the Successor Agency. Such future Excess Bond Proceeds shall include, without limitation, (1) Bond Proceeds previously obligated to a project or other Enforceable Obligation that become unobligated for any reason, (2) Bond Proceeds that become available in the form of rents, sale proceeds, loan repayments, or other revenues that are generated by properties or other assets acquired and/or improved with Bond Proceeds and that are not otherwise obligated to a project or other Enforceable Obligation, and (3) any other funds held by the Successor Agency that qualify as Excess Bond Proceeds under this Agreement. For purposes of this Agreement, "Enforceable Obligation" shall have the meaning ascribed to such term in Health and Safety Code Section 34171(d).

The parties intend that payments of future Excess Bond Proceeds be made to the City as soon as possible after such Excess Bond Proceeds become available. The transfer of future Excess Bond Proceeds shall be made pursuant to an approved ROPS before the end of the relevant

ROPS period. The Successor Agency shall be responsible for ensuring that payments of future Excess Bond Proceeds, as such funds become available, are included on the next possible ROPS.

2.3. PROJECTS FUNDED BY EXCESS BOND PROCEEDS. The Successor Agency assigns to the City all responsibilities in relation to the administration of any projects or programs funded by Excess Bond Proceeds. The Successor Agency assigns to the City all contracts entered into by the Successor Agency or the former Irwindale Community Redevelopment Agency related to activities to be funded by Excess Bond Proceeds.

3. CITY'S OBLIGATIONS

The City shall have the following obligations under this Agreement:

3.1. RETENTION OF EXCESS BOND PROCEEDS. The City shall accept, hold, and disburse Excess Bond Proceeds transferred to the City by the Successor Agency under this Agreement, including current Excess Bond Proceeds and future Excess Bond Proceeds. The City shall retain any Excess Bond Proceeds that it receives, such as revenue generated from properties acquired or improved with Excess Bond Proceeds or payments on loans funded from Excess Bond Proceeds, without any obligation to return such funds to the Successor Agency, and shall use such funds for uses consistent with applicable bond covenants and applicable law.

3.2. USE OF EXCESS BOND PROCEEDS. The City may spend Excess Bond Proceeds received or retained under this Agreement on any project, program, or activity consistent with the original bond covenants applicable to the particular Excess Bond Proceeds, and must comply with all requirements of federal tax law and all applicable requirements of the California Community Redevelopment Law as to the use of such funds. The City shall be solely responsible for ensuring that Excess Bond Proceeds are maintained and spent in accordance with bond covenants and other applicable laws. The City may transfer funds between approved projects, programs and activities, as long as the transfer is within a single project area if applicable bond covenants restrict such funds to a particular project area.

The City shall indemnify and defend the Successor Agency, and its officers and agents, against, and shall hold, and its officers and agents, harmless from, any claims, causes of action, or liabilities arising from the misuse of Excess Bond Proceeds by the City or the failure of the City to ensure that Excess Bond Proceeds are used in accordance with bond covenants, federal tax law, and the California Community Redevelopment Law.

The City assumes all contracts entered into by the Successor Agency or the former Irwindale Community Redevelopment Agency related to activities to be funded by Excess Bond Proceeds. The City shall perform its obligations hereunder, and under such assumed contracts, in accordance with the applicable provisions of federal, state and local laws, including the obligation to comply with environmental laws such as CEQA, and shall timely complete the work required for each project.

4. ENTIRE AGREEMENT; WAIVERS; AND AMENDMENTS

4.1. This Agreement constitutes the entire understanding and agreement of the parties with respect to the transfer and use of Excess Bond Proceeds. This Agreement integrates all of the

terms and conditions mentioned herein or incidental hereto, and supersedes all negotiations or previous agreements between the parties with respect to the subject matter of this Agreement.

4.2. This Agreement is intended solely for the benefit of the City and the Successor Agency. Notwithstanding any reference in this Agreement to persons or entities other than the City and the Successor Agency, there shall be no third party beneficiaries under this Agreement.

4.3. All waivers of the provisions of this Agreement and all amendments to this Agreement must be in writing and signed by the authorized representatives of the parties.

5. SEVERABILITY

If any term, provisions, covenant or condition of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the provisions shall continue in full force and effect unless the rights and obligations of the parties have been materially altered or abridged by such invalidation, voiding or unenforceability. In addition, the parties shall cooperate in good faith in an effort to amend or modify this Agreement in a manner such that the purpose of any invalidated or voided provision, covenant, or condition can be accomplished to the maximum extent legally permissible.

6. DEFAULT

If either party fails to perform or adequately perform an obligation required by this Agreement within thirty (30) calendar days of receiving written notice from the non-defaulting party, the party failing to perform shall be in default hereunder. In the event of default, the non-defaulting party will have all the rights and remedies available to it at law or in equity to enforce the provisions of this contract, including without limitation the right to sue for damages for breach of contract or to seek specific performance. The rights and remedies of the non-defaulting party enumerated in this paragraph are cumulative and shall not limit the non-defaulting party's rights under any other provision of this Agreement, or otherwise waive or deny any right or remedy, at law or in equity, existing as of the date of the Agreement or hereinafter enacted or established, that may be available to the non-defaulting party against the defaulting party.

7. BINDING ON SUCCESSORS

This Agreement shall be binding on and shall inure to the benefit of all successors and assigns of the parties, whether by agreement or operation of law.

8. FURTHER ASSURANCES

Each party agrees to execute, acknowledge and deliver all additional documents and instruments, and to take such other actions as may be reasonably necessary to carry out the intent of this Agreement.

[SIGNATURES ON NEXT PAGE]

In witness whereof, the undersigned parties have executed this Bond Expenditure Agreement effective as of the date first above written.

“CITY”

THE CITY OF IRWINDALE,
a municipal corporation

By: _____
City Manager

Attest:
By: _____
City Clerk

Approved as to form:

By: _____
City Attorney

“SUCCESSOR AGENCY”

THE SUCCESSOR AGENCY TO THE IRWINDALE COMMUNITY DEVELOPMENT AGENCY, successor agency to the Irwindale Community Redevelopment Agency under Health and Safety Code Section 34173

By: _____
Agency Chair

Attest:
By: _____
Agency Secretary

Approved as to form:

By: _____
Agency Counsel