DEPARTMENT OF FINANCE

EDMUND G. BROWN JR. • GOVERNOR
915 L STREET ■ SACRAMENTO CA ■ 95814-3706 ■ WWW.DOF.CA.GOV

April 27, 2012

Jeff Crechriou, Management Analyst
City of Marina
211 Hillcrest Avenue
Marina, CA 93933

Dear Mr. Crechriou:

Pursuant to Health and Safety Code (HSC) section 34177 (l) (2) (C), the City of Marina Successor Agency submitted a Recognized Obligation Payment Schedule (ROPS) to the California Department of Finance (Finance) on April 13, 2012 for the period January through June 2012. Finance staff recently contacted you for further clarification of items listed in the ROPS.

HSC section 34171 (d) lists enforceable obligations (EO) characteristics. Based on a sample of items reviewed and application of the law, the following do not qualify as EOs:

- Various projects totaling $402 million. No documents were provided to show than an EO was established for the following line items:

Item No.	Page	Project Name	Amount
2	1	Cypress Knolls Project RFQ/RFP Process Costs	$ 1,050,000
6	1	Loans from Other Funds Payable	194,169
7	1	Loan from Airport Enterprise Fund	85,000
8	1	Loan from LMIHF	284,715
9	1	Assignment Agreement with City of Marina	32,000,000
9a	1	Project Management of Assignment Agreement	4,800,000
10	1	Dunes DDA including 2nd Implementation Agreement	63,269,219
10a	1	Dunes DDA including 2nd Implementation Agreement	50,847,390
11	1	Public Improvement Grant & Cooperative Agreement	248,029,856
26	1	CAP Charges/Using of City Services	266,518
27	1	Code Enforcement	35,000
28	1	Completion of Downtown Specific Plan	48,000
29	1	Interim, Inc. Project, ENA & DDA	139,710
30	1	Affordable Housing Monitoring, Compliance, Report	943,000
31	1	Selinas Valsey Memorial Hospital Project DDA	19,250
32	1	Marina Heights Project Option Agreement	247,500
		Total	**$402,259,327**

As authorized by HSC section 34179 (h), Finance is returning your ROPS for reconsideration. This action will cause the ROPS to be ineffective until Finance approval and may cause payment delays for valid obligations.

If you believe we have reached this conclusion in error, please provide further evidence that the items questioned above meet the definition of an EO.

Please direct any inquiries to Evelyn Suess, Supervisor or Michael Barr, Lead Analyst at (916) 322-2985.

Sincerely,

Mark Hill

MARK HILL
Program Budget Manager

cc: Ms. Julie Aguero, Auditor Controller, Monterey County