

Resolution No. 010

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 AGREEMENT BETWEEN THE CITY OF GRIDLEY AND THE SUCCESSOR AGENCY OF THE CITY OF GRIDLEY

WHEREAS, the Lease Agreement is entered into by and between Successor Agency to City of Gridley Redevelopment Agency ("Lessor") by, through and with the authorization of the Butte County Consolidated Oversight Board 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 APNs 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, in November 2018 the most destructive wildfire disaster (referred to as the "Camp Fire") in California history struck the Town 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 Town 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.

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, 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; 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.

NOW, THEREFORE, BE IT RESOLVED that the attached lease agreement between the City of Gridley and the Successor 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: Jones, Nicholas, Bultema, Grundmann, Steel

NOES: None

ABSENT: McGreehan

NOT VOTING: None



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 Successor Agency to City of Gridley Redevelopment Agency (hereinafter the “Lessor”) by, through and with the authorization of the Butte County Consolidated Oversight Board 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 (\$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.

5. Proceeds of Subletting:

(a). Incident to the 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.

(b). Notwithstanding paragraph 5(a) herein, any and all liabilities that have been incurred by the Tenant on or concerning the Premises shall be paid for and fully retired by the Tenant to the greatest extent possible and practicable, by the date of lease termination, using proceeds of

subletting to the extent necessary, such that the Successor Agency shall not incur additional liabilities as a result of this Agreement. For purposes of this Agreement the removal of all FEMA funded housing units placed on the Premises by the date of lease termination, as contemplated by the Parties, shall be considered a liability that shall be timely managed by the Tenant.

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

7. Cooperation and Information Updates:

(a). 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.

(b). Additionally, no less than six (6) months prior to termination of this Agreement, Tenant shall submit a proposed plan for the removal of all FEMA funded housing units placed upon the Premises and all related Premises clean-up, including a proposed financial plan for the removal of the FEMA funded housing units to ensure that Lessor will bear no expenses nor incur financial liabilities upon lease termination

8. Documentation of Infrastructure and Reduced or Eliminated Obligations: In conjunction with the establishment by FEMA of the temporary disaster relief housing community, both long term and temporary infrastructure improvements and enhancements to the property will be installed and placed into the Premises related to the operation of the disaster relief housing community as set forth in **Exhibit "A"** attached hereto and incorporated herein. Upon termination of the FEMA disaster relief housing community, various portions of said infrastructure improvements, to be designated by the City of Gridley, shall be left in place upon the Premises which shall be of value in the long term development of the Premises consistent with Lessor's Long Range Property Management Plan and which will correspondingly enhance the value and marketability of the Premises towards the ultimate reduction and/or elimination of existing financial obligations concerning the Premises. Any and all such improvements to the Premises shall be designed, built and installed according to applicable building codes, laws, rules, regulations and ordinances and such use of the Premises and infrastructure shall be consistent with the City of Gridley's General Plan as well as the Long Range Property Management Plan concerning the Premises.

9. Indemnification: Gridley shall indemnify and hold harmless Lessor, its officers, agents, employees and independent contractors from any claim or liability whatsoever, based or asserted upon any act or omission of Gridley, its officers, agents, employees, subcontractors and independent contractors, for property damage, bodily injury or death, or any other element of damage or any kind or nature occurring in the performance of this Agreement. Gridley shall

defend at its own expense and costs, including attorneys' fees, Lessor, its officers, agents, employees, subcontractors and independent contractors in any legal and/or administrative action of any kind based upon such alleged acts or omissions. The duty of Gridley to indemnify and save harmless as set forth in this paragraph shall include the duty to defend. All persons employed by Gridley in providing services to Lessor to carry out the purposes of this Agreement shall be Gridley employees. The indemnity hereunder extends to all costs, attorneys' fees and expenses incurred in obtaining expert testimony and the attendance of witnesses, expenses and liability incurred in and about any such claim, the investigation thereof, as well as the defense of any action or proceeding brought thereon, and from and against any orders, judgments or decrees which may be entered therein.

10. Survival of Obligations: The Lessor's obligations as stated in paragraphs 5, 7 and 9 shall survive the termination of this Agreement.

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

LESSOR

Butte County Consolidated Oversight Board on behalf of the Successor Agency to City of Gridley Redevelopment Agency

Dated: _____

By: _____
Title: Chairperson of the Board

Dated:

Jim Underwood
Legal Counsel

TENANT
City of Gridley

Dated: _____

By: _____
Paul Eckert, Gridley City Administrator

Dated:

By: _____
Anthony E. Galyean, City Attorney