



Agenda Date: 08/12/2014
Agenda Item: 3.13

STAFF REPORT

Date: August 12, 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 January to June 2015**

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 Finding of Completion, or a court order approving the item as an enforceable obligation. With the settlement of the City and Agency's litigation with the State, many of the previously denied obligations are now enforceable obligations, and the parties have agreed to remove several contested items from the list altogether. We have updated the ROPS to reflect these changes.

Fiscal Impact

For items approved by DOF, the ROPS defines the payments allowed by the Successor Agency. When compared to prior ROPS, the only material changes to the Successor Agency's proposed expenditures are the payments on enforceable obligations newly confirmed by the Settlement Agreement, which are principally obligations payable from the Agency's 2008 Tax Exempt Tax Allocation Bonds proceeds. Otherwise, the expenditures proposed are 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 reservation of some funds necessary to ensure the Agency's bonded debt service payments due in September 2015 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 January to June 2015

Date: August 12, 2014

Recommendation

Staff recommends the Board adopt the attached Resolution approving the ROPS attached for the six month period January – June 2015.

Attachments

1. Resolution and Recognized Obligations Payment Schedule for January – June 2015.

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 JANUARY–JUNE 2015

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 January – June 2015 attached hereto as Exhibit A.

The foregoing resolution was adopted at a regular meeting of the Successor Agency Board, held on the 12th day of August 2014, by the following vote:

AYES:

NOES:

ABSTENTION:

ABSENT:

APPROVED: _____
Randy Pope, Chair

ATTEST:

Libby Vreonis, Secretary

Recognized Obligation Payment Schedule (ROPS 14-15B) - Summary

Filed for the January 1, 2015 through June 30, 2015 Period

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

Current Period Requested Funding for Outstanding Debt or Obligation		Six-Month Total
Enforceable Obligations Funded with Non-Redevelopment Property Tax Trust Fund (RPTTF) Funding		
A Sources (B+C+D):		\$ 2,419,374
B Bond Proceeds Funding (ROPS Detail)		2,349,374
C Reserve Balance Funding (ROPS Detail)		-
D Other Funding (ROPS Detail)		70,000
E Enforceable Obligations Funded with RPTTF Funding (F+G):		\$ 1,005,002
F Non-Administrative Costs (ROPS Detail)		880,002
G Administrative Costs (ROPS Detail)		125,000
H Current Period Enforceable Obligations (A+E):		\$ 3,424,376
Successor Agency Self-Reported Prior Period Adjustment to Current Period RPTTF Requested Funding		
I Enforceable Obligations funded with RPTTF (E):		1,005,002
J Less Prior Period Adjustment (Report of Prior Period Adjustments Column S)		-
K Adjusted Current Period RPTTF Requested Funding (I-J)		\$ 1,005,002
County Auditor Controller Reported Prior Period Adjustment to Current Period RPTTF Requested Funding		
L Enforceable Obligations funded with RPTTF (E):		1,005,002
M Less Prior Period Adjustment (Report of Prior Period Adjustments Column AA)		-
N Adjusted Current Period RPTTF Requested Funding (L-M)		1,005,002

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.

Name	Title
/s/ _____	
Signature	Date

Recognized Obligation Payment Schedule (ROPS 14-15B) - ROPS Detail
January 1, 2015 through June 30, 2015
 (Report Amounts in Whole Dollars)

A	B	C	D	E	F	G	H	I	J	K					P
										Funding Source					
										Non-Redevelopment Property Tax Trust Fund (Non-RPTTF)			RPTTF		
										Bond Proceeds	Reserve Balance	Other Funds	Non-Admin	Admin	
Item #	Project Name / Debt Obligation	Obligation Type	Contract/Agreement Execution Date	Contract/Agreement Termination Date	Payee	Description/Project Scope	Project Area	Total Outstanding Debt or Obligation	Retired	Bond Proceeds	Reserve Balance	Other Funds	Non-Admin	Admin	Six-Month Total
								\$ 56,075,885		\$ 2,349,374	\$ -	\$ 70,000	\$ 880,002	\$ 125,000	\$ 3,424,376
1	2003 TABS DS	Bonds Issued On or Before 12/31/10	11/1/2003	9/1/2028	Wells Fargo Corporate Trust	Debt Service Payable in September and March of each year	Oakley	9,410,113	N				190,572		190,572
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	42,671,398	N				579,430		579,430
3	Annual Trustee/Fiscal Agent Fees	Fees	11/1/2003	9/1/2028	Wells Fargo Corporate Trust	Annual Trustee Fes for 2003 Bonds	Oakley	38,000	N				2,000		2,000
4	Annual Trustee/Fiscal Agent Fees	Fees	5/1/2008	9/1/2038	Wells Fargo Corporate Trust	Annual Trustee Fes for 2008 Bonds	Oakley	63,000	N				2,000		2,000
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				1,000		1,000
8	DS Payment on Interagency Obligation	Miscellaneous	8/14/2006	9/1/2039	City of Oakley	Payment of Impact Fees on Housing Project (Pursuant to Settlement Agreement with DOF, Agency agreed not to submit this to the OB for recognition as an Agency EO).	Oakley		Y						-
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	115,000	N					5,000	5,000
10	Debt Service Reserve Fund	Reserves	1/1/2014	9/3/2015	Wells Fargo Corporate Trust	Set aside for debt service due in September 2015- applied to reduce the RPTTF request for 2003 Sr Bonds DS	Oakley	100,000	N				100,000		100,000
11	SA Administrative Allowance	Admin Costs	1/1/2014	6/30/2015	City of Oakley	Administrative allowance for the 14-15B ROPS, as prescribed (\$125k, less \$5k shown above in Annual External Audit line item)	Oakley	120,000	N					120,000	120,000
13	Property Common Area Maintenance and Property Taxes	Property Maintenance	1/1/2014	6/30/2015	Various contractors and utilities	Property taxes, maintenance and common area charges to operate owned properties pursuant to existing leases and obligation to maintain properties.	Oakley	160,000	N			50,000			50,000
18	Downtown Project	Improvement/Infrastructure	8/9/2011	6/30/2015	TBD	CentroMart Façade and Building improvements represented as part of DDAs	Oakley	500,000	N	500,000					500,000
19	Downtown Project	Improvement/Infrastructure	8/9/2011	6/30/2015	Bay Cities	Oakley Plaza Public Parking improvements represented as part of DDAs - Negotiating Final Payment for this and item 21 below. Amount shown is the total of the current expected payment. (They claim the payment due is greater)	Oakley	750,000	N	750,000					750,000
20	Downtown Project	Improvement/Infrastructure	8/9/2011	6/30/2014	Goodland Landscape and Construction	Construction of Public Plaza represented as part of DDAs	Oakley		Y						-
21	Downtown Project	Improvement/Infrastructure	8/9/2011	6/30/2015	Bay Cities	Construction of Main Street Improvements represented as part of DDAs (See above note in item 19 (The \$750,000 amount is the total combined anticipated final payment for the two items)	Oakley	750,000	N						-
23	Directional Sign Project	Improvement/Infrastructure	8/9/2011	6/30/2015	Ellis and Ellis Sign Systems	Costs for fabrication and installation of directional monument signs.	Oakley	51,878	N	51,878					51,878

Recognized Obligation Payment Schedule (ROPS 14-15B) - ROPS Detail
January 1, 2015 through June 30, 2015
 (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	
24	Main Street Frontage Improvements	Improvement/Infrastructure	2/1/2009	6/30/2015	TBD	Main Street frontage improvements to Conco Land Company property on Main Street (APNs 037-100-048 and 037-100-049) pursuant to dedication agreement.	Oakley	880,000	N	880,000					880,000
25	Housing Activities/Programs	Miscellaneous	2/1/2009	9/1/2039	City of Oakley	Joint Projects and Cooperation Agreement payment for housing activities/programs. (Pursuant to Settlement Agreement with DOF, Agency agreed to not submit this item to the OB to recognize as an Agency EO).	Oakley		Y						-
28	Downtown Project	Professional Services	7/12/2011	6/30/2015	Mark Thomas Engineering	Completion of Design Work for Downtown Main Street Project	Oakley	5,603	N	5,603					5,603
32	Building Maintenance for unleased RE Owned	Property Maintenance	1/1/2014	6/30/2015	Various	Maintenance and other services/utilities directly related to unleased properties, until they are leased or sold.	Oakley	200,000	N			20,000			20,000
34	LMIHF DDR Remainder	Miscellaneous	8/23/2013	12/31/2014	County Auditor Controller	LMIHF DDR Payment to CAC when funds are available	Oakley		N						-
35	AOF DDR Remainder	Miscellaneous	10/16/2013	12/31/2014	County Auditor Controller	AOF DDR Payment to CAC when funds are available	Oakley		N						-
41	Need to reinstate project costs for prior item 22.	Professional Services	8/9/2011	6/30/2015	City of Oakley	Staff time for project management for items 19 and 21.	Oakley	161,893	N	161,893					161,893
42									N						-
43									N						-
44									N						-
45									N						-
46									N						-
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Recognized Obligation Payment Schedule (ROPS 14-15B) - 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. For tips on how to complete the Report of Cash Balances Form, see https://rad.dof.ca.gov/rad-sa/pdf/Cash_Balance_Agency_Tips_Sheet.pdf.

A	B	C	D	E	F	G	H	I	
Cash Balance Information by ROPS Period		Fund Sources					Comments		
		Bond Proceeds	Reserve Balance	Other	RPTTF				
ROPS 13-14B Actuals (01/01/14 - 06/30/14)									
1	Beginning Available Cash Balance (Actual 01/01/14)	3,201,333				59,372	550		
2	Revenue/Income (Actual 06/30/14) RPTTF amounts should tie to the ROPS 13-14B distribution from the County Auditor-Controller during January 2014	490				141,234	1,097,250	Other Revenue excludes common area deposits collected from Tenants during the period.	
3	Expenditures for ROPS 13-14B Enforceable Obligations (Actual 06/30/14) RPTTF amounts, H3 plus H4 should equal total reported actual expenditures in the Report of PPA, Columns L and Q	462,501			-	16,856	785,800	To be consistent in excluding tenant deposits from available cash balances, other expenses exclude expenditures of tenant deposits for common area maintenance.	
4	Retention of Available Cash Balance (Actual 06/30/14) RPTTF amount retained should only include the amounts distributed for debt service reserve(s) approved in ROPS 13-14B	2,675,597					312,000	Retention of Bond Funds as shown are solely for the cash reserves required for the Agency's 2003 and 2008 Bonds. Retention of RPTTF was to ensure adequate funds would be available for the September 2014 DS payments.	
5	ROPS 13-14B RPTTF Prior Period Adjustment RPTTF amount should tie to the self-reported ROPS 13-14B PPA in the Report of PPA, Column S	No entry required							
6	Ending Actual Available Cash Balance C to G = (1 + 2 - 3 - 4), H = (1 + 2 - 3 - 4 - 5)	63,725	-	-	-	183,750	-		
ROPS 14-15A Estimate (07/01/14 - 12/31/14)									
7	Beginning Available Cash Balance (Actual 07/01/14) (C, D, E, G = 4 + 6, F = H4 + F4 + F6, and H = 5 + 6)	2,739,322	-	-	312,000	183,750	-		
8	Revenue/Income (Estimate 12/31/14) RPTTF amounts should tie to the ROPS 14-15A distribution from the County Auditor-Controller during June 2014	732,000				80,000	1,083,555	Bond Revenues include the estimated proceeds of sale from Pre AB 1484 offer and acceptance, and reimbursement for utility related costs from that same buyer/Developer. Proceeds and reimbursement are restricted to uses under Tax Exempt Bond Safe Harbor IRC Rules. Other Rev = Est Rent/Int and exclude common area deposits collected from tenants.	
9	Expenditures for ROPS 14-15A Enforceable Obligations (Estimate 12/31/14)	795,725						Bond Expenditures include the use of the Bond Revenues and other Bond Proceeds on hand, for the resolution of bond funded enforceable obligations approved pursuant to the recent Settlement Agreement between the City/SA, DOF and the CAC. The obligations exceed the funds estimated to be available, so the Expenditures shown were reduced so that the Ending Est Available Cash was not negative. As future funding is generated (from the PMP Dispositions of Bond Restricted Property), we expect to use those proceeds to meet the remaining bond funded EOs. Other Expenditures= Contribution of all funds to pay DS first, plus maintenance/taxes for vacant/other properties for which they are not covered by the Tenants, plus the Agency's share of common area charges payable from other revenues (rent/int), but to be consistent, excludes the expenses for common area maintenance paid for with tenant deposits.	
10	Retention of Available Cash Balance (Estimate 12/31/14) RPTTF amount retained should only include the amount distributed for debt service reserve(s) approved in ROPS 14-15A	2,675,597						Retention of Bond Funds as shown are solely for the cash reserves required for the Agency's 2003 and 2008 Bonds.	
11	Ending Estimated Available Cash Balance (7 + 8 - 9 - 10)	-	-	-	-	40,000	-		

Recognized Obligation Payment Schedule (ROPS 14-15B) - Notes

January 1, 2015 through June 30, 2015

Item #	Notes/Comments
1	
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8	Dropped pursuant to the Settlement Agreement between the City/SA, DOF and CAC executed in July 2014.
9	
10	Reserve is simply a guess at what we might need to ensure adequate funds are available for DS in September 2015. We do not yet know what the revenue estimate for each 6 month period in 2014-15 will be, but we know the assessed values have finally begun increasing following the recession. We hope little to no reserve is needed and that they will become excess funds available in the 15-16A ROPS.
11	
12	
13	The total obligations remaining will largely be determined by the time the SA continues to own the public parking and public plaza; and the CentroMart Building. With the Settlement final, and a Finding of Completion expected to be requested soon pursuant to the Agreement, the Agency will be able to finalize and present a Property Management Plan's for approval in the near future. The CentroMart sale was approved several years ago, and is nearing completion. These properties's disposition might occur relatively quickly, reducing the future obligations for their maintenance, common area maintenance contributions, and taxes.
14	
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18	Now a Recognized EO, pursuant to the Settlement Agreement between the City/SA, DOF and CAC executed in July 2014.
19	Now a Recognized EO, pursuant to the Settlement Agreement between the City/SA, DOF and CAC executed in July 2014.
20	Now a Recognized EO, pursuant to the Settlement Agreement between the City/SA, DOF and CAC executed in July 2014.
21	Now a Recognized EO, pursuant to the Settlement Agreement between the City/SA, DOF and CAC executed in July 2014.
22	Now a Recognized EO, pursuant to the Settlement Agreement between the City/SA, DOF and CAC executed in July 2014.
23	Now a Recognized EO, pursuant to the Settlement Agreement between the City/SA, DOF and CAC executed in July 2014.
24	Now a Recognized EO, pursuant to the Settlement Agreement between the City/SA, DOF and CAC executed in July 2014.
25	Dropped pursuant to the Settlement Agreement between the City/SA, DOF and CAC executed in July 2014.
26	
27	
28	Now a Recognized EO, pursuant to the Settlement Agreement between the City/SA, DOF and CAC executed in July 2014.
29	
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32	The total obligations remaining will ultimately be determined by the time the SA continues to hold it's properties that are vacant and/or unleased. With the Settlement final, and a Finding of Completion expected to be requested soon pursuant to the Agreement, the Agency will be able to finalize and present a Property Management Plan's for approval in the near future. Many of the properties owned by the SA might be transfered or sold relatively quickly, reducing the future obligations for maintenance and taxes.
33	
34	We anticipate payment of the remaining DDR obligations in August 2014, pursuant to the Settlement Agreement between the City/SA, DOF and CAC.
35	We anticipate payment of the remaining DDR obligations in August 2014, pursuant to the Settlement Agreement between the City/SA, DOF and CAC.

Recognized Obligation Payment Schedule (ROPS 14-15B) - Notes

January 1, 2015 through June 30, 2015

Item #	Notes/Comments
36	
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41	Have reinserted amounts from prior Item 22 that were misreported as "paid". In fact, the City did journal a charge for these amounts, but funding was not available to pay it; so the balance remains in a "due to other funds" account. As these were project costs, they need to be paid when bond funds become available. In addition, project claims have and continue to accrue that require additional, although currently diminishing, ongoing management.