

# COUNTY-WIDE SUCCESSOR AGENCY OVERSIGHT BOARD OF THE COUNTY OF YOLO

## Staff Report – Item 13

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**TO:** County-Wide Successor Agency Oversight Board of County of Yolo

**FROM:** Stacey Winton, Media & Communications Officer, City of Davis

**SUBJECT:** Status of Davis Dissolution Activities

**DATE:** August 21, 2018

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### RECOMMENDATIONS:

1. Accept Informational Report

### BACKGROUND & DISCUSSION:

The Davis Redevelopment Successor Agency is in the final stages of the dissolution process. Below are outstanding items:

#### **Long Range Property Management Plan**

The Department of Finance (DOF) issued a determination on our Long Range Property Management Plan (LRPMP). They declared 303 Third Street, occupied by the United States Bicycling Hall of Fame, and 1<sup>st</sup> and F Streets parking garage, as governmental uses and could be retained by the City.

DOF determined that 226 F Street (Historic City Hall building) was not a governmental use and must be sold. On November 28, 2017 the Davis Redevelopment Successor Agency Oversight Board approved the purchase and sale of 226 F Street (Historic City Hall building) to Davis 1938 Partners, LLC. Yolo County distributed the proceeds to the taxing entities.

DOF determined 604/610 Second Street (Dresbach-Hunt Boyer Mansion/Mishka's Café) a government use with a condition that the City buy the property beneath 610 Second St. The property at 610 2nd Street is ground leased to Optisani LLC for a private business, it is part of a single parcel with the property at 604 2nd Street, which is being retained by the City for continued public use. Since both buildings are part of a single parcel, the Mishka's Café portion of the Property cannot be sold to a third party while the City retains the property at 604 2nd Street. Additionally, the two portions of the property cannot be separated into two parcels. The two buildings located on the property are 10.5 feet apart from one another. While that is allowed

for two buildings located on the same parcel, the California Building Code requires that buildings of this type would have to be set back 10 feet from the property line in order to satisfy fire separation requirements. Given the fact that this portion of the property cannot be separated from the remainder of the Property that the City has retained, it is not a marketable piece of property. Davis Redevelopment Successor Agency Oversight Board, approved a resolution conveying the remaining interest in that portion of the Property from the Successor Agency for \$1.00 to the City of Davis.

The Department of Finance denied the purchase, stating the sale price of the land did not maximize the value of the property and required an independent appraisal to support the proposed sale price. As the property cannot be established as a separate legal parcel, cannot be sold to a third party and has no value to a third party; a conventional appraisal of fair market value could not be conducted. The appraiser conducted the appraisal using a "Right-of-way" methodology which is used for easements and right-of-ways where the entire parcel is valued and then the portion is a pro-rata share of the total value. Based on the appraisal methodology, the fair market value of parcel is \$46,850. The City believes this valuation exceeds the actual value of the property. However in order to expedite the process and knowing that the portion of the larger property cannot legally be conveyed to a third party, the Successor Agency agreed to convey that portion of the property to the City of Davis for the appraised value. The Redevelopment Successor Agency Oversight Board, approved a resolution conveying the remaining interest in that portion of the Property from the Successor Agency to the City of Davis. DOF has not issued a final determination.

#### **Recognized Obligation Payment Schedule**

The Davis Redevelopment Successor Agency 18-19 ROPS only includes bond payments, audit fees and the administrative budget. The 18-19 ROPS is included for your information.

#### **Next Steps**

Once the LRPMP is completed, DOF will issue a Finding of Completion. The Successor Agency will be in a position to submit a Last and Final Recognized Obligation Payment Schedule to the Oversight Board and Department of Finance. At that point the dissolution process will be largely complete, with the exception of the continued payment of debt service payments on the outstanding Redevelopment Agency bonds.

#### **Attachments:**

- A. Davis Recognized Obligation Payment Schedule-ROPS 18-19

**Recognized Obligation Payment Schedule (ROPS 18-19) - Summary**

Filed for the July 1, 2018 through June 30, 2019 Period

Successor Agency:

Davis

County:

Yolo

<b>Current Period Requested Funding for Enforceable Obligations (ROPS Detail)</b>	<b>18-19A Total (July - December)</b>	<b>18-19B Total (January - June)</b>	<b>ROPS 18-19 Total</b>
<b>A Enforceable Obligations Funded as Follows (B+C+D):</b>	\$ -	\$ -	\$ -
B Bond Proceeds	-	-	-
C Reserve Balance	-	-	-
D Other Funds	-	-	-
<b>E Redevelopment Property Tax Trust Fund (RPTTF) (F+G):</b>	\$ 2,278,573	\$ 1,183,632	\$ 3,462,205
F RPTTF	2,153,573	1,058,632	3,212,205
G Administrative RPTTF	125,000	125,000	250,000
<b>H Current Period Enforceable Obligations (A+E):</b>	\$ 2,278,573	\$ 1,183,632	\$ 3,462,205

Certification of Oversight Board Chairman:  
Pursuant to Section 34177 (o) 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 successor agency.

<u>Robb Davis</u>	<u>OB Chairperson</u>
Name	Title
/s/ <u>Robb Davis</u>	<u>1/29/2018</u>
Signature	Date

**Davis Recognized Obligation Payment Schedule (ROPS 18-19) - ROPS Detail**

**July 1, 2018 through June 30, 2019**

**(Report Amounts in Whole Dollars)**

A	B	C	D	E	F	G	H	I	J	K	18-19A (July - December)					18-19B (January - June)					W					
											Fund Sources					Fund Sources										
											L	M	N	O	P	Q	R	S	T	U		V				
																							Bond Proceeds	Reserve Balance	Other Funds	RPTTF
Item #	Project Name/Debt Obligation	Obligation Type	Contract/Agreement Execution Date	Contract/Agreement Termination Date	Payee	Description/Project Scope	Project Area	Total Outstanding Debt or Obligation	Retired	ROPS 18-19 Total												18-19B Total				
								\$ 61,072,174		\$ 3,462,205						\$ 2,278,573	\$ 125,000	\$ 2,278,573					\$ 1,058,632	\$ 125,000	\$ 1,183,632	
1	2003 Davis RDA TAB (9196)	Bonds Issued On or Before	9/1/2003	9/1/2033	Trustee-US Bank	2003 Tax Exempt Bonds		10,770,349	N	\$ 342,042						174,038		\$ 174,038					168,004		\$ 168,004	
2	2007 Davis RDA TAB (9197)	Bonds Issued On or Before	3/1/2007	3/1/2030	Trustee-US Bank	2007 Tax Exempt Bonds		10,338,969	N	\$ 797,314						639,364		\$ 639,364					157,950		\$ 157,950	
3	2007 Davis Housing Bonds (9198)	Bonds Issued On or Before	3/1/2007	3/1/2037	Trustee-US Bank	2007 Housing Bonds		11,564,860	N	\$ 576,193						384,108		\$ 384,108					192,085		\$ 192,085	
4	2011 Davis RDA TAB-Series A (9181)	Bonds Issued After 12/31/10	3/1/2011	3/1/2036	Trustee-US Bank	2011 Tax Exempt Bonds		25,331,813	N	\$ 920,591						458,863		\$ 458,863					461,728		\$ 461,728	
5	2011 Davis RDA TAB-Series B (9182)	Bonds Issued After 12/31/10	3/1/2011	3/1/2022	Trustee-US Bank	2011 Taxable Bonds		2,629,050	N	\$ 566,065						492,200		\$ 492,200					73,865		\$ 73,865	
6	Ancillary Debt Service Costs	Fees	9/1/2003	9/1/2033	Davis Successor Agency	Debt Service Costs		187,133	N	\$ 10,000						5,000		\$ 5,000					5,000		\$ 5,000	
8	Administration Cap	Admin Costs	9/1/2003	6/30/2018	Davis Successor Agency	Davis Successor Agency		250,000	N	\$ 250,000							125,000	\$ 125,000						125,000	\$ 125,000	
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**Davis Recognized Obligation Payment Schedule (ROPS 18-19) - Report of Cash Balances**  
**July 1, 2015 through June 30, 2016**  
**(Report Amounts in Whole Dollars)**

Pursuant to Health and Safety Code section 34177 (l), Redevelopment Property Tax Trust Fund (RPTTF) may be listed as a source of payment on the ROPS, but only to the extent no other funding source is available or when payment from property tax revenues is required by an enforceable obligation. For tips on how to complete the Report of Cash Balances Form, see [Cash Balance Tips Sheet](#)

A	B	C	D	E	F	G	H	I	
		<b>Fund Sources</b>							
		<b>Bond Proceeds</b>		<b>Reserve Balance</b>		<b>Other</b>	<b>RPTTF</b>		
	<b>Cash Balance Information for ROPS 15-16 Actuals (07/01/15 - 06/30/16)</b>	Bonds issued on or before 12/31/10	Bonds issued on or after 01/01/11	Prior ROPS period balances and DDR RPTTF balances retained	Prior ROPS RPTTF distributed as reserve for future period(s)	Rent, grants, interest, etc.	Non-Admin and Admin	<b>Comments</b>	
1	<b>Beginning Available Cash Balance (Actual 07/01/15)</b>						39,867		
2	<b>Revenue/Income (Actual 06/30/16)</b> RPTTF amounts should tie to the <b>ROPS 15-16</b> total distribution from the County Auditor-Controller during June 2015 and January 2016.						4,208,698	ROPS 15-16 (B) was less \$5,276 PPA	
3	<b>Expenditures for ROPS 15-16 Enforceable Obligations (Actual 06/30/16)</b>						4,101,890		
4	<b>Retention of Available Cash Balance (Actual 06/30/16)</b> RPTTF amount retained should only include the amounts distributed as reserve for future period(s)								
5	<b>ROPS 15-16 RPTTF Balances Remaining</b>	No entry required							
6	<b>Ending Actual Available Cash Balance (06/30/16)</b> C to G = (1 + 2 - 3 - 4), H = (1 + 2 - 3 - 4 + 5)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 146,675		

