

RESOLUTION NO. 14-095

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PASO ROBLES  
APPROVING THE TERMINATION OF ALL WORK  
RELATED TO THE PROCESSING OF THE DEVELOPMENT APPLICATION  
FOR THE PASO ROBLES GATEWAY PROJECT

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WHEREAS, the City and Quorum Properties, Inc., a Colorado corporation, entered into an Agreement for Advance of Funds on April 26, 2011 (the "Agreement"), pursuant to which Quorum agreed to advance all necessary funds to cover the City's costs incurred in the processing of Quorum's various applications related to Quorum's property (the "Property"), consisting of 269 acres located in the vicinity of the northwest corner of Highway 101 and Highway 46 West and outside the City limits; and

WHEREAS, on November 30, 2011, an application for the development of the Property was filed by Alexander Furlotti, on behalf of the Furlotti Family Ranch Company; and

WHEREAS, title to the Property is apparently held by Quorum Realty Fund IV, LLC, a Delaware limited liability company, and Quorum Properties, Inc., the Furlotti Family Ranch and Quorum Realty Fund IV, LLC are referred to collectively in this Resolution as "Quorum"; and

WHEREAS, under the Agreement, the City agreed to cooperate with Quorum in processing applications for its project, commonly known as Paso Robles Gateway (the "Project") on the Property which included (1) an expansion of the boundaries of the City's sphere of influence, (2) the annexation of the Property to the City, (3) certain proposed land uses for the Property, (4) an amendment to the City's General Plan, and (5) possible agreements between the City and Quorum regarding the development of the Property; and

WHEREAS, the Agreement specified that the City was willing to cooperate in the processing of such applications only if Quorum paid for all City costs associated with the Project, including City staff time, legal expenses and third party consultants; and

WHEREAS, in reliance upon the Agreement, the City entered into contracts with various third parties to assist with the processing of the development application for the Project and to prepare various documents required by law; and

WHEREAS, Quorum initially made timely payments under the Agreement, with the last payment made on October 8, 2013; and

WHEREAS, on February 25, 2014, the City notified Quorum that an additional payment of \$140,000 was due to cover pending and anticipated costs for the next few months, however no payment was received; and

WHEREAS, on March 19, 2014, another notice was sent to Quorum requesting payment; on the same day, City notified its consultants to stop all work on the Project; and

WHEREAS, on March 26, 2014, Quorum formally notified the City to "suspend processing" its Project; and

WHEREAS, on April 1, 2014, at Quorum's request, the City provided Quorum with documentation regarding the City's costs for all work done through March 19, 2014; and

WHEREAS, since that time, the City has sent Quorum letters demanding payment, and Quorum has refused to pay; and

and

WHEREAS, the total amount owed to the City under the Agreement is \$110,045.64; and

WHEREAS, the City has filed a legal action for breach of contract against Quorum in San Luis Obispo Superior Court, thus incurring additional legal expenses to enforce its rights under the Agreement;

NOW, THEREFORE, BE IT RESOLVED, as follows:

Section 1. The recitals above are true and correct and incorporated herein in this Resolution.

Section 2. The City Council of the City of El Paso de Robles hereby determines that all processing by the City of the development application for the Project shall be terminated and such termination to be final. The City Council authorizes the City Manager to notify Quorum, LAFCO and any other interested persons of the City Council's action. The City shall also notify LAFCO that it shall oppose any application by Quorum to seek an amendment to the City's sphere of influence or annexation that would include the Property.

PASSED AND ADOPTED THIS 1st day of July, 2014, by the following roll call vote:

AYES: Martin, Hamon, Strong, Steinbeck, Picanco

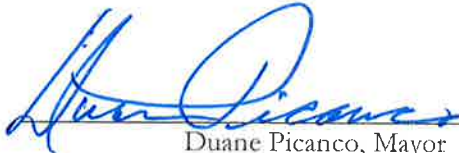
NOES:

ABSENT:

ABSTAIN:

ATTEST:

Caryn Jackson, Deputy City Clerk

  
Duane Picanco, Mayor