

AGREEMENT BY AND BETWEEN THE CITY OF PALM DESERT AND THE COUNTY OF RIVERSIDE SETTING THE TERMS FOR WITHDRAWAL FROM THE RIVERSIDE COUNTY LIBRARY SYSTEM

THIS Agreement Setting the Terms for Withdrawal from the Riverside County Library System (hereinafter, "Agreement") is entered into this 15th day of February, 2024 (the "Effective Date") by and between the City of Palm Desert, a California municipal corporation ("City"), and the County of Riverside, a political subdivision of the State of California ("County"). For purposes of this Agreement, the City and the County may each be referred to individually as "Party" and collectively as the "Parties."

RECITALS

WHEREAS, the Riverside County Library System ("RCLS") is a public library system with multiple branches in Riverside County, California, established by the County pursuant to Education Code, section 19100 et seq.; and

WHEREAS, the County operates the Palm Desert Library ("Library"), a county free library, within the Palm Desert Library Building ("Building") located within the City's jurisdictional boundaries; and

WHEREAS, the Palm Desert Library is currently a part of RCLS, and its residents receive the benefits of the Library, and the property within the City is liable to taxes levied for county free library purposes; and

WHEREAS, the Parties, together with the Palm Desert Redevelopment Agency ("RDA"), and the Desert Community College District ("District"), established the terms and conditions for the funding, planning, construction, operation and maintenance for and of the Building in the 1993 Cooperative Agreement, dated March 11, 1993, by and between the Parties, together with the Lease Agreement, dated March 2, 1993 by and between the County and District for the operation of the Library ("Lease"); and

WHEREAS, the District owns the Building and the County leases a portion of the Building for use as the Library; and

WHEREAS, the Parties and other affected agencies entered into various RDA Cooperative Agreements in 1987, 1988, 1992 and 1993 to allow RDA to expand into new project areas and set forth the formula for sharing of the resulting tax increment, including in part, the formula for sharing of the resulting tax increment by the City, County, RDA and the District for the Library; and

WHEREAS, pursuant to AB X1 26 (enacted in 2011), and the California Supreme Court's decision in California Redevelopment Association, et al. v. Ana Matosantos, et al., 53 Cal. 4th 231 (2011), all redevelopment agencies in the State

of California, including the RDA, dissolved as of February 1, 2012, and the Successor Agency of Palm Desert Redevelopment Agency was established as the successor entity to the RDA; and

WHEREAS, on October 12, 2023, the City Council held a public hearing and approved Council Resolution No. 2023-047, withdrawing from the RCLS effective on July 1, 2024, and indicating its intent to assume provision of library services by establishing a Palm Desert Municipal Library effective July 1, 2024 (the "Withdrawal"), pursuant to Education Code section 19116. Thereafter the City provided notice to the County of the Withdrawal and the County provided notice to the State Board of Equalization on November 27, 2023; and

WHEREAS, on November 7, 2023 the County Board of Supervisors received and filed City Resolution No. 2023-047 regarding the Withdrawal and directed the County's Office of Economic Development to begin negotiations with the City on matters related thereto, including but not limited to (1) Lease of the Library Building and Contents, (2) Transfer of Funds for Library Operations, and (3) Drafting of an agreement regarding the transfer of the Palm Desert Library branch. Thereafter the County provided the California Board of Equalization notice of the City's withdrawal from the RCLS effective July 1, 2024, which notice was provided prior to December 2, 2023; and

WHEREAS, the purpose of this Agreement is to establish the terms for the Withdrawal, including the City's assumption of the Lease, the transfer of personal property (including books, computer systems, furniture, and furnishings) and redirection of funding to the City for its operation of the new Palm Desert Municipal Library, and ongoing collaboration between the Parties for the transition to and operation of the new Palm Desert Municipal Library and use of the Building; and

NOW, THEREFORE, in consideration of the preceding Recitals and the mutual covenants contained herein, the Parties hereby set forth their respective mutual understanding as to the terms and conditions regarding the Withdrawal.

AGREEMENT

Section 1. Recitals.

The Recitals stated above are incorporated into and made part of this Agreement.

Section 2. Terms of Withdrawal.

The Parties agree as follows with regard to the Withdrawal:

A. Transfer of Property Taxes and RDA Pass Through Funds.

1. Transfer of Property Taxes and RDA Pass Through Funds by the County to the City:

- a. Effective July 1, 2024, and annually thereafter (subject to future adjustment as set out in Section 2.A.1.b below), in accordance with Education Code Section 19116(b) the County's Auditor Controller shall direct an estimated \$2,208,000 of funding from the sources described below (the "Funding Sources") to the City:
 - i. AB 8 Funding attributable to real property within the City's boundaries: estimated at \$954,000.00
 - ii. Library related RDA Pass Through Funding (from all applicable project areas): estimated at \$1,254,000.00
- b. Base Year: The County and the City shall, no later than December 31, 2024, confirm the actual amounts identified in section 2.A.1.a for the 2023/24 fiscal year in order to establish the Base Year amount, as defined and set forth in Education Code Section 19116. The County's Auditor-Controller shall direct the transfer of AB 8 property tax funding and RDA pass through funding to a separate account, details of which shall be specified by City. Following the Base Year, the funds will be listed as general property tax revenue to the City and be adjusted forward according to the normal property tax rules in accordance with Education Code Section 19116(b).

B. Transfers of Library Capital Funds by County to the City.

The County shall transfer \$4 Million in Library Capital Funds previously titled, Palm Desert Library District Improvement Fund, for the construction or improvement of the Palm Desert Library. Funds shall be transferred the earlier of 30 days of execution of this Agreement, or June 30, 2024.

C. Building Lease.

The City anticipates entering into a new lease with the District for the Building. County intends to enter into a separate Lease termination agreement with the District.

D. Transfer of Personal Property within the Library.

The County shall transfer, ownership of the mutually agreed upon personal property within the Library, including, but not limited to, all collections excluding local history (including books and materials) (the "Personal Property"), to the City for the operation of the Palm Desert Municipal Library. The Parties hereby agree to work collaboratively to memorialize an inventory of the Personal Property to be transferred to the City, which transfer shall be at no cost to the City, and shall be effective on or before May 10, 2024.

E. Employment of County Library Staff.

The City has the option to offer employment to staff employed at the Library prior to June 30, 2024. Employment opportunities at the new Palm Desert Municipal Library are subject to an interview, selection, and probationary process with the City.

F. Transfer of Data.

Within fifteen (15) days of the Effective Date the County shall provide the City all Library related records, data, information on patron numbers, and circulation data, along with the Library's bibliographic and item records from the RCLS integrated library system for use by the City in the provision of services for the future Palm Desert Municipal Library. The Parties hereby agree to work collaboratively to memorialize the records, data and information to be transferred to the City, which transfer shall be at no cost to the City. Additionally, between April 30 and May 10, 2024, the County will resupply the City with up-to-date bibliographic and item records from the RCLS integrated library system.

G. Access of Library/ Building by City.

The City intends to conduct work to refresh the Library/ the Building commencing on or around May 13, 2024. Accordingly, the County shall:

1. Grant the City access to the Library between the Effective Date of this Agreement and April 30, 2024 for the purposes of City work in conducting facility assessment and preparation of improvements to the Library and/or Building, and development of a transition schedule for the City's operation of the Library.
2. Cease provision of services from the Library on April 30, 2024 (provided however the County shall continue to provide electronic book and database services to City residents through June 30, 2024, as described below).
3. Vacate the Library and/or Building (with the exception of the Library staff workroom) and remove any content to be retained by the County, as agreed to in writing by the County and City by May 10, 2024, which date may be extended upon written request by the County and written approval of the City.
4. Vacate the Library staff workroom by May 13, 2024, which date may be extended to May 31, 2024 upon written request by the County and written approval of the City.

5. Continue to offer electronic book and database access to City residents through June 30, 2024. On and after July 1, 2024, City residents that are also RCLS cardholders will maintain their RCLS library cards, and may continue to access RCLS services.
6. Work with the City to collect RCLS-owned materials mistakenly returned to the Library after April 30, 2024. From May 1, 2024-June 30, 2024, the County shall collect materials from the exterior book drop at the Library and shall return any materials to be transferred to the City pursuant to this Agreement, for use by the City in the provision of services for the future Palm Desert Municipal Library.

H. The Parties shall agree, as a provision of the Withdrawal Agreement, to settle and release all claims or controversies that they may have against each other related to the Library, Building, or any agreements related thereto.

Section 3. Settlement and Release of Claims.

The County and City hereby agree that the terms of this Agreement fully resolve all claims related to those portions of the various above referenced Cooperative Agreements pertaining to the Library, the Building, and funding related thereto.

Section 4. Indemnification.

Each Party (the "Indemnifying Party") shall defend, indemnify, and hold harmless the other Party and its officials, officers, employees, contractors, agents, and authorized volunteers ("Indemnified Parties") from any and all claims, demands, damages, liabilities, fines, expenses, and related costs and fees, including attorney's fees, arising from or related to the Indemnifying Party's material breach of this Agreement or the negligence, recklessness, or willful misconduct of the Indemnifying Party or its officials, officers, employees, contractors, agents, and authorized volunteers.

Section 5. Costs.

The Parties shall be responsible solely for their own costs and expenses, including attorney's fees, related to the drafting, negotiation, and execution of this Agreement.

Section 6. Nature of Agreement.

The Parties acknowledge, understand and agree that this Agreement does not, and shall not be construed to create, a principal-agent relationship; a master-servant relationship; an employer-employee relationship; a partnership relationship; a joint venture relationship; or any like association.

Section 7. Notices.

All notices required or permitted to be given under this Agreement shall be in writing and shall be personally delivered, or sent by fax or certified mail, postage prepaid and return receipt requested, addressed as follows:

City

L. Todd Hileman
City Manager
73-510 Fred Waring Drive
Palm Desert, CA 92260-2578

County

Jeffrey A. Van Wagenen
County Executive Officer
4080 Lemon Street, 4th Floor
Riverside, CA 92501-3659

Notice shall be deemed effective on the date personally delivered or transmitted by facsimile or, if mailed, three (3) days after deposit of the same in the custody of the United States Postal Service.

Section 8. Severability.

If any term or condition of this Agreement is declared or determined by any court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions of this Agreement shall not be affected thereby and the Agreement shall be read and construed without the invalid, void or unenforceable provision(s).

Section 9. Attorney's Fees.

In the event any Party initiates legal action to enforce any provision of this Agreement or to recover damages for the breach of any provision contained herein, the prevailing Party in such litigation shall recover such costs and expenses as may be incurred by the prevailing Party, including court costs, reasonable attorney's fees and other related costs and expenses. This provision shall survive the early termination or expiration of this Agreement.

Section 10. Governing Law/Venue.

This Agreement shall be interpreted and governed according to the laws of the State of California. In the event of litigation between the Parties, venue, without exception, shall be in the Riverside County Superior Court of the State of California. If applicable law absolutely requires that all or part of any such litigation be tried in a United States Federal District Court, venue, without exception, shall be in the Eastern Division of the Central District of California located in the City of Riverside, California. This provision shall survive the termination of this Agreement.

Section 11. Modification.

No amendment to, or modification of, this Agreement shall be valid or enforceable unless made by mutual written agreement of the Parties.

Section 12. Third Parties.

The Parties agree that nothing in this Agreement may be construed to create rights in, or to grant remedies to, any third party as a beneficiary of this Agreement. All rights and benefits under this Agreement inure exclusively to the Parties.

Section 13. Time Is Of The Essence.

The Parties agree that time is of the essence under this Agreement. The Parties agree to initiate and complete all actions required under this Agreement with all reasonable diligence.

Section 14. Entire Agreement.

This Agreement, including any attached exhibits, constitutes the entire, complete, final and exclusive expression of the Parties with respect to the matters addressed herein and supersedes all other agreements or understandings, whether oral or written, or entered into between the Parties prior to the execution of this Agreement.

Section 15. Assignment.

No Party may assign any of its rights under this Agreement, except with the written prior consent of the other Parties. All other assignments of rights are prohibited under this section.

Section 16. Authority To Sign.

The individuals executing this Agreement represent and warrant that they have the right, power, legal capacity, and authority to enter into and to execute this Agreement on behalf of their respective legal entities.

Section 17. Counterparts.

This Agreement shall be executed in any number of counterparts each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

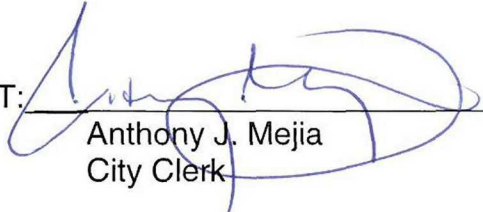
[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the City and the County have executed this Agreement setting terms for withdrawal from the Riverside County Library System to be in effect as of the Effective Date set forth above.

CITY OF PALM DESERT, a California municipal corporation

DATE: February 15, 2024

BY: 
L. Todd Hileman
City Manager

ATTEST: 
Anthony J. Mejia
City Clerk

COUNTY OF RIVERSIDE, a political subdivision of the State of California

DATE: 3-12-24

BY: 
Jeffrey A. Van Wagenen
County Executive Officer

ATTEST: _____
Name: _____
Title: _____

FORM APPROVED COUNTY COUNSEL
BY: 
RYAN D. YABKO 3/5/24 DATE