



ITEM NO. 7

# STAFF REPORT

DATE: FEBRUARY 19, 2013  
TO: SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY FOR THE CITY OF COLTON  
FROM: ROD FOSTER, CITY MANAGER *[Signature]*  
BONNIE JOHNSON, MANAGEMENT SERVICES DIRECTOR *[Signature]*  
PREPARED BY: ARTHUR W. MORGAN, REDEVELOPMENT MANAGER  
SUBJECT: ADOPTION OF RESOLUTION APPROVING AND ADOPTING A RECOGNIZED OBLIGATION PAYMENT SCHEDULE FOR THE PERIOD COVERING JULY 1, 2013 THROUGH DECEMBER 31, 2013 (ROPS IV) PURSUANT TO HEALTH AND SAFETY CODE SECTION 34177(m)

### RECOMMENDED ACTION

It is recommended that the Successor Agency to the Redevelopment Agency for the City of Colton, adopt Resolution No. SAR-01-13, approving and adopting a Recognized Obligation Payment Schedule (“ROPS IV”) for the period covering July 1, 2013 through December 31, 2013, pursuant to Health and Safety Code section 34177(m).

### GOAL STATEMENT

This action supports the Successor Agency’s goal to be in full compliance with State laws, rules and procedures.

### BACKGROUND

AB 1X 26 (the “Dissolution Act”) dissolved the Redevelopment Agency for the City of Colton (“Agency”) as of February 1, 2012. On June 27, 2012, as part of the Fiscal Year 2012-2013 State Budget package, the Legislature passed and the Governor signed AB 1484, the primary purpose of which was to make technical and substantive amendments to the Dissolution Act based on experience to-date at the State and local level in implementing that act. The City of Colton (“RDA Successor Agency”) is the successor agency to the Agency.

One of the RDA Successor Agency’s responsibilities under the Dissolution Act is to prepare a draft Recognized Obligation Payment Schedule (“ROPS”) for each six (6) month fiscal period, listing all of the outstanding debts and obligations of the former Agency and submit the draft

ROPS to the RDA Successor Agency's Oversight Board and the State Department of Finance ("DOF") for review and approval.

The Successor Agency is required to submit to the DOF and the CAC the ROPS for July 1, 2013 through December 31, 2013, approved by the Oversight Board, no later than March 1, 2013. Health & Safety Code section 34177(l)(2)(B), also requires that the ROPS IV be completed on a DOF-approved form and an electronic copy of the ROPS IV be submitted to the county administrative officer, the CAC, and the DOF at the same time as the proposed ROPS IV is submitted to the Oversight Board for approval.

Pursuant to Health and Safety Code section 34177(m), the DOF is required to make its determination of the enforceable obligations, and the amounts and funding sources of the enforceable obligations, no later than forty-five (45) days after the Oversight Board approved ROPS IV and is submitted to DOF.

#### ISSUE/ANALYSIS

One of the responsibilities of the RDA Successor Agency is to prepare a draft ROPS for each six (6) month fiscal period listing the nature, amount, and source(s) of payment of all outstanding "enforceable obligations" of the dissolved Agency (as defined by law) to be paid or performed by the RDA Successor Agency. Each ROPS is required to be forward-looking and show obligations over each six month fiscal period.

The "enforceable obligations" listed in the ROPS may include the following: (1) bonds; (2) loans legally required to be repaid pursuant to a payment schedule with mandatory repayment terms; (3) payments required by the federal government, preexisting obligations to the state or obligations imposed by state law; (4) judgments, settlements or binding arbitration decisions that bind the agency; (5) legally binding and enforceable agreements or contracts; (6) contracts or agreements necessary for the continued administration or operation of the agency, including agreements to purchase or rent office space, equipment and supplies; and (7) amounts borrowed from or payments owing to the Low and Moderate Income Housing Fund that had been deferred as of June 29, 2011.

Please note that DOF has made changes to the reporting forms. The changes include:

- Items from prior ROPS are required to be included even if no current funding is being requested;
- Prior ROPS line items previously denied by DOF are highlighted in pale red;
- For new line items, certain cells such as description, project name and pages are locked for input. Supplemental information must be submitted on the notes page.

Pursuant to Health and Safety Code section 34177(m), the RDA Successor Agency is required to prepare a ROPS IV covering the period from July 1, 2013, through December 31, 2013. The ROPS IV, if approved by the RDA Successor Agency, will be submitted to the RDA Successor Agency's Oversight Board for approval, and at the same time, submitted to the County of San Bernardino Administrative Officer, the County of San Bernardino Auditor-Controller and the State Department of Finance.

**FISCAL IMPACT**

No RDA Successor Agency funds are involved with the adoption of the ROPS IV. The ROPS IV lists obligations of the dissolved Agency that are to be performed by the RDA Successor Agency with property tax increment revenues to be allocated to the RDA Successor Agency, subject to the payment priority provisions of the Dissolution Act.

However, failure to approve and submit a timely ROPS may result in the assessment of various penalties against the Successor Agency and/or the City of Colton (the "City"). If a Successor Agency does not timely submit a ROPS pursuant to the deadlines set forth in Dissolution Act, the City may be subject to a \$10,000 per day civil penalty for each day the ROPS is delinquent. In addition, failure of the Successor Agency to submit a ROPS within 10 days of the deadline may result in a 25% reduction of a Successor Agency's maximum administrative cost allowance for the period covered by the ROPS, pursuant to Health and Safety Code section 34177(m)(2).

**ALTERNATIVE**

The RDA Successor Agency may wish to consider the following alternative:

1. Provide alternative direction to staff.

**ATTACHMENT**

1. RDA Successor Agency Resolution No. SAR-01-13





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**EXHIBIT A**

**DRAFT RECOGNIZED OBLIGATION PAYMENT SCHEDULE**  
**Covering the period from July 30, 2013 through December 31, 2013**

**[Attached behind this page]**

**SUMMARY OF RECOGNIZED OBLIGATION PAYMENT SCHEDULE**

Filed for the July 1, 2013 to December 31, 2013 Period

Name of Successor Agency: **COLTON (SAN BERNARDINO)**

Outstanding Debt or Obligation	Total
Total Outstanding Debt or Obligation	\$65,678,278

Current Period Outstanding Debt or Obligation	Six-Month Total
A Available Revenues Other Than Anticipated RPTTF Funding	\$11,923,639
B Enforceable Obligations Funded with RPTTF	\$3,381,519
C Administrative Allowance Funded with RPTTF	\$125,000
D Total RPTTF Funded (B + C = D)	\$3,506,519
E Total Current Period Outstanding Debt or Obligation (A + B + C = E) <i>Should be same amount as ROPS form six-month total</i>	\$15,430,158
F Enter Total Six-Month Anticipated RPTTF Funding	\$3,506,519
G Variance (F - D = G) <i>Maximum RPTTF Allowable should not exceed Total Anticipated RPTTF Funding</i>	\$0

Prior Period (July 1, 2012 through December 31, 2012) Estimated vs. Actual Payments (as required in HSC section 34186 (a))	
H Enter Estimated Obligations Funded by RPTTF <i>(lesser of Finance's approved RPTTF amount including admin allowance or the actual amount distributed)</i>	\$886,096
I Enter Actual Obligations Paid with RPTTF	\$2,959,994
J Enter Actual Administrative Expenses Paid with RPTTF	\$125,000
K Adjustment to Redevelopment Obligation Retirement Fund (H - (I + J) = K)	\$0
L Adjustment to RPTTF (D - K = L)	\$3,506,519

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/		Date	
Signature		Date	

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COLTON (SAN BERNARDINO)  
 RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS 13-14A)  
 July 1, 2013 through December 31, 2013

Oversight Board Approval Date: \_\_\_\_\_

Item #	Project Name / Debt Obligation	Contract/Agreement Execution Date	Contract/Agreement Termination Date	Payee	Description/Project Scope	Project Area	Total Outstanding Debt or Obligation	Total Due During Fiscal Year 2013-14	Funding Source					Six-Month Total
									Bond Proceeds	Reserve Balance	Admin Allowance	RPTTF	Other	
1	1998 Tax Allocation Bonds Series A & B	4/1/1998	8/1/2018	US Bank	Bond issue to fund capital projects	RR20-RG01, RR24-RG01	28,234,111	2,891,375	\$0	\$11,923,639	\$125,000	\$3,381,519	\$0	\$15,430,158
2	1999 Tax Allocation Bonds	9/1/1999	9/1/2036	US Bank	Bond issue to fund capital projects	RR26-RG01, RR25-RG01	10,996,310	458,516	0	0	0	285,887	0	285,887
3	2004 Tax Allocation Bonds	7/1/2004	8/1/2026	US Bank	Bond issue to fund housing projects	Low/Mod Housing	7,296,088	502,418	0	0	0	383,809	0	383,809
4	CIEDB Loan Agreement	4/30/2002	7/1/2021	I Bank	Infrastructure loan	RR24-RG01	1,364,619	151,211	0	0	0	133,919	0	133,919
5	Participation/Cooperation Agreement	8/1/1998	6/1/2020	East Valley Land Co.	Ownership Participation Agreement	RR24-RG01	1,773,294	148,000	0	0	0	74,000	0	74,000
6	Price Company DDA	10/1/1986		Price Company	Disposition & Development Agrmt/Promissory Note	RR25-RG01	2,490,172	174,312	0	0	0	81,454	0	81,454
7	TABS Administration Fees	4/1/1998	9/1/2036	US Bank	TABS Administration Fees	RR26-RG01, RR25-RG01, Low/Mod Housing	7,425	7,425	0	0	0	7,425	0	7,425
8	TABS Arbitrage Fees	9/1/2011		Willdan Financial Services	Arbitrage calculations	RR26-RG01, RR25-RG01, Low/Mod Housing	3,750	3,750	0	0	0	3,750	0	3,750
9	TABS Continuing Disclosures	2/1/2012		HdL Coren & Cone	Annual Continuing Disclosures & Disseminations	RR26-RG01, RR25-RG01, Low/Mod Housing	7,500	7,500	0	0	0	0	0	0
10	Reassessment District (RAD) 00-1	12/1/2000	9/1/2019	Union Bank	Bond issue to fund housing projects	Low/Mod Housing	0	0	0	0	0	0	0	0
11	RAD 00-1 Administration Fees	12/1/2000		NBS	Assessment calculation fees	Low/Mod Housing	0	0	0	0	0	0	0	0
12	East Cooley Drive (11.2 acres)			City of Colton as SA staff	Project Management of Land Sale by SA	RR24-RG01	150,000	0	0	0	0	0	0	0
13	Appraisal Report			TBD	Determination of Fair Market Land Value	RR24-RG01	8,000	0	0	0	0	0	0	0
14	Title Report			Chicago Title	Title Report per parcel	RR24-RG01	2,000	0	0	0	0	0	0	0
15	Phase I Analysis			TBD	Determination of Soils Condition	RR24-RG01	5,000	0	0	0	0	0	0	0
16	Escrow Closing Cost to Seller			City of Colton as SA	Seller's share of closing costs	RR24-RG01	10,000	0	0	0	0	0	0	0
17	Property Maintenance			City of Colton as SA	Weed abatement of site until sold	RR24-RG01	5,000	0	0	0	0	0	0	0
18	Brokerage Commission			TBD	Seller pays 6% brokerage fees	RR24-RG01	146,362	0	0	0	0	0	0	0
19	For Sale Marketing/Legal Notices			City of Colton as SA	Printed materials for sale of land	RR24-RG01	5,000	0	0	0	0	0	0	0
20	Legal Fees			Best Best & Krieger	Legal documents for land sale	RR24-RG01	50,000	0	0	0	0	0	0	0
21	101 Units Affordable Sr. Housing	7/1/2012		Colton Housing Authority	Replacement per H&S Code Sec. 33413(a)	Original Site	0	0	0	0	0	0	0	0
22	6 Parcels - West Valley (22.2 acres)			City of Colton as SA staff	Project Management of Land Sale by SA	RR25-RG01	150,000	0	0	0	0	0	0	0
23	Development Planning			TBD	Planning for maximum land use & value	RR25-RG01	100,000	0	0	0	0	0	0	0
24	Appraisal Report (6 reports @ \$8,000)			TBD	Determination of Fair Market Land Value	RR25-RG01	48,000	0	0	0	0	0	0	0
25	Title Report (6 @ \$500)			Chicago Title	Title Reports per parcel	RR25-RG01	3,000	0	0	0	0	0	0	0
26	Phase I Analysis (6 @ \$5,000)			TBD	Determination of Soils Condition	RR25-RG01	30,000	0	0	0	0	0	0	0
27	Seller Closing Cost (6 @ \$10,000)			City of Colton as SA	Seller's share of closing costs	RR25-RG01	60,000	0	0	0	0	0	0	0
28	Property Maintenance (6 @ \$2,500)			City of Colton as SA	Weed abatement of site until sold	RR25-RG01	15,000	0	0	0	0	0	0	0
29	Brokerage Commission			TBD	Seller pays 6% brokerage fees	RR25-RG01	464,008	0	0	0	0	0	0	0
30	For Sale Marketing/Legal Notices			City of Colton as SA	Printed materials for sale of land	RR25-RG01	5,000	0	0	0	0	0	0	0
31	Legal Fees			Best Best & Krieger	Legal documents (multiple land sales)	RR25-RG01	75,000	0	0	0	0	0	0	0
32	Successor Agency			Best Best & Krieger	Legal Services	All	13,322	13,322	0	0	6,661	0	0	6,661
33	Successor Agency			City of Colton	Personnel Costs	All	236,678	236,678	0	0	118,339	0	0	118,339
		6/30/2010	Upon satisfaction				75,000	75,000		75,000				75,000
		6/30/2010	Upon satisfaction				442,977	442,977		442,977				442,977
		6/30/2010	Upon satisfaction				50,000	50,000		50,000				50,000
		6/30/2010	Upon satisfaction				450,000	450,000		450,000				450,000
		6/30/2010	Upon satisfaction				442,975	442,975		442,975				442,975
		6/30/2010	Upon satisfaction				442,975	442,975		442,975				442,975
		6/30/1987	6/30/2012				2,164,489	2,164,489		2,164,489				2,164,489
		3/7/1983	6/30/2012				4,913,841	4,913,841		4,913,841				4,913,841
		3/16/1983	6/30/2012				894,259	894,259		894,259				894,259
		10/1/1985	6/30/2012				2,764	2,764		2,764				2,764

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COLTON (SAN BERNARDINO)  
 RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS 13-14A)  
 July 1, 2013 through December 31, 2013

Oversight Board Approval Date: \_\_\_\_\_

Item #	Project Name / Debt Obligation	Contract/Agreement Execution Date	Contract/Agreement Termination Date	Payee	Description/Project Scope	Project Area	Total Outstanding Debt or Obligation	Total Due During Fiscal Year 2013-14	Funding Source					Six-Month Total	
									Bond Proceeds	Reserve Balance	Admin Allowance	RPTTF	Other		
		9/16/1986	6/30/2012				1,381,539	1,381,539		1,381,539					1,381,539
		10/8/1986	6/30/2012				494,506	494,506		494,506					494,506
		N/A	6/30/2012				168,314	168,314		168,314					168,314
		10/30/2012	12/31/2012					19,000				19,000			19,000

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COLTON (SAN BERNARDINO)  
Pursuant to Health and Safety Code section 34186 (a)  
PRIOR PERIOD ESTIMATED OBLIGATIONS vs. ACTUAL PAYMENTS  
RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS II)  
July 1, 2012 through December 31, 2012

Item #	Project Name / Debt Obligation	Payee	Description/Project Scope	Project Area	LMIHF		Bond Proceeds		Reserve Balance		Admin Allowance		RPTTF		Other	
					Estimate	Actual	Estimate	Actual	Estimate	Actual	Estimate	Actual	Estimate	Actual	Estimate	Actual
1	1998 Tax Allocation Bonds Series A & B	US Bank	Bond issue to fund capital projects	RR20-RG01, RR24-RG01	\$0	\$0	\$0	\$0	\$0	\$0	\$125,000	\$125,000	\$4,667,668	\$3,114,977	\$0	\$0
2	1999 Tax Allocation Bonds	US Bank	Bond issue to fund capital projects	RR26-RG01, RR25-RG01	0	0	0	0	0	0	0	0	2,352,648	2,344,307	0	0
3	2004 Tax Allocation Bonds	US Bank	Bond issue to fund housing projects	Low/Mod Housing	0	0	0	0	0	0	0	0	373,464	373,564	0	0
4	CIEDB Loan Agreement	I Bank	Infrastructure loan	RR24-RG01	0	0	0	0	0	0	0	0	132,443	132,443	0	0
5	Participation/Cooperation Agreement	East Valley Land Co.	Ownership Participation Agreement	RR24-RG01	0	0	0	0	0	0	0	0	90,000	109,153	0	0
6	Price Company DDA	Price Company	Disposition & Development Agrmnt/Promissory Note	RR25-RG01	0	0	0	0	0	0	0	0	85,000	87,516	0	0
7	TABS Administration Fees	US Bank	TABS Administration Fees	RR26-RG01, RR25-RG01, Low/Mod Housing	0	0	0	0	0	0	0	0	8,800		0	0
8	TABS Arbitrage Fees	Willdan Financial Services	Arbitrage calculations	RR26-RG01, RR25-RG01, Low/Mod Housing	0	0	0	0	0	0	0	0	10,000	3,750	0	0
9	TABS Continuing Disclosures	Hdl Coren & Cone	Annual Continuing Disclosures & Disseminations	RR26-RG01, RR25-RG01, Low/Mod Housing	0	0	0	0	0	0	0	0	0	0	0	0
10	Reassessment District (RAD) 00-1	Union Bank	Bond issue to fund housing projects	Low/Mod Housing	0	0	0	0	0	0	0	0	0	0	0	0
11	RAD 00-1 Administration Fees	NBS	Assessment calculation fees	Low/Mod Housing	0	0	0	0	0	0	0	0	0	0	0	0
12	East Cooley Drive (11.2 acres)	City of Colton as SA staff	Project Management of Land Sale by SA	RR24-RG01	0	0	0	0	0	0	0	0	150,000	0	0	0
13	Appraisal Report	TBD	Determination of Fair Market Land Value	RR24-RG01	0	0	0	0	0	0	0	0	8,000	0	0	0
14	Title Report	Chicago Title	Title Report per parcel	RR24-RG01	0	0	0	0	0	0	0	0	2,000	0	0	0
15	Phase I Analysis	TBD	Determination of Soils Condition	RR24-RG01	0	0	0	0	0	0	0	0	5,000	0	0	0
16	Escrow Closing Cost to Seller	City of Colton as SA	Seller's share of closing costs	RR24-RG01	0	0	0	0	0	0	0	0	10,000	0	0	0
17	Property Maintenance	City of Colton as SA	Weed abatement of site until sold	RR24-RG01	0	0	0	0	0	0	0	0	5,000	0	0	0
18	Brokerage Commission	TBD	Seller pays 6% brokerage fees	RR24-RG01	0	0	0	0	0	0	0	0	5,000	0	0	0
19	For Sale Marketing/Legal Notices	City of Colton as SA	Printed materials for sale of land	RR24-RG01	0	0	0	0	0	0	0	0	146,362	0	0	0
20	Legal Fees	Best Best & Krieger	Legal documents for land sale	RR24-RG01	0	0	0	0	0	0	0	0	5,000	0	0	0
21	101 Units Affordable Sr. Housing	Colton Housing Authority	Replacement per H&S Code Sec. 33413(a)	Original Site	0	0	0	0	0	0	0	0	0	0	0	0
22	6 Parcels - West Valley (22.2 acres)	City of Colton as SA staff	Project Management of Land Sale by SA	RR25-RG01	0	0	0	0	0	0	0	0	150,000	3,200	0	0
23	Development Planning	TBD	Planning for maximum land use & value	RR25-RG01	0	0	0	0	0	0	0	0	100,000	0	0	0
24	Appraisal Report (6 reports @ \$8,000)	TBD	Determination of Fair Market Land Value	RR25-RG01	0	0	0	0	0	0	0	0	48,000	0	0	0
25	Title Report (6 @ \$500)	Chicago Title	Title Reports per parcel	RR25-RG01	0	0	0	0	0	0	0	0	3,000	0	0	0
26	Phase I Analysis (6 @ \$5,000)	TBD	Determination of Soils Condition	RR25-RG01	0	0	0	0	0	0	0	0	30,000	0	0	0
27	Seller Closing Cost (6 @ \$10,000)	City of Colton as SA	Seller's share of closing costs	RR25-RG01	0	0	0	0	0	0	0	0	60,000	0	0	0
28	Property Maintenance (6 @ \$2,500)	City of Colton as SA	Weed abatement of site until sold	RR25-RG01	0	0	0	0	0	0	0	0	15,000	0	0	0
29	Brokerage Commission	TBD	Seller pays 6% brokerage fees	RR25-RG01	0	0	0	0	0	0	0	0	464,008	0	0	0
30	For Sale Marketing/Legal Notices	City of Colton as SA	Printed materials for sale of land	RR25-RG01	0	0	0	0	0	0	0	0	5,000	0	0	0
31	Legal Fees	Best Best & Krieger	Legal documents (multiple land sales)	RR25-RG01	0	0	0	0	0	0	0	0	75,000	0	0	0
32	Successor Agency	Best Best & Krieger	Legal Services	All	0	0	0	0	0	0	6,661	6,661	0	0	0	0
33	Successor Agency	City of Colton	Personnel Costs	All	0	0	0	0	0	0	118,339	118,339	0	0	0	0

July 1, 2013 through December 31, 2013

Item #	Project Name / Debt Obligation	Notes/Comments
1	1998 Tax Allocation Bonds Series A & B	
2	1999 Tax Allocation Bonds	
3	2004 Tax Allocation Bonds	
4	CIEDB Loan Agreement	
5	Participation/Cooperation Agreement	
6	Price Company DDA	This debt continues to accrue but will not be paid until the covenants of the DDA are met. RPTTF funding is required to meet future payments.
7	TABS Administration Fees	
8	TABS Arbitrage Fees	
9	TABS Continuing Disclosures	
10	Reassessment District (RAD) 00-1	
11	RAD 00-1 Administration Fees	
12	East Cooley Drive (11.2 acres)	
13	Appraisal Report	
14	Title Report	
15	Phase I Analysis	
16	Escrow Closing Cost to Seller	
17	Property Maintenance	
18	Brokerage Commission	
19	For Sale Marketing/Legal Notices	
20	Legal Fees	
21	101 Units Affordable Sr. Housing	
22	6 Parcels - West Valley (22.2 acres)	
23	Development Planning	
24	Appraisal Report (6 reports@ \$8,000)	
25	Title Report (6 @ \$500)	
26	Phase I Analysis (6@ \$5,000)	
27	Seller Closing Cost (6 @ \$10,000)	
28	Property Maintenance (6 @ \$2,500)	
29	Brokerage Commission	
30	For Sale Marketing/Legal Notices	
31	Legal Fees	
32	Successor Agency	
33	Successor Agency	
		The first six line items following Line 33 represent SERAF loans reported on ROPS I, Page 2, Lines 21-26. These items which total \$1,903,927 were deferred to Fiscal Year 2013-14 per AB1484 and payment will be made from Reserves per the Other Funds DDR.
		The next seven line items reflect amounts owed for both categories of pass-throughs, statutory and other. The total of \$10,019,712 will be paid from Reserves per the Other Funds DDR.
		The last line item reflects the actual cost of the Due Diligence Review required by AB 1484.

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