

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

Staff Report – Item 14

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

FROM: Paul Blumberg, Public Finance Manager, City of West Sacramento

SUBJECT: Status of West Sacramento Successor Agency Dissolution Activities

DATE: August 21, 2018

RECOMMENDATIONS:

This report is for information purposes and no recommendation is being requested.

BACKGROUND & DISCUSSION:

The West Sacramento Redevelopment Successor Agency (“Successor Agency”) has concluded major milestones in the dissolution process

Recognized Obligation Payment Schedule

The West Sacramento Redevelopment Successor Agency 18-19 ROPS only includes primarily bond payments, audit fees and the administrative budget. The 18-19 ROPS is included for your information. The following describes the outstanding enforceable obligations contained in the ROPS.

ABAG Tax Allocation Bonds Series 2004 B (Item #3): Pursuant to an Official Statement dated December 1, 2004, the Association of Bay Area Governments (“ABAG”) issued \$8,875,000 in 2004 Tax Allocation Revenue Bonds, Series B to finance a variety of redevelopment activities in the redevelopment project area. Due to the dissolution of redevelopment, payments are now made by the Successor Agency.

ABAG Tax Allocation Bonds Series 2007 B (Item #5): Pursuant to an Official Statement dated November 27, 2007, the Association of Bay Area Government (“ABAG”) issued \$16,590,000 in 2007 Tax Allocation Bonds to finance a variety of redevelopment activities in the redevelopment project area. Due to the dissolution of redevelopment, payments are now made by the Successor Agency.

2014 Tax Allocation Refunding Bonds (Item #29): Pursuant to an Indenture dated January 15, 2014, the West Sacramento Redevelopment Successor Agency issued \$58,766,603 in 2014 Tax Allocation Refunding Bonds in order to refund outstanding Series 1998 Tax Allocation Bonds, and a portion of the outstanding ABAG 2004 Series A Tax Allocation Bonds. Due to the dissolution of redevelopment, payments are now made by the Successor Agency.

2014 Subordinate Tax Allocation Refunding Bonds (Item #33): Pursuant to an Indenture dated September 1, 2014, the West Sacramento Redevelopment Successor Agency issued \$8,813,730 2014 Subordinate Tax Allocation Refunding Bonds to refund outstanding Series 2004 Tax Allocation Bonds. Due to the dissolution of redevelopment, payments are now made by the Successor Agency.

2016 Subordinate Tax Allocation Refunding Bonds (Item #36): Pursuant to an Official Statement dated June 16, 2016, the West Sacramento Redevelopment Successor Agency issued \$20,705,000 in 2016 Subordinate Tax Allocation Refunding Bonds to refund the remaining outstanding Series 2007 Tax Allocation Bonds, Series A. Due to the dissolution of redevelopment, payments are now made by the Successor Agency.

Bond Trustee Disclosures (Item #6): This item covers expenses associated with managing outstanding bond debt.

Cemex Rail Relocation Agreement (Item 10): This agreement is related to the relocation of a cement batch plant and a freight rail line from the Sacramento Riverfront, in order to redevelop an area that now known as the Bridge District.

Raley's Landing OPA (Item #7): The payee under this agreement is the Raley's Corporation ("Raley's"). The Owner Participation Agreement (OPA) with the Raley's Corporation was first entered into in May 11, 1988, and later amended January 1, 1996. The OPA was originally entered into to assist with the financing of infrastructure to support redevelopment of the "Raley's Landing" master planned redevelopment project. The instrument for financing infrastructure involved establishment of the Raley's Landing Assessment District which would place assessments on Raley's property for the 30-year period. In return, the Redevelopment Agency would "pass through" incremental assessed value back to Raley's, with the intent of fully reimbursing Raley's for the life of the assessments. The amended and restated OPA stipulates that the Redevelopment Agency will reimburse assessment district payments made by Raley's out of 100% of the tax increment. In addition to reimbursing the assessment amount, a return of 7.8% will be paid on unreimbursed assessment district payments. Payments under the amended and restated OPA end with the earlier of Jan. 1, 2035 or the date Raley's and the Money store have been reimbursed. It should be noted that a later amendment to the OPA extended this date to 2037. Based on modeling of these payments done by William Kuebelbeck & Associates around ten years ago, there are indications that outstanding reimbursement balance, and anticipated value added payments may end as early as 2030. Therefore, to be conservative, we have assumed that this obligation will continue until January 1, 2037.

Local Baseball Agreement/CFD 12 Bond Payments (Item #9 & 12): In 1999, the West Sacramento Redevelopment Agency was a major partner in the development of Raley Field, a minor league baseball park which opened in 2000. That redevelopment effort involved the Redevelopment Agency's participation in assemblage of land and the financing if public improvement to serve the ballpark. The revenue bonds issued to finance construction of the ballpark are not associated with the payments being questioned by the Department of Finance. However, in order to issue Community Facility District (CFD 12) special tax revenue bonds to fund public infrastructure serving the ballpark, Redevelopment Agency assistance was needed. All revenues from the ballpark were otherwise pledged to fund construction of the ballpark. Tax increment created by development of the ballpark and surrounding parcels were pledged in the Local Baseball Agreement. To date, those tax increment payments are required to make debt service on the CFD 12 bonds. The Raley Field CFD 12 bonds were issued on August 18, 1999 in the amount of \$7,825,000.

Flood Assessments (Item #15): This pays for a Flood Protection parcel tax assessment on the three remaining Successor Agency properties.

Successor Agency Admin Item (#24): This pays for staff time and administrative expenses associated with the Successor Agency.

Long Range Property Management Plan

On June 26, 2014, the State transmitted a letter approving the Long-Range Property Management Plan (LRPMP) for disposing of remaining fourteen (14) Redevelopment Agency owned properties. The Successor Agency still retains three vacant parcels at 2600 West Capitol Ave., 337 and 338 Lighthouse Drive. These properties are to be marketed to the public and sold at fair market value. No further Oversight Board action is required.

Analysis

Because of the two pass-through agreements noted above, the Successor Agency will be unable to pursue a Last and Final ROPS. Both agreements have payments that vary with assessed valuation of the subject properties, and it is not possible to have a “fixed payment schedule” as is required as part of the Last and Final ROPS process. Thus, the ROPS budgeting process will continue until the final obligation is paid off on September 1, 2037.

The Successor Agency has three remaining properties from the LRPMP that still must be transferred through a market sale to a third-party buyer. Successor Agency staff will be marketing those properties in FY 2018-19, and any sales proceeds will be used to off-set Enforceable Obligation payments, thereby free up funds to be returned to the taxing entities.

Attachments:

- A. West Sacramento Redevelopment Successor Agency ROPS 18-19

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

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

Successor Agency: West Sacramento
 County: Yolo

Current Period Requested Funding for Enforceable Obligations (ROPS Detail)	18-19A Total (July - December)	18-19B Total (January - June)	ROPS 18-19 Total
A Enforceable Obligations Funded as Follows (B+C+D):	\$ -	\$ -	\$ -
B Bond Proceeds	-	-	-
C Reserve Balance	-	-	-
D Other Funds	-	-	-
E Redevelopment Property Tax Trust Fund (RPTTF) (F+G):	\$ 7,804,116	\$ 2,335,578	\$ 10,139,694
F RPTTF	7,679,116	2,210,578	9,889,694
G Administrative RPTTF	125,000	125,000	250,000
H Current Period Enforceable Obligations (A+E):	\$ 7,804,116	\$ 2,335,578	\$ 10,139,694

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.

 Name Title
 /s/ _____
 Signature Date

West Sacramento 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 (I), 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	
		Fund Sources							
		Bond Proceeds		Reserve Balance		Other	RPTTF		
	Cash Balance Information for ROPS 15-16 Actuals (07/01/15 - 06/30/16)	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	Comments	
1	Beginning Available Cash Balance (Actual 07/01/15)			-	-	-	-		
2	Revenue/Income (Actual 06/30/16) RPTTF amounts should tie to the ROPS 15-16 total distribution from the County Auditor-Controller during June 2015 and January 2016.						10,285,595		
3	Expenditures for ROPS 15-16 Enforceable Obligations (Actual 06/30/16)						10,414,538		
4	Retention of Available Cash Balance (Actual 06/30/16) RPTTF amount retained should only include the amounts distributed as reserve for future period(s)								
5	ROPS 15-16 RPTTF Balances Remaining	No entry required							
6	Ending Actual Available Cash Balance (06/30/16) C to G = (1 + 2 - 3 - 4), H = (1 + 2 - 3 - 4 + 5)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (128,943)		

West Sacramento Recognized Obligation Payment Schedule (ROPS 18-19) - Notes July 1, 2018 through June 30, 2019

Item #	Notes/Comments
3	Active: These bonds were issued through the Association of Bay Area Governments in 2004; \$300K applied against payment from land sales
4	Retired: These bonds were issued through the Association of Bay Area Governments as part of a "pooled" bond issue that included other RDA's.
5	Active: These bonds were refunded on July 7, 2016 in order to achieve savings. See DOF letter of 3/31/2016.
6	Active: Administrative costs of servicing debt include payments to Willdan Financial, Union Bank, U.S. Bank, Fraser and Associates, among others
7	Active: Beginning in fiscal year 2015, 100% of the pass through payments go to Raley's, pursuant to the Money Store Settlement Agreement
8	Retired: The Money Store received a final distribution in FY 2014; this item will no longer be budgeted on the ROPS
9	Active: This Item and Item #12 below represent to components of the RDA financial assistance to help finance the Raley Field Ball Park. Amount varies annually.
10	Active: This is related to the relocation of the Cemex facility and rail line from the Bridge District.
12	Active: This is a fixed payment associated with Item #9, pursuant to the Local Baseball Agreement
15	This pays for a City-wide flood assessment on RDA properties still held by the Successor Agency.
22	Active: This is to pay fo retireee health benefits of former employees of the West Sacramento Redevelopment Agency
24	Active: 3% of RPTTF funded enforceable obligations; not less than \$250,000.
29	Active: The 2014 Tax Allocation Refunding Bonds were issued in January 2014; payoff of all of Item #1 and a portion of #2.
31	Retired: This item funds the Stone Lock Development Property maintenance, but the property was disposed of in December 2015
33	The 2014 RDA Subordinate Refunding Bonds were issued in July 2014
34	Successor Agency property Scott and Sons weed abatement contract
35	Retired: City/Successor Agency Loan Agreement approved OB Resolution 15-6 was funded as part of the ROPS 15-16B
36	Active: These refunding bonds were issued on July 7, 2016 to refund the Series 2007 A bonds (see No. 4 above)