

Regular Meeting Agenda September 25, 2013

Board Members

Mr. Ed Garcia, Chair
*Orange County Board of
Supervisors Representative*

Mr. James Harman, Vice Chair
*Orange County Board of
Supervisors Representative*

Mr. Craig Green
*City of Placentia Mayor's
Representative*

Mr. Troy Butzlaff, ICMA-CM
*Former Redevelopment Agency
of the City of Placentia
Employee's Representative*

Ms. Jayne Christakos
*County Superintendent of
Education Representative*

Mr. Al Shkoler
*Placentia Library District
Representative*

Mr. Rodrigo Garcia
*Chancellor of the California
Community College
Representative*

Staff

Ken Domer
Executive Director

Tania Moreno
Clerk of the Board

**City of Placentia
C/O Oversight Board
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Placentia, CA 92870**

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Oversight Board of the Successor Agency to the Redevelopment Agency of the City Of Placentia

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**OVERSIGHT BOARD
OF THE SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY OF THE CITY OF PLACENTIA
REGULAR MEETING AGENDA
September 25, 2013
4:00 p.m. – City Council Chambers
401 E. Chapman Avenue, Placentia, CA**

CALL TO ORDER:

ROLL CALL: Chair Ed Garcia
Vice Chair Harman
Board Member Butzlaff
Board Member Rodrigo Garcia
Board Member Green
Board Member Shkoler
Board Member Christakos

PLEDGE OF ALLEGIANCE:

ORAL COMMUNICATIONS:

At this time, the public may address the Oversight Board concerning any agenda item or on matters within the jurisdiction of the Oversight Board.

1. PRESENTATIONS/ADMINISTRATIVE REPORTS

a. Executive Director's Report

2. CONSENT CALENDAR:

a. **Minutes**

Recommended Action: It is recommended that the Oversight Board:

1) Approve the minutes of the August 28, 2013 Oversight Board Meeting

3. OLD BUSINESS: None

4. NEW BUSINESS:

a. **Approval of the Successor Agency's Adoption of a Recognized Obligation Payment Schedule (ROPS 13-14B) for the Period Covering January 1, 2014 to June 30, 2014**

Recommended Action: It is recommended that the Oversight Board:

1) Adopt Resolution OB-2013-11, A Resolution of the Oversight Board to the Successor Agency of the Redevelopment Agency of the City of Placentia, California, approving a Recognized Obligation Payment Schedule for the period covering January 1, 2014 to June 30, 2013

5. PUBLIC HEARING: None

BOARD MEMBERS COMMENTS AND REQUESTS:

Board Members may make requests or ask questions of Staff. If a Board Member would like formal action on any item, it will be placed on a future Board Agenda.

ADJOURNMENT:

The Oversight Board will adjourn to November 13, 2013 at 4:00 p.m.

CERTIFICATION OF POSTING

I, Tania Moreno, Clerk of the Board, hereby certify that the Agenda for the September 25, 2013 meeting of the Oversight Board was posted on Thursday, September 19, 2013.

Tania Moreno, Clerk of the Board

**OVERSIGHT BOARD
OF THE SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY OF THE CITY OF PLACENTIA
REGULAR MEETING MINUTES
August 28, 2013
4:00 p.m. – City Council Chambers
401 E. Chapman Avenue, Placentia, CA**

CALL TO ORDER: Chair Ed Garcia called the meeting to order at 4:03 p.m.

ROLL CALL:

PRESENT: Board Member Christakos, Green, Shkoler, Harman, Ed Garcia
ABSENT: Board Member Butzlaff, Rod Garcia

PLEDGE OF ALLEGIANCE: Vice Chair Harman

ORAL COMMUNICATIONS: None

1. PRESENTATIONS/ADMINISTRATIVE REPORTS

a. Executive Director's Report

Executive Director Domer noted that the letter of determination was received by the City on August 23, 2013. He noted that the Department of Finance (DOF) determined that the property located on 913 Bradford is legitimate and approved it. He noted that the DOF has deemed appropriate for the packinghouse transaction conducted in 2010. He noted that whenever the packinghouse property is sold or developed it would be tainted by low-moderate funds.

Board Member Green inquired about the proposed housing development project for the packinghouse.

Executive Director Domer responded that if the housing development does not include low-moderate funds a refund would need to take place. He noted that is common to reimburse or switch funding.

Board Member Green inquired if they would be asking the developer to include low-mod housing.

Executive Director Domer responded that they could ask for the in-lieu fee or low-mod housing. He noted that he continues to work on other outstanding items with the DOF.

2. CONSENT CALENDAR:

a. **Minutes**

Recommended Action: It is recommended that the Oversight Board:

- 1) Approve the minutes of the May 8, 2013 Oversight Board Meeting
(4 – 2 – 1, Chair Ed Garcia abstained)

A motion was made by Board Member Shkoler, seconded by Vice Chair Harman, and carried (4 – 2 – 1, Chair Ed Garcia abstained) to approve the minutes of the May 8, 2013 Oversight Board Meeting.

3. OLD BUSINESS: None

4. NEW BUSINESS:

a. **Adoption of a Resolution Approving Successor Agency Action Approving Issuance of Tax Allocation Refunding Bonds and a Form of Indenture**

Recommended Action: It is recommended that the Oversight Board:

- 1) Adopt Resolution OB-2013-09, A Resolution of the Oversight Board to the Successor Agency of the Redevelopment Agency of the City of Placentia, California, approving the issuance and sale of 2013 Tax Allocation Refunding Bonds to refinance outstanding tax allocation bonds and notes of the former Redevelopment Agency of the City of Placentia, making certain findings and providing other matters relating thereto

(5 – 0, as recommended)

Executive Director Domer provided a brief report on item 4.a. He noted that the approval of issuance and sale of the 2013 Tax Allocation Refunding Bonds is a continuation of the process. He noted that they are trying to avoid the balloon payment. He introduced to Financial Advisor Suzanne Harrell who will assist in the process.

Board Members Green inquired if the Successor Agency is able to lock the fee with the DOF.

Ms. Harrell responded that the DOF would need to approve the item before the fee can be locked.

Vice Chair Harman inquired if they would be capital appreciation bonds.

Ms. Harrell responded that they would not be capital appreciation bonds.

Vice Chair Harman thanked Staff and Ms. Harrell for avoiding the balloon payment.

Executive Director Domer noted that the agenda packet includes the revised resolution and that it would be presented to the Successor Agency for approval.

Ms. Harrell noted that they are hopeful that the DOF will expedite the process.

A motion was made by Vice Chair Harman, seconded by Board Member Green, and carried (5 – 0) to adopt Resolution OB-2013-09, a Resolution of the Oversight Board to the Successor Agency of the Redevelopment Agency of the City of Placentia, California, approving the issuance and sale of 2013 Tax Allocation Refunding Bonds to refinance outstanding tax allocation bonds and notes of the former Redevelopment Agency of the City of Placentia, making certain findings and providing other matters relating thereto.

b. Adoption of a Resolution Approving Successor Agency Action to Enter into a Revised Lease Agreement for 132 E. Crowther Avenue in Order to Reduce the Annual Base Lease Thereby Increasing Residual Tax Increment Payments to Other Taxing Entities

Recommended Action: It is recommended that the Oversight Board:

- 1) Adopt Resolution OB-2013-10, A Resolution of the Oversight Board to the Successor Agency of the Redevelopment Agency of the City of Placentia, California, approving Successor Agency action to enter into a revised lease agreement for 132 E. Crowther Avenue in order to reduce the annual base lease thereby increasing residual tax increment payments to other taxing entities

(5 – 0, item continued to the next meeting)

Executive Director Domer provided a brief staff report on item 4.b. He noted that revised lease agreement for property 132 E. Crowther Avenue would reduce the annual base lease and increase the residual tax increment payments to other taxing entities. He provided a review of the property acquisition process. He noted that this item is an attempt to save money because the current term on the lease is too high. He noted that the ultimate use of the property has not been determined. He noted that this item would be presented to the Successor Agency for consideration and approval.

Discussion ensued between Board and Staff. They discussed the lease expiration date, current monthly payment, the use of the property, and the need to lower the lease rate.

Vice Chair Harman inquired about the possibility of purchasing the property.

Executive Director Domer noted that the City could purchase the property at anytime at a price of \$750,000.

Vice Chair Harman noted that the City is paying a lease for a property they are not using. He inquired if they could renegotiate the lease at a fair market rate.

Executive Director Domer responded that the City could ask the landowner for a renegotiation on the lease agreement.

Discussion ensued between Board and Staff. They discussed the consequences if they decide to let go of the lease, the possibility of leasing the property on an interim basis, and looking at all options.

Executive Director Domer noted that the City is trying to develop a profitable site and obtain a lower lease value, however, that action is not part of this item.

Vice Chair Harman recommended that the City should try to renegotiate the lease agreement.

A motion was made by Chair Ed Garcia, seconded by Vice Chair Harman, and carried (5 – 0) to continue to the item to September 11, 2013 and requested additional details on the item.

Board Member Christakos excused herself from the meeting at 4:56 p.m.

Board Member Green recommended that the City should let the lease run and explore the termination clause.

Vice Chair Harman asked that the City explore other options to obtain a better lease rate. He recommended examining the idea of finding a third party that might be interested in taking over the property. He requested a plan with all potential uses of the property.

Chair Garcia noted that the City entered the lease agreement in 2010 and since then the property has been vacant. He recommended leasing the property for the two remaining years as an interim solution. He recommended examining all other possible options and reducing the rate,

Board Member Shkoler spoke in support of the comments made by the Board. He noted that the item requires further examination.

5. PUBLIC HEARING: None

BOARD MEMBERS COMMENTS AND REQUESTS:

A motion was made by Vice Chair Harman, seconded by Board Member Shkoler, and carried (5 – 0) to adjourn the Oversight Board meeting.

ADJOURNMENT:

The Oversight Board adjourned to September 11, 2013 at 4:00 p.m.

ED GARCIA, AGENCY CHAIRPERSON

ATTEST:

TANIA A. MORENO, CLERK OF THE BOARD

Oversight Board

of the Successor Agency of the Redevelopment Agency of the City of Placentia

AGENDA REPORT

TO: BOARD MEMBERS

FROM: EXECUTIVE DIRECTOR

DATE: SEPTEMBER 25, 2013

SUBJECT: **APPROVAL OF THE SUCCESSOR AGENCYS' ADOPTION OF A RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS 13-14B) FOR THE PERIOD COVERING JANUARY 1, 2014 TO JUNE 30, 2013**

FISCAL
IMPACT: EXPENDITURES: RPTTF \$ 8,257,259
ACA \$ 207,303
OTHER \$ 866,993

SUMMARY:

Based on the dissolution of the Redevelopment Agency of the City of Placentia, the Successor Agency is to prepare a Recognized Obligation Payment Schedule (ROPS) covering each six month period of a fiscal year. This action approves the Successor Agency's September 17, 2013 adoption of a Recognized Obligation Payment Schedule covering the six-month reporting period January 1, 2014 to June 30, 2014. The approval of this adoption is required in order to provide for review by the State Department of Finance and for the County-Auditor-Controller to allocate property tax increment for payment of debts listed on the ROPS.

RECOMMENDATION:

It is recommended that the Board take the following action:

1. Adopt Resolution OB-2013-11, A Resolution of the Oversight Board to the Successor Agency of the Redevelopment Agency of the City of Placentia, California, approving a Recognized Obligation Payment Schedule for the period covering January 1, 2014 to June 30, 2014.

DISCUSSION:

As part of the winding down of the former redevelopment agency, the Successor Agency shall adopt, and the Oversight Board approve of that adoption, a ROPS as part of the process to pay enforceable obligations of the former agency. According to new formats and instructions from the State Department of Finance (DOF), to include a new naming scheme for the ROPS documents, this Recognized Obligation Payment Schedule is referred to as ROPS 13-14B. ROPS 13-14B, covering the period January 1, 2014 to June 30, 2014, must be approved by the Oversight Board and submitted to the State no later than October 1, 2013. Per Health & Safety Code § 34177(l), Successor Agencies have to prepare a ROPS before the six-month fiscal period covered by the ROPS. Based on the enactment of AB 1484, and subsequent guidance from the State, the

California Department of Finance (DOF), has 45 days from submission after Oversight Board approval to review the ROPS and object to any items.

This iteration of ROPS, the fifth to be submitted to the State, is now an on-line version. The Excel format is partially filled out with prior enforceable obligations and the completed ROPS is now uploaded to a special web site set up by DOF. Putting the ROPS on-line will serve all parties better – providing easier formatting for successor agencies and more reportable formats for various entities to include, most importantly, the public.

As approved by the Successor Agency, an item of note for ROPS 13-14B is:

- The Successor Agency is moving forward with a refunding of the 2002 Series A and B bonds (2002 Bonds) as well as the 2009 Tax Allocation Notes (2009 Notes). Due to timing and potential that the 2002 Bonds may not be refunded if interest rates change, the interest/principle for that bond will also be included as well as the full balloon payment of the 2009 Notes.

With the enactment of AB 1484, the State imposed draconian penalties for not submitting the ROPS according to the schedule set forth by the DOF. Failure to submit the ROPS will result in a fine of \$10,000 per day, among other actions based on the determination of DOF in its review of the ROPS.

FISCAL IMPACT:

Proposed expenditures from the Redevelopment Property Tax Trust Fund (RPTTF) are \$8,257,259. Of this amount, \$7,115,438 relates to the balloon payment for the 2009 Notes and that amount is only included out of extreme caution if the 2009 Notes are not refunded. If they are refunded, the RPTTF expenditures are closer to \$1,141,821, which is less than the \$1,199,590 estimated RPTTF available per the Orange County Auditor-Controller. Expenditures paid from the RPTTF but through the Administrative Cost Allocation are \$207,303 and represent the remaining portion of the \$250,000 allocation the Successor Agency is allowed.

Submitted by:



Kenneth A. Domer
Executive Director

Attachment:

Resolution OB-2013-11
Recognized Obligation Payment Schedule for January 1, 2014 to June 30, 2014

RESOLUTION NO. OB-2013-11

A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF PLACENTIA, CALIFORNIA, APPROVING A RECOGNIZED OBLIGATION PAYMENT SCHEDULE COVERING THE PERIOD OF JULY 1, 2013 TO DECEMBER 31, 2013,.

A. Recitals.

(i) On December 29, 2011, the California Supreme Court delivered its decision in *California Redevelopment Association v. Matosantos*, finding ABx1 26 (Dissolution Act) largely constitutional.

(ii) The Dissolution Act and the California Supreme Court's decision in *California Redevelopment Association v. Matosantos*, all California redevelopment agencies, including the Redevelopment Agency for the City of Placentia (former Agency), were dissolved on February 1, 2012; and

(iii) On January 17, 2012, the Placentia City Council adopted Resolution No. R-2012-03 accepting for the City the role of Successor Agency to the former agency (Successor Agency). Under the Dissolution Act the City in its capacity as Successor Agency must prepare a "Recognized Obligation Payment Schedule" (ROPS) that enumerates the enforceable obligations and expenses of the Successor Agency for the each six-month period as defined in law.

(iv) Pursuant to Health and Safety Code §34180, Successor Agency actions as listed within the subsections shall first be approved by the Oversight Board. Subsection (g) specifically lists that the Successor Agency action to establish the Recognized Obligation Payment Schedule shall be approved by the Oversight Board to enable the Successor Agency to continue to make payments on enforceable obligations.

(v) Assembly Bill 1484 (Chapter 26, June 27, 2012) amended § 34177 (m) to require that successor agencies shall submit an oversight board-approved Recognized Obligation Payment Schedule (ROPS) to the Department of Finance and to the county auditor-controller no fewer than 90 days before the date of property tax distribution, and the date for this ROPS is October 1, 2013.

(vi) The Recognized Obligation Payment Schedule prepared by the Successor Agency and approved by the Oversight Board is for the period covering January 1, 2014 to June 30, 2014 and enumerates the enforceable obligations and expenses of the Successor Agency per law.

(vii) All legal prerequisites to the adoption of this Resolution have occurred.

B. Resolution.

NOW, THEREFORE, the Oversight Board of the Successor Agency to the Redevelopment Agency of the City of Placentia hereby finds, determines and resolves as follows:

1. In all respects as set forth in the Recitals, Part A., of this Resolution.

2. The Oversight Board hereby approves the ROPS for the period of January 1, 2014 to June 30, 2014 in the form presented to the Oversight Board and attached hereto as Exhibit A, including the agreements and obligations described in the ROPS, and hereby determines that such agreements and obligations constitute "enforceable obligations" or "recognized obligations" for all purposes of the Dissolution Act.

3. The Oversight Board authorizes and directs the Successor Agency staff to take all actions necessary under the Dissolution Act to post the ROPS on the Successor Agency website, transmit the ROPS to the Auditor-Controller of the County of Orange and to the State Controller and State Department of Finance, and to take any other actions necessary to ensure the validity of the ROPS or the validity of any enforceable obligation or other agreement approved by the Oversight Board in this Resolution.

4. The Chairperson shall sign this Resolution and the Clerk of the Board shall attest and certify to the passage and adoption thereof.

PASSED AND ADOPTED this 25th day of September, 2013.

ED GARCIA, CHAIRPERSON

ATTEST:

TANIA A. MORENO, CLERK OF THE BOARD

STATE OF CALIFORNIA
COUNTY OF ORANGE

I, Tania A. Moreno, Clerk of the Board of the Oversight Board of the Successor Agency to the Redevelopment Agency of the City of Placentia, do hereby certify that the foregoing Resolution was adopted at a regular meeting of the Oversight Board held on the 25th day of September, 2013, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

TANIA A. MORENO, CLERK OF THE BOARD

Attachment A:

Recognized Obligation Payment Schedule for the period covering
January 1, 2014 to June 30, 2014

RESOLUTION NO. OB-2013-11

