

MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding (“MOU”) is dated July 24, 2018, and is between the COUNTY OF CONTRA COSTA (the “County”), the CITY OF PLEASANT HILL (the “City”), and the PLEASANT HILL RECREATION AND PARK DISTRICT (the “Park District”) (together, the “Parties”).

RECITALS

- A. The County is the owner of real property located at 1700 Oak Park Boulevard, consisting of approximately eight acres and having Assessor’s Parcel No. 149-230-005 (the “County Property”). The Mt. Diablo Unified School District (the “School District”) is the owner of real property having Assessor’s Parcel No. 149-230-008 that is adjacent to the County Property and consists of an approximately two-acre sub-portion (the “School District Property”). Together, the County Property and the School District Property are the “10-Acre Property.” The 10-Acre Property is undeveloped.
- B. The County is also the owner of real property located at 1750 Oak Park Boulevard, consisting of approximately 4.8 acres and having Assessor’s Parcel No. 149-271-014 (the “5-Acre Property”). The 5-Acre Property is the site of a County-owned and operated public library and administration building (the “Existing Library”).
- C. The City is considering acquiring a portion of the 10-Acre Property, consisting of approximately four acres of the County Property (“Lot 1”) and approximately one acre of the School District Property (“Lot 2”) (together, Lot 1 and Lot 2 are the “Proposed Library Site”) to potentially use as the site of a new City-owned library (the “Proposed City Project”). The Proposed Library Site is bordered by Oak Park Boulevard to the south, Monticello Avenue to the east and Grayson Creek to the west. The new City-owned library would replace the Existing Library.
- D. The Park District is considering acquiring a portion of the 10-Acre Property, consisting of approximately four acres of the County Property (“Lot 3”) and approximately one acre of the School District Property (“Lot 4”) (together, Lot 3 and Lot 4 are the “Proposed Recreation Site”) to use for recreation and park purposes (the “Proposed Park District Project”).
- E. The County and the Park District are parties to an Option Agreement and Agreement to Settle Litigation between Contra Costa County and the Pleasant Hill Recreation and Park District (the “Option Agreement”). The Option Agreement allows the Park District to purchase the 5-Acre Property from the County on the terms and conditions set forth in the Option Agreement.
- F. The County is considering applying for land use approvals from the City for the development of the 5-Acre Property as a single-family residential subdivision (the “Proposed County Project”). If it obtains such approvals, the County anticipates that it will sell the 5-Acre Property to a home builder (the “County Successor”). Together, the

Proposed City Project, the Proposed Park District Project, and the Proposed County Project are the “Proposed Project.”

- G. The County and the School District are parties to an Amended and Restated Joint Exercise of Powers Agreement, dated July 1, 2018, under which the School District has agreed to transfer a portion of the School District Property to each the City and the Park District, in exchange for ten percent of the net proceeds received by the County upon the sale of the 5-Acre Property.
- H. The Parties desire to execute this MOU in order to set forth the Parties’ understanding of the steps that would be taken to accomplish the Proposed Project and to set forth the Parties’ agreement as to the City’s status as the Lead Agency for purposes of environmental review of the Proposed Project under the California Environmental Quality Act (“CEQA”). The City’s status as the Lead Agency is consistent with CEQA Guideline section 15367. The City retains full authority under CEQA to evaluate a reasonable range of alternatives including the “no project” alternative, and to adopt feasible mitigation measures.

NOW, THEREFORE, in consideration of the mutual covenants and conditions contained herein, the Parties agree as follows:

AGREEMENT

1. Approval of MOU. This MOU is subject to the approval of the governing bodies of the County, the City, and the Park District. Pursuant to CEQA Guidelines section 15004(b)(2), any future use of the 10-Acre Property, the 5-Acre Property, the Proposed Library Site and the Proposed Recreation Site is subject to environmental review under CEQA prior to the County’s, the City’s, or the Park District’s consideration of any future projects for approval. Notwithstanding any other provision of this MOU, nothing herein commits or otherwise requires the County, the City, or the Park District to approve any future project, or any portion thereof. It is understood and agreed by the County, the City and the Park District that potential future uses of the 10-Acre Property, the 5-Acre Property, the Proposed Library Site and the Proposed Recreation Site are still lacking many details and, thus, too speculative to review at this time. No legal obligation to proceed with the Proposed Project will exist unless and until the parties have negotiated, executed, and delivered mutually acceptable agreements based upon information produced from the CEQA process and on other public review and hearing processes, and subject to all applicable governmental approvals.
2. CEQA Cost Sharing. The cost of compliance with CEQA will be shared among the County, the City and the Park District. The cost will be apportioned as follows: The County’s share will be 50 percent of the cost; the City’s share will be 30 percent of the cost; and the Park District’s share will be 20 percent of the cost, up to a maximum Park District total share of \$60,000. If the cost exceeds \$300,000, the County and the City will each be responsible for 50 percent of the cost that exceeds \$300,000. The Parties understand and agree that the

Parties will share equally in the cost of defending any challenge to the City's compliance with CEQA as Lead Agency for the Proposed Project.

3. Property Descriptions and Investigations. To facilitate the Parties' consideration of the Proposed Project, the County, at its sole cost, will prepare legal descriptions of each of the following: the Proposed Library Site, Lot 1, Lot 2, the Proposed Recreation Site, Lot 3 and Lot 4. The City, at its sole cost, will complete any investigation and testing of the Proposed Library Site that it deems necessary. The Park District, at its sole cost, will complete any investigation and testing of the Proposed Recreation Site that it deems necessary.
4. Real Property Conveyance Process. It is expected that the following real property conveyance process will occur after the Proposed Project is reviewed in accordance with the requirements of CEQA. The transfer of any real property interests in connection with the Proposed Project will be subject to the terms of conveyance documents between the relevant parties. This MOU does not limit the discretion of any Party to approve or not approve any property conveyance documents.
 - A. Proposed Library Site Conveyance. The County anticipates conveying fee title to Lot 1 in its "AS-IS" condition to the City at no cost and that the City will work directly with the School District to transfer fee title to Lot 2 to the City at no cost to the City.
 - B. Proposed Recreation Site Conveyance. The County anticipates conveying fee title to Lot 3 in its "AS-IS" condition to the Park District for \$3 million and that the Park District will work directly with the School District to transfer fee title to Lot 4 to the Park District at no cost to the Park District.
 - C. Northwest Corner of 5-Acre Property. The County anticipates that it or the County Successor will dedicate to the Park District an improved open space feature that is planned for the northwest corner of the 5-Acre Property upon the completion of the development of a single-family residential subdivision on the 5-Acre Property. The County will consult with the Park District in planning the improvements to the open space feature.
 - D. Reservation of Rights. The County's conveyance of Lot 1 to the City and Lot 3 to the Park District is conditioned upon the County reserving a storm drain easement and a sewer line easement across, under and through Monticello Avenue, the Proposed Library Site, and the Proposed Recreation Site.
5. Anticipated Project Process. To facilitate the Parties' consideration of the Proposed Project, it is anticipated that the following preliminary steps will take place:
 - A. The County will submit appropriate applications to the City for entitlements for a single-family residential subdivision on the 5-Acre Property.
 - B. The Park District will submit appropriate applications to the City for development of the Proposed Recreation Site.

- C. The City will prepare preliminary specifications for the backbone infrastructure improvements the Parties believe may be necessary to complete the Proposed Project and will hire a civil engineer to prepare the design documents for the backbone infrastructure. The following table sets forth the anticipated improvements required for the backbone infrastructure, the expected cost of the improvements (together, the “Estimated Improvement Costs”) and the apportionment of the Estimated Improvement Costs among the parties:

Anticipated Improvements	Estimated Cost	Cost Share
Monticello Avenue: <ol style="list-style-type: none"> 1. Road 2. Sidewalk 3. Bike path 4. Frontage 5. Drainage 6. Utility undergrounding 	\$1.5 million	City 25% Park District 25% County or County Successor 50%
Oak Park Boulevard: <ul style="list-style-type: none"> • Street widening • Turn lanes • Bike lanes • Drainage improvements 	\$1 million	City 33.3% Park District 33.3% County or County Successor 33.4%
Oak Park Frontage: <ul style="list-style-type: none"> • Curb • Gutter • Sidewalk • Landscape 	\$500,000	Owner of Fronting Property 100%
Traffic Signal: <ul style="list-style-type: none"> • At Oak Park Boulevard and Monticello Avenue 	\$500,000	City 33.3% Park District 33.3% County or County Successor 33.4%

Following the completion of the design documents for the backbone infrastructure, the Parties anticipate negotiating a final cost sharing agreement based on the apportionments set forth above.

- D. If, following the completion of the CEQA process, the City decides to proceed with soliciting bids for the construction of the backbone infrastructure, the City will prepare bid documents, administer the bidding and either, (i) select a bidder for the backbone infrastructure construction, or (ii) if all bids exceed the Estimated Improvement Costs by an amount that causes the Proposed Project to be infeasible,

reject all bids. If a bidder is selected, it is expected the City would enter into an agreement or agreements for the construction of the backbone infrastructure.

6. Traffic Mitigation Fee. If the Parties determine to proceed with the Proposed Project following the completion of the CEQA process, the County or, if the County has sold the 5-Acre Property, the County Successor, shall pay the City a traffic mitigation fee not to exceed \$150,000. The payment of this fixed fee in no way limits the City's discretion under CEQA with regard to determinations concerning the scope and nature of any significant transportation impacts of the Proposed Project or of feasible mitigation to reduce such impacts.
7. Notices. Any notice required or permitted under this MOU must be in writing. The place for delivery of all notices given under this MOU is as follows:

To County: Contra Costa County
Public Works Department
40 Muir Road, 2nd Floor
Martinez, CA 94553
Attn: Principal Real Property Agent

To City: City of Pleasant Hill
100 Gregory Lane
Pleasant Hill, CA 94523
Attn: City Manager

To Park District: Pleasant Hill Recreation and Park District
147 Gregory Lane
Pleasant Hill, CA 94523
Attn: General Manager

8. Counterparts. The parties hereto recognize and agree that separate counterpart signature pages may be used but that all such pages constitute one and the same MOU.
9. Construction. The section headings and captions of this MOU are, and the arrangement of this instrument is, for the sole convenience of the parties to this MOU. The section headings, captions and arrangement of this instrument do not in any way affect, limit, amplify or modify the terms and provisions of this MOU. This MOU may not be construed as if it had been prepared by one of the parties, but rather as if all parties prepared it. The parties to this MOU and their counsel have read and reviewed this MOU and agree that any rule of construction to the effect that ambiguities are to be resolved against the drafting party will not apply to the interpretation of this MOU. The Recitals are, and will be enforceable as, a part of this MOU.
10. No Third Party Beneficiaries. Nothing in this MOU is intended, nor will it be construed, to create rights inuring to the benefit of third parties.

11. Severability. If any term or provision of this MOU is, to any extent, held invalid or unenforceable, the remainder of this MOU will not be affected.
12. Governing Law and Venue. This MOU is governed by the laws of the State of California. The venue of any legal action pertaining to this MOU will be Contra Costa County, California.

[Signatures Appear on the Following Page]

This MOU is dated as of the date set forth in the introductory paragraph.

CONTRA COSTA COUNTY

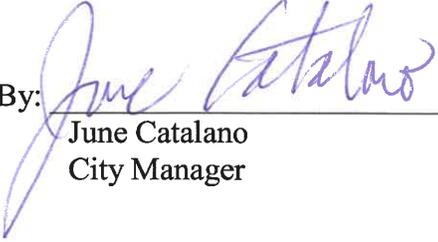
By: 
Brian M. Balbas
Director of Public Works

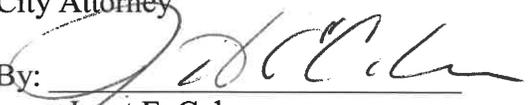
RECOMMENDED FOR APPROVAL:
By: 
Karen Laws
Principal Real Property Agent

Approved as to form:
Sharon L. Anderson, County Counsel

By: 
Kathleen M. Andrus
Deputy County Counsel

CITY OF PLEASANT HILL

By: 
June Catalano
City Manager

Approved as to form:
City Attorney
By: 
Janet E. Coleson
City Attorney

Attest:
By: 
Carol Wu
City Clerk

PLEASANT HILL RECREATION AND PARK DISTRICT

By: 
Michelle Laey
General Manager

Approved as to form:
Recreation and Park District Attorney

By: 
Bryan Wenter
Special Counsel