



AGENDA REPORT
SAN CLEMENTE CITY COUNCIL MEETING
 Meeting Date: June 19, 2012

Agenda Item CoF
Approvals:
 City Manager [Signature]
 Dept. Head [Signature]
 Attorney [Signature]
 Finance _____

Department: Finance and Administrative Services
Prepared By: Jacob Rahn, Financial Services Manager

Subject: *SUCCESSOR AGENCY ACTIONS*

Summary: Under Health and Safety Code Section 34180, related to the dissolution of the Redevelopment Agency (RDA), the City Council (as the Successor) is required to take certain actions. These actions include the approval of the Recognized Obligation Payment Schedule (ROPS) and the approval of the Successor Agency's Administrative Budget. The attached ROPS addresses obligations for the July 1, 2012 to December 31, 2012 period.

This ROPS includes the Administrative Budget, the General Fund Advance (which was rejected), and a smaller amount related to the operating agreement (lease) for the Casa Romantica. The Casa Romantica is discussed in more detail below:

Casa Romantica Lease Obligation. The rental agreement with the Casa Romantica Cultural Center (CRCC) created an obligation under an amendment dated July 1, 2008 to perform certain maintenance items (see Exhibit 2), including an exterior painting every 10 years, which is currently due. This maintenance obligation is estimated to cost \$30,000 annually and the painting obligation to be \$80,000 every 10 years.

In addition to preparing the ROPS, the City is responsible for presenting an annual Administrative Budget (Exhibit 3) to the Oversight Board for approval. Although a minimum level of \$250,000 is in the law, this amount is subject to approval of the Oversight Board. As such, we are presenting an Administrative Budget in the annual amount of \$89,820 (\$44,660 semi-annually). This annual administrative budget is high in comparison to the costs listed on the ROPS. The dissolution of the RDA has required a large amount of staff time to meet all the various reporting requirements and inquiries by County and State agencies. In addition, the budget is based on costs allocated based on prior year activity and specific costs which may be required in the upcoming year.

Recommended

Action: STAFF RECOMMENDS THAT the City Council

- 1) Approve the Recognized Obligation Payment schedule for the period from July 1, 2012 to December 31, 2012.
- 2) Approve the Administrative Budget for the Successor Agency for FY 2013.

al Impact: None, funds will be provided by tax increment received in the RDA Recognized Obligation Retirement Fund.

CoF-1

Attachments: Attachment 1 – Draft Recognized Obligation Payment Schedule
Attachment 2 – Excerpt from Lease Amendment
Attachment 3 – Listing of Administrative Budget

Notification: State of California Department of Finance
State of California State Controllers Office
County of Orange Auditor Controller
Casa Romantica Cultural Center

**DRAFT RECOGNIZED OBLIGATION PAYMENT SCHEDULE - CONSOLIDATED
FILED FOR THE JULY 1, 2012 TO DECEMBER 31, 2012 PERIOD**

Name of Successor Agency City of San Clemente

	Current	
	Total Outstanding Debt or Obligation	Total Due During Fiscal Year
Outstanding Debt or Obligation	\$ 1,922,665.00	\$ 384,150.00
	Total Due for Six Month Period	
Outstanding Debt or Obligation	\$ 194,574.98	
Available Revenues other than anticipated funding from RPTTF	\$ -	
Enforceable Obligations paid with RPTTF	\$ 149,914.98	
Administrative Cost paid with RPTTF	\$ 44,660.00	
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

6-1-12

Name of Redevelopment Agency: San Clemente Redevelopment Agency
 Project Area(s) RDA Project Area All

FORM A - Redevelopment Property Tax Trust Fund (RPTTF)

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

	Project Name / Debt Obligation	Contract/Agreement Execution Date	Payee	Description	Project Area	Total Outstanding Debt or Obligation	Total Due During Fiscal Year 2012-2013**	*** Funding Source	Payable from the Redevelopment Property Tax Trust Fund (RPTTF)						
									Payments by month						
									July 2012	August 2012	Sept 2012	Oct 2012	Nov 2012	Dec 2012	Total
1)	San Clemente/Lease Obligation	June 6, 2001 (amended July 1, 2008)	Casa Romantica Cultural	Maintenance requirements under lease (estimate is \$30,000 annually)	Project Area #1	\$ 55,000.00	25,000.00	RPTTF	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00	\$ 15,000.00
2)	San Clemente/General Fund Advance	July 1, 2003 (1994 refinance)	City of San Clemente	Loan for prior capital projects/Casa Romantica (2.88% interest rate)	Project Area #1	1,778,345.00	269,830.00	RPTTF	22,485.83	22,485.83	22,485.83	22,485.83	22,485.83	22,485.83	\$ 134,914.98
3)															\$ -
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20)															\$ -
21)															\$ -
22)															\$ -
23)															\$ -
24)															\$ -
Totals - This Page (RPTTF Funding)						\$ 1,833,345.00	\$ 294,830.00	N/A	\$ 24,985.83	\$ 24,985.83	\$ 24,985.83	\$ 24,985.83	\$ 24,985.83	\$ 24,985.83	\$ 149,914.98
Totals - Page 2 (Other Funding)						\$ -	\$ -	N/A	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Totals - Page 3 (Administrative Cost Allowance)						\$ 89,320.00	\$ 89,320.00	N/A	\$ 7,443.34	\$ 7,443.34	\$ 7,443.32	\$ 7,443.34	\$ 7,443.34	\$ 7,443.32	\$ 44,660.00
Totals - Page 4 (Pass Thru Payments)						\$ -	\$ -	N/A	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grand total - All Pages						\$ 1,922,665.00	\$ 384,150.00		\$ 32,429.17	\$ 32,429.17	\$ 32,429.15	\$ 32,429.17	\$ 32,429.17	\$ 32,429.15	\$ 194,574.98

* The Preliminary Draft Recognized Obligation Payment Schedule (ROPS) is to be submitted to the County, State Controller and State Department of Finance.
 ** All totals due during fiscal year and payment amounts are projected.
 *** Funding sources from the successor agency: (For fiscal 2011-12 only, references to RPTTF could also mean tax increment allocated to the Agency prior to February 1, 2012.)
 RPTTF - Redevelopment Property Tax Trust Fund Bonds - Bond proceeds Other - reserves, rents, interest earnings, etc
 LMIHF - Low and Moderate Income Housing Fund Admin - Successor Agency Administrative Allowance

7-2-12

Attachment 1 - Draft Recognized Obligation Payment Schedule

Name of Redevelopment Agency: San Clemente Redevelopment Agency
 Project Area(s) RDA Project Area All

FORM B - All Revenue Sources Other Than Redevelopment Property Tax Trust Fund (RPTTF)

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

	Project Name / Debt Obligation	Contract/Agreement Execution Date	Payee	Description	Project Area	Total Outstanding Debt or Obligation	Total Due During Fiscal Year 2012-2013**	Funding Source ***	Payable from Other Revenue Sources						
									Payments by month						
									July 2012	August 2012	Sept 2012	Oct 2012	Nov 2012	Dec 2012	Total
1)	San Clemente/Lease Obligation	June 6,2001 (amended July 1, 2008)	Casa Romantica Cultural	Maintenance requirements under lease (estimate is \$30,000 annually)	Project Area #1	5,000.00	5,000.00	Other	0.00	0.00	0.00	0.00	0.00	0.00	\$ -
2)															\$ -
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19)															\$ -
20)															\$ -
21)															\$ -
22)															\$ -
23)															\$ -
24)															\$ -
Totals - LMIHF															\$0.00
Totals - Bond Proceeds															\$0.00
Totals - Other															\$0.00
Grand total - This Page						\$ -	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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 ** All total due during fiscal year and payment amounts are projected.
 *** Funding sources from the successor agency: (For fiscal 2011-12 only, references to RPTTF could also mean tax increment allocated to the Agency prior to February 1, 2012.)
 RPTTF - Redevelopment Property Tax Trust Fund Bonds - Bond proceeds Other - reserves, rents, interest earnings, etc
 LMIHF - Low and Moderate Income Housing Fund Admin - Successor Agency Administrative Allowance

4-2-12

Attachment 1 - Draft Recognized Obligation Payment Schedule

Name of Redevelopment Agency: San Clemente Redevelopment Agency

FORM C - Administrative Cost Allowance Paid With Redevelopment Property Tax Trust Fund (RPTTF)

Project Area(s) RDA Project Area All

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

	Project Name / Debt Obligation	Payee	Description	Project Area	Total Outstanding Debt or Obligation	Total Due During Fiscal Year 2012-2013**	Funding Source **	Payable from the Administrative Allowance Allocation ****						
								Payments by month						Total
							July 2012	August 2012	Sept 2012	Oct 2012	Nov 2012	Dec 2012		
1)	Overhead Costs	City of San Clemente	Overhead for staffing support (in arrears)	Project #1	70,320.00	70,320.00	Admin	5,860.00	5,860.00	5,860.00	5,860.00	5,860.00	5,860.00	\$ 35,160.00
2)	Legal/Contractual	Rutan & Tucker, others	Legal and consulting as needed	Project #1	15,000.00	15,000.00	Admin	1,250.00	1,250.00	1,250.00	1,250.00	1,250.00	1,250.00	\$ 7,500.00
3)	Auditing	Audit Firm	Auditing services	Project #1	3,500.00	3,500.00	Admin	291.67	291.67	291.66	291.67	291.67	291.66	\$ 1,750.00
4)	Miscellaneous	Various	Various items	Project #1	500.00	500.00	Admin	41.67	41.67	41.66	41.67	41.67	41.66	\$ 250.00
5)														\$ -
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24)														\$ -
25)														\$ -
26)														\$ -
Totals - This Page					\$ 89,320.00	\$ 89,320.00		\$ 7,443.34	\$ 7,443.34	\$ 7,443.32	\$ 7,443.34	\$ 7,443.34	\$ 7,443.32	\$44,660.00

* The Preliminary Draft Recognized Obligation Payment Schedule (ROPS) is to be submitted to the County, State Controller and State Department of Finance.

** All total due during fiscal year and payment amounts are projected.

*** Funding sources from the successor agency: (For fiscal 2011-12 only, references to RPTTF could also mean tax increment allocated to the Agency prior to February 1, 2012.)

RPTTF - Redevelopment Property Tax Trust Fund

Bonds - Bond proceeds

Other - reserves, rents, interest earnings, etc

LMIHF - Low and Moderate Income Housing Fund

Admin - Successor Agency Administrative Allowance

**** - Administrative Cost Allowance caps are 5% of Form A 6-month totals in 2011-12 and 3% of Form A 6-month totals in 2012-13. The calculation should not factor in pass through payments paid for with RPTTF in Form D.

Handwritten initials

Name of Redevelopment Agency San Clemente Redevelopment Agency
 Project Area(s) RDA Project Area All

FORM D - Pass-Through Payments

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

	Project Name / Debt Obligation	Payee	Description	Project Area	Total Outstanding Debt or Obligation	Total Due During Fiscal Year 2012-2013**	Source of Fund***	Pass Through and Other Payments ****						Total
								July 2012	August 2012	Sept 2012	Oct 2012	Nov 2012	Dec 2012	
1)	To be paid by County													
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Totals - Other Obligations					\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

* The Preliminary Draft Recognized Obligation Payment Schedule (ROPS) is to be submitted to the County, State Controller and State Department of Finance.
 ** All total due during fiscal year and payment amounts are projected.
 *** Funding sources from the successor agency: (For fiscal 2011-12 only, references to RPTTF could also mean tax increment allocated to the Agency prior to February 1, 2012.)
 RPTTF - Redevelopment Property Tax Trust Fund Bonds - Bond proceeds Other - reserves, rents, interest earnings, etc
 LMIHF - Low and Moderate Income Housing Fund Admin - Successor Agency Administrative Allowance
 **** - Only the January through June 2012 ROPS should include expenditures for pass-through payments. Starting with the July through December 2012 ROPS, per HSC section 34183 (a) (1), the county auditor controller will make the required pass-through payments prior to transferring money into the successor agency's Redevelopment Obligation Retirement Fund for items listed in an oversight board approved ROPS.

ATTACHMENT 2 - EXCERPT FROM LEASE
AMENDMENT

AGENCY MAINTENANCE AND REIMBURSEMENT OBLIGATIONS

1. The Agency shall be responsible only for the following maintenance activities and reimbursements:
2. Maintenance of Casa Romantica's domestic water system from the meter to the building's internal plumbing fixtures.
3. Maintenance of Casa Romantica's sewer system from the main line to the building's internal plumbing fixtures.
4. Reimbursement to Tenant for the cost of labor and materials for replacement of all of Casa Romantica's main electrical panels, load centers/breakers, conduits, raceways and wiring to the extent that such replacement is necessary as a result of aging from regular use.
5. Maintenance of the roof of the Casa Romantica building.
6. Maintenance, inspection, certification and monitoring of fire suppression /sprinkler system.
7. Reimbursement to Tenant for any portion of the cost of repairs and replacement to the HVAC system determined necessary by the PM that exceed One Thousand Five Hundred Dollars (\$1,500) per year. In determining the costs of repairs and replacement, the costs related to the PM Program shall not be included.
8. Maintenance, including removal and replacement as determined necessary by the Director of Beaches, Parks & Recreation, of all trees located on the Property that are over twenty (20) feet in height.
9. Maintenance of the exterior Property boundary fence, including, without limitation, spot treating and painting and, if determined necessary by the Director of Beaches, Parks & Recreation, replacement of said fence. The design and materials of any replacement fence shall be subject to the approval of the City Council.
10. Painting of the exterior of the Casa Romantica building every ten (10) years, with the first such painting to be completed by April 1, 2012, and each subsequent painting to be completed by the tenth (10th) anniversary of the immediately prior painting.
11. Performance of annual termite inspections, provision of localized extermination treatments or complete eradication treatments, as determined necessary by the Director of Beaches, Parks & Recreation as a result of said inspections, and performance of any repairs necessitated by termite damage.

Attachment "3" - Listing of Administrative Budget

CITY OF SAN CLEMENTE

SUCCESSOR AGENCY ADMINISTRATIVE BUDGET

JULY 1, 2012 TO JUNE 30, 2013

	<u>Totals</u>
General Fund Overhead (1)	66,180
Internal Service Charges (2)	4,140
Legal/Contractual(3)	15,000
Auditing	3,500
Other costs, including postage, supplies, etc. (4)	500
Total Administration Budget	<u>89,320</u>

NOTES

- (1) These costs include allocations based on the prior year activity and include the allocation of City Council, City Manager, City Clerk, Finance, Treasurer and City General costs.
- (2) These costs include allocations of internal service charges based on past activity which include duplicating, communications/technology and rental charges.
- (3) These costs relate primarily to legal costs and any subsequent audit costs that may need to be performed.
- (4) These costs are for direct costs that may be required as part of the dissolution of the Redevelopment Agency.