

RESOLUTION NO. OB-01-18

A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE FORMER EL CAJON REDEVELOPMENT AGENCY APPROVING THE FISCAL YEAR 2018-2019 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 17, 2018, at which time it considered a proposed Successor Agency Budget, including the Successor Agency Administration Budget for the period of July 1, 2018, to June 30, 2019; and

WHEREAS, the proposed Successor Agency Fiscal Year 2018-2019 Budget totals \$7,220,040 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 2018-2019 Successor Agency Budget of \$7,220,040 from all funding sources, including Bond Proceeds, Successor Agency Reserves, and Other Funds, including the Successor Agency Administration Budget for Fiscal Year 2018-2019 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, 2018, to June 30, 2019 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 17th day of January 2018, by the following vote to wit:

AYES: CHADWICK, DAVIES, EMERSON, PAVAO
ABSTAIN: NONE
ABSENT: BUXBAUM, NGUYEN, REARIC



Debra Emerson, Chairperson

ATTEST:



Anthony Shute, Oversight Board Secretary

**SUCCESSOR AGENCY TO THE EL CAJON REDEVELOPMENT AGENCY
PROPOSED BUDGET
FISCAL YEAR 2018-19**

Activity/Project	July-Dec 2018	Jan-Jun 2019	Total Fiscal Year 2018-19
<u>Bond Proceeds</u>			
HA1501 Housing Authority Development & Revitalization Projects	\$ 705,000	\$ -	\$ 705,000
RD1504S El Cajon Performing Arts Center Improvements	897,000	-	897,000
	\$ 1,602,000	\$ -	\$ 1,602,000
<u>Other Funds</u>			
RD0704S Hazardous Materials Testing-Park & Ballantyne	\$ 50,000	\$ 50,000	\$ 100,000
RD0705S Hazardous Materials Testing-Prescott Promenade	\$ 5,000	\$ 5,000	\$ 10,000
0490000 Successor Agency Debt Service	-	4,000	4,000
	\$ 55,000	\$ 59,000	\$ 114,000
<u>Reserve Funds</u>			
0490000 Successor Agency Debt Service	\$ 14,000	\$ 7,000	\$ 21,000
<u>RPTTF - Non Administrative</u>			
0490000 Successor Agency Debt Service	\$ 3,782,218	\$ 1,450,822	\$ 5,233,040
<u>RPTTF - Administrative</u>			
0590110 Successor Agency Administration	\$ 125,000	\$ 125,000	\$ 250,000
Total Fiscal Year 2018-19 Budget	\$ 5,578,218	\$ 1,641,822	\$ 7,220,040

**SUCCESSOR AGENCY FUNDS
FISCAL YEAR 2018-19**

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 2018-19 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	2017-18 Estimated	2018-19 July- December Proposed	2018-19 January - June Proposed	2018-19 Total Proposed
Debt Service:						
2000 Bonds - Principal	1	210,000	55,000	55,000	-	55,000
2000 Bonds - Interest	1	6,702,623	1,206,965	602,438	600,348	1,202,785
2005 Bonds - Principal	2	5,435,000	1,225,000	1,285,000	-	1,285,000
2005 Bonds - Interest	2	7,853,615	1,272,693	622,565	596,865	1,219,430
2007 Bonds - Principal	3	1,720,000	390,000	405,000	-	405,000
2007 Bonds - Interest	3	3,200,210	532,719	262,216	253,610	515,825
2005 & 2007 Bonds Refinance	99	-	(571,000)	550,000		550,000
Professional/Technical Services:						
Trustee Fees & Administration	4	37,482	9,000	6,000	3,000	9,000
Other Professional/Technical	4	4,450	2,000	3,000	3,000	6,000
Accounting & Audit	5	40,290	8,000	5,000	5,000	10,000
TOTAL DEBT SERVICE		25,203,669	4,130,377	3,796,218	1,461,822	5,258,040
Sources of Funds:						
Reserve Balance		-	-	14,000	7,000	21,000
Other Funds		3,837	-	-	4,000	4,000
Redevelopment Property Tax Trust Funds (RPTTF)		25,199,832	4,130,377	3,782,218	1,450,822	5,233,040
TOTAL FUNDING		25,203,669	4,130,377	3,796,218	1,461,822	5,258,040

SUCCESSOR AGENCY FUNDS FISCAL YEAR 2018-19

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 2018-19 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	2017-18 Estimated	2018-19 July- December Proposed	2018-19 January - June Proposed	2018-19 Total Proposed
Administration City Staff:						
Personnel	8	780,530	100,000	75,000	75,000	150,000
Professional/Technical Services:						
Legal	8	53,389	20,000	15,000	15,000	30,000
Finance, Accounting & Audit	8	12,025	50,000	5,500	5,500	11,000
Records Management	8	2,159	400	500	500	1,000
Other Professional/Technical	8	4,344	75,000	25,000	25,000	50,000
Supplies, Materials, Miscellaneous:						
Office Supplies	8	1,407	1,000	500	500	1,000
Postage & Shipping	8	100	100	-	-	-
Public Notices	8	575	1,000	500	500	1,000
Trainings/Meetings	8	740	500	500	500	1,000
Miscellaneous Supplies/Services	8	-	2,000	2,500	2,500	5,000
TOTAL ADMINISTRATION		855,269	250,000	125,000	125,000	250,000
Sources of Funds:						
Other Funds		25,537	-	-	-	-
Redevelopment Property Tax Trust Funds (RPTTF)		829,732	250,000	125,000	125,000	250,000
TOTAL FUNDING		855,269	250,000	125,000	125,000	250,000

SUCCESSOR AGENCY FISCAL YEAR 2018-19

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.

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.

The Fiscal Year 2018-19 budget for this Successor Agency project provides funding of the environmental remediation costs associated with the Reimbursement and Indemnity Agreement, which will be reimbursed with State grant funds.

	ROPS Line No.	Prior Years Actual	2017-18 Estimated	2018-19 July- December Proposed	2018-19 January - June Proposed	2018-19 Total Proposed
Project Management City Staff:						
Personnel	63	19,965	-	-	-	-
Remediation:						
Legal	11	124	-	-	-	-
Remediation - Developer/SCS	11	119,925	30,000	50,000	50,000	100,000
TOTAL PROJECT		140,014	30,000	50,000	50,000	100,000
Source(s) of Funds:						
Other Funds		92,440	30,000	50,000	50,000	100,000
Redevelopment Property Tax Trust Funds (RPTTF)		47,574	-	-	-	-
TOTAL FUNDING		140,014	30,000	50,000	50,000	100,000

SUCCESSOR AGENCY FISCAL YEAR 2018-19

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 2018-19 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	2017-18 Estimated	2018-19 July- December Proposed	2018-19 January - June Proposed	2018-19 Total Proposed
Project Management City Staff :						
Personnel	67	1,534	-	-	-	-
Remediation :						
Legal	12	31	-	-	-	-
Settlement Agreement (20%)	12	-	-	5,000	5,000	10,000
TOTAL PROJECT		1,565	-	5,000	5,000	10,000
Source(s) of Funds:						
Other Funds		-	-	5,000	5,000	10,000
Redevelopment Property Tax Trust Funds (RPTTF)		1,565	-	-	-	-
TOTAL FUNDING		1,565	-	5,000	5,000	10,000

SUCCESSOR AGENCY FISCAL YEAR 2018-19

ACTIVITY: Successor Agency- 2005 and 2007 Bond Projects

ACTIVITY NO: 0295900
0597900

With the dissolution of redevelopment agencies on February 1, 2012, the Successor Agency has been tasked with managing the proceeds from the 2005 and 2007 Tax Allocation Bonds and identifying potential projects consistent with the bond covenants. The Fiscal Year 2018-19 budget for these activities include funding for the Cornerstone Place Housing Project and the East County Performing Arts Center (ECPAC) Capital Improvement Project as summarized in the table below.

	City Project No.	ROPS Line No.	2017-18 Estimated	2018-19 Proposed Budget
Project Contribution:				
Housing Authority Development & Revitalization Projects - Cornerstone Place at 230 S. Sunshine Ave	HA1501	92	-	705,000
East County Performing Arts Center (ECPAC) Improvements (RD1504S)	IFM3471	98	-	897,000
TOTAL PROJECT			-	1,602,000
Source of Funds:				
2005 Tax Allocation Bonds			-	705,000
2007 Tax Allocation Bonds			-	897,000
TOTAL FUNDING			-	1,602,000