



TOWN OF APPLE VALLEY

TOWN COUNCIL STAFF REPORT

To: Honorable Mayor and Town Council **Date:** April 10, 2012

From: Orlando Acevedo **Item No:** 12
Economic Development Manager

Subject: Approve Second Recognized Obligation Payment Schedule (ROPS)

T.M. Approval: _____ **Budgeted Item:** Yes No N/A

RECOMMENDED ACTION:

That the Town Council adopt the attached SA Resolution No. 2012-03 approving the second Recognized Obligation Payment Schedule ("ROPS").

SUMMARY:

The Successor Agency to the dissolved Redevelopment Agency of the Town of Apple Valley ("Agency") may only pay the debts and obligations of the dissolved Redevelopment Agency identified on a ROPS. The proposed ROPS shall be transmitted to the County of San Bernardino Auditor-Controller ("Auditor-Controller") for certification as to its accuracy, reviewed and approved by the Oversight Board of the Successor Agency, the State Controller, and the State Department of Finance, and shall be posted on the Agency's website. The County Auditor-Controller will allocate property tax increment to successor agencies to pay debts listed on the approved ROPS.

The attached resolution includes the second ROPS, to be approved by April 15, 2012, setting forth the enforceable obligations and the amount of payments to be made for each of them, by month, for the sixth month period from July 1, 2012 through December 30, 2012.

Two critical items were added to this second ROPS: 1) the administrative agreement between the Town and Charles Abbott Associates, the Town's in-house consultant engineering firm, tasked with administering the Yucca Loma Bridge Corridor construction project; and, 2) the Employment Agreement, and Separation Agreement and Release with the former Agency Executive Director/Assistant Town Manager. Both items are demonstrative of "enforceable obligations" and should be clearly identified and separated from any general administrative obligations.

Based upon the foregoing, staff recommends adoption of SA Resolution 2012-03.

BACKGROUND:

The Town Council at its January 10th meeting adopted Resolution No. 2012-03 to serve as the successor agency of the former Redevelopment Agency of the Town of Apple Valley ("Agency"). On February 28th, the Town Council acting as the Successor Agency adopted SA Resolution

No. 2012-01, approving the first ROPS for the operative period from January 2012 through June 2012.

The first ROPS was prepared by the Successor Agency and submitted to the Auditor-Controller prior to March 1, 2012. The Oversight Board of the Successor Agency approved the first ROPS on March 19, 2012, and it was subsequently submitted to the State Department of Finance. Once the ROPS becomes effective, the Successor Agency may receive funds from the Auditor-Controller to pay the dissolved Agency's existing debts and obligations provided in the ROPS.

Upon approval by the Oversight Board at its meeting of April 16, 2012, the Successor Agency will provide a copy of the second ROPS to the Auditor-Controller, the State of California Department of Finance, and the State Controller, and post the approved ROPS on the Successor Agency's website. Pursuant to Health and Safety Code section 34179(h), because the Department of Finance may review Oversight Board actions, the Oversight Board's action to approve the ROPS is not effective for three business days, pending a request for review by the DOF.

A third ROPS will need to be approved prior to December 30 for the period of January 2013 through June 2013 and every six months thereafter.

FISCAL IMPACT:

On February 1, 2012, all redevelopment agencies were dissolved and successor agencies assumed the responsibilities of winding down the agencies' affairs and paying off debts. The ROPS outlines the former Agency's obligations, including debts and contracts that must be paid, in six-month fiscal periods. The Successor Agency will be responsible for paying off the enforceable obligations listed on the ROPS with funds remitted to the Successor Agency from the Redevelopment Property Tax Trust Fund, managed by the County Auditor-Controller. The Town's liabilities, as the Successor Agency, will be limited to the amount of property tax received to pay enforceable obligations.

Pursuant to Health and Safety Code section 34177(j), the Successor Agency is required to prepare a proposed administrative budget ("Budget") and submit it for approval to the Oversight Board. The Budget is required to include all of the following: (1) estimated amounts for Successor Agency administrative costs for the same sixth period as the ROPS; (2) proposed sources of payment for all administrative costs; (3) proposals for arrangements for administrative and operations services provided by the Town of Apple Valley.

The addition of each of the aforementioned agreements will reduce the impact of the administrative burdens of the former AVRDA to the Town's general fund.

SA RESOLUTION NO. 2012-03

A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF APPLE VALLEY ACTING AS THE SUCCESSOR AGENCY OF THE APPLE VALLEY REDEVELOPMENT AGENCY APPROVING A RECOGNIZED OBLIGATION PAYMENT SCHEDULE PURSUANT TO PART 1.8 OF DIVISION 24 OF THE CALIFORNIA HEALTH AND SAFETY CODE AS PROVIDED BY AB 1X 26

WHEREAS, pursuant to Health and Safety Code section 34173(d), the Town of Apple Valley (“RDA Successor Agency”) is the successor agency to the dissolved Redevelopment Agency of the Town of Apple Valley (“Agency”), confirmed by Resolution No. 2012-03 adopted on January 10, 2012; and

WHEREAS, Health and Safety Code section 34177(1)(2), as modified by the Supreme Court opinion in *California Redevelopment Association, et al. v. Ana Matosantos, et al.*, Case No. S194861, requires the RDA Successor Agency to prepare a second “recognized obligation payment schedule” (“ROPS”) by April 15, 2012, listing outstanding obligations of the Agency to be performed by the RDA Successor Agency during the time period from July 1, 2012, through December 31, 2012; and

WHEREAS, Health and Safety Code section 34177(1)(2) requires the RDA Successor Agency to submit the ROPS to the Oversight Board of the RDA Successor Agency for approval and, upon such approval, the RDA Successor Agency is required to submit a copy of such approved ROPS to the County of San Bernardino Auditor-Controller, the California State Controller, and the State of California Department of Finance and post the approved ROPS on the RDA Successor Agency’s website; and

WHEREAS, Health and Safety Code section 34180(g) requires the Oversight Board to approve the RDA Successor Agency’s establishment of the ROPS prior to the RDA Successor Agency acting upon the ROPS; and

WHEREAS, the RDA Successor Agency approved a first ROPS by SA Resolution No. 2012-01 on February 28, 2012; and

WHEREAS, the Oversight Board of the RDA Successor Agency approved a first ROPS by Resolution No. 2012-02 on March 19, 2012; and

WHEREAS, staff to the RDA Successor Agency submitted the approved ROPS to the State Department of Finance; and

NOW, THEREFORE, BE IT RESOLVED, FOUND, DETERMINED AND ORDERED BY THE TOWN COUNCIL OF THE TOWN OF APPLE VALLEY ACTING AS THE SUCCESSOR AGENCY OF THE APPLE VALLEY REDEVELOPMENT AGENCY AS FOLLOWS:

SECTION 1. Recitals. The Recitals set forth above are true and correct and incorporated herein by reference.

SECTION 2. CEQA Compliance. The determination given in this Resolution does not commit the RDA Successor Agency to any action that may have a significant effect on the environment. As a result, such approval does not constitute a project subject to the requirements of the California Environmental Quality Act. The RDA Successor Agency directs staff to file a Notice of Exemption within five (5) days following adoption of this Resolution with the Clerk of the Board of Supervisors of the County of San Bernardino.

SECTION 3. Approval of the ROPS. The RDA Successor Agency hereby approves the Recognized Obligation Payment Schedule, in substantially the form attached hereto as Exhibit A, as required by Health and Safety Code Section 34169. The RDA Successor Agency staff is hereby authorized and directed to post a copy of the ROPS on the RDA Successor Agency's website. RDA Successor Agency staff is further authorized and directed to take such steps necessary to facilitate the approval by the Oversight Board's approval of the ROPS, and to transmit the ROPS, by mail or electronic means, to the San Bernardino County Auditor-Controller, the State Controller and the Department of Finance, and other information as required by AB 1X 26.

SECTION 4. Severability. If any provision of this Resolution or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of this Resolution which can be given effect without the invalid provision or application, and to this end the provisions of this Resolution are severable. The Town Council of the Town of Apple Valley acting as the RDA Successor Agency hereby declares that it would have adopted this Resolution irrespective of the invalidity of any particular portion thereof.

SECTION 5. Certification. The Town Clerk shall certify to the adoption of this Resolution.

SECTION 6. Effective Date . This Resolution shall become effective upon its adoption.

PASSED, APPROVED AND ADOPTED this 10th day of April 2012.

MAYOR

ATTEST:

TOWN CLERK

EXHIBIT A

RECOGNIZED OBLIGATION PAYMENT SCHEDULE
For the period of June 2012 through December 2012

[Attached behind this page]

**RECOGNIZED OBLIGATION PAYMENT SCHEDULE - CONSOLIDATED
FILED FOR THE July 2012 to December 2012 PERIOD**

Name of Successor Agency: Town of Apple Valley

	Current	
	Total Outstanding Debt or Obligation	Total Due During Fiscal Year
Outstanding Debt or Obligation	\$ 107,910,145.00	\$ 4,893,868.00
	Total Due for Six Month Period	
Outstanding Debt or Obligation	\$ 3,251,716.00	
Available Revenues other than anticipated funding from RPTTF	\$ -	
Enforceable Obligations paid with RPTTF	\$ 3,251,716.00	
Administrative Cost paid with RPTTF	\$ 250,000.00	
Pass-through Payments paid with RPTTF	\$ -	
Administrative Allowance (greater of 5% of anticipated Funding from RPTTF or 250,000. Note: Calculation should not include pass-through payments made with RPTTF. The RPTTF Administrative Cost figure above should not exceed this Administrative Cost Allowance figure)	\$ 250,000.00	

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

_____	_____
Name	Title
_____	_____
Signature	Date

Name of Redevelopment Agency: Town of Apple Valley
 Project Area(s) VVEDA and AVRDA PA2

FORM A - Redevelopment Property Tax Trust Fund (RPTT -)

DRAFT RECOGNIZED OBLIGATION PAYMENT SCHEDULE
 Per AB 26 - Section 34177 (*)

Project Name / Debt Obligation	Execution Date of Contract or Agreement	Payee	Description	Project Area/Agency Code/Account Code/(R/OU-)	Total Outstanding Debt or Obligation	Total Due During Fiscal Year 2012-13	Funding Source	Payable from the Redevelopment Property Tax Trust Fund (RPTT) Payments by month					Total				
								July 2012	Aug 2012	Sept 2012	Oct 2012	Nov 2012		Dec 2012			
1) 2005 Tax Allocation Bonds	5/1/2005	US Bank	Fund Capital Improvements	VVEDA	11,758,383	512,213	Bonds										
2) 2007 Tax Allocation Bonds	6/1/2007	US Bank	Fund RDA activities	VVEDA	14,689,575	544,183	Bonds										
3) Loan Agreement/DCA	6/28/2011	AMCAL	50-Unit Senior Project	VVEDA	2,100,000	100,000	LMHF	8,333	8,333	8,333	8,333	8,333	8,333	8,333	8,333	49,998	
4) Employment Agreement	11/1/2008	Ken Henderson	Separation agreement and release	VVEDA	23,286	23,286	LMHF	7,762	7,762	7,762	7,762	7,762	7,762	7,762	7,762	23,286	
5)																	
6) 2007 Tax Allocation Bonds	7/1/2007	US Bank	Fund (80%) RDA activities	PA2	52,447,284	#####	Bonds										
7) 2007 Tax Allocation Bonds	7/1/2007	US Bank	Fund (20%) Housing projects	PA2	7,143,601	293,244	Bonds										
8) Yuca Loma Bridge Corridor	7/1/2007	Various	Bond proceeds for construction services	PA2	16,214,000	210,000	Bonds	17,500	17,500	17,500	17,500	17,500	17,500	17,500	17,500	164,518	
9) Yuca Loma Bridge Corridor	4/2/2007	Dobken Engineering	Design services	PA2	623,000	623,000	RPTT	103,833	103,833	103,833	103,833	103,833	103,833	103,833	103,835	623,000	
10) Yuca Loma Bridge Corridor	11/8/2005	CAA Engineering	Project management services	PA2	250,000	125,000	RPTT	20,833	20,833	20,833	20,833	20,833	20,833	20,833	20,835	125,000	
11) Employment Agreement	11/1/2008	Ken Henderson	Separation agreement and release	PA2	23,286	23,286	RPTT	7,762	7,762	7,762	7,762	7,762	7,762	7,762	7,762	23,286	
12) Loan Agreement/DCA	6/28/2011	AMCAL	Senior Project Loan Agreement	PA2	2,649,730	100,000	LMHF	8,333	8,333	8,333	8,333	8,333	8,333	8,333	8,333	49,998	
13)																	
14)																	
15)																	
16)																	
17)																	
18)																	
19)																	
20)																	
Totals - This Page (RPTT Funding)								107,910,145	4,893,868	174,356	174,356	174,356	158,832	158,832	2,410,984	3,251,716	
Totals - Page 2 (Other Funding)								N/A	N/A								
Totals - Page 3 (Administrative Cost Allowance)								N/A	250,000								
Totals - Page 4 (Pass Thru Payments)								N/A	N/A								
Grand total - All Pages								107,910,145	4,893,868	174,356	174,356	174,356	158,832	158,832	2,410,984	3,251,716	
RPTT - Redevelopment Property Tax Trust Fund																	
LMHF - Low and Moderate Income Housing Fund																	
Bonds - Bond proceeds																	
Admin - Successor Agency Administrative Allowance																	
Other - reserves, rents, interest earnings, etc																	

DRAFT RECOGNIZED OBLIGATION PAYMENT SCHEDULE
 Per AB 26 - Section 34177 (*)

Project Name / Debt Obligation	Payee	Description	Project Area/Agency Code-Account Code (FBOI-RG01)	Total Outstanding Debt or Obligation	Total Due During Fiscal Year 2012-2013	Funding Source	Payable from the Administrative Allowance Allocation ****											
							Payments by month											
							July 2012	Aug 2012	Sept 2012	Oct 2012	Nov 2012	Dec 2012	Total					
1) Personnel Services	Various	Dissolution Activities and Services	VEDA/AVDA P&Z	340,614	340,614	RPTRF	28,385	28,385	28,385	28,385	28,385	28,385	170,307					
2) Education and Training	Various	Dissolution Activities and Services	VEDA/AVDA P&Z	6,000	6,000	RPTRF	500	500	500	500	500	500	3,000					
3) Meetings and Conferences	Various	Dissolution Activities and Services	VEDA/AVDA P&Z	1,000	1,000	RPTRF	83	83	83	83	83	83	500					
4) Mileage	Various	Dissolution Activities and Services	VEDA/AVDA P&Z	5,000	5,000	RPTRF	417	417	417	417	417	417	2,500					
5) Office Expenses	Various	Dissolution Activities and Services	VEDA/AVDA P&Z	14,000	14,000	RPTRF	1,167	1,167	1,167	1,167	1,167	1,167	7,000					
6) Postage	Various	Dissolution Activities and Services	VEDA/AVDA P&Z	500	500	RPTRF	42	42	42	42	42	42	250					
7) Printing	Various	Dissolution Activities and Services	VEDA/AVDA P&Z	500	500	RPTRF	42	42	42	42	42	42	250					
8) Audit	TBD	Dissolution Activities and Services	VEDA/AVDA P&Z	12,000	12,000	RPTRF	1,000	1,000	1,000	1,000	1,000	1,000	6,000					
9) Contract Services	Family Wong	Dissolution Activities and Services	VEDA/AVDA P&Z	18,000	18,000	RPTRF	6,000	6,000	6,000	6,000	6,000	6,000	18,000					
10) Legal	BB&K	Dissolution Activities and Services	VEDA/AVDA P&Z	30,000	30,000	RPTRF	2,500	2,500	2,500	2,500	2,500	2,500	15,000					
11)																		
12)																		
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14)																		
15)																		
16)																		
17)																		
18)																		
19)																		
20)																		
Totals - This Page					\$ 427,614	\$ 427,614							\$222,807					
RPTRF - Redevelopment Property Tax Trust Fund Bonds - Bond proceeds																		
LMHF - Low and Moderate Income Housing Fund Admin - Successor Agency Administrative Allowance																		
						Other - reserves, rents, interest earnings, etc												

