



Agenda Date: 02/11/2014

Agenda Item: 3.11

## STAFF REPORT

**Date:** February 11, 2014  
**To:** Bryan H. Montgomery, City Manager  
**From:** Paul Abelson, Finance Director  
**SUBJECT:** **Resolution Approving a Recognized Obligations Payment Schedule For the Six Month Period July to December 2014**

Approved and Forwarded to City Council, as the Board of the Successor Agency to the Oakley Redevelopment Agency:

  
Bryan Montgomery, City Manager

### **Background and Analysis**

State Law requires the Successor Agency Board adopt Recognized Obligations Payment Schedules (ROPS) for each six-month period. As is now the normal process, the State Department of Finance (DOF) has provided us the forms to use and instructions to leave blank any item they have previously denied, until such time as the Agency has received a notice of completion, or a court order approving the item as an enforceable obligation. Several of the obligations on the attached forms were previously denied, and we have left the funding area blank as instructed. Litigation to ultimately determine their status remains ongoing. Also added was the "All Other Funds" Due Diligence Review obligation imposed by DOF (which we know DOF will deny as they did the Housing Fund related Due Diligence Review obligation, but include anyway ensuring full public disclosure). For those previously denied by DOF, or that we know they will deny, the total remaining obligations are included in the schedule, but the planned expenditures have been left blank, as instructed.

### **Fiscal Impact**

For items approved by DOF, the ROPS defines the payments allowed by the Successor Agency. When compared to prior ROPS, there are no material changes to the Successor Agency's proposed expenditures. They remain limited to paying debt service, amounts necessary to maintain the Agency's properties, and to pay the City the administrative allowance allowed under statute.

It is worth noting that the attached proposal includes the use of funds reserved through the last ROPS process to ensure the Agency's bonded debt service payments due in September 2014 are adequately funded. This reserve process is one authorized by DOF because the law prescribes the distribution of property taxes evenly throughout the year, while they recognize the debt service payment schedules are generally staggered, with two payments - an interest only payment one time and a principal and interest payment the other time. For us, the smaller interest only payment is in the Spring and the larger principal and interest payment is in the Fall. Thus, we reserve a portion of the Winter property tax distribution to ensure that when combined with the Summer distribution, there will be enough funds on hand to make the larger Fall debt service payment.

Subject: Recognized Obligations Payment Schedule for the Six Month Period July to December 2014

Date: February 11, 2014

---

**Recommendation**

Staff recommends the Board adopt the attached Resolution approving the ROPS attached for the six month period July– December 2014.

**Attachments**

1. Resolution and Recognized Obligations Payment Schedule for July – December 2014.

RESOLUTION NO. \_\_\_\_\_

**A RESOLUTION OF THE CITY COUNCIL, AS THE BOARD OF THE SUCCESSOR AGENCY TO THE OAKLEY REDEVELOPMENT AGENCY, APPROVING A RECOGNIZED OBLIGATIONS PAYMENT SCHEDULE FOR JULY–DECEMBER 2014**

**NOW, THEREFORE, BE IT RESOLVED** that the City Council, as the Board of the Successor Agency of the Oakley Redevelopment Agency, approves the attached Recognized Obligations Payment Schedule for July – December 2014 attached hereto as Exhibit A.

The foregoing resolution was adopted at a regular meeting of the Successor Agency Board, held on the 11<sup>th</sup> day of February 2014, by the following vote:

AYES:

NOES:

ABSTENTION:

ABSENT:

APPROVED: \_\_\_\_\_  
Randy Pope, Chair

ATTEST:

\_\_\_\_\_  
Libby Vreonis, Secretary

**Recognized Obligation Payment Schedule (ROPS 14-15A) - Summary**  
 Filed for the July 1, 2014 through December 31, 2014 Period

Name of Successor Agency: Oakley  
 Name of County: Contra Costa

<b>Current Period Requested Funding for Outstanding Debt or Obligation</b>		<b>Six-Month Total</b>
<b>Enforceable Obligations Funded with Non-Redevelopment Property Tax Trust Fund (RPTTF) Funding</b>		
<b>A</b>	<b>Sources (B+C+D):</b>	<b>\$ 358,000</b>
B	Bond Proceeds Funding (ROPS Detail)	-
C	Reserve Balance Funding (ROPS Detail)	313,000
D	Other Funding (ROPS Detail)	45,000
<b>E</b>	<b>Enforceable Obligations Funded with RPTTF Funding (F+G):</b>	<b>\$ 1,267,801</b>
F	Non-Administrative Costs (ROPS Detail)	1,142,801
G	Administrative Costs (ROPS Detail)	125,000
<b>H</b>	<b>Current Period Enforceable Obligations (A+E):</b>	<b>\$ 1,625,801</b>

<b>Successor Agency Self-Reported Prior Period Adjustment to Current Period RPTTF Requested Funding</b>		
I	Enforceable Obligations funded with RPTTF (E):	1,267,801
J	Less Prior Period Adjustment (Report of Prior Period Adjustments Column S)	(138)
<b>K</b>	<b>Adjusted Current Period RPTTF Requested Funding (I-J)</b>	<b>\$ 1,267,663</b>

<b>County Auditor Controller Reported Prior Period Adjustment to Current Period RPTTF Requested Funding</b>		
L	Enforceable Obligations funded with RPTTF (E):	1,267,801
M	Less Prior Period Adjustment (Report of Prior Period Adjustments Column AA)	-
<b>N</b>	<b>Adjusted Current Period RPTTF Requested Funding (L-M)</b>	<b>1,267,801</b>

Certification of Oversight Board Chairman:  
 Pursuant to Section 34177(m) of the Health and Safety code, I hereby  
 certify that the above is a true and accurate Recognized Obligation  
 Payment Schedule for the above named agency.

_____	Title
Name	
/s/ _____	
Signature	Date

**Recognized Obligation Payment Schedule (ROPS) 14-15A - ROPS Detail**  
**July 1, 2014 through December 31, 2014**  
 (Report Amounts in Whole Dollars)

A Item #	B Project Name / Debt Obligation	C Obligation Type	D Contract/Agreement Execution Date	E Contract/Agreement Termination Date	F Payee	G Description/Project Scope	H Project Area	I Total Outstanding Debt or Obligation	J Retired	K, L, M, N, O Funding Source					P Six-Month Total
										Non-Redevelopment Property Tax Trust Fund (Non-RPTTF)			RPTTF		
										Bond Proceeds	Reserve Balance	Other Funds	Non-Admin	Admin	
								\$ 64,033,653		\$ -	\$ 313,000	\$ 45,000	\$ 1,142,801	\$ 125,000	\$ 1,625,801
1	2003 TABS DS	Bonds Issued On or Before 12/31/10	11/1/2003	9/1/2028	Wells Fargo Corporate	Debt Service Payable in September	Oakley	9,883,784	N				160,671		\$ 160,671
2	2008 Tax Exempt TABS DS	Bonds Issued On or Before 12/31/10	5/1/2008	9/1/2038	Wells Fargo Corporate Trust	Debt Service Payable in September and March of each year	Oakley	43,643,528	N				972,130		\$ 972,130
3	Annual Trustee/Fiscal Agent Fees	Fees	11/1/2003	9/1/2028	Wells Fargo Corporate Trust	Annual Trustee Fes for 2003 Bonds	Oakley	40,000	N				2,500		\$ 2,500
4	Annual Trustee/Fiscal Agent Fees	Fees	5/1/2008	9/1/2038	Wells Fargo Corporate Trust	Annual Trustee Fes for 2008 Bonds	Oakley	65,000	N				2,500		\$ 2,500
5	Continuing Disclosure Services	Fees	7/18/2005	9/1/2028	NBS Financial	Annual Continuing Disclosure Services for 2003 Bonds	Oakley	32,000	N				2,500		\$ 2,500
6	Continuing Disclosure Services	Fees	5/1/2008	9/1/2038	NBS Financial	Annual Continuing Disclosure Services for 2008 Bonds	Oakley	52,000	N				2,500		\$ 2,500
7	Data for Continuing Disclosures	Fees	1/1/2014	9/1/2038	Hindenliter, DeLamas (HdL)	Data for Continuing Disclosures (used for both the 2003 and 2008 Bonds)	Oakley	15,000	N						\$ -
8	DS Payment on Interagency Obligation	Miscellaneous	8/14/2006	9/1/2039	City of Oakley	Payment of Impact Fees on Housing Project	Oakley	1,351,000	N						
9	Annual External Audit	Dissolution Audits	1/1/2014	9/1/2039	Current External Auditor is Maze and Associates	Required external audit of the SA pursuant to bond covenants/other requirements.	Oakley	120,000	N					5,000	\$ 5,000
10	Debt Service Reserve Fund	Reserves	1/1/2014	9/3/2014	Wells Fargo Corporate Trust	Set aside for debt service due in September - applied to reduce the RPTTF request for 2003 Sr Bonds DS	Oakley	313,000	N		313,000				\$ 313,000
11	SA Administrative Allowance	Admin Costs	1/1/2014	6/30/2014	City of Oakley	Administrative allowance, as prescribed	Oakley	125,000	N					120,000	\$ 120,000
12	Main Street Realignment - Downtown Parking	Litigation	2/11/2010	6/30/2014	Roy Cunha	This remains subject to the outcome of ongoing litigation related to valuation of property acquired for a project in the downtown. Based on the original appraisal of the property, the Agency already has made a deposit (\$487,000) with the State Treasurer's Condemnation Fund to compensate the property owner. Negotiations to settle failed, and in light of the RDAs dissolution, the City has withdrawn the case, opting instead to defer completion of the planned roadway connector and provide public parking on the Oakley Plaza site, where parking lot improvements are already an obligation. The City will still be liable for certain legal and other costs for the case, but any remainder will be returned by the State for use on the Oakley Plaza project.	Oakley		Y						
13	Property Common Area Maintenance and Property Taxes	Property Maintenance	1/1/2014	6/30/2014	Various contractors and utilities	Property taxes, mainenance and common area charges to operate owned properties purusant to existitng leases and obligation to maintain properties.	Oakley	180,000	N			20,000			\$ 20,000
18	Downtown Project	Improvement/Infrastructure	8/9/2011	6/30/2014	TBD	CentroMart Façade and Building improvements represented as part of DDAs	Oakley	500,000	N						



**Recognized Obligation Payment Schedule (ROPS) 14-15A - Report of Cash Balances**  
(Report Amounts in Whole Dollars)

Pursuant to Health and Safety Code section 34177(l), Redevelopment Property Tax Trust Fund (RPTTF) may be listed as a source of payment on the ROPS, but only to the extent no other funding source is available or when payment from property tax revenues is required by an enforceable obligation.									
A	B	C	D	E	F	G	H	I	
Cash Balance Information by ROPS Period		Fund Sources						Comments	
		Bond Proceeds		Reserve Balance		Other	RPTTF		
		Bonds Issued on or before 12/31/10	Bonds Issued on or after 01/01/11	Prior ROPS period balances and DDR balances retained	Prior ROPS RPTTF distributed as reserve for next bond payment	Rent, Grants, Interest, Etc.	Non-Admin and Admin		
<b>ROPS 13-14A Actuals (07/01/13 - 12/31/13)</b>									
1	<b>Beginning Available Cash Balance (Actual 07/01/13)</b> Note that for the RPTTF, 1 + 2 should tie to columns J and O in the Report of Prior Period Adjustments (PPAs)	1,255,231			300,000	95,535		It was difficult to define what the source of the available cash (fund) balances were, as we don't have separate accounting funds for this purpose. With prior restrictions of RPTTF remittances, our presumption is that all amounts retained, were either for bond reserves, or from other funding sources. The 7/1/13 balances exclude RPTTF amounts received in June since they are required to be reported on line 2.	
2	<b>Revenue/Income (Actual 12/31/13)</b> Note that the RPTTF amounts should tie to the ROPS 13-14A distribution from the County Auditor-Controller during June 2013	306				154,646	1,234,934		
3	<b>Expenditures for ROPS 13-14A Enforceable Obligations (Actual 12/31/13)</b> Note that for the RPTTF, 3 + 4 should tie to columns L and Q in the Report of PPAs	669,661			300,000	154,799	1,250,670		
4	<b>Retention of Available Cash Balance (Actual 12/31/13)</b> Note that the RPTTF amount should only include the retention of reserves for debt service approved in ROPS 13-14A	585,876				79,508		<b>Other Funds:</b> Since we filed "notices of insufficient funds" with the County Auditor and they were approved each time, without exception, we have reflected full retention of the fund balances available in this line. The retention reflects an increase of \$6,500 in new deposits (CAM) that are restricted. And, we had to reduce the retention in "Other Funds" to cover the RPTTF shortfall. <b>Bond Proceeds:</b> These are restricted funds and they are always retained - whether for projects completion or, ultimately, one day - for calling and retiring bonds, if funds are available.	
5	<b>ROPS 13-14A RPTTF Prior Period Adjustment</b> Note that the RPTTF amount should tie to column S in the Report of PPAs.	No entry required						138	
6	<b>Ending Actual Available Cash Balance</b> C to G = (1 + 2 - 3 - 4), H = (1 + 2 - 3 - 4 - 5)	\$ -	\$ -	\$ -	\$ -	\$ 15,874	\$ (15,874)		
<b>ROPS 13-14B Estimate (01/01/14 - 06/30/14)</b>									
7	<b>Beginning Available Cash Balance (Actual 01/01/14)</b> (C, D, E, G = 4 + 6, F = H4 + F4 + F6, and H = 5 + 6)	\$ 585,876	\$ -	\$ -	\$ -	\$ 95,382	\$ (15,736)		
8	<b>Revenue/Income (Estimate 06/30/14)</b> Note that the RPTTF amounts should tie to the ROPS 13-14B distribution from the County Auditor-Controller during January 2014				313,000	149,600	784,250		
9	<b>Expenditures for 13-14B Enforceable Obligations (Estimate 06/30/14)</b>	585,876				186,196	827,300	<b>Other Funds</b> amounts include the \$120,000 in admin allowance that DOF did not authorize be paid by RPTTF along with other expenses. CAM charges are coming in higher than expected, so total expenditures will have to be managed (meaning expenditures deferred or invoices held) in order to ensure Other Revenues cover the RPTTF shortfall.	
10	<b>Retention of Available Cash Balance (Estimate 06/30/14)</b> Note that the RPTTF amounts may include the retention of reserves for debt service approved in ROPS 13-14B							<b>Bond Proceeds:</b> The Agency projects all bond proceeds will have been spent by 06/30/2014 (or be held pending 3rd party litigation). More proceeds are expected to become "available" following the Agency's receipt of a Finding of Completion, approval of a Property Management and Disposition Plan, and sale of certain properties that were originally purchased with bond proceeds. There is also a pending Judgement that should release some funds from the State Condemnation Fund.	
11	<b>Ending Estimated Available Cash Balance (7 + 8 - 9 - 10)</b>	\$ -	\$ -	\$ -	\$ -	\$ 58,786	\$ (58,786)		





**Recognized Obligation Payment Schedule 14-15A - Notes**

July 1, 2014 through December 31, 2014

Item #	Notes/Comments
1	Have updated total obligation amount to show remaining scheduled Principal and Interest in total. Note that if the bonds are repaid early, the interest amounts will be less.
2	Have updated total obligation amount to show remaining scheduled Principal and Interest in total. Note that if the bonds are repaid early, the interest amounts will be less.
3	
4	
5	
6	
7	
8	The amounts here are blank, as this is an obligation DOF previously denied, and we have not yet received a finding of completion or a court order overruling their determination. The Agency continues to disagree with DOF determination, and is pursuing approval through the appropriate process.
9	
10	
11	
12	This item shown @ \$0 and Retired, as we expect the final judgement to be entered soon and the Condemnation Fund's prompt payment. We'll follow the Court's direction on how much and when to make any payment required. The Condemnation Fund deposit was from Bond Proceeds, and so any remainder refunded to the SA will be retasked to eliminating any remaining outstanding Bond project obligations. The contract date in February 2010 is the date the Agency Board first approved the related eminent domain action.
13	This item showed last time @\$200,000 calculated last time using a 5 year estimate (so now with 4 1/2 yrs remaining). We've lowered the remaining estimate to \$180,000 for reporting here. We don't really know how long the SA will ultimately own its property, or how much the property maintenance and management will cost; but the new ROPS form requires the amount field be completed, with a sum; and so the estimate we used is based upon a guess of completing the asset dispositions in another 4 1/2 years.
14	
15	
16	
17	
18	The amounts here are blank, as this is an obligation DOF previously denied, and we have not yet received a finding of completion or a court order overruling their determination. The Agency successfully sold the property (pursuant to an original agreement of sale from prior to passage of AB 1484) and expects close of escrow soon. Following close of escrow, this project will no longer be an obligation of the SA.
19	The amounts here are blank, as this is an obligation DOF previously denied, and we have not yet received a finding of completion or a court order overruling their determination. The Agency continues to disagree with DOF determination, and is pursuing approval through the appropriate process. Obligations to date are estimated, including changes orders that were necessary, however, as work has not been completed and there are disputes with the contractor over project performance the final amount due is not yet known (and we expect it will be less than shown). The amount is the total for items 19 and 21, as they have the same contractor and the disputes relate to both.
20	The amounts here are blank, as this is an obligation DOF previously denied, and we have not yet received a finding of completion or a court order overruling their determination. The Agency continues to disagree with DOF determination, and is pursuing approval through the appropriate process.
21	See note for item 19. The amount shown is the total of amounts for items 19 and 21. Validation required an amount in both fields. The total for both is the \$1.128 million amount, less any adjustments received in resolving the disputes.
22	
23	The amounts here are blank, as this is an obligation DOF previously denied, and we have not yet received a finding of completion or a court order overruling their determination. The Agency continues to disagree with DOF determination, and is pursuing approval through the appropriate process.
24	The amounts here are blank, as this is an obligation DOF previously denied, and we have not yet received a finding of completion or a court order overruling their determination. The Agency continues to disagree with DOF determination, and is pursuing approval through the appropriate process. Obligation includes 10% for project management costs.
25	The amounts here are blank, as this is an obligation DOF previously denied, and we have not yet received a finding of completion or a court order overruling their determination. The Agency continues to disagree with DOF determination, and is pursuing approval through the appropriate process.
26	The amounts here are blank, as this is an obligation DOF previously denied, and we have not yet received a finding of completion or a court order overruling their determination. The Agency continues to disagree with DOF determination, and is pursuing approval through the appropriate process.

