
TEFRA Hearing for Vanguard University

May 17, 2022



Background

- The California Enterprise Development Authority (CEDA) is a Joint Powers Authority (JPA) created in 2006 by the California Association of Local Economic Development to address gaps in economic development financing
- The City joined the JPA in September 2019
- TEFRA: Tax Equity and Fiscal Responsibility Act requires a public hearing before issuance of tax-exempt revenue obligations by CEDA
- In 2019, the City Council conducted a TEFRA hearing and adopted a resolution approving issuance of tax-exempt obligations by CEDA to finance the Vanguard University Campus Master Plan



Vanguard University Master Plan



- Master Plan approved by City Council on February 19, 2019
- 20-year campus master plan
- 12 individual projects proposed as part of the master plan. They include new facilities, remodeling of existing buildings, and campus beautification projects

Previous Financing

- On April 30, 2020, the JPA issued two tax-exempt obligations for Vanguard University in the amount of \$42,000,000 to finance portions of Projects B and L of the Master Plan

Project B: Student Center / Wrought Student Center (now complete)

Project L: Campus Beautification (under construction)



Proposed Financing

- Two additional tax-exempt obligations are proposed in an amount not-to-exceed \$30,000,000 are proposed to finance Projects A and I of the approved Master Plan
- They include the replacement of the existing gymnasium with new athletic program facilities, a campus events center, and upgrading the courtyard and offices and laboratories

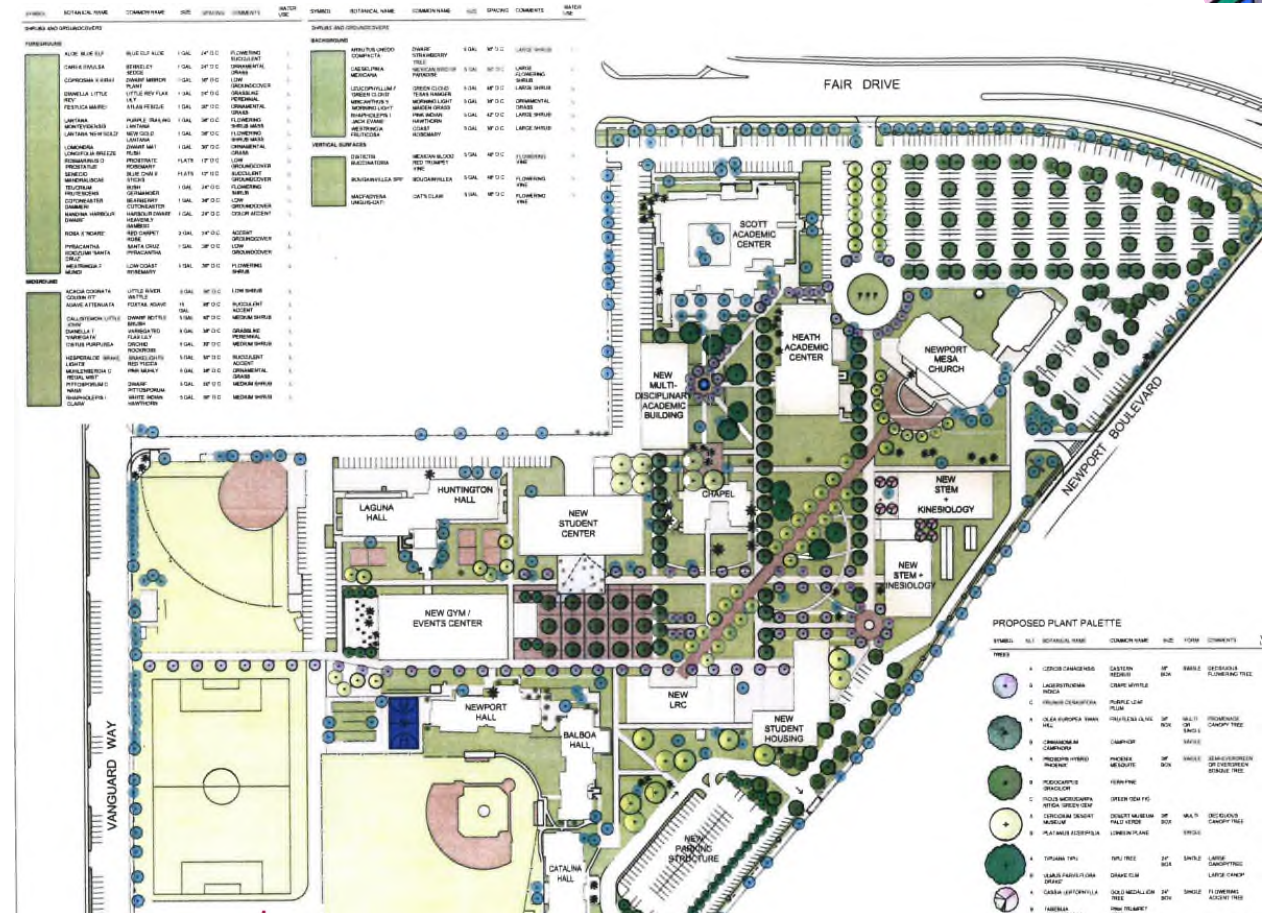
Project A: Gym/ Events Center, Free Center for Leadership & Service

Project I: Improvements to Athletics facilities



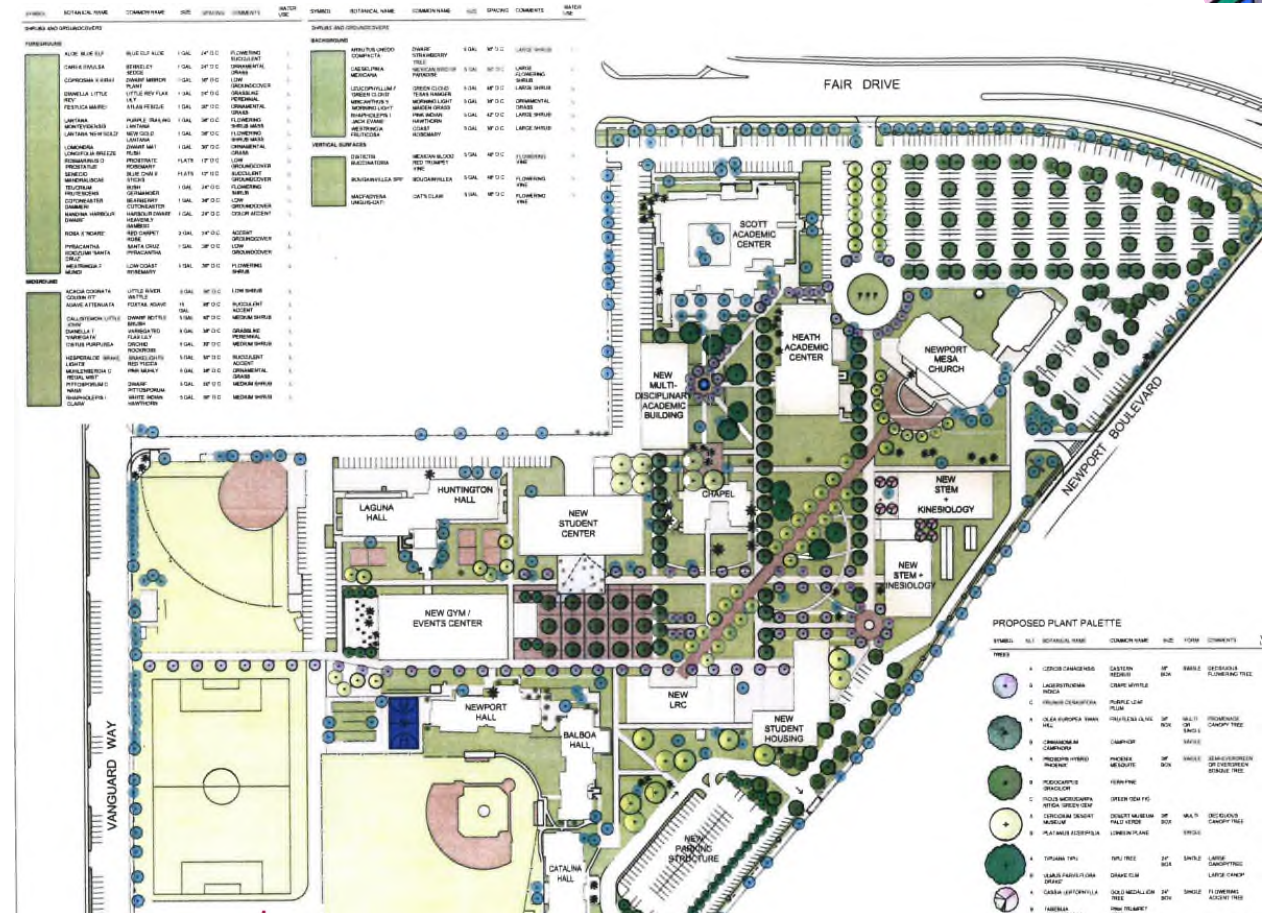
TEFRA Hearing

- For bond issuance, a noticed hearing must be conducted by an elected body who is also a member of the JPA
- The JPA and Vanguard University have requested the City hold the TEFRA hearing and approve the issuance of the tax-exempt obligations by the JPA for the benefit of Vanguard University in accordance with Section 147(f) of the Internal Revenue Code



TEFRA Hearing

- The tax-exempt obligations would be issued by the JPA for the benefit of Vanguard University
- Vanguard University is a Section 501(c)(3) not-for-profit organization
- There is no fiscal impact to the City





Staff Recommendation

- Conduct a public hearing to receive comments relating to the issuance of \$30,000,000 in revenue obligations by CEDA for Vanguard University
- Adopt a resolution approving the issuance of the obligations in order to finance implementation of the Vanguard University campus Master Plan



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Costa Mesa City Council

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Local Impact

- Top Tier Best University in the West, *US News & World Report*
- Educating our Region
- Each year, VU:
 - Generates an economic impact of \$474 million in CA
 - **\$76 million occurs in Costa Mesa**
 - Supports 1,600 jobs in CA
 - **800 jobs within Costa Mesa**









CATALYTIC CONVERTER ORDINANCE

Lieutenant Bryan Wadkins

May 17, 2022



CMPD staff recommends adoption of a new ordinance to establish regulations prohibiting unlawful possession of catalytic converters in the City



WHAT IS A CATALYTIC CONVERTER?

- A part of a vehicle's exhaust system that reduces harmful emissions
- They contain semi-precious metals, like rhodium, palladium and platinum



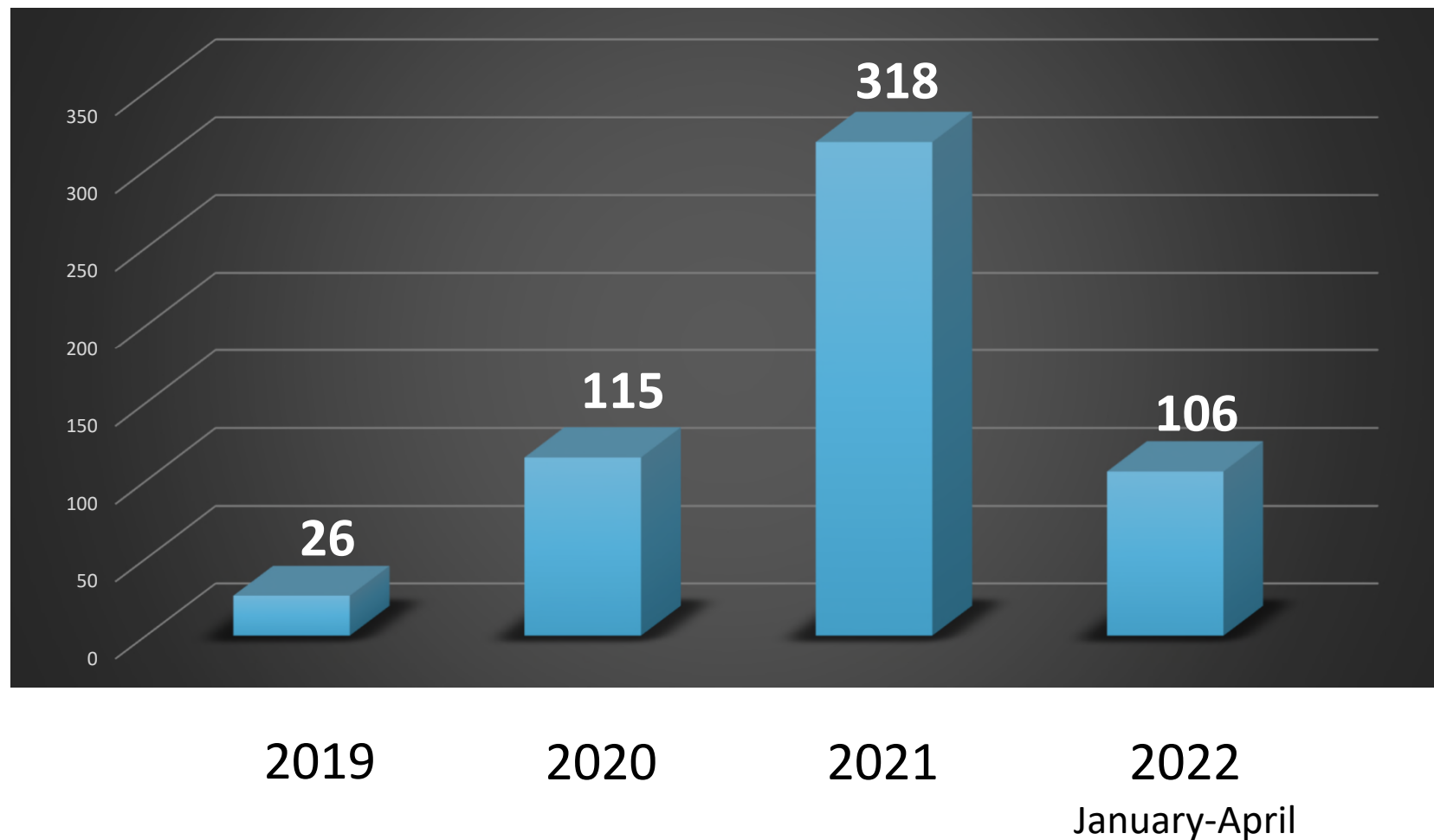
CATALYTIC CONVERTER THEFT

- One of the fastest growing crimes in California
- Criminals steal catalytic converters to recycle them for their precious metals, profiting \$200-\$1,200 per unit
- Criminal steal a catalytic converter in a matter of seconds using common tools like a reciprocating saw
- Catalytic converters are not serialized - unless you catch a theft in progress, they are nearly impossible to match to victim vehicles



COSTA MESA CRIME STATS

Catalytic converter thefts in Costa Mesa increased 1,223% in two years



ENFORCEMENT EFFORTS

CMPD uses multiple strategies to prevent catalytic converter theft and apprehend thieves

- Directed enforcement operations
- Undercover Surveillance
- Use of bait cars and drones
- Public education campaigns on social media
- Etching events at a local automotive business.



ENFORCEMENT CHALLENGES

- No serialization makes it nearly impossible to trace stolen catalytic converters to their owners
- Current state law requires a victim be identified, before an arrest and charges filed for theft or possession of stolen property
- Currently, there are no City, State or Federal laws that hold offenders accountable for possession of unlawfully obtained catalytic converters without identifying the associated victim



PROPOSED ORDINANCE

- Would make it unlawful for any person to possess any catalytic converter that is not attached to a vehicle, unless the person has valid documentation or other proof to verify that the person is in lawful possession of the catalytic converter
- The ordinance would also make it unlawful for any person to knowingly falsify or cause to be falsified any information in any documentation or other proof intended to show lawful possession of a catalytic converter



PROPOSED ORDINANCE

- Documentation or other proof means written documents that clearly identify the vehicle from which the catalytic converter originated, which may include bills of sale, photographs, emails, registrations and etchings
- Violations of this ordinance are deemed misdemeanors



PROPOSED ORDINANCE

- Other cities in Orange County include Irvine, Huntington Beach and Mission Viejo have adopted similar ordinances
- Adoption of this ordinance will provide Costa Mesa Police with clearly established legal authority to assist in protecting the public and deterring this criminal activity



**END
OF
PRESENTATION**

