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August 29, 2024

Board of Directors
Monterey County Water Resources Agency
1441 Schilling Place, North Building
Salinas, CA 93901

Re: Sale of Property Formerly Owned by Soledad Redevelopment Agency
183 Soledad Street (APNs 022-026-001 and 022-026-002)
Compensation to Local Taxing Entities

Dear Board of Directors:

Pursuant to a 2016 "Compensation Agreement for Taxing Entity Compensation" entered into between the City of Soledad ("City"), the County of Monterey, and other local taxing entities—including the Monterey County Water Resources Agency, Zone 2—the City is obligated to remit the "Net Unrestricted Proceeds" from the sale of property owned by the Successor Agency to the Soledad Redevelopment Agency ("Agency") to the Monterey County Auditor-Controller's Office for distribution to local taxing entities. Under this Compensation Agreement, the Monterey County Water Resources Agency, Zone 2 is entitled to a 0.3739% share of the Net Unrestricted Proceeds. (See the current "Tax Increment Worksheet" for the Successor Agency for Soledad obtained from the Monterey County Auditor-Controller's Office, attached as Exhibit A.)

Please be advised that the City and Agency have entered into an agreement and First Amendment thereto with the Soledad Unified School District ("District") for the purchase and sale of three parcels located at 183 Soledad Street, Soledad, California. Pursuant to this Purchase and Sale Agreement ("PSA") as amended, the District will purchase the three parcels for \$315,200. The City's title report confirms that two of those parcels (APNs 022-026-001 and 022-026-002) are owned by the Agency and one parcel (APN 022-026-017) is owned by the City.

However, during the diligence process before entering into the PSA, the City discovered that the Compensation Agreement did not contemplate the disposition of APNs 022-026-001 and 022-026-002, despite being Agency-owned. Nevertheless, the City intends to remit the Net Unrestricted Proceeds from the sale of APNs 022-026-001 and 022-026-002 to the County for distribution to the local taxing entities—including the Monterey County Water Resources Agency, Zone 2—based on the percentages identified in the Compensation Agreement.

The Net Unrestricted Proceeds from the sale of the Agency-owned parcels (APNs 022-026-001 and 022-026-002) amounts to \$225,675. **As such, the Monterey County Water Resources Agency, Zone 2's 0.3739% share comes to \$843.80.** But because these two parcels are outside

the Compensation Agreement, the City and the District require the Monterey County Water Resources Agency, Zone 2's approval of the sale of the Agency-owned property and agreement to accept the share indicated above.

Please note that under the Compensation Agreement, only one 6,750 square foot parcel at 183 Soledad Street was contemplated. But as the City's title report clarifies, two parcels (totaling 22,500 square feet) at 183 Soledad Street are Agency-owned. Thus, instead of receiving a percentage share of the one parcel, the Monterey County Water Resources Agency, Zone 2 is receiving a share of the sale of two larger parcels:

Purchase Price: \$315,200

City-owned parcel: 6,750 square feet (23% of total square footage of all three parcels)

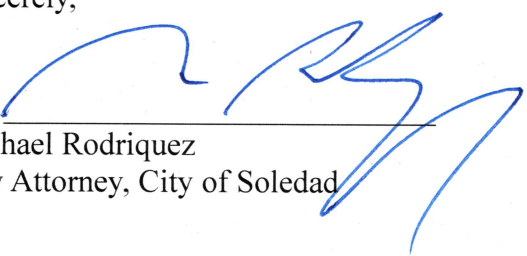
Agency-owned parcels: 22,500 square feet (77% of total square footage)

Net unrestricted proceeds from Agency-owned parcels: \$225,675

Monterey County Water Resources Agency, Zone 2's 0.3739% share: \$843.80

If the Monterey County Water Resources Agency, Zone 2 approves of the sale of the Agency-owned parcels and agrees to its share of Net Unrestricted Proceeds, kindly sign below and remit to the City Manager, City of Soledad, 248 Main Street, Soledad, California 93960.

Sincerely,

By: 
Michael Rodriquez
City Attorney, City of Soledad

The Monterey County Water Resources Agency, Zone 2 approves of the sale of Agency-owned parcels described above and agrees to its share of Net Unrestricted Proceeds.

By: _____
Name: _____
Title: _____

SUCCESSOR AGENCY FOR SOLEDAD
 RESIDUAL & OTHER MONEYS DISTRIBUTION
 PROP 13 - 1% TAX INCREMENT - JURISDICTIONAL MODEL
 (REVISED FOR ABX1 26)
 FY 2024-25 ROPS 24-25A Residual Distribution

Exhibit A

$$D = B * C$$

TAX INCREMENT WORKSHEET

TAX CODE FUND NAME		RESIDUAL/ OTHER MONEYS DISTRIBUTION FACTORS (H&S 34188(c))
19000	COUNTY GENERAL	0.111809
19500	COUNTY LIBRARY	0.016879
21100	CITY OF SOLEDAD	0.134783
37000	MCWRA	0.000936
37700	MCWRA ZONE 8	0.002216
41300	FIRE MISSION-SOLEDAD RURAL DIST	0.000406
42700	SOLEDAD CEMETERY DIST	0.003966
45900	SOLEDAD-MISSION RECREATION DIST	0.017831
47200	SOLEDAD COMM HEALTH DIST	0.015000
48300	MCWRA ZONE 2	0.003739
48400	MCWRA ZONE 2A	0.001364
25300	MCOE	0.026136
27700	SOLEDAD UNIFIED SCH DIST	0.430227
27800	HARTNELL COLLEGE	0.078182
01700	ERAF	0.156526
	TOTAL	1.000000
46000	COMM DEVELOPMENT - RPTTF	