

SETTLEMENT AGREEMENT

This Settlement Agreement (“Agreement”) is by and among the City of Watsonville (the “City”) and the Committee for Planned Growth and Farmland Protection (“Committee”). The City and Committee are collectively referred to as “Parties” below. The Parties enter into this Agreement for the purpose of achieving a compromise regarding the Watsonville Planned Growth and Farmland Protection Initiative pursuant to Elections Code sections 9215.5 and 9604.

RECITALS

A. On December 13, 2021, Amy Newell, Betty Bobeda, and Peter Navarro submitted to the Watsonville City Clerk signed initiative petition sections in support of the Watsonville Planned Growth and Farmland Protection Initiative (“Committee Initiative”).

B. The City Clerk notified the Committee on January 20, 2022, that the Committee Initiative contained valid signatures from more 10 percent of the registered voters of the City, and therefore qualified for placement on the ballot.

C. At its regular meeting on March 8, 2022, the City Council of the City of Watsonville ordered the Committee Initiative to be placed on the ballot for the November 8, 2022, election.

D. The Committee Initiative, if adopted, would amend the City’s General Plan to keep in place the existing Urban Limit Line through 2040, with minor modifications.

E. The City seeks a substantive modification to the Committee Initiative to allow the City to annex the property at 320 Lee Road, upon certain specified findings by the Council, subject to community input, and consistent with the MOU between the City of Watsonville, County of Santa Cruz, and the California Coastal Commission, in which the City of Watsonville reserved the right to pursue potential annexation of 320 Lee Road (APN 052-271-04).

F. Elections Code section 9604 provides that “any person may engage in good faith bargaining between competing interests to secure legislative approval of matters embraced in a statewide or local initiative ...”

G. Elections Code section 9215.5 allows the proponents of an initiative to withdraw the initiative at any time before the 88th day before the election, whether or not the petition has already been found sufficient by the elections official.

H. The Parties seek to take advantage of these Elections Code provisions in order to place a modified version of the Committee Initiative on the November 8, 2022 ballot, that allows the City to annex the property at 320 Lee Road without a vote of the people, but otherwise keeps in place the substantive provisions of the Committee Initiative (“City Modified Initiative,” attached as Exhibit A)

AGREEMENT

NOW THEREFORE, in consideration of the foregoing recitals, the mutual covenants and promises set forth in this Agreement, and other good and valuable consideration, receipt of which is hereby acknowledged, the Parties agree to all of the following conditions and terms:

1. June 30, 2022 City Council meeting

At its June 30, 2022, meeting, the City Council will consider placement of the City Modified Initiative on the ballot. If the City Council places the City Modified Initiative on the November 8, 2022, ballot, the Parties agree to take further actions as set forth below. If the City Council does not place the City Modified Initiative on the November 8, 2022, ballot, or places a different version of the City Modified Initiative on the November 8, 2022, ballot, this Agreement shall be of no further force and effect. If the City Council places the City Modified Initiative on the ballot, it shall file any notice of exemption pursuant to CEQA no later than July 1, 2022.

2. Commitment Not to Withdraw

Once the City Modified Initiative is placed on the November 8, 2022, ballot, the City agrees not to withdraw it without the Committee's consent, or as permitted in Section 3 of this Agreement.

3. Withdrawal of the Committee Initiative

Unless the City Modified Initiative is challenged in any court, the Committee agrees to withdraw the Committee Initiative pursuant to Elections Code section 9215.5 no later than August 8, 2022. If the City Modified Initiative is challenged in any court prior to August 8, 2022, the Committee may elect to have the Committee Initiative remain on the ballot in its sole and absolute discretion. If the Committee elects to have the Committee Initiative remain on the ballot, the City may withdraw the City Modified Initiative, without consent of the Committee, and place a counter measure to the Committee Initiative on the ballot, pursuant to Elections Code section 9221. The City shall provide written notice to the Committee's counsel of service of any intent to sue or lawsuit within one business day.

4. Endorsement for the City Modified Initiative

If requested by the Committee at a public meeting, the City Council will consider endorsement of the City Modified Initiative at a publicly noticed Council meeting.

5. Ballot Arguments

The Committee for Planned Growth and Farmland Protection, shall file a written argument for the Initiative pursuant to Elections Code section 9282(b) and any necessary rebuttal argument. They may be joined by other individual voters eligible to vote on the measure or bona fide association of citizens, if desired by the Committee.

6. Notice

Any notice related to this Agreement shall be sent by both email and mail to a physical address, per below. The Parties shall give notice in writing to the other Parties of a change of address to which notices should be sent.

To Counsel for KWW:

Sara Clark
Shute, Mihaly & Weinberger LLP
396 Hayes Street
San Francisco, CA 94102
(415) 552-7272
clark@smwlaw.com

To City:

Samantha W. Zutler
Burke, Williams & Sorensen, LLP
1 California Street
Suite 3050
San Francisco, CA 94111

7. Agreement regarding Further Discussion

The City and the Committee for Planned Growth and Farmland Protection agree that, in 2035, they will discuss any efforts to further extend the Urban Limit Line.

8. General Provisions

- (a) **Effective Date.** This Agreement shall be binding and effective as of the date that the last Party executes it.
- (b) **Good Faith.** The Parties shall cooperate in good faith to timely effectuate the terms and conditions of this Agreement, including execution of any additional documents required to be signed.
- (c) **Entire Agreement.** This Agreement constitutes the entire agreement and understanding of the Parties. This Agreement may be amended or modified only by a written instrument executed by all Parties.
- (d) **Severability.** The invalidity of any portion of this Agreement shall not invalidate the remainder.
- (e) **Agreement Admissible.** The Parties agree that this Agreement is admissible as evidence in any action to enforce this Agreement.
- (f) **Successors and Assigns.** This Agreement shall be binding upon, and inure to the benefit of, the Parties hereto and their respective successors, heirs, administrators, and assigns.

(g) **Counterparts.** This Agreement may be executed in one or more counterparts (including multiple signature pages), and may be signed and exchanged by facsimile or by email.

Committee for Planned Growth and Farmland Protection

Dated: _____, 2022

By: _____
Amy Newell

Date: _____, 2022

By: _____
Betty Bobeda

Date: _____, 2022

By: _____
Peter Navarro

APPROVED AS TO FORM BY:

SHUTE, MIHALY & WEINBERGER LLP

Dated: _____, 2022

By: _____
Sara A. Clark
Attorneys for Committee for Planned
Growth and Farmland Protection

CITY OF WATSONVILLE

Dated: _____, 2022

By: _____
Tamara Vides, City Manager Pro Tempore

APPROVED AS TO FORM BY:

Dated: _____, 2022

By: _____

Samantha W. Zutler

City Attorney

1528333.3