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**Successor Agency to the Turlock
Redevelopment Agency Staff Report**
October 13, 2020



From: Maryn Pitt, Assistant to the City Manager for
Economic Development and Housing

Prepared by: Maryn Pitt, Assistant to the City Manager for
Economic Development and Housing

Agendized by: Toby Wells, P.E., City Manager

1. ACTION RECOMMENDED:

Motion: Terminating the Easement/Quitclaim ("Easement Termination") as entered into at Turlock, California by and between the City of Turlock, acting as the Successor Agency to the Turlock Redevelopment Agency, a California municipal corporation, hereinafter referred to as the "City"; and Clementine Properties, LLC, a California limited liability company, as the successor owner of 5202 North Golden State Boulevard, (Stanislaus County APN 045-053-038) as described in Attachment A, and authorizing the City Manager to sign all necessary documents

2. SYNOPSIS:

This action releases the recorded deed restrictions imposed by the Turlock Redevelopment Agency to prevent the development of an automobile dealership on the parcel located at 5202 North Golden State Boulevard, adjacent to the Price Ford dealership.

3. DISCUSSION OF ISSUE:

At the August 22, 2018 regular City Council meeting, the Council acted to provide notice to terminate a long-standing agreement, called the Third Restated Mutual Support Agreement, with Stanislaus County. This agreement, dated July 19, 1994, focused on land use policies, the collection of County-wide Public Facilities Fees by the City, and the collection of the City's Public facilities Fees within the City's sphere of influence. Further, it served as a legal settlement in regard to the City of City of Turlock v. County of Stanislaus, et al., Patchett's Motor, Inc., and C. Kenneth Sanders lawsuit and other potential development projects between Taylor and Keyes Road. The agreement required the City to make Taylor Road the northern most boundary of the City unless the County consents to additional

expansion beyond that point. The amendment also required the County not to oppose the City's request(s) before LAFCO for the expansion of the City's sphere of influence to the west of Highway 99 for the "Northwest Triangle Specific Plan area".

To ensure the provisions of the agreement, the Turlock Redevelopment Agency recorded deed restrictions on the parcel at 5202 North Golden State Boulevard, to ensure that the development of an automobile dealership would be prohibited for the thirty-five-year restriction and would remain in force (until 2033). The deed restriction served its purpose in the aftermath of the legal settlement between the City of Turlock and the County of Stanislaus.

4. BASIS FOR RECOMMENDATION:

- A. Price Ford has been awarded an additional franchise for a second automobile dealership that they would like to locate on the adjacent parcel, 5202 North Golden State, that has the lien restriction recorded on. In addition, the existing dealership located at 5200 North Golden State has health and safety issues relative to their potable water supply that is produced from their onsite well. In order for the dealership to move forward in the planning entitlement process as well as development and construction, the easement (lien) must be released.
- B. The rescission of this easement (lien) and the approval of the Memorandum of Understanding are the initial steps necessary for the development of this additional local car dealership.

5. FISCAL IMPACT / BUDGET AMENDMENT:

Fiscal Impact:

With the rescission of the subject Lien, a new MOU through separate Council action is proposed to be adopted. In the new MOU, the City will also realize additional sales tax revenue from the new dealership based on a 50/50 split. The sales tax will be apportioned to each jurisdiction as part of the regular sales tax process. It is estimated that Turlock will realize in the range of \$100,000 to \$200,000 of additional sales tax annually.

6. EXECUTIVE DIRECTOR'S COMMENTS:

Recommend Approval.

7. ENVIRONMENTAL DETERMINATION:

There is no environmental determination to be made from this action.

8. ALTERNATIVES:

- A. The Agency could choose to not approve the lien release. Staff does not recommend this option as there are adequate assurances in the Memorandum of Understanding that the tax sharing agreement is outlined to ensure the terms of the agreement are met.
- B. The Agency could defer acting on this item until a later date. This option is also not recommended by staff. Staff began work on this effort in 2018 by rescinding the previous agreement. Price Ford needs to move forward with their entitlement process and meet performance benchmarks as part of the new franchise dealership contract.