

REPORT TO CITY COUNCIL AND REDEVELOPMENT AGENCY

DATE: JUNE 8, 2011

TO: HONORABLE MAYOR/CHAIR AND MEMBERS OF THE CITY COUNCIL/REDEVELOPMENT AGENCY

FROM: GREG RAMIREZ, CITY MANAGER/EXECUTIVE DIRECTOR

BY: NATHAN HAMBURGER, ASSISTANT CITY MANAGER/ASSISTANT EXECUTIVE DIRECTOR

SUBJECT: APPROVAL OF AN OPTION EXTENSION AGREEMENT WITH THE LAS VIRGENES UNIFIED SCHOOL DISTRICT (ASSESSOR'S PARCEL NUMBER 2048-008-901)

In cooperation with staff, the City Attorney's Office has prepared for your approval an extension to the ground lease option agreement, that was approved by the Agency in November 2008, regarding approximately one acre of Las Virgenes Unified School District property. The property is located at the northeast most corner of Agoura High School, and is located within the City's Redevelopment Agency Project Area. This site, along with others, was identified through an Affordable Housing Implementation Strategy, as a site suited for affordable housing and some form of connection to public educators that complies with California Redevelopment Law requirements.

With the uncertainty of Redevelopment within the State of California and the numerous proposals to either eliminate or reform portions of the Health & Safety statutes, it has been difficult to adequately plan and execute actions of the Redevelopment Agency. Thus, it is imperative, from a business standpoint, to keep the Redevelopment Agency's options open so as not to hamper future activities without knowing whether regulations and legislative requirements related to affordable housing will change or remain as is. The option ground lease extension would lengthen the time period by three years, which the Redevelopment Agency has to review and adequately complete the design of the proposed homes and continue working with the California Redevelopment Association, League of California Cities, and the City Attorney's Office to stay up-to-date on the proposed legislation and the effects on the Redevelopment Agency.

It must be stressed that the extension of this option agreement is not in any way to be construed as a decision by the Agency to go forward with either the leasing of the property in the long term, or the development of housing. Staff expects to return to the City Council for the approval of the ground lease agreements at a later date and after revisiting the plausibility of other potential housing locations. Since the time the initial option agreement was approved in 2008, other potential locations may have become more viable and staff will continue to investigate

those opportunities in greater detail. The proposed ground lease, including all exhibits, would be prepared later as part of the final approval process.

As consideration for the Las Virgenes Unified School District to extend the option and protect the Agency's rights, three annual payments of \$50,000 are proposed. Given the Agency's investment in the property already, the scarcity of suitable vacant land in the City, and the need to meet Redevelopment Housing obligations, staff believes this amount of consideration is fair. The District may use the option payments as they see fit.

The Las Virgenes Unified School District was expected to take action on this agreement with their Board of Education at their June 7, 2011 Board Meeting. Staff will provide an oral presentation as to the details of their action at your Agency Board meeting.

RECOMMENDATION

It is respectfully recommended the City Council approve the attached option agreement extension, for Assessor Parcel Number 2048-008-901, with the Las Virgenes Unified School District and authorize the Executive Director to execute the extension and pay the District as required.

Attachment: Option agreement extension

AMENDMENT No. 1
AND EXTENSION TO OPTION AGREEMENT
DATED NOVEMBER 18, 2008

THIS AMENDMENT No. 1 and Extension to that certain Option Agreement dated November 18, 2008 by and between the Las Virgenes Unified School District ("Optionor") and the Agoura Hills Redevelopment Agency ("Optionee") is made and entered into this _____ day of _____, 2011.

RECITALS

WHEREAS, Optionor and Optionee, hereinafter sometimes referred to as "the Parties", entered into an Option Agreement dated November 18, 2008 ("Option Agreement") to afford Optionee the Option to lease certain real property owned by Optionor; and

WHEREAS, the Parties desire to amend the Option Agreement to extend the time period of the Grant of Option granted therein;

NOW, THEREFORE, IN CONSIDERATION OF THE FOREGOING, Optionor and Optionee agree to amend the Option Agreement as follows:

1. Paragraph 1 of the Option Agreement is hereby amended by adding the following additional text to the Table of Option periods:

	<u>Option Period</u>	<u>Option Consideration</u>	<u>Payment Date</u>
Fourth Option	07/01/11 - 6/30/12	\$ 50,000.00	07/01/11
Fifth Option	07/01/12 - 6/30/13	\$ 50,000.00	07/01/12
Sixth Option	07/01/13 - 6/30/14	\$ 50,000.00	07/01/13

2. The subsequent text of the Option Agreement is amended to express the above-referenced option periods and payment dates as noted above.
3. All other terms and conditions contained in the Option Agreement, as amended, shall remain in full force and effect.

IN WITNESS WHEREOF, the Optionee, through the act of its Agency Board, has approved and directed its Chair to execute this Amendment to the

Option Agreement, and the Optionor, through the act of its Governing Board, has approved and directed its Chair to execute this Amendment to the Option Agreement.

ATTEST:

CITY OF AGOURA HILLS
REDEVELOPMENT AGENCY
"Optionee"

BY: _____
Kimberly M. Rodrigues, MPPA, MMC

BY: _____
Harry Schwarz, Mayor

ATTEST:

LAS VIRGENES UNIFIED SCHOOL
DISTRICT "Optionor"

BY: _____
Clerk of the Board

BY: _____
Donald M. Zimring,
Superintendent