AMENDED
A G E N D A

CITY OF SEASIDE CITY COUNCIL/SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY	JOINT SPECIAL MEETING Council Chamber 440 Harcourt Avenue Thursday, May 2, 2019 5:30 PM

1. CALL TO ORDER

2. CITY COUNCIL/SUCCESSOR AGENCY TO REDEVELOPMENT AGENCY OF THE CITY OF SEASIDE

Ian N. Oglesby	Mayor/Chair
David R. Pacheco	Mayor Pro Tem/Vice Chair
Jason Campbell	Council/Agency Member
Jon Wizard	Council/Agency Member
Alissa Kispersky	Council/Agency Member

3. PLEDGE OF ALLEGIANCE

4. PUBLIC COMMENT

Members of the public wishing to address the City Council on matters within the jurisdiction of the City of Seaside, but not on this agenda, may do so during the Public Comment period for up to three minutes. Public Comments on specific agenda items are heard under that item. For the public record, please state your name.

5. CLOSED SESSION

A. CLOSED SESSION PURSUANT TO GOVERNMENT CODE 54957.6 - CONFERENCE WITH LABOR NEGOTIATORS

Agency Negotiators: Craig Malin, City Manager; Roberta Greathouse, Human Resources Director / Risk Manager; Kimberly Drabner, Finance Director; Donna Williamson, Labor Negotiator

Employee Organizations: Seaside City Employees' Association and Seaside Police Officers' Association

B. CONFERENCE WITH REAL PROPERTY NEGOTIATORS PURSUANT TO GOVERNMENT CODE SECTION 54956.8:

1. **The Property Commonly Referred to As Main Gate** (Property bounded by Lightfighter, Divarty, Second Street and Highway 1)

Negotiator for the City: Craig Malin, City Manager, Under Negotiation:Purchase and Sale Agreement Terms

2. **Seaside Resort Development**. Negotiator for the City: Craig Malin, City Manager. Under Negotiation: Instructions to negotiator will concern price, terms of payment or both.

6. CONSENT AGENDA

A. APPROVAL OF MINUTES FROM APRIL 4, 2019, APRIL 16, 2019 AND APRIL 18, 2019 SPECIAL MEETING

RECOMMENDATION: That the minutes are reviewed and approved.

B. APPROVE AND FILE SUCCESSOR AGENCY CHECKS

RECOMMENDATION: Approve and file the accounts payable and wired payments made during the period of April 6, 2019 through April 19, 2019 including the payroll and benefits checks, direct deposits and wired payments related to the pay period of April 11, 2019. Total Accounts Payable and Payroll for the above referenced period is $17,627.09.

7. PRESENTATION

A. UPDATE ON CIVIC CAMPUS FEASIBILITY STUDY

RECOMMENDATION: Receive the presentation.

8. BUSINESS ITEMS

A. SENATE BILL 189 REGARDING THE PROPOSED EXTENSION OF THE FORT ORD REUSE AUTHORITY

RECOMMENDATION: Register opposition to SB189.

9. ADJOURNMENT

Next Regularly Scheduled Meeting:
May 16, 2019
Seaside City Hall
5:30 PM

The City of Seaside is committed to providing accessible facilities and accommodating people with disabilities in all of its services programs and activities. If special considerations are needed by any person to fully participate in this meeting, contact the City Clerk at 899-6707 no fewer than two business days prior to the meeting to allow reasonable arrangements. The City Council chamber is equipped with a portable microphone and assisted listening devices are available at all meetings. City Council Meetings that are held in the City Council Chambers are broadcast live to all Seaside residents on Comcast Channel 25 and U-verse Channel 99. Live streamed meeting videos as well as videos of past meetings are available on the City's website at: http://www.ci.seaside.ca.us/129/City-Council-Committee-Agendas

Agenda-related writings or documents provided during public meetings are available for public inspection during the meeting or from the office of the City Clerk. This agenda is posted in compliance with California Government Code Section 54954.2(a) or Section 54956.

CITY OF SEASIDE
STAFF REPORT

Item No.: 6.A.

TO: Successor Agency to the Redevelopment Agency of the City of Seaside

FROM: Craig Malin, City Manager

BY: Lesley Milton-Rerig, Public Affairs Officer/City Clerk

DATE: May 2, 2019

SUBJECT: **APPROVAL OF MINUTES FROM APRIL 4, 2019, APRIL 16, 2019 AND APRIL 18, 2019 SPECIAL MEETING**

PURPOSE & RECOMMENDATION

That the minutes are reviewed and approved.

BACKGROUND

Going forward, All Brown Act meetings which are recorded will have Action Minutes prepared for approval, consistent with the current Seaside Municipal Code as stated below. While Discussion Minutes and Verbatim Minutes can be useful at times, with the technological availability of meeting videos, questions, concern or historical research regarding meeting discussion can be referred to the video, which is kept in perpetuity per the City's record retention schedule.

2.02.330 Minutes – Preparation.
A. The minutes shall consist of a clear and concise statement of each and every council action including the motions made and the vote thereon. Reasons for making a motion, or voting, council debate and audience reaction may be included if considered to be particularly relevant or otherwise necessary, by the city clerk in the first instance and by the council in the final instance. The city clerk shall have exclusive responsibility for preparation of the minutes, and any directions for changes in the minutes shall be made only by action of the city council.

2.02.340 Minutes – Hearings.
Whenever the council acts in a quasi-judicial proceeding, such as hearings as defined in SMC 2.02.400, the minutes shall contain a synopsis of all evidence

considered in the hearing including statements of persons addressing the council. (Ord. 382, 1970; prior code § 1-200(H-2))

FISCAL IMPACT

There is no fiscal impact associated with this item but there will be significant staffing efficiencies as a result.

ATTACHMENTS

1. 190418mCCSAjsm
2. 190416mCCSAjsm
3. 20190404mCCSAjsm

Reviewed for Submission to the
City Council by:

Craig Malin, City Manager

DRAFT MINUTES

CITY OF SEASIDE	SPECIAL MEETING
CITY COUNCIL/SUCCESSOR	Council Chamber
AGENCY TO THE REDVELOPMENT	Thursday, April 18, 2019
AGENCY	5:30 PM

1. **CALL TO ORDER**

   Mayor Oglesby called the meeting to order at 5:30 PM.

2. **CITY COUNCIL/SUCCESSOR AGENCY TO REDEVELOPMENT AGENCY OF THE CITY OF SEASIDE**
   PRESENT: Campbell, Kispersky, Oglesby, Pacheco, Wizard,
   ABSENT: None

3. **PLEDGE OF ALLEGIANCE**

4. **PUBLIC COMMENT**
   There were no requests to speak.

   The City Council unanimously agreed to hear agenda item 7A prior to the closed session.

7. **PRESENTATION**

   A. **SALVATION ARMY FOOD TRUCK PRESENTATION**
   Action: Received

5. **CLOSED SESSION**
   The City Council adjourned to Closed Session at 5:25 pm.

   A. **CLOSED SESSION PURSUANT TO GOVERNMENT CODE 54957.6 - CONFERENCE WITH LABOR NEGOTIATORS**
   Agency Negotiators: Craig Malin, City Manager; Roberta Greathouse, Human Resources Director / Risk Manager; Kimberly Drabner, Finance Director; Donna Williamson, Labor Negotiator
   Employee Organizations: Seaside City Employees' Association and Seaside Police Officers' Association

   B. **CONFERENCE WITH REAL PROPERTY NEGOTIATORS PURSUANT TO GOVERNMENT CODE SECTION 54956.8:**
      1. Seaside Municipal Water System proposed easement of approximately 25 square feet of private property located at 1656 La Salle Avenue (APN 012-851-020). Negotiator for the City: Craig Malin, City Manager, Negotiator for Property Owner: Rodger P and Roalie Rauch. Instructions to negotiator will concern price, terms of payment or both.
      2. The Properties Commonly Referred to as Laguna Grande Park (APNs

011-371-002, 011-371-003, 011-371-006, 011-371- 007, 011-371-009, 011-371-018, and 011-371-019, Properties bounded by Fremont Blvd., Canyon Del Rey Blvd. and Del Monte Blvd.) Negotiator for the City: Craig Malin, City Manager, Under Negotiation: Purchase and Sale Agreement Terms

3. The Property Commonly Referred to As Main Gate (Property bounded by Lightfighter, Divarty, Second Street and Highway 1) Negotiator for the City: Craig Malin, City Manager, Under Negotiation: Purchase and Sale Agreement Terms
4. 4. Seaside Resort Development. Negotiator for the City: Craig Malin, City Manager. Under Negotiation: Instructions to negotiator will concern price, terms of payment or both.

6. CONSENT AGENDA

The Council reconvened to open session at 6:50 PM.

On motion by Council Member Jason Campbell and seconded by Council Member Jon Wizard and passed by the following vote the Consent Agenda was approved unanimously.

RESULT: ***Approved***

AYES: Ian Oglesby, Dave Pacheco, Jason Campbell, Jon Wizard, Alissa Kispersky

NOES: None

A. APPROVE AND FILE SUCCESSOR AGENCY CHECKS

Action: Approved

8. ADJOURNMENT

The meeting was adjourned at 6:55 PM.

Respectfully submitted,

Lesley Milton-Rerig, City Clerk

Ian N. Oglesby, Mayor

DRAFT MINUTES

CITY OF SEASIDE	SPECIAL MEETING
CITY COUNCIL/SUCCESSOR	Council Chamber
AGENCY TO THE REDVELOPMENT	Tuesday, April 16, 2019
AGENCY	5:00 PM

1. <u>CALL TO ORDER</u>

Mayor Oglesby called the meeting to order at 5:30 PM.

2. <u>CITY COUNCIL/SUCCESSOR AGENCY TO REDEVELOPMENT AGENCY OF THE CITY OF SEASIDE</u>

PRESENT: Campbell, Oglesby, Pacheco, Wizard,
ABSENT: Kispersky

3. <u>PLEDGE OF ALLEGIANCE</u>

4. <u>PUBLIC COMMENT</u>

There were no requests to speak. <u>*The City Council unanimously agreed to hear agenda item 6A prior to the closed session*</u>.

5. <u>CLOSED SESSION</u>

The City Council adjourned to closed session at 5:09 PM. There were no requests to speak from the public.

A. <u>CONFERENCE WITH REAL PROPERTY NEGOTIATORS PURSUANT TO GOVERNMENT CODE SECTION 54956.8:</u>

1. **The Property Commonly Referred to As Main Gate** (Property bounded by Lightfighter, Divarty, Second Street and Highway 1) Negotiator for the City: Craig Malin, City Manager, Under Negotiation:Purchase and Sale Agreement Term
2. **Seaside Resort Development**. Negotiator for the City: Craig Malin, City Manager. Under Negotiation: Instructions to negotiator will concern price, terms of payment or both.

6. <u>COUNCIL MEMBER REQUESTS</u>

A. <u>DISCUSS AGENDIZING A REQUEST OF A LETTER OF SUPPORT FOR AB1783 (MAYOR OGLESBY)</u>

Action: Added to Agenda

<u>*On motion by Mayor Pro Tem Pacheco and seconded by Council Member Wizard and approved unanimously the City Council directed staff to add the item to the April 18, 2019 agenda for action*</u>.

7. ADJOURNMENT

The City Council reconvened to open session at 6:31 PM. Council Member Campbell was not present for the Main Gate discussion. On motion, the meeting was adjourned at 6:32 PM.

Respectfully submitted,

Lesley Milton-Rerig, City Clerk	**Ian N. Oglesby, Mayor**

DRAFT MINUTES

CITY OF SEASIDE	JOINT SPECIAL MEETING
CITY COUNCIL/SUCCESSOR	Council Chamber
AGENCY TO THE REDVELOPMENT	Thursday, April 4, 2019
AGENCY	5:30 PM

1. CALL TO ORDER

2. CITY COUNCIL/SUCCESSOR AGENCY TO REDEVELOPMENT AGENCY OF THE CITY OF SEASIDE

PRESENT: Kispersky, Oglesby, Pacheco, Wizard
ABSENT: Campbell

3. PLEDGE OF ALLEGIANCE

4. PUBLIC COMMENT

No requests to speak.

5. CONSENT AGENDA

On motion by Mayor Pro Tem Dave Pacheco and seconded by Council Member Alissa Kispersky and passed by the following vote the City Council approved Consent Agenda as presented.

RESULT: ***Motion Passed 5-0***

A. APPROVE MINUTES FROM MARCH 21, 2019

Action: Approved

B. APPROVE AND FILE SUCCESSOR AGENCY CHECKS

Action: Approved

C. APPROVE AN AMENDMENT TO THE FY2018-2019 BUDGET RELATED TO BOND FUNDING AND RELATED COSTS FOR THE CUTINO PARK IMPROVEMENT PROJECT AND THE MEASURE X ROAD IMPROVEMENTS; DIRECT THE FINANCE DIRECTOR TO MAKE THE NECESSARY BUDGET CHANGES.

Action: Approved

D. APPROVE USE AGREEMENT TO ALLOW THE CASTROVILLE ARTICHOKE FESTIVAL TO USE A PORTION OF THE LAGUNA GRANDE SHOPPING CENTER PARKING LOT AS OVERFLOW PARKING FOR THE "ARTICHOKE FUN RUN 5K BEACH RUN AT MONTEREY TIDES".

Action: Approved

6. CLOSED SESSION

The City Council adjourned to Closed Session at 5:34 PM.

A. CLOSED SESSION PURSUANT TO GOVERNMENT CODE 54957.6 -

CONFERENCE WITH LABOR NEGOTIATORS

B. CONFERENCE WITH REAL PROPERTY NEGOTIATORS PURSUANT TO GOVERNMENT CODE SECTION 54956.8:

7. ADJOURNMENT

The City Council reconvened the meeting at 6:31 PM. City Attorney Don Freeman reported that closed session item 6B will continue after the 7:00 PM meeting. Mr. Freeman also reported the City Council voted Unanimously to discontinue negotiations with Monterey Bay Resort.

Respectfully submitted,

______________________________	______________________________
Lesley Milton-Rerig, City Clerk	**Ian N. Oglesby, Mayor**

CITY OF SEASIDE
STAFF REPORT

Item No.: 6.B.

TO: Successor Agency to the Redevelopment Agency of the City of Seaside

FROM: Craig Malin, City Manager

BY: Lori Merwin, Finance Assistant
Kimberly Drabner, Finance Director

DATE: May 2, 2019

SUBJECT: **APPROVE AND FILE SUCCESSOR AGENCY CHECKS**

PURPOSE & RECOMMENDATION

Approve and file the accounts payable and wired payments made during the period of April 6, 2019 through April 19, 2019 including the payroll and benefits checks, direct deposits and wired payments related to the pay period of April 11, 2019. Total Accounts Payable and Payroll for the above referenced period is $17,627.09.

BACKGROUND

In accordance with Government Code Section 37208, at each Agency Board meeting the Board is provided a listing of the payroll and general checks issued since the last report so that it can inspect and confirm these checks. Each purchase has been reviewed and approved by the department making the purchase at the time of procurement. The invoice has been reviewed by the Finance Department prior to payment to ensure that it conforms to the approved budget.

Therefore, in accordance with Government Code Section 37208, the above referenced, and linked list of checks conforms to the approved budget and has been paid. These checks are submitted to the Agency Board for inspection and confirmation.

A description of the checks and wires exceeding $10,000.00 is as follows:

- $14,737.50 to Richards, Watson & Gershon for professional services rendered for the Seaside Resort project: $10,081.50 for November, 2018, $4,042.00 for January, 2019, and $614.00 for February, 2019.

The Checks report is available on the City's website here:

http://www.ci.seaside.ca.us/194/Check-Draft-Register

FISCAL IMPACT

There are no additional fiscal impacts.

ATTACHMENTS

None

Reviewed for Submission to the
City Council by:

Craig Malin, City Manager

CITY OF SEASIDE
STAFF REPORT

Item No.: 7.A.

TO: Successor Agency to the Redevelopment Agency of the City of Seaside

BY: Craig Malin, City Manager

DATE: May 2, 2019

SUBJECT: **UPDATE ON CIVIC CAMPUS FEASIBILITY STUDY**

PURPOSE & RECOMMENDATION

Receive the presentation.

BACKGROUND

Studio Gang is under contract to complete a Feasibility Study for a potential Civic Campus in the vicinity of General Jim Moore Boulevard and Broadway Avenue. They visited Seaside in March and are returning with an in-progress update of the Feasibility Study. No Council action is expected.

ATTACHMENTS

None

Reviewed for Submission to the
City Council by:

Craig Malin, City Manager

CITY OF SEASIDE
STAFF REPORT

Item No.: 8.A.

TO: City Council

BY: Lesley Milton-Rerig, Public Affairs Officer/City Clerk

DATE: May 2, 2019

SUBJECT: **SENATE BILL 189 REGARDING THE PROPOSED EXTENSION OF THE FORT ORD REUSE AUTHORITY**

PURPOSE & RECOMMENDATION

Register opposition to SB189.

BACKGROUND

SB189 is a pending Senate Bill that would modify the powers, duties and membership of the Fort Ord Reuse Authority, and extend its life from June 30, 2020 to June 30, 2022. Supporters of SB189 note the extension of FORA is in the public interest, principally in terms of extending revenue streams for mitigations related to the closure of Fort Ord and regional infrastructure. Supporters of SB189 may also make reference to the proposed tightening of the authority's board from thirteen to five voting members, all comprised of local land use jurisdictions. Realigning the voting members of the board from thirteen to five, while reducing Seaside's voting members from two to one, does have the advantage of increasing the City of Seaside's percentage of the total board from 15% to 20%.

Opponents to SB189 note that an increase of 5% of voting power to 20% still falls short of the 50% plus one necessary for any land use jurisdiction to be a fully autonomous regional partner. Moreover, providing widely disparate population bases the same voting power is another cause for concern. Under SB189, the City of Del Rey Oaks, with a population under 2,000, has the same voting power as the cities of Seaside, Monterey and Marina, all with populations at least ten times greater, and the same voting power as Monterey County, with a population more than two hundred and fifty times greater. Opponents also note the extension of FORA is unsupported by FORA's pace of redevelopment success over the prior two decades. The proposed tightening of the authority's board to local land use jurisdictions with redevelopable land may help focus and accelerate progress.

Pragmatically, any extension of FORA is contrary to Seaside's interests. Land use decisions, consistent with Seaside's vision, should not be subject to outdated plans, enforced by extra-territorial actors. Seaside community facility and service improvement opportunities represented by land sale and community facilities district revenue can best be made by Seaside elected officials. Section 67700 (d) of SB189 is particularly problematic in this regard.

The final section of Section 6700 (d) reads as follows : "The County of Monterey shall disperse those community facility district revenues to each underlying land use jurisdiction on a pro rata basis, based on the source of the revenue or another method that the County of Monterey determines is reasonable". This language could allow millions of dollars (if not tens of millions) generated in Seaside to be allocated by a board that has not a single Seaside resident on it to any number of projects outside of Seaside.

The City Council should register strong opposition to this provision of SB189, and carefully weigh the pros and cons of any extension of a regional body that may authoritatively commit resources generated through redevelopment of former Fort Ord property within Seaside's corporate limits to projects or programs beyond Seaside's borders.

ATTACHMENTS

1. SB189 Monning
2. City of Marina April 9 Letter Regarding SB189
3. Supervisor Parker Letter Regarding SB189

Reviewed for Submission to the
City Council by:

Craig Malin, City Manager

AMENDED IN SENATE APRIL 11, 2019

AMENDED IN SENATE APRIL 1, 2019

SENATE BILL No. 189

Introduced by Senator Monning
(Coauthors: Assembly Members Robert Rivas and Mark Stone)

January 30, 2019

An act to amend Sections 67652, 67655, 67660, and 67700 of, to add Section 67701 to, and to repeal Sections 67661, 67662, 67673, 67675.2, 67675.3, 67675.4, 67675.5, 67675.6, 67675.7, 67675.8, 67675.9, and 67690 of, the Government Code, and to add Section 33492.79 to the Health and Safety Code, relating to military base reuse.

LEGISLATIVE COUNSEL'S DIGEST

SB 189, as amended, Monning. Fort Ord Reuse Authority: member agencies: land use and zoning: dissolution.

(1) Existing law, the Fort Ord Reuse Authority Act, establishes the Fort Ord Reuse Authority (the authority) to prepare, adopt, finance, and implement a plan for the use and development of the territory previously occupied by the Fort Ord military base in the County of Monterey. The act provides that the authority is governed by a board comprised of 13 members representing the County of Monterey and specified cities within the county, which the act designates as "member agencies."

This bill would reduce the size of the board from 13 members to 5 members and eliminate representation for certain cities. The bill would require the vote of a majority of the total membership of the board to pass or act upon any matter properly before the board.

(2) Existing law authorizes representatives of certain entities to serve as ex officio, nonvoting members of the board and authorizes the board to appoint or remove additional ex officio members at its pleasure.

Existing law authorizes the board to appoint advisory committees to provide it with options, critique, analysis, and other information as it finds useful.

After adoption of a reuse plan by the board, existing law requires each county or city with territory occupied by Fort Ord to submit its general plan or amended general plan that meets certain requirements, or subsequent amendments to a certified plan, to the board and requires the board, after a noticed public hearing, to certify or refuse to certify the portion of the general plan that applies the territory of Fort Ord, as provided. Existing law similarly provides for the submission and review by the board of the county's or city's zoning ordinances, zoning district maps, and, where necessary, other implementing actions applicable to the territory of Fort Ord. Existing law provides that development review authority, with certain exceptions, is exercised by the applicable county or city, but prohibits a local agency from permitting, approving, or otherwise allowing a development or other change of use within the area of Fort Ord that is not consistent with the reuse plan adopted by the board. Existing law authorizes the board to review actions of each member agency regarding planning, zoning, and the issuance or denial of building permits within the area of Fort Ord, subject to specified limitations.

Existing law provides specific procedures regarding the preparation of an environmental impact report on the Fort Ord Reuse Plan that apply in the event that an environmental impact statement on the closure and reuse of Fort Ord has been filed pursuant to the federal National Environmental Policy Act of 1969.

Existing law authorizes the board to receive contributions from member agencies represented on the board. Existing law requires each member agency and each public agency represented by an ex officio member to contribute specified amounts to the authority.

This bill would repeal all of these provisions.

(3) Under existing law, the Fort Ord Reuse Authority Act becomes inoperative when the board makes a specified determination regarding the development or reuse of the territory of Fort Ord or on June 30, 2020, whichever occurs first. Existing law repeals the act on January 1, 2021. Existing law requires the Monterey County Local Agency Formation Commission to provide for the orderly dissolution of the authority, as provided.

This bill would, instead, make the Fort Ord Reuse Authority Act inoperative on June 30, 2022, and repeal the act on January 1, 2023.

The bill would require the authority to negotiate and secure successor agencies for all obligations under the transition plan no later than June 30, 2022. The bill would require the Monterey County Local Agency Formation Commission to provide for the orderly dissolution of the authority once an agreement with a successor agency has been finalized. The bill would require the transfer of specified revenues of the authority to the County of Monterey for disbursement to each underlying land use jurisdiction on a pro rata basis. The bill would specify that any financial obligation of the authority to which the County of Monterey succeeds as a result of the disbursement of remaining revenues or the retirement of debt does not constitute a debt or liability of the county, or any other member agency.

This bill, on and after July 1, 2020, would authorize the authority to take specified actions regarding its dissolution, including implementing the transition plan and collecting and disbursing specified revenues. The bill would authorize an underlying land use jurisdiction to adopt a substitute funding mechanism in lieu of the community facilities district established for the Fort Ord area if the jurisdiction commits to continue funding specified regional needs. The bill would also deem the transition plan to be within the scope of a specified categorical exemption from the California Environmental Quality Act.

(4) Existing law establishes procedures for the establishment and operation of all redevelopment project areas created within the area previously known as Fort Ord. Existing law, upon dissolution of the authority, requires that amounts allocated under a redevelopment plan that contains a provision for the division of taxes, if any levied upon taxable property within a redevelopment project, continue to be paid to the accounts of the authority insofar as needed to pay principal and interest or other amounts of debt incurred by the authority.

This bill would make these provisions governing the establishment and operation of redevelopment project areas created within Fort Ord inoperative as of the date of the dissolution of the Fort Ord Reuse Authority or the retirement of the authority’s debt, whichever occurs later. The bill, upon dissolution of the authority or retirement of its debt, whichever occurs later, would require that any remaining property tax revenues allocated to the authority be transferred to the auditor-controller of the County of Monterey for appropriate distribution.

(5) This bill would make legislative findings and declarations as to the necessity of a special statute for the County of Monterey.

(6) By adding to the duties of various local agencies with respect to the dissolution of the Fort Ord Reuse Authority, this bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to the statutory provisions noted above.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: yes.

The people of the State of California do enact as follows:

SECTION 1. Section 67652 of the Government Code is amended to read:

67652. The Legislature finds and declares as follows:

(a) The policy set forth in Section 67651 is most likely to be achieved if an effective governmental structure exists to plan for, finance, and carry out the transfer and reuse of the base in a cooperative, coordinated, balanced, and decisive manner.

(b) The transition plan, adopted by the Ford Ord Reuse Authority, will assure that ongoing, mandated requirements continue to be funded and addressed within the region covered by the authority, which will collect and distribute revenue for the limited environmental and infrastructure mission.

SEC. 2. Section 67655 of the Government Code is amended to read:

67655. Unless the context otherwise requires, the definitions contained in this chapter govern the construction of this title.

(a) "Authority" means the Fort Ord Reuse Authority.

(b) "Base-wide facility" means a public capital facility which, in the judgment of the board, is important to the overall reuse of Fort Ord, and has significance beyond any single city or the unincorporated area of the county.

(c) "Board" means the governing board of the authority, as specified in Section 67660.

(d) "Community facilities district revenues" means the revenues collected ~~from the authority.~~ *by the authority pursuant to the*

Mello-Roos Community Facilities Act of 1982 (Chapter 2.5 (commencing with Section 53311) of Part 1 of Division 2 of Title 5).

(e) "Fort Ord Reuse Plan" means the plan for the future use of Fort Ord adopted pursuant to Section 67675.

(f) "Legislative body" means the city council of a city or the board of supervisors of a county, or the legislative body or governing board of any other public agency.

(g) "Local facility" means a public capital facility which, in the judgment of the board, is important primarily within a single city or the unincorporated area of the county.

(h) "Member agency" means the County of Monterey, the City of Del Rey Oaks, the City of Marina, the City of Monterey, or the City of Seaside.

(i) "Fort Ord," including references to the territory or area of Fort Ord, means the geographical area described in the document entitled "Description of the Fort Ord Military Reservation Including Portion of the Monterey City Lands Tract No. 1, the Saucito, Laguna Seca, El Chamisal, El Toro and Noche Buena Ranchos, the James Bardin Partition of 1880 and Townships 14 South, Ranges 1 and 2 East and Townships 15 South, Ranges 2 and 3 East, M.D.B. and M. Monterey County, California," prepared by Bestor Engineers, Inc., and delivered to the Sacramento District Corps of Engineers on April 11, 1994.

(j) "Property tax revenues" means the amount of property tax revenues allocated to the authority pursuant to Section 33492.71 of the Healthy and Safety Code.

(k) "Public capital facilities" means all public capital facilities described in the Fort Ord Reuse Plan, including, but not limited to, roads, freeways, ramps, air transportation facilities and freight hauling and handling facilities, sewage and water conveyance and treatment facilities, school, library, and other educational facilities, and recreational facilities, that could most efficiently and conveniently be planned, negotiated, financed, or constructed by the authority to further the integrated future use of Fort Ord.

(*l*) "Redevelopment authority," for purposes of the transfer of property at military bases pursuant to Title XXIX of the National Defense Authorization Act for the 1994 fiscal year, means the Fort Ord Reuse Authority, except that, with respect to property within the territory of Fort Ord that is transferred or to be transferred to the California State University or to the University of California, "redevelopment authority" solely for purposes of the transfer of property at military bases pursuant to Title XXIX of the National Defense Authorization Act for the 1994 fiscal year means the California State University or the University of California, and does not mean the Fort Ord Reuse Authority.

(m) "Transition plan" means the plan for the dissolution of the authority adopted by the board, as required by subdivision (c) of Section 67700.

(n) "Underlying land use jurisdiction" means, singularly or in the plural, the City of Monterey, the City of Del Rey Oaks, the City of Seaside, the City of Marina, *or* the County of ~~Monterey, or the California State University.~~ *Monterey.*

SEC. 3. Section 67660 of the Government Code is amended to read:

67660. (a) The authority shall be governed by a board of five members composed of the following:

(1) One member appointed by the City of Del Rey Oaks.

(2) One member appointed by the City of Marina.

(3) One member appointed by the City of Monterey.

(4) One member appointed by the City of Seaside.

(5) One member appointed by Monterey County.

(b) Notwithstanding subdivision (a), any local agency that does not adopt a resolution favoring establishment of the Fort Ord Reuse Authority pursuant to Section 67656 shall not be required to appoint a voting member to the board. The failure of a local agency to appoint a voting member to the board pursuant to this subdivision shall not alter or reduce the powers and duties of the authority or the board in any manner.

(c) Each member agency may appoint one alternate for each of its positions on the board, and each alternate shall have all the rights and authority of a board member when serving in that board member's place.

(d) Each board member and each alternate shall be a member of the legislative body making the appointment, except that the alternate appointed by the Monterey County Board of Supervisors shall be a member of the board of supervisors or county staff. Board members and alternates shall serve at the pleasure of the member agency making the appointment.

(e) The vote of a majority of the total membership of the board shall be required to pass or act upon any matter properly before the board, and each member of the board shall have one vote.

SEC. 4. Section 67661 of the Government Code is repealed.

SEC. 5. Section 67662 of the Government Code is repealed.

SEC. 6. Section 67673 of the Government Code is repealed.

SEC. 7. Section 67675.2 of the Government Code is repealed.

SEC. 8. Section 67675.3 of the Government Code is repealed.

SEC. 9. Section 67675.4 of the Government Code is repealed.

SEC. 10. Section 67675.5 of the Government Code is repealed.

SEC. 11. Section 67675.6 of the Government Code is repealed.

SEC. 12. Section 67675.7 of the Government Code is repealed.

SEC. 13. Section 67675.8 of the Government Code is repealed.

SEC. 14. Section 67675.9 of the Government Code is repealed.

SEC. 15. Section 67690 of the Government Code is repealed.

SEC. 16. Section 67700 of the Government Code is amended to read:

67700. (a) (1) This title shall become inoperative on June 30, 2022.

(2) This title shall remain in effect only until January 1, 2023, and as of that date is repealed.

(b) No later than June 30, 2022, the authority shall negotiate and secure one or more successor agencies to implement all obligations under the transition plan.

(c) (1) The Monterey County Local Agency Formation Commission shall provide for the orderly dissolution of the authority once an agreement with a successor agency has been finalized. The Monterey County Local Agency Formation Commission shall ensure that all contracts, agreements, and pledges to pay or repay money entered into by the authority are honored and properly administered, and that all assets of the authority are appropriately transferred.

(2) The board shall approve and submit a transition plan to the Monterey County Local Agency Formation Commission on or before December 30, 2018. The transition plan shall assign assets and liabilities, designate responsible successor agencies, and provide a schedule of remaining obligations. The transition plan shall be approved only by a majority vote of the board.

(d) Upon dissolution of the authority, all remaining and future community facilities district revenues shall be transferred to the

County of Monterey. The County of Monterey shall disburse those community facilities district revenues to each underlying land use jurisdiction on a pro rata basis, based on the source of the revenue or another method that the County of Monterey determines is reasonable.

(e) If the authority has any remaining outstanding debt at the time of its dissolution, property tax revenues shall continue to be paid to the County of Monterey in accordance with subparagraph (D) of paragraph (1) of subdivision (c) of Section 33492.71 of the Health and Safety Code in an amount necessary to pay the principal and interest or other amounts on that debt. Upon the dissolution of the authority or the retirement of debt as provided in this subdivision, whichever occurs later, any remaining property tax revenues shall be transferred to the auditor-controller of the County of Monterey for appropriate distribution.

(f) If the County of Monterey succeeds to any financial obligation of the authority as a result of the disbursement of remaining revenues or the retirement of debt, that obligation shall not constitute a debt or liability of the county, or any other member agency, but shall be payable solely from the remaining revenues provided for purposes of that obligation in the transition plan.

(g) The County of Monterey may, before disbursing revenues as provided in this section, deduct an amount equal to the reasonable cost of administering this section out of the remaining revenues of the authority to be disbursed.

SEC. 17. Section 67701 is added to the Government Code, to read:

67701. (a) On and after July 1, 2020, the authority may do all of the following:

(1) Implement the transition plan.

(2) Manage the community facilities district boundaries.

(3) Make appropriate revisions to the boundaries of the community facilities district established by the board as replacement funding mechanisms are created by underlying land use jurisdictions pursuant to subdivision (b). Revisions to the community facilities district boundaries shall be made by filing an amended map of the community facilities district.

(4) Collect and disburse community facilities district revenues.

(5) Collect and disburse property tax revenues.

(6) Disburse revenues ~~collected~~ *described in paragraphs (4) and (5)* for the purposes of the habitat conservation plan, transportation, transit, and water supply pursuant to Section 67675.

(7) Continue as the local reuse authority for purposes of the federal government and property transfers, including receipt of federal grant funding.

(8) Ensure that all pledges, contracts, or obligated ~~payment~~ *payments* are funded and appropriately carried out.

(b) Any underlying land use jurisdiction may adopt a substitute funding mechanism in lieu of the community facilities district established by the board, in which case the board shall adjust the boundaries of the community facilities district accordingly. An underlying land use jurisdiction that adopts a substitute funding mechanism pursuant to this subdivision shall commit, either in that substitute funding mechanism or otherwise in a written agreement, to continue funding regional needs in the former Fort Ord on a pro rata basis, to the satisfaction of the authority. For purposes of this subdivision, "regional needs" includes, but is not limited to, habitat conservation, transportation, transit, and water supply augmentation.

(c) The ~~transitional~~ *transition* plan adopted by the board for organizational changes shall be deemed to be within the scope of the Class 20 exemption provided by Section 15320 of Title 14 of the California Code of Regulations.

SEC. 18. Section 33492.79 is added to the Health and Safety Code, to read:

33492.79. This article shall become inoperative as of the date of the dissolution of the Fort Ord Reuse Authority pursuant to Section 67700 of the Government Code or the retirement of the authority's debt as provided in subdivision (e) of Section 67700 of the Government Code, whichever occurs later.

SEC. 19. The Legislature finds and declares that a special statute is necessary and that a general statute cannot be made applicable within the meaning of Section 16 of Article IV of the California Constitution because of the unique circumstances in the County of Monterey relating to the dissolution of the Ford Ord Reuse Authority.

SEC. 20. If the Commission on State Mandates determines that this act contains costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code.

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CITY OF MARINA
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April 9, 2019

Senator McGuire
Chair
Senate Governance and Finance Committee

Re: SB 189

Dear Senator McGuire:

The City of Marina requests you oppose SB 189 which seeks to extend the Fort Ord Reuse Authority (FORA) for a second time. As proposed, SB 189 includes amendments to the Fort Ord Reuse Authority Act which will have multiple, state-wide implications.

While Senator Monning's bill appears to be of a local impact, passage will significantly alter the provisions of three state-wide legislative acts.

- SB189 will extend collection of tax increment under Health and Safety Code Sections 33492.70 et seq. In 1994, this legislature amended the California Redevelopment Law to provide FORA 35% of all property tax increment revenues generated within its project areas. This flow of property tax increment revenue to FORA has continued despite the dissolution of redevelopment agency throughout the State in 2011. SB 189 will continue this preferential tax increment through June 2022 and expressly authorizes the FORA Board to encumber its tax increment for decades into the future without any restrictions on use. While local governments are deprived of tax increment financing, FORA Currently expends $1.3 million of its tax increment for administrative expenditures annually, while the successor agencies are limited to $250,000 per year. The continuation of tax increment for one agency in the state is inherently unfair, and continues the diversion of funding from local K-14 schools and other taxing authorities entitled to these funds potentially beyond FORA'S sunset.

- SB 189 empowers the Fort Ord Reuse Authority to both alter the restrictions established by the special district formation documents and assign the special tax to another entity. Both provisions are in conflict with the Mello-Roos Community Facilities Act of 1982 (Government Code Sections 53311 et seq). Under Mello-Roos a Community Facilities District tax is not assignable and specific due process requirements must be met for changes to the district. Passage of SB189 is again establishing preferential treatment for FORA eroding the state-wide structure of the Mello-Roos Act.

- SB 189 broadens the authority of the Local Agency Formation Commission of Monterey County beyond that of the Cortese-Knox-Hertzberg Local Government Reorganization Act (Government Code Section 56000 et seq). SB 189 changes LAFCO's responsibility from oversight to "ensuring" enforcement of contractual obligations.

SB 189 is not supported by the land use jurisdictions that have the greatest burdens related to the reuse of the former Fort Ord. The cities of Marina and Seaside both oppose supporting legislation to continue FORA. The bill continues FORA role overseeing redevelopment of the former Fort Ord for an additional 2 year for a total of 28 years, 8 years more than the State has allowed any other reuse authority.

All the land use jurisdictions are currently working with Regional Government Services to address the remaining responsibilities. An extension of FORA and the broad scope of this proposed legislation are unnecessary.

Very truly yours,

Layne P. Long
City Manager
City of Marina

cc: Senator John M. W. Moorlach
Senator Jim Beall
Senator Robert M. Hertzberg
Senator Melissa Hurtado
Senator Jim Nielsen
Senator Scott D. Wiener

MONTEREY COUNTY

THE BOARD OF SUPERVISORS

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Mark McKenzie, Staff Director
California Senate Appropriations Committee
Via email: mark.mckenzie@sen.ca.gov

Re: Opposition to SB 189

Dear Mr. McKenzie and Appropriation Committee Members,

Thank you for allowing me this opportunity to comment on SB 189; I regret that I am unable to attend the Appropriations Committee meeting and request that Mr. McKenzie submit this letter to the Committee prior to its deliberations.

The vast majority of former Fort Ord resides in my District, and while it is a regional resource, I have been particularly immersed in the details of its redevelopment. As current Chair of the Fort Ord Reuse Authority Board, I was in the minority of a 7-6 vote when the FORA board voted to support an extension of FORA. Therefore, my comments are simply my own, as an individual local representative.

I also regret that I must disagree with Senator Monning, who has often been an ally; I do not feel that the summaries of the bill that I have seen to-date accurately describe its impact, or what is at issue.

Loss of Revenue to the State Education Fund and Local Agency General Funds

Under current law, FORA receives an allocation of property tax from development on the Base. That allocation is $2.6 million this fiscal year, and expected to climb steadily due to several active projects. FORA has been exploring whether it can issue bonds against its property tax increment, so that in essence, FORA continues to receive that tax increment far beyond its expiration date. There are legal questions about whether FORA can commit future property tax revenue in the face of its expiration, and whether a bonding agency would view this as too risky. SB 189 adds an express provision to the FORA Act that "if the authority has any remaining outstanding debt at the time of its dissolution, property tax revenues" shall be used to pay those debts. (Section 67700(e)).

This represents a huge loss of future revenue that would go to the state education funds and to local taxing entities. Redevelopment agencies were dissolved 7 years ago with a promise from the state that they would free up revenue for K-12 education. This promise has not been fulfilled in the case of FORA, which to my knowledge is the only remaining redevelopment agency. FORA is exploring using bond revenue to remove blighted buildings. However, there is nothing in the legislation which specifies that bonds can only be issued for blight removal. There is a controversial proposal to build a road through the oak woodlands and sensitive habitat in the open spaces of Fort Ord, due to a misperception that it would somehow help with regional commuter traffic. If this bill proceeds, I would request that language be added restricting bond issuance for blight removal only, and that a bond may only be issued with a super majority vote of the FORA Board.

FORA Extension Opposed by Key Participants in the Redevelopment Process

The majority of developable properties are in the Cities of Marina and Seaside, between 1,500 and 2,000 acres each. The County has significant developable lands as well, but less than 1,000 acres. Del Rey Oaks and the City of Monterey have a fraction of the land with a few hundred acres. It is important to note that the Cities of Marina and Seaside oppose the continuation of FORA, as do the County Supervisors with land in Fort Ord, myself and Supervisor Mary Adams.

New Voting Rules Deny Adequate Representation to Working Class Cities of Marina and Seaside

Under the current FORA Act, the cities of Monterey and Del Rey Oaks have 1 vote each, the cities of Marina and Seaside have 2 votes each, and the County has 3 votes. SB 189 would change the voting structure so that each entity has only 1 vote.

The cities of Seaside and Marina are historically considered the working class cities on the Monterey Peninsula with lower annual median incomes, and whose combined population outweighs the combined population of Del Rey Oaks and Monterey by nearly a 2 to 1 margin. Furthermore, according to the 2010 census, 57% of Marina and 51% of Seaside are communities of color, while Del Rey Oaks (19%) and Monterey (22%) are much less diverse. Since FORA's inception, there has been resentment expressed by Marina and Seaside residents about being "told what to do" by the other cities through the FORA structure. This new voting structure will exacerbate the problem, and it denies adequate representation for the people most affected.

FORA's CFD is Not Necessary

The argument for extending FORA centers around collection of community facilities district fees. There are some projects that have been approved via documents requiring payment of the FORA CFD fee for habitat and infrastructure needs on Fort Ord. Advocates for FORA's extension argue that when FORA expires, the developers may not have to pay that fee. However, the jurisdictions with those project agreements and their developers are not making such a claim. It is understood by those parties that the fee must be paid and spent on habitat mitigation and Fort Ord infrastructure needs. The fee can easily be collected by the jurisdiction. City of Marina has an agreement with one of its two major developers stating that when FORA expires, the fee would be paid to the City of Marina for expenditure on those specified needs, and is working with the second developer on the same agreement. The County expects to have an agreement with its sole Fort Ord developer within the next 2 months. So there is no need to continue FORA to collect fees on existing projects.

Furthermore, the jurisdictions do not want FORA's CFD imposed on future projects because the fee is antiquated and needs to be restructured. For example, the fee is a flat dollar amount per residential unit, regardless of whether the unit is a 5-bedroom home or a studio. It does not encourage the smaller, affordable-by-design projects that will help with our affordable housing needs. It is better for the jurisdictions to form their own CFDs.

Additionally, FORA advocates argue that the FORA CFD needs to continue because it allows flexibility to spend money on any basewide needs, but that a city-centered fee would have to demonstrate nexus between the development and the expenditure. The fact is, the developments in Fort Ord are large scale subdivisions that require special approvals and they can be required to pay whatever is negotiated, it does not need to be collected through a city CFD structure. Furthermore, it would not be hard to demonstrate impacts on habitats, roads and water, and collect money for those needs. Finally, the cities and the county are currently working with a facilitator to prepare cooperative agreements that identify how they will work together on basewide needs, and they have sources of revenue such as land sales and property tax that are available if CFD fees are not.

If FORA is Extended, its Authority Should be Limited to Collection of CFDs on Existing Projects

If the true purpose of SB 189 is to collect CFD fees on existing projects, then further revisions are required to the FORA Act. SB 189 modifies some provisions and adds language, but importantly it does not eliminate language that grants FORA broad financial powers, including imposing the CFD on future project agreements. The most straightforward way to end FORA's discretion to program and mandate funding of capital improvements would simply be to repeal sections 67675, 67679, 67680, 67680.5, and 67691. As the bill recognizes, these powers must devolve on local agencies. There is no reason to confer these powers on FORA for another two years.

In sum, please vote no on Senate Bill 189. If there is support for this bill, I would ask in the alternative that the language be revised as suggested. Thank you for allowing me to weigh in on these critical issues for my District.

Sincerely,

Jane B Parker

Supervisor Jane Parker
Monterey County – Fourth District

Cc: Senator Bill Monning
Assemblyman Mark Stone
City of Marina – Layne Long, City Manager
City of Seaside – Craig Malin, City Manager
Landwatch of Monterey County – Michael Delapa
League of Women Voters of Monterey County – Beverly Bean