

RESOLUTION NO. _____ (CM)

RESOLUTION APPROVING A DISPOSITION AND DEVELOPMENT AGREEMENT BETWEEN THE CITY OF WATSONVILLE AND PAJARO VALLEY ARTS COUNCIL, A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, REGARDING THE PORTER BUILDING PROPERTY COMPRISING AN APPROXIMATELY 15,000 SQUARE FOOT PORTION OF ASSESSOR PARCEL NUMBER 017-182-16

WHEREAS, the City of Watsonville (“City”) is the fee owner of Assessor Parcel Number 017-182-16 (“City-Owned Parcel”); and

WHEREAS, the City issued a Request for Proposals (“RFP”) for development of an approximately 15,000 square foot portion of the City-Owned Parcel, which is improved with the historic Porter Building (“Building Property”); and

WHEREAS, upon analysis of the 2019 changes in the State Surplus Land Act (Government Code Section 54220 et seq.) (“Surplus Land Act”), the City paused the RFP developer selection process and on March 23, 2021, by Resolution 78-21, the City Council declared the Building Property to be surplus; and

WHEREAS, in compliance with the Surplus Land Act, City issued a notice of availability, and then briefly negotiated with the one affordable housing sponsor who considered submitting an offer to purchase the Building Property, but later rescinded its offer; and

WHEREAS, having received no other expressions of interest from affordable housing sponsors or other parties who received the notice of availability, City now desires to dispose of the Building Property to a buyer for use consistent with the objectives outlines in the RFP; and

WHEREAS, City staff have negotiated with Pajaro Valley Arts Council, a California nonprofit public benefit corporation (“PV Arts”) a proposed Disposition and

Development Agreement (“DDA”) with respect to the Building Property, which is attached to the staff report and incorporated by reference herein; and

WHEREAS, the DDA provides, among other things, for City to sell the Building Property to PV Arts and, following close of escrow, for PV Arts to rehabilitate and refurbish the Porter Building to create a performing arts space and an art gallery exhibit space, coupled with ancillary uses on the ground floor and artist studio space and ancillary office space on the second story; and

WHEREAS, a fair market appraisal prepared for City determined that the fair market value of the Building Property is \$1,150,000; and

WHEREAS, City has negotiated a sale of the Building Property to PV Arts for a purchase price of \$1,150,000; and

NOW, THEREFORE, BE IT RESOLVED, based on the information in the staff report accompanying this Resolution and all attachments thereto, which are incorporated herein by this reference, and all public testimony presented to the City Council regarding the City Owned Parcel and Building Property, the City Council of the City of Watsonville hereby finds and determines as follows:

1. The foregoing recitals are true and correct.
2. The approval and implementation of the DDA is categorically exempt from the requirements of CEQA because it falls within a class of projects that the Secretary of Resources has found does not have a significant effect on the environment pursuant to Section 15301 of the State CEQA Guidelines, 14 CCR 15000, *et seq.*, entitled Existing Facilities.

3. The City Council hereby directs the City Manager to file a Notice of Exemption with respect to approval and implementation of the DDA.

4. The City Council hereby finds that the disposition of the Building Property as described in the DDA is consistent with the objectives, policies, general land uses, and programs specified in the City of Watsonville's General Plan, for among other reasons the following: PV Arts will offer art classes and events for the entertainment of the public, such that the use of the Building Property will be quasi-public or recreational in nature.

5. The City hereby determines based on the evidence in the record that the proposed sale price of \$1,150,000 represents the fair market value of the Property.

6. The City Council hereby approves and authorizes the City Manager or their designee, to execute and enter into the DDA in the form attached to the staff report, with such further minor conforming, technical or clarifying changes or revisions as may be agreed to and approved by the City Attorney, which do not materially increase the obligations of the City thereunder. The City Manager or their designee and the City Clerk are further authorized and directed to take such further actions and execute such documents on behalf of the City as are necessary to carry out the transaction contemplated by the DDA on behalf of the City, including without limitation, all actions and documents necessary for the sale of the Building Property to PV Arts pursuant to the DDA, including without limitation a) approving a legal description for the Building Property and inserting it in place of the site plan attached to the DDA as an exhibit to describe the Building Property and b) approving and attaching legal descriptions to the Grant Deed for the Building Property, the City's

grants of easements to PV Arts over the City-Owned Parcel, and reservations of easements on the Building Property for the benefit of the City-Owned Parcel.

7. This resolution shall become effective immediately upon its passage and adoption.