

# MASTER AGREEMENT FOR TAXING ENTITY COMPENSATION

(City of Cudahy)

This Master Agreement for Taxing Entity Compensation (this “**Agreement**”), dated for reference purposes as of \_\_\_\_\_, 2022, is entered into by and among the following public agencies (all of which are collectively referred to herein as the “Parties” and as the “**Taxing Entities**”):

City of Cudahy, a municipal corporation (“**City**”); Los Angeles County General Fund; Los Angeles County Library; Los Angeles County Consolidated Fire District; Los Angeles County Flood Control; Greater Los Angeles County Vector Control; County Sanitation District No. 1 of Los Angeles County; Water Replenishment District of So. Cal; Educational Rev. Augmentation Fund (“**ERAF**”); Los Angeles County Office of Education; Los Angeles Community College District (“**LACCD**”); Los Angeles Unified School District (“**LAUSD**”), on the basis of the following facts, understandings and intentions of the Parties.

## RECITALS

A. Pursuant to Assembly Bill 1X 26, enacted in June 2011, and as modified by the Supreme Court of the State of California in the matter of *California Redevelopment Association, et al. v. Ana Matosantos, et al*, Case No. S194861, and further modified by Assembly Bill 1484, enacted in June 2012, and other subsequent legislation (collectively, the “**Dissolution Act**”), the Redevelopment Agency of the City of Cudahy (“**Redevelopment Agency**”) was dissolved, and pursuant to Health & Safety Code Section 34173, the City elected to serve as the successor agency to the dissolved Redevelopment Agency (the “**Successor Agency**”). Pursuant to Health and Safety Code Section 34173(g), the Successor Agency is a separate legal entity from the City.

B. Pursuant to Health and Safety Code Section 34191.5, the Successor Agency prepared a Long-Range Property Management Plan (“**LRPMP**”) that addresses disposition of the real property formerly owned by the Redevelopment Agency.

C. The LRPMP was approved by Resolution of the Oversight Board to the Successor Agency (the “**Oversight Board**”), a seven-member board established pursuant to Health and Safety Code Section 34179.

D. The State Department of Finance (“**DOF**”) approved the LRPMP by letter dated December 16, 2015.

E. The LRPMP provides that pursuant to Health & Safety Code Section 34191.5(c)(2), Six (6) Sites formerly owned by the Redevelopment Agency will be transferred by the Successor Agency to the City for future development.

F. On November 9<sup>th</sup>, 2020, the Oversight Board approved the transfer of the Sites, but required the deed conveying the Sites to the City not be recorded until the City and the Taxing Entities entered into this Compensation Agreement.

NOW THEREFORE, the Parties agree as follows.

1. Purpose. This Agreement is executed with reference to the facts set forth in the foregoing Recitals which are incorporated into this Agreement by this reference. The purpose of this Agreement is to address the allocation of certain prospective revenues among the taxing entities that share in the property tax base (“**Tax Base**”) for property located within the \_\_\_\_\_Redevelopment Project Area (the “**Project Area**”) formerly administered by the Redevelopment Agency.

2. Sites to be Conveyed for Development Consistent with Plans. The LRPMP provides that, pursuant to Health & Safety Code Section 34191.5(c)(2), Six (6) sites formerly owned by the Cudahy Redevelopment Agency will be transferred by the Successor Agency to the City for future sale and development. The Dissolution Act requires that any future development be consistent with the Redevelopment Plan adopted for the Project Area, the Implementation Plans adopted in connection with the Redevelopment Plan, the Cudahy General Plan and any other community plans applicable to the Sites (all of the foregoing, collectively, the “**Plans**”). These six (6) sites (individually a “**Site**” and collectively, the “**Sites**”) are more fully described in Exhibit A.

3. Compensation Arrangement. The City agrees that, consistent with the LRPMP, in connection with the subsequent conveyance of any of the Sites, the City will remit the Net Unrestricted Proceeds to the Los Angeles County Auditor-Controller for distribution to the Taxing Entities in accordance with each Taxing Entity’s pro rata share of the Tax Base. “**Net Unrestricted Proceeds**” shall mean the proceeds of sale received by the City for the sale of any Site and any rental or other income received by the City not previously remitted to the Los Angeles County Auditor-Controller, less: (i) costs incurred by City for expenses incurred in connection with the management and disposition of the Site, including without limitation, costs incurred for property management, maintenance, insurance, marketing, appraisals, brokers’ fees, escrow, closing costs, survey, title insurance, attorneys’ and consultants’ fees, and other reasonable costs incurred, including reasonable compensation for City staff performing functions associated with the management, maintenance and disposition of the Site, and any relocation costs under State or Federal relocation laws and applicable requirements, and (ii) any proceeds of sale that are restricted by virtue of the source of funds (e.g. grant funds or the proceeds of bonds) that were used for the original acquisition of the Site. Upon request, the City shall deliver to the Taxing Entities an accounting of all such costs, expenses and restricted proceeds.

4. Sale Procedures and Proceeds. The Parties acknowledge that City is obligated to convey each Site for development consistent with the Plans. The Parties further acknowledge that consistent with Government Code Section 52200 et seq. (added by Senate Bill 470 adopted in September 2013), prior to the disposition of the Sites or any part thereof, the City may be obligated to hold a noticed public hearing and prepare a report that includes, among other things (i) an explanation of why the disposition will assist in the creation, retention, or expansion of job opportunities, increased property tax revenues, and the development of affordable housing, transit priority projects and sustainable development, and (ii) an explanation of the difference between the highest and best use value and the disposition price taking into consideration development constraints and requirements, and the covenants, conditions and development costs required by the

sale or lease. The City anticipates that the disposition price for a Site may be minimal when remediation costs, the costs required for necessary public improvements and infrastructure, and other development constraints are taken into account.

5. Compensation Agreement. Health and Safety Code Section 34191.3 provides that once an LRPMP has been approved by DOF, the LRPMP supersedes all other provisions of the statute relating to the disposition and use of the former redevelopment agency's real property assets. Nonetheless, in compliance with Health and Safety Code Section 34191.5(c)(2)(A)(iii) and consistent with the previous Oversight Board action, the LRPMP provides that the City of Cudahy will enter into an agreement with the taxing entities that addresses disposition of the 6 Sites to be conveyed to the City for future development. Notwithstanding the foregoing, this section of this Agreement will not be operative if a court order, legislation or Department of Finance policy reverses the Department's directive regarding such agreements, and in such event, the City will be permitted to dispose of the Sites even if this Agreement has not been executed by all Taxing Entities. Notwithstanding the foregoing, the City agrees that it will comply with the provisions of the LRPMP that require payment of Net Unrestricted Proceeds to the Taxing Entities.

6. Term of Agreement. This Agreement shall remain in full force and effect until the Net Unrestricted Proceeds from the sale of the \_\_ Sites has been paid to the County Auditor-Controller for disbursement to the Taxing Entities, at which time it shall automatically terminate.

7. Miscellaneous Provisions.

7.1 Notices. Except as otherwise specified in this Agreement, all notices to be sent pursuant to this Agreement shall be made in writing, and sent to the Parties at their respective addresses specified on the signature pages to this Agreement or to such other address as a Party may designate by written notice delivered to the other Parties in accordance with this Section. All such notices shall be sent by: (i) personal delivery, in which case notice is effective upon delivery; (ii) certified or registered mail, return receipt requested, in which case notice shall be deemed delivered on receipt if delivery is confirmed by a return receipt; or (iii) nationally recognized overnight courier, with charges prepaid or charged to the sender's account, in which case notice is effective on delivery if delivery is confirmed by the delivery service.

7.2 Headings; Interpretation. The section headings and captions used herein are solely for convenience and shall not be used to interpret this Agreement. The Parties agree that this Agreement shall not be construed as if prepared by one of the Parties, but rather according to its fair meaning as a whole, as if all Parties had prepared it.

7.3 Action or Approval. Whenever action and/or approval by City is required under this Agreement, the City Manager or his or her designee may act on and/or approve such matter unless specifically provided otherwise, or unless the City Manager determines in his or her discretion that such action or approval requires referral to City Council for consideration.

7.4 Entire Agreement. This Agreement, including Exhibit A attached hereto and incorporated herein by this reference, contains the entire agreement among the Parties with respect to the subject matter hereof, and supersedes all prior written or oral agreements, understandings, representations or statements between the Parties with respect to the subject matter hereof.

7.5 Counterparts. This Agreement may be executed in counterparts, each of which shall be an original and all of which taken together shall constitute one instrument. The signature page of any counterpart may be detached therefrom without impairing the legal effect of the signature(s) thereon provided such signature page is attached to any other counterpart identical thereto having additional signature pages executed by the other Parties. Any executed counterpart of this Agreement may be delivered to the other Parties by facsimile and shall be deemed as binding as if an originally signed counterpart was delivered.

7.6 Severability. If any term, provision, or condition of this Agreement is held by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this Agreement shall continue in full force and effect unless an essential purpose of this Agreement is defeated by such invalidity or unenforceability.

7.7 No Third Party Beneficiaries. Except as expressly set forth herein, nothing contained in this Agreement is intended to or shall be deemed to confer upon any person, other than the Parties and their respective successors and assigns, any rights or remedies hereunder.

7.8 Parties Not Co-Venturers; Independent Contractor; No Agency Relationship. Nothing in this Agreement is intended to or shall establish the Parties as partners, co-venturers, or principal and agent with one another. The relationship of the Parties shall not be construed as a joint venture, equity venture, partnership or any other relationship.

7.9 Governing Law; Venue. This Agreement shall be governed by and construed in accordance with the laws of the State of California without regard to principles of conflicts of laws. Any action to enforce or interpret this Agreement shall be filed and heard in the Superior Court of Los Angeles County, California or in the appropriate Federal District Court.

*SIGNATURES ON FOLLOWING PAGES.*

IN WITNESS WHEREOF, the Parties have executed this Agreement by their authorized representatives as indicated below.

**CITY OF CUDAHY**, a municipal corporation

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Attest by: \_\_\_\_\_

APPROVED AS TO FORM:  
City Attorney

By: \_\_\_\_\_

Address for Notices:

Attn: Joshua Calhoun, Director of Finance  
City of Cudahy  
5220 Santa Ana Street  
Cudahy, CA 90201

*SIGNATURES CONTINUE ON FOLLOWING PAGES.*

**COUNTY OF LOS ANGELES**, a political subdivision of the State of California

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Attest by: \_\_\_\_\_

Approved as to form:

\_\_\_\_\_  
County Counsel

Address for Notices:

Attn: Fesia Davenport, CEO  
County of Los Angeles  
500 W. Temple St., Rm 713/796  
Los Angeles, CA 90012

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**LOS ANGELES UNIFIED SCHOOL DISTRICT, (“LAUSD”)**

Los Angeles Unified School District  
County School Service Fund – Los Angeles  
Development Center Handicapped Minor – L.A. Unified  
Los Angeles Children’s Center Fund

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Attest by: \_\_\_\_\_

Approved as to form:

\_\_\_\_\_

Address for Notices:

Attn: David D. Hart, CFO  
Alberto M. Carvalho, Superintendent  
LAUSD  
333 South Beaudry Avenue  
Los Angeles, CA 90017

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**LOS ANGELES COUNTY GENERAL FUND**

Los Angeles County  
LA County Accum. Cap. Outlay

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Attest by: \_\_\_\_\_

Approved as to form:

\_\_\_\_\_

Address for Notices:

Attn: Fesia Davenport, CEO  
Los Angeles County General Fund  
500 W. Temple St., Rm 713/796  
Los Angeles, CA 90012

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**LOS ANGELES CO. CONSOLIDATED FIRE DISTRICT**

Los Angeles Consolidated Fire District  
Los Angeles County Fire (“FFW”)

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Attest by: \_\_\_\_\_

Approved as to form:

\_\_\_\_\_

Address for Notices:

Attn: Ron Haralson, Fire Captain  
Los Angeles Co. Consolidated Fire District  
1320 N Eastern Avenue  
Los Angeles, CA 90063

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**LOS ANGELES COUNTY FLOOD CONTROL**

Los Angeles County Flood DR. IMP. District Maintenance  
Los Angeles County Flood Control Maintenance

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Attest by: \_\_\_\_\_

Approved as to form:

\_\_\_\_\_

Address for Notices:

Attn: Mark Pestrella, Director  
Los Angeles County Flood Control  
900 S. Fremont Avenue  
Alhambra, CA 91803

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**CITY OF CUDAHY**

Tax District #1  
Light District #1  
Light District #2  
Light District #3

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Attest by: \_\_\_\_\_

Approved as to form:

\_\_\_\_\_

Address for Notices:

Attn: Joshua Calhoun, Director of Finance,  
City of Cudahy  
5220 Santa Ana Street  
Cudahy, CA 90201

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**ERAF**

Educational Rev. Augmentation Fund  
Educational Aug. Fund Impound

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Attest by: \_\_\_\_\_

Approved as to form:

\_\_\_\_\_

**Address for Notices:**

*SIGNATURES CONTINUE ON FOLLOWING PAGES*

**LOS ANGELES COUNTY OFFICE OF EDUCATION**

County School Services  
Childrens Instil. Tuition Fund

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Attest by: \_\_\_\_\_

Approved as to form:

\_\_\_\_\_

Address for Notices:

Attn: Patricia Smith, CFO  
Los Angeles County Office of Education  
9300 Imperial Hwy.  
Downey, CA 90242

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**LOS ANGELES COMMUNITY COLLEGE DISTRICT, (“LACCD”)**

Los Angeles Community College District  
Los Angeles Community College Children’s Center Fund

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Attest by: \_\_\_\_\_

Approved as to form:

\_\_\_\_\_

Address for Notices:

Attn: Jeanette L. Gordon, CFO  
LACCD  
770 Wilshire Boulevard  
Los Angeles, CA 90017

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**LOS ANGELES COUNTY LIBRARY**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Attest by: \_\_\_\_\_

Approved as to form:

\_\_\_\_\_

Address for Notices:

Attn: Skye Patrick, Director  
L.A. County Library Headquarters  
7400 E. Imperial Highway  
Downey, CA 90242

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**COUNTY SANITATION DISTRICT NO. 1 OF LOS ANGELES COUNTY**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Attest by: \_\_\_\_\_

Approved as to form:

\_\_\_\_\_

Address for Notices:

Attn: Robert Ferrante, General Manager /  
Eaton Matthew, Department Head of Finance  
County Sanitation District No. 1 of Los Angeles County  
1955 Workman Mill Road  
Whittier, CA 90601

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**GREATER LOS ANGELES COUNTY VECTOR CONTROL**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Attest by: \_\_\_\_\_

Approved as to form:

\_\_\_\_\_

Address for Notices:

Attn: Susanne Klueh, General Manager  
Greater Los Angeles County Vector Control District  
12545 Florence Avenue  
Santa Fe Springs, CA 90670

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**WATER REPLENISHMENT DIST. OF SO. CAL**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Attest by: \_\_\_\_\_

Approved as to form:

\_\_\_\_\_

Address for Notices:

Attn: Robert Katherman, Finance / John D. Allen, President  
Water Replenishment Dist. of So. Cal  
4040 Paramount Boulevard  
Lakewood, CA 90712

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**EXHIBIT A**

**DESCRIPTION OF THE SITES**

Sites to be conveyed for development consistent with the Plans:

Site No.	APN	Address	Existing Use
1	6224-001-901 6224-001-902	5256 Elizabeth Street 5260 Elizabeth Street	Elizabeth Street Residential Property
2	6224-018-911 6224-018-912 6224-018-913 6224-018-914 6224-018-915	4734 Santa Ana Street 8100 South Atlantic Avenue 4720 Santa Ana Street Santa Ana Street 8110 South Atlantic Avenue	Atlantic Avenue/ Santa Ana Street Commercial Property (Castro Tires shop)
3	6224-019-901	4610 Santa Ana Street	Santa Ana Street Residential Property
4	6224-022-900 6224-022-901 6224-022-902 6224-022-903 6224-022-904	8135 South Atlantic Avenue 8201 South Atlantic Avenue 4633 Cecilia Street 8221 South Atlantic Avenue 4629 Cecilia Street	Atlantic Avenue / Cecilia Street Commercial Property (Commercial Buildings / Other) Platinum Autobody shop
5	6224-034-900 6224-034-901 6224-034-902 6224-034-903	4819 Patata Street 8420 South Atlantic Avenue 8420 South Atlantic Avenue Patata Street	Atlantic Avenue / Patata Street Commercial Property (Commercial Building / Vacant Land)
6	6226-022-904 6226-022-905 6226-022-906 6226-022-907 6226-022-908 6226-022-909 6226-022-910 6226-022-911	No address 7644 South Atlantic Avenue 7638 South Atlantic Avenue No Address 7630 Atlantic Avenue 7630 Atlantic Avenue 7660 Atlantic Avenue 4613 Clara Street	Atlantic Avenue / Clara Street Commercial Property (Commercial Buildings / Vacant Land / Other) (The VIP Motel, Red Owl Liquor Store, La Tripa Veloz Restaurant)