



CITY OF AGOURA HILLS

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MEMORANDUM

TO: Honorable Mayor and Members of the City Council

CC: Greg Ramirez, City Manager
Candice K. Lee, City Attorney

FROM: Craig A. Steele, Senior Counsel

DATE: November 29, 2016

SUBJECT: Proposed Amendment to Purchase and Sale Agreement Between the City And Agoura Equine Estates, LLC

Recommendation:

Approve Amendment No. 1 to the Purchase and Sale Agreement (“PSA”) and related documents between the City and Agoura Equine Estates, LLC (“AEE”) to substitute Mountains Recreation and Conservation Authority (“MRCA”) as the Buyer, in the form attached, and authorize the City Manager to execute all necessary documents on behalf of the City.

Discussion

The City of Agoura Hills is a party to the PSA whereby it has agreed to sell its interest in the former proposed Heschel School site to AEE for a specified amount. We are informed that MRCA and AEE have entered into an agreement to assign AEE’s ability to purchase the property from the City to AEE. AEE desires to assign its rights under the PSA to MRCA and MRCA has requested that the City approve this assignment. A letter from MRCA Counsel Jeff Maloney that states MRCA accepts the assignment and the terms of the PSA is attached to this memorandum.

Under the assignment, if executed by the City, MRCA is scheduled to purchase the property on January 4, 2017. The City would still receive the full purchase price it agreed to with AEE, along with final reimbursement of the costs of preparing an EIR and defending a lawsuit brought by the Old Agoura Homeowners Association and SOS, and would release AEE from any further obligation to the City. If the MRCA purchase does not close on January 4, 2017 as scheduled, AEE would once again become the Buyer under the PSA and the prior transaction and proposed development would continue as before.

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CITY OF AGOURA HILLS
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Honorable Mayor and Members of the City Council
November 29, 2016
Page 2

The conditions of MRCA's grant funding require that the property remain open space. There would be no fiscal impact to the City from this transaction directly, as the City will receive the purchase price and cost reimbursement as agreed. In the future, the City will forego some property tax revenue it would have derived from the fourteen single-family residences the City Council approved on the site if the property had been annexed to the City.

If the City Council concurs, the appropriate action would be a motion to approve Amendment No. 1 to the Purchase and Sale Agreement and related documents between the City and Agoura Equine Estates, LLC ("AEE") to substitute Mountains Recreation and Conservation Authority ("MRCA") as the Buyer, in the form attached, and to authorize the City Manager to execute all necessary documents on behalf of the City.

Attachment(s)