

REDEVELOPMENT AGENCY OF THE
CITY OF EL PASO DE ROBES

RESOLUTION NO. RA 87-09

A RESOLUTION OF THE REDEVELOPMENT AGENCY OF THE CITY OF EL PASO DE ROBLES APPROVING THE AGREEMENT BETWEEN THE AGENCY, THE COUNTY OF SAN LUIS OBISPO, THE SAN LUIS OBISPO COUNTY AIR POLLUTION CONTROL DISTRICT AND THE SAN LUIS OBISPO COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT REGARDING ALLEVIATION OF FINANCIAL BURDEN OR DETRIMENT

WHEREAS, the City of El Paso de Robles is considering adoption of a Redevelopment Plan ("Redevelopment Plan") for the Paso Robles Redevelopment Project Area (the "Redevelopment Project"); and

WHEREAS, the El Paso de Robles Redevelopment Agency has prepared a proposed Redevelopment Plan for the Paso Robles Redevelopment Project Area and has heretofore approved the Redevelopment Plan; and

WHEREAS, the Redevelopment Agency of the City of El Paso de Robles ("Agency") has submitted the Redevelopment Plan for fiscal review by a committee of the agencies levying property taxes within the Redevelopment Project Area and the Fiscal Review Committee has submitted its report to the Agency; and

WHEREAS, the Agency has considered the detriment to the taxing agencies pursuant to the evidence submitted by said taxing agencies through the Fiscal Review Committee and has entered into memoranda of understanding with each taxing agency; and

WHEREAS, an agreement has been presented between the County of San Luis Obispo, the Flood Control District, and the Air and Water Control District to finalize the agreements of the parties.

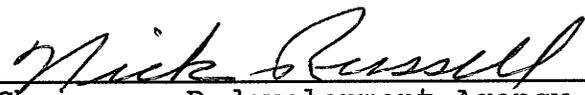
NOW, THEREFORE, BE IT RESOLVED, DETERMINED, AND ORDERED BY THE REDEVELOPMENT AGENCY OF THE CITY OF EL PASO DE ROBLES AS FOLLOWS:

Section 1. The Agency hereby approves the Agreement titled "Agreement Between the Redevelopment agency of the City of El Paso de Robles and the County of San Luis Obispo, the San Luis Obispo County Air Pollution Control District and the San Luis Obispo County Flood Control and Water Conservation District Regarding Alleviation of Financial Burden or Detriment", labeled Exhibit "A" which is attached hereto and incorporated herein by reference, together with such changes as may be approved by the Executive Director and Agency Counsel.

Section 2. The Secretary of the Agency is directed to transmit to the County of San Luis Obispo a copy of this resolution.

PASSED AND ADOPTED THIS 30th day of November, 1987 by the following roll call vote:

AYES	:	Agency Members:	<u>Dolan, Ovitt, Martin and Russell</u>
NOES	:	Agency Members:	<u>None</u>
ABSENT	:	Agency Members:	<u>Cousins</u>
ABSTAIN	:	Agency Members:	<u>None</u>



Chairman, Redevelopment Agency of the
City of El Paso de Robles

ATTEST:



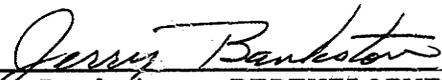
Agency Secretary, Redevelopment Agency
of the City of El Paso de Robles

STATE OF CALIFORNIA)
COUNTY OF SAN LUIS OBISPO) SS
CITY OF EL PASO DE ROBLES)

I, Jerry Bankston, Secretary of the Redevelopment Agency of the City of El Paso de Robles, California, do hereby certify that the foregoing Resolution was duly and regularly adopted, passed and approved by the Redevelopment Agency of the City of El Paso de Robles, California, at a regular meeting of said Redevelopment Agency held at the regular meeting place thereof, on the 30th day of November, 1987, by the following vote:

AYES : Agency Members: Dolan, Ovitt, Martin and Russell
NOES : Agency Members: None
ABSENT : Agency Members: Cousins
ABSTAIN : Agency Members: None

Dated this 30th day of November, 1987.



Jerry Bankston, REDEVELOPMENT AGENCY
OF THE CITY OF EL PASO DE ROBLES

AGREEMENT BETWEEN THE REDEVELOPMENT AGENCY OF
THE CITY OF EL PASO DE ROBLES AND THE COUNTY
OF SAN LUIS OBISPO, THE SAN LUIS OBISPO
COUNTY AIR POLLUTION CONTROL DISTRICT AND THE
SAN LUIS OBISPO COUNTY FLOOD CONTROL AND
WATER CONSERVATION DISTRICT REGARDING
ALLEVIATION OF FINANCIAL BURDEN OR DETRIMENT

THIS AGREEMENT, made and entered into this 30th day of
November, 1987, by and between the Redevelopment Agency
of the City of El Paso de Robles, a public body existing pursuant
to the Community Redevelopment Law (hereinafter referred to as
"Agency"), and the County of San Luis Obispo (hereinafter
referred to as "County"), the San Luis Obispo County Air
Pollution Control District (hereinafter referred to as "APCD")
and the San Luis Obispo County Flood Control and Water
Conservation District (hereinafter referred to as "Flood Control
District"), all political subdivisions of the State of
California; and

WHEREAS, the City of El Paso de Robles ("City") is
considering adoption of a Redevelopment Plan ("Redevelopment
Plan") for the Paso Robles Redevelopment Project Area (the
"Redevelopment Project");

WHEREAS, Agency approved a preliminary report, and proposed
"Paso Robles Redevelopment Plan"; and

WHEREAS, the Agency has made transmittal as required by
Section 33327 of the Health and Safety Code of the State of
California; and

WHEREAS, the Redevelopment Project as set forth in the Agency's preliminary report, and the proposed Paso Robles Redevelopment Plan will impose a financial burden or detriment upon County, APCD, and Flood Control District and that the growth inducing aspects of the Redevelopment Project will accelerate the increase in demand for services from County, APCD and Flood Control District; and

WHEREAS, the historic growth of property tax revenues in the affected tax code areas produced by the normal change of ownership and historic levels of new construction would have continued to be received by all affected taxing entities if the Redevelopment Project was not established; and

WHEREAS, County, APCD, and Flood Control District are affected taxing agencies which are providing governmental services within the Redevelopment Project area and have provided uncontroverted evidence that the adoption of the Redevelopment Plan with the provision of Health & Safety Code Section 33670 financing will adversely affect each of said taxing agencies; and

WHEREAS, Agency has determined, based upon data and evidence submitted by the Fiscal Review Committee, County, APCD and Flood Control District that the Redevelopment Project will cause financial burden or detriment on said taxing agencies; and

WHEREAS, County's decision to accept limited participation in Agency's Redevelopment Project has been motivated by the recognition that the Redevelopment Project would be an

appropriate mechanism for revitalizing Agency's central core area, which County and Agency have determined to be the most disadvantaged portion of Agency's Redevelopment Project area, but nothing in this agreement shall limit the Agency's expenditures of funds to the central core area; and

WHEREAS, all other affected taxing agencies are expected to achieve final agreements with Agency regarding tax increment; and

WHEREAS, the parties desire to enter into an agreement allocating property tax increment in accordance with Health and Safety Code Section 33401(b) in order to alleviate the hardship on County, APCD and Flood Control district; and

WHEREAS, the parties have determined that the most effective method of stimulating growth within the Redevelopment Project area is to allocate the entire tax increment which would normally accrue to County's General Fund to Agency, in the early years of the Redevelopment Project; and

WHEREAS, the parties have determined that the amounts of tax increment normally attributable to APCD, Flood Control District, including the General Fund and the Nacimiento Water Service Fund of the Flood Control District, would have little significance in assisting Agency in financing the Redevelopment Project, and yet the loss of said tax increment to these entities and funds would have a severe adverse effect on each of these districts in meeting increased demands for quality or quantity of service caused by the Redevelopment Project; and

WHEREAS, the Redevelopment Plan and Redevelopment Project do not seek to utilize tax increment generated for or on behalf of any taxing agency attributed to increases in the rate of tax imposed for the benefit of the taxing agency, pursuant to Revenue and Taxation Code Section 93(a) or (c), whether such increase in levy is for the payment of bonded indebtedness or any other purpose.

NOW, THEREFORE, the parties agree as follows:

1. For purposes of this agreement, tax increment is defined as all property taxes levied by the County pursuant to Revenue and Taxation Code Section 93(b), on increased valuations above the base year valuation as provided in Health and Safety Code Section 33670(b) except therefrom (i) increases in the rate of tax imposed for the benefit of the taxing agency which increases in levy occur after the tax year in which the ordinance adopting the Redevelopment Plan becomes effective, (ii) increases in the assessed value of taxable property in the Redevelopment Project area, as the assessed value is established on the base roll as hereinafter defined which increases are calculated annually pursuant to subdivision (f) of Section 110.1 of the Revenue and Taxation Code as to those taxing agencies which have by resolution or agreement with the Agency elected to receive the tax revenues attributable to such increases (hereinafter referred to as "tax increment"). The base year shall be the fiscal year 1986-87 (subject to the provisions of paragraph 4 below). Tax increment shall be divided as follows:

a. Tax increment levied shall not be paid to Agency until the fiscal year 1988-89 provided that the Redevelopment Plan is adopted on or before December 31, 1987. County's maximum financial liability to Agency from tax increment attributable to County's levy of property tax shall not exceed \$10,000,000.00 (ten million dollars), and said liability shall be allocated from County's share of tax increment to Agency in accordance with the following schedule, until said maximum liability is reached, and thereafter, County shall be allocated and paid one hundred percent (100%) of tax increment attributable to County's levy.

b. County's share of tax increment shall be allocated one hundred percent (100%) to Agency commencing with fiscal year 1988-89 through fiscal year 1996-97, or until the maximum liability specified in subsection (a) above is reached, whichever event occurs first.

c. County's share of tax increment shall be allocated seventy-five percent (75%) to Agency and twenty-five percent (25%) to County commencing with fiscal year 1997-98 through fiscal year 2000-01 or until the maximum liability specified in subsection (a) above is reached, whichever event occurs first.

d. County's share of tax increment shall be allocated twenty-five percent (25%) to Agency and seventy-five percent (75%) to County commencing with fiscal year 2001-02 and continuing thereafter until the maximum liability specified in subsection (a) above is reached.

e. Except for the portion of tax increment allocated to County pursuant to subparagraphs a, b, c, or d, the County shall not receive the portion of tax increment attributable to increases in the assessed values in the Project area calculated pursuant to subdivision (f) of Section 110.1 of the Revenue and Taxation Code.

2. All property taxes levied by or on behalf of APCD, Flood Control District, and their respective funds shall be allocated to said agencies, including one hundred percent (100%) of the tax increment attributable to those levies.

3. The parties agree that the 1986-87 tax allocation factors for the affected tax code areas are as follows: County General Fund 26.57891 percent, County Flood Control District .33778 percent, Nacimiento's Water Service Contract .27336 percent, APCD .08941 percent and Special Roads Number One .00219 percent.

4. Notwithstanding Health and Safety Code Section 33670(a)'s provision that the base year assessment roll for calculation of tax increment should be the roll last equalized prior to the effective date of the redevelopment ordinance, the parties agree that the base year shall be 1986-87 provided as follows:

a. County's officers may adjust the locally assessed portion of the 1986-87 base year assessment roll by increasing the tax roll to account for any transfer of ownership and new construction occurring on or before March 1, 1986;

b. All escaped assessments occurring on or before March 1, 1986, are enrolled as soon as possible, but the failure to so enroll any escaped assessments shall not affect the above base year.

All other affected taxing agencies must agree to the 1986-87 tax roll as the base year, and the basis for calculation of property tax increment, subject to its alteration in accordance with the foregoing provisions. If all affected taxing agencies do not agree to use of the 1986-87 base year in accordance with the foregoing, the base year shall be 1987-88. The parties agree that said base year roll may be altered in accordance with provisions a and b above.

Subject to paragraph 17 below, if the base year is agreed by all taxing agencies to be the tax year 1986-1987 and any legal action subsequently determines that the base year shall be 1987-1988, the Agency shall have no obligation to County to repay any receipt of tax increment based upon the 1986-1987 base year, but such receipt shall be included in the maximum total allocation of the County's share of tax increment to be paid to Agency.

5. The annual tax increment for the Redevelopment Agency will be calculated using the 1986-87 base year as modified pursuant to paragraph 4 above, and the assessed value submitted to the Auditor-Controller by the County Assessor as per Sections 616 and 617 of the Revenue and Taxation Code and by the State Board of Equalization pursuant to State law.

For administrative convenience, County's Auditor-Controller shall allocate and distribute to County, APCD, and Flood Control district, and their respective funds, the portion of the tax increment allocated to Agency pursuant to subdivision (b) of Section 33670 attributable to one or more of the following:

a. The County's share of tax increment to be retained by County pursuant to paragraph 1, and all of the tax increment to be retained by APCD and Flood Control District pursuant to paragraph 2, above.

b. Increases in the rate of tax imposed for the benefit of County, APCD, or Flood Control District or their respective funds, which levies occur after the tax year in which the ordinance adopting the Redevelopment Plan and Redevelopment Project becomes effective.

The aforesaid revenues shall be so distributed throughout the term of the Redevelopment Plan, and any amendments thereto.

6. All of Agency's records, including its accounts, shall be kept and maintained from their date of creation, through the term of this agreement, unless written permission is given by all of the parties to this agreement to dispose of such records at an earlier time. All records and accounts of Agency shall be accessible at any time to authorized representatives of County, Flood Control District, or APCD, upon reasonable prior notice,

for the purpose of examination or audit. For purposes of such notice, notice shall be given not less than ten (10) working days prior to such inspection.

7. Agency shall provide County, APCD and Flood Control District with copies of the following documents as they are adopted, and amended:

- (a) Agency's bylaws and regulations;
- (b) Agency's California Environmental Quality Act Guidelines;
- (c) Agency's Relocation Guidelines;
- (d) Agency's Owner Participation Rules;
- (e) Agency's Annual Budget; and
- (f) Agency's Annual Report which shall include:
 - (1) All of the information and independent financial audit reports required by Health and Safety Code Section 33080.1 and Government Code Section 53892.
 - (2) In the event that the aforementioned statutes are repealed or amended to delete the independent financial audit requirements, Agency agrees to provide an independent financial audit containing the same information currently required by said statutes.

In addition to the foregoing documents, not later than the first day of October of each year, Agency agrees to provide County's Auditor-Controller with its annual statement of indebtedness. It is agreed that county's Auditor-Controller shall make no allocation nor payment of property taxes until Agency presents its annual statement of indebtedness. It is

further agreed that County's Auditor-Controller shall not allocate nor pay any portion of tax increment to Agency which exceeds the amount as shown on Agency's annual statement of indebtedness. For purposes of such annual statement of indebtedness, the Agency shall list its indebtedness on said statement, and may also separately list the annual sums necessary to reimburse tax increment under this agreement.

8. The County's Auditor-Controller shall provide an annual report to Agency setting forth the total tax increment calculated by the Auditor-Controller for the then current fiscal year and a description of the method by which such tax increment was calculated. The records of the County Auditor-Controller shall be open to inspection by representatives of the Agency upon reasonable prior notice. For purposes of such inspection, notice shall be given in writing not less than ten (10) working days prior to such inspection.

9. In reliance upon and in consideration of this agreement, County, APCD, and Flood Control District are foregoing their rights, which they would otherwise have to file appropriate legal actions challenging adoption of the subject Redevelopment Plan, it being expressly understood and agreed that none of the provisions hereof may be disregarded, changed or eliminated. The Redevelopment Plan may not be amended in any manner which would require fiscal review under Health and Safety Code Section 33354.6 as it now exists regardless of any subsequent amendment

or repeal of said section except by the express written consent of County, APCD, and Flood Control District, except for such amendments as may be required in order for the Agency to carry out the terms of the Memorandum of Understanding between the Paso Robles Elementary School District, the Paso Robles High School District and the Agency and any final agreement to be entered into pursuant to such Memorandum of Understanding.

10. County, APCD, and Flood Control District hereby waive any and all causes of action, cases, claims, counts, actions, or complaints relating to, and agree not to challenge the validity of the Redevelopment Plan and/or the validity, on the grounds of the invalidity of the Redevelopment Plan, of bonds to finance or refinance in whole or in part the Redevelopment Plan, including, without limiting the generality of the foregoing, the legality and validity of all proceedings theretofore taken for or in any way connected with the designation of the survey area, the selection of the Project Area, the formulation of the Preliminary Redevelopment Plan, and the adoption of the Redevelopment Plan, and also including the legality and validity of all proceedings theretofore taken and the Environmental Impact Report for the Redevelopment Plan. By agreeing to this provision, County, APCD and Flood Control District do not waive the right to dispute the validity of any future amendments to the Redevelopment Plan, including without limitation, amendments necessary to achieve final agreement with Paso Robles Elementary and High School

Districts as referred to in paragraph 9 above, and/or the right to challenge any illegal implementation of the Redevelopment Plan.

11. In the event of any constitutional amendment affecting property taxation or tax increment financing, parties agree to review the terms of this agreement and to consider amendments to this agreement, provided that no amendment or modification shall be binding or effective unless approved by the governing members of each party. No such amendment shall affect the indebtedness of Agency to any third party incurred prior to the effective date of such amendment without the written consent of the party to whom the Agency is indebted.

12. Agency shall maintain a low and moderate income housing fund as required by Health and Safety Code Section 33334.2 and shall deposit such amounts of taxes paid to Agency, exclusive of the amount received by the other parties to this agreement into such fund as Agency determines is required by such Section. In the event Agency is required, for any reason, to dedicate additional funds to the low and moderate income housing fund, neither the County nor APCD nor Flood Control District shall be required to contribute any additional sums beyond those specified herein, and Agency shall defend, indemnify and hold County, APCD, and Flood Control District harmless against any such claims. The parties to this agreement agree that the amount payable to County, APCD, and to Flood Control District pursuant to this agreement shall not be considered as tax increment for purposes

of calculating any Agency obligation to contribute funds to such low and moderate income housing fund.

13. This agreement is binding upon and for the benefit of the parties hereto and their respective assignees or successors.

14. This agreement sets forth the full and entire understanding of the parties regarding the matter set forth herein, and in any other prior or existing understanding or agreement by the parties, whether formal or informal, regarding any such matters are hereby superseded or terminated in their entirety. With the exception of paragraph 11 each party voluntarily and unqualifiably waives their rights to negotiate, and agrees that any other party shall not be required to negotiate, with respect to any matter covered herein.

No agreement, alteration, understanding, variation, waiver, or modification of any of the terms or provisions contained herein shall in any manner be binding upon the parties hereto unless made and executed in writing.

The waiver of any breach or any term, or condition of this agreement by either party shall not constitute a precedent in the future enforcement of any or all of its terms or provisions.

15. If any of the provisions of this agreement are held to be contrary to law by a court of competent jurisdiction, such provisions shall not be deemed valid and existing except to the extent permitted by law, and said provisions as may be declared invalid shall be deemed severable from all other provisions

hereof; but all other provisions will continue in full force and effect.

16. This agreement shall end, and be fully terminated on June 30, 2032.

17. This agreement may be terminated by any party upon written notice to the others in the event that the Redevelopment Plan is successfully challenged in a lawsuit brought by any person, taxpayer or Agency with the time allowed for challenge to the City Ordinance adopting such Plan. If so challenged, all tax increment affected hereby may be impounded by Auditor-Controller until the litigation is resolved. If the litigation results in any substantive change to the Redevelopment Plan or Project then this agreement may be terminated by any party upon written notice to the other and County, APCD and Flood Control District shall receive one hundred percent (100%) of its tax increment from said impound, unless otherwise agreed.

18. The obligation of the Agency created by this agreement shall constitute a special limited obligation of the Agency payable solely from revenues available to the Agency.

19. The County Auditor-Controller joins in execution of this agreement to approve the provisions of paragraph 4.

IN WITNESS WHEREOF, the parties have executed this agreement on the day and year first hereinabove written.



Redevelopment Agency of the City of
Paso de Robles by Chairperson
Redevelopment Agency County of
San Luis Obispo

William B. Coy

San Luis Obispo County Air Pollution
Control District, San Luis Obispo

William B. Coy

San Luis Obispo County Flood Control
District and Water Conservation District

William B. Coy

Chairman of the Board of Supervisors

ATTEST:

[Signature]

Clerk of the Board of Supervisors

Jerry Beakston, City Clerk
City Clerk

APPROVED AS TO FORM AND LEGAL EFFECT:

JAMES B. LINDHOLM, JR.
County Counsel

By: [Signature]
Jac A. Crawford
Assistant County Counsel

Dated: Dec. 29, 1987

APPROVED AS TO FORM AND LEGAL EFFECT:

By: _____
Special Counsel the City of
Paso Robles

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APPROVED AS TO FORM AND LEGAL EFFECT:

By: *[Signature]*
Special Counsel the City of
Paso Robles Redevelopment Agency

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