

Members of the Board

Jody Jones | Jim Nicholas | Larry Grundmann | Kevin Bultema | Greg Steel | Al McGreehan

Butte County Consolidated Oversight Board **Supplemental Meeting Agenda**

January 16, 2019, 2:00pm

Butte County Board of Supervisors Chambers

25 County Center Dr. Ste. 205, Oroville, CA 95965

3. Regular Agenda

3.08 Consideration and Potential Action on a Proposed Lease Agreement Between the Gridley Successor Agency and the City of Gridley

Requested Action: Adopt Resolution approving the Lease Agreement.

Butte County Consolidated Oversight Board
Agenda Transmittal

Clerk Use Only
Agenda Item:
3.08

Subject: City of Gridley Lease Agreement

Agency: Gridley Successor Agency

Meeting Date: January 16, 2019

Contact Name: Paul Eckert, City Administrator

Contact Phone: 530-846-5695

Item Summary:

The City of Gridley is requesting to enter into a lease agreement with the City of Gridley Successor Agency in order to accommodate a request from FEMA to provide shelter for Camp Fire victims on parcels owned by the City of Gridley Successor Agency.

Fiscal Impact: Infrastructure improvements will result in measurable asset value appreciation, increasing the distributed amount upon sale of asset to the participating agencies.

Action Requested: Staff respectfully recommends adoption of a resolution approving the lease agreement between the City of Gridley and the City of Gridley Successor Agency

Resolution No.**A RESOLUTION OF THE BUTTE COUNTY CONSOLIDATED OVERSIGHT BOARD TO THE SUCCESSOR AGENCY OF THE REDEVELOPMENT AGENCY OF THE CITY OF GRIDLEY ADOPTING A LEASE BETWEEN THE CITY OF GRIDLEY AND THE REDEVELOPMENT AGENCY OF THE CITY OF GRIDLEY**

WHEREAS, the Lease Agreement is entered into by and between the Butte County Consolidated Oversight Board on behalf of the Successor Agency to City of Gridley Redevelopment Agency (“Lessor”) and the City of Gridley (“Tenant”); and

WHEREAS, presently, Lessor owns and/or controls approximately 73+/- acres of real property originally acquired by the City of Gridley Redevelopment Agency for purposes of establishing an industrial park in the southern portion of the City of Gridley. The property includes multiple parcels specifically identified as Butte County APN’s 021-270-041; 021-270-040; 021-270-042 and 021-240-027, which is generally known as the “Gridley Industrial Park” (hereinafter referred to as the “Premises”); and

WHEREAS, the parties, in conjunction with the other federal, state and local government agencies have identified the premises as a suitable location upon which to establish a temporary housing relocation community for up to 350 families whose homes or residences were lost as a result of the Camp Fire. The premises are appropriately zoned to facilitate usage as a temporary disaster relief housing community and the City of Gridley is appropriately capable of delivering the necessary utilities (water, electricity, sewer) to the Premises for use by such a community.; and

WHEREAS, there is a pressing and urgent need to provide stable temporary housing to those people and families who have been directly impacted and displaced by the Camp Fire and it is agreed by the parties that usage of the premises for this purpose is the best possible use for the property in the short term and likewise results in the best long term solutions for future development; and

WHEREAS, the Lessor hereby agrees to lease to Tenant and the Tenant hereby agrees to lease from the Lessor the premises for purposes of establishing on so much of the premises as practicable a temporary housing community for the placement of temporary housing structures in conjunction with the Federal Emergency Management Agency (and all other appropriate federal agencies) to provide stable suitable temporary housing to persons and families displaced by the Camp Fire; and

WHEREAS, the term of this Agreement shall commence upon the date of last execution by the Parties and shall expire on July 1, 2021, without any further notice; and

WHEREAS, Tenant shall pay to Lessor the sum of one dollar (\$1) as payment for the rental of the premises for the entire term of this Agreement which such one dollar shall be applied as appropriate by the Lessor to any enforceable obligations concerning the premises.; and

NOW, THEREFORE, BE IT RESOLVED that the Butte County Consolidated Oversight Board that the attached lease agreement between the City of Gridley and the Redevelopment Agency to the City of Gridley is hereby approved.

PASSED AND ADOPTED by the Butte County Consolidated Oversight Board this 16th day of January, 2019,
by the following vote:

AYES:

NOES:

ABSENT:

NOT VOTING:

Jody Jones, Chair
Butte County Consolidated Oversight Board

ATTEST:

Heather MacDonald, Clerk
Butte County Consolidated Oversight Board

LEASE AGREEMENT

This Lease Agreement (hereinafter referred to as the “Agreement”) is entered into by and between the Butte County Consolidated Oversight Board on behalf of the Successor Agency to City of Gridley Redevelopment Agency (hereinafter the “Lessor”) and the City of Gridley (hereinafter the “Tenant”) who collectively are referred to hereinafter as the Parties.

Recitals

Presently, Lessor owns and/or controls approximately 73+/- acres of real property originally acquired by the City of Gridley Redevelopment Agency for purposes of establishing an industrial park in the southern portion of the City of Gridley. The property includes multiple parcels specifically identified as Butte County APN’s 021-270-041; 021-270-040; 021-270-042 and 021-240-027, which is generally known as the “Gridley Industrial Park” (hereinafter referred to as the “Premises”).

In November 2018 the most destructive wildfire disaster (referred to as the “Camp Fire”) in California history struck the City of Paradise and surrounding Butte County communities resulting in the destruction of approximately 14,000 residential and commercial structures and resulting in excess of 80 confirmed deaths. As a consequence of the Camp Fire, nearly all residential structures in the City of Paradise and surrounding rural communities were destroyed resulting in an immediate crisis for those Camp Fire survivors whose homes were lost and who were accordingly rendered displaced by the disastrous fire.

The Parties, in conjunction with the other federal, state and local government agencies have identified the Premises as a suitable location upon which to establish a temporary housing relocation community for up to 350 families whose homes or residences were lost as a result of the Camp Fire. The Premises is appropriately zoned to facilitate usage as a temporary disaster relief housing community and the City of Gridley is appropriately capable of delivering the necessary utilities (water, electricity, sewer) to the Premises for use by such a community.

To date, the Premises has sat predominantly idle and there has been little prospect for the development of the Premises into a thriving industrial park. The identification and usage of the Premises as a suitable temporary disaster relief housing community will enable the placement of permanent infrastructure improvements, including streets, lighting, drainage, water, sewer, electrical utilities, parks, sports fields, etc. to the Premises which will likely enhance the marketability and usage of the Premises both as an industrial park and other appropriate uses as outlined in the Long Range Property Management Plan developed by the City of Gridley Successor Agency and as approved by the State of California following the removal of the temporary housing community.

There is a pressing and urgent need to provide stable temporary housing to those people and families who have been directly impacted and displaced by the Camp Fire and it is agreed by

the Parties that usage of the Premises for this purpose is the best possible use for the property in the short term and likewise results in the best long term solutions for future development.

NOW THEREFORE, in consideration of the foregoing facts and circumstances and the mutual promises and covenants contained herein, the parties agree hereto as follows:

TERMS

1. Incorporation of Recitals: The foregoing recitals are not to be considered as merely recitals but are contractual in nature and material terms and incorporated herein.

2. Leasehold: Lessor hereby agrees to lease to Tenant and the Tenant hereby agrees to lease from the Lessor the Premises for purposes of establishing on so much of the Premises as practicable a temporary housing community for the placement of temporary housing structures in conjunction with the Federal Emergency Management Agency (and all other appropriate federal agencies) to provide stable suitable temporary housing to persons and families displaced by the Camp Fire.

3. Term: The term of this Agreement shall commence upon the date of last execution by the Parties and shall expire on July 1, 2021, without any further notice.

4. Rental Payment: Tenant shall pay to Lessor the sum of ONE DOLLAR (\$) as payment for the rental of the Premises for the entire term of this Agreement which such ONE DOLLAR shall be applied as appropriate by the Lessor to any enforceable obligations concerning the Premises.

5. Proceeds of Subletting: Following execution of this Agreement, Tenant, City of Gridley, shall execute any and all other agreements necessary with other federal, state, and local agencies (eg: FEMA; GSA, etc.) to proceed with the development, establishment, placement, maintenance and ultimate removal of the temporary housing community upon the Premises and it is agreed by and between the Parties to this Agreement that any revenue or monetary proceeds realized by Tenant, City of Gridley, as a result of such agreements shall be retained by the City of Gridley in order to offset the resulting impacts and the estimated 20% increase to the City of Gridley's population as a result of the establishment of the temporary housing community including, but not limited to, increased need for fire and police personnel and protection to the community and City.

5. Modification: This Agreement shall not be modified, amended or extended except upon written modification signed by each of the Parties.

6. Cooperation and Information Updates: At intervals of at least every 180 days during the term of this Agreement Tenant, City of Gridley, shall provide Lessor's executive officers with written reports on the progress and implementation of temporary housing community including progress on the placement of infrastructure, maintenance issues and

eventual removal and/or restoration of the Premises.

IN WITNESS WHEREOF, the Parties hereto have set their hands the day and year written below.

LESSOR
Successor Agency to City of Gridley Redevelopment Agency

Dated: _____

By: _____

TENANT
City of Gridley

Dated: _____

By: _____