

Lompoc Successor Agency

TO THE DISSOLVED LOMPOC REDEVELOPMENT AGENCY

Meeting Date: January 20, 2015

TO: Patrick Wiemiller, Executive Director

FROM: Melinda Wall, Financial Services Manager
m_wall@ci.lompoc.ca.us

SUBJECT: Recognized Obligation Payment Schedule 15-16A

Recommendation:

Staff recommends the Successor Agency accept the attached Recognized Obligation Payment Schedule (ROPS) 15-16A and authorize its submittal to the Oversight Board for their approval.

Background:

The Lompoc Redevelopment Agency (RDA) was dissolved with the passage of AB X1 26. AB X1 26 requires a semi-annual report for the ROPS to be submitted by each Successor Agency (SA) to request disbursement of tax increment sufficient to pay for enforceable obligations in the next six-month period. In general, prior ROPS consisted of enforceable obligations and other items that have been approved by the Oversight Board (OB) and the Department of Finance (DOF). The City, acting as the SA, receives confirmation of approval of a submitted ROPS through the DOF. Santa Barbara County is informed of the approval and is directed to disburse funds accordingly.

Discussion:

ROPS 15-16A covers the period from July 1, 2015, through December 31, 2015, and identifies all the existing payment obligations that are known at the time of submittal for the former RDA. No new obligations can be entered into unless specifically allowed.

The SA utilizes a web-based program downloaded from the DOF as required by DOF. It reconciles prior period ROPS, adds the approved ROPS 14-15B (January 1, 2015 to June 30, 2015), and comes up with an available cash amount to be offset by the Redevelopment Property Tax Trust Fund (RPTTF). At the time of this report, the program had not yet been updated and made available by DOF. The prior ROPS form was used to create the draft report for the SA pending the release of the program.

The amounts requested for debt service follow the original debt service schedule for the original bonds and the refinanced Bank of America lease schedule that replaced the Chevron project financing. The Administration costs requested are consistent with the amount we requested in ROPS 14-15B.

Fiscal Impact:

The purpose of the ROPS is to identify the amount of the RPTTF needed to pay for obligations of the SA. This includes debt service from the 2004 Bond, 2010 Tax Allocation Note, Bank of America Capital Corp lease (formerly the Chevron lease now refinanced), related bond expenses (bank fees, arbitrage rebate fees), and administrative costs. Once the ROPS 15-16A is approved by the OB and the DOF, the RPTTF will be distributed on June 1, 2015, by Santa Barbara County.

The amount of RPTTF requested on ROPS 15-16A is \$610,711. This equals the requested enforceable obligations in the amount of \$657,255, less available cash reserves of \$46,544.

Of the amount requested from RPTTF:

- \$522,255 is for the 2004 bond, 2010 tax allocation note, and the Bank of America lease payments due during July 2015 – December 2015;
- \$10,000 is for related bond expenses that may come up, such as trustee or arbitrage services; and
- \$125,000 is for SA administration costs from July 2015 – December 2015.

Any amount of the RPTTF that is not used by the SA in the period covered by the subject ROPS will be carried over to pay for future ROPS costs.

Non-RPTTF funds come from reserves the SA has or from any income earned from interest earnings or from former loans. The SA loans to Sanchez had resumed payment in July 2013 and now show as revenue earnings on ROPS 15-16A.

The prior ROPS (14-15A) approved the request to move any remaining amount of Bond proceeds not already moved to the City in the cooperation agreement with the City. That would include any residual amount on the line items for the DeWees Community and Senior Center and the Lompoc Aquatic Center that remain unfinished and will close all SA Bond line items. The amount of \$57,027 will be transferred to the City for use on eligible bond projects as prescribed by the 2010 Tax Allocation Bond (TAB).

The other line item that remains open is a \$70,000 commitment to a Low-Mod Income Housing agreement with Laurel Crossing. The original amount of this item was

\$144,352 and the project is expected to be completed by the end of the ROPS 15-16A period.

Conclusion:

The SA must comply with AB X1 26 to the best of its ability, while still ensuring it can meet the former RDA's enforceable obligations. Adoption of the ROPS 15-16A for the period of July 2015 to December 2015 is a necessary step. The final report submitted to the Oversight Board may be subject to change based on the final download from the DOF. The SA must submit ROPS 15-16A to the DOF after OB approval (Health and Safety Code subsection 34177(m)) by March 3, 2015.

Respectfully submitted,

Melinda Wall, Financial Services Manager

APPROVED FOR SUBMITTAL TO THE EXECUTIVE DIRECTOR:

Brad Wilkie, Management Services Director

APPROVED FOR SUBMITTAL TO THE SUCCESSOR AGENCY:

Patrick Wiemiller, Executive Director

Attachment: [ROPS 15-16A Report](#)