



Monterey County

Board Order

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

Upon motion of Supervisor Salinas, seconded by Supervisor Parker and carried by those members present, the Board of Supervisors hereby:

- a. Approved Resolution No. 14-285 to support establishing a California State University of Monterey Bay campus in downtown Salinas and forego the receipt of un-anticipated tax revenue of approximately \$68,264.00 from the sale of the Steinbeck Center to California State University Monterey Bay; and
- b. Authorized the County Administrative Officer, or his designee, to sign and approve all related documents allowing this sale.

PASSED AND ADOPTED on this 7th day of October 2014, by the following vote, to wit:

AYES: Supervisors Armenta, Calcagno, Salinas, Parker and Potter

NOES: None

ABSENT: None

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 for the meeting on October 7, 2014.

Dated: October 8, 2014
File Number: RES 14-065

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

By Denise Hancock
Deputy

Before the Board of Supervisors in and for the
County of Monterey, State of California

Resolution No. 14-285

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.

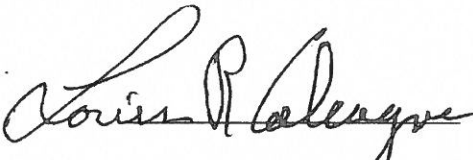
SECTION 5. In the event that the sale of the Steinbeck Center to CSU Monterey Bay is approved by the State Department of Finance, the County of Monterey agrees to forego or forgive the receipt of unanticipated revenue that would have come to it from the proceeds of repayment of the Loan.

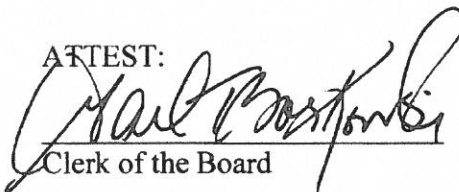
SECTION 6. The County of Monterey requests that the Salinas Oversight Board reconvene on the matter of the NSC Loan Agreement, and use this Resolution as evidence of the County's support for the termination of the Loan Agreement to the State Department of Finance.

SECTION 7. This Resolution shall take effect immediately.

PASSED AND ADOPTED upon motion of Supervisor Salinas, seconded by Supervisor Parker and carried this 7th day of October 2014, by the following vote, to wit:

AYES: Supervisors Armenta, Calcagno, Salinas, Parker and Potter
NOES: None
ABSENT: None
ABSTAIN: None


Lou Calcagno, Chair

ATTEST:

Clerk of the Board

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 for the meeting on October 7, 2014.

Dated: October 8, 2014
File Number: RSE 14-095

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

By Denise Hancock
Deputy