



# Monterey County

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## Board Report

Legistar File Number: 15-1379

December 15, 2015

**Introduced:** 12/11/2015

**Current Status:** Consent Agenda

**Version:** 1

**Matter Type:** General Agenda Item

- a. Approve and authorize the Chair of the Board of Supervisors to sign a Memorandum of Understanding with the Pajaro/Sunny Mesa Community Services District in the amount of \$25,000 per fiscal year through June 30, 2039 to pay a portion of the District's costs to operate and maintain the Pajaro Neighborhood Park; and
- b. Authorize the Auditor-Controller to issue annual payments of \$25,000 to the Pajaro/Sunny Mesa Community Services District every fiscal year through June 30, 2039 in accordance with the Memorandum of Understanding. (ADDED VIA ADDENDUM)

### RECOMMENDATION:

It is recommended that the Board of Supervisors:

- a. Approve and authorize the Chair of the Board of Supervisors to sign a Memorandum of Understanding with the Pajaro/Sunny Mesa Community Services District in the amount of \$25,000 per fiscal year through June 30, 2039 to pay a portion of the District's costs to operate and maintain the Pajaro Neighborhood Park; and
- b. Authorize the Auditor-Controller to issue annual payments of \$25,000 to the Pajaro/Sunny Mesa Community Services District every fiscal year through June 30, 2039 in accordance with the Memorandum of Understanding.

### SUMMARY:

The proposed Memorandum of Understanding will provide an annual County contribution of \$25,000 from the General Fund to the Pajaro/Sunny Mesa Community Services District (CSD) in each fiscal year through June 30, 2039 to pay a portion of the CSD's cost to operate and maintain the Pajaro Neighborhood Park.

### DISCUSSION:

The former Redevelopment Agency of the County of Monterey (now the Successor Agency to the Redevelopment Agency of the County of Monterey) worked with the community of Pajaro from 2006 through 2013 to fund, design, and construct a new, state-of-the-art, five-acre park, which became the first public park in the unincorporated community of Pajaro in Monterey County.

A key component of the funding for the design and construction of the park was a \$5.0 million Proposition 84 grant from the State Department of Parks and Recreation. A key condition of the Proposition 84 Grant requires that the park be maintained and operated by a public agency as a public park through June 30, 2039, a period of twenty five years from the date of completion. Public law precluded use of Redevelopment Agency funds for that purpose, so a major issue in the project development process was to determine what public agency would own and fund the operation and maintenance of the park. The Pajaro/Sunny Mesa Community

Services District (CSD) provides water, sewer, and street lighting for the community of Pajaro. The CSD Board of Directors recognized the community's need for a new park and the value the project could provide to enhance the community's quality of life, and agreed to assume ownership and operation of the park upon its completion, with the determination not to require increased property assessments to cover the costs for maintenance and operations. The CSD accepted this responsibility through approval of an *Operation and Maintenance Agreement* on December 4, 2012.

On October 22, 2013, the Successor Agency to the Redevelopment Agency and the CSD entered into a Real Property Acquisition and Project Transfer Agreement, whereby the CSD agreed to accept title to the park and responsibility for the Project, on the terms set forth in that Agreement, upon the close of escrow after the approval of a Notice of Completion for the construction of the park. On that date, the Board also approved a Memorandum of Understanding and authorized a one-time contribution of \$25,000 from the FY 2013-14 budget to reimburse the CSD a portion of its first year start-up cost for operating and maintaining the new park.

On February 12, 2014 a Grant Deed was recorded transferring ownership of the completed park to the CSD, the park was opened to the public, and the CSD began its operational responsibilities.

The CSD has advised County officials that the annual cost to operate and maintain the park is currently approximately \$53,000 per year. The CSD has engaged with the United Way to lead fundraising efforts to secure private donations for this cost in order to avoid the need to raise property owner rates to meet this financial obligation. To date, the CSD lacks sufficient donations to fully cover maintenance costs year to year. Over the past three years, the CSD has collected approximately \$75,000 in donations or approximately 50% of the annual need for operations and maintenance costs.

If approved by the Board, the proposed Memorandum of Understanding will provide an annual County contribution of \$25,000 or approximately 47% of the CSD's annual cost for the ongoing operation and maintenance responsibility. This action will provide a public benefit to County residents who will use and enjoy the Park. In the absence of this action the Proposition 84 grant could be at risk, thereby risking the long term maintenance and operation of the Park. The action therefore serves a public purpose.

CSD staff have reviewed the proposed MOU. However, due to scheduling conflicts and available meeting dates, the MOU has not been approved by the CSD at this time. Board of Supervisors approval of this action is contingent upon acceptance and signature of the CSD Board of Directors.

OTHER AGENCY INVOLVEMENT:

The Pajaro/Sunny Mesa Community Services District (CSD) worked collaboratively with the former Redevelopment Agency of the County of Monterey to be part of the community effort to fund, design, and construct the Pajaro Neighborhood Park. The CSD accepted responsibility to own and maintain the Park upon its completion at its own cost for a period of at least twenty-five years through an *Operation and Maintenance Agreement* approved on December 4,

2012. On February 12, 2014 a Grant Deed was recorded transferring ownership of the completed park to the CSD.

The Office of County Counsel has reviewed the MOU as to form.

FINANCING:

The CSD spends approximately \$53,000 per year to operate and maintain the completed park. Over the last three years the CSD has received approximately \$75,000 in public donations to fund approximately 50% of the three year's cost. The proposed MOU will contribute approximately 47% of the CSD's cost for this effort annually. Annual payments of \$25,000 per fiscal year will be made from Account No. 001-1050-8029-7201 (CAO007). Sufficient funds have been budgeted in FY 2015-16. The MOU must be contingent upon the annual appropriation by the Board of Supervisors of the agreed-upon amount, in order to avoid long-term debt, but the County will covenant to use its best efforts to make the appropriation.

Prepared by: G.H. Nichols, PE

Approved by: Carl P. Holm, AICP, Director, Resource Management Agency

Attachments: Proposed MOU