HARTNELL COMMUNITY COLLEGE DISTRICT

RESOLUTION NO. 14:8

IN SUPPORT OF ESTABLISHING A CALIFORNIA STATE UNIVERSITY OF
MONTEREY BAY CAMPUS IN DOWNTOWN SALINAS AND
FORGIVING ANTICIPATED REVENUES

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 Hartnell Community College District ("District") 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 National 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 National 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 National Steinbeck Center, forgive the loan and assist the NSC to partner with the University Corporation at 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 District would have an opportunity to receive anticipated property tax pass-through payment of approximately $37,477.00 of a portion of property taxes assessed against properties within the Project Area, including the National Steinbeck Center; and

WHEREAS, Hartnell College is a Hispanic serving college and serves students from the Salinas Valley and the surrounding area; and

WHEREAS, Hartnell College offers transfer classes and has transfer agreements with many California State University campuses, including Cal State University Monterey Bay, that guarantee admission for Hartnell students who have completed the two-year requirements.

WHEREAS, Hartnell College has a long history of partnering with the National Steinbeck Center and Cal State University Monterey Bay and in goal 6 of its strategic plan, Hartnell College expresses as a goal its commitment to strengthening and furthering its current partnerships and to establishing new partnerships, in order to secure lasting, mutually beneficial relationships between the college and the community that the college serves; and

WHEREAS, an intended outcome of goal 6 of Hartnell College’s strategic plan is to strengthen existing partnerships and create new partnerships with both public and private colleges and universities; and
WHEREAS, an intended outcome of goal 6 of Hartnell College’s strategic plan is to strengthen existing collaborative regional economic development partnerships and increase the number of collaborative regional economic development opportunities with external partners; and

WHEREAS, Hartnell College and CSU, Monterey Bay are committed to strengthening opportunities and collaborating for educational attainment for citizens in the Hartnell Community College District; and

WHEREAS, the District has been requested by the Successor Agency of 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 National Steinbeck Center, the Downtown Vibrancy Plan and educational interests of California State University, Monterey Bay; and

WHEREAS, on October 7, 2014 and October 16, 2014, the District, as an affected taxing entity, held a public meeting to consider the public benefit and public purpose of the National Steinbeck Center and a new campus of the CSU, Monterey Bay in Downtown Salinas.

NOW THEREFORE, BE IT RESOLVED, that the District, 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 provide 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 National Steinbeck Center, and having a new campus location for the CSU Monterey Bay at the National Steinbeck Center far outweigh the receipt of anticipated revenue, estimated to be $37,477.00, 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 forges such anticipated revenue, in the best interests of the taxing entities.

SECTION 5. The District requests that the Salinas Oversight Board reconvene on the matter of the NSC Loan Agreement, and use this Resolution as evidence of the District’s support for the termination of the Loan Agreement to the State Department of Finance.
SECTION 6. This Resolution shall take effect immediately.

PASSED AND ADOPTED this 16 day of October 2014, at a special meeting of the Hartnell Community College District Governing Board by the following vote:

AYES: DePauw, Donohue, Gonzalez-Castro, Montemayor, Padilla-Chavez, Pruneda
NOES: Freeman
ABSENT: None
ABSTAIN: None

Candi DePauw,
President, Board of Trustees

ATTEST:
Willard Lewallen
Secretary, Board of Trustees