



# Monterey County

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## Board Report

Legistar File Number: A 15-060

March 24, 2015

**Introduced:** 3/20/2015

**Version:** 1

**Current Status:** Agenda Ready

**Matter Type:** BoS Agreement

- a. Rescind Resolution Number 14-285; and
- b. Approve and authorize the Chair to sign a Memorandum of Agreement between the County of Monterey and the National Steinbeck Center.

### **...Report**

#### **RECOMMENDATION:**

It is recommended that the Board of Supervisors:

- a. Rescind Resolution Number 14-285; and
- b. Approve and authorize the Chair to sign a Memorandum of Agreement (MOA) between the County of Monterey and the National Steinbeck Center.

#### **SUMMARY:**

The proposed Memorandum of Agreement (MOA) formalizes the previously expressed intention of the County to facilitate the sale of the National Steinbeck Center to California State University, Monterey Bay. The County of Monterey is to receive, and is requested to pay \$68,264.00 to the National Steinbeck Center after processing by the Monterey County Auditor/Controller.

#### **DISCUSSION:**

The former Salinas Redevelopment Agency ("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 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 Loan Agreement 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 specified, and approved, redevelopment area 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 of Monterey is to receive an un-anticipated amount of approximately \$68,264 dollars, from the sale of the National Steinbeck Center to California State University, Monterey Bay.

On October 7, 2014, at the request of the City of Salinas and the NSC, the County adopted Resolution No. 14-285, wherein the County recognized the public benefit to the sale of the Steinbeck Center to CSUMB and agreed to forgive the Loan and "forgo" any proceeds resulting from the sale. Subsequently, the DOF disallowed the "forgiveness" of the Loan and required that sale proceeds must go through the allocation process spelled out in the Dissolution Act. Accordingly, the proposed Memorandum of Agreement will reconfirm the County's intent to

contribute its share of sales proceeds by creating an enforceable agreement promising to pay over to the Steinbeck Center the proceeds received by the County. Because the Loan Agreement will not be terminated, and because the Memorandum of Agreement specifically addresses payment of proceeds, it is felt that rescission of the prior Resolution is appropriate.

**OTHER AGENCY INVOLVEMENT:**

The Monterey County Water Resources Agency is also being requested to receive and to pay to NSC the Agency's anticipated share of sale proceeds, of approximately \$6,102.00. Thus, the amount of \$74,366.00, representing the combined share of the County and Water Resources Agency from sale proceeds, would go to the National Steinbeck Center.

**FINANCING:**

Approval of this MOA will not require a draw against the General Fund, but would preclude the receipt of un-anticipated revenues of approximately \$68,264 dollars during the FY 2015-16.

Prepared by:

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Approved by:

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Nicholas Chiulos, Assistant CAO -IGLA

Attachments:  
BOS Memorandum of Agreement