

TO: James L. App, City Manager
FROM: Jim Throop, Director of Administrative Services
SUBJECT: Additional Fixed-Route Transit Service
DATE: July 16, 2013

Needs: For the City Council to approve termination of a Transit Service Agreement with Paso Robles LLC for additional local fixed-route transit service.

Facts:

1. The City Council previously approved entering into a Transit Service Agreement with Paso Robles LLC pursuant to which Paso Robles LLC agreed to pay for the provision of certain additional transit services that would benefit the residents of the Oak Park development. Such additional service was considered to be factor that would assist Paso Robles LLC in obtaining approval of a tax credit allocation from the Tax Credit Allocation Committee. However, Paso Robles LLC's application for phase two (69 units) was not approved by TCAC.
2. Paso Robles LLC has requested that the Transit Service Agreement be terminated, which would allow it to save costs. In addition, the Smart & Final Extra store has opened, which means that residents of the Oak Park project have a grocery store in their vicinity, a factor that is viewed favorably by TCAC in its review of applications. Paso Robles LLC intends to resubmit its application for the next TCAC review period.
3. The proposed Agreement to Terminate the Transit Service Agreement requires that Paso Robles LLC pay for the City's net costs for providing the additional transit service.

Analysis & Conclusion: The termination of the Transit Service Agreement will terminate the additional transit services paid for by Paso Robles LLC. Because of the opening of the Smart & Final store, the termination of the additional transit services should not have a negative impact on TCAC's review of Paso Robles LLC tax credit application.

Fiscal Impact: The termination of the additional transit service would be cost-neutral to the City, as Paso Robles LLC would reimburse the City for the net costs of providing the additional transit service through June 28, 2013. The City's General Fund would not be affected.

Options:

- A. Approve the Termination of Transit Service Agreement with Paso Robles LLC, or
- B. Amend, modify of reject the above option

Attachments:

- 1: Termination of Transit Services Amendment
- 2: Resolution

TERMINATION OF TRANSIT SERVICE AGREEMENT

This Termination Agreement ("Agreement") is made between the CITY OF EL PASO DE ROBLES, a municipal corporation ("City") and PASO ROBLES LLC, a California limited liability company ("Owner") this _____ day of _____, 2013.

Recitals

A. The City and Owner entered into a Transit Service Agreement, dated February 26, 2013 (the "Transit Service Agreement") pursuant to which Owner agreed to pay City to provide certain additional transit service that would be available to the residents of Owner's affordable housing project.

B. Owner did not receive an approved reservation of Federal and State Low Income Housing Tax Credits from the California Tax Credit Allocation Committee ("TCAC") when Owner's project was reviewed in March 2013. In addition, a new grocery store has begun operations in the vicinity of Owner's project, which is one of the factors that will be considered in Owner's favor in TCAC's next review of tax credit allocation applications.

Agreements

Section 1. The recitals stated above are hereby incorporated by reference into this Agreement.

Section 2. Upon the date set forth above, the parties agree that the Transit Services Agreement shall be deemed terminated and of no further force or effect. As a condition of termination, Owner agrees to pay City all net cost and expenses incurred by City to provide the addition transit services until the date set forth above.

[signatures on following page]

IN WITNESS WHEREOF, the parties hereto have cause this Agreement to be duly executed in duplicate.

Dated _____, 2013

PASO ROBLES LLC, a California limited liability company

By: Monterey County Housing Authority Development Corporation, a California Nonprofit public benefit corporation
Its: Managing Member

By: Starla Warren, President

Dated: _____, 2013

Housing Authority of the City of Paso Robles, a California public body, corporate and politic
Its: Member

By: Armando Corella, Executive Director

Dated: _____, 2013

CITY OF EL PASO DE ROBLES, a municipal corporation

By: _____
Duane Picanco
Mayor

ATTEST:

By: _____
Dennis Fansler,
City Clerk

RESOLUTION NO. 13-XXX

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF EL PASO DE ROBLES
APPROVING AND AUTHORIZING THE EXECUTION OF AN
AGREEMENT TO TERMINATION TRANSIT SERVICE AGREEMENT

WHEREAS, the City and Paso Robles LLC, a California limited liability company, ("Owner") entered into a Transit Service Agreement, dated February 26, 2013, pursuant to which Owner agreed to pay City for the provisions of certain additional transit services for the residents of Owner's project; and

WHEREAS, Owner did not receive an approved reservation of Federal and State Low Income Housing Tax Credits from the California Tax Credit Allocation Committee ("TCAC") when Owner's proposed project was review in March 2013; and

WHEREAS, Owner intends to resubmit its application for tax credit allocation for the next review period; and

WHEREAS, a grocery store within the vicinity of Owner's proposed project has begun operations, which will be considered a factor in favor of Owner's application; and

WHEREAS, Owner has submitted a request that the Transit Service Agreement be terminated;

NOW THEREFORE BE IT RESOLVED, AS FOLLOWS:

Section 1. Based on the recitals above, which are hereby incorporated by reference, the City Council hereby approves the Agreement to Terminate Transit Service Agreement ("Termination Agreement"), attached hereto as Exhibit A and incorporated herein by reference, and hereby authorizes the City Manager to execute the Termination Agreement on behalf of the City.

Section 2. The approval of the Termination Agreement does not commit the City to any action that may have a significant effect on the environment. As a result, such action does not constitute a project subject to the requirements of the California Environmental Quality Act.

PASSED AND ADOPTED by the City Council of the City of El Paso de Robles at a regular meeting of said Council held on the 16th day of July, 2013, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

ATTEST:

Duane Picanco, Mayor

Caryn Jackson, Deputy City Clerk