

DATE: 11/02/99 AGENDA ITEM # 3  
( ) APPROVED ( ) DENIED  
( ) CONTINUED

TO: JAMES L. APP, CITY MANAGER  
FROM: BOB LATA, COMMUNITY DEVELOPMENT DIRECTOR *BL*  
SUBJECT: CUESTA COLLEGE AGREEMENT REGARDING MITIGATION FEES  
DATE: NOVEMBER 2, 1999

Needs: For the City Council and Redevelopment Agency to authorize the Mayor and Agency Chairman to execute an Agreement with Cuesta Community College. The Agreement provides for Redevelopment "pass through" funds to be utilized to pay Borkey Area Specific Plan development impact fees.

- Facts:
1. When the Borkey Area Specific Plan (BASP) was updated in 1998 to provide for the Cuesta College Campus, the BASP development impact fee schedule was revised to reflect the incremental impacts of the growth of the North County Campus of Cuesta College. A copy of the latest fee schedule is attached.
  2. When the fees were up-dated, it was identified that the City and Cuesta would need to identify a mutually agreeable mechanism to provide for payment of the BASP fees.
  3. At the time the Redevelopment Project Area was established in 1987, an agreement was made to form "set-aside" fund to pay for projects of mutual benefit to the San Luis Obispo County Community College District (Cuesta College) and the Redevelopment Agency.
  4. During the process of establishing the North County Campus of Cuesta College, it was identified that the set-aside fund would be a viable means to pay the BASP fees.
  5. The City Attorney has prepared an Agreement that would provide for payment of the BASP fees from the Cuesta College Redevelopment set-aside fund to the City of Paso Robles.
  6. Cuesta College has executed the Agreement. City Council and Redevelopment Agency authorization is being sought for the Mayor and Agency Chairman to execute the Agreement on behalf of the City and Redevelopment Agency. A copy of the proposed Agreement is attached.

Analysis  
and

Conclusion:

The BASP impact mitigation fees are designed to be paid incrementally. As the attached fee schedule indicates, the fees for the Cuesta College site are based on traffic generation (a factor of the number of students) and the number of developed acres. These numbers are anticipated to grow over time.

At full development, the North County Campus is expected to cover 82 or more acres, and to accommodate up to 8,000 to 10,000 students. It is anticipated that full development may not occur for 20 or more years. At full development, it is anticipated that the BASP fees for the Cuesta College Campus will total approximately \$1,054,510.

The Redevelopment set-aside fund has been growing since the establishment of the Redevelopment Project Area in 1987. The current balance in the fund, as of 6/30/99, is \$81,415. Over the life of the Project Area, it is expected that the set-aside fund will have approximately \$1,200,000.

Development of the North County Campus of Cuesta College is expected to be of significant benefit to economic development in the Redevelopment Project Area and the surrounding community. Use of the Redevelopment set-aside fund would appear to be the most viable means for Cuesta College to pay the BASP impact fees.

Policy

Reference:

Set-aside agreement with SLO County Community College District (Cuesta College); Borkey Area Specific Plan

Fiscal

Impact:

The agreement will provide a viable funding mechanism through which Cuesta College will be able to pay development impact mitigation called for in the Borkey Area Specific Plan. Over the life of the Redevelopment Project and the build-out of the Cuesta College campus, the set-aside funding should be approximately equal to the required mitigation fees.

Options:

- a. That the Redevelopment Agency and the Council, by separate motions, authorize the Redevelopment Chairman and Mayor to execute the agreement with Cuesta College.
- b. Amend, modify or reject Option a.

h:\bob\60\cuesta\99\agreement to cc 22 Oct 99

**SCHEDULE A**

**SUMMARY OF DEVELOPMENT FEES  
BY PLAN SUBAREA AND CATEGORY OF IMPROVEMENT  
BORKEY AREA SPECIFIC PLAN**

<u>Category of Facility or Improvement</u>	<u>Subarea Designation/Fees per Unit. . . . . per Acre</u>				
	<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>	<u>E</u>
Storm Drainage	\$ 0	\$ 0	\$ 0	\$ 0	\$3,664
Wastewater	79	79	11/Student *	79	84
Water	408	408	674/acre	408	185/acre
Signal, BV @ 46	200	200	66/acre	200	0
Interchange	2,957	2,957	110/Student *	2,957	4,147
North River Road Upgrade	260	260	86/acre	260	—
Contingency Fee	115	115	161/acre	115	161
Plan Preparation/ Admin.	<u>209</u>	<u>209</u>	<u>69/acre</u>	<u>209</u>	<u>—</u>
<b>TOTAL FEES</b>	<b>\$4,228</b>	<b>\$4,228</b>	<b>\$1,055/acre</b>	<b>\$4,228</b>	<b>\$8,241</b>
			\$ 121/student *		

NOTES: No fees will be levied against Subarea F; this subarea will develop as public parkland.

Fees for Subareas A, B, and D are for each residential unit; fees for Subareas C & E apply to each acre (gross) of development site unless otherwise noted.

\* Wastewater and interchange amounts are rounded to the nearest dollar but cumulatively total \$121.

**SUBAREA C = CUESTA COLLEGE**

**AGREEMENT BETWEEN THE  
REDEVELOPMENT AGENCY OF THE CITY OF EL PASO DE ROBLES  
AND SAN LUIS OBISPO COUNTY COMMUNITY COLLEGE DISTRICT  
(Cuesta Community College Campus)**

THIS AGREEMENT ("Agreement") is entered into this \_\_\_\_\_ day of \_\_\_\_\_, 1999, by and between the REDEVELOPMENT AGENCY OF THE CITY OF EL PASO DE ROBLES, a redevelopment agency existing under the California Community Redevelopment Law (the "Agency"), the CITY OF EL PASO DE ROBLES, a public body (the "City"), and the SAN LUIS OBISPO COUNTY COMMUNITY COLLEGE DISTRICT, a public body (the "District").

**Recitals**

A. The Agency is in the process of implementing the Redevelopment Plan for the Paso Robles Redevelopment Project Area (the "Redevelopment Plan").

B. In connection with the adoption of the Redevelopment Plan, the Agency and the District entered into an Agreement, dated March 2, 1988, (the "Pass-Through Agreement") to alleviate the financial burden or detriment caused to the District by the adoption of the Redevelopment Plan. Pursuant to the Pass-through Agreement, the Agency agreed to deposit certain monies into a trust fund (the "District Fund") for public facilities for the District which would be of benefit to the Project Area as determined by the City, the Agency and the District, after the requisite public hearings.

C. In furtherance of the Redevelopment Plan and the Pass-Through Agreement, the City, Agency and District entered into a Memorandum of Understanding, dated November 6, 1996 (the "MOU") setting forth certain understandings and agreements of the parties regarding some of the preliminary work to be done in connection with the proposed development of the North County Campus of Cuesta College (the "Cuesta College Project") on certain real property within the City (the "Proposed Site"), which preliminary work included without limitation review of the environmental impacts of the Cuesta College Project as required by the California Environmental Quality Act (Public Resources Code, § 21000 et seq., herein "CEQA"). It is anticipated the Cuesta College Project will be developed in various phases resulting in full buildout over a period of possibly twenty (20) years or more. The Cuesta College Project will primarily serve residents of North San Luis Obispo County, including residents of the City and the Redevelopment Plan Project Area.

D. The Environmental Impact Report prepared in conjunction with the Borkey Area Specific Plan (the "Specific Plan") identified traffic and other impacts anticipated as a result of the development intensities provided for in that Specific Plan. The Specific Plan incorporated development mitigation measures in the form

of specific plan fees, designed to be paid per dwelling units or per acre, as increments of development occur. A Subsequent Environmental Impact Report (SEIR) prepared for the proposed development of the Cuesta College Project focused on the particular impacts resulting from the development of the Cuesta College Project. As a result of the SEIR for the Cuesta College Project, the City Council approved an amendment to the Specific Plan to provide for the imposition of City impact mitigation fees for "subarea C" based on both developed acres and student population (the "Mitigation Fees").

E. As a result of subsequent discussions during and following preparation of the SEIR, the parties desire to enter into this Agreement for the purpose of setting forth the understandings and agreements of the parties with respect to the use of the funds deposited into the District Fund as a funding source for payment of the Mitigation Fees associated with the development of the Cuesta College Project.

### Agreements

NOW, THEREFORE, in consideration of the mutual obligations set forth herein, the parties agree as follows:

Section 1. The amount of the Mitigation Fees required to be paid by the District with respect to the development of the Cuesta College Project shall be determined and paid, in the following manner:

a. By \_\_\_\_\_, 1999, the District shall deliver a letter, signed by an authorized representative of the District, to the Agency that: (i) identifies the number of acres that have been developed as of that date for the Cuesta College Project, (ii) identifies the number of students enrolled for the Spring 1999 Semester at the North County Campus of Cuesta College, and (iii) authorizes the Agency to withdraw money from the District Fund in an amount equal to the Mitigation Fees then due, based on the information provided by the District (i.e., number of developed acres and number of students enrolled for the Spring 1999 Semester), as set forth below.

b. By no later than June 30 of each subsequent year, the District shall deliver a letter, signed by an authorized representative of the District, to the Agency which: (i) identifies the incremental increase in developed acres over the prior year, (ii) identifies the incremental increase in student population over the prior year at the North County Campus of Cuesta College, and (iii) authorizes the Agency to withdraw from the District Fund an amount equal to the additional Mitigation Fees required to be paid in accordance with the Specific Plan and based upon the information provided by the District for such year.

c. The initial amount of the Mitigation Fees shall be One Thousand Fifty-Five Dollars (\$1,055) per developed acre, plus One Hundred Twenty-One Dollars (\$121) per student enrolled at the North County Campus of Cuesta

College. For each year thereafter, based upon the letter received by the Agency described in paragraph b. above, the amount of the Mitigation Fees owed shall be based upon the incremental increases from the previous year in the number of acres developed and the number of enrolled students. If there is no increase in the number of enrolled students, no additional Mitigation Fees attributable to student enrollment shall be due for that year. By way of example, if the District develops an additional five (5) acres from the previous year, but enrollment declines by 50 students, the Mitigation Fees for that year would equal Five Thousand Two Hundred Seventy Five Dollars (\$5,275.00) (5 times \$1,055).

d. In response to each letter received from the District, under subparagraphs b. and c., above, the Agency shall provide the District with an accounting of the amount of Mitigation Fees paid from the District Fund and the remaining balance in or the amount to be deducted from future deposits to the District Fund following such payment.

In the event that the amount of Mitigation Fees due in any year exceeds the money then available in the District Fund, then the unpaid amount of Mitigation Fees shall be paid from future deposits to the District Fund until such time as the full amount of such Mitigation Fees due is paid in full. It is understood and agreed by the parties that the sole source of funds required to be used by the Agency for payment of the Mitigation Fees shall be the District Fund, and not any other Agency revenues it may have available. Further, the Agency shall have no obligation to repay into the District Fund the money used from the District Fund for the purposes set forth in this Section 1.

**Section 2.** In the event there are any monies remaining in the District Fund following payment of all Mitigation Fees related to the Cuesta College Project, the parties agree that they shall meet and confer in good faith for the purpose of determining how such remaining monies will be used. Thereafter, the parties shall take such actions as may be necessary to effectuate the expenditure of such funds, which actions may include preparation of any necessary documents and the conduct of any public hearing required by the Community Redevelopment Law to approve the use of the remaining money for costs related to the Cuesta College Project.

In the event that, upon termination of the Agency's obligation to deposit monies into the District Fund, pursuant to the terms of the Pass-Through Agreement, there is any outstanding amount of Mitigation Fees owed to the City, District agrees that it shall promptly pay any such amounts owed.

**Section 3.** The City agrees that it shall act expeditiously and in good faith to consider and process land use and development applications submitted by the District that are required for the development of the Cuesta College Project on the Proposed Site; provided, however, that the City is not making any representations that any such approvals will be given.

Section 4. The City and Agency agree to prepare any necessary documents and conduct any hearings that may be required by the Community Redevelopment Law (Health and Safety Code, § 33000 et seq.) and the Pass-Through Agreement to approve the use of the District Fund for payment of Mitigation Fees related to the development of the Cuesta College Project on the Proposed Site.

Section 5. The District shall indemnify, hold harmless, and defend the Agency and City, and their respective officers, agents and employees from and against all lawsuits, liabilities, obligations, damages, penalties, claims, costs, charges and expenses, including reasonable attorneys fees, which may be imposed upon or incurred by Agency, City or their officers, agents, or employees arising out of any expenditure made by Agency to or on behalf of District under this Agreement, or District's construction, operation or maintenance of the Cuesta College Project. The Agency shall not be responsible for making payments under this Agreement to the extent that funds are not available in the District Fund, or any future legislative or judicial change, act, ruling, Court opinion or decision renders any payment or portion thereof required by this Agreement to be illegal.

Section 6. The purpose of this Agreement is to set forth the understandings and agreements of the parties with respect to the use and method of payment of the money required to be deposited into the District Fund under the Pass-Through Agreement. As such, the Agency's obligations under this Agreement shall not constitute any additional indebtedness of the Agency beyond that already provided for under the Pass-Through Agreement.

Section 7. This Agreement supersedes in its entirety the MOU referenced in Recital C, above, and the MOU shall hereafter be void and no longer in effect.

Section 8. This Agreement is binding upon and for the benefit of the parties hereto and their respective assignees or successors.

Section 9. 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.

Section 10. Unless otherwise terminated by mutual agreement of the parties or pursuant to any provisions of law, this Agreement and all rights and obligations provided for hereunder shall terminate when the Agency's legal right to claim and receive tax increment from the Redevelopment Project Area ceases, and all monies in the District Fund have been expended.

IN WITNESS WHEREOF, the City, Agency, and District have executed this Agreement as of the date first above written.

**CITY:**  
CITY OF EL PASO DE ROBLES,

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

Attest:

By: \_\_\_\_\_  
City Clerk

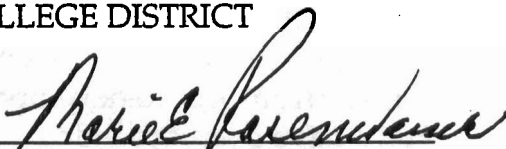
**AGENCY:**  
REDEVELOPMENT AGENCY OF THE CITY  
OF EL PASO DE ROBLES

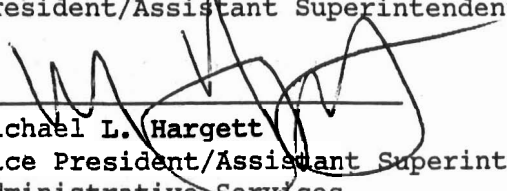
By: \_\_\_\_\_  
Chairman

Attest:

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

**DISTRICT:**  
SAN LUIS OBISPO COUNTY COMMUNITY  
COLLEGE DISTRICT

By:   
Marie E. Rosenwasser, Ph.D.  
President/Assistant Superintendent

By:   
Michael L. Hargett  
Vice President/Assistant Superintendent,  
Administrative Services