

**Oversight Board of the Successor Agency to  
The Garden Grove Agency for Community Development**

**INTER-DEPARTMENT MEMORANDUM**

To: Allan Roeder  
Dept: Interim Director  
Subject: ADOPTION OF A RESOLUTION  
APPROVING THE RECOGNIZED  
OBLIGATION PAYMENT SCHEDULE  
(ROPS) AND ADMINISTRATIVE  
BUDGET

From: Kingsley Okereke  
Dept: Finance  
Date: February 25, 2015

OBJECTIVE

The purpose of this report is to request that the Oversight Board adopt the attached Resolution approving the Recognized Obligation Payment Schedule (ROPS) and the Administrative Budget for the period covering July 1, 2015 to June 30, 2016, pursuant to Section 34177 of the Health and Safety Code.

BACKGROUND/DISCUSSION

As part of its responsibility pursuant to the Dissolution Act, the Oversight Board is required to review and approve the ROPS approved by The City of Garden Grove as Successor Agency to the Garden Grove Agency for Community Development (Successor Agency) for transmittal to the California Department of Finance every six months.

The attached ROPS and Administrative Budget was approved by the Successor Agency at its meeting on February 24, 2015. Upon the adoption of the resolution approving the ROPS, staff will forward the ROPS, Administrative Budget, and resolution to the State Department of Finance, the State Controller, and the Orange County Auditor Controller pursuant to the Dissolution Act.

Additionally, the Oversight Board is required to approve an Administrative Budget for the Successor Agency. The Administrative Budget is based on the amount calculated as 3% of the amount allocated to the Successor Agency for payment of its ROPS, or \$250,000 whichever is greater. A 2015-16 fiscal year Administrative Budget totaling \$587,609 is attached, which covers the period from July 1, 2015 through June 30, 2016.

FINANCIAL IMPACT

None.

RECOMMENDATION

It is recommended that the Oversight Board:

- Adopt the attached Resolution approving the Recognized Obligation Payment Schedule for the period July 1, 2015 to December 31, 2015 for a gross

OVERSIGHT BOARD APPORVAL OF RECOGNIZED OBLIGATION PAYMENT SCHEUDLE  
(ROPS) AND ADMNISTRATIVE BUDGET  
FEBRUARY 25, 2015  
PAGE 2

amount of \$14,209,971, \$10,688,126 of which is from the Redevelopment Property Tax Trust Fund; and

- Approve the attached Administrative Budget for \$587,609, covering the period July 1, 2015 to June 30, 2015.
- Authorize the Interim Director to transmit approved ROPS, Administrative Budget, and resolution to the State Department of Finance, the State Controller, and the Orange County Auditor Controller pursuant to the Dissolution Act.



KINGSLEY OKEREKE  
Finance Director



By: Jim DellaLonga  
Senior Project Manager

Attachment 1: Oversight Board Resolution  
Recognized Obligation Payment Schedule  
Administrative Budget

Recommended for Approval



Allan L. Roeder  
Interim Director

GARDEN GROVE OVERSIGHT BOARD

RESOLUTION NO.

A RESOLUTION OF THE OVERSIGHT BOARD OF THE CITY OF GARDEN GROVE AS SUCCESSOR AGENCY TO THE GARDEN GROVE AGENCY FOR COMMUNITY DEVELOPMENT APPROVING AND RATIFYING THE APPROVAL BY THE SUCCESSOR AGENCY OF A PROFESSIONAL SERVICES AGREEMENT WITH LIDGARD AND ASSOCIATES, INC., FOR REAL PROPERTY APPRAISAL SERVICES AND AUTHORIZING CERTAIN ACTIONS IN CONNECTION THEREWITH

WHEREAS, the Garden Grove Agency for Community Development (herein referred to as the "Former Agency") was a community redevelopment agency duly organized and existing under the California Community Redevelopment Law (Health and Safety Code Sections 33000 *et seq.*), and was authorized to transact business and exercise the powers of a redevelopment agency pursuant to action of the Garden Grove City Council ("City Council") of the City of Garden Grove ("City");

WHEREAS, Assembly Bill 1x 26, chaptered and effective on June 27, 2011, added Parts 1.8 and 1.85 to Division 24 of the California Health and Safety Code, which caused the dissolution of all redevelopment agencies and winding down of the affairs of former agencies ("Dissolution Act");

WHEREAS, the Former Agency is now a dissolved community redevelopment agency pursuant to the Dissolution Act;

WHEREAS, as of February 1, 2012, the City serves as the "Successor Agency" and administers the enforceable obligations of the Former Agency and otherwise unwinds the Former Agency's affairs, all subject to the review and approval by a seven-member oversight board ("Oversight Board");

WHEREAS, pursuant to Section 34171(h) of the Health and Safety Code, a "Recognized Obligation Payment Schedule" means the document setting forth the minimum payment amounts and due dates of payments required by enforceable obligations for each six-month fiscal period as provided in subdivisions (l) and (m) of said Section;

WHEREAS, Assembly Bill 1484 ("AB 1484"), chaptered and effective on June 27, 2012, made certain amendments to the Dissolution Act, including with respect to the process of adopting Recognized Obligation Payment Schedules;

WHEREAS, pursuant to subdivisions (l) and (m) of Section 34177 of the Health and Safety Code, the Successor Agency, prepared its Recognized Obligation Payment Schedule ("ROPS") for the period covering January 1, 2015, through June 30, 2015;

WHEREAS, on September 23, 2014, the Successor Agency, approved the ROPS and authorized the transmittal of the ROPS to the Oversight Board and

concurrently to the County Administrative Officer, the County Auditor-Controller, and the State Department of Finance ("DOF");

WHEREAS, on September 24, 2014, the Oversight Board adopted Resolution No. 35-14 approving the ROPS for the period covering January 1, 2015 through June 30, 2015, and transmitted the approved ROPS to the DOF, State Controller's Office, and the County Auditor-Controller;

WHEREAS, on November 7, 2014, the DOF provided written confirmation approving the ROPS for the period covering January 1, 2015 through June 30, 2015, including Item 27 entitled Agency Property Maintenance/Management;

WHEREAS, Health and Safety Code Section 34191.5(b) requires the Successor Agency to prepare a "Long Range Property Management Plan" ("LRPMP") addressing the future disposition and use of all real property owned by the Former Agency no later than six months following the DOF issuance to the Successor Agency of a finding of completion pursuant to Health and Safety Code Section 34179.7;

WHEREAS, the DOF issued a finding of completion to the Successor Agency on May 15, 2013;

WHEREAS, the Successor Agency prepared and submitted a LRPMP to the Oversight Board and DOF which were subsequently approved;

WHEREAS, by this Resolution, the Oversight Board desires to approve the professional services agreement ("Agreement") with Lidgard and Associates, Inc., with pursuant to Section 34171(d)(1)(F) of the Health and Safety Code for purposes of establishing fair market values for those properties identified in the LRPMP for disposition; and

WHEREAS, the Oversight Board is authorized to enter into this Agreement pursuant to the Dissolution Act and Successor Agency Resolution No. 29-15, adopted January 13, 2015.

NOW, THEREFORE, BE IT RESOLVED BY THE OVERSIGHT BOARD OF THE CITY OF GARDEN GROVE AS SUCCESSOR AGENCY TO THE GARDEN GROVE AGENCY FOR COMMUNITY DEVELOPMENT:

Section 1. The foregoing recitals are true and correct and constitute a substantive part of this Resolution.

Section 2. The Oversight Board hereby approves the Agreement with Lidgard and Associates, Inc., and is approved together with such augmentation, modification, additions or revisions as the Director and/or the Finance Director or their authorized designees may find necessary to effectuate the services of the consultant.

Section 3. The Director or his authorized designee on behalf of the Oversight Board shall cause this Agreement with Lidgard and Associates, Inc., to be transmitted to the DOF.

Section 4. This Resolution shall be effective immediately upon adoption.

Section 5. The Secretary on behalf of the Oversight Board shall certify to the adoption of this Resolution.

**Recognized Obligation Payment Schedule (ROPS 15-16A) - Summary**

Filed for the July 1, 2015 through December 31, 2015 Period

Name of Successor Agency: Garden Grove  
 Name of County: Orange

<b>Current Period Requested Funding for Outstanding Debt or Obligation</b>		<b>Six-Month Total</b>
<b>Enforceable Obligations Funded with Non-Redevelopment Property Tax Trust Fund (RPTTF) Funding</b>		
<b>A</b>	<b>Sources (B+C+D):</b>	<b>\$ 3,521,845</b>
B	Bond Proceeds Funding (ROPS Detail)	-
C	Reserve Balance Funding (ROPS Detail)	-
D	Other Funding (ROPS Detail)	3,521,845
<b>E</b>	<b>Enforceable Obligations Funded with RPTTF Funding (F+G):</b>	<b>\$ 10,688,126</b>
F	Non-Administrative Costs (ROPS Detail)	10,688,126
G	Administrative Costs (ROPS Detail)	-
<b>H</b>	<b>Current Period Enforceable Obligations (A+E):</b>	<b>\$ 14,209,971</b>

<b>Successor Agency Self-Reported Prior Period Adjustment to Current Period RPTTF Requested Funding</b>		
I	Enforceable Obligations funded with RPTTF (E):	10,688,126
J	Less Prior Period Adjustment (Report of Prior Period Adjustments Column S)	(3)
<b>K</b>	<b>Adjusted Current Period RPTTF Requested Funding (I-J)</b>	<b>\$ 10,688,123</b>

<b>County Auditor Controller Reported Prior Period Adjustment to Current Period RPTTF Requested Funding</b>		
L	Enforceable Obligations funded with RPTTF (E):	10,688,126
M	Less Prior Period Adjustment (Report of Prior Period Adjustments Column AA)	-
<b>N</b>	<b>Adjusted Current Period RPTTF Requested Funding (L-M)</b>	<b>10,688,126</b>

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  
 /s/ \_\_\_\_\_  
 Signature  
 \_\_\_\_\_  
 Date

**Recognized Obligation Payment Schedule (ROPS 15-16A) - ROPS Detail**  
**July 1, 2015 through December 31, 2015**  
 (Report Amounts in Whole Dollars)

A	B	C	D	E	F	G	H	I	J	K	L	M			N	O	P
												Funding Source					
												Non-Redevelopment Property Tax Trust Fund (Non-RPTTF)	Reserve Balance	Other Funds			
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		
								\$		\$	\$	\$	\$	\$	\$		
1	Habit Reentry OPA	Business Incentive	6/1/2000	9/1/2018	OPA, LLC (Performance Based)	Cost of Project Improvements	C.P.A.	143,109,962	N				10,688,126		14,209,871		
2	Residence Inn DDA	Business Incentive	12/1/2000	9/1/2020	RIOPA, LLC (Performance Based)	Cost of Project Improvements	C.P.A.	13,862,841	N				2,420,000		2,420,000		
3	Sheraton Hotel DDA	Business Incentive	6/26/2001	8/1/2015	Kam Sang Inc. (Performance Based)	Cost of Project Improvements	C.P.A.	4,264,150	N				1,400,000		1,400,000		
4	OfficeMax Corn Rehab Agmt	Business Incentive	7/21/2004	6/30/2016	OfficeMax (Performance Based)	Commercial Rehabilitation (Quarterly Payments)	C.P.A.	150,000	N				150,000		150,000		
5	Katella Cottages OPA	OPADD/Construction	6/10/2008	10/1/2027	Heritage Village Note Investors (Performance Based)	Land Acquisition and Project Improvements	C.P.A.	3,075,342	N				30,000		30,000		
6	Katella Cottages Note	Bonds Issued On or Before 12/31/10	6/10/2008	10/1/2027	U.S. Bank	Land Acquisition and Project Improvements	C.P.A.	5,028,521	N				134,605		134,605		
7	Augustine Note	Third-Party Loans	1/8/2002	2/13/2016	Augustine Trust	Land Acquisition	C.P.A.	333,317	N				48,000		48,000		
8	Coastline Lease Payments	Miscellaneous	3/4/1994	2/1/2016	Coast Community College	Office Space Rent (Payments in Aug and Feb)	C.P.A.	149,849	N		149,849				149,849		
9	GG Center Building Lease	Miscellaneous	1/23/1998	2/28/2016	Purdell Family Trust	Office Space Rent (Payment in Feb)	C.P.A.	83,716	N				83,716		83,716		
10	Garden Grove Hyundai	Business Incentive	1/15/2009	2/28/2017	Garden Grove Hyundai (Performance Based)	Cost of Project Improvements (Payment in Feb)	C.P.A.	360,000	N								
11	Urban Bank Loan	Third-Party Loans	5/1/2008	6/1/2020	Urban Bank of California	Land Acquisition - Estimated Monthly Payments - Variable Interest	C.P.A.	19,666,667	N				2,201,650		2,201,650		
12	Embassy Suites DDA Amendment	Business Incentive	1/9/2007	1/9/2025	Landmark (Performance Based)	Project Improvements (\$7M)	C.P.A.	7,000,000	N								
13	Sycamore Walk DDA	Remediation	11/12/1996	6/30/2023	Olsen Urban Housing	Quarterly Soil/Ground Water Monitoring Events	C.P.A.	135,000	N				36,614		36,614		
14	Housing Fund Deficit	SERAF/ERAF	2/1/2012	12/31/2020	Garden Grove Hsg Auth. SERAF/ERAF	Repayment of Housing Fund from Site Assembly/Project Assistance	n/a		N								
15	Waterpark Hotel DDA	Business Incentive	5/1/2/2009	12/31/2026	Garden Grove MKD & Various	Project Assistance & Site Assembly & Preparation Costs	C.P.A.	45,000,000	N				543,614		543,614		
16	Site B2 DDA	Business Incentive	6/26/2001	6/28/2025	Kam Sang Inc.	Project Assistance & Site Assembly & Preparation Costs	C.P.A.	3,300,000	N				250,000		250,000		
17	Brookhurst Triangle DDA	OPADD/Construction	11/23/2010	12/31/2020	New Age Brookhurst, LLC & Various	Site Preparation Costs	C.P.A.	835,000	N				750,000		750,000		
18	Project Management for Item 19 - Water Park	Project Management	6/26/2009	12/31/2026	City of Garden Grove	Labor associated w/ project coordination / management	C.P.A.	543,000	N				85,900		85,900		
19	Project Management for Item 20 - Site B2	Project Management	6/26/2001	6/26/2025	City of Garden Grove	Labor associated w/ project coordination / management	C.P.A.	23,040	N				23,040		23,040		
20	Project Legal for Items 19-20	Legal	6/26/2001	12/31/2026	SYCR and WSS Firms	Legal Costs Associated with project items 19 & 20	C.P.A.	500,000	N				132,461		132,461		
21	Agency Property Maint/Management	Property Maintenance	2/1/2012	12/31/2020	Various	Management and Maintenance of Successor Agency Owned Property Awaiting Development or Disposal	C.P.A.	300,000	N			260,000			260,000		
22	Administrative Allowance	Admin Costs	1/1/2014	6/30/2014	City of Garden Grove	Administrative Allowance per AB 1464	n/a		N			1,555,998			1,555,998		
23	Brookhurst Triangle DDA	Property Dispositions	7/29/2002	12/31/2020	Wang	See Notes.	C.P.A.	1,555,998	N			1,555,998			1,555,998		
24	Brookhurst Triangle DDA	Property Dispositions	7/29/2002	12/31/2020	City of Garden Grove	See Notes.	C.P.A.	1,555,998	N			1,555,998			1,555,998		
25	Brookhurst Triangle DDA	Property Dispositions	7/29/2002	12/31/2020	Wang	See Notes.	C.P.A.	300,000	Y				300,000		300,000		
26	Project Management for Item 22 - Brookhurst	Project Management	11/23/2010	12/31/2020	City of Garden Grove	Labor associated w/ project coordination / management	C.P.A.	231,523	N				75,477		75,477		
27	2014 Tax Allocation Refunding Bonds	Bonds Issued After 12/31/10	6/26/2014	10/1/2029	U.S. Bank National Association	Refunding of 2003 Tax Allocation Bonds	C.P.A.	33,945,000	N				1,572,423		1,572,423		
28	Union Law Suit Settlement	Litigation	9/20/2013	6/30/2015	Various	Settlement of Former Agency Lawsuit Associated with Item 19	C.P.A.		N								
29	Project Legal for Item 22	Legal	11/23/2010	12/31/2020	SYCR and WSS Firms	Legal Costs Associated with project item 22	C.P.A.	250,000	N				109,185		109,185		
30	Overages for Item 25	Miscellaneous	6/26/2001	12/31/2026	Garden Grove S.A.	Overage	C.P.A.	60,000	Y				60,000		60,000		
31	Appraisals	Admin Costs	7/1/2015	12/31/2015	TBD	Appraisals for Properties on the Long Range Property Management Plan	C.P.A.		N				60,000		60,000		





**Recognized Obligation Payment Schedule (ROPS 15-16A) - Report of Prior Period Adjustments**  
 Reported for the ROPS 14-15A (July 1, 2014 through December 31, 2014) Period Pursuant to Health and Safety Code (HSC) section 34186 (a)  
 (Report Amounts in Whole Dollars)

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	
																			Non-RPTTF Expenditures
Item #	Project Name / Debt Obligation	Bond Proceeds		Reserve Balance		Other Funds		Non-Admin					Admin					Net Difference (Bdry)	
		Authorized	Actual	Authorized	Actual	Authorized	Actual	Available (ROPS 14-15A distributed + all other available as of 07/1/14)	Net Lesser of Authorized / Available	Difference (if K is less than L, the difference is zero)	Authorized	Actual	Available (ROPS 14-15A distributed + all other available as of 07/1/14)	Net Lesser of Authorized / Available	Difference (if K is less than L, the difference is zero)	Authorized	Actual		Difference (if O exceeds total difference is zero)
1	2003 Tax Allocation																		
2	2003 Tax Allocation																		
3	Residence Inn DDA																		
4	Shiraton Hotel																		
5	DDA New Corn Ranch Agmt																		
6	Kenella Cottages																		
7	DDA Cottages																		
8	DDA Cottages																		
9	Consolidate Lease																		
10	CG Center Building																		
11	CG Center Building																		
12	CG Center Building																		
13	CG Center Building																		
14	Urgo Bank Loan																		
15	Emergency Sules																		
16	Sycamore Walk																		
17	Housing Fund																		
18	Waterpark Hotel																		
19	Waterpark Hotel																		
20	Site 25 DDA																		
21	Site 25 DDA																		
22	Site 25 DDA																		
23	Project Management for Park																		
24	Project Management for Park																		
25	Project Legal for Items 19-25																		
26	Project Legal for Items 19-25																		
27	Administrative Management																		
28	Administrative Management																		
29	Administrative Management																		
30	Administrative Management																		
31	Administrative Management																		
32	Administrative Management																		
33	Administrative Management																		
34	Administrative Management																		
35	Administrative Management																		
36	Administrative Management																		
37	Administrative Management																		
38	Administrative Management																		

ROPS 14-15A Successor Agency (SA) Self-reported Prior Period Adjustments (PPA): Pursuant to HSC Section 34186 (a), SAs are required to report the differences between their actual expenditures and their actual expenditures for the ROPS 14-15A (July through December 2014) period. The amount of Redevelopment Property Tax Trust Fund (RPTTF) approved for the ROPS 15-16A (July through December 2015) period will be offset by the SA's self-reported ROPS 14-15A prior period adjustment. HSC Section 34186 (a) also specifies that the prior period adjustments self-reported by SAs are subject to audit by the county auditor-controller (CAC) and the State Controller.



**Compatibility Report for Garden Grove\_ROPS\_15-16A.xls**  
 Run on 1/26/2015 8:54

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**Significant loss of functionality**                      **# of occurrences**                      **Version**

One or more cells in this workbook contain data validation rules which refer to values on other worksheets. These data validation rules will not be saved.	3	ROPS Detail!J7:I600 ROPS Detail!C7:C600 Excel 97-2003
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Successor Agency  
2015-16 Administrative Budget

**FY15-16**

Administrative Labor:

Finance (Accounting)	108,008.00
Administration	16,575.00
Economic Development	<u>351,268.00</u>
<b>Total Labor</b>	<u>475,851.00</u>

Administrative Contractuals:

ISF Allocation	11,758.00
Econ Dev - Community Project	100,000.00
Econ Dev - Bond Costs	-
<b>Total Contractual Services</b>	<u>111,758.00</u>

<b>Total Administrative Budget</b>	<u><u>587,609.00</u></u>
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