

RESOLUTION NO. OB-01-17

A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE FORMER EL CAJON REDEVELOPMENT AGENCY APPROVING THE FISCAL YEAR 2017-2018 SUCCESSOR AGENCY BUDGET, INCLUDING THE SUCCESSOR AGENCY ADMINISTRATION BUDGET

WHEREAS, the Oversight Board (the "Oversight Board") of the Successor Agency to the former El Cajon Redevelopment Agency (the "Successor Agency") held a regularly-scheduled meeting on January 18, 2017, at which time it considered a proposed Successor Agency Budget, including the Successor Agency Administration Budget for the period of July 1, 2017, to June 30, 2018; and

WHEREAS, the proposed Successor Agency Fiscal Year 2017-2018 Budget totals \$6,788,377 from all funding sources, including Bond Proceeds, Successor Agency Reserves, and Other Funds, of which \$250,000 is for Successor Agency Administration;

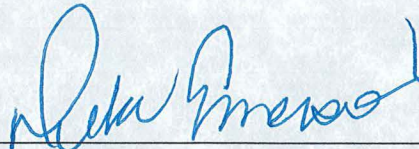
NOW, THEREFORE, BE IT RESOLVED BY THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE FORMER CITY OF EL CAJON REDEVELOPMENT AGENCY, AS FOLLOWS:

- A. The Oversight Board finds that:
 - 1. The recitals above are true and correct and are incorporated herein by this reference.
 - 2. Approval of the Successor Agency Budget and the Successor Agency Administrative Budget is exempt from the California Environmental Quality Act (CEQA) under section 15061(b)(3) (General Rule) of the CEQA Guidelines because approval of the proposed budgets is not a project that has the potential for causing a significant effect on the environment.
- B. The Oversight Board hereby APPROVES the Fiscal Year 2017-2018 Successor Agency Budget of \$6,788,377 from all funding sources, including Bond Proceeds, Successor Agency Reserves, and Other Funds, including the Successor Agency Administration Budget for Fiscal Year 2017-2018 of \$250,000 to be paid from proceeds from the Redevelopment Property Tax Trust Fund ("RPTTF").
- C. The Oversight Board hereby AUTHORIZES the Chair to submit the approved Successor Agency Budget for the period of July 1, 2017, to June 30, 2018 to the County Auditor Controller, the State Department of Finance, the County Administrative Officer, the State Controller's Office, and to post the budget on the Successor Agency's website.

- D. The Oversight Board hereby AUTHORIZES Successor Agency staff to carry out activities outlined in the Cooperation Agreement for Reimbursement of Costs and City/Successor Agency Operations Loan approved by the Oversight Board on April 26, 2012, which are necessary to meet obligations outlined in the ROPS, including re-entering into third party service agreements for continuation of projects pursuant to City of El Cajon adopted policies, procedures and practices.

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PASSED AND ADOPTED by the Oversight Board of the Successor Agency of the former El Cajon Redevelopment Agency at a regularly-scheduled meeting held this 18th day of January 2017, by the following vote to wit:



Debra Turner-Emerson, Chairperson

ATTEST:



Majed Al-Ghafry, Oversight Board Secretary

**SUCCESSOR AGENCY TO THE EL CAJON REDEVELOPMENT AGENCY
ADOPTED BUDGET
FISCAL YEAR 2016-17**

Activity/Project		ROPS 2017-18		Total Fiscal Year 2017-18
		July-Dec 2017	Jan-Jun 2018	
<u>Bond Proceeds</u>				
HA1501	Housing Authority Development & Revitalization Projects	\$ 700,000	\$ -	\$ 700,000
RD1503S	Ronald Reagan Community Center Renovation	50,000	-	50,000
RD1504S	El Cajon Performing Arts Center Improvements	500,000	420,000	920,000
		\$ 1,250,000	\$ 420,000	\$ 1,670,000
<u>Reserve Funds</u>				
0490000	Successor Agency Debt Service	\$ 835,000	\$ -	\$ 835,000
RD0705S	Hazardous Materials Testing-Prescott Promenade	6,000	6,000	12,000
RDR0703S	Civic Center Complex Revitalization Project	-	5,000	5,000
		\$ 841,000	\$ 11,000	\$ 852,000
<u>Other Funds</u>				
RD0704S	Hazardous Materials Testing-Park & Ballantyne	40,000	40,000	80,000
RD0801S	Former Police Station (100 Fletcher Parkway)	27,500	26,500	54,000
RDR0703S	Civic Center Complex Revitalization Project	11,000	5,000	16,000
		\$ 78,500	\$ 71,500	\$ 150,000
<u>RPTTF - Non Administrative</u>				
0490000	Successor Agency Debt Service	\$ 2,373,658	\$ 1,492,719	\$ 3,866,377
<u>RPTTF - Administrative</u>				
0590110	Successor Agency Administration	\$ 125,000	\$ 125,000	\$ 250,000
Total Fiscal Year 2017-18 Budget		\$ 4,668,158	\$ 2,120,219	\$ 6,788,377

**SUCCESSOR AGENCY FUNDS
FISCAL YEAR 2017-18**

ACTIVITY: Successor Agency Debt Service

ACTIVITY NO: 0490000

The Successor Agency is responsible for making the required principal and interest payments on the outstanding tax allocation bonds of the former redevelopment agency. The Successor Agency receives property taxes from the Redevelopment Property Tax Trust Fund to make debt service payments on the 2000, 2005, and 2007 tax allocation bonds. The Successor Agency also ensures compliance with the bond covenants by performing annual financial audits, filing continuing disclosure reports, and maintaining the reserve requirements with the fiscal agent.

The Fiscal Year 2017-18 budget for the Successor Agency Debt Service includes funding of the principal and interest payments on the bonds and costs of services related to the debt issues.

	ROPS Line No.	Prior Years Actual	2016-17 Estimated	2017-18 July- December Proposed	2017-18 January - June Proposed	2017-18 Total Proposed
Debt Service:						
2000 Bonds - Principal	1	155,000	55,000	55,000	-	55,000
2000 Bonds - Interest	1	5,491,478	1,211,145	604,527	602,438	1,206,965
2005 Bonds - Principal	2	4,265,000	1,170,000	1,225,000	-	1,225,000
2005 Bonds - Interest	2	6,528,497	1,325,118	650,128	622,565	1,272,693
2007 Bonds - Principal	3	1,345,000	375,000	390,000	-	390,000
2007 Bonds - Interest	3	2,651,235	548,975	270,503	262,216	532,719
Professional/Technical Services:						
Trustee Fees & Administration	4	30,083	7,566	6,000	3,000	9,000
Other Professional/Technical	4	2,600	1,850	2,000	-	2,000
Accounting & Audit	5	35,450	6,500	5,500	2,500	8,000
TOTAL DEBT SERVICE		20,504,343	4,701,154	3,208,658	1,492,719	4,701,377
Sources of Funds:						
Reserve Balance		-	-	835,000	-	835,000
Other Funds		3,837	-	-	-	-
Redevelopment Property Tax Trust Funds (RPTTF)		20,500,506	4,701,154	2,373,658	1,492,719	3,866,377
TOTAL FUNDING		20,504,343	4,701,154	3,208,658	1,492,719	4,701,377

SUCCESSOR AGENCY FUNDS FISCAL YEAR 2017-18

ACTIVITY: Successor Agency Administration

ACTIVITY NO: 0590110

The City of El Cajon Successor Agency performs administrative activities to wind down the affairs of the former El Cajon Redevelopment Agency ("Agency"). These activities include monitoring and making payments on the enforceable obligations of the former Agency, disposing of the former Agency's properties and other assets, preparing and submitting financial reports to comply with the requirements of the State, County, and other agencies/parties, and providing administrative support to the Oversight Board.

The Successor Agency has arranged with the City of El Cajon to provide staff services and supplies/materials to administer the responsibilities of the Successor Agency. Outside legal, financial, and other professional/technical consultants will be utilized for special services and/or expertise necessary for the wind down of the former Agency.

The Fiscal Year 2017-18 budget for the Successor Agency administrative costs and the sources of payments for the administrative costs are identified in the table below. Actual costs for each administrative category may be higher or lower than the amounts shown, not to exceed the aggregate total administrative cost allowance for the fiscal year of \$250,000 or up to three percent of the property tax allocation, which ever is greater.

	ROPS Line No.	Prior Years Actual	2016-17 Estimated	2017-18 July- December Proposed	2017-18 January - June Proposed	2017-18 Total Proposed
Administration City Staff:						
Personnel	8	744,391	60,000	100,000	100,000	200,000
Professional/Technical Services:						
Legal	8	47,421	6,000	8,000	8,000	16,000
Finance, Accounting & Audit	8	12,025	-	5,000	5,000	10,000
Records Management	8	1,840	400	200	200	400
Other Professional/Technical	8	4,344	-	10,000	10,000	20,000
Supplies, Materials, Miscellaneous:						
Office Supplies	8	1,188	400	200	200	400
Postage & Shipping	8	100	-	-	-	-
Public Notices	8	575	100	200	200	400
Trainings/Meetings	8	685	100	400	400	800
Miscellaneous Supplies/Services	8	-	-	1,000	1,000	2,000
TOTAL ADMINISTRATION		812,569	67,000	125,000	125,000	250,000
Sources of Funds:						
Other Funds		25,537	-	-	-	-
Redevelopment Property Tax Trust Funds (RPTTF)		787,032	67,000	125,000	125,000	250,000
TOTAL FUNDING		812,569	67,000	125,000	125,000	250,000

SUCCESSOR AGENCY FUNDS FISCAL YEAR 2017-18

ACTIVITY: **Successor Agency - Capital Projects** **ACTIVITY NO:** **0590000**

With the dissolution of redevelopment agencies on February 1, 2012, management and monitoring of the real properties, ongoing projects, and agreements of the former redevelopment agency were transferred to the Successor Agency. The Fiscal Year 2017-18 Successor Agency budget for capital projects includes funding for the maintenance and disposition of real properties and carrying out existing cleanup plans of contaminated sites.

The Fiscal Year 2017-18 budget for the Successor Agency capital projects and the funding sources for these projects are summarized in the table below. Budget details are provided in the accompanying project sheets.

PROJECT NAME	PROJECT NO.	PROPOSED BUDGET
Hazardous Material Testing - Park & Ballantyne	RD0704S	80,000.00
Hazardous Material Testing - Prescott Promenade	RD0705S	12,000.00
Former Police Station - 100 Fletcher Parkway	RD0801S	54,000.00
Civic Center Complex Revitalization Project	RDR0703S	21,000.00
TOTAL PROJECT		\$ 167,000.00
FUNDING SOURCES		
		FUNDING
Reserve Balance		17,000.00
Other Funds (Rent, Interest, Grants, Miscellaneous)		150,000.00
Redevelopment Property Tax Trust Fund (RPTTF)		-
TOTAL FUNDING		\$ 167,000.00

SUCCESSOR AGENCY FISCAL YEAR 2017-18

ACTIVITY: Successor Agency - Capital Projects
PROJECT: Hazardous Materials Testing - Park & Ballantyne

ACTIVITY 0590900
PROJECT NO: RD0704S

This project provides for environmental remediation of a former Brownfields Site of a leaking underground storage tank from a former gasoline station. The former El Cajon Redevelopment Agency ("Agency") purchased the property for a residential development. On December 16, 2003, the Agency entered into a Reimbursement and Indemnity Agreement with Priest Development Corporation where the Agency indemnified the developer, and/or agreed to reimburse the developer for the costs of removing hazardous wastes.

On September 15, 2015, the California Regional Water Quality Control Board, San Diego Region ("San Diego Water Board") denied the Successor Agency's request for a site closure and directed the Successor Agency to further investigate the nature, extent, and mobility of highly contaminated groundwater plume that was recently detected in the monitoring wells. The San Diego Water Board also directed the Successor Agency to conduct necessary corrective actions to bring the site to closure in accordance to the State's Low-Threat Closure Policy.

Fiscal Year 2017-18 budget for this Successor Agency project provides funding for environmental remediation costs associated with the Reimbursement and Indemnity Agreement.

	ROPS Line No.	Prior Years Actual	2016-17 Estimated	2017-18 July- December Proposed	2017-18 January - June Proposed	2017-18 Total Proposed
Project Management City Staff:						
Personnel	63	19,965	-	-	-	-
Remediation:						
Legal	11	124	-	-	-	-
Remediation - Developer/SCS	11	119,925	30,000	40,000	40,000	80,000
TOTAL PROJECT		140,014	30,000	40,000	40,000	80,000
Source(s) of Funds:						
Other Funds		92,440	30,000	40,000	40,000	80,000
Redevelopment Property Tax Trust Funds (RPTTF)		47,574	-	-	-	-
TOTAL FUNDING		140,014	30,000	40,000	40,000	80,000

**SUCCESSOR AGENCY
FISCAL YEAR 2017-18**

ACTIVITY: Successor Agency - Capital Projects
PROJECT: Hazardous Materials Testing - Prescott Promenade

ACTIVITY 0590900
PROJECT NO: RD0705S

This project provides for environmental remediation of a former Brownfields Site with a leaking underground storage tank from a former gasoline station. The former El Cajon Redevelopment Agency ("Agency") purchased and developed the property to a public park. The Agency entered into a Settlement Agreement with the former owners, Texaco, Shell Oil, and Unocal, for shared responsibility of the hazardous waste cleanup efforts. The Agency is responsible for 20% of all future cleanup costs. Ongoing monitoring will occur at the site until four consecutive quarters of testing result to minimal findings that comply with the San Diego County Department of Environmental Health's requirements for closure status.

Fiscal Year 2017-18 budget for this Successor Agency project provides funding for environmental remediation and legal costs associated with the Settlement Agreement.

	ROPS Line No.	Prior Years Actual	2016-17 Estimated	2017-18 July- December Proposed	2017-18 January - June Proposed	2017-18 Total Proposed
Project Management City Staff :						
Personnel	67	1,534	-	-	-	-
Remediation :						
Legal	12	31	-	500	500	1,000
Settlement Agreement (20%)	12	-	-	5,500	5,500	11,000
TOTAL PROJECT		1,565	-	6,000	6,000	12,000
Source(s) of Funds:						
Reserve Balance		-	-	6,000	6,000	12,000
Redevelopment Property Tax Trust Funds (RPTTF)		1,565	-	-	-	-
TOTAL FUNDING		1,565	-	6,000	6,000	12,000

SUCCESSOR AGENCY FISCAL YEAR 2017-18

ACTIVITY: Successor Agency - Capital Projects
PROJECT: 100 Fletcher Parkway (Former Police Station)

ACTIVITY 0590900
PROJECT NO: RD0801S

The former police station located at 100 Fletcher Parkway, a key parcel within the Project Area, became available for redevelopment in Fall 2011. The former El Cajon Redevelopment Agency entered into an enforceable obligation with the City through the execution of a Purchase and Sale Agreement, Promissory Note and Deed of Trust, and acquired the property on June 16, 2011. With the dissolution of the redevelopment agencies on February 1, 2012, the Successor Agency has been tasked with managing and overseeing the property to ensure that maintenance is performed and necessary actions are taken to prevent waste and blighting conditions, which would cause a reduction in the value of the asset and negatively impact the businesses and economic growth in the immediate vicinity.

On October 2, 2015, the California Department of Finance (DOF) approved an Exclusive Negotiation Agreement (ENA) between the Successor Agency and Brixton Capital and Excel Hotel Group Inc. for the disposition of the real property. Upon completion of the negotiations, the terms of the sale of the property will be contained in a Disposition Development Agreement to be presented to the Oversight Board and DOF for approval.

The Fiscal Year 2017-18 budget for this Successor Agency project provides funding for ongoing maintenance, management and disposition costs of the property.

	ROPS Line No.	Prior Years Actual	2016-17 Estimated	2017-18 July- December Proposed	2017-18 January - June Proposed	2017-18 Total Proposed
Project Management City Staff :						
Personnel	71	88,250	10,000	6,000	6,000	12,000
Promissory Note Payments:						
Principal & Interest	16	4,658,403	228,200	-	-	-
Professional/Technical Services:						
Legal	70	47	-	-	-	-
Property Maintenance:						
Repairs & Maintenance	15	18,306	2,000	3,000	3,000	6,000
Property Taxes & Insurance	15	26,105	7,500	5,000	5,000	10,000
Utilities	15	45,738	1,300	1,500	1,500	3,000
Other Professional/Technical	15	655	-	3,000	2,000	5,000
Property Disposition:						
Appraisal	72	9,500	-	-	-	-
Other Professional/Technical	72	5,384	1,000	7,500	7,500	15,000
Title, Escrow & Misc. Fees	72	64	-	1,500	1,500	3,000
TOTAL PROJECT		4,852,452	250,000	27,500	26,500	54,000
Source(s) of Funds:						
Other Funds		-	-	27,500	26,500	54,000
Redevelopment Property Tax Trust Funds (RPTTF)		4,852,452	250,000	-	-	-
TOTAL FUNDING		4,852,452	250,000	27,500	26,500	54,000

SUCCESSOR AGENCY FISCAL YEAR 2017-18

ACTIVITY: Successor Agency - Capital Projects
PROJECT: Civic Center Complex Revitalization Project

ACTIVITY 0590900
PROJECT NO: RDR0703S

This project primarily served to acquire properties in the downtown area for the development of a mixed-use project and the construction of a public parking facility. As the downtown El Cajon revitalization continues, the City acquired three properties from the Successor Agency for the development of a hotel. These properties included the following sites in the Amended Long Range Property Management Plan ("Amended Plan"): Site #9 Rea public parking lot (APN 488-072-40-00); Site #13 141 Magnolia Ave (APN 488-082-18-00), and Site #14 118-130 Rea Ave (APN 488-082-12-00). The City entered into compensation agreements with the affected taxing entities for the acquisition of the properties; and in December 2014, the sale/transfer of the properties was approved by the Oversight Board and California Department of Finance (DOF). The remaining parcel in this project, Site #12 at 115 Rea Ave (APN 488-083-03-00), is available for sale in the open market subject to approval by the Oversight Board and DOF.

The Fiscal Year 2017-18 budget for this Successor Agency project provides funding for ongoing maintenance and management and disposition costs of the remaining property at 115 Rea Avenue.

	ROPS Line No.	Prior Years Actual	2016-17 Estimated	2017-18 July- December Proposed	2017-18 January - June Proposed	2017-18 Total Proposed
Project Management City Staff :						
Personnel	87	12,340	-	-	-	-
Professional/Technical Services:						
Environmental Testing-Ninyo & Moore	85	4,836	-	-	-	-
Property Maintenance:						
Repairs & Maintenance	21	2,252	3,000	2,000	1,800	3,800
Property Taxes & Insurance	21	39,944	2,200	1,300	1,000	2,300
Utilities	21	716	200	200	200	400
Property Disposition:						
Appraisal	89	27,150	-	2,500	2,500	5,000
Other Professional/Technical	89	-	-	4,000	3,500	7,500
Title, Escrow & Misc. Fees	89	6	-	1,000	1,000	2,000
TOTAL PROJECT		87,244	5,400	11,000	10,000	21,000
Source of Funds:						
Reserve Balance		-	-	-	5,000	5,000
Other Funds		881	-	11,000	5,000	16,000
Redevelopment Property Tax Trust Funds (RPTTF)		86,363	5,400	-	-	-
TOTAL FUNDING		87,244	5,400	11,000	10,000	21,000

SUCCESSOR AGENCY FISCAL YEAR 2017-18

ACTIVITY: **Successor Agency-2007 Bonds Capital Projects** **ACTIVITY NO:** **0597900**

With the dissolution of redevelopment agencies on February 1, 2012, the Successor Agency has been tasked with the managing the proceeds from the 2007 Tax Allocation Bonds and identifying potential capital improvement and infrastructure projects within the Project Area. The Fiscal Year 2017-18 budget for the Successor Agency 2007 Bonds Capital Projects includes funding for the capital improvement projects that are consistent with the bond covenants.

Fiscal Year 2017-18 budget for the Successor Agency 2007 Bonds Capital Projects provides funding to the City of El Cajon for capital improvement projects summarized in the table below.

	City Project No.	ROPS Line No.	2016-17 Estimated	2017-18 Proposed Budget
Project Contributions				
Ronald Reagan Community Center Renovation (RD1503S)	PK3508	95	1,139,900	50,000
East County Performing Arts Center (ECPAC) Improvements (RD1504S)	IFM3471	98	-	920,000
TOTAL PROJECT			1,139,900	970,000
Source of Funds:				
2007 Tax Allocation Bonds			1,139,900	970,000
TOTAL FUNDING			1,139,900	970,000