



Monterey County

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Board Report

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Approve the execution of an Agreement for Taxing Entity Compensation with the City of Seaside (Seaside Resort Development), pursuant to Health and Safety code section 34180(f); and authorize the General Manager to execute the Agreement.

RECOMMENDATION:

It is recommended that the Monterey County Water Resources Board of Supervisors:

- a. Approve an Agreement for Taxing Entity Compensation with the City of Seaside (Seaside Resort Development), pursuant to Health and Safety code section 34180(f); and
- b. Authorize the General Manager to execute the Agreement.

SUMMARY/DISCUSSION:

This is a request by the Successor Agency to the Redevelopment Agency of the City of Seaside ("Successor Agency") that the Agency enter into a Taxing Entity Compensation Agreement. The Agreement relates to the Seaside Resort Development, LLC ("Developer"), who entered into a development and disposition agreement (DDA) dated July 7, 2005, with the former Seaside Redevelopment Agency (Former Agency). The DDA relates to an approximately 80-acre site located at the northwest corner of General Jim Moore Boulevard and Coe Avenue in the City of Seaside ("City") that was to be developed as a hotel and residential project (Project).

In brief, the Successor Agency may transfer the Site to the City for future development of the Project. The transfer is subject to the City entering into a compensation agreement with each of the Taxing entities to compensate them for the Site in proportion to each Taxing Entity's share of the base property tax as determined pursuant to Health and Safety Code Section 34188.

Pursuant to Assembly Bill XI 26 (enacted in June 2011), as modified by the California Supreme Court's decision in California Redevelopment Association, et al v. Ana Matosantos, et al., 53 Cal. 4th 231 (2011) (Matosantos). The Former Agency was dissolved as of February 1, 2012, the Successor Agency to the Redevelopment Agency of the City of Seaside ("Successor Agency") was established, and an oversight board to the Successor Agency ("Oversight Board") was established. Pursuant to California Health and Safety Code ("HSC") Section 34175 (b) and the California Supreme Court's decision in Matosantos, on February 1, 2012, properties of the Former Agency transferred to the control of the Successor Agency by operation of law, including the Site. The Successor Agency, as required by state law, prepared a Long-Range Property Management Plan (LRPMP) which addresses the disposition of property held by the city's former Redevelopment Agency; the LRPMP has been approved by the California Department of Finance. Pursuant to the approved LRPMP, the Successor Agency has assigned Disposition and the Development Agreement

(DDA) to the City of Seaside.

The Agreement addresses the Monterey County Resources Agency's pro rata share of prospective revenues from sale of the property. Under the Agreement, within 10 days after the City of Seaside receives the net proceeds of the sale (the sales price minus agreed-upon expenses), the Agency will receive revenues in the ratios specified by the tax allocation laws in effect on the date of the distribution. 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 Resources Agency.

OTHER AGENCY INVOLVEMENT:

County Counsel has reviewed the Taxing Entity Compensation Agreement as to form. This item is a time sensitive financial transaction and it missed the Water Resources Agency Board of Directors meeting on March 19, 2018. After approval from the Water Resources Agency Board of Supervisors the Agency will take it back to the Board of Directors in April.

FINANCING:

The City of Seaside shall remit Net Unrestricted Proceeds arising from sale of the former redevelopment property to the Monterey County Auditor-Controller's Office for distribution to Monterey County Water Resources Agency.

Prepared by: Cathy Paladini, Interim Deputy General Manager, (831) 755-4860

Approved by: _____
David E. Chardavoynne, General Manager, (831) 755-4860

Attachments:

Agreement for Taxing Entity Compensation with City of Seaside