

**MONTEREY PENINSULA REGIONAL PARK DISTRICT  
BOARD OF DIRECTORS MEETING**

**DATE:** October 2, 2024  
**TO:** Board of Directors  
**FROM:** Kelly McCullough, Finance Manager  
**REVIEWED BY:** Rafael Payan, General Manager  
**SUBJECT:** Consider Approval of Master Taxing Agreement with the City of Seaside

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**SUMMARY:**

Staff recommends that the Board of Director’s consider signing the Master Taxing Agreement with the City of Seaside, (i) approving the “no cost conveyance” and transfer of the Monterey County Courthouse Site to the State of California, (ii) set forth the terms under which City may retain the Fire Station Property for its own use and development, and (iii) set forth the terms under which the Net Unrestricted Proceeds from the sale of the remaining Future Development Properties will be distributed to all Taxing Entities on a pro rata basis in proportion to each entity’s respective share of the property tax base. **(ATTACHMENT 1).**

**FISCAL IMPACT:**

There is no fiscal impact associated with taking this action. The Agreement will result in pro rata future tax Revenue.

**FUNDING SOURCE:**

Not applicable

**FUNDING BALANCE:**

Not applicable

**DISCUSSION:**

Property once belonging to the federal government at the location of the former Fort Ord will transition to the City of Seaside through a series of laws and cases enacted after the closure of Fort Ord. First the properties transitioned from the federal government to the Redevelopment Agency of the City of Seaside. The former Redevelopment Agency of the City of Seaside was dissolved as of February 1, 2012, and the Successor Agency of the City of Seaside was established. An oversight board to the Successor Agency was established, which was subsequently replaced by a countywide oversight board. Some of our Board of Directors may recall being participants on the oversight boards during the dissolution process.

The properties of the former Redevelopment Agency of the City of the City of Seaside transferred to the control of the Successor Agency of the City of Seaside.

The Successor Agency to the Redevelopment Agency of the City of Seaside prepared a Long-Range Management Plan (LRPMP) to address the disposition of the real property assets of the Redevelopment Agency of the City of Seaside. The State Department of

Finance approved the plan, which included Future Development Properties, as described below and in the attached Agreement (**ATTACHMENT 1**):

- General Jim Moore Boulevard and Eucalyptus (Former First Tee Site) [No. 13]
- Lightfighter Drive between First and Second Avenues (The Projects at Main Gate Site APN 031-151-013) [No. 14]
- First Avenue and Lightfighter Drive (Commercial/Recreation Parcel) [No. 15], referred to below as “Fire Station Property”
- Surplus II Planning Area [No. 16]

The Long Range Plan provides for the transfer of Future Development Properties to the City of Seaside for future development, subject to entering into this Agreement with the Taxing Entities for the distribution of the net unrestricted proceeds received from the sale of such properties.

All these changes culminate in the Master Tax Agreement under consideration. The Agreement provides the following:

- Parcel No. 14 will be provided to the State at no cost for the future construction of a courthouse;
- Parcel No. 15 will be provided to the City at no cost for the future construction of a firestation; and
- Each remaining Property’s net unrestricted proceeds from the one-time sale from the City of Seaside to future developers will be divided in accordance to Exhibit C (as amended each year to reflect changes to rates).

The District was contacted February 2024 and asked to review and sign the master taxing agreement with the City of Seaside (**ATTACHMENT 1**). Staff submitted the document to legal counsel for review. Over the course of the following months, various agencies requested changes to the document. The final version provided to the District has been reviewed by legal counsel and approved as to form.

Staff requested City of Seaside explain how the split is determined. City of Seaside responded: “The Tax auditor's office determines the split. If this number changes in the future when a transaction takes place, then the auditor's office will apply the correct percentage based upon the then percentage due to the taxing entity.

Here is an example of this last fiscal year:

Redevelopment Property Tax Trust Fund (RPTTF), for payment of the RDAs existing debt obligations.

In fiscal year 2023-24, \$76.62 million of property tax revenues were deposited into the RPTTFs with \$12.46 million going to the successor agencies for the payment of approved enforceable obligations, \$63.37 million to affected taxing entities for pass through and residual payments, and \$0.79 million in administration fees. The administration fee is distributed to the following departments: \$211,227 to the Auditor-Controller’s Office, \$2,730 to County Counsel, \$404,344 to the Assessor’s Office, and \$171,731 to the Treasurer-Tax Collector’s Office. Of the \$63.37 million distributed to local taxing entities,

\$34.07 million went to the school districts, \$11.88 million to the County of Monterey, \$7.55 million to the cities, and \$9.88 million to special districts.”

The Agreement specifies each entities proportionate shares of net unrestricted proceeds of sales when the property is sold. The Agreement indicates that the County General Fund will receive 13.5367% and the County Library Fund will receive 1.5929% of each sale’s net unrestricted proceeds. The major recipients of the net unrestricted proceeds are the Monterey Peninsula Unified School District (40.5155%), the City of Seaside (21.0579%), and the Educational Revenue Augmentation Fund (“ERAF”) (13.5430%).

The District’s percentage prior to this agreement is zero (prior to sale) as the percentages are set either by statute or the Tax Assessor. Once the agreement is approved and signed, the property can transfer and the jurisdictions will begin to accrue property tax dollars as the property develops. The sooner the property develops, the sooner tax entities will receive tax revenues.

The Agreement does not affect the tax basis for the properties once they are developed. The Agreement only covers the one-time sale of the properties from the City to future developers.

In regard to the ability to request a change to the allotment, legal counsel advised that they had spoken with other legal counsel, who worked on this matter, and they advised that the allotment had been negotiated for many years and changing it at this point is not likely.

**RECOMMENDED ACTION:**

Staff respectfully requests that the Board of Director’s authorize the General Manager execute the Master Taxing Agreement with the City of Seaside, for distributions of the net unrestricted proceeds from future sales of the properties identified in the Long-Range Property Management Plan of the Redevelopment Agency of the City of Seaside.

**ATTACHMENTS:**

1. [Master Taxing Agreement with the City of Seaside](#)