

**RESOLUTION \_\_\_\_**

**A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF MONTEREY IN SUPPORT OF THE SALE OF THE STEINBECK CENTER TO CALIFORNIA STATE UNIVERSITY AT MONTEREY BAY TO ESTABLISH A CAMPUS IN DOWNTOWN SALINAS AND TO FOREGO UNANTICIPATED REVENUES IF THE SALE IS APPROVED**

**WHEREAS**, the City of Salinas had previously adopted the Salinas Central City Redevelopment Project Area (“Project Area”) and had charged the Salinas Redevelopment Agency (“Salinas RDA”) with its implementation; and

**WHEREAS**, the County of Monterey (“County”) is considered an “affected taxing entity” under the Community Redevelopment Law (Health and Safety Code sections 33000, et seq.), with regard to the Project Area; and

**WHEREAS**, one of the implementing activities of the Salinas RDA within the Project Area was the development of the National Steinbeck Center (“Steinbeck Center”), located on One Main Street; and

**WHEREAS**, the Salinas RDA used tax increment funding as part of its efforts to develop the Steinbeck Center; and

**WHEREAS** the 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 by the Salinas RDA (“Loan”) to fund debt service payments on the bonds sold for the construction of the Steinbeck Center building that the NSC was unable to make in 2009 and 2010; and

**WHEREAS**, effective June 29, 2011, the Community Redevelopment Law was significantly amended by the Dissolution Act (ABX 1 26), which had the effect of dissolving redevelopment agencies and requiring that assets and debts of redevelopment agencies be liquidated and funds transferred to “affected taxing agencies;” and

**WHEREAS**, on December 29, 2011, the California Supreme Court delivered its decision in *California Redevelopment Association v. Matosantos*, finding the Dissolution Act largely constitutional; and

**WHEREAS**, under the Dissolution Act and the California Supreme Court's decision in *California Redevelopment Association v. Matosantos*, all California redevelopment agencies, including the Salinas RDA, were dissolved on February 1, 2012, and Successor Agencies were designated and vested with the responsibilities of winding down the business and fiscal affairs of the former redevelopment agencies; and

**WHEREAS**, on January 10, 2012, the City Council (“City Council”) of the City of Salinas (“City”) adopted Resolution No. 20142 accepting for the City the role of Successor

Agency to the Salinas RDA ("Salinas Successor Agency"); and

**WHEREAS**, the Salinas Oversight Board ("Oversight Board") for the Salinas Successor Agency has been duly constituted pursuant to the Dissolution Act, with seven representatives of those agencies that receive property tax dollars from the properties within the former Salinas Redevelopment Project Areas, including two members representing County interests; and

**WHEREAS**, application of Section 34181 of the Health and Safety Code, as amended by the Dissolution Act, requires that the Oversight Board shall direct the Salinas Successor Agency to determine if any agreement between the Salinas RDA and private parties should be renegotiated to reduce liabilities, and to present a proposed termination agreement or amended agreement to the Oversight Board for approval; and

**WHEREAS**, the Successor Agency requested the Oversight Board's policy direction on NSC's request to terminate or amend the Loan; and

**WHEREAS**, the Oversight Board considered the documentary and testimonial evidence presented by the National Steinbeck Center at the public hearing on June 18, 2014 and unanimously approved resolution 2014-35, thereby approving the termination of the Loan Agreement, and on June 19, 2014, submitted said Resolution to the State Department of Finance ("DOF"); and

**WHEREAS**, on August 27, 2014, in a conference call with the DOF, it was argued that the "best interest" of most taxing entities is to contribute the long-term sustainability of the Steinbeck Center, forgive the loan and assist the NSC to partner with the California University Monterey Bay to buy the Steinbeck Center; and at that point, the DOF suggested, among other things, that the NSC receive a resolution from each taxing entity agreeing that forgiveness of the loan is in the best interest of the taxing entities; and

**WHEREAS**, the County would have an opportunity to receive unanticipated property tax pass-through payment of approximately \$68,264 of a portion of property taxes assessed against properties within the Project Area, including the National Steinbeck Center; and

**WHEREAS**, the County of Monterey has been requested by the City of Salinas to make a determination that forgiveness of the County's share of un-anticipated tax revenue is in the "best interests" of the Steinbeck Center, the Downtown Vibrancy Plan and educational interests of California State University, Monterey Bay, and

**WHEREAS**, on October 7, 2014, the County, as an affected taxing entity, held a public meeting to consider the public benefit and public purpose of the Steinbeck Center and a new campus of the CSU, Monterey Bay in Downtown.

**NOW THEREFORE, BE IT RESOLVED**, that the County of Monterey, as an "affected taxing entity" and recipient of property tax revenues from properties located within the Salinas Redevelopment-Central City Project Area, hereby finds, resolves, and determines as follows:

**SECTION 1.** The foregoing recitals are true and correct, and, together with the staff report and attachments, and information provided by the Salinas Successor Agency and the

National Steinbeck Center, form the basis for the approvals, findings, resolutions, and determinations set forth below.

**SECTION 2.** The National Steinbeck Center is a valuable public, community and regional asset which provides both economic and educational benefits for all of the taxing agencies.

**SECTION 3.** The location of a downtown Salinas campus for CSU Monterey Bay is a benefit to both the local community and the County as a whole, in that expansion of the CSU will allow more residents to increase their education and potential earning income.

**SECTION 4.** The public purposes and public benefits of retaining the Steinbeck Center, and having a new campus location for the CSU Monterey Bay at the Steinbeck Center far outweigh the receipt of unanticipated revenue, estimated to be \$68,264.00, and the costs to the County of enforcement of the Loan, support a request to terminate or amend the Loan Agreement in a manner that forgives such unanticipated revenue, in the best interests of the taxing entities.

**SECTION 5.** In the event that the sale of the Steinbeck Center to CSU Monterey Bay is approved by the State Department of Finance, the County of Monterey agrees to forego or forgive the receipt of unanticipated revenue that would have come to it from the proceeds of repayment of the Loan.

**SECTION 6.** The County of Monterey requests that the Salinas Oversight Board reconvene on the matter of the NSC Loan Agreement, and use this Resolution as evidence of the County's support for the termination of the Loan Agreement to the State Department of Finance.

**SECTION 7.** This Resolution shall take effect immediately.

**PASSED AND ADOPTED** this 7th day of October 2014, at a regular meeting of the County of Monterey Board of Supervisors by the following vote:

AYES:

NOES:

ABSENT:

I, Gail T. Borkowski, Clerk of the Board of Supervisors of the County of Monterey, State of California, hereby certify that the foregoing is a true copy of an original order of said Board of Supervisors duly made and entered in the minutes thereof of Minute Book 77 of the meeting October 7, 2014.

Dated: October 7, 2014

Gail T. Borkowski Clerk of the Board of Supervisors,  
County of Monterey, State of California

By \_\_\_\_\_ Deputy