

Agenda

City of Visalia Oversight Board of the Successor Agency of the Redevelopment Agency of Visalia

Chair: Mike Olmos, City of Visalia
Vice Chair: Phil Cox, Tulare County
Secretary: Mark Larsen, Kaweah Delta Water Conservation District
Board Member: Eric Frost, City of Visalia
Board Member: Nathan Hernandez, Visalia Unified School District
Board Member: John Hess, Tulare County
Board Member: Greg Sherman, College of the Sequoias

Tuesday, September 15, 2015

5:30 p.m.

Admin. Conference Room
220 N. Santa Fe, Visalia CA

- 5:30 p.m. **1. Welcome and public comment**
(Remind board members that these meetings are subject to the Brown Act)
- 5:35 p.m. **2. Accept Action Agenda from 2/19/2015**
- 5:40 p.m. **3. Approval of the Restated Balances of the Three Cash Advances Made By the City of Visalia to the Visalia Redevelopment Agency (Resolution 2015-04 required)**
The City lent money to the former Redevelopment Agency. Based upon a finding of completion, the Oversight Board approved the loans be reinstated as enforceable obligations in February of 2015. Department of Finance review, however, required several changes that now need Oversight Board concurrence and approval.
- 5:50 p.m. **4. Approval of the Required Payment Obligations for January 2016 to June 2016 (ROPS 15-16B) (Resolution 2015-05 required)**
ROPS are approved for 6 month periods. The Oversight Board in February approved the ROPS for the full fiscal year, approving ROPS 2015/16 A & B. However, when the City's advances were not approved by the DoF, the second ROPS for fiscal year 15/16 need to be revised in order to collect the full debt amounts due for the year, based upon required changes need to meet the DoF concerns.
- 6:00 p.m. **5. Upcoming changes in the Oversight Board**
This will be a verbal report on upcoming meetings and the sun setting of this board as it would assumed into a larger board as of July 1, 2016.

Next meeting: To be arranged

In compliance with the American Disabilities Act, if you need special assistance to participate in meetings call (559) 713-4512 48-hours in advance of the meeting. For Hearing Impaired – Call (559) 713-4900 (TDD) 48-hours in advance of the scheduled meeting time to request signing services.

Any written materials relating to an item on this agenda submitted to the Oversight Board of the Successor Agency after distribution of the agenda are available for public inspection in the Office of the City Clerk, 220 N. Santa Fe St., Visalia CA 93292, during normal business hours.

Action Agenda

City of Visalia Oversight Board of the Successor Agency of the Redevelopment Agency of Visalia

Chair: Mike Olmos, City of Visalia - Present
Vice Chair: Phil Cox, Tulare County - Present
Secretary: Mark Larsen, Kaweah Delta Water Conservation District - Present
Board Member: Eric Frost, City of Visalia - Present
Board Member: Nathan Hernandez, Visalia Unified School District - Present
Board Member: John Hess, Tulare County – Absent
Board Member: Greg Sherman, College of the Sequoias - Present

Thursday, February 19, 2015

5:30 p.m.

City Hall, Council Chambers
707 West Acequia, Visalia CA

5:30 p.m.

1. Welcome and public comment.

(Remind board members that these meetings are subject to the Brown Act)

Meeting called to order by Chair Olmos. No Public Comments.

2. Accept Action Agenda from 4/09/2014.

No Comments. Moved by Secretary Larsen, seconded by Board Member Sherman to accept the action agenda (6-0, Hess absent).

3. Approve Fiscal Year 2015/16 Budget. The City has already approved the budget. The Oversight Board should also approve the budget because it will be placed as expenses on the ROPS.

Board Member Frost reviewed the City of Visalia's Successor Agency's Administrative Budget for FY 2015/16. Moved by Secretary Larsen, seconded by Board Member Sherman to approve the FY 2015/16 budget (6-0, Hess absent).

4. Repayment of Advances – The City lent money to the former Redevelopment Agency. Now that the City has a finding of completion, the Oversight Board may approve that the loans be reinstated as enforceable obligations if the Board finds that the loans were used for legitimate redevelopment uses. Resolution 2015-01 Required.

Board Member Frost explained that the City now has a Finding of Completion from the Department of Finance; therefore, this Board can review and approve again that the three General Fund advances the City provided to the former Redevelopment Agency were for appropriate redevelopment purposes and are enforceable obligations. Moved by Board Member Hernandez, seconded by Vice Chair Cox to adopt Resolution 2015-01 finding that the City cash advances were appropriate redevelopment uses which allows the advances be enforceable obligations (6-0, Hess absent).

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5. Approve Fiscal Year 2015/16 Required Obligation Payment Schedule – ROPS are approved for 6 month periods. To streamline the process, staff is presenting the full fiscal year's proposed ROPS. Resolution 2015-02 and 2015-03 Required.

Board Member Frost reviewed the 2015-16 Required Obligation Payment Schedule and mentioned that the repayment of the General Fund Advances was the only addition to the ROPS. Moved by Board Member Sherman, seconded by Vice Chair Cox to adopt Resolution 2015-02 approving the ROPS for the time period of July 2015 to December 2015 and Resolution 2015-03 approving the ROPS for the time period of January 2016 to June 2016 (6-0 Hess absent).

6. Property for Different Uses – Proposal to reclassify a future development property in the Agency's Long Range Property Management Plan to Governmental Use – Jennings's Ditch Parcel.

Board Member Frost discussed the proposed revision to the Successor Agency's Long Range Property Management Plan to change the designation of certain land needed for the Mill Creek Trail from Future Development to Governmental Purpose. Moved by Secretary Larsen, seconded by Vice Chair Cox to approve a change of designation from Future Development to Governmental Purpose of land in the LRPMP for the grant funded Downtown Mill Creek Park Project (6-0 Hess absent).

5:53 p.m

Meeting Adjourned

Next meeting: To be arranged

Submitted by Gladys Ruiz, Recording Clerk for the Oversight Board.

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City of Visalia
Oversight Board of the
Successor Agency of the Redevelopment Agency of Visalia

MEETING

DATE: 9/15/2015

TO: Successor Agency Oversight Board

FROM: Eric Frost, Deputy City Manager
Ruth Pena, Financial Analyst

SUBJECT: Approval of the Restated Balances of the Three Cash Advances Made By
the City of Visalia to the Visalia Redevelopment Agency

AGENDA

ITEM #: 3

Review:

Dept. Head _____
(Initials & date required)

City Atty _____
(Initials & date required
or N/A)

Recommendation: That the Oversight Board (OB) approves the restated balances of the three cash advances made by the City of Visalia to the Visalia Redevelopment Agency for appropriate redevelopment purposes.

Discussion

The OB originally considered this item and approved the inclusion of General Fund Advances to the former Redevelopment Agency as enforceable obligations on April 9, 2014. The Department of Finance (DOF) asked for a new resolution by the OB to be adopted after the Finding of Completion, which was issued on July 2, 2014. The OB again approved the advances on ROPS 15-16A, Resolution 2015-01 on February 19, 2015.

In response to this action, on April 17, 2015 the DOF issued an Oversight Board Action Review letter partially approving the OB finding that the three cash advances were for appropriate redevelopment purposes approving the East Land Advance but requested more information on the other two advances, including a restatement of interest on all the advances. The Successor Agency was directed to restate the advance balances to the amounts reported on March 7, 2011.

Staff recommends the OB amend the resolution to restate the balances as requested by the DOF. The loans in question are shown in Table 1, General Fund Advances and Reduction in Principal Value due to LAIF Cap on Loan Interest.

Table 1,
General Fund Advances and Reduction in Principal Value
due to LAIF Cap on Loan Interest

RESTATED LOANS							
East Visalia Properties							
General Fund Advances:	East Visalia Operations	East Visalia - Edison Property	East Visalia - Van Ness Property	East Visalia - Railroad Property	Total East Visalia Properties	Central Advance	Total
March 7, 2011 Balance	\$ 3,573,226	\$ 122,291	\$ 998,450	\$ 1,527,762	\$ 2,648,503	\$ 3,496,127	\$ 9,717,856
Interest Allowed - LAIF Rate	\$ 16,437	\$ 563	\$ 4,593	\$ 7,028	\$ 12,183	\$ 16,082	\$ 44,702
Interest Paid	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Allowed Advance	\$ 3,589,663	\$ 122,854	\$ 1,003,043	\$ 1,534,790	\$ 2,660,686	\$ 3,512,209	\$ 9,762,558

The principal amounts have been restated to reflect the amounts listed in Attachment #2, March 7, 2011 Item on RDA Debt. The only exception is the amount for the East Visalia Operations Advance which has been revised to reflect the balance of \$3,573,226 as supported by the accounting record. The balance shown in the March 7th report is \$3,632,723. The difference of \$59,497 is attributed to the interest calculation which was estimated at the time the documents were prepared. Additionally, DOF requested a signed executed copy of the Central Advance in order to approve the amount of \$3,496,127.

These loans require a repayment schedule with several requirements, namely:

- a) The repayment schedule is limited to ½ of the tax increment generated by the former redevelopment area above the 2012/13 fiscal year (HSC 34191.4 (b) (2) (A)). Thus the repayment amount is constrained. Staff has met with the County Auditor/Controller and learned that last year's limit would have been \$326,000. Staff expects that the amount will increase this next year. Further, if the Successor Agency asks for more money than is available, the Auditor/Controller simply reduces the payment to allowed amount.
- b) Any outstanding SERAF loans between the former Redevelopment Agency and the 20% Set-Aside funds must be repaid first from the proceeds of the loan repayment (HSC 34191.4 (b) (2) (B)). In Visalia's case, the outstanding loans total \$1,632,273. These loans then will be repaid to the Housing Successor Agency from the Visalia.
- c) An additional 20% of the loan principal must be paid to the Housing Successor Agency. (HSC 34191.4 (b) (2) (C)).
- d) Accumulated interest must be recalculated at a rate no greater than Local Agency Investment Fund (LAIF) (HSC 34191.4 (b) (2)).

Applying all these factors leads to the following distribution of outstanding City General Fund loans as shown in Table 2, Distribution of General Fund Loan Proceeds Advances:

Table 2,
Distribution of General Fund Loan Proceeds Advances

General Fund Advances:	GF Advances
East Visalia, Operations 2001	\$ 3,573,226
East Visalia, Land Purchase 2001, 2, 5	2,648,503
Central Visalia, Project Dev. 2009	3,496,127
Total	9,717,856
Add: Interest Allowed - LAIF Rate	44,702
Revised Principal	9,762,558
SERAF Loan Repayments	
HSC 34191.4 (b) (2) (B)	(1,632,273)
20% Reduction to paid to the Housing Successor Agency	
HSC 34191.4 (b) (2) (C)	(1,952,512)
Reinstated Loan Value to City's General Fund	6,177,773

Attachments:

- #1 – Resolution 15-04 Adopting the Restated General Fund Advances
- #2 – April 17, 2015 DOF Oversight Board Action Review
- #3 – March 7, 2011 Item #8b Central and East Advances
- #4 – March 7, 2011 Item #8c General Fund Land Advances
- #5 – East Visalia Operations Advance Balance
- #6 – Central Advance Executed Document

RESOLUTION NO. 2015-04

A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF VISALIA FINDING THAT CITY CASH ADVANCES WERE APPROPRIATE REDEVELOPMENT USES WHICH ALLOWS THE ADVANCES TO BE ENFORCEABLE OBLIGATIONS UPON FINDING OF COMPLETION.

WHEREAS, pursuant to Health and Safety Code section 34173(d), the City of Visalia (“Successor Agency”) elected to become the successor agency to the Redevelopment Agency of the City of Visalia by Resolution No. COV 12-01 on January 17, 2012; and

WHEREAS, AB 1484 requires that the Oversight Board find that the advances were for appropriate redevelopment purposes for the City to seek that the loans be deemed enforceable obligations; and

WHEREAS, pursuant to Health and Safety Code section 34191.4 (b) (2) (A), the repayment schedule is limited to ½ of the tax increment generated by the former redevelopment area above the 2012/13 fiscal year; and

WHEREAS, pursuant to Health and Safety Code section 34191.4 (b) (2) (B), any outstanding SERAF loans between the former Redevelopment Agency and the 20% Set-Aside funds must be repaid first from the proceeds of the loan repayment; and

WHEREAS, pursuant to Health and Safety Code section 34191.4 (b) (2) (C), an additional 20% of the loan principal must be paid to the Housing Successor Agency; and

WHEREAS, pursuant to Health and Safety Code section 34191.4 (b) (2), accumulated interest must be recalculated at a rate no greater than Local Agency Investment Fund; and

WHEREAS, the General Fund Advances interest has been calculated to be reduced as follows:

RESTATED LOANS				
	East Visalia Operations	Total East Visalia Properties	Central Advance	Total
General Fund Advances:				
March 7, 2011 Balance	\$ 3,573,226	\$ 2,648,503	\$ 3,496,127	\$ 9,717,856
Interest Allowed - LAIF Rate	\$ 16,437	\$ 12,183	\$ 16,082	\$ 44,702
Interest Paid	\$ -	\$ -	\$ -	\$ -
Allowed Advance	\$ 3,589,663	\$ 2,660,686	\$ 3,512,209	\$ 9,762,558

WHEREAS, the Successor Agency received its finding of completion letter from the Department of Finance on July 2, 2014, authorizing the City’s General Fund advances to be enforceable obligations if approved by the Oversight Board and the Department of Finance.

WHEREAS, the Oversight Board adopted Resolution 2015-1 in February of 2015 which is now being replaced by this resolution.

NOW, THEREFORE, THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF VISALIA, DOES HEREBY RESOLVE AS FOLLOWS:

- 1) Finds that the three cash advances made by the City of Visalia to the Visalia Redevelopment Agency were for appropriate redevelopment purposes;
- 2) Finds that the Successor Agency has complied with requirements of Health and Safety Code section 34191.4 (b) (2).
- 3) Finds that the General Fund Advances are restated as follows:

General Fund Advances:	GF Advances
East Visalia, Operations 2001	\$ 3,573,226
East Visalia, Land Purchase 2001, 2, 5	2,648,503
Central Visalia, Project Dev. 2009	3,496,127
Total	9,717,856
Add: Interest Allowed - LAIF Rate	44,702
Revised Principal	9,762,558
SERAF Loan Repayments	
HSC 34191.4 (b) (2) (B)	(1,632,273)
20% Reduction to paid to the Housing Successor Agency	
HSC 34191.4 (b) (2) (C)	(1,952,512)
Reinstated Loan Value to City's General Fund	6,177,773

PASSED AND ADOPTED: 09/15/2015

MARK LARSEN, SECRETARY OF THE BOARD

STATE OF CALIFORNIA)
COUNTY OF TULARE) ss.
CITY OF VISALIA)

I, Mark Larsen, Secretary of the Oversight Board of the Successor Agency to the Redevelopment Agency of the City of Visalia, certify the foregoing is the full and true Oversight Board Resolution 2015-04 passed and adopted by the Oversight Board of the Successor Agency to the Redevelopment Agency at a regular meeting held on September 15, 2015.

Dated:

MARK LARSEN, SECRETARY OF THE BOARD

By Gladys Ruiz, Recording Clerk



DEPARTMENT OF
FINANCE

EDMUND G. BROWN JR. • GOVERNOR

915 L STREET ■ SACRAMENTO CA ■ 95814-2706 ■ WWW.DOF.CA.GOV

April 17, 2015

Mr. Eric Frost, Administrative Services Director
City of Visalia
707 West Acequia Avenue
Visalia, CA 93291

Dear Mr. Frost:

Subject: Oversight Board Action Review

The City of Visalia Successor Agency (Agency) notified the California Department of Finance (Finance) of its February 19, 2015 Oversight Board (OB) resolution on April 3, 2015. Pursuant to Health and Safety Code (HSC) section 34179 (h), Finance has completed its review of the OB action.

Based on our review and application of the law, the Agency's OB Resolution 2015-01 finding that three cash advances made by the City of Visalia to the former Visalia Redevelopment Agency (RDA) were for appropriate redevelopment purposes, is partially approved.

The Agency received a Finding of Completion on July 2, 2014. As such, the Agency may place a loan agreement between the former RDA and the City on a Recognized Obligation Payment Schedule (ROPS), provided the OB finds the loan was for legitimate redevelopment purposes per HSC section 34191.4(b) (1).

The OB found the cash advances were made for appropriate redevelopment purposes; this portion of the resolution is approved.

However, the OB also approved the following outstanding principal balances on the advances:

- East Visalia Operations – \$2,478,823
- East Visalia Land Purchase – \$2,648,503
- Central Visalia Project Area 2009 – \$3,496,127

Our review of accounting records and signed loan agreements noted that principal amounts for the East Visalia Operations and Central Visalia Project Area 2009 advances are not supported. Furthermore, the accumulated interest on the remaining principal amount should be recalculated from loan origination using the Local Agency Investment Fund at the time the OB makes a finding.

The Agency was able to support the restated principal cash advance amount for the East Visalia Land Purchase advance. The repayment of sponsoring entity loans are subject to the formula outlined in HSC section 34191.4 (b) (2) (A). Therefore, the actual loan repayments should be

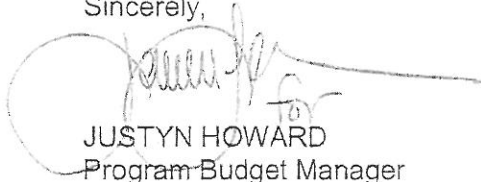
Mr. Eric Frost
April 17, 2015
Page 2

placed on a subsequent Recognized Payment Obligation Schedule for Finance's review and approval.

In the event the OB desires to amend the portion of the resolution not approved by Finance, Finance is returning it to the board for reconsideration. However, the Agency can move forward with the portion of the resolution approved by Finance.

Please direct inquiries to Beliz Chappuie, Supervisor, or Todd Vermillion, Lead Analyst at (916) 445-1546.

Sincerely,



JUSTYN HOWARD
Program Budget Manager

cc: Ms. Ruth Pena, Financial Analyst, City of Visalia
Ms. Rita A. Woodard, Auditor-Controller, Tulare County
California State Controller's Office

**City of Visalia
Agenda Item Transmittal**

Meeting Date: March 7, 2011

Agenda Item Number (Assigned by City Clerk): 8b

Agenda Item Wording: Authorize the Agency executive director to execute the 1st Amendment to the loan agreements for the Central and East Visalia Project Areas.

Deadline for Action:

Submitting Department: Housing and Economic Development, Administrative Services

Contact Name and Phone Number: Eric Frost, 713-4474
Ricardo Noguera, 713-4190

Department Recommendation:

- 1) Authorize the Agency's executive director to execute the 1st amendment of the loan agreements for the Central and East Visalia project areas including a \$2.2 million prepayment from the Central Redevelopment Agency; and,
- 2) Authorize the Agency Counsel and Executive Director, upon mutual consent, to make minor conforming and clarifying changes to the agreements.

Summary/background:

The City of Visalia created a Redevelopment Agency beginning in the 1970s to address blighted and underdeveloped properties. Eventually, four project areas were created to address the blight and underdevelopment problems, being:

- | | |
|--|---|
| <ul style="list-style-type: none"> ➤ Downtown ➤ East Visalia | <ul style="list-style-type: none"> ➤ Central ➤ Mooney |
|--|---|

These project areas incurred debt to pay for their projects which in turn was to be repaid by tax increment revenues. As a result, the Redevelopment Agency has significant debt.

This past January, the Governor proposed to discontinue the authority for cities to have redevelopment agencies. The proposal being considered by the legislature is to discontinue redevelopment agencies as of July 1, 2011 and turn over any assets and liabilities to a successor agency charged with discharging the debts of the redevelopment agency.

For action by:

City Council
 Redev. Agency Bd.
 Cap. Impr. Corp.
 VPFA

For placement on which agenda:

Work Session
 Closed Session

Regular Session:

Consent Calendar
 Regular Item
 Public Hearing

Est. Time (Min.): _____

Review:

Dept. Head _____
(Initials & date required)

Finance _____
City Atty _____
(Initials & date required or N/A)

City Mgr _____
(Initials Required)

If report is being re-routed after revisions leave date of initials if no significant change has affected Finance or City Attorney Review.

It is appropriate to review and amend the advances from the General Fund to the Redevelopment Agency. To that end, the following advances are being amended to clarify that these advances are made against a pledge of future tax increment revenues.

The Central Advance from 2009 has a repayment schedule but needs to state the General Fund loan will be repaid from a pledge of tax increment. The other advances need the pledge and an amortization table because these loans were a general advance to be paid when resources were available.

Specifically, the following advances are included in the 1st Amendment for the East and Central loans, shown as of 6/30/10, as follows:

General Fund Advances and Loans

2001 East Visalia-Advance from General Fund - Operations

Term: Until paid

3,632,723

2009 Central-General Fund Loan

Term: 11/10/2040

3,496,127

10,663,176

Because the Central Redevelopment Agency has unencumbered cash, staff also recommends prepaying \$2.2 million towards the Central General Fund loan.

Prior Council/Board Actions:

Committee/Commission Review and Actions:

Alternatives: Act on some or none of the proposed actions.

Attachments:

Recommended Motion (and Alternative Motions if expected):

- 1) I move that Authorize the Agency's executive director to execute the 1st amendment of the loan agreements for the Central and East Visalia project areas including a \$2.2 million prepayment from the Central Redevelopment Agency; and,
- 2) Authorize the Agency Counsel and Executive Director, upon mutual consent, to make minor conforming and clarifying changes to the agreements.

Environmental Assessment Status

CEQA Review:

NEPA Review:

Tracking Information: *(Staff must list/include appropriate review, assessment, appointment and contract dates and other information that needs to be followed up on at a future date)*

Copies of this report have been provided to:

FIRST AMENDMENT
TO THE
LOAN AGREEMENT BETWEEN CITY AND AGENCY
FOR THE CENTRAL VISALIA REDEVELOPMENT PROJECT

This First Amendment ("First Amendment") to the Loan Repayment Agreement (hereinafter "Original Agreement") by and between the Community Redevelopment Agency of the City of Visalia ("Agency") and the City of Visalia ("City") is entered into on this ____ day of _____, 2011.

RECITALS

WHEREAS, the City is a charter law city organized under provisions of California law; and

WHEREAS, the Agency is organized pursuant to provisions of California law and is authorized to undertake activities related to redevelopment within its defined project area boundaries within the City to remediate blight; and

WHEREAS, the Agency was unable to secure a loan with commercial lenders at favorable interest rates, and the deadline for issuance of debt for the Agency's Central Project Area was November 15, 2009; and

WHEREAS, the City agreed to loan funds from its General Fund reserve to the Agency for purposes of sustaining redevelopment activities for the Agency's Central Visalia Redevelopment Project, prior to the end of the Central Visalia Redevelopment Project's debt issuance period; and

WHEREAS, it was anticipated that the Agency's Central Visalia Redevelopment Project Area would generate enough tax increment funds over the remaining authorization period to repay City's loan; and

WHEREAS, City and Agency previously entered into the Original Agreement dated as of November 1, 2009 for the purposes mentioned above. Due to changed circumstances, and further decisions of the parties, the City and Agency desire to amend the Original Agreement as set forth herein.

NOW THEREFORE, BE IT RESOLVED that the City and Agency agree to amend the Original Agreement as follows:

Section 1. The above recitals shall be incorporated as fully set forth herein.

Section 2. City agrees to loan to Agency THREE MILLION FOUR HUNDRED AND NINETY SIX THOUSAND ONE HUNDRED AND TWENTY SEVEN DOLLARS AND NO CENTS (\$3,496,127) for use in the Agency's Central Visalia Redevelopment Project (the "Central Project Loan"). Interest on this principal amount shall accrue from the date of this

Agreement until paid in full unless, otherwise suspended or forgiven by City. Interest shall be calculated on the basis of a 360-day year consisting of twelve 30-day months. Agency agrees to execute a Promissory Note to evidence Agency's indebtedness to the City.

Section 3.

a. The Agency hereby pledges its tax increment for the repayment of the Central Project Loan and shall make annual payments to the City in the amounts and at the times set forth in the Payment Schedule attached hereto as Exhibit A and incorporated by reference. Generally, the parties agree that the Loan will accrue simple interest at the rate computed based on the most recently calculated average annual interest rate received on City's idle cash investment pool plus one percent. Beginning in fiscal year 2011, and continuing through fiscal year 2040 the Agency shall make annual payments of interest only to the City as set forth in the Payment Schedule (Exhibit A). Commencing in fiscal year 2012 the Agency shall make payments of principal and interest, in accordance with the Payment Schedule (Exhibit A), which payments shall continue until all amounts due and owing the City are paid in full. Each annual payment shall be due June 30 of each year (the last day of the applicable fiscal year). In addition to the annual payments, the Agency shall pay to the City a one-time payment equal to Two million, two hundred thousand \$2,200,000 in fiscal year 2011. Each payment shall be credited first to interest then due and the remainder to principal.

b. The City hereby agrees that the pledge of tax increment and obligation of the Agency to make annual payments to the City pursuant to this First Amended Agreement shall be fully subordinate to obligations of the Agency for the following: (1) existing agreement; (2) annual obligations required under the Community Redevelopment Law; and (3) to repay any Bonds and to all other obligations of the Agency under the indentures of trust pursuant to which the Bonds are issued.

c. In the event the Agency is disestablished, prohibited in any way from continuing activities or undertaking new activities under the Community Redevelopment Law, then the outstanding amount of the Central Project Loan shall be immediately due and payable, subject to any amounts owed as outlined in (b) above.

Section 4. The Central Project Area Loan may be prepaid by Agency to City, in whole or in part, at any time without consent of City and without penalty. Any partial prepayment shall be applied as provided above, shall not postpone the due date of any subsequent installments or change the amount of such installments, unless the City and Agency otherwise agree in writing.

Section 5. City will cooperate with the Agency in every way to facilitate its efforts to remove the existing debt issuance period for the Agency's Central Project Area and refinance existing indebtedness at lower interest rates if feasible.

Section 6. This First Amendment shall be construed in accordance with and governed by the laws of the State of California

Section 7. This First Amendment represents the entire understanding of the parties as

to those matters contained herein and supersedes all prior negotiations, representations, or agreement, both written and oral. This First Amendment may not be modified or altered except by written amendment executed by both parties.

Section 8. If any provision of this First Amendment shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions hereof shall not in any way be affected or impaired thereby.

Section 9. It is the intent of the parties that this First Amendment shall replace in its entirety the Original Agreement. Upon execution of this First Amendment by the Agency and the City, the Original Agreement shall be deemed terminated by the parties and shall thereafter be of no further force and effect.

Executed on this ____ day of _____ 2011, at Visalia, California.

City of Visalia The Community Redevelopment Agency of the City of Visalia

By: _____
Steven M. Salomon
City Manager

By: _____
Executive Director

ATTEST:

ATTEST:

By: _____

By: _____

Approved as to Form

By: _____
City Attorney

By: _____
Risk Management

EXHIBIT A
(PAYMENT SCHEDULE)

Amended Promissory Note

(City Loan to Agency for Central Visalia Project Area)

BORROWER: The Community Redevelopment Agency
of the City of Visalia
315 E. Acequia
Visalia, California 93291

HOLDER: The City of Visalia
425 East Oak Street, Suite 301
Visalia, CA 93291

DATE: March 7, 2011

PRINCIPAL AMOUNT: \$3,496,127.00

For value received, the undersigned, The Community Redevelopment Agency of the City of Visalia (the "Borrower," which term includes any successors or assigns), a public entity organized and existing under the Redevelopment Law of the State of California, promises to pay to the order of the CITY OF VISALIA (the "Holder," which term includes any successors or assigns), 425 East Oak Street, Suite 301, Visalia, California 93291, or at such other place as the holder hereof may from time to time designate in writing, the principal amount of THREE MILLION FOUR HUNDRED AND NINETY SIX THOUSAND ONE HUNDRED AND TWENTY SEVEN DOLLARS AND NO CENTS (\$3,496,127) together with simple interest on the unpaid principal balance computed based on the most recently calculated average annual interest rate received on City's idle cash investment pool plus one percent. This Note is the obligation of Borrower, constitutes an indebtedness of Borrower, and is binding on it and its successors and assigns.

A. Principal, Interest, and Repayment:

Interest on the principal amount of this Note shall accrue from the date of this Note until paid in full unless otherwise suspended or forgiven by Holder. Interest shall be calculated on the basis of a 360-day year consisting of twelve 30-day months.

The principal amount stems from an obligation created between the Borrower and Holder by a Loan Agreement between the parties entered November 1, 2009, and shall be repaid according to the terms of the first amendment which are incorporated herein by reference.

B. Acceleration Upon Sale of Property Purchased with Loan Proceeds:

At the option of the Holder of this Note, upon the sale by Borrower of any real property obtained with loan proceeds secured by this Note and any related Deed of Trust, to the extent of such sales proceeds this Note will be accelerated and such amount shall be immediately due and

payable to Holder, with notice and demand.

Payments, when made, shall be applied first to accrued interest to date of payment computed upon the outstanding unpaid balance, and the remainder applied to principal.

C. Acceleration Upon Default:

At the option of the Holder of this Note, the payment of all principal and interest due in accordance with the terms of this Note will be accelerated and such principal shall be immediately due and payable, with notice and demand, upon occurrence of any of the following events of default, provided the same shall remain uncured for a period of fifteen (15) days following written notice to Borrower: a) failure to pay any installment of principal and interest when due; b) dissolution or termination of existence of Borrower.

D. Attorney's Fees:

In the event it should become necessary for Holder to employ counsel to collect this obligation or to protect or foreclose the security given in connection herewith, the undersigned agrees to pay upon demand reasonable attorneys' fees for services of such counsel, whether or not suit is brought, plus costs incurred in connection therewith.

E. Prepayment:

This Note may be prepaid, in whole or in part, at any time without consent and without penalty. To pay in whole, all outstanding principal and interest must be paid as of the date of payment. Any partial prepayment shall be applied as provided above, shall not postpone the due date of any subsequent installments or change the amount of such installments, unless the note holder shall otherwise agree in writing.

F. Waivers:

No delay or omission on the part of the Holder hereof in exercising any right hereunder shall operate as a waiver of such right or a remedy on any future occasion.

G. Governing Law:

The terms and provisions of this Note are intended to be and shall be governed, interpreted and construed pursuant to the laws of the State of California and venue for any legal action relating to the interpretation or enforcement of the provisions of this Note or the obligations arising hereunder shall be proper in the Superior Court for the County of Tulare, State of California.

H. Conflict with Law:

If any interest rate, late charge, penalty, fee or cost provided for herein shall exceed that which is allowed pursuant to any applicable statute or law, said amount shall be deemed by the parties hereto to be modified so as to conform to and equal the maximum amount allowed by said statute or law. If any provisions hereof are in conflict with any applicable statute or law and

are determined to be not valid or enforceable, then each such provision shall be deemed null and void, but to the extent of such conflict only and without invalidity or affecting the remaining provisions hereof.

I. Notice:

Any notice to be given to the Holder of this Note shall be given by first class United States mail at the address set forth in the first paragraph above or such further address as shall be directed in writing to makers. Any notice to be given to any undersigned or Borrower shall be given at the address(es) set forth below or such further address as shall be directed in writing to holder hereof.

J. Amendment:

Any amendment of this Note shall be in writing and executed by each party hereto.

The Community Redevelopment
Agency of the City of Visalia

By: _____
Executive Director

ATTEST:

By: _____

FIRST AMENDMENT
TO THE
LOAN AGREEMENT BETWEEN CITY AND AGENCY
FOR THE EAST VISALIA REDEVELOPMENT PROJECT

This First Amendment ("First Amendment") to the Loan Repayment Agreement (hereinafter "Original Agreement") by and between the Community Redevelopment Agency of the City of Visalia ("Agency") and the City of Visalia ("City") is entered into on this ____ day of _____, 2011.

RECITALS

WHEREAS, the City is a charter law city organized under provisions of California law; and

WHEREAS, the Agency is organized pursuant to provisions of California law and is authorized to undertake activities related to redevelopment within its defined project area boundaries within the City to remediate blight; and

WHEREAS, the Agency was unable to secure a loan with commercial lenders at favorable interest rates, and the deadline for issuance of debt for the Agency's East Project Area was July 7, 2006; and

WHEREAS, the City agreed to loan funds from its General Fund reserve to the Agency for purposes of sustaining redevelopment activities for the Agency's East Visalia Redevelopment Project, prior to the end of the East Visalia Redevelopment Project's debt issuance period; and

WHEREAS, it was anticipated that the Agency's East Visalia Redevelopment Project Area would generate enough tax increment funds over the remaining authorization period to repay City's loan; and

WHEREAS, City and Agency previously entered into the Original Agreement dated as of June 14, 1999 for the purposes mentioned above. Due to changed circumstances, and further decisions of the parties, the City and Agency desire to amend the Original Agreement as set forth herein.

NOW THEREFORE, BE IT RESOLVED that the City and Agency agree to amend the Original Agreement as follows:

Section 1. The above recitals shall be incorporated as fully set forth herein.

Section 2. City agrees to loan to Agency THREE MILLION SIX HUNDRED AND THIRTY TWO THOUSAND SEVEN HUNDRED AND TWENTY THREE DOLLARS AND NO CENTS (\$3,632,723) for use in the Agency's East Visalia Redevelopment Project (the "East Project Loan"). Interest on this principal amount shall accrue from the date of this Agreement until paid in full unless, otherwise suspended or forgiven by City. Interest shall be calculated on

the basis of a 360-day year consisting of twelve 30-day months. Agency agrees to execute a Promissory Note to evidence Agency's indebtedness to the City.

Section 3.

a. The Agency hereby pledges its tax increment for the repayment of the East Project Loan and shall make annual payments to the City in the amounts and at the times set forth in the Payment Schedule attached hereto as Exhibit A and incorporated by reference. Generally, the parties agree that the Loan will accrue simple interest at the rate computed based on the most recently calculated average annual interest rate received on City's idle cash investment pool plus one percent. Beginning in fiscal year 2011, and continuing through fiscal year 2029 the Agency shall make annual payments of interest only to the City as set forth in the Payment Schedule (Exhibit A). Commencing in fiscal year 2012, the Agency shall make payments of principal and interest, in accordance with the Payment Schedule (Exhibit A), which payments shall continue until all amounts due and owing the City are paid in full. Each annual payment shall be due June 30 of each year (the last day of the applicable fiscal year

b. The City hereby agrees that the pledge of tax increment and obligation of the Agency to make annual payments to the City pursuant to this First Amended Agreement shall be fully subordinate to obligations of the Agency for the following: (1) existing agreement; (2) annual obligations required under the Community Redevelopment Law; and (3) to repay any Bonds and to all other obligations of the Agency under the indentures of trust pursuant to which the Bonds are issued.

c. In the event the Agency is disestablished, prohibited in any way from continuing activities or undertaking new activities under the Community Redevelopment Law, then the outstanding amount of the East Project Loan shall be immediately due and payable, subject to any amounts owed as outlined in (b) above.

Section 4. The East Project Area Loan may be prepaid by Agency to City, in whole or in part, at any time without consent of City and without penalty. Any partial prepayment shall be applied as provided above, shall not postpone the due date of any subsequent installments or change the amount of such installments, unless the City and Agency otherwise agree in writing.

Section 5. City will cooperate with the Agency in every way to facilitate its efforts to remove the existing debt issuance period for the Agency's East Project Area and refinance existing indebtedness at lower interest rates if feasible.

Section 6. This First Amendment shall be construed in accordance with and governed by the laws of the State of California

Section 7. This First Amendment represents the entire understanding of the parties as to those matters contained herein and supersedes all prior negotiations, representations, or agreement, both written and oral. This First Amendment may not be modified or altered except by written amendment executed by both parties.

Section 8. If any provision of this First Amendment shall be invalid, illegal or

unenforceable, the validity, legality and enforceability of the remaining provisions hereof shall not in any way be affected or impaired thereby.

Section 9. It is the intent of the parties that this First Amendment shall replace in its entirety the Original Agreement. Upon execution of this First Amendment by the Agency and the City, the Original Agreement shall be deemed terminated by the parties and shall thereafter be of no further force and effect.

Executed on this ____ day of _____ 2011, at Visalia, California.

City of Visalia The Community Redevelopment Agency of the City of Visalia

By: _____
Steven M. Salomon
City Manager

By: _____
Executive Director

ATTEST:

ATTEST:

By: _____

By: _____

Approved as to Form

By: _____
City Attorney

By: _____
Risk Management

EXHIBIT A
(PAYMENT SCHEDULE)

Amended Promissory Note
(City Loan to Agency for East Visalia Project Area)

BORROWER: The Community Redevelopment Agency
of the City of Visalia
315 E. Acequia
Visalia, California 93291

HOLDER: The City of Visalia
425 East Oak Street, Suite 301
Visalia, CA 93291

DATE: March 7, 2011

PRINCIPAL AMOUNT: \$3,632,723.00

For value received, the undersigned, The Community Redevelopment Agency of the City of Visalia (the "Borrower," which term includes any successors or assigns), a public entity organized and existing under the Redevelopment Law of the State of California, promises to pay to the order of the CITY OF VISALIA (the "Holder," which term includes any successors or assigns), 425 East Oak Street, Suite 301, Visalia, California 93291, or at such other place as the holder hereof may from time to time designate in writing, the principal amount of THREE MILLION SIX HUNDRED AND THIRTY TWO THOUSAND SEVEN HUNDRED AND TWENTY THREE DOLLARS AND NO CENTS (\$3,632,723) together with simple interest on the unpaid principal balance computed based on the most recently calculated average annual interest rate received on City's idle cash investment pool plus one percent. This Note is the obligation of Borrower, constitutes an indebtedness of Borrower, and is binding on it and its successors and assigns.

A. Principal, Interest, and Repayment:

Interest on the principal amount of this Note shall accrue from the date of this Note until paid in full unless otherwise suspended or forgiven by Holder. Interest shall be calculated on the basis of a 360-day year consisting of twelve 30-day months.

The principal amount stems from an obligation created between the Borrower and Holder by a Loan Agreement between the parties entered June 14, 1999, and shall be repaid according to the terms of the first amendment which are incorporated herein by reference.

B. Acceleration Upon Sale of Property Purchased with Loan Proceeds:

At the option of the Holder of this Note, upon the sale by Borrower of any real property

obtained with loan proceeds secured by this Note and any related Deed of Trust, to the extent of such sales proceeds this Note will be accelerated and such amount shall be immediately due and payable to Holder, with notice and demand.

Payments, when made, shall be applied first to accrued interest to date of payment computed upon the outstanding unpaid balance, and the remainder applied to principal.

C. Acceleration Upon Default:

At the option of the Holder of this Note, the payment of all principal and interest due in accordance with the terms of this Note will be accelerated and such principal shall be immediately due and payable, with notice and demand, upon occurrence of any of the following events of default, provided the same shall remain uncured for a period of fifteen (15) days following written notice to Borrower: a) failure to pay any installment of principal and interest when due; b) dissolution or termination of existence of Borrower.

D. Attorney's Fees:

In the event it should become necessary for Holder to employ counsel to collect this obligation or to protect or foreclose the security given in connection herewith, the undersigned agrees to pay upon demand reasonable attorneys' fees for services of such counsel, whether or not suit is brought, plus costs incurred in connection therewith.

E. Prepayment:

This Note may be prepaid, in whole or in part, at any time without consent and without penalty. To pay in whole, all outstanding principal and interest must be paid as of the date of payment. Any partial prepayment shall be applied as provided above, shall not postpone the due date of any subsequent installments or change the amount of such installments, unless the note holder shall otherwise agree in writing.

F. Waivers:

No delay or omission on the part of the Holder hereof in exercising any right hereunder shall operate as a waiver of such right or a remedy on any future occasion.

G. Governing Law:

The terms and provisions of this Note are intended to be and shall be governed, interpreted and construed pursuant to the laws of the State of California and venue for any legal action relating to the interpretation or enforcement of the provisions of this Note or the obligations arising hereunder shall be proper in the Superior Court for the County of Tulare, State of California.

H. Conflict with Law:

If any interest rate, late charge, penalty, fee or cost provided for herein shall exceed that which is allowed pursuant to any applicable statute or law, said amount shall be deemed by the

parties hereto to be modified so as to conform to and equal the maximum amount allowed by said statute or law. If any provisions hereof are in conflict with any applicable statute or law and are determined to be not valid or enforceable, then each such provision shall be deemed null and void, but to the extent of such conflict only and without invalidity or affecting the remaining provisions hereof.

I. Notice:

Any notice to be given to the Holder of this Note shall be given by first class United States mail at the address set forth in the first paragraph above or such further address as shall be directed in writing to makers. Any notice to be given to any undersigned or Borrower shall be given at the address(es) set forth below or such further address as shall be directed in writing to holder hereof.

J. Amendment:

Any amendment of this Note shall be in writing and executed by each party hereto.

The Community Redevelopment
Agency of the City of Visalia

By: _____
Executive Director

ATTEST:

By: _____

**City of Visalia
Agenda Item Transmittal**

Meeting Date: March 7, 2011

Agenda Item Number (Assigned by City Clerk): 8c

Agenda Item Wording: Authorize the execution of three General Fund Advance Agreements for three land purchases: Edison, Van Ness and Railroad.

Deadline for Action:

Submitting Department: Housing and Economic Development, Administrative Services

Contact Name and Phone Number: Eric Frost, 713-4474
Ricardo Noguera, 713-4190

Department Recommendation:

That the Visalia Redevelopment Agency Board authorizes:

- a) the Agency Executive Director to execute three General Fund Advance Agreements for three land purchases: Edison, Van Ness and Railroad; and,
- b) the Agency Counsel and Executive Director, upon mutual consent, to make minor conforming and clarifying changes to the agreements.

Summary/background:

During the first 5 years of the last decade, the East Visalia Redevelopment project area purchased 4 parcels. The East Visalia Redevelopment project areas did not have cash to purchase these properties, so the City's General Fund advanced cash sufficient to pay for the properties. Attachment I shows the location of the subject properties. The details of the advances are as follows:

For action by:

City Council
 Redev. Agency Bd.
 Cap. Impr. Corp.
 VPFA

For placement on which agenda:

Work Session
 Closed Session

Regular Session:

Consent Calendar
 Regular Item
 Public Hearing

Est. Time (Min.): _____

Review:

Dept. Head _____
 (Initials & date required)

Finance _____
City Atty _____
 (Initials & date required or N/A)

City Mgr _____
 (Initials Required)

If report is being re-routed after revisions leave date of initials if no significant change has affected Finance or City Attorney Review.

Property	APN	Date of Original Advance	Original Advance	Return or principal from property sale	Accrued Interest	Outstanding Balance as of 6/30/10
Edison	088-142-036	08/30/2001	\$946,227	(\$823,937)	\$161,271	\$283,561
Van Ness (2)	094-180-006 094-180-007	04/30/2002	\$998,450		\$340,322	\$1,338,772
Railroad	094-180-005	06/30/2005	<u>\$1,527,762</u>		<u>\$384,232</u>	<u>\$1,911,994</u>
		Total	\$3,472,439	(\$823,937)	\$885,825	\$3,534,327

During the time between the advance and today, two subdivisions of the Edison property have been purchased. The proceeds from those purchases have reduced the outstanding principal by \$823,937. No other monies have been repaid on the advances.

At the time the Agency was authorized to purchase the property, the City Council authorized the advance of monies to fund the purchase. This action tonight will formalize the repayment of these cash advances for land purchase.

Prior Council/Board Actions:

Committee/Commission Review and Actions:

Alternatives:

Attachments: General Fund Advance Agreement: Edison
 General Fund Advance Agreement: Van Ness
 General Fund Advance Agreement: Railroad

Recommended Motion (and Alternative Motions if expected): I move that the Agency authorizes the executive director to execute three General Fund Advance Agreements for the purchase of the Van Ness, Edison and Railroad properties and that the Agency Counsel and Executive Director, upon mutual consent, may make minor conforming and clarifying changes to the agreements

Environmental Assessment Status

CEQA Review:

NEPA Review:

Tracking Information: *(Staff must list/include appropriate review, assessment, appointment and contract dates and other information that needs to be followed up on at a future date)*

Copies of this report have been provided to:

GENERAL FUND ADVANCE AGREEMENT
FOR THE EDISON PROPERTY

This fund Advance Agreement by and between the Community Redevelopment Agency of the City of Visalia ("Agency") and the City of Visalia ("City") is entered into on this ____ day of _____, 2011.

RECITALS

WHEREAS, the City is a charter law city organized under provisions of California law; and

WHEREAS, the Agency is organized pursuant to provisions of California law and is authorized to undertake activities related to redevelopment within its defined project area boundaries within the City to remediate blight; and

WHEREAS, on June 4, 2001, the Agency Board of Directors approved the Purchase and Sale Agreement with Southern California Edison for the purchase of a 9-acre, more or less, parcel located at the southeast corner of N. Ben Maddox Way and Goshen Avenue (APN Number 098-142-036) ("Property"), for \$944,000 plus shared applicable closing and related costs. This is a redevelopment activity for the Agency's East Visalia Redevelopment Project; and

WHEREAS, on January 6, 2003 the City of Visalia City Council approved the advance of funds from City's General Fund to Agency ("Advance") for purposes of purchasing Property, and authorized the Visalia City Manager to execute Promissory Notes and Deeds of Trust on behalf of the City for the Advance by City to Agency for the purchase of Property; and

WHEREAS, while the Advance was implemented and the Property was purchased by the Agency, the terms of the Advance was never documented; and

WHEREAS, no tax increment was used to purchase the Property.

NOW THEREFORE, BE IT RESOLVED that the City and Agency agree as follows:

Section 1. Outstanding Advance Balance. The outstanding Advance amount owed by Agency to City is two hundred twenty six thousand, five hundred and seventy seven dollars (\$226,577) in principal and five hundred and fifty six thousand, nine hundred and eighty four dollars (\$56,984) in interest for a total of two hundred eighty three thousand, five hundred and sixty one dollars (\$283,561) ("Advance Balance").

Section 2. Payment.

a. The Advance Balance shall be payable in annual installment payments of principal and interest. Agency shall make payments of principal and interest, which payments shall continue until all amounts due and owing to the City are paid in full. Each annual payment shall be due June 30 of each year (the last day of the applicable fiscal year).

b. The Advance Balance may be paid by Agency, in whole or in part, at any time without consent of City and without penalty. Any partial prepayment shall be applied as provided above, shall not alleviate Agency's obligation to repay any outstanding Advance Balance, unless the City and Agency otherwise agree in writing.

c. Agency may also apply Property sale proceeds to the reduction or complete satisfaction of the Advance Balance whereby payments, when made, shall be applied first to accrued interest to date of payment computed upon the outstanding unpaid balance, and the remainder applied to principal.

d. Agency may also transfer title to the Property to City, at any time, as complete satisfaction of Advance Balance.

Section 3. Cooperation. City and Agency will cooperate in every way to facilitate efforts to effectuate repayment of the Advance Balance.

Section 4. Governing Laws. This First Amendment shall be construed in accordance with and governed by the laws of the State of California

Section 5. Integration. This Agreement represents the entire understanding of the parties as to those matters contained herein and supersedes all prior negotiations, representations, or agreement, both written and oral. This Agreement may not be modified or altered except by written amendment executed by both parties.

Section 6. Partial Invalidity. If any provision of this Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions hereof shall not in any way be affected or impaired thereby.

Section 7. Supersedes Prior Agreements. The terms and conditions of this Agreement supersedes any all terms and conditions of prior agreements between City and Agency related to the Advance and Property. If terms the terms or conditions of this Agreement are found to be inconsistent with the terms and conditions of other prior agreements between City and Agency related to the Advance and Property, the terms and conditions of this Agreement shall control.

Executed on this ____ day of _____ 2011, at Visalia, California.

City of Visalia The Community Redevelopment Agency of the City of Visalia

By: _____
Steven M. Salomon
City Manager

By: _____
Executive Director

ATTEST:

ATTEST:

By: _____

By: _____

Approved as to Form

By: _____
City Attorney

By: _____
Risk Management

GENERAL FUND ADVANCE AGREEMENT
FOR THE VAN NESS PROPERTY

This fund Advance Agreement by and between the Community Redevelopment Agency of the City of Visalia ("Agency") and the City of Visalia ("City") is entered into on this ____ day of _____, 2011.

RECITALS

WHEREAS, the City is a charter law city organized under provisions of California law; and

WHEREAS, the Agency is organized pursuant to provisions of California law and is authorized to undertake activities related to redevelopment within its defined project area boundaries within the City to remediate blight; and

WHEREAS, on April 1, 2002 the City of Visalia City Council ('City Council') and Agency Board of Directors approved the modification/amendment to the annual loan agreement between the City and Agency to provide an estimated nine hundred ninety five thousand dollars (\$995,000) in additional loan funding to allow the Agency to purchase two (2) properties located at the southeast corner of Goshen Avenue and Burke Street: (1) APN Number 094-180-006 from E. Max Van Ness and Freda W. Van Ness, as trustees for the Van Ness Family for eight hundred twenty five thousand dollars (\$825,000); and (2) APN Number 094-180-007 from Van Ness Enterprises, Inc. for three hundred fifty thousand dollars (\$350,000) (referred to collectively herein as "Property"). Acquisition of Property by Agency is a redevelopment activity for the Agency's East Visalia Redevelopment Project; and

WHEREAS, to fund the remaining cost of the land purchase, the waterway fund paid one hundred thousand dollars (\$100,000) for access to the creek in the Van Ness property and the transportation fund contributed eighty thousand dollars (\$80,000) for road right of way on the Van Ness property.

WHEREAS, on January 6, 2003 the City Council approved the advance of funds from City's General Fund to Agency ("Advance") for purposes of purchasing Property, and authorized the Visalia City Manager to execute Promissory Notes and Deeds of Trust on behalf of the City for the Advance by City to Agency for the purchase of Property; and

WHEREAS, while the Advance was implemented and the Property was purchased by the Agency, the terms of the Advance was never documented; and

WHEREAS, no tax increment was used to purchase the Property.

NOW THEREFORE, BE IT RESOLVED that the City and Agency agree as follows:

Section 1. Outstanding Advance Balance. The outstanding Advance amount owed by Agency to City is nine hundred ninety eight thousand, four hundred fifty dollars (\$998,450) in principal and three hundred forty thousand, three hundred twenty two dollars (\$340,322) in

interest for a total of one million, three hundred and thirty three thousand, seven hundred and seventy two dollars (\$1,338,772) (“Advance Balance”).

Section 2. Payment.

a. The Advance Balance shall be payable in annual installment payments of principal and interest. Agency shall make payments of principal and interest, which payments shall continue until all amounts due and owing to the City are paid in full. Each annual payment shall be due June 30 of each year (the last day of the applicable fiscal year).

b. The Advance Balance may be paid by Agency, in whole or in part, at any time without consent of City and without penalty. Any partial prepayment shall be applied as provided above, shall not alleviate Agency’s obligation to repay any outstanding Advance Balance, unless the City and Agency otherwise agree in writing.

c. Agency may also apply Property sale proceeds to the reduction or complete satisfaction of the Advance Balance whereby payments, when made, shall be applied first to accrued interest to date of payment computed upon the outstanding unpaid balance, and the remainder applied to principal.

d. Agency may also transfer title to the Property to City, at any time, as complete satisfaction of Advance Balance.

Section 3. Cooperation. City and Agency will cooperate in every way to facilitate efforts to effectuate repayment of the Advance Balance.

Section 4. Governing Laws. This First Amendment shall be construed in accordance with and governed by the laws of the State of California

Section 5. Integration. This Agreement represents the entire understanding of the parties as to those matters contained herein and supersedes all prior negotiations, representations, or agreement, both written and oral. This Agreement may not be modified or altered except by written amendment executed by both parties.

Section 6. Partial Invalidity. If any provision of this Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions hereof shall not in any way be affected or impaired thereby.

GENERAL FUND ADVANCE AGREEMENT
FOR THE RAILROAD PROPERTY

This fund Advance Agreement by and between the Community Redevelopment Agency of the City of Visalia (“Agency”) and the City of Visalia (“City”) is entered into on this ____ day of _____, 2011.

RECITALS

WHEREAS, the City is a charter law city organized under provisions of California law; and

WHEREAS, the Agency is organized pursuant to provisions of California law and is authorized to undertake activities related to redevelopment within its defined project area boundaries within the City to remediate blight; and

WHEREAS, on December 13, 2004, the Agency Board of Directors approved the Purchase and Sale Agreement with Union Pacific Railroad for the purchase of 22.7 acres (APN Number 094-180-005) (“Property”), for one million five hundred twenty seven thousand, seven hundred and sixty two dollars (\$1,527,762). This is a redevelopment activity for the Agency’s East Visalia Redevelopment Project; and

WHEREAS, on December 13, 2004 the City of Visalia City Council approved the advance of funds from City’s General Fund to Agency (“Advance”) for purposes of purchasing Property, and authorized the Visalia City Manager to execute Promissory Notes and Deeds of Trust on behalf of the City for the Advance by City to Agency for the purchase of Property; and

WHEREAS, while the Advance was implemented and the Property was purchased by the Agency, the terms of the Advance was never documented; and

WHEREAS, no tax increment was used to purchase the Property.

NOW THEREFORE, BE IT RESOLVED that the City and Agency agree as follows:

Section 1. Outstanding Advance Balance. The outstanding Advance amount owed by Agency to City is one million five hundred twenty seven thousand, seven hundred and sixty two dollars (\$1,527,762) in principal and three hundred eighty four thousand, two hundred and thirty two dollars (\$384,232) in interest for a total of one million nine hundred and eleven thousand, nine hundred and ninety four dollars (\$1,911,994)(“Advance Balance”).

Section 2. Payment.

a. The Advance Balance shall be payable in annual installment payments of principal and interest. Agency shall make payments of principal and interest, which payments shall continue until all amounts due and owing to the City are paid in full. Each annual payment shall be due June 30 of each year (the last day of the applicable fiscal year).

b. The Advance Balance may be paid by Agency, in whole or in part, at any time without consent of City and without penalty. Any partial prepayment shall be applied as provided above, shall not alleviate Agency's obligation to repay any outstanding Advance Balance, unless the City and Agency otherwise agree in writing.

c. Agency may also apply Property sale proceeds to the reduction or complete satisfaction of the Advance Balance whereby payments, when made, shall be applied first to accrued interest to date of payment computed upon the outstanding unpaid balance, and the remainder applied to principal.

d. Agency may also transfer title to the Property to City, at any time, as complete satisfaction of Advance Balance.

Section 3. Cooperation. City and Agency will cooperate in every way to facilitate efforts to effectuate repayment of the Advance Balance.

Section 4. Governing Laws. This First Amendment shall be construed in accordance with and governed by the laws of the State of California

Section 5. Integration. This Agreement represents the entire understanding of the parties as to those matters contained herein and supersedes all prior negotiations, representations, or agreement, both written and oral. This Agreement may not be modified or altered except by written amendment executed by both parties.

Section 6. Partial Invalidity. If any provision of this Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions hereof shall not in any way be affected or impaired thereby.

Section 7. Supersedes Prior Agreements. The terms and conditions of this Agreement supersedes any all terms and conditions of prior agreements between City and Agency related to the Advance and Property. If terms the terms or conditions of this Agreement are found to be inconsistent with the terms and conditions of other prior agreements between City and Agency related to the Advance and Property, the terms and conditions of this Agreement shall control.

Executed on this ____ day of _____ 2011, at Visalia, California.

City of Visalia The Community Redevelopment Agency of the City of Visalia

By: _____
Steven M. Salomon
City Manager

By: _____
Executive Director

ATTEST:

ATTEST:

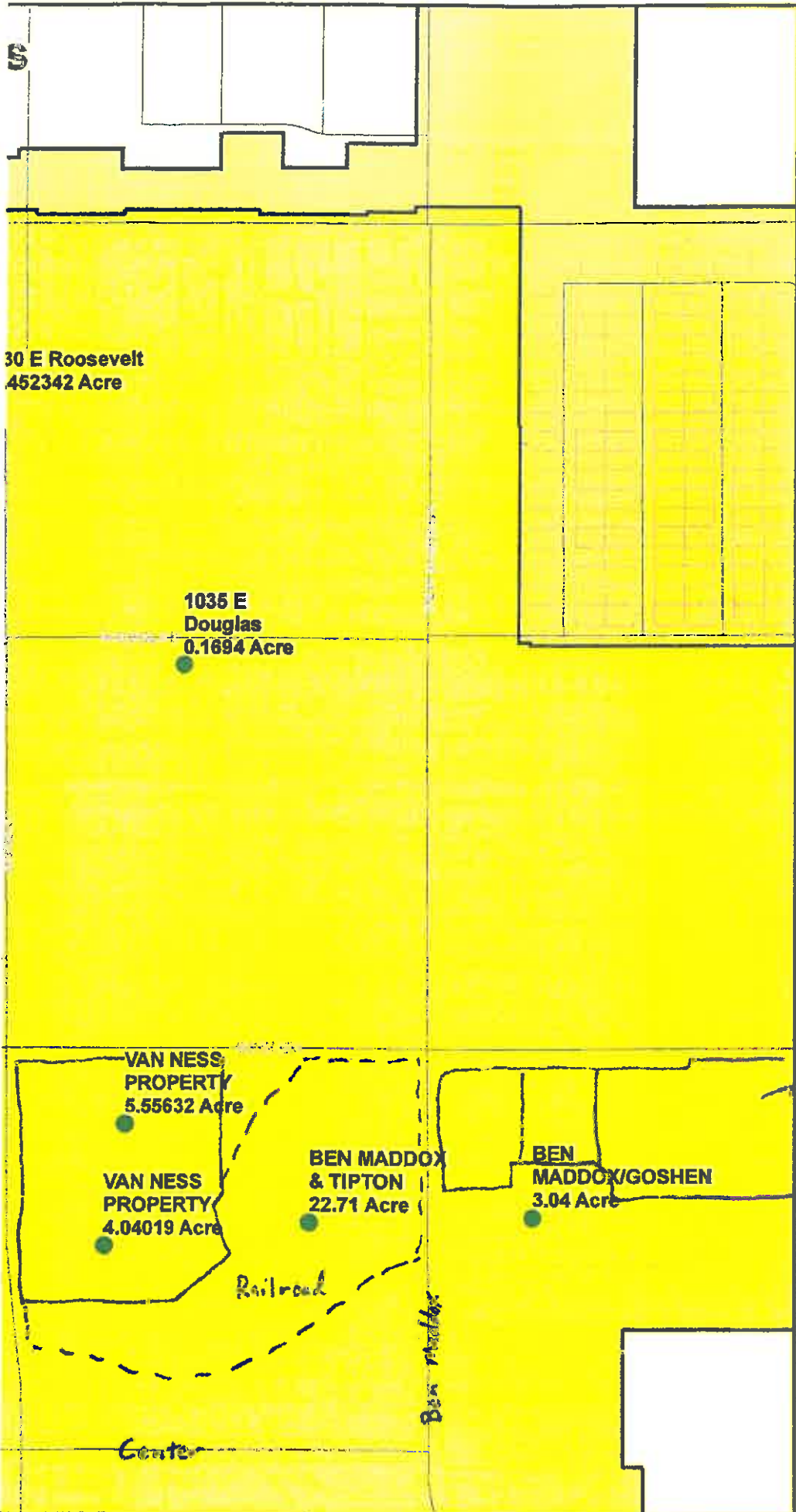
By: _____

By: _____

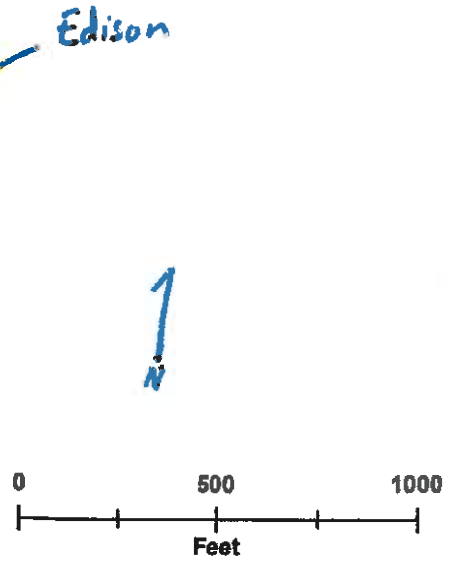
Approved as to Form

By: _____
City Attorney

By: _____
Risk Management



- RDA Properties
- Central Business District
- Central Visalia
- East Visalia
- Streets
- Parcels



Attachment #5

East Advance

Trial Balance 09/30/2010

Principal	3,366,236.69
Interest	<u>206,989.14</u>
Total	3,573,225.83

Add Interest for 2010-11	<u>59,815.00</u>
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Balance at 6/30/11	<u>3,633,040.83</u>
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3/7/11 Staff Report	<u>3,632,723.00</u>
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Difference	317.83
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TRIAL BALANCE-OBJECT (PERIOD 3 TO 3 FOR FISCAL YEAR 2011)

FUND OBJECT Account Title	Rep Yr Bud Tot YTD	Rep Yr Actuals Beg Per	2011 Act Cr Period	2011 Act Cr Period	2011 Actuals YTD
0018 220101 ADVANCE-GENERAL FUND	0.00	<534,566.00>	0.00	0.00	<534,566.00>
1011 220101 ADVANCE-GENERAL FUND	0.00	<10,754.68>	0.00	127.22	<10,754.68>
1045 220101 ADVANCE-GENERAL FUND	0.00	<295,445.26>	1,715.14	970.92	<295,445.26>
1051 220101 ADVANCE-GENERAL FUND	0.00	<492,538.07>	17,861.64	1,639.86	<492,538.07>
1061 220101 ADVANCE-GENERAL FUND	0.00	<2,071,384.03>	13,674.72	6,811.50	<2,071,384.03>
1132 220101 ADVANCE-GENERAL FUND	0.00	<824,817.43>	0.00	300,509.17	<824,817.43>
1133 220101 ADVANCE-GENERAL FUND	0.00	<3,090,780.09>	497,288.54	1,242,332.54	<3,090,780.09>
1223 220101 ADVANCE-GENERAL FUND	0.00	<216,773.18>	39,777.15	744.37	<216,773.18>
1512 220101 ADVANCE-GENERAL FUND	0.00	<182,897.64>	146.76	967.76	<182,897.64>
1611 220101 ADVANCE-GENERAL FUND	0.00	<87,377.00>	0.00	87,377.00	<87,377.00>
1811 220101 ADVANCE-GENERAL FUND	0.00	<582,513.33>	0.00	582,513.33	<582,513.33>
1831 220101 ADVANCE-GENERAL FUND	0.00	<247,565.21>	0.00	147,325.69	<247,565.21>
1861 220101 ADVANCE-GENERAL FUND	0.00	<36,126.78>	1,079.88	2,668.93	<36,126.78>
1901 220101 ADVANCE-GENERAL FUND	0.00	<3,366,236.69>	39,274.33	6,394,332.46	<3,366,236.69>
1902 220101 ADVANCE-GENERAL FUND	0.00	0.00	0.00	96.84	0.00
1922 220101 ADVANCE-GENERAL FUND	0.00	<13,188.62>	0.00	13,188.62	<13,188.62>
1931 220101 ADVANCE-GENERAL FUND	0.00	<3,496,127.42>	0.00	0.00	<3,496,127.42>
1932 220101 ADVANCE-GENERAL FUND	0.00	<195,392.30>	0.00	19,296.61	<195,392.30>
4001 220101 ADVANCE-GENERAL FUND	0.00	<607,341.65>	0.00	170,303.89	<607,341.65>
4011 220101 ADVANCE-GENERAL FUND	0.00	<618,802.64>	68,437.35	10,613.00	<618,802.64>
4213 220101 ADVANCE-GENERAL FUND	0.00	<8,074.49>	2,674.00	10,748.49	<8,074.49>
5512 220101 ADVANCE-GENERAL FUND	0.00	<399,200.55>	0.00	191,563.39	<399,200.55>
6311 220101 ADVANCE-GENERAL FUND	0.00	<58,165.66>	0.00	9,000.99	<58,165.66>
220101 ADVANCE-GENERAL FUND	0.00	<17,436,068.72>	681,929.57	9,193,132.58	<17,436,068.72>
220102 ADVANCE-GENERAL FUND	0.00	<17,436,068.72>	681,929.57	9,193,132.58	<17,436,068.72>
220102 ADVANCE-G/F INTEREST	0.00	<206,989.14>	0.00	0.00	<206,989.14>
220102 ADVANCE-G/F INTEREST	0.00	<206,989.14>	0.00	0.00	<206,989.14>
220102 ADVANCE-G/F INTEREST	0.00	<206,989.14>	0.00	0.00	<206,989.14>
220102 ADVANCE-G/F INTEREST	0.00	<206,989.14>	0.00	0.00	<206,989.14>
1513 220110 ADV-POCKET PARK (CONSTR)	0.00	<169,013.82>	0.00	0.00	<169,013.82>
220110 ADV-POCKET PARK (CONSTR)	0.00	<169,013.82>	0.00	0.00	<169,013.82>
220110 ADV-POCKET PARK (CONSTR)	0.00	<169,013.82>	0.00	0.00	<169,013.82>
220110 ADV-POCKET PARK (CONSTR)	0.00	<169,013.82>	0.00	0.00	<169,013.82>
1901 220120 ADVANCE-INT SERV FUNDS	0.00	0.00	6,380,000.00	0.00	0.00
4211 220120 ADVANCE-INT SERV FUNDS	0.00	0.00	2,620,000.00	0.00	0.00
220120 ADVANCE-INT SERV FUNDS	0.00	0.00	9,000,000.00	0.00	0.00
220120 ADVANCE-INT SERV FUNDS	0.00	0.00	9,000,000.00	0.00	0.00
220120 ADVANCE-INT SERV FUNDS	0.00	0.00	9,000,000.00	0.00	0.00
1901 220191 ADVANCE-EVRDA \$944,000	0.00	<226,576.96>	0.00	0.00	<226,576.96>
220191 ADVANCE-EVRDA \$944,000	0.00	<226,576.96>	0.00	0.00	<226,576.96>
220191 ADVANCE-EVRDA \$944,000	0.00	<226,576.96>	0.00	0.00	<226,576.96>
220191 ADVANCE-EVRDA \$944,000	0.00	<226,576.96>	0.00	0.00	<226,576.96>
1901 220192 ADV-EVRDA \$944,000 INT	0.00	<56,984.10>	0.00	0.00	<56,984.10>
220192 ADV-EVRDA \$944,000 INT	0.00	<56,984.10>	0.00	0.00	<56,984.10>
220192 ADV-EVRDA \$944,000 INT	0.00	<56,984.10>	0.00	0.00	<56,984.10>
220192 ADV-EVRDA \$944,000 INT	0.00	<56,984.10>	0.00	0.00	<56,984.10>
1901 220193 ADV-EVRDA \$955,000	0.00	<998,449.80>	0.00	0.00	<998,449.80>
220193 ADV-EVRDA \$955,000	0.00	<998,449.80>	0.00	0.00	<998,449.80>
220193 ADV-EVRDA \$955,000	0.00	<998,449.80>	0.00	0.00	<998,449.80>
220193 ADV-EVRDA \$955,000	0.00	<998,449.80>	0.00	0.00	<998,449.80>
1901 220194 ADV-EVRDA \$955,000 INT	0.00	<340,321.62>	0.00	0.00	<340,321.62>
220194 ADV-EVRDA \$955,000 INT	0.00	<340,321.62>	0.00	0.00	<340,321.62>
220194 ADV-EVRDA \$955,000 INT	0.00	<340,321.62>	0.00	0.00	<340,321.62>
220194 ADV-EVRDA \$955,000 INT	0.00	<340,321.62>	0.00	0.00	<340,321.62>
1901 220195 ADV-EVRDA RAILROAD PROP	0.00	<1,527,762.39>	0.00	0.00	<1,527,762.39>
220195 ADV-EVRDA RAILROAD PROP	0.00	<1,527,762.39>	0.00	0.00	<1,527,762.39>

698,725
2901 450
995,225

2717423.017
- 980-84-036

3,224.80
- 941-80-006
941-80-007

By KARI BLOFSKY (KBLOFSKY)

Account 1901-00000-220102

2011 Account Summary

Pd	Budget	Revisions	Encumbrances	Actuals	YTD Var
			0	-206989.14	
1	0	0	0	0	0
2	0	0	0	0	0
3	0	0	0	0	0
4	0	0	0	0	0
5	0	0	0	0	0
6	0	0	0	0	0
7	0	0	0	0	0
8	0	0	0	0	0
9	0	0	0	0	0
10	0	0	0	0	0
11	0	0	0	0	0
12	0	0	0	<59,815>	59,815
Tot	0	0	0	<266,804>	266,804

EAST VISALIA RDA-UNDESIGNATED-ADVANCE-G/F INTEREST ...
 F1-Help F2-Explore F5-Acct F6-Budget F7-Usage F8-Variance F9-YTD F10-Budg Dt

EXHIBIT A
(PAYMENT SCHEDULE)

Amended Promissory Note

(City Loan to Agency for Central Visalia Project Area)

BORROWER: The Community Redevelopment Agency
of the City of Visalia
315 E. Acequia
Visalia, California 93291

HOLDER: The City of Visalia
425 East Oak Street, Suite 301
Visalia, CA 93291

DATE: March 7, 2011

PRINCIPAL AMOUNT: \$3,496,127.00

For value received, the undersigned, The Community Redevelopment Agency of the City of Visalia (the "Borrower," which term includes any successors or assigns), a public entity organized and existing under the Redevelopment Law of the State of California, promises to pay to the order of the CITY OF VISALIA (the "Holder," which term includes any successors or assigns), 425 East Oak Street, Suite 301, Visalia, California 93291, or at such other place as the holder hereof may from time to time designate in writing, the principal amount of THREE MILLION FOUR HUNDRED AND NINETY SIX THOUSAND ONE HUNDRED AND TWENTY SEVEN DOLLARS AND NO CENTS (\$3,496,127) together with simple interest on the unpaid principal balance computed based on the most recently calculated average annual interest rate received on City's idle cash investment pool plus one percent. This Note is the obligation of Borrower, constitutes an indebtedness of Borrower, and is binding on it and its successors and assigns.

A. Principal, Interest, and Repayment:

Interest on the principal amount of this Note shall accrue from the date of this Note until paid in full unless otherwise suspended or forgiven by Holder. Interest shall be calculated on the basis of a 360-day year consisting of twelve 30-day months.

The principal amount stems from an obligation created between the Borrower and Holder by a Loan Agreement between the parties entered November 1, 2009, and shall be repaid according to the terms of the first amendment which are incorporated herein by reference.

B. Acceleration Upon Sale of Property Purchased with Loan Proceeds:

At the option of the Holder of this Note, upon the sale by Borrower of any real property obtained with loan proceeds secured by this Note and any related Deed of Trust, to the extent of such sales proceeds this Note will be accelerated and such amount shall be immediately due and

payable to Holder, with notice and demand.

Payments, when made, shall be applied first to accrued interest to date of payment computed upon the outstanding unpaid balance, and the remainder applied to principal.

C. Acceleration Upon Default:

At the option of the Holder of this Note, the payment of all principal and interest due in accordance with the terms of this Note will be accelerated and such principal shall be immediately due and payable, with notice and demand, upon occurrence of any of the following events of default, provided the same shall remain uncured for a period of fifteen (15) days following written notice to Borrower: a) failure to pay any installment of principal and interest when due; b) dissolution or termination of existence of Borrower.

D. Attorney's Fees:

In the event it should become necessary for Holder to employ counsel to collect this obligation or to protect or foreclose the security given in connection herewith, the undersigned agrees to pay upon demand reasonable attorneys' fees for services of such counsel, whether or not suit is brought, plus costs incurred in connection therewith.

E. Prepayment:

This Note may be prepaid, in whole or in part, at any time without consent and without penalty. To pay in whole, all outstanding principal and interest must be paid as of the date of payment. Any partial prepayment shall be applied as provided above, shall not postpone the due date of any subsequent installments or change the amount of such installments, unless the note holder shall otherwise agree in writing.

F. Waivers:

No delay or omission on the part of the Holder hereof in exercising any right hereunder shall operate as a waiver of such right or a remedy on any future occasion.

G. Governing Law:

The terms and provisions of this Note are intended to be and shall be governed, interpreted and construed pursuant to the laws of the State of California and venue for any legal action relating to the interpretation or enforcement of the provisions of this Note or the obligations arising hereunder shall be proper in the Superior Court for the County of Tulare, State of California.

H. Conflict with Law:

If any interest rate, late charge, penalty, fee or cost provided for herein shall exceed that which is allowed pursuant to any applicable statute or law, said amount shall be deemed by the parties hereto to be modified so as to conform to and equal the maximum amount allowed by said statute or law. If any provisions hereof are in conflict with any applicable statute or law and

are determined to be not valid or enforceable, then each such provision shall be deemed null and void, but to the extent of such conflict only and without invalidity or affecting the remaining provisions hereof.

I. Notice:

Any notice to be given to the Holder of this Note shall be given by first class United States mail at the address set forth in the first paragraph above or such further address as shall be directed in writing to makers. Any notice to be given to any undersigned or Borrower shall be given at the address(es) set forth below or such further address as shall be directed in writing to holder hereof.

J. Amendment:

Any amendment of this Note shall be in writing and executed by each party hereto.

The Community Redevelopment
Agency of the City of Visalia

By: 
Executive Director

ATTEST:

By: 

FIRST AMENDMENT
TO THE
LOAN AGREEMENT BETWEEN CITY AND AGENCY
FOR THE CENTRAL VISALIA REDEVELOPMENT PROJECT

This First Amendment ("First Amendment") to the Loan Repayment Agreement (hereinafter "Original Agreement") by and between the Community Redevelopment Agency of the City of Visalia ("Agency") and the City of Visalia ("City") is entered into on this 27 day of June, 2011.

RECITALS

WHEREAS, the City is a charter law city organized under provisions of California law; and

WHEREAS, the Agency is organized pursuant to provisions of California law and is authorized to undertake activities related to redevelopment within its defined project area boundaries within the City to remediate blight; and

WHEREAS, the Agency was unable to secure a loan with commercial lenders at favorable interest rates, and the deadline for issuance of debt for the Agency's Central Project Area was November 15, 2009; and

WHEREAS, the City agreed to loan funds from its General Fund reserve to the Agency for purposes of sustaining redevelopment activities for the Agency's Central Visalia Redevelopment Project, prior to the end of the Central Visalia Redevelopment Project's debt issuance period; and

WHEREAS, it was anticipated that the Agency's Central Visalia Redevelopment Project Area would generate enough tax increment funds over the remaining authorization period to repay City's loan; and

WHEREAS, City and Agency previously entered into the Original Agreement dated as of November 1, 2009 for the purposes mentioned above. Due to changed circumstances, and further decisions of the parties, the City and Agency desire to amend the Original Agreement as set forth herein.

NOW THEREFORE, BE IT RESOLVED that the City and Agency agree to amend the Original Agreement as follows:

Section 1. The above recitals shall be incorporated as fully set forth herein.

Section 2. City agrees to loan to Agency THREE MILLION FOUR HUNDRED AND NINETY SIX THOUSAND ONE HUNDRED AND TWENTY SEVEN DOLLARS AND NO CENTS (\$3,496,127) for use in the Agency's Central Visalia Redevelopment Project (the "Central Project Loan"). Interest on this principal amount shall accrue from the date of this

Agreement until paid in full unless, otherwise suspended or forgiven by City. Interest shall be calculated on the basis of a 360-day year consisting of twelve 30-day months. Agency agrees to execute a Promissory Note to evidence Agency's indebtedness to the City.

Section 3.

a. The Agency hereby pledges its tax increment for the repayment of the Central Project Loan and shall make annual payments to the City in the amounts and at the times set forth in the Payment Schedule attached hereto as Exhibit A and incorporated by reference. Generally, the parties agree that the Loan will accrue simple interest at the rate computed based on the most recently calculated average annual interest rate received on City's idle cash investment pool plus one percent. Beginning in fiscal year 2011, and continuing through fiscal year 2040 the Agency shall make annual payments of interest only to the City as set forth in the Payment Schedule (Exhibit A). Commencing in fiscal year 2012 the Agency shall make payments of principal and interest, in accordance with the Payment Schedule (Exhibit A), which payments shall continue until all amounts due and owing the City are paid in full. Each annual payment shall be due June 30 of each year (the last day of the applicable fiscal year). In addition to the annual payments, the Agency may pay to the City a one-time payment equal to Two million, two hundred thousand \$2,200,000 in fiscal year 2011. Each payment shall be credited first to interest then due and the remainder to principal.

b. The City hereby agrees that the pledge of tax increment and obligation of the Agency to make annual payments to the City pursuant to this First Amended Agreement shall be fully subordinate to obligations of the Agency for the following: (1) existing agreement; (2) annual obligations required under the Community Redevelopment Law; and (3) to repay any Bonds and to all other obligations of the Agency under the indentures of trust pursuant to which the Bonds are issued.

c. In the event the Agency is disestablished, prohibited in any way from continuing activities or undertaking new activities under the Community Redevelopment Law, then the outstanding amount of the Central Project Loan shall be immediately due and payable, subject to any amounts owed as outlined in (b) above.

Section 4. The Central Project Area Loan may be prepaid by Agency to City, in whole or in part, at any time without consent of City and without penalty. Any partial prepayment shall be applied as provided above, shall not postpone the due date of any subsequent installments or change the amount of such installments, unless the City and Agency otherwise agree in writing.

Section 5. City will cooperate with the Agency in every way to facilitate its efforts to remove the existing debt issuance period for the Agency's Central Project Area and refinance existing indebtedness at lower interest rates if feasible.

Section 6. This First Amendment shall be construed in accordance with and governed by the laws of the State of California.

Section 7. This First Amendment represents the entire understanding of the parties as to those matters contained herein and supersedes all prior negotiations, representations, or

agreement, both written and oral. This First Amendment may not be modified or altered except by written amendment executed by both parties.

Section 8. If any provision of this First Amendment shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions hereof shall not in any way be affected or impaired thereby.

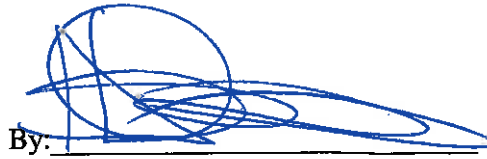
Section 9. It is the intent of the parties that this First Amendment shall replace in its entirety the Original Agreement. Upon execution of this First Amendment by the Agency and the City, the Original Agreement shall be deemed terminated by the parties and shall thereafter be of no further force and effect.

Executed on this 12th day of May 2015, at Visalia, California.

City of Visalia The Community Redevelopment Agency of the City of Visalia



By: _____
Michael Olmos
City Manager



By: _____
Executive Director

ATTEST:

By: EJA

Approved as to Form

By: [Signature]
City Attorney

ATTEST:

By: Michelle Nicholson

By: EJA
Risk Management

City of Visalia
Oversight Board of the
 Successor Agency of the Redevelopment Agency of Visalia

MEETING

DATE: 09/15/2015

TO: Successor Agency Oversight Board

FROM: Eric Frost, Deputy City Manager
 Ruth Pena, Financial Analyst

SUBJECT: Approval of the Required Payment Obligations for January 2016 to June 2016 (ROPS 15-16B)

AGENDA

ITEM #: 4

Review:	
Dept. Head <u>ef</u>	(Initials & date required)
City Atty _____	(Initials & date required or N/A)

Recommendation

That the Successor Agency Oversight Board approves the revised Required Obligation Payment Schedule (ROPS) for the time period of January 2016 to June 2016 requesting \$660,731 in Redevelopment Property Tax Trust Fund (RPTTF) funding.

Background

On February 19, 2015, the Successor Board approved the ROPS for the time period of January 2016 to June 2016. The ROPS at the time requested \$262,600 in RPTTF funding. The revised ROPS has an additional amount of \$398,131 increasing the request to \$660,731. The amounts are as follows:

ROPS Debt Obligation	Requested Amount
2003 Tax Allocation Bond Interest Payment	\$47,000
2004 West America Bank Loan Principal & Interest Payment	\$90,600
Administration	\$125,000
Total of Request Approved 2/19/15	\$262,200
General Fund Advance for Operations Repayment	\$398,131
Total Revised ROPS Request	\$660,731

The General Fund Advance for Operations Repayment is being added in anticipation of the Department of Finance (DOF) approval of the restated General Fund Advance balances discussed in Agenda Item 1. The amount of \$398,131 is estimated to be ½ of the tax increment

generated by the former redevelopment area above the 2012/13 fiscal year (HSC 34191.4 (b) (2) (A)).

This submission of the ROPS is the entire packet which has not previously been reviewed by the Oversight Board. In addition to the ROPS Detail, there are several other schedules including the ROPS Summary, Report of Cash Balances, Report of Prior Period Adjustments, and Notes.

The ROPS Summary combines information from the ROPS Detail and Report of Prior Period Adjustments to determine the adjusted current period RPTTF funding amount. The Report of Cash Balances determines the estimated available cash balance by comparing the actual amount of RPTTF received for ROPS 14-15B to the actual expenses incurred in ROPS 14-15B and takes into account the current ROPS (15-16A) period revenue and expenses. The Report of Prior Period Adjustments compares the amounts approved for ROPS 14-15B to the amounts expended during that time period (January 1, 2015 to June 30, 2015). The final sheet is for notes explaining any changes to the ROPS Detail schedule. The changes noted refer to the combining of the principal and interest line items as directed by DOF.

Fiscal Impact

No City or Successor Agency funds are involved with the adoption of the ROPS. The ROPS simply lists existing enforceable obligations to be paid by the Successor Agency. Only payments listed on the approved ROPS and approved by DOF may be made by the Successor Agency.

Recommended Action

It is recommended that the Successor Agency adopt Resolution No. 2015-05 approving and adopting the Recognized Obligation Payment Schedule covering the period January 1, 2016 through June 30, 2016.

Attachments

1. Successor Agency Resolution No. 2015-05 approving and adopting the Recognized Obligation Payment Schedule covering the period January 1, 2016 through June 30, 2016.
2. ROPS 15-16B for the period January 1, 2016 through June 30, 2016

RESOLUTION NO. 2015-05

A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF VISALIA APPROVING THE REQUIRED OBLIGATIONS PAYMENT SCHEDULE (ROPS) FOR THE TIME PERIOD OF JANUARY 2016 TO JUNE 2016.

WHEREAS, pursuant to Health and Safety Code section 34173(d), the City of Visalia (“Successor Agency”) elected to become the successor agency to the Redevelopment Agency of the City of Visalia by Resolution No. COV 12-01 on January 17, 2012; and

WHEREAS, Health and Safety Code section 34177 (1) (3), requires that the City of Visalia’s Successor Agency’s oversight board approve a Required Obligations Payment Schedule (ROPS) for 6 month time periods; and

WHEREAS, the Oversight Board has received a report on the Successor Agency ROPS;

NOW, THEREFORE, THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF VISALIA, DOES HEREBY RESOLVE AS FOLLOWS:

- 1) Approve the proposed Required Obligation Payment Schedule (ROPS) for the time period of January 2016 to June 2016.

PASSED AND ADOPTED: 09/15/2015

MARK LARSEN, SECRETARY OF THE BOARD

STATE OF CALIFORNIA)
COUNTY OF TULARE) ss.
CITY OF VISALIA)

I, Mark Larsen, Secretary of the Oversight Board of the Successor Agency to the Redevelopment Agency of the City of Visalia, certify the foregoing is the full and true Oversight Board Resolution 2015-05 passed and adopted by the Oversight Board of the Successor Agency to the Redevelopment Agency at a regular meeting held on September 15, 2015.

Dated:

MARK LARSEN, SECRETARY OF THE BOARD

By Gladys Ruiz, Recording Clerk

Recognized Obligation Payment Schedule (ROPS 15-16B) - Summary

Filed for the January 1, 2016 through June 30, 2016 Period

Name of Successor Agency: Visalia
Name of County: Tulare

Current Period Requested Funding for Outstanding Debt or Obligation		Six-Month Total
Enforceable Obligations Funded with Non-Redevelopment Property Tax Trust Fund (RPTTF) Funding		
A Sources (B+C+D):		\$ -
B Bond Proceeds Funding (ROPS Detail)		-
C Reserve Balance Funding (ROPS Detail)		-
D Other Funding (ROPS Detail)		-
E Enforceable Obligations Funded with RPTTF Funding (F+G):		\$ 660,731
F Non-Administrative Costs (ROPS Detail)		535,731
G Administrative Costs (ROPS Detail)		125,000
H Total Current Period Enforceable Obligations (A+E):		\$ 660,731

Successor Agency Self-Reported Prior Period Adjustment to Current Period RPTTF Requested Funding		
I Enforceable Obligations funded with RPTTF (E):		660,731
J Less Prior Period Adjustment (Report of Prior Period Adjustments Column S)		(37,294)
K Adjusted Current Period RPTTF Requested Funding (I-J)		\$ 623,437

County Auditor Controller Reported Prior Period Adjustment to Current Period RPTTF Requested Funding		
L Enforceable Obligations funded with RPTTF (E)		660,731
M Less Prior Period Adjustment (Report of Prior Period Adjustments Column AA)		-
N Adjusted Current Period RPTTF Requested Funding (L-M)		660,731

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

_____	_____
Name	Title
/s/ _____	_____
Signature	Date

Visalia Recognized Obligation Payment Schedule (ROPS 15-16B) - ROPS Detail
January 1, 2016 through June 30, 2016
(Report Amounts in Whole Dollars)

A	B	C	D	E	F	G	H	I	J	K					O	P							
										L							M	N	O	P			
										Funding Source											Non-Admin	Admin	Six-Month Total
										Non-Redevelopment Property Tax Trust Fund (Non-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	Bond Proceeds	Reserve Balance	Other Funds	Non-Admin	Admin	Six-Month Total								
								\$ 17,065,820		\$ -	\$ -	\$ -	\$ 535,731	\$ 125,000	\$ 660,731								
1	2003 Tax Allocation Bond Principal & Interest	Bonds Issued On or Before 12/31/10	6/1/2003	7/1/2027	US Bank Trustee	Bonds issued for non-housing projects	East	2,834,803	N				47,000		\$ 47,000								
3	General Fund Advance for Operations-Principal & Interest	City/County Loans On or Before 6/27/11	3/7/2011	7/1/2026	City of Visalia General Fund	General Fund Advance for Operations-Principal	East	3,589,663	N				398,131		\$ 398,131								
7	Agency Administration	Admin Costs	7/1/2015	12/31/2015	City of Visalia	Successor Agency Administrative Allowance	East, Mooney, Downtown, Central	125,000	N					125,000	\$ 125,000								
8	2004 West America Bank Loan-Principal & Interest	Third-Party Loans	11/2/2004	9/7/2028	West America Bank	Loan for public works projects	Mooney	2,403,670	N				90,600		\$ 90,600								
12	Developer Note-Costco	OPA/DDA/Construction	8/25/1989	6/4/2021	Costco	Tax increment reimbursement	Mooney	1,049,890	N						\$ -								
22	2009 General Fund Loan-Principal & Interest	City/County Loans On or Before 6/27/11	11/1/2009	3/7/2010	City of Visalia General Fund	Loan for public works projects	Central	3,512,200	N						\$ -								
29	General Fund Advance for Property-Principal & Interest	City/County Loans On or Before 6/27/11	3/7/2011	7/1/2026	City of Visalia General Fund	Payment for advance of funds for property purchase	East	3,550,585	N						\$ -								
31									N						\$ -								
32									N						\$ -								
33									N						\$ -								
34									N						\$ -								
35									N						\$ -								
36									N						\$ -								
37									N						\$ -								
38									N						\$ -								
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**Visalia Recognized Obligation Payment Schedule (ROPS 15-16B) - Report of Cash Balances
(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	
		Fund Sources							
		Bond Proceeds		Reserve Balance		Other	RPTTF		
	Cash Balance Information by ROPS Period	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	
ROPS 14-15B Actuals (01/01/15 - 06/30/15)									
1	Beginning Available Cash Balance (Actual 01/01/15)						-		
2	Revenue/Income (Actual 06/30/15) RPTTF amounts should tie to the ROPS 14-15B distribution from the County Auditor-Controller during January 2015						180,300		
3	Expenditures for ROPS 14-15B Enforceable Obligations (Actual 06/30/15) RPTTF amounts, H3 plus H4 should equal total reported actual expenditures in the Report of PPA, Columns L and Q						194,954		
4	Retention of Available Cash Balance (Actual 06/30/15) RPTTF amount retained should only include the amounts distributed as reserve for future period(s)						-		
5	ROPS 14-15B RPTTF Prior Period Adjustment RPTTF amount should tie to the self-reported ROPS 14-15B PPA in the Report of PPA, Column S	No entry required						37,294	
6	Ending Actual Available Cash Balance C to G = (1 + 2 - 3 - 4), H = (1 + 2 - 3 - 4 - 5)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (51,948)		
ROPS 15-16A Estimate (07/01/15 - 12/31/15)									
7	Beginning Available Cash Balance (Actual 07/01/15) (C, D, E, G = 4 + 6, F = H4 + F4 + F6, and H = 5 + 6)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (14,654)		
8	Revenue/Income (Estimate 12/31/15) RPTTF amounts should tie to the ROPS 15-16A distribution from the County Auditor-Controller during June 2015						417,596		
9	Expenditures for ROPS 15-16A Enforceable Obligations (Estimate 12/31/15)						536,510		
10	Retention of Available Cash Balance (Estimate 12/31/15) RPTTF amount retained should only include the amounts distributed as reserve for future period(s)						-		
11	Ending Estimated Available Cash Balance (7 + 8 - 9 - 10)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (133,568)		

