

**RESOLUTION NO. \_\_\_\_\_ (N.C.S.)**

**A RESOLUTION OF THE CITY OF SALINAS CITY COUNCIL AUTHORIZING THE  
CITY MANAGER TO ENTER INTO A DEVELOPMENT FEE DEFERRAL  
AGREEMENT WITH THE FOOD BANK OF MONTEREY COUNTY**

**WHEREAS**, the City of Salinas Council adopted a resolution on July 11, 2017, modifying the Economic Development and Incentive and Investment Policy (EDIIP) to include a revised definition of Community Benefit Projects; and

**WHEREAS**, the revised EDIIP also applies to Community Benefit Projects that qualify as public facilities under HUD and involve at least \$5 million in new construction and receive City assistance through HUD grants; and

**WHEREAS**, the Food Bank of Monterey County facility would be an eligible Community Benefit Project as it qualifies as a public facility under HUD's definition, involves new construction over \$6 million, and receives operational assistance through the CDBG Program; and

**WHEREAS**, the proposed Community Benefit Project can also demonstrate that the value of the services provided to Salinas residents of over \$600,000 each year outweigh the cost of the incentive, an approximately \$440,000 fee deferral; and

**WHEREAS**, the City of Salinas Council finds that the construction of a brand new \$6 million, 62,530 square foot building with warehouse and office space for the Food Bank of Monterey County will assist with economic prosperity and diversity and quality of life by ensuring our most disadvantaged residents have critical access to food; and

**WHEREAS**, the City of Salinas Council can consider the benefits provided by the project and offer an incentive including a fee deferral as outlined in the EDIIP; and

**WHEREAS**, a fee deferral of approximately \$440,000 in permitting and development impact fees can facilitate the development of the Food Bank of Monterey County facility by spreading out the burden of the costs and allowing the organization time to fund raise; and

**WHEREAS**, the City may defer permitting and development impact fees, provided that where required by California law the deferral must be funded from non-fee revenues to avoid an improper cross-subsidy or some fee-payers by others.

**NOW, THEREFORE, BE IT RESOLVED THAT** the Council hereby authorizes the City Manager to enter into a fee deferral agreement of up to \$440,000 with the Food Bank of Monterey County with the following terms:

1. All regional fees (i.e. TAMC) collected by the City shall be paid by the Food Bank of Monterey County at the time of permitting.
2. Actual permitting costs (plan check & inspection) shall be paid by the Food Bank of Monterey County prior to the issuance of the Final Occupancy Permit.

3. The remaining City development impact fees (estimated to be \$341,000) shall be paid by the Food Bank in equally divided annual increments over the next five years beginning a year after the Final Occupancy Permit is issued.
4. A simple 3.75% interest shall be instituted on the principal after the first annual payment is made.

**PASSED AND ADOPTED** this 11<sup>th</sup> day of July 2017, by the following vote:

**AYES:**

**NOES:**

**ABSTAIN:**

**ABSENT:**

**APPROVED:**

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Joe Gunter, MAYOR

**ATTEST:**

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Patricia M. Barajas, CITY CLERK