

Pinole Oversight Board

2131 Pear Street
Pinole, CA 94564
Phone: (510) 724-8933
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www.ci.pinole.ca.us

April 5, 2012

Office of the Auditor-Controller
Contra Costa County
625 Court Street
Martinez, CA 94553-1282

Office of the Controller
State of California
P.O. Box 94250-5874
Sacramento, CA 94250-5874

Office of Director of Finance
State of California
Via e-mail: redvelopmentadministration@dof.ca.gov

Honorable State and County Officials:

Pursuant to the requirements of Health & Safety Code Section 34177(l)(2)(B), the Pinole Successor Agency Oversight Board reviewed and approved the **FINAL Recognized Obligation Payment Schedule ("ROPS")** for the timeframe January through June 2012, at its initial/formation Meeting at 2131 Pear Street, Pinole, California on April 4, 2012.

Enclosed is a copy of the Resolution adopting the *FINAL ROPS (January – June 2012)*, the disbursement schedule document, and a copy of the published agenda for the Meeting.

Please note that the ROPS has not yet been certified by an external auditor in accordance with Health and Safety Code Section 34177 (l) (2) (A). However, the Contra Costa County has designated the public accounting firm of Caporicci and Larson, Inc. to perform this work. Once the draft ROPS has been certified by the external auditor, the **certified ROPS** will be submitted to you.

Please direct any questions or inquiries regarding the possible Payment Obligations directly to our Finance Director Richard Loomis at (510) 724-9823 (rloomis@ci.pinole.ca.us).

Respectfully Submitted,



Belinda Espinosa
City of Manager

Enclosures (3)

Cc P. Athenour, Agency Secretary
S. Downs, Assistant City Attorney

RESOLUTION NO. 2012-02

RESOLUTION OF THE SUCCESSOR AGENCY OVERSIGHT BOARD OF THE CITY OF PINOLE REDEVELOPMENT AGENCY, COUNTY OF CONTRA COSTA, STATE OF CALIFORNIA, APPROVING A FINAL RECOGNIZED OBLIGATION PAYMENT SCHEDULE FOR JANUARY THROUGH JUNE OF 2012

WHEREAS, Assembly Bill x1 26 ("ABx1 26") was passed by the California State Legislature, signed by the Governor, and has been codified as part 1.8 of Division 24 of the California Health and Safety Code, commencing with Section 34161; and

WHEREAS, AB 26 requires successor agencies to continue to make all scheduled payments for enforceable obligations of their predecessor redevelopment agencies; and

WHEREAS, no later than April 15, 2012 successor agencies are required to adopt the first *Recognized Obligation Payment Schedule (ROPS)* that lists all of the form agencies outstanding payment obligations payable from January through June of 2012; and

WHEREAS, the first (and each successive) semi-annual *ROPS* listing of obligations must include information for each obligation including:

- A. The funding source for payment of each listed enforceable obligation,
- B. The payee,
- C. A short description of the nature of the work, product, service, facility or other thing of value for which payment is to be made,
- D. The amount of payments obligated to be made, by month, from January through June 2012; and

WHEREAS, the City Finance Director has prepared the required *ROPS*, which was submitted for preliminary review by the State Department of Finance.

NOW THEREFORE, BE IT RESOLVED that the Oversight Board of the Successor Agency of the former City of Pinole Redevelopment Agency does hereby resolve that a final *Recognized Obligation Payments Schedule* for the period January through June of 2012, herein enclosed as Attachment C, is hereby approved.

PASSED AND ADOPTED at a regular meeting of the Oversight Board of the Successor Agency of the City of Pinole held on the 4TH day of April 2012 by the following vote:

AYES: **BOARD MEMBERS:** Dotson, Drazba, Long, Martinez-
Rubin, Marquez, Murray, Toms

NOES: BOARD MEMBERS:

ABSENT: BOARD MEMBERS:

ABSTAIN: BOARD MEMBERS:


Patricia Athenour, MMC
Board Secretary

None I hereby certify that the foregoing is a true and correct copy of the original document on file in the City Clerk's Office, City of Pinole, Contra Costa County, State of California.

None 
Patricia Athenour, City Clerk of the City of Pinole

Date: 4-5-2012

Pinole Redevelopment Agency

ATTACHMENT - C

FINAL

Pinole Vista Redevelopment Project
 Recognized Obligation Payments Schedule (ROPS)
 (January 2012 through June 2012) -- (04/04/2012)

ROPS#	Funding Source	Payee	Description of Commitment	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	s/totals
1	RDA Property Tax Trust Fund (CCC)	US Bank, National Trust	1998-A Tax Allocation Bond Redemption Interest	124,213.00						124,213.00
2	RDA Property Tax Trust Fund (CCC)	US Bank, National Trust	1998-B Tax Allocation Bond Redemption Interest	117,684.50						117,684.50
3	RDA Property Tax Trust Fund (CCC)	US Bank, National Trust	1999 Tax Allocation Bond Redemption Interest	112,595.00						112,595.00
4	RDA Property Tax Trust Fund (CCC)	US Bank, National Trust	2003-A Tax Allocation Bond Redemption Interest	98,837.50						98,837.50
5	RDA Property Tax Trust Fund (CCC)	US Bank, National Trust	2004-A Tax Allocation Bond Redemption Interest	489,101.00						489,101.00
6	RDA Property Tax Trust Fund (CCC)	US Bank, National Trust	2004-B Tax Allocation Bond Redemption Interest	209,590.50						209,590.50
7	RDA Property Tax Trust Fund (CCC)	US Bank, National Trust	Trustee, Paying Agent and Dissemination Agent Fees for Bond Indentures							
8	RDA Property Tax Trust Fund (CCC)	TKG Pinole Vista, LLC	Capital Call for Pinole Vista Shopping Center pursuant to DDA					1,000,000.00		1,000,000.00
9	RDA Property Tax Trust Fund (CCC)	West Contra Costa Unified School District	Pinole Middle School Soccer Field Cooperative Use Construction Agreement						500,000.00	500,000.00
10	RDA Property Tax Trust Fund (CCC)	Willdan Engineering	Engineering Design for Phase-2 of Pinole Creek Restoration Project (Bridge Removal - Railroad Ave.)				27,800.00			27,800.00
11	RDA Property Tax Trust Fund (CCC)	Ramon Dimalanta	Mortgage Loan payments for 2810 Pinole Valley Road	5,500.00	5,500.00	5,500.00	5,500.00	5,500.00		33,000.00
12	RDA Property Tax Trust Fund (CCC)	John & Nancy Donkonics	Mortgage Loan payments for 613-635 Tennent Avenue			33,973.20				33,973.20
13	RDA Property Tax Trust Fund (CCC)	John J. Collins, Trustee of the John H. colling Survivor's Trust	Mortgage Loan payments for 612 Tennent Avenue	6,020.84	6,020.84	6,020.84	6,020.84	6,020.84		36,125.04
14	RDA Property Tax Trust Fund (CCC)	John J. Collins, Trustee of the John H. colling Survivor's Trust	Mortgage Loan payments for 648 Tennent Avenue	1,992.31	1,992.31	1,992.31	1,992.31	1,992.31		11,953.86
15	RDA Property Tax Trust Fund (CCC)	Marcel Castanchoa	Mortgage Loan Payments for 870 San Pablo Avenue	406.74	406.74	406.74	97,617.50			98,837.72
16	RDA Property Tax Trust Fund (CCC)	Angela Raffa	Mortgage Loan Payments for 870 San Pablo Avenue	406.74	406.74	406.74	97,617.50			98,837.72
17	RDA Property Tax Trust Fund (CCC)	Main Street Management	Lease for commercial space located at 2300 San Pablo Avenue	3,623.15	3,623.15	3,623.15	3,623.15	7,623.15	3,623.15	25,738.90
18	RDA Property Tax Trust Fund (CCC)	AT&T / SBC Communications	Parking Lot Land Lease (636 SPA)						1,600.00	1,600.00
19	RDA Property Tax Trust Fund (CCC)	Dale Moore Construction	Tennent Improvements for 2300 San Pablo Avenue (Tina's Place)			5,500.00				5,500.00

Pinole Redevelopment Agency

20	Low & Moderate Income Housing Fund	AmeriNational Community Services	Loans Processing Services	317.50	317.50	317.50	317.50	317.50	317.50	317.50	317.50	1,905.00
21	RDA Property Tax Trust Fund (CCC)	BLX Group, LLC Inc.	Tax Arbitrage Analysis and IRS Tax Filings for Agency Reserve Accounts	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	6,000.00
22	RDA Property Tax Trust Fund (CCC)	TYS, LLP	Accounting/Auditing Support Services for Pinole Vista & Pinole Valley Shopping Center Projects	16,000.00	16,000.00	16,000.00	16,000.00	16,000.00	16,000.00	16,000.00	16,000.00	30,000.00
23	RDA Property Tax Trust Fund (CCC)	Shelter Bay Retail Group	Consulting Services Financial Management for Pinole Vista & Pinole Valley Shopping Centers	4,500.00	4,500.00	4,500.00	4,500.00	4,500.00	4,500.00	4,500.00	4,500.00	27,000.00
24	RDA Property Tax Trust Fund (CCC)	Shelter Bay Retail Group	Property Management for Pinole Vista Restaurant Development	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00	15,000.00
25	Low & Moderate Income Housing Fund	Urban Futures, Inc.	Affordable Housing Compliance Auditing Services	26,880.00	26,880.00	26,880.00	26,880.00	26,880.00	26,880.00	26,880.00	26,880.00	26,880.00
26	RDA Property Tax Trust Fund (CCC)	HdL Coren & Cone	Property Tax Consulting/Advisory Services	8,500.00	8,500.00	8,500.00	8,500.00	8,500.00	8,500.00	8,500.00	8,500.00	8,500.00
27	RDA Property Tax Trust Fund (CCC)	Mann, Urrutia & Nelson CPA's	Auditing Services Redevelopment Component-unit GPPS and Bond Continuing Disclosure Documents	-	-	-	-	-	-	-	-	-
28	RDA Property Tax Trust Fund (CCC)	Pinole Chamber of Commerce	Coordinating annual "West County Business Expo"	7,000.00	7,000.00	7,000.00	7,000.00	7,000.00	7,000.00	7,000.00	7,000.00	7,000.00
29	RDA Property Tax Trust Fund (CCC)	Cushman & Wakefield of California, Inc.	Sales commission on sale of land parcel for Phase-II of Pinole Shores Business Park	61,105.00	61,105.00	61,105.00	61,105.00	61,105.00	61,105.00	61,105.00	61,105.00	61,105.00
30	Administrative Cost Allowance	City of Pinole	Information Services/Technology Support Services (communication & technology services- Adm. Support)	-	-	-	-	-	-	-	-	-
31	Administrative Cost Allowance	City of Pinole	Payroll Cost Allocations for Project and Administrative Staff Support	20,838.92	20,838.92	20,838.92	20,838.92	20,838.92	20,838.92	20,838.92	20,838.92	135,452.98
32	RDA Property Tax Trust Fund (CCC)	Scott & Nancy Huen Meyers, Nave, Riback Silve & Wilson	Grant for lease of refuse container 2340 San Pablo Avenue (REA)	1,800.00	1,800.00	1,800.00	1,800.00	1,800.00	1,800.00	1,800.00	1,800.00	1,800.00
33	Administrative Cost Allowance	Wilson	Legal/Attorney Support Services	8,333.34	8,333.34	8,333.34	8,333.34	8,333.34	8,333.34	8,333.34	8,333.34	15,083.34
34	RDA Property Tax Trust Fund (CCC)	Employment Development Department (State of CA)	Unemployment Cost of Benefits Claim	1,800.00	1,800.00	1,800.00	1,800.00	1,800.00	1,800.00	1,800.00	1,800.00	9,900.00
34	RDA Property Tax Trust Fund (CCC)	Mary Drazba	Employee Severance Payment	133,391.56	133,391.56	133,391.56	133,391.56	133,391.56	133,391.56	133,391.56	133,391.56	133,391.56
36	RDA Property Tax Trust Fund (CCC)	Restoration Design Group	Environmental Monitoring of Pinole Creek Demonstration Project	-	-	-	-	-	-	-	-	-
ROPS s/totals by Month				1,206,461.04	201,847.76	105,998.86	320,877.72	90,222.72	1,626,997.72	3,552,405.82	3,350,575.47	201,830.35

09/20/11 Original "Draft" ROPS
Increase in ROPS for Amendment #1 (01/25/12)

**ENFORCEABLE OBLIGATIONS
ANNOTATED LIABILITY DESCRIPTIONS**

<u>Item #'s</u>	<u>Liability Description</u>
1-6	<p>Semi-annual Tax Allocation Bond Interest payable on February 1, 2012. Outstanding principal will be fully amortized to the following schedule:</p> <ul style="list-style-type: none">a. 1998A-TABS through August 2017b. 1998B-TABS through August 2017c. 1999-TABS through August 2016d. 2003A-TABS through August 2017e. 2004A-TABS through August 2023f. 2004B-TABS through August 2020
7	<p>Trustee Fees for "Paying & Dissemination Agent" activities, are billed and paid annually in September. No payment activity is required during this authorization period.</p>
8	<p>Contingent Liability for Ground Lessor's Share of capital improvements related to the maintenance of Pinole Vista Crossings Shopping Center, pursuant to the Development and Disposition Agreement for the Shopping Center Project. A Purchase & Sales Agreement for the disposal of this asset will expire on April 22, 2012. Completion of the sale will discharge this potential liability.</p>
9	<p>This <i>"Agreement for Facility Construction, Maintenance and Joint Recreational Use"</i> provides for the mutual and reasonable use of the soon to be constructed all weather Pinole Middle School Soccer Field. The term of this Agreement (including extensions) runs through June 1, 2025.</p>
10	<p>This contract provides for engineering design of the bridge infrastructure located at Railroad Avenue (Pinole, CA) as a local matching expenditure for Phase-2 of the Pinole Creek Restoration Project (funded by a State of California Department of Resources grant).</p>
11	<p>These mortgage payments are for land located at 2810 Pinole Valley Road (former Beacon's Gas Station) now incorporated into the Pinole Valley Shopping Center, paying interest on the unpaid principal and amortizing the outstanding principal through February 2014.</p>
12	<p>These mortgage payments are for land located at 613-635 Tennent Avenue now incorporated into the Pinole Youth Center</p>

Building, paying interest on the unpaid principal and amortizing the outstanding principal through November 2017.

- 13 These mortgage payments are for land and buildings located at 612 Tennent Avenue, paying interest on the unpaid principal and amortizing the outstanding principal through November 2017.
- 14 These mortgage payments are for land and buildings located at 648 Tennent Avenue, paying interest on the unpaid principal and amortizing the outstanding principal through November 2017.
- 15-16 These mortgage payments are for land located at 870 San Pablo Avenue (Pinole Shores Business Park), paying interest through March 2012, and retiring outstanding principal effective April 1, 2012.
- 17 This master lease secures commercial building space rental at 2300 San Pablo Avenue (Tina's Place) through October 31, 2015. Two additional 5-year extensions are available.
- 18 This agreement allows for a month-to-month land lease (6,688 square feet) of property on Tennent Avenue (adjacent to Adrienne's Dance Studio at 660 Tennent Avenue) which is used as a public parking lot.
- 19 This agreement provides for Tennent Improvements for leased commercial space (2300 San Pablo Avenue) at the corner of San Pablo Avenue and Tennent Avenue, and is related to the property lease described in item #17.
- 20 This agreement provides for loan servicing for both commercial real estate and business assistance promissory notes related to property rehabilitation and business retention remitted on a monthly basis. At the present time, there are twenty-three (23) open accounts having an outstanding principal balance due of \$1,550,206.
- 21 The tax exempt status of the Tax Allocation Bonds requires routine reporting of interest earnings on the reserve account investments to the federal Internal Revenue Service. The minimum charge for each one of the six (6) individual bond indentures is \$2,000/year, and the individual reports (and if necessary Tax Filings) are scheduled for preparation approximately every other month throughout the fiscal year.
- 22 This agreement for accounting and auditing support services of the public agency financial interests in both the Pinole Valley

and Pinole Vista Crossings Shopping Centers has been temporarily suspended pending anticipated sale of the retail developments this Spring.

- 23-24 This agreement for consulting services relates to the business management oversight of the public interests in both of the Shopping Center Projects (as described in items # 8, 11, and 22) under contract for sale this Spring.
- 25 This agreement is for compliance monitoring of the former Redevelopment Agency's affordable housing rental restrictions for three years (2010, 2011 and 2012).
- 26 Specific provisions of the six (6) Indentures for the outstanding Tax Allocation Bonds require continuing disclosure of financial information (property taxation assessment values, tax collection amounts and analysis of the potential tax loss exposures from Assessment Appeals by property owners) related to the pledged revenue tax base annually, as long as there are unpaid bonds outstanding. This tax consultant prepares a comprehensive report annually, with one subsequent assessment modification Addendum and two Assessment Appeals Status Report updates.
- 27 Henceforth Auditing Services for redevelopment dissolution activities will be coordinated and paid by the Contra Costa County Auditor-Controller; however, certifications of financial Continuing Disclosure Information (required by Bond Indentures) will be completed annual (each December) by the City's External Auditor, as was the former Redevelopment Agency's "past practice." No payment activity is required during this authorization period.
- 28 This agreement provides financial support to the Pinole Chamber of Commerce's annual "West County Business Expo," for the current (2012) year.
- 29 This Brokerage Services Agreement provides for payment of a commercial real estate sales commission contingent upon completion of the sale of the Phase-2 land parcels within the Pinole Shores Business Park Development Project. This is a time certain agreement which will expire on September 30, 2012.
- 30 It has been determined that Information Services support charges will not be included in the Administrative Support budget request following dissolution of the Redevelopment Agency.

31 Payroll cost allocations for City Staff assigned to complete the close-out/dissolution activities of the Oversight Board, are as follows:

1. Belinda Espinosa (Meeting Preparation and General Administration)
2. Michelle Fitzer (Real Property and Infrastructure Asset disposal)
3. Richard Loomis (Financial Reporting and Disbursement of Funds for settlement/liquidation of Enforceable Obligations)
4. Patricia Athenour (Meeting Agenda Preparation, Recordation of Oversight Committee actions, Document Retention)

An Administrative Budget will be submitted for review and approval at the next meeting of the Oversight Board.

32 This reciprocal easement agreement provides for the payment of land rent (annually) for a Refuse Collection Enclosure adjacent to a business located at 2340 San Pablo Avenue (The Bear Claw Bakery), and terminates upon closure or ownership transfer of this business entity.

33 Legal/Attorney Support Services will be provided to guide and assist the Oversight Board in completing its dissolution duties. Support activities related to the general administrative functions of the Oversight Board, will be included in the Administrative Cost Budget; however, legal support duties related to the disposal of specific assets will be recouped through escrow settlements and taken from the sale proceeds of real and tangible personal property.

34 The cost of Benefit Claims charged to the City for the former employees of the Redevelopment Agency are authorized pursuant to State Labor Codes and Regulations. At this time, there is one former employee eligible to receivable payments for unemployment insurance benefits.

35 One former employee of the dissolved Redevelopment Agency was eligible for compensation upon termination of employment pursuant to an Employment Severance Agreement.

**PINOLE OVERSIGHT BOARD
AGENDA
(OVERSIGHT BOARD FOR THE SUCCESOR
AGENCY OF THE PINOLE
REDEVELOPMENT AGENCY)**

**APRIL 4, 2012
4:00 – 6:00 P.M.**

**2131 Pear Street,
Community Room
Pinole, California**

Whitney Dotson - EBRPD
Mary Drazba - City of Pinole
John Marquez - Contra Costa Community College
Norma Martinez Rubin - CC Superintendent of Schools
Peter Murray - City of Pinole
Debbie Long - Contra Costa County
Maureen Toms - Contra Costa County

Public Comment: The public is encouraged to address the Oversight Board on any matter listed on the agenda or on any other matter within its jurisdiction subject to the rules of decorum to be described and acted on by the Board. If you wish to address the City Council or Agency Board, please complete the card that is provided at the rear entrance to the Council Chambers and hand the card to the City Clerk/Secretary. The Board will hear public comment on items listed on the agenda during discussion of the matter and prior to a vote. The Board will hear public comment on matters not listed on the agenda during Citizens to be Heard, Agenda Items 5.

Americans With Disabilities Act: In compliance with the Americans With Disabilities Act of 1990, if you need special assistance to participate in meeting, or you need a copy of the agenda, or the agenda packet in an appropriate alternative format, please contact the City Clerk's Office at (510) 724-8928. Notification at least 48 hours prior to the meeting or time when services are needed will assist the City staff in assuring that reasonable arrangements can be made to provide accessibility to the meeting or service. Assisted listening devices are available at this meeting. Ask the City Clerk if you desire to use this device.

Note: Staff reports are available for inspection at the Office of the City Clerk, City Hall, 2131 Pear Street during regular business hours, 8:00 a.m. to 4:30 p.m. Monday –Thursday and on the City of Pinole Website at www.ci.pinole.ca.us. You may also contact the City Clerk via e-mail at pathenour@ci.pinole.ca.us

1. CALL TO ORDER & PLEDGE OF ALLEGIANCE

2. ROLL CALL, CLERK'S REPORT & STATEMENT OF CONFLICT

An official who has a conflict must, prior to consideration of the decision: (1) publicly identify in detail the financial interest that causes the conflict; (2) recuse himself /herself from discussing and voting on the matter; and (3) leave the room until after the decision has been made, Cal. Gov't Code § 87200.

3. PUBLIC COMMENT

Citizens may speak under any item not listed on the Agenda. The time limit is 3 minutes and is subject to modification by the Chair. Pursuant to provisions of the Brown Act, no action may be taken on a matter unless it is listed on the agenda, or unless certain emergency or special circumstances exist. The Oversight Board may direct staff to investigate and/or schedule certain matters for consideration at a future meeting.

4. CONSENT CALENDAR MATTERS

5. MATTERS FOR CONSIDERATION

- A. Introductions of the Oversight Board Staff, Discussion of the Purpose of the Board, and Determination of the Meeting Schedule [Recommended Action: No Action; Receive Information]
- B. Appointment of Board Chair and Vice Chair [Recommended Action: Board Discretion to Appoint]
- C. Administer Oath of Office Chair/Vice-Chair [ACTION: City Clerk Athenour to Administer]
- D. Adopt By-Laws and Board Rules of Procedure [Recommended Action: Adopt By-Laws and Rules of Procedure (Athenour)]
- E. Review and Authorize the Revised Recognized Obligation Payment Schedule ("ROPS") for January through June 2012 [OS Board Report No. 2012-02; Recommended Action: Adopt Per Staff Recommendation (Loomis)]
- F. Authorize the Purchase & Sale Agreement for the Pinole Valley and Pinole Vista Shopping Centers [OS Board Report No. 2012-03; Recommended Action: Adopt Per Staff Recommendation (Fitzer)]

6. ADJOURNMENT

POSTED: March 29, 2012 at 4:00 P.M.

**Patricia Athenour, MMC
Pinole City Clerk / Clerk to the Board**

Documents regarding any item on this agenda, provided to a majority of the Oversight Board after distribution of the packet will be made available for public inspection at the Administration Counter at City Hall & during the meeting, in a binder located outside the Council Chambers, 2131 Pear Street, available during normal business hours. (Pursuant to SB 343-effective July 1, 2008)

**OVERSIGHT BOARD
REPORT 2012-02**

5E

DATE: APRIL 4, 2012

TO: SUCCESSOR AGENCY OVERSIGHT BOARD

**FROM: BELINDA B. ESPINOSA, CITY MANAGER
RICHARD LOOMIS, FINANCE DIRECTOR**

**SUBJECT: PINOLE REDEVELOPMENT DISSOLUTION FINAL RECOGNIZED
OBLIGATION PAYMENT SCHEDULE (ROPS) FOR JANUARY-
JUNE 2012**

RECOMMENDATION

Adopt Resolution (Attachment A) approving the Final Recognized Obligation Payment Schedule (ROPS), pursuant to Part (I) Subpart (B) of Section 34177 of the Health & Safety Code, for the time period January through June of 2012.

BACKGROUND

On June 29, 2011, the Governor signed into law ABx1 ("AB 26") which automatically suspended redevelopment activities (effective 06/28/11) and subsequently dissolved all redevelopment agency's effective 10/01/11.

On December 29, 2011, the State Supreme Court issued a Ruling upholding the provisions of AB 26, but deferring the dissolution date until February 1, 2012. Since June 28, 2011 (the implementation date of the new law) effectively all of the traditional activities of redevelopment agencies have been suspended. Under Part 1.8 of the new legislation redevelopment agencies have not been able to:

- Incur new debt,
- Enter into or amend contracts,
- Adopt or amend redevelopment plans,
- Nor act on real estate transactions.

While redevelopment agency **Successor Agencies** may not initiate any *new* activities nor incur *new* indebtedness, they are nevertheless required under legislative statute and court order to continue making those payments necessary for day to day operations pursuant to contractual commitments (enforceable obligations), regulatory authorities, and indebtedness entered into prior to the enactment of AB 26. The legislation requires that Agency Assets are to be preserved following enactment of the dissolution legislation, and that only payments listed on either an Enforceable Obligations Payment Schedule (July – December

2011) or its successor listing Recognized Obligations Payment Schedule (January – June 2012) may be processed.

REVIEW & ANALYSIS

Continuing with the logistical steps of closing out Pinole's Redevelopment Agency, upon order of the Supreme Court a "draft" Recognized Obligation Payment Schedule (*ROPS*) was prepared and submitted (09/20/11) to transitional oversight authorities (the County Auditor Controller, State Controller and State Director for Finance) prior to a statutory due date of September 30. The initial "draft" *ROPS* was a listing of the minimum amounts that may be required to be paid by the Redevelopment Agency's successor agency during the six month period January through June of 2012, including the identification a proposed funding source for payment of the existing enforceable obligations.

The new law provides for revisions/amendment of the initial "draft" *ROPS* as may be necessary to close-out the business affairs of the previous redevelopment agencies. The items that changed from the initial schedule are "shaded" in the enclosed *FINAL ROPS*, which was approved by the former Redevelopment Agency on January 25, 2012. At that time, some of the original items were deleted and several new items were added. The items scheduled for payment in the six months (January – June 2012) total the sum \$3,556,605.82, as listed on Attachment C, and described (in brief) on Attachment B. ***Individual contractual documents are available for review upon request.***

A preliminary review of these items has been completed by Mr. Alexander Watts of the State Department of Finance. Preliminary indications are that all of the enforceable obligations listed for payment will be allowed; however, prior to final authorization of funding for payment of these enforceable obligations, Pinole's local Oversight Board, must approve these disbursements. Similar listings will be submitted for review and approval semi-annually, for the next four years. Payments for January through June 2012, constitute the first payment authorization period.

FISCAL IMPACT

Staff has determined that sufficient funding is available from the First Installment Allocation of Redevelopment Tax Increment (distributed by the County Auditor-Controller last December) to fund payment of these Enforceable Obligations.

ATTACHMENTS

Attachment A – Draft Resolution

Attachment B – Annotated Descriptions of Enforceable Obligations Scheduled for Payment January – June 2012 (listed in Attachment A)

Attachment C – FINAL Recognized Obligation Payment Schedule
January – June 2012, City of Pinole