



CITY COUNCIL AGENDA STATEMENT



February 25, 2020

File ID: ~~20-0043~~
20-0082

TITLE

ORDINANCE OF THE CITY OF CHULA VISTA, ACTING AS THE LEGISLATIVE BODY OF THE BAYFRONT PROJECT SPECIAL TAX FINANCING DISTRICT, AUTHORIZING THE LEVY OF A SPECIAL TAX IN SUCH DISTRICT (SECOND READING AND ADOPTION)

RECOMMENDED ACTION

Council adopt the ordinance.

SUMMARY

Formation proceedings for the Bayfront Project Special Tax Financing District (the “Bayfront District”) were initiated on September 10, 2019. A special mail ballot election to consider the formation of the Bayfront District was held, with all ballots due to the City Clerk no later than noon today, February 18, 2020. Tonight’s action will continue the formal formation proceedings by certifying the election results. If Proposition A is approved by the qualified electors, an ordinance authorizing the levy of special taxes within the Bayfront District will be placed on first reading.

ENVIRONMENTAL REVIEW

The Director of Development Services has reviewed the proposed activity for compliance with the California Environmental Quality Act (CEQA) and has determined that the activity is not a “Project” as defined under Section 15378 of the State CEQA Guidelines because the proposed activity consists of the creation of a governmental fiscal/funding mechanism which does not result in a physical change in the environment; therefore, pursuant to Section 15060(c)(3) of the State CEQA Guidelines, the activity is not subject to CEQA.

Notwithstanding the foregoing, the project was adequately covered in previously certified Final Environmental Impact Report UPD#83356-EIR-658/SCH#2005081077 for the Chula Vista Bayfront Master Plan. Thus, no further environmental review is required.

BOARD/COMMISSION/COMMITTEE RECOMMENDATION

Not applicable.

DISCUSSION

On September 10, 2019, the City Council initiated proceedings to form the Bayfront District with the adoption of City Council Resolution Nos. 2019-167, 2019-168, and 2019-169, adopting a boundary map of the Bayfront

District, declaring the intention of the City Council to establish the Bayfront District and to authorize the levy of a special tax therein, and declaring the necessity of the Bayfront District to incur a bonded indebtedness, respectively. Resolution No. 2019-169 was subsequently amended by the City Council on November 12, 2019 to increase the maximum bonded indebtedness for the Bayfront District from \$125,000,000 to \$175,000,000.

On November 19, 2019, the City Council held a public hearing and took additional formation actions, approving Resolution Nos. 2019-218, 2019-219, 2019-220, 2019-221 and 2019-222. These resolutions approved an Amended and Restated Revenue Sharing Agreement by and between the City and the San Diego Unified Port District (the "Port District"), approved a Joint Community Facilities Agreement by and between the City and the Port District, approved forming and establishing the Bayfront District and submitting the levy of special tax to the qualified electors, deemed it necessary to incur a bonded indebtedness of the Bayfront District, and called a special mail ballot election to submit the following three (3) propositions to the qualified electors:

PROPOSITION A

Shall the measure to authorize the Bayfront Project Special Tax Financing District (the "District") to levy special taxes at rates not to exceed 5% of Rent charged on Hotel Property and Campsite Property (as such terms are defined in Resolution No. 2019-220 accompanying this ballot) within the District, until the end of the term set forth in such resolution, raising an estimated \$30,000,000 annually to finance Improvements and Services described in such resolution, be approved?

Yes _____
No _____

PROPOSITION B

Shall the measure to authorize the Bayfront Project Special Tax Financing District (the "District") to incur a bonded indebtedness of the District in an amount not to exceed \$175,000,000, to be secured by special taxes subject to the approval of Proposition A above, be approved?

Yes _____
No _____

PROPOSITION C

Shall the measure to establish an Article XIII B appropriations limit equal to \$125,000,000 for the Bayfront Project Special Tax Financing District be approved?

Yes _____
No _____

The November 19, 2019 public hearing was held pursuant to the provisions of Chula Vista Municipal Code Chapter 3.61 (the “Bayfront Project Special Tax Financing District Procedural Ordinance”).

At 12:00 pm on February 18, 2020, in the City Clerk’s office, the City Clerk, acting as the election official, will conduct a special election and the qualified electors of the Bayfront District (i.e. the landowners within the district) will be considered the levy of special taxes, authorizing the Bayfront District to incur a bonded indebtedness, and establishing an appropriations limit for the Bayfront District. The City Clerk will preside over the proceedings, verify the eligible voters, verify signatures, and present the election ballots.

The City Clerk will prepare and distribute certification of the election shortly after 12:00 pm on February 18, 2020.

Next Steps

If Measure A is approved by the qualified electors, a second reading of the ordinance will be presented to the City Council for consideration on February 25, 2020. Within fifteen (15) days after its adoption, the City Clerk will cause the publication of a public notice of the ordinance, specifying the approval, formation and levy of a special tax. In the coming months, the City Council will consider formal actions approving necessary financing documents for the Bayfront District. These documents will include a loan agreement with the Chula Vista Bayfront Facilities Financing Authority, an Acquisition Financing Agreement, and other pertinent documents.

DECISION-MAKER CONFLICT

Staff has reviewed the property holdings of the City Council members and has found no property holdings within 1,000 feet of the boundaries of the property which is the subject of this action. Consequently, this item does not present a disqualifying real property-related financial conflict of interest under California Code of Regulations Title 2, section 18702.2(a)(7) or (8), for purposes of the Political Reform Act (Cal. Gov’t Code §87100, *et seq.*).

Staff is not independently aware, and has not been informed by any City Council member, of any other fact that may constitute a basis for a decision-maker conflict of interest in this matter.

CURRENT-YEAR FISCAL IMPACT

All expenses incurred by the City in undertaking the proceedings to consider the formation of the Bayfront District and subsequently authorizing, issuing, and selling bonds of the Bayfront District to finance the acquisition and construction of eligible public or private facilities will be reimbursed from future Bayfront District bond proceeds or special tax revenues, resulting in no net impact to the General Fund or the Development Services Fund.

ONGOING FISCAL IMPACT

The cost to administer the Bayfront District, if established, and the issuance of bonds by the Bayfront District shall be paid from the proceeds of special taxes to be levied within the Bayfront District or the proceeds of bonds issued by the Bayfront District. There is, therefore, no ongoing fiscal impact to the City’s General Fund or Development Services Fund as a result of this action.

ATTACHMENTS

None.

Staff Contact: Tiffany Allen, Development Services Department