

Meeting Date: 2/22/11

AGENDA REPORT

Agenda Item # 60C

Santa Clara



City of Santa Clara, California



Date: February 15, 2011

To: City Manager for Council Action

From: Director of Finance

Subject: Pass To Print Two Ordinances Amending the University and Bayshore North Redevelopment Plans to Extend Effectiveness Time Limits and Tax Increment Time Limits Pursuant to Community Redevelopment Law Section 33331.5

EXECUTIVE SUMMARY:

The State enactment of Assembly Bill 4X-26 in July 2009, which amended Community Redevelopment Law, required the City's Redevelopment Agency to make payments of tax increment revenue directly into the County's Supplemental Educational Revenue Augmentation Fund (SERAF) for fiscal years 2009-10 and 2011-12. To lessen the fiscal impact to local agencies, the legislation allows local cities to adopt an ordinance extending by one year the effectiveness of the redevelopment plans and the associated time limits to repay indebtedness. Similar City action was taken previously in June 2004, when the Council approved a one-year time extension as a result of an ERAF payment in fiscal year 2003-04 required under SB 1045; and again in March 2007, when the Council approved a two-year time extension as a result of an ERAF payment for fiscal years 2004-05 and 2005-06 required under SB 1096.

For Council consideration is the adoption of ordinances to extend the time limits provided for by AB 4X-26. Adoption of the ordinances will establish new effective dates of the Agency's Redevelopment Plans to January 1, 2013 for the University Project Area and December 28, 2017 for the Bayshore North Project Area. Additionally, the time period allowed the Agency to collect tax increment for the repayment of debt resulting from the two Project Areas would be extended to January 1, 2023 and December 28, 2027, respectively. The ordinances are included with this report.

ADVANTAGES AND DISADVANTAGES OF ISSUE:

The SERAF time extensions will allow the Redevelopment Agency to receive an additional year of tax increment from the University and Bayshore North Project Areas, will allow an additional year for the repayment of debts, and will allow the Agency an additional year to implement the respective Redevelopment Plans for the two Project Areas.

ECONOMIC/FISCAL IMPACT:

The extension of time limits for the project areas will allow the Agency to receive approximately \$67 million in future tax increment beyond the current 2022 and 2026 time limits. Without the time extensions, the Agency would have to absorb the \$11.8 million in SERAF payments made in fiscal years 2009-10 and 2010-11.

City Manager for Council Action

Pass To Print Two Ordinances Amending the University and Bayshore North Redevelopment Plans to Extend Effectiveness Time Limits and Tax Increment Time Limits

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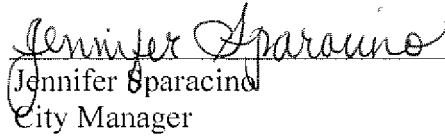
RECOMMENDATION:

That the Council pass to print two ordinances amending the University and Bayshore North Redevelopment Plans to extend by one year the effectiveness time limits and tax increment time limits pursuant to Community Redevelopment Law (Section 33331.5).

APPROVED:



Gary Ameling
Director of Finance



Jennifer Sparacino
City Manager

Documents Related to this Report:

- 1) *Ordinance / University Plan extending certain time limits*
- 2) *Ordinance / Bayshore North Redevelopment Plan extending certain time limits*

RECORD WITHOUT FEE PURSUANT
TO GOV'T CODE SECTIONS 6103 & 27383

Recording Requested by:
REDEVELOPMENT AGENCY OF
THE CITY OF SANTA CLARA, CALIFORNIA

When Recorded, Mail to:
Office of the City Clerk
City of Santa Clara
1500 Warburton Avenue
Santa Clara, CA 95050

Form per Gov't Code Section 27361.6

[SPACE ABOVE THIS LINE FOR RECORDER'S USE]

ORDINANCE NO. _____

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY
OF SANTA CLARA ADOPTING AN AMENDMENT NO. 24
TO THE REDEVELOPMENT PLAN FOR THE BAYSHORE
NORTH PROJECT PURSUANT TO HEALTH AND
SAFETY CODE SECTION 33331.5, AND AMENDING
RELATED ORDINANCES IN CONNECTION THEREWITH**

BE IT ORDAINED BY THE CITY OF SANTA CLARA AS FOLLOWS:

WHEREAS, the City Council of the City of Santa Clara adopted the Redevelopment Plan for the Bayshore North Project (the "Redevelopment Plan") by Ordinance No. 1283 adopted on December 28, 1973; as amended by Ordinance No. 1347 adopted on March 15, 1977 adopting Amendments 1-8; as amended by Ordinance No. 1489 adopted on January 24, 1984 adopting Amendments 9-13; as amended by Ordinance No. 1535 adopted on October 22, 1985 adopting Amendments 14 and 15; as amended by Ordinance No. 1560 adopted on November 25, 1986 adopting a Health and Safety Code Section 33333.4 Time Limit Amendment; as amended by Ordinance No. 1614 adopted on May 29, 1990 adopting Amendment 16; as amended by Ordinance No. 1667 adopted on December 6, 1994 adopting an AB 1290 Time Limit Amendment; as amended by Ordinance No. 1704 adopted on October 21, 1997 adopting Amendment 17; as amended by Ordinance No. 1716 adopted on October 13, 1998 adopting Amendment 18; as amended by Ordinance No. 1743 adopted on October 26, 1999 adopting

Amendment 19; as amended by Ordinance No. 1792 adopted on June 29, 2004 adopting an ERAF 1-Year Extension Amendment; as amended by Ordinance No. 1816 adopted on April 17, 2007 adopting an ERAF 2-Year Extension Amendment; as amended by Ordinance No. 1855 adopted on March 30, 2010 adopting Amendment 20; as amended by Ordinance No. 1866 adopted on September 21, 2010 adopting Amendment 21, and as further amended by Ordinance No. 1869 adopted on November 30, 2010 adopting Amendment 22, establishing the Bayshore North Redevelopment Project Area (the "Project Area");

WHEREAS, the legal description of the Project Area is set forth in Exhibit A of the Amendment described and incorporated in this Ordinance by reference below;

WHEREAS, the Redevelopment Plan, as amended, contains time limits for conducting certain redevelopment functions meeting the requirements of the Community Redevelopment Law (the "CRL") for such time limits in effect as of the date of adoption and amendment of the Redevelopment Plan;

WHEREAS, AB 4X-26 added Health and Safety Code Section 33331.5 to the CRL, which allows the City Council to amend the Redevelopment Plan to extend the time limits on the effectiveness of the Redevelopment Plan and agency payment on indebtedness or receipt of property taxes by one year;

WHEREAS, the Community Redevelopment Agency of the City of Santa Clara (the "Agency") has prepared an amendment to the Redevelopment Plan to amend its time limits as permitted by Health and Safety Code Section 33331.5 (the "Amendment"), as permitted by AB 4X-26, a copy which is on file with the City Clerk;

WHEREAS, the City Council desires to amend the Redevelopment Plan in accordance with the terms of the Amendment as authorized pursuant to Health and Safety Code Section 33331.5;

WHEREAS, the Agency has prepared and submitted and the City Council has reviewed and considered the staff report on the Amendment;

WHEREAS, the Agency staff has prepared and submitted to City Council for review and approval a CEQA Notice of Exemption for the Amendment;

WHEREAS, the City Council, based on the information in the staff report provided, finds that the Agency has made the payments to the County's Supplemental Educational Revenue Augmentation Fund pursuant to paragraph (1) of subdivisions (a) of Health and Safety Code Section 33690; and,

WHEREAS, Health and Safety Code Section 33331.5 states:

When amending a redevelopment plan pursuant to this section, neither the legislative body nor the agency is required to comply with Section 33354.6, Article 12 (commencing with Section 33450), or any other provision of this part relating to the amendment of redevelopment plans, including but not limited to, the requirement to make the payment to the affected taxing entities required by Section 33607.7.

NOW THEREFORE, BE IT FURTHER ORDAINED BY THE CITY OF SANTA CLARA AS FOLLOWS:

SECTION 1: The City Council hereby finds and declares that the above recitals are true and correct.

SECTION 2: The Amendment is hereby incorporated in this Ordinance by reference and made a part of this Ordinance as if set out in full in the Ordinance.

SECTION 3: It is hereby found and determined that the Amendment is necessary and desirable. The Redevelopment Plan, is further amended in accordance with the Amendment.

SECTION 4: The Redevelopment Plan, as amended by the Amendment, is hereby adopted, approved, and designated as part of the official Redevelopment Plan for the Project Area. It is the purpose and intent of the City Council that the Amendment be implemented as part of the Redevelopment Plan for the Project Area. The Executive Director of the Agency may prepare a document that incorporates the provisions of the Amendment into the existing text of the Redevelopment Plan, and such document shall then constitute the official Redevelopment Plan for the Project Area.

SECTION 5: To the extent of the amendment set forth in the Amendment, this Ordinance amends Ordinance No. 1283 adopted on December 28, 1973; Ordinance No. 1347 adopted on March 15, 1977; Ordinance No. 1489 adopted on January 24, 1984; Ordinance No. 1535 adopted on October 22, 1985; Ordinance No. 1560 adopted on November 25, 1986; Ordinance No. 1614 adopted on May 29, 1990; Ordinance No. 1667 adopted on December 6, 1994; Ordinance No. 1704 adopted on October 21, 1997; Ordinance No. 1716 adopted on October 13, 1998; Ordinance No. 1743 adopted on October 26, 1999; Ordinance No. 1792 adopted on June 29, 2004; Ordinance No. 1816 adopted on April 17, 2007; as amended by Ordinance No. 1855 adopted on March 30, 2010; Ordinance No. 1866 adopted on September 21, 2010, and Ordinance No. 1869 adopted on November 30, 2010.

SECTION 6: The City Council hereby approves the CEQA Notice of Exemption for the Amendment and directs the City Clerk to file the Notice of Exemption with the County Clerk of the County of Santa Clara.

SECTION 7: The City Clerk is hereby directed to file a copy of the Amendment with the minutes of this meeting and to publish this Ordinance in the Santa Clara Weekly. A copy of this Ordinance and the Amendment shall be transmitted to the Agency and the Agency is vested with the responsibility of implementing the Amendment.

SECTION 8: The Executive Director of the Agency is hereby directed to record the Ordinance and the Amendment in compliance with the provisions of Government Code Section 27295.

SECTION 9: If any provision, section, subsection, subdivision, sentence, clause or phrase of this Ordinance or the Amendment is for any reason held to be invalid or unconstitutional, such decision shall not affect the validity of the remaining portion or portions of the Ordinance or the Amendment.

SECTION 10: Savings clause.

The changes provided for in this ordinance shall not affect any offense or act committed or done or any penalty or forfeiture incurred or any right established or accruing before the effective date of this ordinance; nor shall it affect any prosecution, suit or proceeding pending or any judgment rendered prior to the effective date of this ordinance. All fee schedules shall remain in force until superseded by the fee schedules adopted by the City Council.

SECTION 11: Constitutionality, severability.

If any section, subsection, sentence, clause, phrase, or word of this ordinance is for any reason held by a court of competent jurisdiction to be unconstitutional or invalid for any reason, such decision shall not affect the validity of the remaining portions of the ordinance. The City Council hereby declares that it would have passed this ordinance and each section, subsection, sentence, clause, phrase, and word thereof, irrespective of the fact that any one or more section(s), subsection(s), sentence(s), clause(s), phrase(s), or word(s) be declared invalid.

SECTION 12: Effective date.

This ordinance shall take effect thirty (30) days after its final adoption; however, prior to its final adoption it shall be published in accordance with the requirements of Section 808 and 812 of “The Charter of the City of Santa Clara, California.”

PASSED FOR THE PURPOSE OF PUBLICATION this ____ day of _____, 2011, by the following vote:

AYES:	COUNCILORS:
NOES:	COUNCILORS:
ABSENT:	COUNCILORS:
ABSTAINED:	COUNCILORS:

ATTEST:

ROD DIRIDON, JR.
CITY CLERK
CITY OF SANTA CLARA

Attachments incorporated by reference:

1. Amendment No. 24 to the Redevelopment Plan for the Bayshore North Redevelopment Project

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RECORD WITHOUT FEE PURSUANT
TO GOV'T CODE SECTIONS 6103 & 27383

Recording Requested by:
REDEVELOPMENT AGENCY OF
THE CITY OF SANTA CLARA, CALIFORNIA

When Recorded, Mail to:
Office of the City Clerk
City of Santa Clara
1500 Warburton Avenue
Santa Clara, CA 95050

Form per Gov't Code Section 27361.6

[SPACE ABOVE THIS LINE FOR RECORDER'S USE]

ORDINANCE NO. _____

**AN ORDINANCE OF THE CITY OF SANTA CLARA,
CALIFORNIA ADOPTING AMENDMENT NO. 4 TO THE
REDEVELOPMENT PLAN FOR THE UNIVERSITY
PROJECT AREA PURSUANT TO HEALTH AND SAFETY
CODE SECTION 33331.5, AND AMENDING RELATED
ORDINANCES IN CONNECTION THEREWITH**

BE IT ORDAINED BY THE CITY OF SANTA CLARA AS FOLLOWS:

WHEREAS, the City Council of the City of Santa Clara adopted the Redevelopment Plan for the University Project Area (the "Redevelopment Plan") by Ordinance No. 972 adopted on February 3, 1961, approving and adopting the Redevelopment Plan for the University Project Area with respect to certain territory; as amended by Ordinance No. 1050 adopted on January 25, 1963 adopting Amendment 1; as amended by Ordinance No. 1113 adopted on February 23, 1965 adopting Amendment 2; as amended by Ordinance No. 1559 adopted on November 25, 1986 adopting a Health and Safety Code Section 33333.4 Time Limit Amendment; as amended by Ordinance No. 1666 adopted on December 6, 1994 adopting an AB 1290 Time Limit Amendment; as amended by Ordinance No. 1791 adopted on June 29, 2004 adopting an ERAF 1-Year Extension Amendment; as amended by Ordinance No. 1817 adopted on April 17, 2007 adopting an ERAF 2-Year Extension Amendment; as amended by Ordinance No. 1820 adopted on June 19, 2007 adopting Eminent Domain Language; and as further amended by Ordinance

No. 1870 adopted on November 30, 2010 adopting Amendment No. 3, establishing the University Redevelopment Project Area (the “Project Area”);

WHEREAS, the legal description of the Project Area is set forth in Exhibit A of the Amendment described and incorporated in this Ordinance by reference below;

WHEREAS, the Redevelopment Plan, as amended, contains time limits for conducting certain redevelopment functions meeting the requirements of the Community Redevelopment Law (the “CRL”) for such time limits in effect as of the date of adoption and amendment of the Redevelopment Plan;

WHEREAS, AB 4X-26 added Health and Safety Code Section 33331.5 to the CRL, which allows the City Council to amend the Redevelopment Plan to extend the time limits on the effectiveness of the Redevelopment Plan and agency payment on indebtedness or receipt of property taxes by one year;

WHEREAS, the Community Redevelopment Agency of the City of Santa Clara (the “Agency”) has prepared an amendment to the Redevelopment Plan to amend its time limits as permitted by Health and Safety Code Section 33331.5 (the “Amendment”), as permitted by AB 4X-26, a copy which is on file with the City Clerk;

WHEREAS, the City Council desires to amend the Redevelopment Plan in accordance with the terms of the Amendment as authorized pursuant to Health and Safety Code Section 33331.5;

WHEREAS, the Agency has prepared and submitted and the City Council has reviewed and considered the staff report on the Amendment;

WHEREAS, the Agency staff has prepared and submitted to City Council for review and approval a CEQA Notice of Exemption for the Amendment;

WHEREAS, the City Council, based on the information in the staff report provided, finds that the Agency has made the payments to the County's Supplemental Educational Revenue Augmentation Fund pursuant to paragraph (1) of subdivisions (a) of Health and Safety Code Section 33690; and,

WHEREAS, Health and Safety Code Section 33331.5 states:

When amending a redevelopment plan pursuant to this section, neither the legislative body nor the agency is required to comply with Section 33354.6, Article 12 (commencing with Section 33450), or any other provision of this part relating to the amendment of redevelopment plans, including but not limited to, the requirement to make the payment to the affected taxing entities required by Section 33607.7.

NOW THEREFORE, BE IT FURTHER ORDAINED BY THE CITY OF SANTA CLARA AS FOLLOWS:

SECTION 1: The City Council hereby finds and declares that the above recitals are true and correct.

SECTION 2: The Amendment is hereby incorporated in this Ordinance by reference and made a part of this Ordinance as if set out in full in the Ordinance.

SECTION 3: It is hereby found and determined that the Amendment is necessary and desirable. The Redevelopment Plan, is further amended in accordance with the Amendment.

SECTION 4: The Redevelopment Plan, as amended by the Amendment, is hereby adopted, approved, and designated as part of the official Redevelopment Plan for the Project Area. It is the purpose and intent of the City Council that the Amendment be implemented as part of the Redevelopment Plan for the Project Area. The Executive Director of the Agency may prepare a

document that incorporates the provisions of the Amendment into the existing text of the Redevelopment Plan, and such document shall then constitute the official Redevelopment Plan for the Project Area.

SECTION 5: To the extent of the amendment set forth in the Amendment, this Ordinance amends Ordinance No. 972 adopted on February 3, 1961; Ordinance No. 1050 adopted on January 25, 1963; Ordinance No. 1113 adopted on February 23, 1965; Ordinance No. 1559 adopted on November 25, 1986; Ordinance No. 1666 adopted on December 6, 1994; Ordinance No. 1791 adopted on June 29, 2004; Ordinance No. 1817 adopted on April 17, 2007; Ordinance No. 1820 adopted on June 19, 2007; and Ordinance No. 1870 adopted on November 30, 2010.

SECTION 6: The City Council hereby approves the CEQA Notice of Exemption for the Amendment and directs the City Clerk to file the Notice of Exemption with the County Clerk of the County of Santa Clara.

SECTION 7: The City Clerk is hereby directed to file a copy of the Amendment with the minutes of this meeting and to publish this Ordinance in the Santa Clara Weekly. A copy of this Ordinance and the Amendment shall be transmitted to the Agency and the Agency is vested with the responsibility of implementing the Amendment.

SECTION 8: The Executive Director of the Agency is hereby directed to record the Ordinance and the Amendment in compliance with the provisions of Government Code Section 27295.

SECTION 9: Savings clause.

The changes provided for in this ordinance shall not affect any offense or act committed or done or any penalty or forfeiture incurred or any right established or accruing before the effective date of this ordinance; nor shall it affect any prosecution, suit or proceeding pending or any judgment

rendered prior to the effective date of this ordinance. All fee schedules shall remain in force until superseded by the fee schedules adopted by the City Council.

SECTION 10: Constitutionality, severability.

If any section, subsection, sentence, clause, phrase, or word of this ordinance is for any reason held by a court of competent jurisdiction to be unconstitutional or invalid for any reason, such decision shall not affect the validity of the remaining portions of the ordinance. The City Council hereby declares that it would have passed this ordinance and each section, subsection, sentence, clause, phrase, and word thereof, irrespective of the fact that any one or more section(s), subsection(s), sentence(s), clause(s), phrase(s), or word(s) be declared invalid.

SECTION 11: Effective date.

This ordinance shall take effect thirty (30) days after its final adoption; however, prior to its final adoption it shall be published in accordance with the requirements of Section 808 and 812 of “The Charter of the City of Santa Clara, California.”

PASSED FOR THE PURPOSE OF PUBLICATION this ____ day of _____, 2011, by the following vote:

AYES: COUNCILORS:
NOES: COUNCILORS:
ABSENT: COUNCILORS:
ABSTAINED: COUNCILORS:

ATTEST: _____
ROD DIRIDON, JR.
CITY CLERK
CITY OF SANTA CLARA

Attachments incorporated by reference:
1. Amendment No. 4 to the Redevelopment Plan for the University Redevelopment Project

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