



COUNTY OF HUMBOLDT

Legislation Details (With Text)

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Title: Compensation Agreement and Amendment between the County of Humboldt and City of Eureka Redevelopment Successor Agency for Future Disposition and Development of Four (4) Former Eureka Redevelopment Agency Properties

Sponsors:

Indexes:

Code sections:

Attachments: 1. Staff Report, 2. Compensation Agreement, 3. First Amendment to Compensation Agreement

Date	Ver.	Action By	Action	Result
12/4/2018	1	Board of Supervisors	approved	Pass

To: Board of Supervisors

From: County Administrative Office

Agenda Section: Consent

SUBJECT:

Compensation Agreement and Amendment between the County of Humboldt and City of Eureka Redevelopment Successor Agency for Future Disposition and Development of Four (4) Former Eureka Redevelopment Agency Properties

RECOMMENDATION(S):

That the Board of Supervisors approve and authorize the County Administrative Officer to execute the attached compensation agreement and amendment between the County of Humboldt and City of Eureka Redevelopment Successor Agency.

SOURCE OF FUNDING:

City of Eureka Redevelopment Successor Agency

DISCUSSION:

As part of the 2011 Budget Act, and in order to protect funding for core public services at the local level, the Legislature approved the dissolution of the state's Redevelopment Agencies (RDA). After a period of litigation, RDAs were officially dissolved as of Feb. 1, 2012. Under the Dissolution Act, all authority, rights, powers, duties, and obligations of the former RDAs are vested in successor agencies. These agencies are charged with the responsibility of paying off existing debts of the former RDAs, disposing of properties and assets of the former RDAs in an appropriate manner to help pay off debts

and return revenues to the local government entities that receive property taxes. Property tax revenues are used to pay required payments on existing bonds, other obligations, and pass-through payments to local governments. The remaining property tax revenues that exceed the enforceable obligations are now being allocated to cities, counties, special districts, and school and community college districts, collectively referred to as taxing entities.

The attached compensation agreement and amendment will ensure that each taxing entity receives a payment “in proportion to their share of the base property tax” from the net proceeds from the use and/or eventual disposition of four (4) former Eureka Redevelopment Agency properties. The net proceeds of the City of Eureka Redevelopment Successor Agency’s use and disposition of the properties will be remitted to the Humboldt County Auditor-Controller for distribution to all of the taxing entities in proportion to each taxing entity’s respective share of the property tax base. The timing and amount of payment to the taxing entities will be dependent on the development and/or disposition of the properties.

FINANCIAL IMPACT:

A fundamental purpose of the dissolution of the RDAs is to provide additional revenue for state and local government agencies. Successful development and/or disposition of these properties will allow the county to receive applicable shares of any excess property tax revenue available after the RDAs debt commitments are accounted for. The development and disposition process will impact property tax revenue available to the taxing entities, and any net proceeds from the development and disposition of these properties is dependent upon their sale and/or future development opportunities.

Approval of the attached compensation agreement and amendment supports the Board of Supervisors’ Strategic Framework by building inter-jurisdictional and regional cooperation.

OTHER AGENCY INVOLVEMENT:

None

ALTERNATIVES TO STAFF RECOMMENDATIONS:

Board Discretion.

ATTACHMENTS:

1. Compensation Agreement between County of Humboldt and City of Eureka Redevelopment Successor Agency
2. First Amendment to Compensation Agreement between County of Humboldt and City of Eureka Redevelopment Successor Agency

PREVIOUS ACTION/REFERRAL:

Board Order No.: C-1; H-1; I-1

Meeting of: 2/28/2012; 3/20/2012; 7/10/2018