

## REPORT TO CITY COUNCIL

**DATE: MAY 8, 2024**

**TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL**

**FROM: NATHAN HAMBURGER, CITY MANAGER**

**SUBJECT: REQUEST TO APPROVE THE AGOURA HILLS/CALABASAS  
COMMUNITY CENTER TRANSFER AGREEMENT**

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The proposed transfer agreement (Agreement) addresses the long-term solution that has been sought regarding the Agoura Hills Calabasas Community Center (AHCCC) property/facility and the Joint Powers Agreement between the Cities of Agoura Hills and Calabasas.

Since the closure of the AHCCC facility due to the COVID-19 pandemic, there has been a desire to identify a financially viable plan that would allow the facility to remain as a recreational facility for a multitude of activities while maintaining a cost neutral operations plan. After consideration by both Cities, the City of Calabasas committed to reopening the facility following several large repairs made possible through grant funds received by both agencies. In addition, the Cities entered into a lease agreement that was extended through October 26, 2024. Although the lease agreement provided a short-term plan to reopen the facility, both Cities have continued discussions of a long-term solution, which is presented via the proposed Agreement.

The final issue that required attention was the long-term AHCCC pension liability through the California Public Employees' Retirement System (CalPERS). Both Cities were able to have multiple discussions with CalPERS and ultimately able to put a proposal together that would place the AHCCC pension liability under the City of Calabasas existing agreement with CalPERS, relieving the City of Agoura Hills from any further costs. In return, Agoura Hills would relinquish its interest in the AHCCC property via a quitclaim deed that through an escrow process, will require Calabasas to have formalized the AHCCC CalPERS liability transfer and dissolved the Joint Powers Authority.

Since the origin of the property donation was from Los Angeles County, staff members from both Cities have reached out to Los Angeles County Supervisor Horvath's office to provide an update and if the agreement is approved by both Cities, will commence a follow-up meeting. It is important to note that the property must continue to be used for public recreational purposes and required to be equally open to residents of incorporated and unincorporated areas without any deference to the origins of the participant.

Calabasas City Council will be considering approval of this agreement at their meeting on May 8, 2024. Should both Cities approve the Agreement, the intended timeline to complete all of the remaining tasks outlined is by the end of June 2024.

The proposed Transfer Agreement has been reviewed by the City Attorney and approved as to form.

### **FISCAL IMPACT**

There is no additional fiscal impact should the agreement be approved by both agencies. Were the Cities not able to finalize the agreement, there could be costs related to the AHCCC pension liability that may need to be included in the final adoption of the Fiscal Year 2024-25 Budget.

### **RECOMMENDATION**

Staff respectfully recommends the City Council:

1. Approve the Agoura Hills/Calabasas Community Center Transfer Agreement;
2. Authorize the City Manager to complete the related tasks outlined in the Transfer Agreement.

Attachment: Agoura Hills/Calabasas Community Center Transfer Agreement

## Agoura Hills/Calabasas Community Center Transfer Agreement

This Agreement is entered into as of the "Effective Date" by and between the City of Calabasas, a California municipal corporation ("Calabasas"), and the City of Agoura Hills, a California municipal corporation ("Agoura Hills"); (collectively, the "Cities"). This Agreement is referred to herein as the "Transfer Agreement."

### Recitals

1. Calabasas and Agoura Hills entered into a Construction Agreement for the planning, design, construction, and maintenance of the Agoura Hills/Calabasas Community Center (the "Community Center") in June 1996.
2. Calabasas and Agoura Hills then entered into a Joint Powers Agreement on November 24, 1997 to govern the operation of the Community Center, which created a separate public entity, the Agoura Hills and Calabasas Community Center Joint Powers Authority (the "Joint Powers Authority"). The Cities have amended the Joint Powers Agreement four times—in 1999, 2000, 2004, and 2006.
3. The land on which the Community Center sits is jointly owned by Calabasas and Agoura Hills, each owning an undivided half-interest in the land described on Exhibit "A" attached hereto and the improvements thereon (having a street address of 27040 Malibu Hills Road, Calabasas, CA 91301). The Cities jointly own the land on which the Community Center sits, and the improvements thereon, including the Community Center building, per a quitclaim deed to the cities from Los Angeles County, recorded in the Official Records of Los Angeles County on March 8, 1995 as Document #95-359616 (the 1995 Quitclaim Deed").
4. The 1995 Quitclaim Deed is subject to the following two express conditions:

"The express condition that the real property so conveyed shall be used only for public recreational purposes and that if said Cities should, fail, refuse or neglect to use said real property for public recreational purposes, title to the said real property shall immediately revert to the County of Los Angeles without further notice and without the necessity of any affirmative action on the part of said County to assert any rights in said real property."

"The express condition that at all times and under all circumstances said real property shall be equally open to residents of incorporated and unincorporated territory and there shall be no discrimination against or preference, gratuity, bonus or other benefit given to residents of incorporated areas not equally accorded residents of unincorporated territory."

5. As of November 1, 2022, the Cities entered into a ground lease by which Calabasas leased Agoura Hills' undivided half-interest in the land on which the Community Center sits, and the improvements thereon, a memorandum of which was recorded on November 2, 2022 as Document #20221042331 in the Official Records of Los Angeles County (the "Ground Lease"). Calabasas has subsequently reopened the Community Center, which closed amidst the COVID-19 pandemic. On February 9, 2024, the Cities extended the lease through October 26, 2024.

6. After continued negotiations, the Cities have decided that the land on which the Community Center sits, and the improvements thereon, including the Community Center building, shall be transferred in full to Calabasas, in return for the binding obligations entered in by Calabasas for the benefit of Agoura Hills in this Agreement, including bearing all pension costs incurred by the Joint Powers Authority.

7. The Cities intend to, after the conclusion of the land transfer and the merger of the Joint Powers Authority's PERS contract with the Calabasas PERS contract, terminate the Joint Powers Agreement.

**NOW THEREFORE**, for and in consideration of the mutual covenants, agreements, representations, and warranties set forth herein, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby mutually stipulate, warrant, and agree as follows:

### **Terms of Agreement**

1. **Land Transfer.** Agoura Hills agrees that, within thirty days of the Effective Date, it shall execute a quitclaim deed, in the form of Exhibit "B" attached hereto, transferring Agoura Hills' undivided half-interest in the land described on Exhibit "A" attached hereto and the improvements thereon (having a street address of 27040 Malibu Hills Road, Calabasas, CA 91301) to Calabasas for a price of \$1 (One Dollar) and the other consideration in this Transfer Agreement. The Cities acknowledge that the land transfer may require the consent of Los Angeles County and agree to jointly request approval by Los Angeles County of this land transfer. Calabasas further acknowledges and agrees that the quitclaim deed of Agoura Hills' undivided half interest shall not disturb the two express conditions imposed by the 1995 Quitclaim Deed, modified to reflect that only Calabasas shall be responsible for compliance going forward.

1.1 The Purchase Price, which shall be paid to Agoura Hills without offset, includes compensation for any and all interests in the Community Center, including improvements located on the property.

**1.2 Escrow.** Calabasas shall open an escrow account to implement this Transfer Agreement and the land transfer with an escrow company to be selected by the two City Managers ("Title Company"). Calabasas shall deliver a copy of this Transfer Agreement to the Title Company and negotiate escrow instructions with the Title Company reasonably tailored to meet this Transfer Agreement's purposes, subject to approval by each City's City Manager and City Attorney. Prior to the Close of Escrow, Agoura Hills shall deliver the quitclaim deed to the Title Company. Prior to the Close of Escrow, Calabasas shall deposit with the Title Company the One Dollar Purchase Price and proof that: (1) the California Public Employees Retirement System ("PERS") has approved the merger of the PERS Contract with the Joint Powers Authority into the Calabasas PERS Contract, (2) Los Angeles County has consented to the land transfer, and (3) the Joint Powers Authority has terminated.

**1.3 Title and Escrow Closing.** The escrow officer shall record the quitclaim deed in favor of Calabasas and close the escrow no later than thirty (30) days after the deposit with the escrow officer of all items required by Section 1.2. The date for the Close of Escrow may be extended by mutual written agreement of Agoura Hills and Calabasas. Calabasas shall pay all escrow fees, recording fees, and title insurance charges incurred in this transaction. Title to the undivided half-interest in the Community Center held by Agoura Hills shall pass immediately upon Close of Escrow.

**2. Pension Obligations.** Calabasas agrees that, simultaneous with its approval of this Agreement, it shall adopt a Resolution stating its intent to pursue merger of the Agoura Hills/Calabasas Community Center's contract with the California Public Employees' Retirement System into the City of Calabasas' contract with the California Public Employees' Retirement System. Calabasas further agrees that, after approval by Agoura Hills of this Agreement and deposit into escrow of the quitclaim deed, Calabasas shall adopt the necessary contract modification and related Resolution and Ordinance to effect merger of the Agoura Hills/Calabasas Community Center's contract with the California Public Employees' Retirement System into the City of Calabasas' contract with the California Public Employees' Retirement System, as an agreed-upon allocation of existing pension debt jointly owed by the Cities to the California Public Employees Retirement System under Government Code sections 6508.1 and 6508.2.

**3. Termination of the Joint Powers Authority.** The Cities agree to terminate the Joint Powers Authority entirely, once the PERS contract merger is completed, reflecting that the Joint Powers Authority will not have any continuing role in managing the operations of the Community Center after the Effective Date. As part of the Joint Powers Authority's termination, any funds leftover after closing out the Joint Powers Authority's debts, shall be paid back to the two Cities in equal shares.

4. **No Continuing Financial Obligation by Agoura Hills to the Joint Powers Authority.** The Cities agree that, after the completion of the termination of the Joint Powers Agreement, Agoura Hills shall have no further financial obligations to the Joint Powers Authority nor role in managing the Community Center.

5. **Lease Termination.** The Cities agree that, notwithstanding anything contained therein, upon the recordation date of the quitclaim deed by Agoura Hills to Calabasas per Section 1 of this Transfer Agreement, the Ground Lease shall terminate, as Calabasas will, at that time, own the land and improvements subject to the Ground Lease, subject to the continuing express conditions.

6. **Enforcement.** The Cities agree that, if either party breaches this Transfer Agreement, specifically including any failure by Calabasas to effect a merger of the Joint Powers Authority's contract with the California Public Employees Retirement System into the Calabasas contract with the California Public Employees Retirement System or any failure by Agoura Hills to deposit the signed quitclaim deed into escrow, then the non-breaching party shall provide written notice to cure and correct the breach. If the party alleged to be in breach of this Transfer Agreement fails to cure and correct the breach within the thirty day notice period, then the non-breaching party may, at its option, elect any or all of the following remedies:

6.1 **Specific Performance Action.** The non-breaching party may sue for specific performance by the breaching party of its obligations under this Transfer Agreement.

6.2 **Damages Action.** The non-breaching party may sue for damages caused by the breaching party due to its obligations under this Transfer Agreement.

6.3 **Other Remedies.** The non-breaching party may sue for other remedies as allowed by law against the breaching party due to its breach of its obligations under this Transfer Agreement.

7. **Attorneys' Fees.** The Cities further agree that if legal enforcement of this Transfer Agreement becomes necessary, the City who prevails in either seeking or resisting such enforcement shall be entitled to an award of their actual attorneys and/or expert fees and related costs against the non-prevailing City.

8. **Indemnification.** "Agoura Hills" for the purposes of this section shall mean and include Agoura Hills, and its councilmembers, officers, agents and employees. To the fullest extent permitted by law, Calabasas covenants with Agoura Hills that Agoura Hills shall not be liable for any damage or liability of any kind or for any injury to or death of persons or damage to property of Calabasas or any other person from any cause whatsoever related to the use, occupancy or enjoyment of the

Community Center by Calabasas or its officials, employees, volunteers, invitees, program participants, or any other person on the Community Center as will be owned by Calabasas per this Transfer Agreement. Calabasas shall pay for, defend (with an attorney reasonably approved by Agoura Hills), indemnify, and save Agoura Hills harmless against and from any real or alleged damage or injury and from all claims, judgments, liabilities, losses, damages, costs and expenses, including reasonable attorneys' fees and costs, arising out of or connected with Calabasas's and its officials, employees, volunteers, invitees, program participants, or any other person or persons', use of the Community Center or any repairs, replacements or improvements which Calabasas may make or cause to be made upon the Community Center, or arising out of the entry into this Transfer Agreement by the Cities, or arising out of any breach of this Lease by Calabasas. The obligations to indemnify set forth in this section shall include all reasonable attorneys' fees, litigation costs, investigation costs and court costs and all other costs, expenses and liabilities incurred by the indemnified party from the first notice that any claim or demand is to be made or may be made.

**9. Execution in Counterparts.** This Transfer Agreement may be executed in one or more original, facsimile, photocopied or emailed counterparts, each of which shall be deemed valid, binding and admissible, as though an original, but which together will constitute one and the same instrument. The Parties may sign by electronic signatures as defined in the Uniform Electronic Signatures Act, specifically Civil Code section 1633.2, subd. (h).

**10. Headings.** The heading titles for each section of this Transfer Agreement are included only as a guide to the contents and are not to be considered as controlling, enlarging, or restricting the interpretation of the Transfer Agreement.

**11. Each Party's Role in Drafting.** Each Party has had an opportunity to review the Transfer Agreement, confer with legal counsel regarding the meaning of the Transfer Agreement, and negotiate revisions to the Transfer Agreement. Accordingly, no Party shall have the right to rely on Civil Code section 1654, or related common law principles, to interpret any purported or actual uncertainty in the Transfer Agreement's meaning.

**12. Governing Law; Venue.** This Transfer Agreement shall be governed by the laws of the State of California. Any suit, claim or legal proceeding of any kind related to this Transfer Agreement shall be heard and filed in a court of competent jurisdiction in the County of Los Angeles.

**13. Cooperation in Challenge to Transfer Agreement.** The Cities shall mutually cooperate with each other in any litigation, administrative action, or other proceeding brought by a third party or parties challenging this Transfer Agreement, or any actions taken by the Cities, or a City individually, to implement it. No Party shall

induce, recommend or otherwise make any comment or statement to any person or entity to encourage a challenge to this Transfer Agreement or to the acts identified herein.

**14. Time is of the Essence.** The Parties acknowledge and agree that time is of the essence for the performance of all actions required or permitted to be taken under this Transfer Agreement.

**15. Cooperation of the Parties.** Each of the Cities agree to execute and deliver to the other Cities all additional documents, instruments and ensuing agreements, and to take such additional actions as may from time to time be necessary or appropriate to implement the terms and conditions of this Transfer Agreement. The Parties pledge to use their best efforts, in good faith to ensure the timely and complete implementation of the undertakings in this Transfer Agreement.

**16. Notices.** Every notice, demand or request (collectively "Notice") required hereunder or by law to be given by either party to the other shall be in writing. Notices shall be given by United States certified mail, postage prepaid, return receipt requested, or by same-day or overnight private courier, addressed to the party to be served at the address indicated below or such other address as the party to be served may from time to time designate in a Notice to the other party. The delivery of a Notice shall be deemed made within 3 days after deposit into the U.S. mail with respect to certified mail or within 1 business day after deposit with an overnight private courier for overnight delivery.

To Agoura Hills:  
City of Agoura Hills  
30001 Ladyface Court  
Agoura Hills, CA 91301  
Attn: City Manager

To Calabasas:  
City of Calabasas  
100 Civic Center Way  
Calabasas, CA 91302  
Attn: City Manager



IN WITNESS WHEREOF, Agoura Hills and Calabasas have duly executed this Lease on the day and year first above written.

**AGOURA HILLS:**

CITY OF AGOURA HILLS

By: \_\_\_\_\_  
Mayor Illece Buckley Weber

ATTEST:

\_\_\_\_\_  
Kimberly M. Rodrigues, MPPA, MMC,  
City Clerk

APPROVED AS TO FORM:

\_\_\_\_\_  
Candice K. Lee  
Richards, Watson & Gershon, PC  
City Attorney

**CALABASAS:**

CITY OF CALABASAS

By: \_\_\_\_\_  
Mayor Alicia Weintraub

ATTEST:

\_\_\_\_\_  
Maricela Hernandez, MMC, City Clerk

APPROVED AS TO FORM:

\_\_\_\_\_  
Matthew Summers  
Colantuono, Highsmith & Whatley, PC  
City Attorney

EXHIBIT "A"

DESCRIPTION OF LAND

The land referred to herein is situated in the State of California, County of Los Angeles, City of Calabasas and described as follows:

That portion of Lot 17, Tract No. 32952, as shown on Map filed in Book 1081, Pages 30 to 34 inclusive, of Maps, in the office of the recorder of the County of Los Angeles, within the following described boundaries:

Beginning at the intersection of the southeasterly boundary of those certain easements, in said lot, as shown on and dedicated by said map to Los Angeles County Flood Control District for flood control, storm drain and appurtenances, and storm drain ingress and egress purposes with the northeasterly boundary of said lot; thence southeasterly, southerly, westerly, northwesterly and northerly along the northeasterly, easterly, southerly, southwesterly, and westerly boundaries of said lot and following the same in all its various courses and curve to said first mentioned southeasterly boundary; thence northeasterly, southeasterly, easterly and northwesterly along the southeasterly, southwesterly, southerly and northeasterly boundaries of said certain easements and following the same in all its various courses and curve to the point of beginning.

APN: 2064-004-270

EXHIBIT "B"

FORM OF QUITCLAIM DEED FROM AGOURA HILLS TO CALABASAS

RECORDING REQUESTED BY and  
WHEN RECORDED RETURN TO:

City of Calabasas  
100 Civic Center Way  
Calabasas, CA 91302  
Attn: City Clerk

THIS DOCUMENT IS EXEMPT FROM  
DOCUMENTARY TRANSFER TAX  
PURSUANT TO SECTION 11922 OF  
THE REVENUE & TAXATION CODE.  
THIS DOCUMENT IS EXEMPT FROM  
RECORDING FEES PURSUANT TO  
SECTION 27383 OF THE  
GOVERNMENT CODE.

ASSESSOR'S IDENTIFICATION NUMBERS

**QUITCLAIM DEED**

For valuable consideration, the receipt and legal sufficiency of which is hereby acknowledged, the City of Agoura Hills, a California municipal corporation, hereinafter referred to as "City of Agoura Hills," does hereby remise, release, and forever quitclaim to the City of Calabasas, a California municipal corporation, hereinafter referred to as "City of Calabasas," all right, title, and interest City of Agoura Hills has in the real property, located in the County of Los Angeles, State of California and legally described in Exhibit "A" attached hereto and by this reference made a part hereof.

Dated: \_\_\_\_\_

City of Agoura Hills, a California municipal corporation

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Printed Name and Title

(Sign in the presence of a Notary Public and Attach Acknowledgement)

Exhibit "A"

Legal Description

The land referred to herein is situated in the State of California, County of Los Angeles, City of Calabasas and described as follows:

That portion of Lot 17, Tract No. 32952, as shown on Map filed in Book 1081, Pages 30 to 34 inclusive, of Maps, in the office of the recorder of the County of Los Angeles, within the following described boundaries:

Beginning at the intersection of the southeasterly boundary of those certain easements, in said lot, as shown on and dedicated by said map to Los Angeles County Flood Control District for flood control, storm drain and appurtenances, and storm drain ingress and egress purposes with the northeasterly boundary of said lot; thence southeasterly, southerly, westerly, northwesterly and northerly along the northeasterly, easterly, southerly, southwesterly, and westerly boundaries of said lot and following the same in all its various courses and curve to said first mentioned southeasterly boundary; thence northeasterly, southeasterly, easterly and northwesterly along the southeasterly, southwesterly, southerly and northeasterly boundaries of said certain easements and following the same in all its various courses and curve to the point of beginning.

APN: 2064-004-270

CERTIFICATE OF ACCEPTANCE

This is to certify that the interest in real property conveyed by the Quitclaim Deed dated \_\_\_\_\_, from the City of Agoura Hills, a California municipal corporation, to the City of Calabasas, a California municipal corporation, was accepted by approval of the City Council of the City of Calabasas and the City of Calabasas consents to the recordation thereof by its duly authorized officer.

Dated: \_\_\_\_\_

CITY OF CALABASAS

By: \_\_\_\_\_  
Mayor Alicia Weintraub

ATTEST:

\_\_\_\_\_  
Maricela Hernandez, MMC, City Clerk

APPROVED AS TO FORM:

\_\_\_\_\_  
Matthew Summers  
Colantuono, Highsmith & Whatley, PC  
City Attorney