



# TOWN OF PARADISE

5555 SKYWAY • PARADISE, CALIFORNIA 95969-4931

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[www.townofparadise.com](http://www.townofparadise.com)

## **The Oversight Board of the Successor Agency to the Paradise Redevelopment Agency Special Meeting Agenda 4:00 PM – May 29, 2012**

The Oversight Board holds its meetings in the Town Council Chambers at Town Hall, located at 5555 Skyway, Paradise, California, 95969. In accordance with the Americans with Disabilities Act, if you need a special accommodation to participate, please contact the Town Clerk's Department at 872-6291 Extension 101 at least 48 hours in advance of the meeting. Hearing assistance devices for the hearing impaired are available from the Town Clerk. Members of the public may address the Oversight Board on any agenda item, including closed session. If you wish to address the Oversight Board on any matter on the Agenda, it is requested that you complete a request card and give it to the Town Clerk prior to the beginning of the Oversight Board Meeting. All writings or documents which are related to any item on an open session agenda and which are distributed to a majority of the Oversight Board will be available for public inspection at the Town Hall in the Town Clerk Department at 5555 Skyway, Room 3, at the same time the subject writing or document is distributed to a majority of the subject body. Regular business hours are Monday through Thursday from 8:00 a.m. to 5:00 p.m.

### **1. OPENING**

- a. Call to Order
- b. Pledge of Allegiance to the Flag of the United States of America
- c. Roll Call

#### **Board Members:**

1. Kevin Bultema, Butte County Office of Education, Assistant Superintendant
2. Steve "Woody" Culleton, Town of Paradise Mayor
3. Lauren Gill, Town of Paradise, Assistant Town Manager
4. Al McGreehan, Paradise Recreation & Parks District Board Member
5. George Siler, Butte County, Member of the Public
6. Trevor Stewart, California Community College Chancellor's Office, Director of Business Services, Butte-Glenn Community College District
7. Kim Yamaguchi, Butte County Board of Supervisors District 5 Member

## **2. PUBLIC COMMUNICATION**

This is the time for members of the audience who have completed a "Request to Address Board" card and given it to the Clerk to present items not on the Agenda. Comments should be limited to a maximum of three minutes duration. The Oversight Board is prohibited by State Law from taking action on any item presented if it is not listed on the Agenda.

## **3. ITEMS FOR CONSENT CALENDAR** - None.

## **4. ITEMS FOR CONSIDERATION - ACTION CALENDAR**

- a. Request for the Oversight Board to the Successor Agency of the Paradise Redevelopment Agency to (1) Review and reconsider approval of a Recognized Obligation Payment Schedule (ROPS) for the period January 1, 2012 through June 30, 2012; and, (2) Review and consider approval of a ROPS for the period July 1, 2012 through December 31, 2012; and, (3) Direct Successor Agency staff to forward the ROPS to the California Department of Finance and to the Butte County Auditor/Controller. **(ROLL CALL VOTE)**

## **5. CLOSED SESSION** – None.

## **6. ADJOURNMENT**

I declare under penalty of perjury that I am employed in the Town Clerk Department of the Town of Paradise and that I posted this agenda on May 25, 2012 pursuant to the laws of the State of California.

By: \_\_\_\_\_  
Joanna Gutierrez, CMC  
Paradise Town Clerk



**Town of Paradise  
Successor Agency to the Paradise  
Redevelopment Agency**

**Agenda Item: 4a**

**Agenda Summary  
Date: May 29, 2012**

**Originated by:** Gina S. Will, Finance Director/Town Treasurer

**Reviewed by:** Charles L. Rough, Jr., Town Manager  
Dwight L. Moore, Town Attorney

**Subject:** Recognized Obligation Payment Schedule (ROPS) for July through December 2012

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**Action Requested:** Request for the Oversight Board to the Successor Agency of the Paradise Redevelopment Agency to approve a ROPS and direct Successor Agency staff to forward to the Department of Finance and Butte County Auditor Controller.

**Alternatives:** Decline to approve the ROPS as presented and direct Successor Agency staff to amend the ROPS.

**Background:**

Following is a brief chronological listing of the events related to the dissolution of the Paradise Redevelopment Agency:

February 1, 2012	Dissolution of all redevelopment agencies in the State of California, and the Town of Paradise becomes the Successor Agency to the Paradise Redevelopment Agency.
April 26, 2012	The Oversight Board to the Successor Agency to the Paradise Redevelopment Agency convenes its first meeting and approves the first ROPS for January through June 2012
April 27, 2012	The Oversight Board approved ROPS is submitted to the Department of Finance and the Butte County Auditor Controller for approval.
May 22, 2012	Successor Agency Staff receive the notification from the Department of Finance that Town Loans #4, #5, and #6 are denied as enforceable obligations.
May 24, 2012	A Notice of Special Meeting is issued to convene a meeting of the Oversight Board to the Successor Agency to the Paradise Redevelopment Agency in order to consider approving a ROPS for July through December 2012.

**Discussion:**

In order for the Successor Agency to the Paradise Redevelopment Agency to receive a distribution from the Butte County Auditor Controller from the Redevelopment Property

Tax Trust Fund for debt service requirements of July through December 2012, the Successor Agency must submit a ROPS for July through December 2012 approved by the Oversight Board to the Department of Finance and the Butte County Auditor Controller as soon as possible. The Butte County Auditor Controller intends on making a distribution on June 1<sup>st</sup> for the July through December 2012 obligations, but cannot do so without the approval of the Oversight Board and the Department of Finance.

Further, the Successor Agency recommends approving the ROPS as submitted with the inclusion of the Town Loans #4, #5, and #6 despite the recent rejection by the Department of Finance of these items. The Successor Agency's position is that these are valid contractual obligations between the Paradise Redevelopment Agency and the Town of Paradise. The Town would not have agreed to these loans without the promise of repayment. Without repayment, a serious strain is placed on cash flow and balance sheet of the Town of Paradise. As there is still legislation pending that may correct the definition of an enforceable obligation to allow for the repayment of loans between cities and redevelopment agencies, the Successor Agency wants to protect the interests of the Town of Paradise by continuing to document these obligations on each ROPS.

**Conclusion:**

As confirmed by the Town of Paradise Town Attorney, Mr. Dwight Moore, no further action is needed for the prior January through June 2012 ROPS. According to the letter from the Department of Finance (attached for review) the loans between the Town and former RDA were rejected but everything else was approved, *"this action will cause the specific ROPS items noted above to be ineffective until Finance approval."*

**Fiscal Impact Analysis:**

Approval of the ROPS by the Oversight Board for July through December 2012 will allow for the eventual distribution of monies for debt service obligations of the former Paradise Redevelopment Agency.



DEPARTMENT OF  
**FINANCE**

EDMUND G. BROWN JR. • GOVERNOR

915 L STREET ■ SACRAMENTO CA ■ 95814-3706 ■ WWW.DOF.CA.GOV

May 11, 2012

Gina S. Will, Finance Director  
Town of Paradise  
5555 Skyway  
Paradise, CA 95969-4931

Dear Ms. Will:

Pursuant to Health and Safety Code (HSC) section 34177 (l) (2) (C), the Town of Paradise Successor Agency submitted a Recognized Obligation Payment Schedule (ROPS) to the California Department of Finance (Finance) on May 1, 2012 for the period January through June 2012. Finance staff recently contacted you for further clarification of items listed in the ROPS.

HSC section 34171 (d) lists enforceable obligations characteristics. Based on our application of the law, we do not believe the following items qualify as Enforceable Obligations (EO):

- Items 5, 6 and 7 – Town of Paradise loans totaling \$1 million. HSC section 34171 (d) (2) states that loans between the entity that created the redevelopment agency (RDA) and the former RDA are only enforceable if made within the first two years of the RDA's existence.

As authorized by HSC section 34179 (h), Finance is returning your ROPS for your reconsideration. This action will cause the specific ROPS items noted above to be ineffective until Finance approval. Furthermore, items listed on future ROPS will be subject to review and may be denied as EOs.

If you believe we have reached this conclusion in error, please provide further evidence that the items questioned above meet the definition of an EO and submit to the following email address:

[Redevelopment\\_Administration@dof.ca.gov](mailto:Redevelopment_Administration@dof.ca.gov)

Finance may continue to review items on the ROPS in addition to those mentioned above and identify additional issues. We will provide separate notice if we are requesting further modifications to the ROPS. It is our intent to provide an approval notice with regard to each ROPS prior to the June 1 property tax distribution date.

Please direct inquiries to Evelyn Suess, Supervisor or Douglas Evans, Lead Analyst at (916) 322-2985.

Sincerely,

MARK HILL  
Program Budget Manager

cc: Mr. Trevor Stewart, Director of Business Services, Butte College District  
Ms. Maria Solis, Auditor-Accountant, Butte County

*J:\Review Results Final ROPS\Team Doug\Paradise\Paradise ROPS Denial Letter May 11 2012.docx*

**Email Addresses of Addressee and ccs:**

Gina S. Will, Finance Director  
Town of Paradise  
[gwill@townofparadise.com](mailto:gwill@townofparadise.com)

Trevor Stewart, Director of Business Services  
Butte College District  
[StewartTr@butte.edu](mailto:StewartTr@butte.edu)

Maria Solis, Auditor-Accountant  
Butte County  
[msolis@buttecounty.net](mailto:msolis@buttecounty.net)

RECOGNIZED OBLIGATION PAYMENT SCHEDULE

Per AB 1X 26

	Project Name / Debt Obligation	Payee	Description	Payment Source	Total Outstanding Debt or Obligation as of 7/1/12	Total Due During Fiscal Year	Payments by month						
							July	Aug	Sept	Oct	Nov	Dec	Total
1)	2006 Tax Allocation Note	Wells Fargo Bank	Note issued to fund CIPs	Redevelopment Property Tax Trust	1,300,000.00	63,675.00						31,837.50	\$ 31,837.50
2)	2009 Tax Allocation Bond	Wells Fargo Bank	Notes	Redevelopment Property Tax Trust	4,480,000.00	262,855.00						131,427.50	\$ 131,427.50
3)	Land Purchase	Jeffords	Purchase of 5456 Black Olive	Redevelopment Property Tax Trust	91,970.63	17,201.76	1,433.48	1,433.48	1,433.48	1,433.48	1,433.48	1,433.48	\$ 8,600.88
4)	Town Loan #4 dated 03/21/07	Town of Paradise	Note Payable 03/21/07	Redevelopment Property Tax Trust	45,264.93	45,264.93	45,264.93						\$ 45,264.93
5)	Town Loan #5 dated 07/01/10	Town of Paradise	Note Payable 07/01/10	Redevelopment Property Tax Trust	537,392.13	149,794.64	149,794.64						\$ 149,794.64
6)	Town Loan #6 dated 03/01/11	Town of Paradise	Note Payable 03/01/11	Redevelopment Property Tax Trust	479,613.00	218,503.66	109,251.83						\$ 109,251.83
7)	Bond & Note Admin Fees	Wells Fargo Bank	Administration Fees	Administrative Cost Allowance	4,000.00	4,000.00				2,000.00		2,000.00	\$ 4,000.00
8)	Administration Fees	Town of Paradise	1/2 Administration Fees	Administrative Cost Allowance	246,000.00	246,000.00	123,000.00						\$ 123,000.00
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Totals - This Page					\$ 7,184,240.69	\$ 1,007,294.99	\$ 428,744.88	\$ 1,433.48	\$ 1,433.48	\$ 3,433.48	\$ 1,433.48	\$ 166,698.48	\$ 603,177.28
Amount to be funded from Redevelopment Property Tax Trust Fund							305,744.88	1,433.48	1,433.48	1,433.48	1,433.48	164,698.48	476,177.28
Amount to be funded from Administrative Cost Allowance							123,000.00	0.00	0.00	2,000.00	0.00	2,000.00	127,000.00
													603,177.28