

RESOLUTION NO. OB-07-12

A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY OF THE FORMER EL CAJON REDEVELOPMENT AGENCY APPROVING THE COMPROMISE OF A CLAIM FOR UNPAID RENT FROM DOMINIC DONATO AND THE DIVISION OF THE PAYMENT BETWEEN THE SUCCESSOR AGENCY AND THE CITY OF EL CAJON.

WHEREAS, Section 34180 (a) of the California Health and Safety Code provides that Successor Agency actions to establish new repayment terms for outstanding loans are subject to Oversight Board review and approval; and

WHEREAS, Section 34181 (e) of the California Health and Safety Code provides that the Oversight Board shall direct the Successor Agency to determine whether any contracts, agreements, or other arrangements between the dissolved redevelopment agency and any private parties should be terminated or renegotiated to reduce liabilities and increase net revenues to the taxing entities, and present proposed termination or amendment agreements to the Oversight Board for its approval. It further states that the Oversight Board may approve any amendments to or early termination of those agreements if it finds that the amendments or early termination would be in the best interest of the taxing entities; and

WHEREAS, the Oversight Board of the Successor Agency of the former El Cajon Redevelopment Agency held a special meeting on October 11, 2012, at which time it considered an offer to compromise earned but unpaid rent under that certain Ground Lease with the tenant, Domenico Donato (the "Tenant"), dated November 22, 2002 and first amended on January 22, 2003 (the "Ground Lease"), in the current amount of \$4,045.96, by accepting payment of the total sum of \$2,100.00; and

WHEREAS, the compromise would result in the collection of a portion of an outstanding debt, which is to be divided between the Successor Agency and the City of El Cajon in the ratio of 52% to the Successor Agency and 48% to the City of El Cajon in accordance with their pro-rated ownership of land covered; and

WHEREAS, approval of the reduced rent proposal will result in the collection of \$2,100.00 in earned but unpaid rent, of which \$1,092.00 would be program income to the Successor Agency, benefiting all taxing agencies; and

WHEREAS, due to the costs associated with litigation to collect the debt, acceptance of the compromise would be in the best interests of the Successor Agency, the City of El Cajon, and all taxing entities sharing in the income to the Successor Agency.

NOW, THEREFORE, BE IT RESOLVED BY THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY OF THE FORMER CITY OF EL CAJON REDEVELOPMENT AGENCY AS FOLLOWS:

- A. The Oversight Board finds that:
1. The recitals above are true and correct and have been incorporated herein by reference; and
 2. The proposed project is exempt from the California Environmental Quality Act (CEQA) under Section 15061 (b) (3) (General Rule) of the CEQA Guidelines because it will have no physical effect on the environment; and
 3. The proposed new rent terms/rent reduction would be in the best interest of the taxing entities because it will result in increased net revenues to the taxing entities this year than is likely without the proposed rent reduction.
- B. The Oversight Board hereby APPROVES the proposed compromise of the existing debt, and accepts the payment from the Tenant in the amount of \$2,100.00 (U.S.), in full satisfaction of the tenant's outstanding obligation, and hereby approves the discharge of the balance of \$1,945.96 under the Ground Lease . The approval of the proposed compromise shall be conditioned on the payment, by the Tenant, to the City of El Cajon, at 200 Civic Center Way, El Cajon, California, of the sum of \$2,100.00 (U.S.) within thirty (30) days of the date of this approval by the Oversight Board, and the division of said payment as follows: \$1,092.00 shall be deposited into the account for the Successor Agency of the former El Cajon Redevelopment Agency and \$1,008.00 shall be paid to the City of El Cajon.
- C. The Executive Director of the Successor Agency is hereby authorized to execute such documents as are reasonably necessary and proper to completely and fully compromise the aforementioned outstanding claim with the Tenant.

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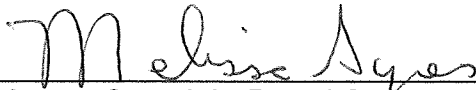
PASSED AND ADOPTED by the Oversight Board of the Successor Agency of the former El Cajon Redevelopment Agency at a special meeting held this 11th day of October, 2012, by the following vote to wit:

AYES: ABUSHABAN, BUXBAUM, CHADWICK, GRIFFIN, TURNER-EMERSON
NOES: NONE
ABSENT: GRIFFITHS, RANU



Debra Turner-Emerson, Chairperson

ATTEST:



Melissa Ayres, Oversight Board Secretary