



## Board Report

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**File #:** EGCSA 21-001, **Version:** 1

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Acting as the Board of Directors of the East Garrison Community Services District (EGCSD), approve and authorize the Chair to sign Amendment No. 3 to Agreement No. A-12423, a Temporary Maintenance Agreement by and between EGCSD and UCP East Garrison, LLC., relating to temporary maintenance obligations for improvements at the East Garrison development, in an amount not to exceed \$845,000 in Fiscal Year 2020-21 and \$780,000 in Fiscal Year 2021-22.

**RECOMMENDATION:**

It is recommended that the Board of Supervisors, acting as the Board of Directors of the East Garrison Community Services District (EGCSD), approve and authorize the Chair to sign Amendment No. 3 to Agreement No. A-12423, a Temporary Maintenance Agreement by and between EGCSD and UCP East Garrison, LLC., relating to temporary maintenance obligations for improvements at the East Garrison development, in an amount not to exceed \$845,000 in Fiscal Year 2020-21 and \$780,000 in Fiscal Year 2021-22.

**SUMMARY/DISCUSSION:**

East Garrison is an unincorporated community in Monterey County, California. A Community Services District (CSD) was established for the East Garrison community in 2005. On March 26, 2013, the Board of Supervisors, acting as the Board of Directors of the East Garrison Community Services District (EGCSD), approved the First Amendment to the Urban Services Agreement between the County and EGCSD to further define and clarify the allocation of infrastructure maintenance responsibilities to facilitate the continued achievement of the fiscal neutrality requirement.

On March 26, 2013, the Board of Supervisors, acting as the Board of Directors of EGCSD, approved a Temporary Maintenance Agreement (Agreement No. A-12423, also A-12423) with UCP East Garrison, LLC (UCP), the East Garrison Developer (Developer). A-12423 acknowledged that due to delays in the housing development, the Developer was completing and dedicating infrastructure to EGCSD in accordance with the Urban Services Agreement faster than EGCSD could accrue special tax revenue to maintain it. As such, the parties agreed that the Developer would temporarily maintain the EGCSD-owned facilities at its sole cost until EGCSD had the financial resources to fund and perform this maintenance on its own. The original terms of A-12423 (Attachment A) required EGCSD to reassume its duties no later than the issuance of the Certificate of Occupancy for the 315<sup>th</sup> market-rate residential unit in Phase 1 or within 120 days of EGCSD having sufficient revenues from the Special Tax for Services to fund the maintenance obligations (including reserves).

On September 12, 2017, the Board of Supervisors, acting as the Board of Directors of EGCSD, approved Amendment No. 1 to A-12423 (Attachment B) to reimburse UCP for maintenance work as of March 1, 2017, an agreed-upon date within the financial capability of EGCSD. By this date, EGCSD was generating sufficient funds to pay the maintenance costs, and those payments were an appropriate use of EGCSD funds consistent with the fiscal neutrality requirement. UCP's maintenance obligations would still end upon the issuance of the 315<sup>th</sup> market-rate residential unit in Phase 1, provided that, with the exception of Lincoln Park, EGCSD could

terminate A-12423 within sixty (60) days of EGCSA's approval of a new Agreement with a selected vendor to provide for these maintenance services. For Lincoln Park, UCP would continue to maintain the park for a period of one (1) year following the latest of: a) the issuance of the 315<sup>th</sup> market-rate residential unit Certificate of Occupancy in Phase 1, b) the approval of an Agreement between EGCSA and a selected vendor to provide maintenance services, or c) EGCSA providing notice to UCP of the approval of such an Agreement. These revised provisions would allow EGCSA to control the extent of UCP's maintenance (and reimbursements therefore).

On July 19, 2018, the East Garrison Community Association executed a Grant Deed, which transferred the Phase I and Phase II parks (four (4) neighborhood parks) to EGCSA.

On June 11, 2019, the Board of Supervisors, acting as the Board of Directors of EGCSA, approved Amendment No. 2 to A-12423 (Attachment C) to provide maintenance of the Phase I and II neighborhood parks and Phase III parks, open space, and facilities. Upon EGCSA's acceptance of the deed(s) transferring title of such parks, open space, and facilities, the Developer would begin maintenance, and EGCSA would begin reimbursing the Developer for said maintenance.

The Temporary Maintenance Agreement, per the proposed Amendment No. 3 (Attachment D), provides budgets for Fiscal Years 2020-21 and 2021-22 for reimbursement of temporary maintenance costs. The budgets cover reimbursement for parks, public roads, stormwater/flood control, and optional services.

OTHER AGENCY INVOLVEMENT:

The Office of the County Counsel, acting as Counsel for EGCSA, has reviewed and approved the proposed Amendment No. 3 as to form.

FINANCING:

Funding for staff time to prepare the report and fund the proposed Amendment No. 3 is available in EGCSA's Fiscal Year 2020-21 Adopted Budget, Fund 181, Appropriation Unit RMA106. This funding is derived from a special tax imposed upon residential properties within East Garrison.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

The recommended action supports the Board of Supervisors' Infrastructure Strategic Initiative to "Plan and develop a sustainable, physical infrastructure that improves the quality of life for County residents and supports economic development results. . ." by improving the quality of life of County residents through effective management of the parks and open spaces within the East Garrison development.

Economic Development  
Administration  
Health & Human Services  
X Infrastructure

Public Safety

Prepared by: Dawn Yonemitsu, Management Analyst I (831) 755-5304

Reviewed by: Dalia Mariscal-Martinez, Management Analyst III

Reviewed by: Melanie Beretti, Housing and Community Development Services Manager

Approved by: Shawne E. Ellerbee, Assistant Director of Public Works, Facilities, & Parks

Approved by: Randell Ishii, MS, PE, TE, PTOE, Director of Public Works, Facilities, & Parks

Attachments:

Attachment A-03/26/2013 EGCSD Temporary Maintenance Agreement (A-12423)

Attachment B-07/25/2017 Amendment 1 to A-12423

Attachment C-06/11/2019 Amendment 2 to A-12423

Attachment D-Proposed Amendment 3 to A-12423

(Attachments are on file with the Clerk of the Board)