



Monterey County

168 West Alisal Street,
1st Floor
Salinas, CA 93901
831.755.5066

Board Report

Legistar File Number: RES 14-095

October 07, 2014

Introduced: 9/24/2014

Current Status: ATS Paused

Version: 1

Matter Type: BoS Resolution

- a. Consider approving a resolution to support establishing a California State University of Monterey Bay campus in downtown Salinas and forego the receipt of un-anticipated tax revenue of approximately \$68,264.00 from the sale of the Steinbeck Center to California State University Monterey Bay; and
- b. Authorize the County Administrative Officer, or his designee, to sign and approve all related documents allowing this sale.

..Report

RECOMMENDATION:

It is recommended that the Board of Supervisors:

- a. Approve a resolution to forego the receipt of un-anticipated tax revenue of approximately \$68,264.00 from the sale of the Steinbeck Center to California State University Monterey Bay from the City of Salinas; and
- b. Authorize the County Administrative Officer, or his designee, to sign and approve all related documents allowing this sale.

SUMMARY:

The County of Monterey has been requested by the City of Salinas Successor Agency to forgive approximately \$68,264 of unanticipated tax revenue in order to facilitate the sale of the Steinbeck Center; a property located within the former Salinas Central City Redevelopment Project Area, to California State, University Monterey Bay (CSUMB). If acquired, CSU Monterey Bay anticipates using a portion of the Steinbeck Center as a campus location in downtown Salinas.

DISCUSSION:

The former Salinas RDA and the National Steinbeck Center, a California non-profit public benefit corporation ("NSC"), entered into a Loan Agreement, dated as of June 15, 2010 ("Loan Agreement"), regarding a \$484,715.65 loan to NSC ("Loan") to fund debt service payments on the bonds sold for the construction of the National Steinbeck Center building at One Main Street in Salinas. This amount is considered an asset of the former RDA and must be liquidated, consistent with the terms of the Dissolution Act. The California Department of Finance (DOF), requires that all affected taxing agencies within a Redevelopment Area are to receive a percentage of the proceeds of sales of assets, in partial recompense for the former redevelopment agency's use of tax increment. The amount identified in the Tax Increment Distribution Report provided by the City of Salinas and approved by the DOF indicates that the County would receive an un-anticipated amount of approximately \$68,264.00, from the sale unless the taxing entity (Monterey County) agrees to forgive its share. CSUMB and the City of Salinas entered into a purchase agreement for the Steinbeck Center without the full knowledge of the DOF requirement to pay each taxing entity. Approval of the sale by DOF is at risk

unless the affected taxing entities agree to forgo their share of this amount. Therefore, the City of Salinas is requesting that Monterey County pass a resolution to support the sale of the Steinbeck Center to CSUMB and to forgive the un-anticipated tax revenue in the approximate amount of \$68,264.00. If this sale is not approved, the County would seek to receive any proceeds to which it is entitled.

OTHER AGENCY INVOLVEMENT:

The Monterey County Water Agency is also being requested to forgive the tax amount anticipated for their agency (approximately \$6,102.00), as is each school district and some special districts. The City of Salinas is requesting a favorable response from each taxing agency involved in this sale in order to allow CSUMB to move forward and created a positive presence in downtown Salinas.

FINANCING:

This action will not require a draw against the General Fund but would preclude the receipt of un-anticipated revenues of approximately \$68,264.00 during the FY 2014-15.

Prepared by:

David L. Spaur, CEcD, EDFP
Economic Development Director, Ext. 5387

Approved by:

Nick Chiulos
Assistant CAO, Ext. 5145

Attachments:

Resolution to Forego the Receipt of Unanticipated Tax Revenue
Attachment on file with Clerk of the Board Office