



**STAFF REPORT
OVERSIGHT BOARD OF THE SUCCESSOR
AGENCY TO THE CITY OF HOLLISTER
REDEVELOPMENT AGENCY
MEETING DATE: July 14, 2025
REPORT # City Manager-2025-41**

AGENDA ITEM: ADOPT A RESOLUTION AUTHORIZING AND APPROVING THE SETTLEMENT AND RELEASE AGREEMENT REGARDING SAN BENITO COUNTY SUPERIOR COURT CASE NO. CU-22-00087

STAFF CONTACT: David Mirrione, City Manager

RECOMMENDED ACTION: Adopt a resolution authorizing and approving the Settlement and Release Agreement regarding San Benito County Superior Court Case No. CU-22-00087

DISCUSSION: The City of Hollister and the City of Hollister Redevelopment Agency were previously separate legal entities. On June 28, 2011, Assembly Bill 1X 26 (“Dissolution Act”) was enacted, which resulted in the dissolution of all redevelopment agencies on February 1, 2012. As a result of the Dissolution Act, the City Council of the City of Hollister adopted Resolution 2012-06, electing to serve as the Successor Agency of the former Redevelopment Agency of the City of Hollister (hereinafter, the “Successor Agency”).

Robert Cain and Todd Renz (“Plaintiffs”) filed a Verified Complaint naming the City of Hollister as the defendant, seeking to extinguish a lien on commercial property located at 102 San Benito Street (“the Property”) in the City of Hollister, California.

In the Action, Plaintiffs alleged that: (1) they were the owners of the Property; (2) in December 2006, the Redevelopment Agency for the City of Hollister via Resolution 2006-42R, approved the Owner Participation Loan Agreement to loan Plaintiffs up to \$81,000 for the purpose of removing a blighted sign and gas station at the Property; (3) in January 2007, the Redevelopment Agency for the City of Hollister issued a loan and Plaintiffs executed a Deed of Trust naming the agency as a beneficiary; and (4) in June 2013, the Successor Agency’s Oversight Board, held a special meeting where it was reported that the Loan was in default and foreclosure proceedings had been discussed.

No payment was ever made toward the principal or interest of the Loan and the Loan has been in default since January 2010. More recently, in March 2020, Plaintiffs executed a Grant Deed for the Property to John H. Sicley, Sr.

Following the filing of the Action, the Parties entered settlement discussions which resulted in a Settlement Agreement that needed to be considered and approved by the Successor Agency and this Oversight Board. In December 2024, the Successor Agency approved the Settlement Agreement and Release (“Agreement”) attached to the Resolution as Exhibit A. Then, in January 2025, the Oversight Board for the Successor Agency considered the Agreement during a closed session. The Oversight Board determined that the approval of the Agreement would reduce liabilities and increase net revenues to the taxing entities. Thereafter, it was required that the Agreement come back

before the Oversight Board for approval in open session.

FISCAL IMPACT: The amount to be paid by the Plaintiffs under the Settlement and Release Agreement is \$55,000.

CEQA: N/A

ATTACHMENTS:

1. Resolution to Authorize and Approve the Settlement and Release Agreement