

**RESOLUTION NO. 96-131**  
**OF THE CITY OF EL PASO DE ROBLES**  
**TO APPROVE THE MILLS ACT CONTRACT FOR**  
**THE OLD BANK OF AMERICA BUILDING**  
**(Owners: Ghorbanali and Julie Salmanzadeh)**

**WHEREAS, the City Council has recognized the uniqueness, rarity, and historical and architectural significance of the Old Bank of America Building, located at 1245 Park Street, Paso Robles, California (the "Property"); and**

**WHEREAS, the Property is a "qualified historical property" as designated in Government Code Section 50280.1; and**

**WHEREAS, the City, by Resolution No. 96-130 dated October 1, 1996 has determine that preservation of cultural resources in general, and the Old Bank of America Building in particular, are important to the City and contribute to the City's quality of life and to the welfare of current and future generations; and**

**WHEREAS, the Paso Robles General Plan calls of the City to encourage the preservation and restoration of historic buildings; and**

**WHEREAS, historical designations and agreements are categorically exempt from the California Environmental Quality Act as provided by Section 15308; and**

**WHEREAS, the statements listed above constitute evidence supporting these findings,**

**NOW, THEREFORE BE IT RESOLVED by the City Council of El Paso de Robles as follows:**

**The City Council hereby authorizes the Mayor to execute the Historic Property Agreement, in substantially the same form as the attached Exhibit "A", between the City of El Paso de Robles and the owners of the Old Bank of America Building.**


PASSED AND ADOPTED by the City Council of the City of El Paso de Robles this 1st day of October 1996, by the following vote:

AYES: Heggarty, Martin, Picanco, and Macklin

NOES: None

ABSENT: None

ABSTAIN: Iversen

  
\_\_\_\_\_  
Walter J. Macklin, Mayor

ATTEST:

  
\_\_\_\_\_  
Richard J. Ramirez, City Manager / City Clerk

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**AGREEMENT FOR THE  
PRESERVATION OF  
QUALIFIED HISTORICAL PROPERTY**

THIS AGREEMENT is entered into this 2nd day of October, 1996, by and between the CITY OF EL PASO DE ROBLES, a public body, corporate and politic (the "City") and GHORBANALI SALMANZADEH and JULIE SALMANZADEH, as husband and wife (the "Owners").

**Recitals**

A. The Owners are the fee title owners of certain real property, together with structures and improvements thereon, located at 1245 Park Street, Paso Robles, California (the "Property"). A legal description of the Property is attached to this Agreement, marked as Exhibit "A," and is hereby incorporated by reference.

B. Pursuant to a Loan Agreement between the City and the Owners, the City loaned the amount of SEVENTY THREE THOUSAND TWO HUNDRED TWELVE DOLLARS (\$73,212.00) out of Community Development Block Grant funds to Owners for Owners to rehabilitate the Property and enable Owners to operate their business and lease other portions of the Property for commercial use. Owners have completed the rehabilitation work and are operating their business on the Property. In addition, Owners have leased the remainder of the commercial space to the Department of Corrections, State of California.

C. The City, by Resolution No. 96-130 dated 10-1, 1996, designated the Property as an historic building. The Property is a "qualified historical property" as defined in Government Code Section 50280.1.

D. Government Code section 52080 et seq. allows the legislative body of a city, upon application of an owner of certain qualified historical property, to contract with the owner for the preservation of such historical property.

E. The City and Owners desire to enter into this Agreement for the preservation of the Property and its characteristics of historical significance.

F. Owners, in consideration of abiding by the terms of this Agreement, shall qualify for a reassessment of valuation of the Property, pursuant to the provisions of §§ 439 et seq. of the California Revenue and Taxation Code, and any corresponding adjustment in property taxes.

## Agreements

Section 1. Standards for Property. The Owners hereby agree that, during the term of this Agreement, they shall preserve the Property, and when necessary, restore and rehabilitate the Property, to conform to the rules and regulations of the Office of Historic Preservation of the California Department of Parks and Recreation, the United States Secretary of the Interior's Standards for Rehabilitation, and the State Historical Building Code.

Section 2. Periodic Examinations. Owners agree that they shall permit, by prior appointment, the interior and exterior portions of the Property to be examined by the Assessor for San Luis Obispo County, the State Department of Parks and Recreation and the State Board of Equalization as may be necessary to determine the Owners' compliance with this Agreement.

Section 3. Term of Agreement. The initial term of this Agreement shall be for ten (10) years; provided, however, that on each anniversary date of the date of this Agreement, one (1) year shall be added automatically to the term of this Agreement unless either party provides a notice of nonrenewal to the other party.

Section 3.1. Notice of Nonrenewal. The notice of nonrenewal shall be in writing, and, if served by the Owners, shall be served upon the City at least ninety (90) days prior to the annual renewal date of the Agreement, and if served by the City, shall be served upon the Owners at least sixty (60) days prior to the annual renewal date of the Agreement

Section 3.2. Owner Protest of Nonrenewal. Upon Owners' receipt of a notice of nonrenewal from the City, the Owners may make a written protest of the notice of nonrenewal. The City may, by action of the City Council, at any time prior to the renewal date, withdraw the notice of nonrenewal.

Section 3.3. Effect of Nonrenewal. If either the City or the Owners serves a notice of nonrenewal, this Agreement shall remain in effect for the balance of the term remaining since the original execution or the last renewal of this Agreement, as the case may be.

Section 4. Provision of Compliance Information. The Owners agree to furnish the City from time to time, and upon request by the City, with any information the City requires in order to enable City to determine the Property's continuing eligibility as a "qualified historical property."

Section 5. Required Administrative Fee. Owners agree to pay the City an annual one hundred dollar (\$100.00) administrative fee during each year of the Agreement's term. The initial fee is due on the effective date of the Agreement, and subsequent fees are due on the anniversary date each year for the entire term of the Agreement.

**Section 6. Cancellation.** The City, following a properly noticed public hearing in accordance with Government Code § 50285, may cancel this Agreement after making a determination that any of the following apply:

- (a) The Owners have allowed the Property to deteriorate to the point that it no longer meets the standards for a "qualified historical property;
- (b) The Owners have failed to restore or rehabilitate the Property in the manner specified herein;
- (c) The Owners have breached any of the terms or conditions in this Agreement; or
- (d) The Property has been acquired, in whole or in part, by eminent domain or other acquisition by any entity authorized to exercise the power of eminent domain, and the acquisition is determined by the legislative body to frustrate the purpose of this Agreement.

**Section 6.1. Cancellation Fee.** If this Agreement is cancelled because of the Owners' failure to preserve, maintain, and rehabilitate the Property as specified above, the Owners shall pay a cancellation fee to the state Controller as required by Government Code § 50286. However, if this Agreement is cancelled because an authorized entity acquires the Property as described in Section 6(d), the Owners shall not be required to pay any cancellation fee.

**Section 7. Binding Effect of Agreement.** This Agreement shall be binding upon and for the benefit of the Owners and their respective heirs, executors, administrators, legal representatives, successors, assigns, and all persons acquiring any part or portion of the Property, whether by operation of law or in any manner whatsoever.

**Section 8. Destruction.** Despite any provision of this Agreement to the contrary, the Owners may cancel this Agreement without payment of the cancellation fee described in Section 6.1 if the Old Bank of America Building (the "Building") on the Property is damaged or destroyed by fire, earthquake, or other act of god or accidental cause.

**Section 8.1. Definition of Destruction.** "Damaged or destroyed" for purposes of Section 8 is defined as:

- (a) the then fair market value is reduced by 51% or more;
- (b) 51% or more of the Building's floor area is irreparably damaged; or
- (c) the cost to the Owners (exclusive of insurance proceeds) to restore the Building to its prior condition would exceed \$1,200,000

**Section 8.2. Notice of Destruction.** If the Owners wish to cancel this Agreement under Section 8, the Owners shall give written notice to the City with 90 days after such damage or destruction occurs.

Section 8.3. Request for Hearing. If the Owners wish to cancel this Agreement under Section 8, either party may request a hearing before the City Council to determine:

- (a) the extent of diminution in value;
- (b) the extent of the damage or destruction to the floor area of said Building;
- (c) the extent of the costs of restoring the Building to its prior condition.

Section 9. Enforcement. The City may specifically enforce, or enjoin the breach of, the terms of this Agreement. In the event of a default under the provisions of this Agreement by Owners, the City shall give written notice of the default(s) to Owners by registered or certified mail to the address stated in this Agreement. If the violation is not corrected to the reasonable satisfaction of the City within thirty (30) days after the date of the notice of violation, or within such a reasonable time as may be required to cure the violation (provided that acts to cure the breach or default are commenced within thirty (30) days and are diligently pursued to completion), then the City may, without further notice, declare a default under the terms of this Agreement. The City may then bring any action necessary to specifically enforce the Owners' obligations growing out of the terms of this Agreement, including, but not limited to, actions for injunctive relief against the Owners or for such other relief as may be appropriate.

The City does not waive any claim of default by Owners if the City does not enforce or cancel this Agreement. All other remedies at law or in equity which are not otherwise provided for in this Agreement or in the City's regulations governing historic properties are available to the City to pursue in the event that there is a breach of this Agreement. No waiver by the City or any breach or default under this Agreement shall be deemed to be a waiver of any other subsequent breach or default.

Section 10. Recordation. Within twenty (20) days after the date of this Agreement, the City Clerk shall record a copy of this Agreement, which shall describe the Property, with the Office of the County Recorder of San Luis Obispo County.

Section 11. Notice to Office of Historic Preservation. The Owners shall provide written notice of this Agreement to the State Office of Historic Preservation within six (6) months after the date of this Agreement.

Section 12. Notice. Formal notices, demands, and communications between the City and the Owners shall be sufficiently given if dispatched by first-class mail, to the principal offices of the City and the Owners at the following addresses:

OWNERS:

Ghorbanali and Julie Salmanzadeh  
1245 Park Street  
Paso Robles, CA 93446

CITY:

City of El Paso de Robles  
1000 Spring Street  
Paso Robles, CA 93446

Attn: City Manager

Section 13. Covenants Run With the Land. The City and Owners hereby declare their understanding and intent that the burden of the covenants, reservations, and restrictions in this Agreement touch and concern the land in that the value of the Owners' legal interest in the Property may be affected. The City and Owners hereby further declare their understanding and intent that the benefit of such covenants, reservations, and restrictions touch and concern the land by enhancing and maintaining the historic characteristics and significance of the Property for the benefit of the public and Owners.

Section 14. Effect of Agreement. None of the terms, provisions, or conditions of this Agreement shall be deemed to create a partnership between the parties or any of their heirs, successors or assigns, nor shall such terms, provisions, or conditions cause the parties to be considered joint venturers or members of any joint enterprise.

Section 15. Indemnity of City. Owners agree to protect, defend, indemnify, and shall hold City and its elected officials, officers, agents, and employees harmless from liability for claims, loss, proceedings, damages, causes of action, liability, costs or expense, including reasonable attorney's fees in connection with damage for personal injuries, including death, and claims for property damage which may arise from the direct or indirect use or operations of Owners or those of their contractor, agent, employee, or other person acting on their behalf which relate to the use, operation, and maintenance of the Property. Owners agree to and shall defend the City and its elected officials, officers, agents, and employees with respect to any and all actions for damages caused by, or alleged to have been caused by, reason of Owners' activities in connection with the Property. This hold harmless provision applies to all damages and claims for damages suffered, or alleged to have been suffered, by reason of the operations referred to in this Agreement regardless of whether or not the City prepared, supplied, or approved the plans, specifications, or other documents for the Property.

Section 16. Legal Costs. If any party or parties bring legal proceedings to enforce or restrain a violation of any of the covenants, reservations, or restrictions in this Agreement, or to determine the rights and duties of any party under this Agreement, the prevailing party in such proceeding may recover all reasonable attorney's fees to be fixed by the court, in addition to court costs and other relief ordered by the court.

Section 17. Severability. If any court of competent jurisdiction, or subsequent preemptive legislation, holds or renders any of the provisions of this Agreement unenforceable or invalid, the validity and enforceability of the remaining provisions, or portions thereof, shall not be effected.

Section 18. Governing Law. This Agreement shall be construed and governed in accordance with the laws of the State of California.

Section 19. No Compensation. Owners shall not receive any payment from the City in consideration of the obligations imposed under this Agreement, it being recognized and agreed that the consideration for the execution of this Agreement is the substantial public benefit to be derived and the advantage that will accrue to Owners as a result of the effect upon the assessed value of the property on account of the restrictions on the use and preservation of the property.

Section 20. Amendments. This Agreement may be amended, in whole or in part, only by a written and recorded instrument executed by both parties.

Dated: 10/21/96

CITY OF EL PASO DE ROBLES

Walter J. Macklin  
Mayor

ATTEST:  
[Signature]  
City Clerk

AND

Dated: 10/16/96

OWNERS

[Signature]  
Ghorbanali Salmanzadeh

[Signature]  
Julie Salmanzadeh