



Monterey County

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

Board Report

Legistar File Number: A 18-460

December 04, 2018

Introduced: 11/20/2018

Current Status: Agenda Ready

Version: 1

Matter Type: BoS Agreement

- a. Approve the execution of the Revised Master Taxing Entity Agreement with the City of Seaside, pursuant to Health and Safety Code section 34180(f); and
- b. Authorize the Assistant County Administrative Officer to execute the Agreement.

RECOMMENDATION:

It is recommended that the Board of Supervisors:

- a. Approve the execution of the Revised Master Taxing Entity Agreement with the City of Seaside, pursuant to Health and Safety Code section 34180(f); and
- b. Authorize the Assistant County Administrative Officer to execute the Agreement.

SUMMARY/DISCUSSION:

On April 3, 2018, the Board of Supervisors approved the execution of the Original Master Taxing Entity Agreement with the Successor Agency to the Redevelopment Agency of the City of Seaside (Successor Agency). Execution of this Agreement entitled the County to receive a proportional share of tax revenue generated by the sales of specified property, as established by status, of approximately 2 million dollars.

In 2005, Seaside Resort Development LLC (SRD) entered into a Development and Disposition Agreement (DDA), with the former Seaside Redevelopment Agency (Former Agency). The DDA provided for the development of a hotel and residential project on property consisting of approximately 80-acres located at the northwest corner of General Jim Moore Boulevard and Coe Avenue in the City of Seaside (the site).

Pursuant to Californian Health and Safety Code section 34175(b), properties of the Former Agency transferred to the Successor Agency by operation of law, including the site. As required by state law, the Successor Agency prepared a Long-Range Property Management Plan (LRPMP), which was approved by the California Department of Finance. The LRPMP authorizes transfer of the site to the City of Seaside (City), subject to the City entering into a compensation agreement with any affected taxing entity to compensate it for property tax revenues. Execution of the tax compensation agreement is a condition of transfer of the site from the Successor Agency to the City.

On November 15, 2018, the City of Seaside Council approved a Second Amended and Restated Disposition and Development Agreement (DDA) with Seaside Resort Development, whereby the closing date for the sale of the hotel/resort land would be extended by six months to May 15, 2019,

which the extension arguably would materially extend the deadlines in the DDA for the sale of the phases of the Site thereby negating the previously executed Original Master Taxing Entity Agreement.

The Revised Master Taxing Entity Agreement (Attachment A) includes the Taxing Entities' consent to the Developer's requested extension for satisfying the conditions for closing on the sale of the hotel/resort, timeshare and residential land, and would supersede the Original Master Taxing Entity Agreement.

The Second Amendment requires the Developer to deposit with the City the sum of \$104,011 within ten days after the City executes the Second Amendment. Pursuant to the Revised Master Taxing Entity Agreement, this sum is to be split among the Affected Taxing entities as consideration for entering into the Revised Master Taxing Entity Agreement. Each Taxing Entity will be entitled to receive the additional consideration (with the amount for each Taxing Entity set forth in an exhibit to the Revised Master Taxing Entity Agreement) and will be entitled to keep the payment even if the Revised Master Taxing Entity Agreement never becomes affective because not all the Taxing Entities execute it.

The Revised Master Taxing Entity Agreement addresses Monterey County's pro rata share of prospective revenues from sale of the site, part of which is designated for the Monterey County General Fund (approximately \$1,977,876, including the non-refundable deposit and extension in the amount of \$203,206) and part of which is designated for the Monterey County Free Libraries (approximately \$231,000, including the non-refundable deposit and extension in the amount of \$23,732). Attachment B "Seaside Resort at Monterey Bay Land Purchase Distribution - Payments to taxing entities".

The agreement provides that the City of Seaside will make the distribution to the Monterey County Auditor-Controller which shall distribute funds, as specified by applicable laws, to the Monterey County General Fund and the Monterey County Free Libraries.

OTHER AGENCY INVOLVEMENT:

County Counsel has reviewed the Revised Master Taxing Entity Agreement as to form and legality.

FINANCING:

The City of Seaside shall remit proceeds arising from sale of the site to the Monterey County Auditor-Controller's Office for distribution to the Monterey County. Upon execution of this agreement the County General Fund will receive \$13,547 and the County Library will receive \$1,582 from the City. The remaining balance of \$1,964,329 for the County General Fund and \$229,418 for the County Library will be due at upon closing of the project estimated at the end of May 2019 from the City.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

Approval of the revised Agreement will enable Monterey County and the Monterey County Free Libraries to realize property tax revenue from the transfer of the site and subsequent sales, as provided by State law.

Mark a check to the related Board of Supervisors Strategic Initiatives

Economic Development

Administration

Health & Human Services

Infrastructure

Public Safety

Prepared by: Debby L. Bradshaw, Management Analyst, Ext. 5338

Approved by: Nicholas E. Chiulos, Assistant County Administrative Officer

Attachments:

Board Report

Revised Master Taxing Entity Agreement

Distribution Payments to Taxing Entities