HARTNELL COMMUNITY COLLEGE DISTRICT

RESOLUTION 15:4
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 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 residents in the Hartnell Community College District; and

WHEREAS, the District was requested by the Successor Agency of the City of Salinas to make a determination that forgiveness of the County’s share of 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 public meetings 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 and in the October 16, 2014 meeting passed resolution No.14:8 affirming the value of the above-discussed partnership and confirming that the forgiveness of the above-mentioned debt was in the best interest of residents in the Hartnell Community College District; and

WHEREAS, it has been presented to the District that the “best interest” of most taxing entities is to contribute to the long-term sustainability of the National Steinbeck Center by redirecting to the National Steinbeck Center proceeds from repayment of the Loan in order to assist the NSC to partner with the University Corporation at Monterey Bay to buy the National Steinbeck Center facility at One Main Street; 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, the District has been requested to forego receipt of its share of anticipated tax revenue 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 February 17, 2015 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 that 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 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 forego receipt of such anticipated revenue in the best interests of the taxing entities.
SECTION 5. The District acknowledges its right to receive $37,477.00 following repayment of the Loan and by this Resolution foregoes that right and directs the Monterey County Auditor/Controller to return the $37,477.00 in a manner that will make such funds available to the National Steinbeck Center.

SECTION 6. This Resolution shall take effect immediately.

PASSED AND ADOPTED this 17th day of February 2015, at a meeting of the Hartnell Community College District Governing Board by the following vote:

AYES: DePauw, Donohue, Gonzalez-Castro, Montemayor, Pruneda
NOES: 0
ABSENT: Freeman, Padilla-Chavez
ABSTAIN: 0

Elia Gonzalez-Castro
President, Board of Trustees

ATTEST:

Willard Lewallen
Secretary, Board of Trustees