



# CITY COUNCIL AGENDA STATEMENT



February 16, 2021

File ID: 20-0570

## TITLE

- A. RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CHULA VISTA APPROVING A THIRD AMENDED AND RESTATED REVENUE SHARING AGREEMENT BY AND AMONG THE CITY OF CHULA VISTA, THE SAN DIEGO UNIFIED PORT DISTRICT, AND THE CHULA VISTA BAYFRONT FACILITIES FINANCING AUTHORITY
- B. RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CHULA VISTA APPROVING AN AMENDED AND RESTATED JOINT COMMUNITY FACILITIES AGREEMENT BY AND BETWEEN THE CITY OF CHULA VISTA AND THE SAN DIEGO UNIFIED PORT DISTRICT FOR THE CHULA VISTA BAYFRONT PROJECT SPECIAL TAX FINANCING DISTRICT
- C. RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CHULA VISTA, ACTING AS THE LEGISLATIVE BODY OF THE BAYFRONT PROJECT SPECIAL TAX FINANCING DISTRICT DECLARING ITS INTENTION TO CONSIDER CHANGES TO THE RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAXES AUTHORIZED TO BE LEVIED THEREIN AND EXPAND TERRITORY WHEREIN IMPROVEMENTS MAY BE LOCATED AND SERVICES MAY BE PROVIDED

## RECOMMENDED ACTION

Council adopt the resolutions.

## SUMMARY

Formation proceedings for the Bayfront Project Special Tax Financing District (the "Bayfront District") were initiated on September 10, 2019. Following a special mail ballot election, an ordinance authorizing the levy of special taxes at rates not to exceed 5% of rent annually charged on hotel property and campsite property within the Bayfront District was adopted, with a maximum term of forty (40) years. The City now desires to consider changes to the rate and method of apportionment (the "Existing RMA") for the Bayfront District to increase the maximum special tax levy rate to 5.5% until June 30, 2060, with downward adjustments thereafter, raising an estimated \$33,000,000 annually; (b) extend the term of the authorization to levy the special tax until June 30, 2086; (c) expand the territory wherein improvements may be located and services provided; and (d) make minor procedural changes.

Tonight's action will declare the intention of the City Council to:

- (a) Consider the modification of the Existing RMA for the Bayfront District;

- (b) request the applicable officer of the City prepare an Amended Bayfront Project Special Tax Financing District Report; and
- (c) set a public hearing related to the modification of the Bayfront District Existing RMA and the levy of special taxes for the Bayfront District for April 13, 2021 at 5:00 p.m.

As summarized below, tonight's action also asks the City Council to approve amended and restated versions of the Second Amended and Restated Revenue Sharing Agreement (the "Second Amended and Restated RSA") and the Joint Community Facilities Agreement (the "Original JCFA"), each by and between the City and the San Diego Unified Port District (the "Port District").

## **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. Thus, no environmental review is required.

## **BOARD/COMMISSION/COMMITTEE RECOMMENDATION**

Not applicable.

## **DISCUSSION**

In 2002, the City of Chula Vista and the Port District began a collaborative planning process to create a master plan for the approximately 535-acre Chula Vista Bayfront area. The Chula Vista Bayfront Master Plan (CVBMP) was designed to transform Chula Vista's underutilized industrial Bayfront landscape into a thriving residential and world-class waterfront resort destination. The CVBMP represents the last significant waterfront development opportunity in Southern California and is the result of a decade-long joint planning effort by a broad coalition of stakeholders, the Port District, the City, and Pacifica Companies.

On May 8, 2012, the City and the Port District entered into a Bayfront Master Plan Financing Agreement (the "Original Financing Agreement") for the CVBMP. The Original Financing Agreement identified the rights and obligations of each agency, with respect to the financing, development, and construction of public improvements, infrastructure, and a planned convention center in the CVBMP area (the "Convention Center"). To this end, the Original Financing Agreement identified revenue sources required to construct and maintain public improvements, infrastructure, and other facilities necessary to implement the CVBMP in accordance with the Final Environmental Impact Report (FEIR) approved by the City and the Port District on May 16, 2010. One of the revenue sources identified in the Original Financing Agreement was the City's Tourism Marketing District (TMD). The TMD functioned in a similar manner to the City's transient occupancy tax (TOT) and included an assessment rate of 5% of hotel room rental revenues. Subsequent to the adoption of the Original Financing Agreement, the TMD was disestablished in 2012.

The Original Financing Agreement was subsequently amended and restated by the Amended and Restated Financing Agreement to recognize additional rights and obligations of the respective agencies. One such

additional obligation acknowledged by the City in the Amended and Restated Financing Agreement was that the City would pursue creation of a mechanism to generate additional occupancy-based revenues, replacing the previous TMD assessments. The Amended and Restated Financing Agreement contemplated creation of the desired public financing mechanism under the Mello-Roos Act, assessment laws pursuant to the City's Charter authority, other applicable state assessment laws, Port District charges or surcharges, or other Developer-sponsored or imposed charges or surcharges.

The establishment of a special tax financing district that functions in a manner similar to the previous TMD was determined to be the preferred revenue generation mechanism. Special tax districts may be established to provide funding for the acquisition and construction of public and private improvements and/or the provision of public services by levying an annual "special tax," which is collected from the property owners within the Bayfront District and by issuing bonds secured by the levy of such special taxes, with ongoing administrative costs of the Bayfront District also payable from such special taxes at no cost to the City.

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 Port District, approved the Original JCFA, 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. 2019-219 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?*

#### 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?*

## 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?*

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, the City Clerk, acting as the election official, conducted a special election of the qualified electors of the Bayfront District (i.e. the landowners within the district). The City Clerk presided over the proceedings, verified the eligible voters, verified signatures, and presented the election ballots. The City Clerk then prepared and distributed certification of the election results on February 18, 2020. On that same date, the City Council adopted Resolution 2020-042, reciting the fact of the special mail ballot election and declaring the results of the election. With a majority of the electors voting yes on each of the three propositions, the Council then placed an ordinance authorizing the levy of a special tax in the Bayfront District on first reading (Ordinance No. 3481, second reading on February 25, 2020).

Negotiations between the City, the Port District, and RIDA Chula Vista, LLC (RIDA) related to the planned resort hotel and Convention Center project (the “RHCC Project”) have progressed significantly since the February 2020 action levying the Bayfront District special tax. RIDA is now requesting an additional \$10 million contribution from the public agencies toward the construction of the Convention Center. In return, RIDA will accept primary responsibility for funding the 1,600-space parking garage (the “Parking Garage”) that will serve the RHCC Project. Total costs for the Parking Garage are currently estimated between \$35 million and \$40 million.

Staff recommends modifying the special tax rate and term of the Bayfront District in order to provide the funding requested by RIDA and to address likely future capital and operating costs throughout the Bayfront District Area. Additional changes to expand the area in which the improvements and services funded by the Bayfront District may be provided are also recommended. Related amendments to the Second Amended and Restated RSA and the Original JCFA are also proposed.

### **Bayfront District Amendment**

The Existing RMA established the procedures for levying special taxes within the Bayfront District. Modifications to the term of the special tax and the special tax rate are proposed, along with minor procedural changes, as summarized below and detailed in the Amended Rate and Method of Apportionment (the “Amended RMA”) (Attachment 1).

### Special Tax Term

The Bayfront District special tax is currently authorized to be levied as long as necessary to pay for authorized expenditures as specified in Section 3.61.080 of Chapter 3.61 of the Chula Vista Municipal Code (CVMC) for a period not to exceed the longer of:

- (a) forty years (40) from the first day of the month immediately following the effective date of the ordinance enacted by the City Council providing for the levy of the Special Tax; or
- (b) the date on which all indebtedness of the Chula Vista Bayfront Facilities Financing Authority, with respect to which District Special Tax revenues have been pledged, has been paid in full.

A term of no later than June 30, 2086 proposed. The extended term is limited by the 66 year contract authority of the Port District and closely aligns with the expected term of the ground lease to be entered into between the Port District and RIDA for the RHCC.

### Special Tax Rate

Property located in the Bayfront District is subject to the levy of a special tax equivalent to 5% of occupancy-based room rate revenues generated from visitor serving accommodations located on such property that are subject to the City's TOT. Property located in the Bayfront District anticipated to be subject to the special tax include hotels and campsites, as well as private residences operating as hotels (i.e. properties offered to the public for short-term rental purposes through Airbnb, Vrbo, etc.). For those properties which do not offer visitor serving accommodations subject to the City's TOT, the Bayfront District has no effect (i.e., private residences not offered to the public for short-term rental purposes, undeveloped land, other commercial uses, or non-operating hotels or campsites).

An increase in the initial special tax rate from 5.0% to 5.5% is proposed. This is required to generate the additional \$10 million requested of the public agencies by RIDA. For the additional term of the Bayfront District beyond the 40 years currently authorized, significant reductions in the tax rate are proposed, dropping to 2.5% effective July 1, 2060 and to 1.0% effective July 1, 2075. As previously described, the tax would terminate as of June 30, 2086.

### District Boundaries

No changes are proposed to the previously adopted and recorded boundary map of the Bayfront District (Attachment 2).

The Port District owns approximately 212 (79%) of the 270 acres of taxable property within the proposed boundaries of the Bayfront District. The City owns approximately 6 acres (2%) of taxable property within such boundaries, and the Municipal Transit System (MTS) owns approximately 4 taxable acres (1.5%). The remaining approximately 48 acres of taxable property are privately owned (17.5%).

### Authorized Improvements

No changes are proposed to the previously adopted list of authorized improvements. Attachment 3 lists the types of improvements to be financed by the Bayfront District. The proposed resolution expands the territory in which the improvements may be located to be consistent with the JCFA priorities detailed above,

including explicitly authorizing improvements to be located in, or immediately adjacent to, the Bayfront District area.

#### Authorized Services

No changes are proposed to the previously adopted list of authorized services. Attachment 4 lists the authorized services eligible for Bayfront District funding. The proposed resolution expands the territory in which the services may be provided to be consistent with the JCFA priorities detailed above, including explicitly authorizing services to be provided in or immediately adjacent to, the Bayfront District area.

#### **Revenue Sharing Agreement**

In conjunction with the pending Bayfront District amendment proceedings, modifications to the Second Amended and Restated RSA have been negotiated by City and Port District staff and are presented for Council consideration and approval (the “Third Amended and Restated RSA”). The Port Board approved the Third Amended and Restated RSA on February 11, 2021. A redline comparing the Second Amended and Restated RSA and the Third Amended and Restated RSA is provided as Attachment 5 to this report.

#### Second Amended and Restated RSA

The Amended and Restated Financing Agreement establishes the fiscal foundation for development of the Chula Vista Bayfront by addressing the financing, development, and construction of public improvements, infrastructure, and the Convention Center. The capital projects and activities to be funded will promote public access to and engagement with the waterfront, while enhancing the quality and protection of key habitat areas. The Amended and Restated Financing Agreement anticipates the issuance of tax-exempt and/or taxable revenue bonds to finance the public investment toward the cost of constructing the Convention Center (the “RHCC Project Public Investment”) and certain CVBMP public improvements (the “Revenue Bonds”). The Revenue Bonds will be secured by, and payable from, certain sources of funds as identified in the Amended and Restated Financing Agreement.

On April 24, 2018, the City Council and the Port District Board of Commissioners (the “Port Board”) each approved a Disposition and Development Agreement (DDA) for the RHCC Project. The DDA addressed business terms and commitments by all parties through the close of escrow for the RHCC Project, including the construction of certain public infrastructure necessary to support the RHCC Project (the “Phase 1A Infrastructure”). The DDA established a maximum RHCC Project Public Investment of \$240 million and acknowledged estimated Phase 1A Infrastructure construction costs of \$60.6 million. The DDA included the Conceptual Outline of the Joint Exercise of Powers Agreement Plan of Finance (the “Conceptual Plan of Finance”), which documented the expected method of financing the RHCC Project Public Investment of \$240 million and Phase 1A Infrastructure construction costs totaling \$56 million. The remaining \$4.6 million in Phase 1A Infrastructure costs were assumed to be funded using cash on hand.

At the April 24, 2018 meeting, the City Council and Port Board also each approved a Revenue Sharing Agreement by and between the City and the Port District (the “Original RSA”). The Original RSA addressed funding commitments of each agency; the application of residual revenues after payment of RHCC Project Public Investment and Phase 1A Infrastructure Revenue Bond debt including reimbursements to each agency (the “Residual Revenues”); operating and maintenance responsibility for the Phase 1A Infrastructure; and

allocation of Net Operating Income above an eleven percent (11%) return on investment, to be paid by RIDA to the Port District at a rate of twenty percent (20%) for Lease Year 1 through Lease Year 37 (the “Additional Rent”).

The Original RSA was subsequently modified through the approval of an Amended and Restated Revenue Sharing Agreement (the “Amended and Restated RSA”), effective November 19, 2019 and a Second Amended and Restated RSA, effective September 15, 2020.

*Proposed Third Amended and Restated RSA*

Proposed modifications to the terms of the Second Amended and Restated RSA are as follows:

1. Eliminates current priority number three (#3) use of the Residual Revenues to reimburse the City an amount equivalent to the actual funds expended by the Bayfront District for the construction of the 1,600-space Parking Garage principally intended to serve the Convention Center, not otherwise reimbursed to the City by the Port District.
2. Eliminates current Section 3.8 related to financing of the Parking Garage using Bayfront District funds.
3. Adds a new Section 3.8 committing the Port District to remit fifty percent (50%) of all payments received from RIDA related to the Parking Garage to the City, throughout the term of the RSA (the “Parking Payments”). These funds will be remitted directly to the City and will not be allocated through the waterfall with the Residual Revenues and the RIDA Lease Payments (as defined below).

With the approval of the Third Amended and Restated RSA, the revenues to be contributed by each agency toward the payment of the Revenue Bond debt service are as follows:

*Port District Contributions*

1. Ground lease revenues derived from:
  - a. Other Ground Leases (as set forth in Exhibit 1 to the Third Amended and Restated RSA);
  - b. less a credit equal to the actual amount of the existing RV Park lease buyout, in an amount not to exceed \$3,283,970, to be amortized over a period of 8 years, commencing July 1, 2018, pursuant to the following schedule (as may be amended by mutual consent of the parties):

<b>Fiscal Year (FY)</b>	<b>RV Park Buyout Credit</b>	<b>Cumulative Credit</b>
FY 19	\$410,500	\$410,500
FY 20	\$410,500	\$821,000
FY 21	\$410,500	\$1,231,500
FY 22	\$410,500	\$1,642,000
FY 23	\$410,500	\$2,052,500
FY 24	\$410,500	\$2,463,000
FY 25	\$410,500	\$2,873,500
FY 26	\$410,470	\$3,283,970

2. Port District Support Payments, in an amount not to exceed the following schedule:

Lease Years 1 – 4	\$ 0
Lease Years 5 – 14	\$5.0 million
Lease Years 15 – 19	\$6.0 million
Lease Years 20 – 24	\$3.0 million
Lease Years 25 – 38	\$3.5 million

City Contributions

1. TOT generated by the RHCC Project, the RV Park TUOP, and the Replacement RV Park.
2. Sales tax generated by the RHCC Project, the RV Park TUOP, and the Replacement RV Park. This commitment excludes any locally approved sales and use taxes, such as Measure P or Measure A.
3. Incremental property tax (including property tax in-lieu of motor vehicle license fees) generated by the RHCC Project.
4. An amount equal to the funds received from the Port District in fiscal year 2016 (\$986,625), pursuant to the Municipal Services Agreement (MSA) in place at that time. Starting on July 1, 2017, the contribution amount will increase 3% annually. This amount will not change based on future MSAs that may be negotiated by the City and Port District.
5. Special tax proceeds of the Bayfront District, limited to the amount used to pay debt service on the Revenue Bonds.

The Third Amended and Restated RSA reflects the following prioritization for use of the Residual Revenues, together with all revenues received by the District from RIDA pursuant to the Ground Lease expected to be executed at Close of Escrow (except the Parking Payments) (the “RIDA Lease Payments”):

1. To reimburse the Port District for the cumulative amount of District Support Payments actually contributed by the Port District and not previously reimbursed to the District by the Authority; then
2. To reimburse the City and the Port District pari passu for any amounts either Party actually paid or contributed to the County pursuant to the County Funding Agreement; then
3. To reimburse the City for 73.6% of the cumulative actual, direct costs incurred by the City to provide fire service within the CVB, which 73.6% reflects amounts for which the City is entitled to reimbursement in addition to any payments the City receives pursuant to any municipal services agreement between the City and the District in effect at the time such reimbursement is being made and which is the proportionate share of costs attributable to the Convention Center and the Hotel and not previously reimbursed to the City or paid through Special Tax Revenues; then
4. To reimburse the City and the Port District on a proportionate, pro-rata basis, for each Party's contribution of the Existing Revenues, as of the Closing Date; then
5. To reimburse the City and the Port District on a proportionate, pro-rata basis, for each Party's contribution of Existing Revenues after the Closing Date, continuing to the Agreement Termination Date; then



6. To fund an additional reserve fund or reserve fund insurance policy in the amount of one year's debt service for the Revenue Bonds; and finally
7. Any Revenues remaining after the payments described in Items (1) through (6) above will be equally distributed between the City and the District.

### **Joint Community Facilities Agreement**

Bayfront District eligible improvements may be owned by either the City or the Port District and both agencies will provide a portion of the eligible services. Pursuant to California Government Code Section 53316.2, a joint community facilities agreement or joint exercise of powers agreement must be entered into in order for a community facilities district to finance facilities to be owned or operated by a public agency other than the agency that created the district, or to finance services to be provided by a public agency other than the agency that created the district (or any combination thereof).

In conjunction with the pending Bayfront District amendment proceedings, modifications to the Original JCFA have been negotiated by City and Port District staff and are presented for Council consideration and approval (the "Amended and Restated JCFA"). The Port Board approved the Amended and Restated JCFA on February 11, 2021. A redline comparing the Original JCFA and the proposed Amended and Restated JCFA is provided as Attachment 6 to this report.

#### Original JCFA

The Original JCFA was entered into by the City and Port District, effective February 24, 2020, and sets forth essential terms for the development, operation, maintenance, and servicing of various improvements (a) within the CVBMP, or (b) outside the CVBMP if required by mitigation measures specified within the CVBMP EIR and required to be performed by the City or Port District.

The Original JCFA establishes the following priorities for allocation of special tax revenues generated by the Bayfront District:

1. Financing the construction of the Convention Center portion of the RHCC Project;
2. Financing the construction of the Phase 1A Infrastructure;
3. Funding the construction of the Parking Garage;
4. Funding the operation, maintenance, servicing and replacement of the Phase 1A Infrastructure;
5. Funding the construction of other public improvements, either (a) within the CVBMP, or (b) outside the CVBMP if required by mitigation measures specified in the CVBMP EIR, to be performed by the City or Port District (the "Other Improvements"); and
6. Funding the operation, maintenance, servicing, and replacement of the Other Improvements.

#### Proposed Amended and Restated JCFA

The Proposed Amended and Restated JCFA modifies the priorities for allocation of special tax revenues generated by the Bayfront District in order to provide greater flexibility in the future. In addition, the territory in which the improvements may be located, or services may be provided, is expanded. The new prioritization, including expanded territory, is as follows:

1. Financing the construction of the Convention Center and certain public infrastructure improvements, to be financed through the Revenue Bonds (the "Priority Improvements"); then

2. Construction or financing of public improvements if required as mitigation measures, project design features, or otherwise required in the Project Approvals (as defined in the Amended and Restated JCFA) (the “Other Improvements”); then
3. Funding the operation, maintenance, servicing and replacement costs of the Priority Improvements and the Other Improvements, except the Convention Center; and finally
4. Construction or financing of other public improvements that are located in or immediately adjacent to the Bayfront District area and that are not Priority Improvements or Other Improvements (the “Additional Improvements”)(see Attachment 5) and the operation, maintenance, servicing and replacement costs of any Additional Improvements and other Authorized Services (see Attachment 6) .

## **Resolutions**

There are three (3) resolutions on today’s agenda that, if adopted, will accomplish the following:

Resolution A: The RESOLUTION APPROVING A THIRD AMENDED AND RESTATED REVENUE SHARING AGREEMENT approves modifications to the existing Second Amended and Restated Revenue Sharing Agreement between the City and the Port District and adds the Chula Vista Bayfront Facilities Financing Authority as a party to the agreement.

Resolution B: The RESOLUTION APPROVING AN AMENDED AND RESTATED JOINT COMMUNITY FACILITIES AGREEMENT approves modifications to the existing Joint Community Facilities Agreement between the City and the Port District.

Resolution C: The RESOLUTION OF INTENTION TO CONSIDER CHANGES TO THE RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAXES AND EXPAND THE TERRITORY WHEREIN IMPROVEMENTS MAY BE LOCATED AND SERVICES MAY BE PROVIDED is the jurisdictional resolution declaring the intention of the City Council to modify the Existing RMA relating to the term and rate of the special tax, expanding the territory in which the improvements may be located and the services may be provided, and setting the time and place for the public hearing for April 13, 2021.

## **Future Actions**

Adoption of tonight’s resolutions will set a public hearing on modifying the Existing RMA for April 13, 2021. There will be an election following the public hearings for the landowners to vote on the proposed modifications to the Existing RMA. Once the votes are cast, Council will be requested to certify the results of the election.

The San Diego County Registrar of Voters has certified that there are no voters registered to vote within the proposed boundaries of the Bayfront District. As a result, the qualified electors will be landowners, i.e., the owners of land within the Bayfront District with each such owner receiving one (1) vote for each acre or a portion of an acre located within the boundaries of the Bayfront District. The Bayfront District will be authorized to levy such special taxes if 2/3rds of the votes actually cast in the election approve the authorization to levy such special tax.

Additional future actions include approval of an Project Implementation Agreement with the Port District and RIDA to establish the terms and conditions pursuant to which the Bayfront District will finance the acquisition of public improvements required by the Amended and Restated Finance Agreement and the DDA to be constructed by RIDA Chula Vista, the levy of special taxes, and actions associated with the issuance of the Revenue Bonds.

#### **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 financing 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 any borrowings by the Bayfront District to finance the acquisition and construction of eligible public or private facilities will be reimbursed from future Bayfront District financing 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 and any borrowings by the Bayfront District shall be paid from the proceeds of special taxes to be levied within the Bayfront District or the proceeds of such borrowings. There is, therefore, no ongoing fiscal impact to the City's General Fund or Development Services Fund as a result of this action.

#### **ATTACHMENTS**

1. Proposed Rate and Method of Apportionment (redline)
2. Boundary Map
3. Authorized Improvements
4. Authorized Services
5. Third Amended and Restated RSA (redline)
6. Amended and Restated JCFA (redline)

*Staff Contact: Tiffany Allen, Development Services Department*