



A G E N D A



**CITY OF IMPERIAL BEACH
CITY COUNCIL
PLANNING COMMISSION
PUBLIC FINANCING AUTHORITY
HOUSING AUTHORITY**

IMPERIAL BEACH REDEVELOPMENT AGENCY SUCCESSOR AGENCY

SEPTEMBER 18, 2013

**Council Chambers
825 Imperial Beach Boulevard
Imperial Beach, CA 91932**

REGULAR MEETING – 6:00 P.M.

THE CITY COUNCIL ALSO SITS AS THE CITY OF IMPERIAL BEACH PLANNING COMMISSION, PUBLIC FINANCING AUTHORITY, HOUSING AUTHORITY AND IMPERIAL BEACH REDEVELOPMENT AGENCY SUCCESSOR AGENCY

The City of Imperial Beach is endeavoring to be in total compliance with the Americans with Disabilities Act (ADA). If you require assistance or auxiliary aids in order to participate at City Council meetings, please contact the City Clerk's Office at (619) 423-8301, as far in advance of the meeting as possible.

REGULAR MEETING CALL TO ORDER

ROLL CALL BY CITY CLERK

PLEDGE OF ALLEGIANCE

AGENDA CHANGES

**MAYOR/COUNCIL REIMBURSEMENT DISCLOSURE/COMMUNITY ANNOUNCEMENTS/
REPORTS ON ASSIGNMENTS AND COMMITTEES**

COMMUNICATIONS FROM CITY STAFF

PUBLIC COMMENT - *Each person wishing to address the City Council regarding items not on the posted agenda may do so at this time. In accordance with State law, Council may not take action on an item not scheduled on the agenda. If appropriate, the item will be referred to the City Manager or placed on a future agenda.*

PRESENTATIONS (1.1)

- 1.1* PRESENTATION ON BORDER FIELD STATE PARK ENTRANCE IMPROVEMENT PROJECT BY STEVEN WRIGHT, EXECUTIVE DIRECTOR OF 4WALLS INTERNATIONAL. (0920-80)**

* No staff report.

CONSENT CALENDAR (2.1-2.2) - *All matters listed under Consent Calendar are considered to be routine and will be enacted by one motion. There will be no separate discussion of these items, unless a Councilmember/Boardmember or member of the public requests that particular item(s) be removed from the Consent Calendar and considered separately. Those items removed from the Consent Calendar will be discussed at the end of the Agenda.*

2.1 RATIFICATION OF WARRANT REGISTER. (0300-25)

Recommendation: Ratify the following registers: Accounts Payable Numbers 83072 through 83156 for a subtotal amount of \$754,238.79 and Payroll Checks/Direct Deposit 45451 through 45480 for a subtotal of \$193,253.87 for a total amount of \$947,492.66.

Continued on Next Page

Any writings or documents provided to a majority of the City Council/Planning Commission/Public Financing Authority/Housing Authority/I.B. Redevelopment Agency Successor Agency regarding any item on this agenda will be made available for public inspection in the office of the City Clerk located at 825 Imperial Beach Blvd., Imperial Beach, CA 91932 during normal business hours.

CONSENT CALENDAR (Continued)

2.2 RESOLUTION NO. 2013-7393 APPROVING A CONTRACT WITH CALIFORNIA DEPARTMENT OF CORRECTIONS AND REHABILITATION (CDCR) FOR CITY GROUNDS MAINTENANCE WORK. (0920-20)

Recommendation:

1. Receive report and
2. Consider adoption of resolution.

ORDINANCES – INTRODUCTION/FIRST READING/PUBLIC HEARING (3)

None.

ORDINANCES – SECOND READING/ADOPTION (4)

None.

PUBLIC HEARINGS (5)

None.

REPORTS (6.1-6.6)

6.1 MAYOR PROCLAMATION FOR TIJUANA RIVER ACTION MONTH FOR OCTOBER. (0230-70)

Recommendation:

1. Receive a short presentation from Wildcoast on Tijuana River Action Month and
2. Provide Council support for the Mayor to provide a proclamation for Tijuana River Action Month.

6.2 INVESTMENT REPORT FOR THE PERIOD ENDING AUGUST 31, 2013. (0350-90)

Recommendation: Receive report.

6.3 RESOLUTION 2013-7390 AUTHORIZING THE PUBLIC WORKS DIRECTOR TO SIGN AND FORWARD THE CITY'S JURISDICTIONAL URBAN RUNOFF MANAGEMENT PROGRAM (JURMP) ANNUAL REPORT FOR FISCAL YEAR 2012-13 TO THE REGIONAL WATER QUALITY CONTROL BOARD, SAN DIEGO REGION. (0770-65)

Recommendation:

1. Receive the Report;
2. Receive Public Testimony;
3. Direct Annual Report changes as appropriate;
4. Direct the Public Works Director to sign and submit to the RWQCB the FY 2012-13 JURMP Annual Report; and
5. Adopt Resolution 2013-7390, JURMP Annual Report including corrections, additions or deletions as directed.

6.4 RESOLUTION NO. 2013-7389 AWARDED A PUBLIC WORKS CONTRACT TO WIT: REPLACE THE RECREATION CENTER MANSARD ROOF CIP F14-001 AND APPROPRIATING \$120,000 FROM THE NEW STRATEGIC CAPITAL IMPROVEMENT GF RESERVE TO CIP PROJECT F14-001. (0330-35 & 0920-40)

Recommendation:

1. Receive report and
2. Adopt resolution authorizing the City Manager to transfer \$120,000.00 from the Strategic Capital Improvement Reserve Fund to the "Replace the Recreation Center Mansard Roof (CIP- F14-001)" and authorizing the City Manager to approve a purchase order to the low bidder for the amount of the bid price.

Continued on Next Page

REPORTS (Continued)

6.5 INFORMATION REPORT SEEKING DIRECTION REGARDING POLICY FOR DOGS ON THE BEACH BETWEEN PALM AVENUE AND IMPERIAL BEACH BOULEVARD. (0220-90)

Recommendation: Accept the report and provide direction to either maintain the current policy or return to the City Council with recommended ordinance changes.

6.6 ADOPTION OF CITY COUNCIL RESOLUTION NO. 2013-7392 CALLING THE OUTSTANDING PRINCIPAL DUE ON A CITY LOAN MADE TO THE FORMER REDEVELOPMENT AGENCY PURSUANT TO A COOPERATION AGREEMENT DATED JUNE 7, 1995 AND FURTHER MEMORIALIZED BY AN AGREEMENT DATED MAY 17, 2006. (0640-05)

Recommendation: Adopt resolution.

I.B. REDEVELOPMENT AGENCY SUCCESSOR AGENCY REPORTS (7.1-7.3)

7.1 ADOPTION OF RESOLUTION NO. SA-13-29 OF THE IMPERIAL BEACH REDEVELOPMENT AGENCY SUCCESSOR AGENCY APPROVING AND ADOPTING THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE FOR THE PERIOD OF JANUARY 1, 2014 THROUGH JUNE 30, 2014 (ROPS 13-14B). (0418-50)

Recommendation: That the Imperial Beach Redevelopment Agency Successor Agency adopt Resolution.

7.2 ADOPTION OF RESOLUTION NO. SA-13-30 OF THE IMPERIAL BEACH REDEVELOPMENT AGENCY SUCCESSOR AGENCY APPROVING THE ADMINISTRATIVE BUDGET FOR THE PERIOD OF JANUARY 1, 2014 THROUGH JUNE 30, 2014 AND RELATED ACTIONS. (0418-50)

Recommendation: That the Imperial Beach Redevelopment Agency Successor Agency adopt Resolution.

7.3 ADOPTION OF CITY COUNCIL RESOLUTION NO. 2013-7391 AND SUCCESSOR AGENCY RESOLUTION NO. SA-13-31 APPROVING AN EXTENSION OF VARIOUS DATES AND DEADLINES IN THE DISPOSITION AND DEVELOPMENT AGREEMENT (DDA) BETWEEN THE IMPERIAL BEACH REDEVELOPMENT AGENCY SUCCESSOR AGENCY (SUCCESSOR AGENCY) AND SADBERRY-PALM AVENUE LLC (SADBERRY) BY LETTER AGREEMENT. (0418-50 & 0600-20)

Recommendation:

1. That the City Council of the City of Imperial Beach adopt Resolution No. 2013-7391 and
2. That the Imperial Beach Redevelopment Agency Successor Agency adopt Resolution No. SA-13-31 approving an extension of various dates and deadlines in the DDA by a Letter Agreement.

ITEMS PULLED FROM THE CONSENT CALENDAR (IF ANY)

ADJOURNMENT

The Imperial Beach City Council welcomes you and encourages your continued interest and involvement in the City's decision-making process.

FOR YOUR CONVENIENCE, A COPY OF THE AGENDA AND COUNCIL MEETING PACKET MAY BE VIEWED IN THE OFFICE OF THE CITY CLERK AT CITY HALL OR ON OUR WEBSITE AT

www.ImperialBeachCA.gov.

_____/s/
Jacqueline M. Hald, MMC
City Clerk



STAFF REPORT
CITY OF IMPERIAL BEACH

TO: HONORABLE MAYOR AND CITY COUNCIL
FROM: ANDY HALL, CITY MANAGER *AH*
MEETING DATE: SEPTEMBER 18, 2013
ORIGINATING DEPT.: ADMINISTRATIVE SERVICES *AS*
SUBJECT: RATIFICATION OF WARRANT REGISTER

EXECUTIVE SUMMARY:

Approval of the warrant register in the amount of \$754,238.79 and the payroll checks in the amount of \$193,253.87.

BACKGROUND:

None

ANALYSIS:

As of April 7, 2004 all large warrants above \$100,000 will be separately highlighted and explained on the staff report.

<u>Vendor:</u>	<u>Check:</u>	<u>Amount:</u>	<u>Description:</u>
City of San Diego	83082	\$595,494	1 st quarter Metro Sewer System

The following registers are submitted for Council ratification:

<u>WARRANT #</u>	<u>DATE</u>	<u>AMOUNT</u>
<u>Accounts Payable</u>		
83072-83132	08/30/13	\$ 732,182.32
83133-83155	09/05/13	\$ 22,019.57
83156	09/05/13	\$ 36.90
	Sub-total	\$ 754,238.79
<u>Payroll Checks/Direct Deposit</u>		
45451-45480	P.P.E. 8/22/13	\$ 193,253.87
	Sub-total	\$ 193,253.87
	<u>TOTAL</u>	<u>\$ 947,492.66</u>

ENVIRONMENTAL DETERMINATION:

Not a project as defined by CEQA.

FISCAL IMPACT:

Warrants are issued from budgeted funds and there is no additional impact on reserves.

RECOMMENDATION:

It is respectfully requested that the City Council ratify the warrant register.

Attachments:

1. Warrant Register

PREPARED 09/05/2013, 16:07:47
 PROGRAM: GM350L
 CITY OF IMPERIAL BEACH

A/P CHECKS BY PERIOD AND YEAR

PAGE 1

FROM 08/23/2013 TO 09/05/2013

BANK CODE

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CHECK DATE	CHECK NUMBER	VENDOR NAME	VENDOR #				CHECK AMOUNT
ACCOUNT #	TRN DATE	DESCRIPTION	INVOICE	PO #	PER/YEAR	TRN AMOUNT	
08/30/2013	83072	AFLAC	120				714.30
101-0000-209.01-13	08/15/2013	PAYROLL AP PPE 8/08/13	20130815		02/2014	357.15	
101-0000-209.01-13	08/29/2013	PAYROLL AP PPE 8/22/13	156702		02/2014	357.15	
08/30/2013	83073	AGRICULTURAL PEST CONTROL	123				95.00
101-6020-452.21-04	05/28/2013	MAY 2013	304578	140106	01/2014	95.00	
08/30/2013	83074	ARENSEN OFFICE FURNITTURE	2502				2,317.36
101-1210-413.30-02	08/12/2013	ADMIN SVCS DESKS/FILES	36370	130890	02/2014	2,317.36	
08/30/2013	83075	AT&T	2430				3,036.45
503-1923-419.27-04	08/20/2013	3372571583448	4631701		02/2014	358.67	
503-1923-419.27-04	08/20/2013	3393431504727	4630094		02/2014	179.34	
503-1923-419.27-04	08/20/2013	3393439371447	4632790		02/2014	179.34	
503-1923-419.27-04	08/20/2013	3393442323406	4633098		02/2014	179.34	
101-1210-413.27-04	08/17/2013	6194235034	4622213		02/2014	16.85	
101-3020-422.27-04	08/17/2013	6194237246664	4621433		02/2014	.74	
101-5020-432.27-04	08/15/2013	6194238311966	4618037		02/2014	5.18	
101-3030-423.27-04	08/15/2013	6194238322966	4618038		02/2014	4.66	
503-1923-419.27-04	08/11/2013	6194243481712	4597091		02/2014	16.41	
101-1230-413.27-04	08/17/2013	6196281356950	4621436		02/2014	17.40	
101-1920-419.27-04	08/17/2013	6196282018442	4621442		02/2014	.10	
601-5060-436.27-04	08/15/2013	C602221236777	4618029		02/2014	17.92	
101-1920-419.27-04	08/15/2013	C602224829777	4619096		02/2014	105.17	
101-1110-412.27-04	08/15/2013	C602224831777	4619098		02/2014	133.42	
101-1020-411.27-04	08/15/2013	C602224832777	4619099		02/2014	59.38	
101-1230-413.27-04	08/15/2013	C602224833777	4619100		02/2014	354.34	
101-1130-412.27-04	08/15/2013	C602224834777	4619101		02/2014	44.55	
101-1210-413.27-04	08/15/2013	C602224835777	4619102		02/2014	214.88	
101-6030-453.27-04	08/15/2013	C602224836777	4619103		02/2014	77.94	
101-6010-451.27-04	08/15/2013	C602224837777	4619104		02/2014	85.58	
101-3020-422.27-04	08/15/2013	C602224838777	4619105		02/2014	310.80	
101-3030-423.27-04	08/15/2013	C602224839777	4619106		02/2014	215.85	
101-5020-432.27-04	08/15/2013	C602224840777	4619107		02/2014	303.71	
601-5060-436.27-04	08/15/2013	C602224841777	4619108		02/2014	154.88	
08/30/2013	83076	AVI SYSTEMS, INC.	2227				1,604.50
101-1920-419.21-04	07/31/2013	COUNCIL VIDEO/AUDIO REPR	39013400	140185	01/2014	1,604.50	
08/30/2013	83077	BAJA PARTS	342				641.86
101-6040-454.30-02	08/22/2013	RAKE TEETH STOCK RPLCMNT	55531		02/2014	641.86	
08/30/2013	83078	CALIFORNIA AMERICAN WATER	612				7,410.71
101-5010-431.27-02	08/16/2013	05-0110529-0 07/15-08/13	09-04-2013		01/2014	222.28	
101-6020-452.27-02	08/16/2013	05-0111454-0 07/15-08/13	09-04-2013		01/2014	39.44	
101-1910-419.27-02	08/16/2013	05-0111478-9 07/15-08/13	09-04-2013		01/2014	66.97	
101-6020-452.27-02	08/16/2013	05-0111479-7 07/15-08/13	09-04-2013		01/2014	3,523.48	
101-5010-431.27-02	08/16/2013	05-0111480-5 07/15-08/13	09-04-2013		01/2014	113.85	
101-5020-432.27-02	08/19/2013	05-0424056-5 07/16-08/14	09-09-2013		01/2014	54.04	

CHECK DATE	CHECK NUMBER	VENDOR NAME	VENDOR #				CHECK AMOUNT
ACCOUNT #	TRN DATE	DESCRIPTION	INVOICE	PO #	PER/YEAR	TRN	AMOUNT
101-6020-452.27-02	08/19/2013	05-0477133-8	07/16-08/14	09-09-2013	01/2014		286.21
101-6020-452.27-02	08/20/2013	05-0114612-0	07/17-08/15	09-09-2013	02/2014		30.06
101-5010-431.27-02	08/19/2013	05-0114717-7	07/16-08/14	09-09-2013	02/2014		6.62
101-5010-431.27-02	08/19/2013	05-0115202-9	07/16-08/14	09-09-2013	02/2014		16.00
101-6020-452.27-02	08/19/2013	05-0115205-2	07/16-08/14	09-09-2013	02/2014		2,220.17
101-1910-419.27-02	08/19/2013	05-0115206-0	07/16-08/14	09-09-2013	02/2014		479.53
101-1910-419.27-02	08/19/2013	05-0115208-6	07/16-08/14	09-09-2013	02/2014		127.91
101-1910-419.27-02	08/19/2013	05-0115210-2	07/16-08/14	09-09-2013	02/2014		16.53
101-3020-422.27-02	08/19/2013	05-0115211-0	07/16-08/14	09-09-2013	02/2014		90.41
101-5010-431.27-02	08/19/2013	05-0115214-4	07/16-08/14	09-09-2013	02/2014		11.31
601-5060-436.27-02	08/19/2013	05-0115249-0	07/16-08/14	09-09-2013	02/2014		11.31
101-5010-431.27-02	08/20/2013	05-0115949-5	07/17-08/15	09-09-2013	02/2014		6.62
101-5010-431.27-02	08/20/2013	05-0115950-3	07/17-08/15	09-09-2013	02/2014		20.69
101-5010-431.27-02	08/20/2013	05-0116368-7	07/17-08/15	09-09-2013	02/2014		44.13
101-6020-452.27-02	08/20/2013	05-0117419-7	07/17-08/15	09-09-2013	02/2014		6.62
303-1264-413.27-02	08/22/2013	05-0546597-1	07/18-08/19	09-10-2013	02/2014		16.53
08/30/2013	83079	CALIFORNIA DENTAL	2480				634.32
101-0000-209.01-12	08/01/2013	PAYROLL AP PPE 7/25/13	20130801		02/2014		302.72
101-0000-209.01-12	08/15/2013	PAYROLL AP PPE 8/08/13	20130815		02/2014		309.94
101-1130-412.28-02	07/30/2013	SEP 2013 DENTAL PREMIUM	SEP 2013		02/2014		28.88
101-0000-209.01-12	07/30/2013	SEP 2013 DENTAL PREMIUM	SEP 2013		02/2014		7.22-
08/30/2013	83080	CITY OF EL CAJON	845				725.00
101-1130-412.28-04	07/22/2013	2013/2014 CONSORTIUM FEES	2013/2014	140201	01/2014		725.00
08/30/2013	83081	CITY OF IMPERIAL BEACH	864				127.97
101-1210-413.28-04	07/18/2012	BUANGAN, E-MILEAGE REIMBUR	07-18-2012		02/2014		54.97
101-1210-413.28-04	09/13/2012	WEISMANN, K-CMRTA FEE	09-13-2012		02/2014		20.00
101-5010-431.50-02	09/27/2012	SIGN TRAILER REGISTRATION	574036W		02/2014		23.00
101-1020-411.28-12	10/08/2012	SDCCC ASSOCIATION DUES	2012/2013		02/2014		30.00
08/30/2013	83082	CITY OF SAN DIEGO	896				595,494.00
601-5060-436.21-04	08/01/2013	JUL-SEP 2013 METROPOLITAN	1000083739		02/2014		595,494.00
08/30/2013	83083	COLONIAL LIFE & ACCIDENT	941				236.28
101-0000-209.01-13	08/15/2013	PAYROLL AP PPE 8/08/13	20130815		02/2014		118.14
101-0000-209.01-13	08/29/2013	PAYROLL AP PPE 8/22/13	9498114-0802786		02/2014		118.14
08/30/2013	83084	COUNTY OF SAN DIEGO RCS	1065				3,650.50
101-3010-421.21-25	08/01/2013	JUL 2013	14CTOFIBN01	140165	01/2014		2,325.50
101-3020-422.21-25	08/01/2013	JUL 2013	14CTOFIBN01	140165	01/2014		53.00
101-3030-423.21-25	08/01/2013	JUL 2013	14CTOFIBN01	140165	01/2014		1,272.00
08/30/2013	83085	COX COMMUNICATIONS	1073				142.87
101-6010-451.29-04	08/15/2013	08/13-09/12 3110015531401	09-03-2013	140162	02/2014		142.87
08/30/2013	83086	CYNTHIA TITGEN CONSULTING, INC	2340				1,926.00
101-1130-412.20-06	08/03/2013	07/29-08/06/2013	201311	140082	02/2014		738.00
101-1130-412.20-06	08/20/2013	08/13 & 08/20	201312	140082	02/2014		1,188.00

CHECK DATE	CHECK NUMBER	VENDOR NAME	VENDOR #				CHECK AMOUNT
ACCOUNT #	TRN DATE	DESCRIPTION	INVOICE	PO #	PER/YEAR	TRN AMOUNT	
08/30/2013	83087	DANIEL MARTINEZ	2523				107.95
502-1922-419.29-04	08/13/2013	PRESCRIBED SUNGLASSES	402140		02/2014	107.95	
08/30/2013	83088	DATAQUICK	1134				114.50
101-1210-413.21-04	08/01/2013	JUL 2013	B1-2186920	140197	02/2014	9.00	
101-3020-422.21-04	08/01/2013	JUL 2013	B1-2186920	140197	02/2014	15.00	
101-3070-427.21-04	08/01/2013	JUL 2013	B1-2186920	140197	02/2014	90.50	
08/30/2013	83089	DEPARTMENT OF CORRECTIONS AND	169				2,711.52
101-6020-452.21-04	08/02/2013	JUL 2013	1800207168	140169	02/2014	2,259.60	
101-6040-454.21-04	08/02/2013	JUL 2013	1800207168	140169	02/2014	451.92	
08/30/2013	83090	DEPARTMENT OF JUSTICE	1154				294.00
101-1130-412.21-04	08/05/2013	JUL 2013	984252	140080	02/2014	294.00	
08/30/2013	83091	DRUG TESTING NETWORK INC	1195				60.95
101-1130-412.20-06	08/15/2013	EMP DRUG TESTING	67646	140081	02/2014	60.95	
08/30/2013	83092	EIAN MAURICE	2416				54.00
101-3030-423.28-04	08/05/2013	EMT RE-CERT FEES	015233		02/2014	54.00	
08/30/2013	83093	FIDELITY SECURITY LIFE INSURAN	2476				181.47
101-0000-209.01-18	08/15/2013	PAYROLL AP PPE 8/08/13	20130815		02/2014	86.53	
101-0000-209.01-18	08/29/2013	PAYROLL AP PPE 8/22/13	20130829		02/2014	86.53	
101-0000-209.01-18	08/22/2013	SEP 2013 VISION PREMIUM	SEP 2013		02/2014	8.41	
08/30/2013	83094	GO-STAFF, INC.	2031				7,261.60
101-1210-413.21-01	08/06/2013	W/E 08/04/13 FERGUSON,N	111508	140089	02/2014	978.12	
101-3020-422.21-01	08/06/2013	W/E 08/04/13 MEDLEY, ANNE	111506	140164	02/2014	717.46	
101-1210-413.21-01	08/13/2013	W/E 08/11/13 FERGUSON, N	111823	140089	02/2014	800.28	
101-1210-413.21-01	08/20/2013	W/E 08/18/13 FERGUSON, N	112152	140089	02/2014	978.12	
601-5060-436.21-01	08/06/2013	W/E 08/04/13 JERMYN, C	111507	140116	02/2014	1,088.94	
601-5060-436.21-01	08/13/2013	W/E 08/11/13 JERMYN, C	111822	140116	02/2014	672.03	
601-5060-436.21-01	08/20/2013	W/E 08/18/13 JERMYN, C	112151	140116	02/2014	852.48	
101-3020-422.21-01	08/13/2013	W/E 08/11/13 MEDLEY, A	111821	140164	02/2014	373.89	
101-1210-413.21-01	08/27/2013	W/E 08/25/13 -FERGUSON, N	112497	140089	02/2014	800.28	
08/30/2013	83095	GRAINGER	1051				699.08
101-6020-452.30-02	08/12/2013	SPRAY PAINT	9215685604	140008	02/2014	25.64	
601-5060-436.30-02	07/03/2013	EYE WASH BOTTLES REPLCMNT	9182963760	140008	01/2014	84.75	
601-5060-436.30-22	07/03/2013	AIR COMPRESSOR	9182963778	140008	01/2014	524.88	
101-1910-419.30-02	08/19/2013	SCREWDRIVER BIT SET	9221972657	140008	02/2014	17.75	
101-6020-452.30-02	08/20/2013	SPRAY PAINT-GREEN	9222649767	140008	02/2014	39.07	
101-1910-419.30-02	08/20/2013	BARRICADE TAPE	9222649775	140008	02/2014	6.99	
08/30/2013	83096	GTC SYSTEMS INC	1910				1,747.50
503-1923-419.20-06	07/31/2013	NETWORK CONSULTING	35950	140177	01/2014	1,747.50	
08/30/2013	83097	I B FIREFIGHTERS ASSOCIATION	214				300.00
101-0000-209.01-08	08/29/2013	PAYROLL AP PPE 8/22/13	20130829		02/2014	300.00	

CHECK DATE	CHECK NUMBER	VENDOR NAME	VENDOR #	DESCRIPTION	INVOICE	PO #	PER/YEAR	CHECK AMOUNT
ACCOUNT #	TRN	DATE						TRN AMOUNT
101-1210-413.30-01		08/16/2013		FILE FOLDERS/BATTERIES	665628845001	140001	02/2014	56.43
101-1130-412.30-01		07/08/2013		CHAIR	664128827001	140001	01/2014	54.01
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08/30/2013	83107	PATRICK SPEARS	2253					230.00
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08/30/2013	83108	PERLITA SHOUSE	1296					99.49
101-1210-413.28-04		07/18/2012		LSL 2012 GOV'T ACNTG/AUDT	07-19-2012		02/2014	20.00
101-1210-413.28-05		08/03/2012		POSTAGE DUE-PARKING TICKT	60144		02/2014	.45
101-1020-411.29-04		09/21/2012		DOCUMENT DUPLICATION OF	345509220120921		02/2014	4.00
101-1210-413.28-05		10/10/2012		POSTAGE DUE-PARKING TICKT	60994		02/2014	.45
101-1210-413.28-05		11/01/2012		POSTAGE DUE-PARKING TICKT	61098		02/2014	.45
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101-1020-411.28-04		12/10/2012		RECORDS WORKSHOP	12-10-2012		02/2014	40.00
101-1130-412.28-05		03/28/2013		POSTAGE DUE-PERSONNEL	03-28-2013		02/2014	1.15
08/30/2013	83109	POWERLAND EQUIPMENT, INC.	2510					199.86
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501-1921-419.30-02	08/15/2013	BUSS FUSE	7693-166844	140016	02/2014	6.48	
501-1921-419.28-16	08/19/2013	#A-7 WAGNER/SEALS	7693-167223	140016	02/2014	46.50	
501-1921-419.28-16	08/19/2013	RETURNED AIR/FUEL FILTERS	7693-167237	140016	02/2014	28.16	
501-1921-419.28-16	08/21/2013	OIL/FUEL FILTERS	7693-167546	140016	02/2014	96.01	
501-1921-419.28-16	08/22/2013	#113 DRUMS/ROTOR/STOP PA	7693-167581	140016	02/2014	114.97	
501-1921-419.28-16	08/27/2013	A-8 BLOWER MTR RESISTOR	7693-168103	140016	02/2014	9.07	
08/30/2013	83115	REGIONAL TRAINING CENTER	130			137.00	
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08/30/2013	83116	ROBERT HALF TECHNOLOGY	1826			1,756.25	
503-1923-419.10-02	08/14/2013	08/09/13 WAHSINGTON, E	38540812	140098	02/2014	881.25	
503-1923-419.10-02	08/20/2013	08/16/13 WASHINGTON, E	38575136	140098	02/2014	875.00	
08/30/2013	83117	SDGE	289			232.87	
101-6020-452.27-01	08/15/2013	2081 689 1273 07/01-08/01	08-30-2013		01/2014	110.54	
101-6020-452.27-01	08/15/2013	9327 898 1346 07/01-08/01	08-30-2013		01/2014	122.33	
08/30/2013	83118	SEIU LOCAL 221	1821			1,624.50	
101-0000-209.01-08	08/29/2013	PAYROLL AP PPE 8/22/13	20130829		02/2014	1,624.50	
08/30/2013	83119	SHARP REES-STEALY MEDICAL CNTR	390			435.00	
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101-6040-454.21-04	08/10/2013	JUL 2013 PRE-EMPLYMNT	263	140076	02/2014	280.00	
08/30/2013	83120	SHAWN ROBERT KELLEY	2524			160.00	
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501-1921-419.28-15	08/22/2013	1151.3 GAL REG FUEL	1257287-IN	140046	02/2014	3,998.49	
08/30/2013	83122	SPARKLETTS	2341			10.27	
101-1210-413.30-01	07/27/2013	JUL 2013	10552239 072713	140199	01/2014	10.27	
08/30/2013	83123	SURF CRAFT INTERNATIONAL, INC.	2448			543.75	
101-3035-423.25-03	06/19/2013	JG UNIFORMS	394	140193	02/2014	543.75	
08/30/2013	83124	TERRA BELLA NURSERY, INC.	1946			118.58	
101-6020-452.30-02	07/31/2013	10 PINK LADY	99255	140031	01/2014	118.58	
08/30/2013	83125	TRAFFIC SAFETY MATERIALS, LLC.	2369			2,133.10	
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101-5010-431.21-23	07/31/2013	"YIELD" STREET SIGNS	3022	140065	01/2014	1,334.68	
101-5010-431.21-23	07/31/2013	"K" ISLAND MARKERS	3028	140065	01/2014	744.06	
08/30/2013	83126	TRANSWORLD SYSTEMS INC.	2160			363.12	
101-1910-419.21-04	07/31/2013	JUL 2013 COLLECTIONS	746857		01/2014	363.12	

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101-1210-413.27-05	08/08/2013	07/09/2013-08/08/2013	9709536072		01/2014		38.01
101-5020-432.27-05	08/08/2013	07/09/2013-08/08/2013	9709536072		01/2014		847.26
101-3040-424.27-05	08/08/2013	07/09/2013-08/08/2013	9709536072		01/2014		40.46
101-3020-422.27-05	08/08/2013	07/09/2013-08/08/2013	9709536072		01/2014		246.48
101-3030-423.27-05	08/08/2013	07/09/2013-08/08/2013	9709536072		01/2014		206.39
101-3070-427.27-05	08/08/2013	07/09/2013-08/08/2013	9709536072		01/2014		41.99
101-1230-413.27-05	08/08/2013	07/09/2013-08/08/2013	9709536072		01/2014		788.46
503-1923-419.27-05	08/08/2013	07/09/2013-08/08/2013	9709536072		01/2014		368.03
503-1923-419.27-05	08/08/2013	07/09/2013-08/08/2013	9709536072		01/2014		12.32
08/30/2013	83129	WAXIE SANITARY SUPPLY	802				1,544.18
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101-6040-454.30-02	08/19/2013	JANITORIAL SUPPLIES	74110697	140013	02/2014		776.57
08/30/2013	83130	WESTERN HOSE & GASKET	836				858.89
601-5060-436.28-01	08/16/2013	VACTOR HOSE REPAIR	282320	140056	02/2014		21.85
601-5060-436.28-01	08/16/2013	TUBING-LEADER HOSES	282321	140056	02/2014		810.71
601-5060-436.28-01	08/19/2013	VACTOR HOSE REPAIR	282367	140056	02/2014		26.33
08/30/2013	83131	WHITE CAP CONSTRUCTION SUPPLY	1434				98.83
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08/30/2013	83132	ZUMAR INDUSTRIES INC.	875				6,697.04
101-5010-431.21-23	07/31/2013	CLAMP KIT/SIGNS	01471111	140014	01/2014		6,697.04
09/05/2013	83133	ARROWHEAD MOUNTAIN SPRING WATE	1340				175.65
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09/05/2013	83134	BIO-D PRODUCTS	433				4,455.00
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101-6040-454.30-02	08/06/2013	BIO-GRAFFITI XX	16590	140118	02/2014		700.00
09/05/2013	83135	BOUND TREE MEDICAL, LLC	485				218.04
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101-1910-419.20-23	09/01/2013	SEP 2013 -2089	26477	140109	03/2014		30.00
101-1910-419.20-23	09/01/2013	SEP 2013 -2466	26513	140109	03/2014		55.00
101-1910-419.20-23	09/01/2013	SEP 2013 -2643	26553	140109	03/2014		30.00
101-1910-419.20-23	09/01/2013	SEP 2013 -2644	26554	140109	03/2014		30.00
101-1910-419.20-23	09/01/2013	SEP 2013 -314	26586	140109	03/2014		40.00
101-1910-419.20-23	09/01/2013	SEP 2013 -2698	26574	140109	03/2014		30.00
101-1910-419.20-23	08/01/2013	AUG 2013 -2643	26261	140109	02/2014		30.00

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101-1910-419.20-23	03/01/2013	MAR 2013 -2644	24807	140109	01/2014		30.00
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101-1910-419.20-23	04/01/2013	APR 2013 -2644	25078	140109	01/2014		30.00
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101-1910-419.20-23	06/01/2013	JUN 2013 -2466	25609	140109	01/2014		55.00
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101-1910-419.20-23	06/01/2013	JUN 2013 -2644	25651	140109	01/2014		30.00
101-1910-419.20-23	07/01/2013	JUL 2013 -2643	25971	140109	01/2014		30.00
101-1910-419.20-23	07/01/2013	JUL 2013 -2644	25972	140109	01/2014		30.00
09/05/2013	83137	CMRTA	1787				20.00
101-1210-413.28-04	08/12/2013	WEISMANN, K-QUARTERLY MTG	09-12-2013		02/2014		20.00
09/05/2013	83138	COMPUTERLAND OF SILICON VALLEY	2289				1,207.44
503-1923-419.30-22	08/14/2013	HP PCS	225780	140191	02/2014		1,207.44
09/05/2013	83139	COUNTY RECORDER	1818				50.00
201-5000-532.20-06	08/26/2013	13TH STREET BIKE LANE NOE	MF 1120		02/2014		50.00
09/05/2013	83140	COUNTY RECORDER	1818				50.00
101-3030-423.20-06	08/27/2013	LG HOMELAND SECURITY	09-05-2013		02/2014		50.00
09/05/2013	83141	FAILSAFE TESTING	2184				339.00
502-1922-419.21-04	08/12/2013	TESTING GROUND LADDERS	6714	F14005	02/2014		339.00
09/05/2013	83142	FASTENAL	909				74.55
101-6040-454.30-02	08/22/2013	S/S WIRE WHEEL	CACHU32398	140007	02/2014		35.35
101-5010-431.21-23	08/16/2013	REPLACEMENT BATTERY	CACHU32304	140007	02/2014		39.20
09/05/2013	83143	GOOGLE, INC.	2009				201.60
503-1923-419.20-06	08/05/2013	AUG 2013	6965852	140190	02/2014		201.60
09/05/2013	83144	JOHN DEERE LANDSCAPES	1986				480.14
101-6020-452.30-02	08/08/2013	ELECTRIC VALVE	65684727	140028	02/2014		155.67
101-6040-454.30-02	08/22/2013	POP UP ROTOR SPRINKLERS	65836337	140028	02/2014		93.40
101-6020-452.30-02	08/16/2013	ELECTRIC VALVE/LINE TRIMR	65767973	140028	02/2014		127.45
101-6020-452.30-02	08/20/2013	NONWOVEN WEED MT	65800025	140028	02/2014		103.62
09/05/2013	83145	MANAGED HEALTH NETWORK	2432				397.60
101-1130-412.20-06	08/17/2013	SEP 2013	3200050600	140077	02/2014		397.60
09/05/2013	83146	MARCO A. MORENO	2526				250.00
502-1922-419.29-04	08/22/2013	REIMBURSE PRESCRIBED SUN	684272696		02/2014		250.00
09/05/2013	83147	MOBILE HOME ACCEPTANCE CORPORA	1533				297.00
101-5020-432.25-01	08/24/2013	09/07/13-10/06/13	173518	140158	02/2014		297.00

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		STORM DRAIN GRATE		070155683	140092	02/2014	356.40
09/05/2013 501-1921-419.28-15	83149 08/07/2013	PRAXAIR DISTRIBUTION INC	1652				41.40
		PETROLEUM GAS		46889723	140002	02/2014	41.40
09/05/2013 101-5020-432.25-03 101-5020-432.25-03 101-5020-432.25-03 101-5020-432.25-03	83150 08/07/2013 08/14/2013 08/21/2013 08/28/2013	PRUDENTIAL OVERALL SUPPLY	72				506.40
		08/07/13 PW UNIFORMS		30358411	140094	02/2014	130.65
		08/14/13 PW UNIFORMS		30359929	140094	02/2014	122.55
		08/21/13 PW UNIFORMS		30361448	140094	02/2014	130.65
		08/28/13 PW UNIFORMS		30363029	140094	02/2014	122.55
09/05/2013 101-1210-413.30-01	83151 08/24/2013	SPARKLETTS	2341				18.42
		AUG 2013		10552239 082413	140199	02/2014	18.42
09/05/2013 101-3020-422.27-05	83152 08/29/2013	SPRINT	2040				149.97
		07/26-08/25/2013		594768811-069	140184	02/2014	149.97
09/05/2013 503-1923-419.20-25	83153 08/15/2013	SUNGARD PUBLIC SECTOR INC.	1370				7,956.00
		2013/2014 TECH SVCS MAINT		69825	140202	02/2014	7,956.00
09/05/2013 101-1920-419.30-01	83154 08/28/2013	ZEE MEDICAL, INC.	872				54.96
		FIRST AID REFILL		0140486881	F14006	02/2014	54.96
09/05/2013 101-3020-422.30-02	83155 08/16/2013	ZOLL MEDICAL CORPORATION	1976				3,975.00
		AUTOPULSE PROTECTION 3YR		90011269	140163	02/2014	3,975.00
09/05/2013 101-3030-423.30-02 101-3030-423.30-02	83156 08/14/2013 09/05/2013	OFFICE DEPOT, INC	1262				36.90
		STABENOW, R-BUSINESS CARDS		670807702001	140001	02/2014	36.90
		STABENOW, R-BUSINESS CARDS		670807702001		03/2014	36.90-
DATE RANGE TOTAL *							754,238.79 *



STAFF REPORT
CITY OF IMPERIAL BEACH

TO: HONORABLE MAYOR AND CITY COUNCIL

FROM: ANDY HALL, CITY MANAGER *AH*

MEETING DATE: SEPTEMBER 18, 2013

ORIGINATING DEPT.: PUBLIC WORKS *AH*

SUBJECT: RESOLUTION NO. 2013-7393 APPROVING A CONTRACT WITH CALIFORNIA DEPARTMENT OF CORRECTIONS AND REHABILITATION (CDCR) FOR CITY GROUNDS MAINTENANCE WORK

EXECUTIVE SUMMARY:

The contract with the California Department of Corrections and Rehabilitation (CDCR) for basic grounds landscape maintenance expires September 30, 2013. The purpose of this report is to recommend that City Council approve a new 3-year contract with CDCR. This contract provides for Inmate Community Service Work Crews at the Richard J. Donovan Correctional Facility for work on such tasks as graffiti removal, litter removal, painting, weed abatement, miscellaneous landscape work, pruning trees and shrubs and general cleanup and other activities as mutually agreed upon. The cost of this contract is anticipated to be approximately \$160,000 for the three years of the contract.

BACKGROUND:

Since the early 1990's the City of Imperial Beach has had the service of the inmates at the Richard J. Donovan Correctional Facility for work on and around public facilities performing basic clean up and landscape services. For the last few years that service has been performed two days per week for about \$53,000 per year. On September 30, 2013, this contract expires and the services from the inmate crews will cease unless there is a new contract in place before September 30, 2013.

ANALYSIS:

Staff has not completed negotiations for a new contract; however the State is asserting that the Inmate Community Service Work Crews will not continue work past September 30, 2013 unless there is a signed contract in place with an adopted City Council resolution from the City not later than September 30, 2013. Staff is working to get a draft of the contract with the State so we can provide a recommendation for approval from City Council. Staff plans to have a draft agreement to present to City Council by the September 18, 2013 City Council meeting.

ENVIRONMENTAL DETERMINATION:

Not a project as defined by CEQA.

FISCAL IMPACT:

Approximately \$160,000 for the three year contract. The payment for two years of these services is included in the adopted City of Imperial Beach budget for FY 2013/14 and FY 2014/15.

RECOMMENDATION:

1. Receive this report.
2. Once staff has a draft agreement with a firm cost that City Council consider adoption of a resolution approving the agreement.

Attachments:

1. Resolution No. 2013-7393 (to be provided as soon as it is available)



AGENDA ITEM NO. C.1

STAFF REPORT
CITY OF IMPERIAL BEACH

TO: HONORABLE MAYOR AND CITY COUNCIL
FROM: ANDY HALL, CITY MANAGER *AH*
MEETING DATE: SEPTEMBER 18, 2013
ORIGINATING DEPT.: PUBLIC WORKS DEPARTMENT *AH*
SUBJECT: MAYOR PROCLAMATION FOR TIJUANA RIVER ACTION MONTH FOR OCTOBER

EXECUTIVE SUMMARY:

This proclamation from the Mayor recognizes the important efforts made by multiple agencies and community groups in the Tijuana River Watershed to help raise public awareness and involvement in cleanup, restoration, and stewardship activities.

BACKGROUND:

2013 marks the 4th Annual Tijuana River Action Month (TRAM) which involves a series of bi-national stewardship, public education, and cleanup activities during the months of September and October to benefit the Tijuana River Watershed. This time period is critical since there is a very small window of opportunity between the end of bird nesting season and the start of the rainy season to enter the river valley and remove as much trash as possible. Tijuana River Action Month is the compilation of efforts by multiple agencies and community groups over the month of September and October to raise public awareness and involvement to cleanup and restore the Tijuana River Valley.

Tijuana River Action Month is coordinated each year through the Tijuana River Action Network, which consists of representatives from local NGOs and agencies in the watershed to help plan, coordinate, and implement activities that will engage the public through conservation and restoration of the Tijuana River. The efforts by the Tijuana River Action Network are important because it brings together the existing work in the watershed from multiple agencies and NGOs under a common framework that can most effectively provide advocacy for the cleanup and restoration of the watershed. The Mayor of Imperial Beach has provided a supporting proclamation each year for Tijuana River Action Month since the start of the event in 2010.

ANALYSIS:

The City is actively involved on cleanup and restoration efforts in the Tijuana River Valley and this proclamation is one additional way for the City to raise awareness on the issues in the Tijuana River.

Tijuana River Action Month was kicked off with the annual Fiesta Del Rio celebration that occurred on Sunday September 8th at the Imperial Beach Pier Plaza. The following is a list of future activities and cleanups that are planned for the months of September and October:

September 21, 9am-12pm	Coastal Cleanup Day (U.S.) Tijuana River Valley
September 21, 8am-12pm	Salvemos la Playa (MEX) Tijuana, Mexico
September 28, 9am-12pm	National Public Lands Day; Border Field State Park
September 28, 12-3pm	Photo Expo and Native Plant Talk; Friendship Park in Tijuana
October 4, 8am-1pm	Cleanup and Sustainable Building Activities; Los Laureles Canyon, Rancho Las Flores in Tijuana
October 5, 9am-12pm	Cleanup and Nature Walk; Effie May's Trail, Tijuana River Valley
October 9 & 10, 9am-11am	Watershed Conservation and Native Plant Talk; Los Sauces Park, Playas de Tijuana
October 12, 9am-12pm	Cleanup and Sustainable Building; Border Field State Park- Goat Canyon
October 12, 12-3pm	Tijuana River Action Month Festival; Monument Mesa, Border Field State Park (Free Admission to TRAM volunteers!)

ENVIRONMENTAL DETERMINATION:

Not a project as defined by CEQA.

FISCAL IMPACT:

No impact to budget and part of regular program activities within the Environmental Division

RECOMMENDATION:

1. Receive a short presentation from Wildcoast on Tijuana River Action Month
2. Mayor to provide a proclamation for Tijuana River Action Month

Attachments:



STAFF REPORT
CITY OF IMPERIAL BEACH

TO: HONORABLE MAYOR AND CITY COUNCIL
FROM: ANDY HALL, CITY MANAGER *AH*
MEETING DATE: September 18, 2013
ORIGINATING DEPT.: Administrative Services *AS*
SUBJECT: Investment Report for the Period Ending August 31, 2013

EXECUTIVE SUMMARY:

The City of Imperial Beach contracts with Chandler Asset Management to manage the City's investment portfolio. This report provides the details of the portfolio, the earnings and duration of the investments.

BACKGROUND:

The Administrative Services Director/City Treasurer has the responsibility for investment of excess City cash in accordance with the City's Investment Policy, which states as its goals, to provide safety of the principal, to provide adequate liquidity, and to earn a reasonable rate of return. At its April 3, 2013 meeting, the City Council approved a contract with Chandler Asset Management to manage the City's investment portfolio effective May 28, 2013, and active management began July 1, 2013.

ANALYSIS:

The City currently has over \$24 million in invested cash. With the reduction in staff in the Administrative Services Department, and additional responsibilities for the Director, it was determined that the City would benefit from a professionally managed portfolio to achieve optimum earnings while first maintaining the safety and liquidity of the funds. After receiving proposals from three companies, Chandler Asset Management was selected. This company has a long history of service to many cities and districts in California and in San Diego County. This report provides a detailed listing of the City's current investments.

ENVIRONMENTAL DETERMINATION:

Not a project as defined by CEQA.

FISCAL IMPACT:

There is no fiscal impact.

RECOMMENDATION:

That the City Council receive the report.

Attachments:

1. Investment Report, Chandler Asset Management



Investment Report

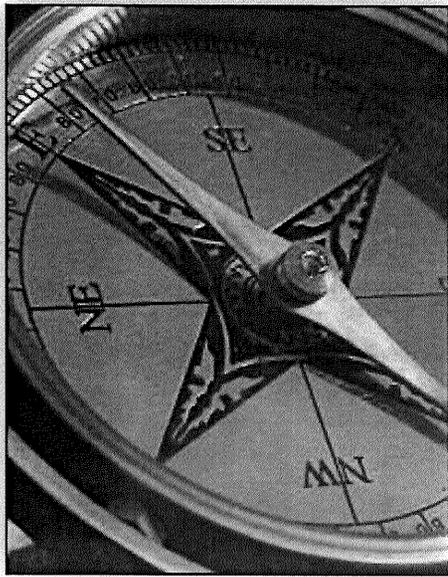
City of Imperial Beach

Period Ending
August 31, 2013



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SECTION 1	Investment Plan
SECTION 2	Account Profile
SECTION 3	Portfolio Holdings



SECTION 1

INVESTMENT PLAN



I. Overview

As we begin our relationship with you, we want to discuss all relevant aspects of your investment program: the scope of services, your investment objectives, risk tolerances, and policy constraints. With you, we will establish an investment plan that includes the selection of an appropriate investment style(s) and benchmark(s) for the City's portfolio as well as a work plan for the delivery of the services you have requested.

The objective for today's meeting is to develop a tailored investment plan for the City by completing the following tasks:

1. Discuss relevant aspects of your investment program.
2. Gain a comprehensive understanding of your investment objectives, risk tolerances, and policy constraints.
3. Select an appropriate investment style and benchmark.
4. Establish a timetable for each action item.

II. Account Establishment

Meeting participants: **Imperial Beach** – Kathleen VonAchen, Administrative Services Director and Greg Wade, Assistant City Manager; **Chandler** – Jayson Schmitt, Ned Connolly and Jeannie Palmero

Action Item	Timetable/Assignment	Details
1. Execute investment management agreement	<ul style="list-style-type: none"> • Completed - 5/13/13 • Imperial Beach - Kathleen 	<ul style="list-style-type: none"> • Received by Chandler
2. Fill out Chandler account paperwork	<ul style="list-style-type: none"> • Completed - 6/25/13 • Imperial Beach - Kathleen 	<ul style="list-style-type: none"> • Received by Chandler
3. Review possible custodians	<ul style="list-style-type: none"> • Completed - May 13-28, 2013 • Imperial Beach and Chandler 	<ul style="list-style-type: none"> • Chandler's operations • Imperial Beach - Kathleen
4. Select custodian and sign agreement	<ul style="list-style-type: none"> • Completed - 5/28/13 • Imperial Beach and US Bank 	<ul style="list-style-type: none"> • Chandler notified
5. Input investment constraints into CRD	<ul style="list-style-type: none"> • Completed – 7/8/13 • Chandler's Compliance Dept 	<ul style="list-style-type: none"> • Compliance monitoring of portfolio
6. Input current holdings into accounting system	<ul style="list-style-type: none"> • Completed – June 13-19, 2013 • Chandler's Ops Dept 	<ul style="list-style-type: none"> • Securities, descriptions, purchase date and YTM, etc.
7. Review cash flow projections	<ul style="list-style-type: none"> • Completed – 6/26/13 • Imperial Beach and Chandler 	<ul style="list-style-type: none"> • Assure sufficient funds available for disbursements
8. Assign username and password for <i>Report Viewer</i>	<ul style="list-style-type: none"> • Completed – 7/2/13 • Chandler's Ops Dept 	<ul style="list-style-type: none"> • Claudia Bernal • Pearly Chouse • Kathleen VonAchen • Greg Wade
9. Prepare and send monthly reports by 3 rd business day	<ul style="list-style-type: none"> • Completed – 7/2/13 • Chandler's Ops Dept 	<ul style="list-style-type: none"> • Report as 6/30/13 • Email notification sent 7/2 • Available through <i>Report Viewer</i>

III. Selecting an Investment Style and Benchmark

Chandler Investment Philosophy

Our belief is that portfolio management is risk management. We strive to create value while controlling risk. The goal of our investment process is to develop an optimal portfolio – the portfolio that we expect will exceed benchmark returns over a range of market conditions without the assumption of undue risk. We believe that constantly seeking value while strictly controlling investment risk will produce optimal long-term results.

Considerations

- Are you comfortable with periodic rebalancing of the portfolio for:
 - Maintaining risk profile of the portfolio
 - Performance
 - Diversification
- Has consideration ever been given to adding corporate securities to the list of eligible investments?

Action Item	Timetable/Assignment	Details
1. Review Investment Policy	<ul style="list-style-type: none"> • Review completed – 5/31/13 • Chandler – Jayson & Ned 	<ul style="list-style-type: none"> • Review & Recommendations <ul style="list-style-type: none"> ○ Min corp. rating A; maturity matrix; IA authority; 15% language clarification • Draft revised policy – 8/31/13
2. Define liquidity requirements	<ul style="list-style-type: none"> • Completed – 6/26/13 • Imperial Beach & Chandler 	<ul style="list-style-type: none"> • Checking – approx. \$500,000 • LAIF – approx. \$1.5 MM
3. Determine segmentation of the portfolio	<ul style="list-style-type: none"> • Completed – 6/26/13 • Imperial Beach & Chandler 	<ul style="list-style-type: none"> • Liquidity segment - \$2.0 MM • Core segment - \$21 MM
4. Review characteristics of investment styles	<ul style="list-style-type: none"> • Completed - 6/26/13 • Imperial Beach & Chandler 	<ul style="list-style-type: none"> • Chandler reviewed in detail the styles common for public agencies
5. Discuss how styles fit with objectives and constraints	<ul style="list-style-type: none"> • Completed - 6/26/13 • Imperial Beach & Chandler 	<ul style="list-style-type: none"> • Imperial Beach selected Limited Maturity style
6. Review benchmark characteristics	<ul style="list-style-type: none"> • Completed - 6/26/13 • Imperial Beach & Chandler 	<ul style="list-style-type: none"> • Imperial Beach selected the Bank of America Merrill Lynch 1-3 Yr. Treasury Index
7. Select investment style and benchmark	<ul style="list-style-type: none"> • Completed – 6/26/13 • Imperial Beach - Kathleen & Greg 	<ul style="list-style-type: none"> • Management Directive & Compliance Waiver received by Chandler – 6/28/13
8. Structure the City's portfolio into selected style	<ul style="list-style-type: none"> • Commencing - 7/1/13 • Chandler : Jayson and investment team 	<ul style="list-style-type: none"> • Structure portfolio to Limited Maturity risk characteristics
9. Provide ongoing investment management	<ul style="list-style-type: none"> • Ongoing - 7/1/13 • Chandler: Jayson and investment team 	<ul style="list-style-type: none"> • Maintain portfolio to Limited Maturity risk characteristics
10. Establish meeting schedule	<ul style="list-style-type: none"> • Completed – 6/26/13 • Imperial Beach – Kathleen & Greg • Chandler - Jeannie 	<ul style="list-style-type: none"> • August 2013 Council meeting • October 2013 Council meeting • Semi-annual thereafter – rotate staff and council

IV. Characteristics of Chandler's Investment Styles

**Chandler Asset Management
Composite Characteristics
March 31, 2013**

	Ultra Short	Limited Maturity	Short Term Bond
Average Duration	0.96	1.76	2.44
US Treasuries	24.3%	18.3%	18.8%
US Agencies	26.1%	47.2%	50.6%
US Corporate	36.9%	24.0%	22.0%
Commercial Paper	10.2%	5.0%	6.3%
Negotiable CD	1.0%	0.6%	0.2%
Municipal	n/a	2.2%	n/a
ABS	n/a	1.4%	1.7%
Cash¹	1.5%	1.3%	0.4%

**Chandler Asset Management
Composite Investment Performance
March 31, 2013²**

Chandler Style Benchmark	1 Year	3 Year	5 Year	10 Year
Ultra Short <i>BofA / ML Blended 0-3 Yr. Treasury</i>	0.55% 0.35%	0.91% 0.61%	1.45% 1.02%	2.49% 2.21%
Limited Maturity <i>BofA / ML 1-3 Yr. Treasury</i>	1.05% 0.64%	1.79% 1.24%	2.47% 1.75%	3.12% 2.67%
Short Term Bond <i>BofA / ML 1-5 Yr. Government</i>	1.60% 1.25%	2.60% 2.29%	3.23% 2.68%	3.62% 3.30%

¹ Local Government Investment Pools, Money Market Funds, Commercial Paper, Discount Notes.

² Please see attached full GIPS® compliant presentation in Appendix A. Past performance is not indicative of future results. Performance is annualized and presented gross of investment management fees.

Chandler Asset Management
Investment Styles Annualized Returns³
March 31, 2003 – March 31, 2013

Investment Style	Portfolio Duration	Annualized Total Return 10 Year Period 3/31/13 Net of Fees (0.1 of 1%)	10-Year Growth of \$15 Million Net of Fees	Chandler Added Value Net of Fee Over LAIF
LAIF	0.62	2.16%	\$18.6 million	N/A
Chandler Ultra Short Bond	0.96	2.56%	\$19.3 million	\$0.7 million
Chandler Limited Maturity	1.76	3.38%	\$20.9 million	\$2.3 million
Chandler Short Term Bond	2.44	4.00%	\$22.2 million	\$3.6 million

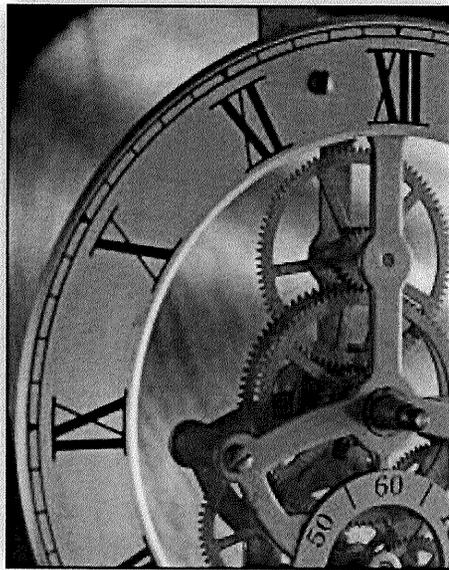
Chandler Asset Management
Benchmark Study
Periods Ending 12/31/2012



CHANDLER
 ASSET
 MANAGEMENT

	Custom 0-3 Year Treasury	BofA ML 1-3 Year Treasury	BofA ML 1-5 Year Government	BofA ML 1-5 Year A- AAA Corp/Govt
	STB3	G102	GVA0	BV10
1 Maturity Composition				
a. 0-6 months				
b. 6-12 months				
c. 1-3 years	60.00%	100.00%	55.83%	55.35%
d. 3-5 years	40.00%		44.16%	44.65%
e. 5-10 years				
2 Asset Sector Distribution				
a. Treasury	100%	100%		66%
b. Agency			12%	18%
c. Corporate			88%	17%
e. Other				
3 Modified Duration	0.95	1.87	2.67	2.72
4 10 Year Annualized Total Return	2.25%	2.72%	3.36%	3.72%
5 10 Year Standard Deviation	1.95%	2.48%	2.87%	2.06%
6 Sharpe Ratio	0.24	0.38	0.55	0.94
7 Qualitative Risk Objective	12/31/1988 - 12/31/2012	12/31/1988 - 12/31/2012	12/31/1988 - 12/31/2012	12/31/1988 - 12/31/2012
8 Negative Quarterly Return Occurrences	3	6	14	13
9 2 Consecutive Negative Quarterly Return Occurrences	5	3	4	5
10 Negative Return For Year Occurrences	0	0	1	1
11 Worst Year Total Return	0.55%	0.57%	-0.63%	-0.55%

³ Please see attached full GIPS® compliant presentation in Appendix A. Past performance is not indicative of future results. Performance is annualized and presented net of investment management fees.



SECTION 2

ACCOUNT PROFILE

Investment Objectives

The investment objectives of the City of Imperial Beach are first, to provide safety of principal to ensure the preservation of capital in the overall portfolio; second, to provide adequate liquidity to meet all requirements which might be reasonably anticipated; and third, to earn a commensurate rate of return.

Chandler Asset Management Performance Objectives

The performance objective of the City of Imperial Beach is to earn a return that equals or exceeds the return on an index of 1-3 Year US Treasury notes.

Strategy

In order to achieve this objective, the portfolio invests in high-quality money market instruments, US Treasury securities, US agency securities and AA or higher rated Corporate medium term notes.



City of Imperial Beach
August 31, 2013

COMPLIANCE WITH INVESTMENT POLICY

Assets managed by Chandler Asset Management are in full compliance with State law and the City's investment policy.

Category	Standard	Comment
Treasury Issues	No limitations	Complies
Federal Agencies	No limitations	Complies
Banker's Acceptances	30% maximum; 5% per issuer; <180 days maturity	Complies
Commercial Paper	A-1+/P-1; 25% maximum; 5% per issuer (with MTNs); <270 days maturity	Complies
Medium Term Notes	"AA"-rated; 30% maximum; 5% per issuer (with CPs); 5 years maximum maturity	Complies*
Negotiable Certificates of Deposit	FDIC Insured Institutions; 30% maximum; 5% per issuer; 5 years maximum maturity	Complies
Money Market Mutual Funds	As permitted under California Gov't Code; 20% maximum; 10% per fund	Complies
Time Deposits	25% maximum; 5% per issuer; 5 years maximum maturity	Complies
Local Agency Investment Fund	\$50 million per account	Complies
Maximum maturity	5 years	Complies

*JP Morgan Chase represents 8.4% of the portfolio and is rated A2/A, however it was purchased prior to November 2012.



PORTFOLIO CHARACTERISTICS

Average Duration	1.82
Average Coupon	1.19 %
Average Purchase YTM	1.07 %
Average Market YTM	1.02 %
Average S&P/Moody Rating	AA+/Aa1
Average Final Maturity	2.05 yrs
Average Life	2.03 yrs

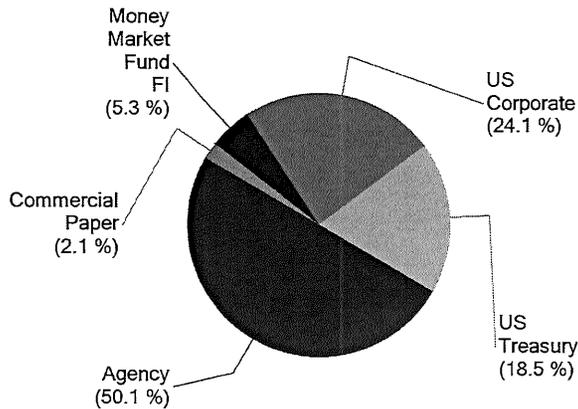
ACCOUNT SUMMARY

	Beg. Values as of 7/31/13	End Values as of 8/31/13
Market Value	24,249,685	24,209,661
Accrued Interest	50,729	43,584
Total Market Value	24,300,415	24,253,245
Income Earned	18,433	-2,919
Cont/WD		-1,411
Par	24,189,911	24,174,960
Book Value	24,226,550	24,229,365
Cost Value	24,231,705	24,236,510

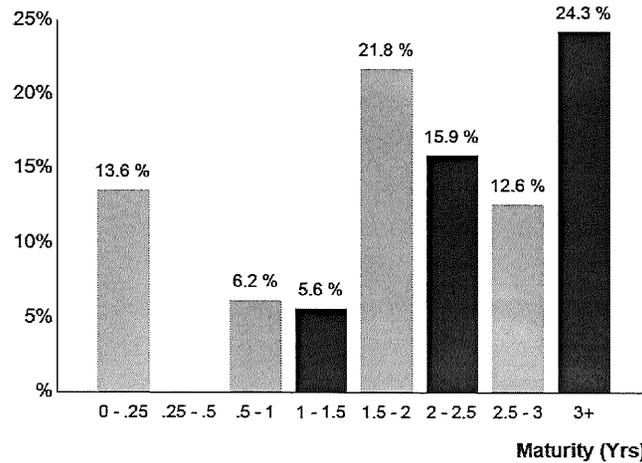
TOP ISSUERS

Issuer	% Portfolio
Government of United States	18.5 %
Federal Home Loan Bank	14.4 %
Federal Home Loan Mortgage Corp	13.6 %
Federal National Mortgage Assoc	12.4 %
Federal Farm Credit Bank	9.7 %
JP Morgan Chase & Co	8.3 %
First American Govt Oblig Fund	5.3 %
Berkshire Hathaway	4.2 %
	86.4 %

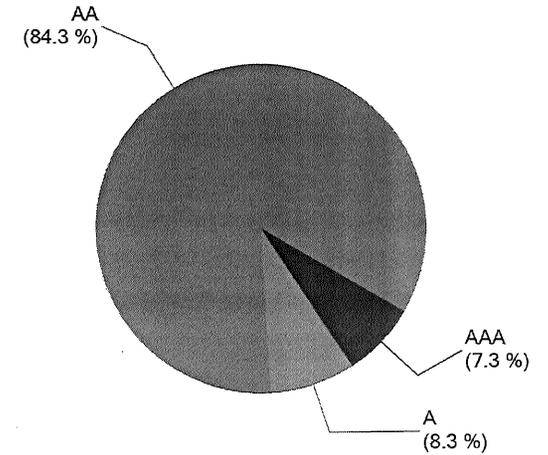
SECTOR ALLOCATION



MATURITY DISTRIBUTION



CREDIT QUALITY (S&P)



PERFORMANCE REVIEW

Total Rate of Return As of 8/31/2013	Current Month	Latest 3 Months	Year To Date	Annualized					
				1 Yr	3 Yrs	5 Yrs	10 Yrs	7/31/2013	Since 7/31/2013



PORTFOLIO CHARACTERISTICS

City of Imperial Beach

	08/31/2013		06/30/2013
	Benchmark*	Portfolio	Portfolio
Average Maturity (yrs)	1.83	2.05	2.80
Modified Duration	1.80	1.82	0.88
Average Purchase Yield	n/a	1.07 %	3.06 %
Average Market Yield	0.38 %	1.02 %	2.76 %
Average Quality**	AAA	AA+/Aa1	AA-/Aa1
Total Market Value		24,253,245	7,079,441

* 1-3 yr Treasury

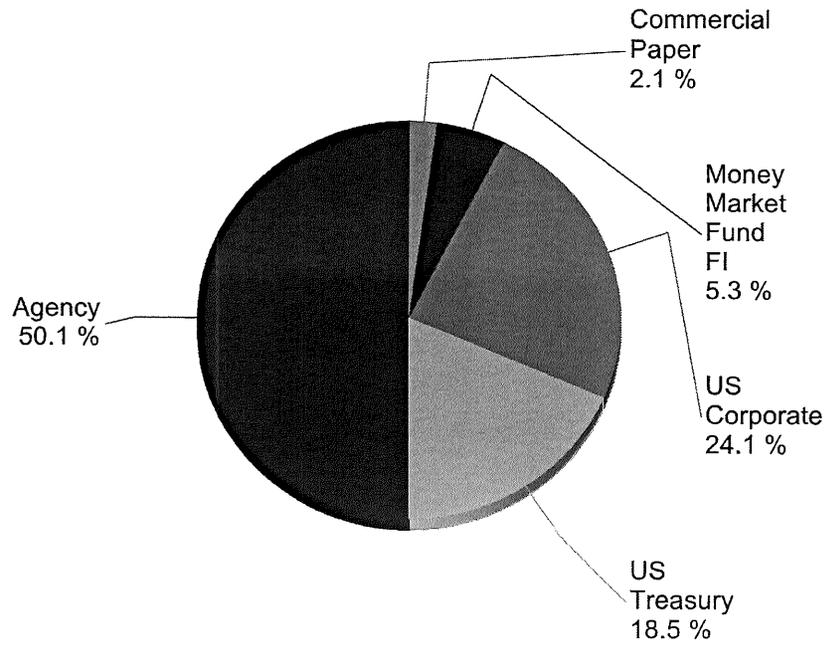
** Benchmark is a blended rating of S&P, Moody's, and Fitch. Portfolio is S&P and Moody's respectively.



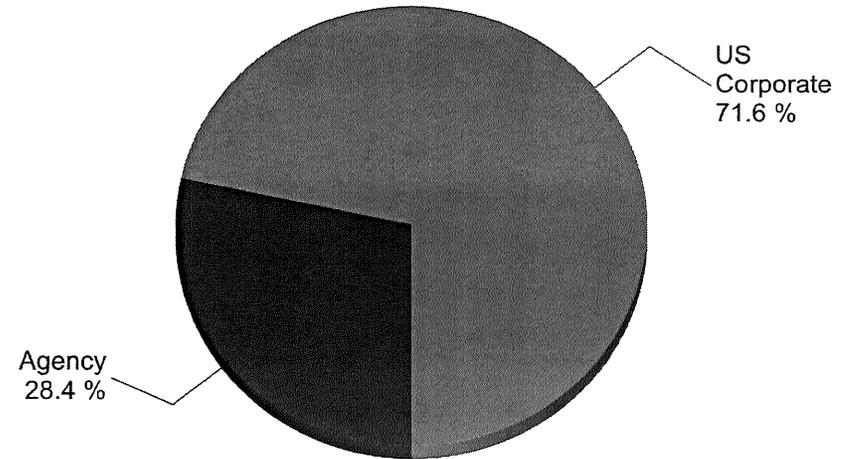
SECTOR DISTRIBUTION

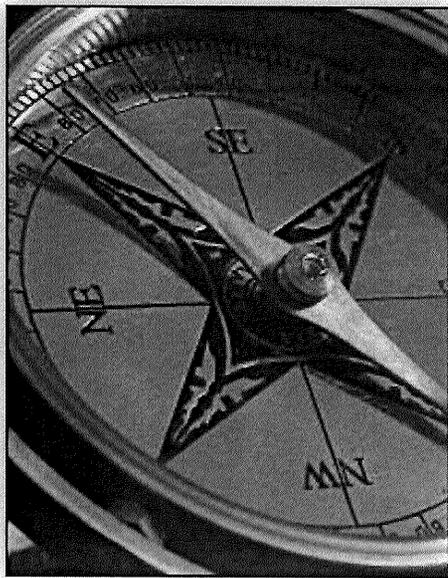
City of Imperial Beach

August 31, 2013



June 30, 2013





SECTION 3

PORTFOLIO HOLDINGS

Issue Name	Investment Type	% Portfolio
Government of United States	US Treasury	18.50 %
Federal Home Loan Bank	Agency	14.39 %
Federal Home Loan Mortgage Corp	Agency	13.59 %
Federal National Mortgage Association	Agency	12.38 %
Federal Farm Credit Bank	Agency	9.75 %
JP Morgan Chase & Co	US Corporate	8.32 %
First American Govt Oblig Fund	Money Market Fund FI	5.28 %
Berkshire Hathaway	US Corporate	4.18 %
General Electric Co	US Corporate	4.14 %
Toyota Motor Corp	Commercial Paper	2.06 %
Procter & Gamble Company	US Corporate	1.51 %
Google Inc	US Corporate	1.50 %
Apple Inc	US Corporate	1.49 %
3M Company	US Corporate	1.47 %
ChevronTexaco Corp	US Corporate	1.44 %
Total		100.00 %



Holdings Report

As of 8/31/13

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody S&P	Maturity Duration
AGENCY									
313373KZ4	FHLB Note 1.07% Due 11/29/2013	2,000,000.00	05/06/2011 1.01 %	2,003,076.00 2,000,583.72	100.24 0.10 %	2,004,728.00 5,468.89	8.29 % 4,144.28	Aaa AA+	0.25 0.24
3137EACY3	FHLMC Note 0.75% Due 11/25/2014	500,000.00	08/13/2013 0.22 %	503,375.00 503,245.19	100.62 0.24 %	503,116.50 1,000.00	2.08 % (128.69)	Aaa AA+	1.24 1.23
313381H24	FHLB Note 0.25% Due 1/16/2015	500,000.00	08/23/2013 0.27 %	499,880.00 499,881.42	99.97 0.27 %	499,836.50 156.25	2.06 % (44.92)	Aaa AA+	1.38 1.37
3135G0HG1	FNMA Note 0.375% Due 3/16/2015	500,000.00	07/30/2013 0.27 %	500,840.00 500,793.33	100.05 0.34 %	500,268.50 859.38	2.07 % (524.83)	Aaa AA+	1.54 1.53
3137EADD8	FHLMC Note 0.5% Due 4/17/2015	500,000.00	07/26/2013 0.26 %	502,075.00 501,962.48	100.24 0.35 %	501,204.00 930.56	2.07 % (758.48)	Aaa AA+	1.63 1.62
3133EANJ3	FFCB Note 0.5% Due 5/1/2015	500,000.00	07/19/2013 0.31 %	501,660.00 501,554.97	100.20 0.38 %	501,018.50 833.33	2.07 % (536.47)	Aaa AA+	1.67 1.66
3135G0KM4	FNMA Note 0.5% Due 5/27/2015	500,000.00	08/20/2013 0.31 %	501,675.00 501,646.39	100.18 0.40 %	500,886.50 652.78	2.07 % (759.89)	Aaa AA+	1.74 1.73
3134G3Z60	FHLMC Callable Note 1X 12/19/13 0.42% Due 6/19/2015	290,000.00	07/19/2013 0.47 %	289,710.00 289,727.06	99.94 0.45 %	289,821.65 243.60	1.20 % 94.59	Aaa AA+	1.80 1.44
3135G0LN1	FNMA Note 0.5% Due 7/2/2015	500,000.00	08/07/2013 0.33 %	501,620.00 501,563.90	100.14 0.42 %	500,720.00 409.72	2.07 % (843.90)	Aaa AA+	1.84 1.82
3133ECHV9	FFCB Note 0.35% Due 7/30/2015	485,000.00	07/30/2013 0.32 %	485,300.70 485,287.11	99.85 0.43 %	484,253.59 146.17	2.00 % (1,033.52)	Aaa AA+	1.91 1.91
3133EADW5	FFCB Note 0.55% Due 8/17/2015	500,000.00	08/30/2013 0.43 %	501,155.00 501,151.78	100.00 0.55 %	499,981.50 106.94	2.06 % (1,170.28)	Aaa AA+	1.96 1.95
3134G3J76	FHLMC Note 0.45% Due 9/4/2015	500,000.00	08/13/2013 0.44 %	500,080.00 500,078.08	99.97 0.46 %	499,851.50 1,106.25	2.07 % (226.58)	Aaa AA+	2.01 1.99
3135G0NV1	FNMA Note 0.5% Due 9/28/2015	500,000.00	07/26/2013 0.39 %	501,185.00 501,134.06	100.02 0.49 %	500,122.50 1,062.50	2.07 % (1,011.56)	Aaa AA+	2.08 2.06
31331J2S1	FFCB Note 1.5% Due 11/16/2015	370,000.00	08/20/2013 0.43 %	378,809.70 378,691.09	102.22 0.49 %	378,206.23 1,618.75	1.57 % (484.86)	Aaa AA+	2.21 2.17
313380L96	FHLB Note 0.5% Due 11/20/2015	485,000.00	07/17/2013 0.45 %	485,562.60 485,535.49	99.89 0.55 %	484,474.75 680.35	2.00 % (1,060.74)	Aaa AA+	2.22 2.20
3135G0SB0	FNMA Note 0.375% Due 12/21/2015	500,000.00	07/17/2013 0.50 %	498,475.00 498,545.89	99.55 0.57 %	497,765.00 364.58	2.05 % (780.89)	Aaa AA+	2.31 2.29
3135G0VA8	FNMA Note 0.5% Due 3/30/2016	500,000.00	07/18/2013 0.60 %	498,630.00 498,685.86	99.53 0.68 %	497,674.00 1,048.61	2.06 % (1,011.86)	Aaa AA+	2.58 2.56
3137EADQ9	FHLMC Note 0.5% Due 5/13/2016	500,000.00	07/18/2013 0.64 %	498,015.00 498,092.46	99.35 0.74 %	496,735.50 750.00	2.05 % (1,356.96)	Aaa AA+	2.70 2.67
3133834R9	FHLB Note 0.375% Due 6/24/2016	500,000.00	08/07/2013 0.58 %	497,105.00 497,171.11	99.10 0.70 %	495,507.50 348.96	2.04 % (1,663.61)	Aaa AA+	2.82 2.79
3133ECWV2	FFCB Note 0.875% Due 12/7/2016	500,000.00	08/07/2013 0.87 %	500,130.00 500,127.44	99.60 1.00 %	497,993.00 291.67	2.05 % (2,134.44)	Aaa AA+	3.27 3.21



Holdings Report

As of 8/31/13

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody S&P	Maturity Duration
AGENCY									
3137EADC0	FHLMC Note 1% Due 3/8/2017	500,000.00	07/26/2013 0.99 %	500,160.00 500,155.87	99.34 1.19 %	496,711.00 2,402.78	2.06 % (3,444.87)	Aaa AA+	3.52 3.43
3137EADF3	FHLMC Note 1.25% Due 5/12/2017	500,000.00	08/07/2013 1.07 %	503,265.00 503,207.93	99.92 1.27 %	499,614.00 1,892.36	2.07 % (3,593.93)	Aaa AA+	3.70 3.59
Total Agency		12,130,000.00	0.57 %	12,151,784.00 12,148,822.63	0.50 %	12,130,490.22 22,374.43	50.11 % (18,332.41)	Aaa AA+	1.88 1.85
COMMERCIAL PAPER									
89233HDP6	Toyota Motor Credit Discount CP 0.26% Due 4/23/2014	500,000.00	08/23/2013 0.26 %	499,133.34 499,155.01	99.83 0.26 %	499,155.01 0.00	2.06 % 0.00	P-1 A-1+	0.64 0.64
Total Commercial Paper		500,000.00	0.26 %	499,133.34 499,155.01	0.26 %	499,155.01 0.00	2.06 % 0.00	P1 A-1+	0.64 0.64
MONEY MARKET FUND FI									
31846V203	First American Govt Obligation Fund	1,279,960.31	Various 0.02 %	1,279,960.31 1,279,960.31	1.00 0.02 %	1,279,960.31 0.00	5.28 % 0.00	Aaa AAA	0.00 0.00
Total Money Market Fund FI		1,279,960.31	0.02 %	1,279,960.31 1,279,960.31	0.02 %	1,279,960.31 0.00	5.28 % 0.00	Aaa AAA	0.00 0.00
US CORPORATE									
36962G5B6	General Electric Capital Corp Floating Rate Note 0.9% Due 4/7/2014	1,000,000.00	01/25/2012 0.97 %	998,561.00 999,609.34	100.37 0.28 %	1,003,693.00 1,349.85	4.14 % 4,083.66	A1 AA+	0.60 0.10
742718DM8	Procter & Gamble Co Note 3.5% Due 2/15/2015	350,000.00	07/19/2013 0.45 %	366,541.00 365,411.23	104.14 0.63 %	364,505.75 544.44	1.51 % (905.48)	Aa3 AA-	1.46 1.43
037833AH3	Apple Inc Note 0.45% Due 5/3/2016	365,000.00	07/18/2013 0.72 %	362,335.50 362,440.50	98.98 0.83 %	361,294.52 538.38	1.49 % (1,145.98)	Aa1 AA+	2.67 2.64
38259PAC6	Google Inc Note 2.125% Due 5/19/2016	350,000.00	07/26/2013 0.72 %	363,604.50 363,178.94	103.38 0.86 %	361,846.80 2,107.29	1.50 % (1,332.14)	Aa2 AA	2.72 2.63
166764AC4	Chevron Corp. Note 0.889% Due 6/24/2016	350,000.00	07/19/2013 0.72 %	351,704.50 351,642.14	99.90 0.93 %	349,636.70 579.08	1.44 % (2,005.44)	Aa1 AA	2.82 2.77
88579YAD3	3M Co. Note 1.375% Due 9/29/2016	350,000.00	08/07/2013 0.83 %	355,827.50 355,725.62	101.14 1.00 %	353,990.35 2,031.94	1.47 % (1,735.27)	Aa2 AA-	3.08 2.99
084670BD9	Berkshire Hathaway Note 1.9% Due 1/31/2017	1,000,000.00	04/11/2012 1.61 %	1,013,489.00 1,009,586.72	101.23 1.53 %	1,012,300.00 1,636.11	4.18 % 2,713.28	Aa2 AA	3.42 3.29
48125VLC2	JP Morgan Chase Floating Rate Note 6.41% Due 2/6/2017	2,000,000.00	02/01/2012 6.41 %	2,000,000.00 2,000,000.00	100.46 6.31 %	2,009,234.00 8,902.78	8.32 % 9,234.00	A2 A	3.44 1.28
Total US Corporate		5,765,000.00	2.87 %	5,812,063.00 5,807,594.49	2.76 %	5,816,501.12 17,689.87	24.06 % 8,906.63	A1 AA-	2.67 1.80



Holdings Report

As of 8/31/13

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody S&P	Maturity Duration
US TREASURY									
912828SU5	US Treasury Note 0.25% Due 5/15/2015	500,000.00	07/26/2013 0.28 %	499,747.77 499,760.86	99.87 0.33 %	499,336.00 370.24	2.06 % (424.86)	Aaa AA+	1.70 1.70
912828TD2	US Treasury Note 0.25% Due 7/15/2015	500,000.00	07/19/2013 0.32 %	499,318.08 499,356.75	99.78 0.37 %	498,886.50 163.04	2.06 % (470.25)	Aaa AA+	1.87 1.87
912828TK6	US Treasury Note 0.25% Due 8/15/2015	500,000.00	07/30/2013 0.33 %	499,142.30 499,179.14	99.72 0.39 %	498,613.50 57.74	2.06 % (565.64)	Aaa AA+	1.96 1.95
912828TX8	US Treasury Note 0.375% Due 11/15/2015	500,000.00	08/20/2013 0.44 %	499,298.55 499,308.01	99.80 0.46 %	499,023.50 555.37	2.06 % (284.51)	Aaa AA+	2.21 2.19
912828UC2	US Treasury Note 0.25% Due 12/15/2015	500,000.00	07/18/2013 0.44 %	497,755.58 497,858.18	99.44 0.50 %	497,187.50 266.39	2.05 % (670.68)	Aaa AA+	2.29 2.28
912828UG3	US Treasury Note 0.375% Due 1/15/2016	500,000.00	07/17/2013 0.45 %	499,044.64 499,087.83	99.65 0.52 %	498,242.00 244.57	2.06 % (845.83)	Aaa AA+	2.38 2.36
912828VC1	US Treasury Note 0.25% Due 5/15/2016	500,000.00	08/07/2013 0.53 %	496,173.55 496,264.39	98.93 0.65 %	494,648.50 370.24	2.04 % (1,615.89)	Aaa AA+	2.71 2.69
912828RU6	US Treasury Note 0.875% Due 11/30/2016	500,000.00	08/07/2013 0.74 %	502,228.24 502,184.04	99.90 0.91 %	499,492.00 1,111.68	2.06 % (2,692.04)	Aaa AA+	3.25 3.19
912828SC5	US Treasury Note 0.875% Due 1/31/2017	500,000.00	07/17/2013 0.83 %	500,861.05 500,833.66	99.63 0.99 %	498,125.00 380.43	2.06 % (2,708.66)	Aaa AA+	3.42 3.35
Total US Treasury		4,500,000.00	0.48 %	4,493,569.76 4,493,832.86	0.57 %	4,483,554.50 3,519.70	18.50 % (10,278.36)	Aaa AA+	2.42 2.40
TOTAL PORTFOLIO		24,174,960.31	1.07 %	24,236,510.41 24,229,365.30	1.02 %	24,209,661.16 43,584.00	100.00 % (19,704.14)	Aa1 AA+	2.05 1.82
TOTAL MARKET VALUE PLUS ACCRUED						24,253,245.16			



AGENDA ITEM NO. 6.3

STAFF REPORT
CITY OF IMPERIAL BEACH

TO: HONORABLE MAYOR AND CITY COUNCIL
FROM: ANDY HALL, CITY MANAGER *AH*
MEETING DATE: SEPTEMBER 18, 2013
ORIGINATING DEPT.: PUBLIC WORKS *HAL*
SUBJECT: RESOLUTION 2013-7390 AUTHORIZING THE PUBLIC WORKS DIRECTOR TO SIGN AND FORWARD THE CITY'S JURISDICTIONAL URBAN RUNOFF MANAGEMENT PROGRAM (JURMP) ANNUAL REPORT FOR FISCAL YEAR 2012-13 TO THE REGIONAL WATER QUALITY CONTROL BOARD, SAN DIEGO REGION

EXECUTIVE SUMMARY:

The City is required to prepare and submit to the RWQCB an annual report that summarizes the City's storm water management program activities and accomplishments during the previous fiscal year. This report covers the FY 2012-13 reporting cycle. Total storm water management program cost for FY 2012-13 from the General Fund was \$776,601.

BACKGROUND:

The San Diego Regional Water Quality Control Board (RWQCB) is the regulatory agency responsible for ensuring water quality protection from discharges of storm water out of the municipal separate storm sewer system (MS4). The San Diego Water Board adopted a new MS4 discharge permit (R9-2013-0001) for the San Diego Copermittees on May 8, 2013. This new MS4 Permit requires a significant update to the City's Stormwater Management Program and allows 24 months to implement the new permit requirements. The City will continue to implement its existing Jurisdictional Urban Runoff Management Plan (JURMP) that was developed under the previous R9-2007-0001 MS4 Permit and adopted by Council through Resolution No. 2008-6602 while the City's Stormwater Management Program is being updated to the new regulatory requirements.

The City is required to prepare and submit to the RWQCB an annual report that summarizes program activities and accomplishments during the previous fiscal year. Under the new MS4 Permit (R9-2013-0001) the City has the option to submit a shorter annual report on a form provided by the RWQCB. This year's annual JURMP Report utilizes the shorter reporting option and saved staff considerable time and effort in preparing the report over previous reporting cycles. This annual report (Attachment 2) and staff report are being presented to Council in accordance to the City's 2008 JURMP to allow for public participation in the City's Urban Runoff Management Program.

ANALYSIS:

Significant efforts are made across all City departments to meet the regulatory requirements of the MS4 Permit. The City's JURMP lays out the policies regarding urban runoff management and is the primary guidance document for use by City employees to meet the requirements of the MS4 Permit. The JURMP is the total account of how the City plans to protect and improve the water quality of the Otay and Tijuana Rivers, San Diego Bay, Tijuana Estuary, and Pacific Ocean. This is the last annual report that will be submitted to the RWQCB that covers stormwater program management activities under the old R9-2007-0001 MS4 Permit.

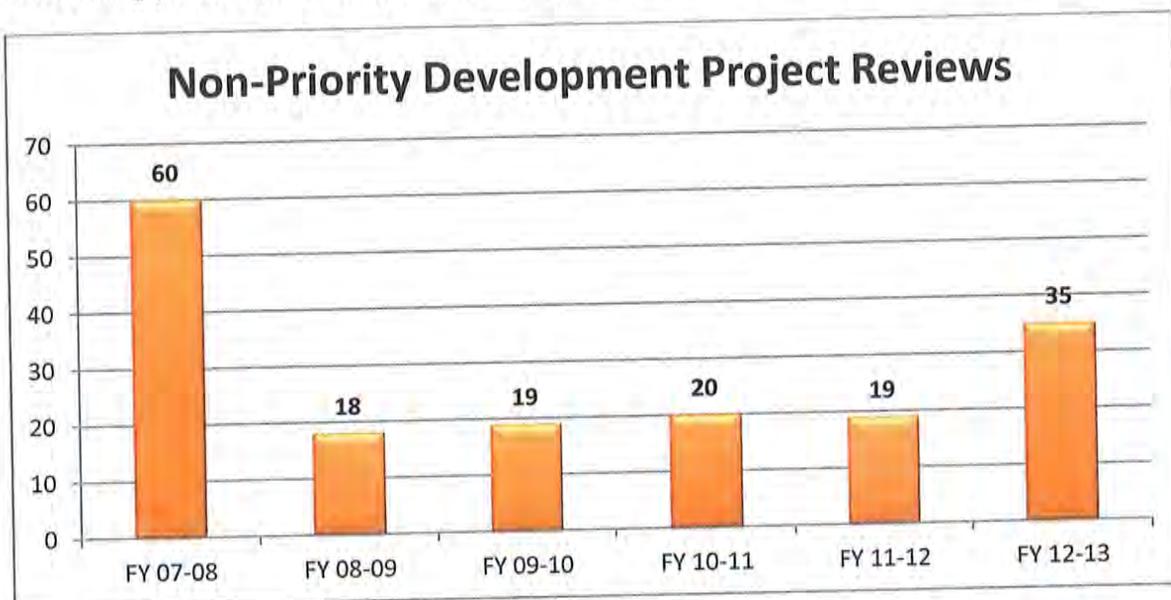
The following is an overview of the City's current JURMP program and a summary of the program as it was implemented over the R9-2007-0001 permit cycle which covers FY 2007-08 through FY 2012-13.

Development Planning Component

The Development Planning Component involves incorporating storm water and urban runoff management into the development review process. This includes reviewing Priority and Non-Priority Development projects for best management practices (BMPs) to manage storm water runoff prior to the issuance of grading or construction permits. Larger projects that meet the criteria of "Priority Development Projects" are required to implement mandated storm water BMPs into the designs of the project.

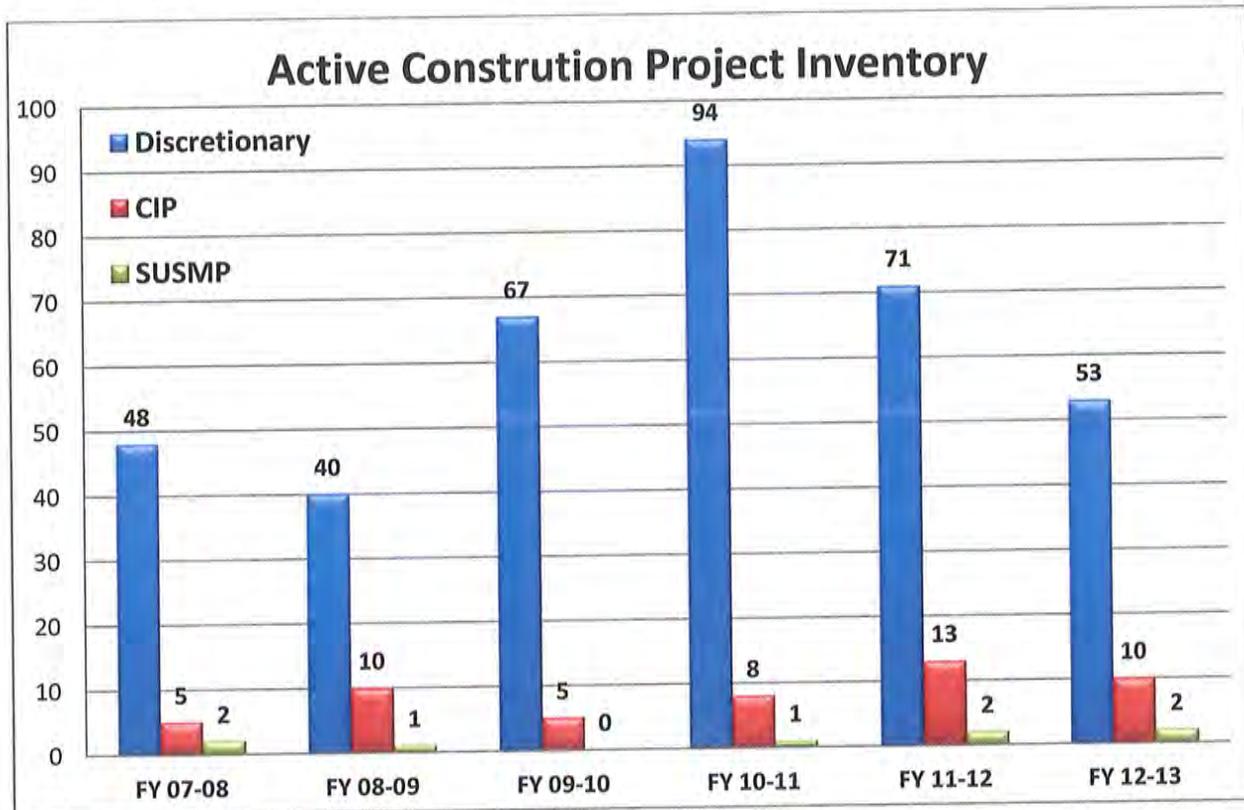
Since the adoption of the last MS4 Permit in 2008 the City has reviewed 12 Priority Development Projects and of those projects only 3 have been built. During this reporting period the City certified the completion of only one Priority Development Project for the new church facility at 853 Emory St.

The City also requires stormwater conditions for Non-Priority Development Projects. Projects that propose over \$50,000 of improvements are routed through Public Works for review concerning public right-of-way improvements and stormwater BMP compliance.



Construction Component

The City is required to oversee compliance with construction-phase BMPs at all active construction projects in the City through inspection and enforcement activities. Every public or private construction project in the City is required to have a City approved Storm Water Management Plan prior to the start construction activities. Projects over 1 acre in size are also required to obtain coverage under the State General Construction Plan (SUSMP). The Community Development Department oversees the implementation of construction BMPs for discretionary projects, Public Works oversees CIP projects, and both departments share the responsibility for SUSMP projects.



Municipal Component

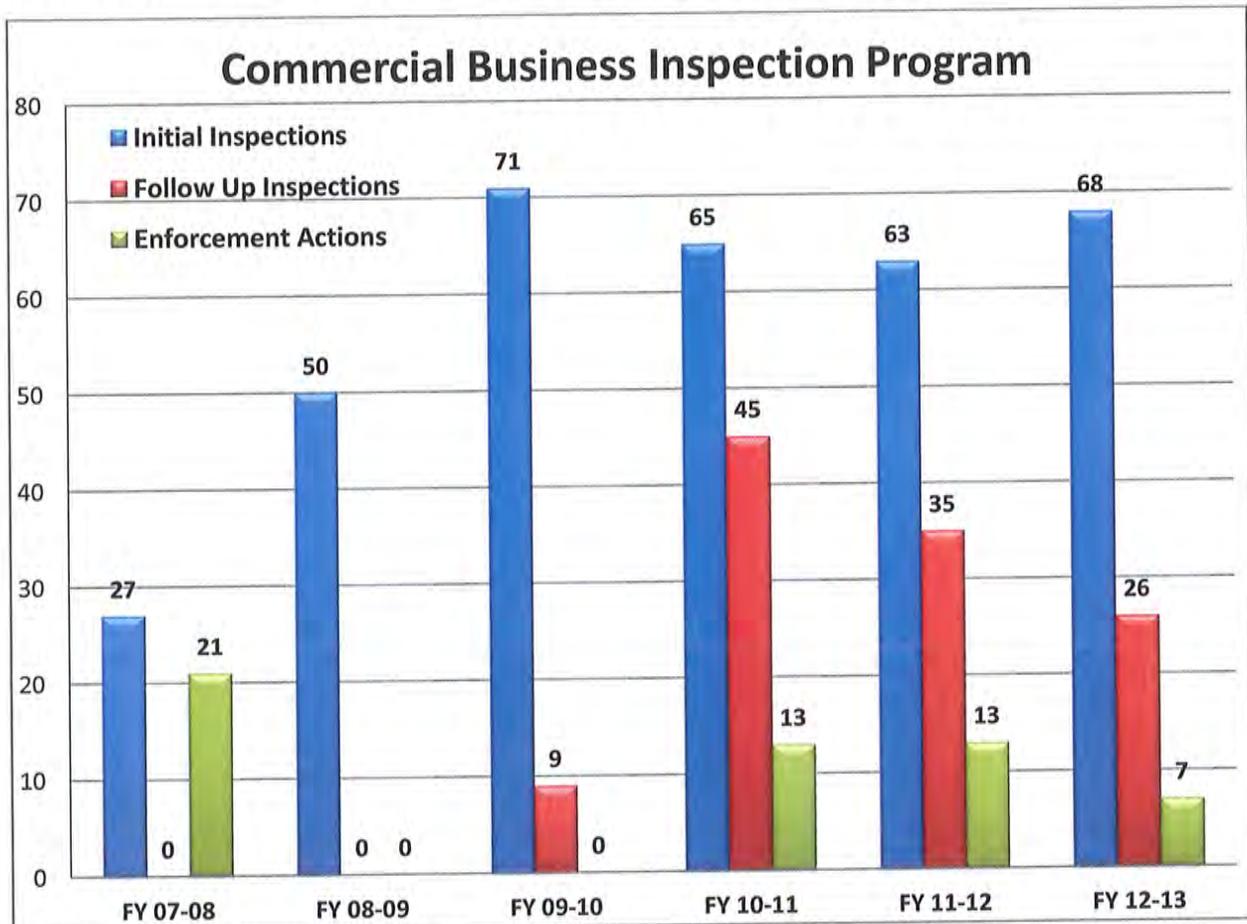
The Permit requires the City to implement BMPs to prevent the discharge of pollutants from municipal facilities and activities. In general these requirements specify that municipalities need to implement strict operations and maintenance practices to prevent the unintended discharge of pollutants into the environment from City streets, sidewalk, parks, buildings, storm drain systems, and sewers. Municipalities are also required to identify sources of pollutants and implement engineered solutions to control the discharge of pollutants where feasible. The following is a list of the significant program activities as they were implemented over the permit cycle.

- The Sewer Division inspects and cleans 5 miles of underground storm drain lines and approximately 247 storm drain catchment areas annually. The Sewer Division aims to jet 100% of the storm drain lines before the start of the raining season on October 1st each year.
- The City provides street sweeping service of 127.9 curb miles of road. Commercial areas are swept weekly, beach front areas every other week, and residential areas monthly.

- The City performs daily cleanup of trash, litter, and debris along the beach and tidelands area on Seacoast Drive through the City's Tidelands Division and weekly cleanup activities throughout the entire City through the Streets Division, Parks Division, and a contract with the Donovan Correctional Facility.
- New storm water treatment structures installed during the Permit period:
 - Palm Ave storm water low flow and urban runoff diverter (2008)
 - Storm drain inlet filter at Sports Park (2009)
 - Eco Bikeway LID features along Palm Ave (2013)
- Existing storm water treatment structures maintained during the Permit period:
 - Storm drain inlet filters (12) located throughout the City
 - Date Ave storm water low flow and urban runoff diverter
 - Lifeguard vehicle washing diverter
 - Fire Station vehicle washing diverter
 - Public Works vehicle washing diverter (replaced in 2013)
 - Vortex storm drain CDS unit at 10th and Imperial Beach Blvd that captures sediment, floating hydrocarbons, and debris
 - Multiple storm water infiltration areas and vegetated swales

Industrial and Commercial Component

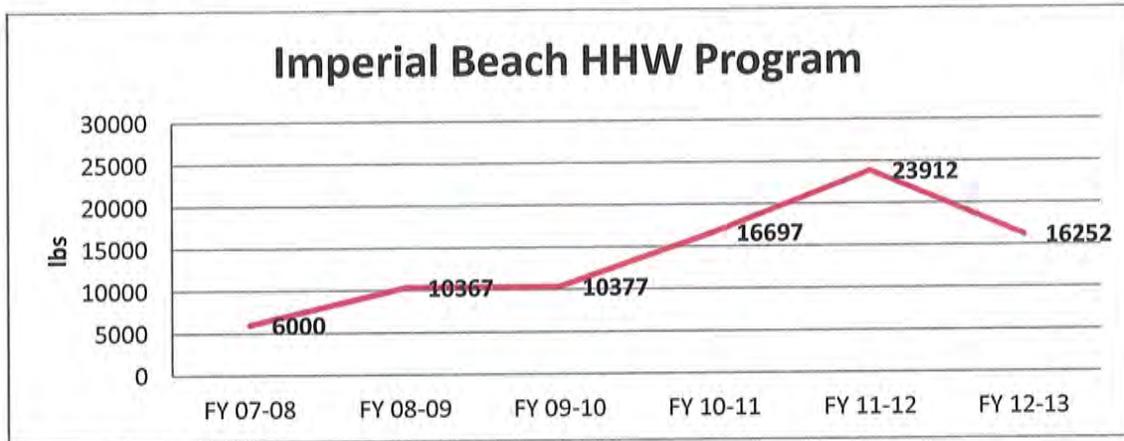
The City is tasked with educating businesses about urban runoff management and overseeing the compliance of applicable BMPs through inspections at commercial and industrial businesses. The City does not have any industrial businesses so this requirement only applies to select commercial facilities that have the potential to generate storm water pollutants.



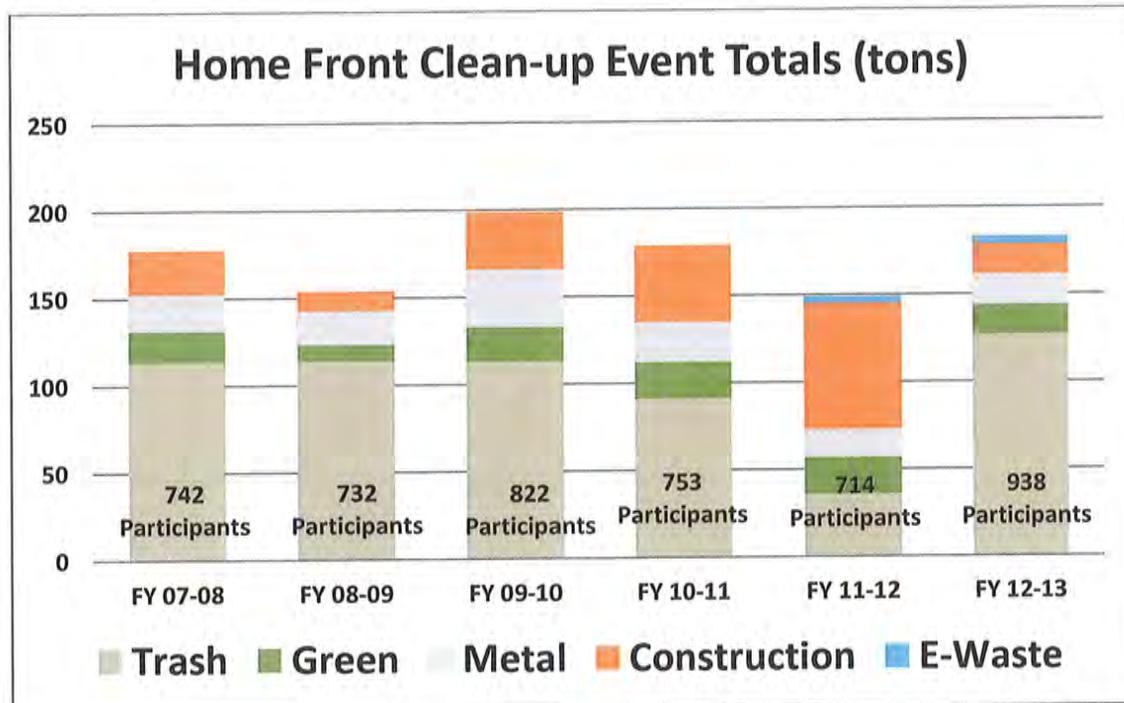
Residential Component

The City is required to prevent or eliminate the discharge of pollutants from residential areas. The requirements of the Residential Component overlap with other areas of the Permit that mandates education and enforcement of the City's Stormwater Ordinance. Specific storm water program activities related to the Residential Component involves implementing the City's Household Hazardous Waste Disposal Program, operating the City's storm water hotline, and ensuring the proper disposal of wastes. The City has met these requirements by the following:

- Household Hazardous Waste (HHW) Program: The City offers low cost HHW disposal to all residents by partnering with other South Bay cities in a regional program that is operated and managed by the City of Chula Vista.

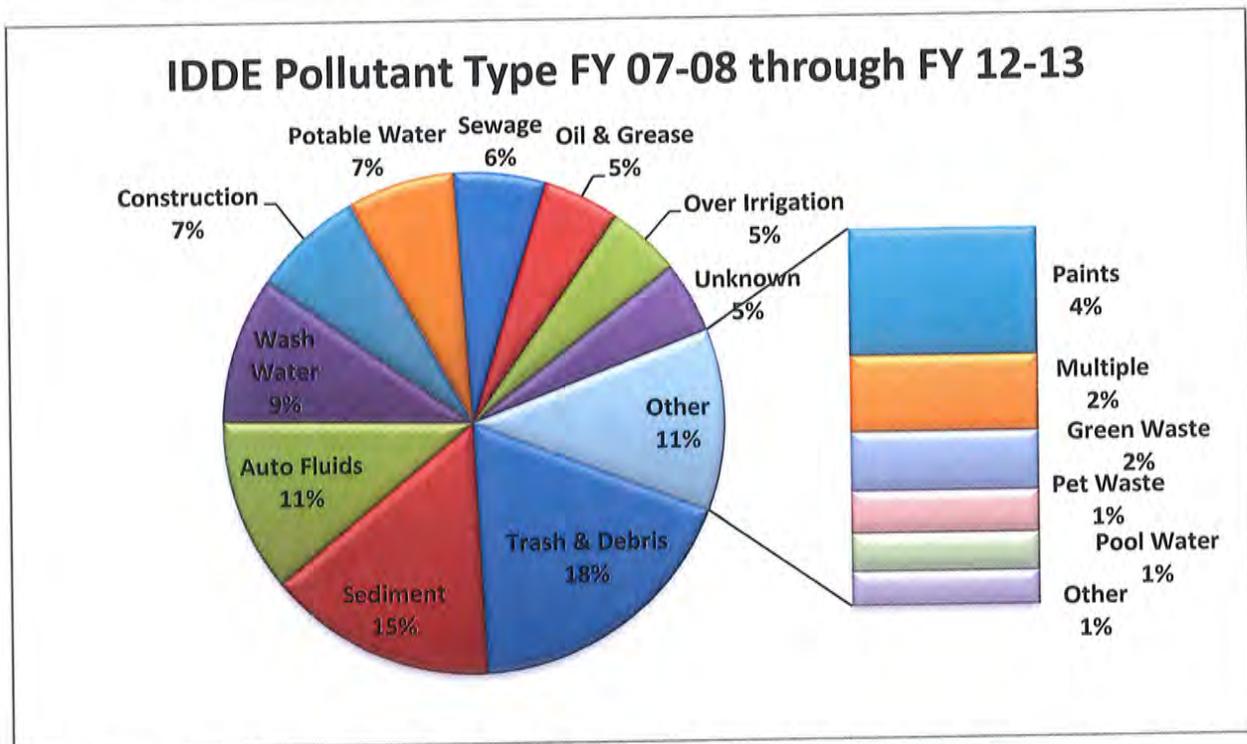
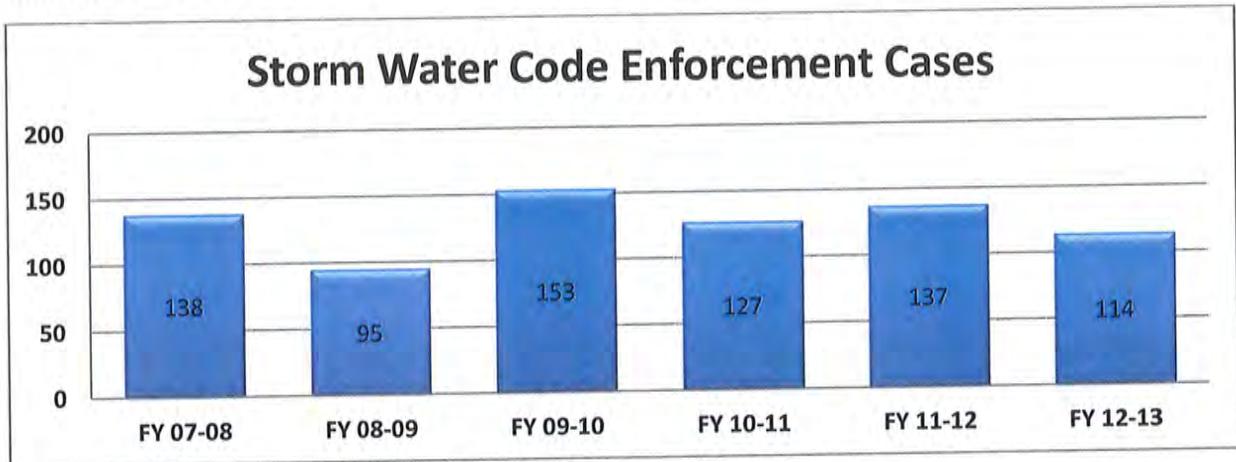


- Annual Home Front Cleanup: The City holds an annual cleanup event for residents to drop off large bulky items and waste.



Illicit Discharge Detection and Elimination Component

The City's Illicit Discharge Detection and Elimination (IDDE) Program can generally be thought of as code enforcement specifically for storm water violations. The primary objective of the IDDE Program is to find and eliminate illegal discharges or connections to the MS4 system. The City operates a storm water hotline, implements a dry weather monitoring program, and responds to storm water code enforcement cases.



Education and Public Participation Component

The City's storm water education activities target the following groups: 1) municipal departments and personnel, 2) construction site owners and developers, 3) commercial business owners 4) residents, general public, and school children, and 5) underserved community. The continual saturation of education for each target audience is gradually leading to a greater awareness about storm water pollution and the implementation of pollution prevention BMPs. Public involvement is also an important component of implementing an effective JURMP program.

Each year the JURMP annual report gets presented to City council through a public report process for the purpose of encouraging public participation in the program.

ENVIRONMENTAL DETERMINATION:

Not a project as defined by CEQA.

FISCAL IMPACT:

The costs of implementing the JURMP are spread across the entire City because each Department and associated Division has an established role in implementing the components of the JURMP. Total storm water management program cost for FY 2012-13 from the General Fund was \$776,601.

RECOMMENDATION:

1. Receive the Report
2. Receive Public Testimony
3. Direct Annual Report changes as appropriate
4. Direct the Public Works Director to sign and submit to the RWQCB the FY 2012-13 JURMP Annual Report
5. Adopt Resolution 2013-7390, JURMP Annual Report including corrections, additions or deletions as directed.

Attachments:

1. Resolution No. 2013-7390
2. FY 2012-13 JURMP Annual Report

RESOLUTION NO. 2013-7390

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF IMPERIAL BEACH, AUTHORIZING THE PUBLIC WORKS DIRECTOR TO SIGN AND FORWARD THE CITY'S JURISDICTIONAL URBAN RUNOFF MANAGEMENT PROGRAM (JURMP) ANNUAL REPORT FOR FISCAL YEAR 2012-13 TO THE REGIONAL WATER QUALITY CONTROL BOARD, SAN DIEGO REGION

WHEREAS, the San Diego Regional Water Quality Control Board (RWQCB) recently adopted Order R9-2013-0001 on May 8, 2013 that regulates discharges of storm water from municipal separate storm sewer systems (MS4s); and

WHEREAS, the RWQCB Order R9-2013-0001 allows 24 months to implement the new permit requirements and will involve a significant update to the City's Stormwater Management Program; and

WHEREAS, the RWQCB Order R9-2013-0001 allows for a shorter JURMP Annual Report format than under the previous Permit Order R9-2007-0001; and

WHEREAS, the City of Imperial Beach has developed a JURMP Annual Report for Fiscal Year 2012-13 that meets or exceeds the requirements of the RWQCB Order R9-2007-0001 and follows the reporting guidelines allowed under the new RWQCB Order R9-2013-0001.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Imperial Beach, as follows:

1. The above recitals are true and correct.
2. Authorize approval of the City of Imperial Beach FY2012-13 JURMP Annual Report.
3. Authorize the Public Works Director to sign the City's JURMP Annual Report for submittal to the San Diego Regional Water Quality Control Board.

PASSED, APPROVED, AND ADOPTED by the City Council of the City of Imperial Beach at its meeting held on the 18th day of September 2013, by the following vote:

AYES:	COUNCILMEMBERS:
NOES:	COUNCILMEMBERS:
ABSENT:	COUNCILMEMBERS:

JAMES C. JANNEY, MAYOR

ATTEST:

JACQUELINE M. HALD, CMC
CITY CLERK

**JURISDICTIONAL RUNOFF MANAGEMENT PROGRAM
ANNUAL REPORT FORM**

Attachment 2

FY 2012-13

I. COPERMITTEE INFORMATION	
Copermittee Name: <u>City of Imperial Beach</u>	
Copermittee Primary Contact Name: <u>Chris Helmer</u>	
Copermittee Primary Contact Information: <u>Environmental Programs Manager</u>	
Address: <u>825 Imperial Beach Blvd</u>	
City: <u>Imperial Beach</u>	County: <u>San Diego</u> State: <u>CA</u> Zip: <u>91932</u>
Telephone: <u>619-628-1370</u>	Fax: <u>619-429-4861</u> Email: <u>chelmer@imperialbeachca.gov</u>
II. LEGAL AUTHORITY	
Has the Copermittee established adequate legal authority within its jurisdiction to control pollutant discharges into and from its MS4 that complies with Order No. R9-2013-0001?	YES <input checked="" type="checkbox"/> NO <input type="checkbox"/>
A Principal Executive Officer, Ranking Elected Official, or Duly Authorized Representative has certified that the Copermittee obtained and maintains adequate legal authority?	YES <input checked="" type="checkbox"/> NO <input type="checkbox"/>
III. JURISDICTIONAL RUNOFF MANAGEMENT PROGRAM DOCUMENT UPDATE	
Was an update of the jurisdictional runoff management program document required or recommended by the San Diego Water Board?	YES <input type="checkbox"/> NO <input checked="" type="checkbox"/>
If YES to the question above, did the Copermittee update its jurisdictional runoff management program document and make it available on the Regional Clearinghouse?	YES <input type="checkbox"/> NO <input type="checkbox"/>
IV. ILLICIT DISCHARGE DETECTION AND ELIMINATION PROGRAM	
Has the Copermittee implemented a program to actively detect and eliminate illicit discharges and connections to its MS4 that complies with Order No. R9-2013-0001?	YES <input checked="" type="checkbox"/> NO <input type="checkbox"/>
Number of non-storm water discharges reported by the public	40
Number of non-storm water discharges detected by Copermittee staff or contractors	74
Number of non-storm water discharges investigated by the Copermittee	114
Number of sources of non-storm water discharges identified	106
Number of non-storm water discharges eliminated	106
Number of sources of illicit discharges or connections identified	107
Number of illicit discharges or connections eliminated	106
Number of enforcement actions issued	103
Number of escalated enforcement actions issued	35
V. DEVELOPMENT PLANNING PROGRAM	
Has the Copermittee implemented a development planning program that complies with Order No. R9-2013-0001?	YES <input checked="" type="checkbox"/> NO <input type="checkbox"/>
Was an update to the BMP Design Manual required or recommended by the San Diego Water Board?	YES <input type="checkbox"/> NO <input checked="" type="checkbox"/>
If YES to the question above, did the Copermittee update its BMP Design Manual and make it available on the Regional Clearinghouse?	YES <input type="checkbox"/> NO <input type="checkbox"/>
Number of proposed development projects in review	35
Number of Priority Development Projects in review	6
Number of Priority Development Projects approved	3
Number of approved Priority Development Projects exempt from any BMP requirements	0
Number of approved Priority Development Projects allowed alternative compliance	0
Number of Priority Development Projects granted occupancy	1
Number of completed Priority Development Projects in inventory	5
Number of high priority Priority Development Project structural BMP inspections	19
Number of Priority Development Project structural BMP violations	1
Number of enforcement actions issued	1
Number of escalated enforcement actions issued	0

**JURISDICTIONAL RUNOFF MANAGEMENT PROGRAM
ANNUAL REPORT FORM**
FY 2012-13

Attachment 2

VI. CONSTRUCTION MANAGEMENT PROGRAM					
Has the Copermittee implemented a construction management program that complies with Order No. R9-2013-0001?				YES <input checked="" type="checkbox"/>	NO <input type="checkbox"/>
Number of construction sites in inventory				53	
Number of active construction sites in inventory				27	
Number of inactive construction sites in inventory				26	
Number of construction sites closed/completed during reporting period				26	
Number of construction site inspections				181	
Number of construction site violations				3	
Number of enforcement actions issued				3	
Number of escalated enforcement actions issued				2	
VII. EXISTING DEVELOPMENT MANAGEMENT PROGRAM					
Has the Copermittee implemented an existing development management program that complies with Order No. R9-2013-0001?				YES <input checked="" type="checkbox"/>	NO <input type="checkbox"/>
	Municipal	Commercial	Industrial	Residential	
Number of facilities or areas in inventory	27	69	0	6	
Number of existing development inspections	27	68	0	6	
Number of follow-up inspections	0	25	0	0	
Number of violations	0	58	0	0	
Number of enforcement actions issued	0	40	0	0	
Number of escalated enforcement actions issued	0	7	0	0	
VIII. PUBLIC EDUCATION AND PARTICIPATION					
Has the Copermittee implemented a public education program component that complies with Order No. R9-2013-0001?				YES <input checked="" type="checkbox"/>	NO <input type="checkbox"/>
Has the Copermittee implemented a public participation program component that complies with Order No. R9-2013-0001?				YES <input checked="" type="checkbox"/>	NO <input type="checkbox"/>
IX. FISCAL ANALYSIS					
Has the Copermittee attached to this form a summary of its fiscal analysis that complies with Order No. R9-2013-0001?				YES <input checked="" type="checkbox"/>	NO <input type="checkbox"/>

X. CERTIFICATION

I [Principal Executive Officer Ranking Elected Official Duly Authorized Representative] certify under penalty of law that I have personally examined and am familiar with the information submitted in this document and all attachments and that, based on my inquiry of those individuals immediately responsible for obtaining the information, I believe that the information is true, accurate, and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment.

_____ Signature	<u>SEPTEMBER 18, 2013</u> Date
<u>HANK LEVIEN</u> Print Name	<u>PUBLIC WORKS DIRECTOR</u> Title
<u>619-423-8311</u> Telephone Number	<u>HLEVIEN@CITYOFIMPERIALBEACHCA.GOV</u> Email

Fiscal Analysis Report

The Environmental Programs Division of the Department of Public Works is responsible for the fiscal analysis of the storm water program. Implementation expenditures for the JURMP and supporting watershed programs were approximately \$776,601 during the FY 2012-13 reporting cycle. The primary revenue source for funding the components of the MS4 Permit is from the City's General Fund. Funding for additional projects beyond the scope of the MS4 Permit is generally provided by grant funds and accounted separately. Similarly, the City's 5-year Capital Improvement Programs (CIP) considers storm water retrofit options for existing City facilities in need of repair and gets accounted for separately.

Fiscal Analysis Methods

The costs of implementing the JURMP are spread across the entire City. Each Department and associated Division has an established role in implementing the components of the JURMP and therefore accounted for in a manner that was established under the R9-2007-0001 Permit. This current analysis utilizes the distribution of costs within the City Departments that was established under the previous permit. The fiscal analysis methodology is currently under review with the implementation of the new R9-2013-0001 and will be updated with the adoption of the WQIP.

Category of Expenditures

The expenditures for FY 2012-13 are provided in the table below. The fiscal analysis method does not exactly correspond to the line item budget maintained by the City. The values presented in Table 1 are therefore an extrapolation of the expenditures made that correspond best to the itemized categories. The costs being reported only cover the expenditures tracked by the City of Imperial Beach Environmental Division budget.

The City also actively seeks grant opportunities to fund special projects or capital projects for storm water retrofits. During the reporting period the City finalized its Bacteria Source Identification Study in the Tijuana River Watershed and also started work on the Eco Bikeway project which includes storm water LID features along Palm Ave. The expenditures for FY 2012-13 are presented below.

Table 1 Expenditures on JURMP for FY 2012-13

Administration Tasks	\$63,887.27
Development Planning and Construction Management	\$119,974.14
Existing Development Management and O&M	\$537,338.28
Public Education and Participation	\$9,830.83
Regional Costs	\$45,570.50
Total	\$776,601.02
*Grant and CIP Expenditures tracked separately from storm water budget	
<ul style="list-style-type: none"> • Tijuana River Bacteria Source Identification Study (\$99,617.95) Funding Source: \$1.3M Clean Beaches Initiative Grant • Eco Bike Route and LIDs (\$1,198,918.34) Funding Source: \$1.5M Active Transportation Grant/ \$600K City match 	



AGENDA ITEM NO. 6.4

STAFF REPORT
CITY OF IMPERIAL BEACH

TO: HONORABLE MAYOR AND CITY COUNCIL
FROM: ANDY HALL, CITY MANAGER *AH*
MEETING DATE: SEPTEMBER 18, 2013
ORIGINATING DEPT.: PUBLIC WORKS *AH*
SUBJECT: RESOLUTION NO. 2013-7389 AWARDED A PUBLIC WORKS CONTRACT TO WIT: REPLACE THE RECREATION CENTER MANSARD ROOF CIP F14-001 AND APPROPRIATING \$120,000 FROM THE NEW STRATEGIC CAPITAL IMPROVEMENT GF RESERVE TO CIP PROJECT F14-001

EXECUTIVE SUMMARY:

This report recommends the award of a roofing contract to A Good Roofer, Inc. to reroof the deteriorating mansard roof tile on Sports Park Recreation Center. The current roof was installed in calendar year 2000 and has not held up satisfactorily. It needs to be replaced with a material more suited for this steep roof slope. The estimated fiscal impact for this project is \$120,000.00.

BACKGROUND:

In calendar year 2000, the City contracted for the replacement of the slate tile on the mansard roof of the Sports Park Recreation Center. The slate tile roof was replaced with an asphalt shingle which has not held up well largely due to the steep pitch of the mansard roof. The asphalt tile has been falling off with greater frequency over recent years leaving it unsightly and subject to roof leakage. City staff has several times a year made patches to the asphalt roof, but these are temporary at best. Attachment 2 is a photo of the Sports Park Recreation Center Mansard Roof to demonstrate the steep slope of a Mansard Roof.

Staff has contacted roofing companies for advice on how to make a permanent repair to this roof and one that will give a good aesthetic appearance. Staff has evaluated these recommendations and believes the best long term fix to this deteriorating asphalt roof is to replace this roof with a metal roofing system (see example in attachment 3). In July 2013, staff prepared a request for bids (RFB) for the mansard roof replacement using a metal roofing system. The project was advertised for bids Thursday, August 8, 2013.

ANALYSIS:

Bids were opened and evaluated in an advertised public meeting, at 2:00 p.m., August 29, 2013. The lowest, responsive and qualified bidder for the "Replace the Recreation Center Mansard Roof, CIP F14-001" was A Good Roofer, Inc., at a bid price of \$96,626.00. The lowest bidder was considered non-responsive due to their bid not being in compliance with the Green Book specification (i.e. subcontractor was to perform 78% of the work but the Green Book specifies that the contractor must perform at least 50% of the work) and the contractor did not have the specified metal roofing systems product installation certificate as required in the bid advertisement. The low bidder was notified of the non-responsive decision criteria in attachment 4.

The contractors who submitted proposals are listed below along with their proposed amounts:

1.	C & I Roofing Co., Inc.	\$ 69,516.00
2.	A Good Roofer, Inc.	\$ 96,626.00
3.	Best Contracting Services	\$ 98,810.00

The Estimate cost to replace this roof was \$80,000.

The "New Strategic Capital Improvement GF Reserve" is the recommended funding source for the Metal Roofing System proposed to be installed on the Sports Park Recreation Center roof. City Council Resolution No. 2013-7333 adopted May 15, 2013 appropriated budgets for fiscal years 2013-14 and 2014-15, and amended the General Fund appropriations for Fiscal Year 2012-13 committing \$1,700,000 from the General Fund's unassigned fund balance to the strategic capital improvement reserve pursuant to Council Policy 420. Thus there are sufficient funds in this account to pay for the new roofing system.

ENVIRONMENTAL DETERMINATION:

Project is exempt from CEQA pursuant to CEQA Guidelines Section 15302(c): Replace or Reconstruction of Existing Utility Systems and Facilities.

FISCAL IMPACT:

Revenue:

Strategic Capital Improvement Reserve Fund **\$120,000.00**

Expenditures:

Project Construction	\$ 96,626.00
Damage Repair (if any)	\$ 15,874.00
City Engineer Construction Administration	\$ 6,500.00
Estimated Project Administration	\$ 1,000.00
Total Estimated expenditures	\$120,000.00

RECOMMENDATION:

1. Receive this report.
2. Adopt the attached resolution.
3. Authorize the City Manager to transfer \$120,000.00 from the Strategic Capital Improvement Reserve Fund to the "Replace the Recreation Center Mansard Roof (CIP- F14-001).
4. Authorize the City Manager to approve a purchase order to the low bidder for the amount of the bid price.

Attachments:

1. Resolution No. 2013-7389
2. View of the Sports Park Recreation Center Mansard Roof
3. View of the "Metal Roofing System"
4. Letter to Barry Turnour, President, Commercial & Industrial Roofing Co., Inc.

RESOLUTION NO. 2013-7389

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF IMPERIAL BEACH, CALIFORNIA, AWARDED A PUBLIC WORKS CONTRACT TO WIT: REPLACE THE RECREATION CENTER MANSARD ROOF CIP F14-001 AND APPROPRIATING \$120,000 FROM THE NEW STRATEGIC CAPITAL IMPROVEMENT GF RESERVE TO CIP PROJECT F14-001

WHEREAS, in calendar year 2000, the City contracted for the replacement of the slate tile on the mansard roof of the Sports Park Recreation Center; and

WHEREAS, the slate tile roof was replaced with an asphalt shingle which has not held up well largely due to the steep pitch of the mansard roof; and

WHEREAS, staff has contacted a couple roofing companies for advice on how to make a permanent repair to this roof and one that will give a good aesthetic appearance; and

WHEREAS, staff has evaluated these recommendations and believes the best long term fix to this deteriorating asphalt roof is to replace this roof with a metal roofing system; and

WHEREAS, staff prepared a request for bids (RFB) for the mansard roof replacement using a metal roofing system, which was duly advertised on August 8, 2013; and

WHEREAS, bids were opened and evaluated in an advertised public meeting, at 2:00 p.m., August 29, 2013; and

WHEREAS, the lowest bidder, C & I Roofing Co., Inc., was considered non-responsive due to their bid not being in compliance with the Green Book specifications and not in compliance with the bid advertisement specifications; and

WHEREAS, City staff sent C&I Roofing Co., Inc. written notice of the non-responsive determination and an opportunity to respond in advance of this contract award; and

WHEREAS, the lowest responsive and qualified bidder for the "Replace the Recreation Center Mansard Roof, CIP F14-001" was A Good Roofer, Inc. at a bid price of \$96,626.00; and

WHEREAS, the Construction Estimate was \$80,000; and

WHEREAS, the New Strategic Capital Improvement GF Reserve Fund is the recommended funding source for the Metal Roofing System proposed to be installed on the Sports Park Recreation Center roof; and

WHEREAS, there are sufficient funds in the New Strategic Capital Improvement GF Reserve account to pay for the new roofing system.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Imperial Beach as follows:

1. The above recitals are true and correct, and incorporated herein by this reference.
2. The legislative body hereby rejects all proposals for bids except that identified as the lowest responsible bid, A Good Roofer, Inc.

3. The legislative body hereby awards the contract for the mansard roof replacement to the lowest responsive, and responsible bidder, A Good Roofer, Inc., whose bid will be on file with the transcript of these proceedings and open for public inspection in the City Clerk Department on file as Contract No. _____.

4. The contractor shall not commence construction or order equipment until he has received a Notice to Proceed.

5. The works of improvement shall be constructed in the manner and form and in compliance with the requirements as set forth in the plans and specifications for the project.

6. The City Manager is authorized to sign a contract and a purchase order with the lowest responsible qualified bidder.

7. The City Manager is authorized to transfer \$120,000.00 from the New Strategic Capital Improvement GF Reserve account to the Replace the Recreation Center Mansard Roof CIP F14-001 project.

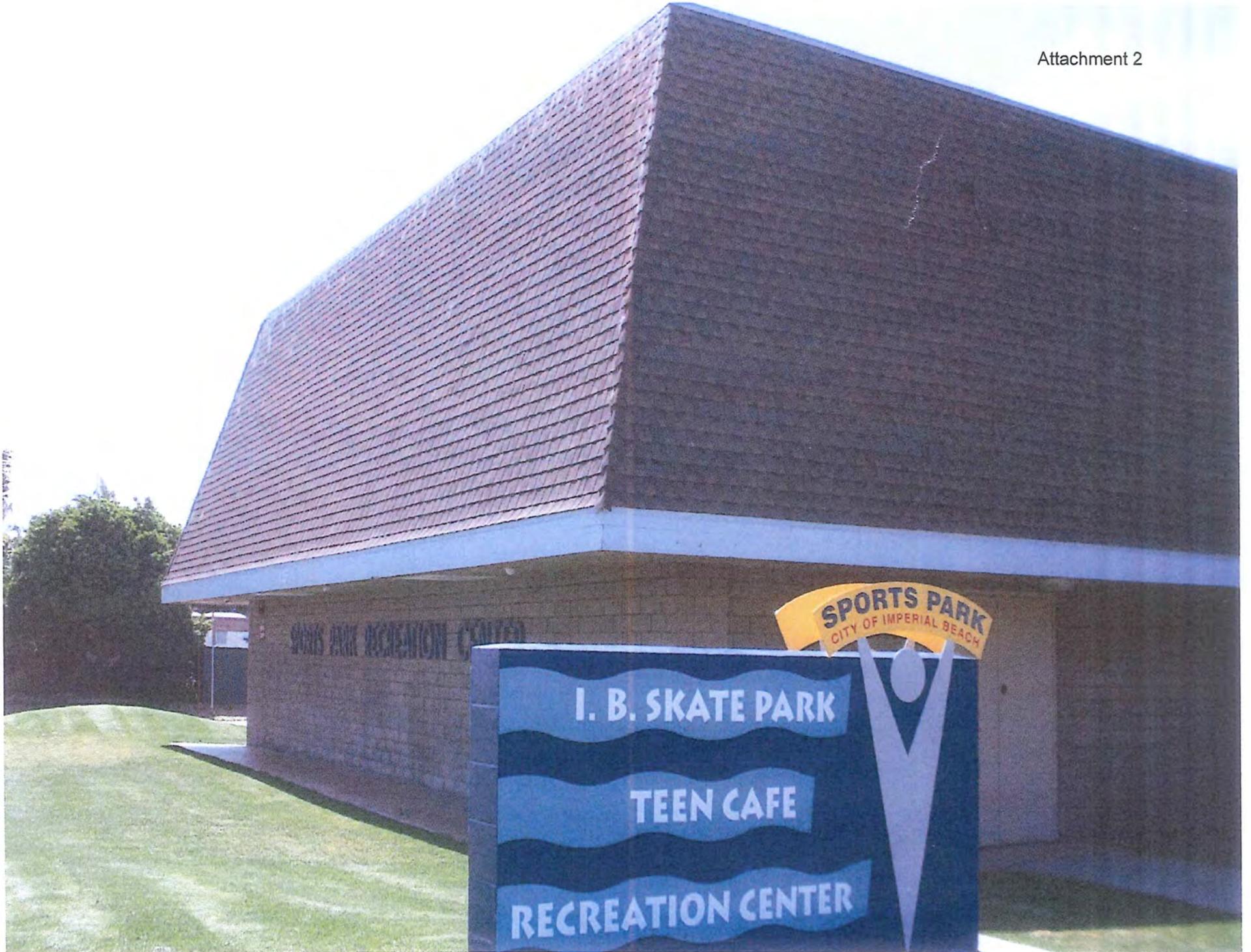
PASSED, APPROVED, AND ADOPTED by the City Council of the City of Imperial Beach at its meeting held on the 18th day of September 2013, by the following vote:

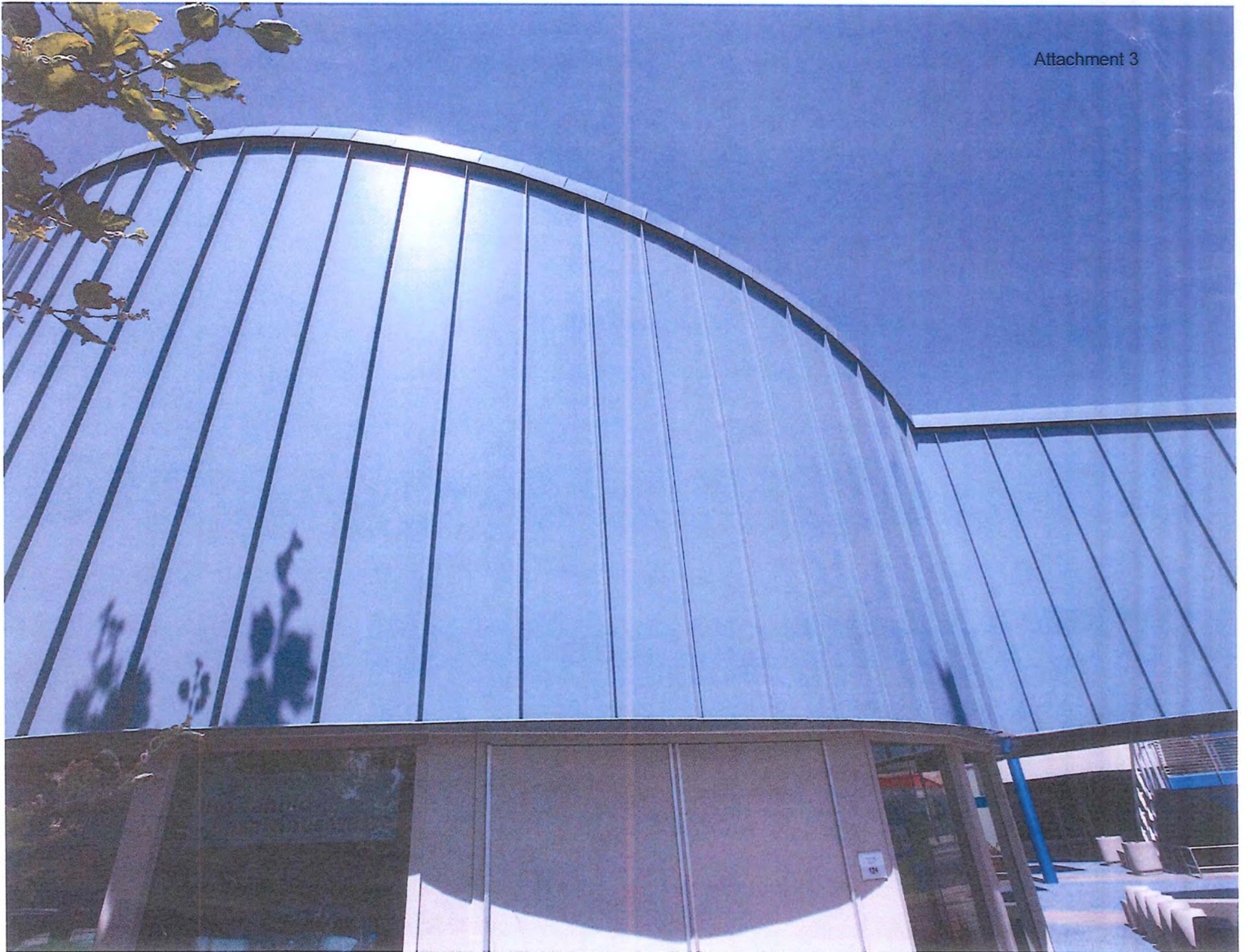
AYES: COUNCILMEMBERS:
NOES: COUNCILMEMBERS:
ABSENT: COUNCILMEMBERS:

JAMES C. JANNEY, MAYOR

ATTEST:

JACQUELINE M. HALD, MMC
CITY CLERK







City of Imperial Beach, California
PUBLIC WORKS DEPARTMENT

September 9, 2013

Barry Turnour, President
Commercial & Industrial Roofing Co., Inc.
9239 Olive Drive
Spring Valley, CA 91977

RE: Replace Recreation Center Mansard Roof (F14-001)

Dear Mr. Turnour:

This letter is to advise you that City staff intends to recommend to City Council the rejection of your bid for the City of Imperial Beach Capital Improvement Program (CIP) project titled "Replace Recreation Center Mansard Roof (F14-001)." We have reviewed the bid information submitted by Commercial & Industrial Roofing Co. Inc. (C&I Roofing). We have noted that the bid includes 78% of the work being performed by a subcontractor. The City's request for proposals stipulated that the successful bidder must comply with the Green Book. Paragraph 2-3.2 of the Green Book reads:

The Contractor shall perform, with its own organization, contract work amounting to at least 50 percent of the Contract Price except that any designated "Specialty Items" may be performed by subcontract and the amount of any such "Specialty Items" so performed will be deducted from the Contract Price before computing the amount required to be performed by the Contractor with its own organization....

Since there was no "Specialty Item" included in this bid advertisement, there were no adjustments for subcontractor percentages. Thus C&I Roofing, is non-responsive for failure to comply with section 2-3.2 of the Green Book.

In addition, C&I Roofing does not possess the required certification. Although C&I Roofing has contractor's license C-39, the bid documents expressly stated that the contractor must also possess the product installers certification from the manufacture of the roofing systems to be installed. This also renders C&I Roofing, Co. bid nonresponsive.

On September 18, 2013, this capital project is scheduled to go to City Council for contract award, recommending the rejection of the C&I Roofing and award to the second lowest bidder. You may submit to City staff a response to this determination, including any supporting materials, in advance of the contract award.

Thank you for your interest in the City public works projects.

Sincerely,
Signature on File

H.A. (Hank) Levien
Public Works Director



STAFF REPORT
CITY OF IMPERIAL BEACH

TO: HONORABLE MAYOR AND CITY COUNCIL
FROM: ANDY HALL, CITY MANAGER *AH*
MEETING DATE: SEPTEMBER 18, 2013
ORIGINATING DEPT.: PUBLIC SAFETY *JR*
SUBJECT: INFORMATION REPORT SEEKING DIRECTION REGARDING
POLICY FOR DOGS ON THE BEACH BETWEEN PALM AVENUE
AND IMPERIAL BEACH BOULEVARD

EXECUTIVE SUMMARY:

This report is to request direction regarding the policy for guardians to walk their dogs on the beach between Palm Avenue and Imperial Beach Boulevard, which is currently prohibited. Direction is requested regarding the potential use of this section of beach by guardians walking their dogs on-leash, with time restrictions in place during periods of higher beach attendance.

BACKGROUND:

The City of Imperial Beach has a large population of guardians with dogs who enjoy taking their pets on walks throughout town and especially along the beach. Dogs are required to be on-leash at all times on public property, including on the beach. Currently dogs are allowed only the beach in the City south of Imperial Beach Boulevard and north of Palm Avenue. They are also may go onto the navy beach north of Carnation Avenue, which also requires dogs to be on-leash at all times. Dogs are prohibited at all times on the beach between Palm Avenue and Imperial Beach Boulevard. People come from all across the county to walk their dogs on the beach in Imperial Beach. Residents and visitors have expressed that they would appreciate less restrictive access to the entire beach.

ANALYSIS:

Prohibiting guardians from taking their dogs on the beach along the business corridor of Seacoast Drive does have some advantages. Dogs do not intersect with beachgoers, they are not creating waste issues on the beach, and lifeguards are not distracted by dealing with dogs being unleashed or not being picked-up after. At the same time, some disadvantages are also created by keeping guardians with dogs off the beach between Palm Avenue and Imperial Beach Boulevard. This includes dogs creating sanitation and odor issues, crowding narrow sidewalks, forcing dogs into closer proximity resulting in aggression at times, and putting dogs in an area that has less observation and is more difficult to enforce. During crowded times at the beach, allowing dogs on the beach does result in greater risk, and is not recommended. San Diego has addressed the competing interests of accommodating people attending the beach with and without their dogs by providing one dog beach, and by restricting dog access to the rest of the beaches year-round, but for longer hours from April through October. Other cities simply do not allow dogs on their beaches at all.

The chart below highlights dog policies on San Diego County beaches.

Beach Location	Dogs allowed on Beaches?
Imperial Beach	South of Imperial Beach Blvd – on-leash 24/7
	North of Palm Avenue – on-leash 24/7
	Palm Ave to Imperial Beach Blvd – no dogs allowed.
Navy Beach North of Carnation Ave.	Allowed on-leash 24/7
Silver Strand State Beach	No Dogs Allowed
Coronado	No Dogs Allowed
Navy Beach North of Coronado Beach	Allowed off-leash 24/7
San Diego	Dog Beach 24/7 off-leash
	All Others Apr-Oct 6pm to 9am, Nov-Mar 4pm to 9am
Del Mar	North Beach – 24/7 leashed June 16 through Labor Day, otherwise able to run under voice control of the owner
	Main Beach – No dogs June 16 through Labor Day, otherwise allowed while leashed
	South Beach – 24/7 leashed
Encinitas	Dogs are not allowed on the beach
Solana Beach	Dogs are not allowed on the beach

The Public Safety Department is asking City Council to offer direction regarding the policy for dogs on the beach between Palm Avenue and Imperial Beach Boulevard towards a potentially more balanced, pet-friendly approach. This would include enforcement of leash and waste pick-up codes already in force. One concept might be to allow dog guardians to walk their dogs on-leash along the beach between Palm Avenue and Imperial Beach Boulevard as follows:

- Low Season, allow 24/7, always on-leash
- High Season, allow dogs on-leash between 6pm to 9am
- No dogs between 9am and 6pm
- Definition of Low Season (attendance): November 1 – March 31
- Definition of high season (attendance): April 1 – October 31
- Could provide for options to alter based on weather or other factors.

Location	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Palm to IB Blvd	Allowed 24/7 on-leash			Allowed from 6pm to 9am on-leash						Allowed 24/7 on-leash		
North and South	Allowed 24/7 on-leash											

Another possible consideration might be to assess higher fines for violations of leash laws and failure to pick-up after dogs between Palm Avenue and Imperial Beach Boulevard, both on the beach and the sidewalk/street areas because of the greater impact to visitors.

Some potential benefits of a policy like this would be to:

- Enhance the pet-friendly reputation of Imperial Beach
- Create synergy with the new pet-friendly hotel, Pier South
- Encourage visitors enjoying the beach with their dogs to also visit businesses
- Spread local dog traffic over a greater area by including the beach as an option
- Provide more space for dogs in the area

ENVIRONMENTAL DETERMINATION:

Not a project as defined by CEQA.

FISCAL IMPACT:

Should City Council decide to alter the Dogs on the Beach policy, the only cost would be related to procuring and installing replacement signs indicating the new policy in various public locations along the entry points to the beach. These costs and the funding source would be provided with the staff report for the Ordinance change at that time.

RECOMMENDATION:

Staff recommends the City Council accept the report, and provide direction to either maintain the current policy, or to return to City Council with recommended Ordinance changes.



AGENDA ITEM NO. 6.6

STAFF REPORT
CITY OF IMPERIAL BEACH

TO: HONORABLE MAYOR AND CITY COUNCIL

FROM: ANDY HALL, CITY MANAGER *AH*

MEETING DATE: SEPTEMBER 18, 2013

ORIGINATING DEPT.: CITY MANAGER/COMMUNITY DEVELOPMENT *AH*

SUBJECT: ADOPTION OF CITY COUNCIL RESOLUTION NO. 2013-7392 CALLING THE OUTSTANDING PRINCIPAL DUE ON A CITY LOAN MADE TO THE FORMER REDEVELOPMENT AGENCY PURSUANT TO A COOPERATION AGREEMENT DATED JUNE 7, 1995 AND FURTHER MEMORIALIZED BY AN AGREEMENT DATED MAY 17, 2006

EXECUTIVE SUMMARY:

Staff is seeking immediate repayment of a loan made by the City to the former Redevelopment Agency which has an outstanding principal balance of \$3,738,100 ("City Loan"). Pursuant to Sections 34171(d)(2) and 34178(b)(2) of the Dissolution Act, the City Loan may be deemed an enforceable obligation not invalidated by the Dissolution Act because the loan agreement was entered into within two years of the date of creation of the Redevelopment Agency. The Redevelopment Agency was created on May 3, 1995, and the Cooperation Agreement providing for loans made from the City to the Redevelopment Agency was approved and executed on June 7, 1995. The City Loan was further memorialized by the City and the Redevelopment Agency by an Agreement dated May 17, 2006.

FISCAL IMPACT:

If approved by the Oversight Board and the State Department of Finance (the "DOF") as an enforceable obligation, the repayment of the City Loan would benefit the City's General Fund by adding up to \$3,738,100 to the City's available fund balance. The City Loan will be included on the Successor Agency's Recognized Obligation Payment Schedule for repayment from the Redevelopment Property Tax Trust Fund, subject to the approval of the Oversight Board and the DOF.

BACKGROUND:

On May 3, 1995, the City Council of the City of Imperial Beach (the "City Council") adopted Ordinance No. 95-891 activating and forming the Imperial Beach Redevelopment Agency (the "Former RDA") pursuant to the Community Redevelopment Law, California Health and Safety Code Sections 33000, *et seq* (the "CRL"). On June 7, 1995, the City Council adopted Resolution No. 95-4500 and the Former RDA adopted Resolution No. R95-02 approving a Cooperation Agreement (the "Agreement") by and between the City of Imperial Beach (the "City") and the Former RDA in which the City agreed to provide staff assistance, supplies,

offices, technical services and other services and facilities of the City on behalf of the Former RDA in order to carry out the functions of the Former RDA under the CRL. Additionally, the Agreement authorized the City to advance or expend necessary funds to and on behalf of the Former RDA to prepare and implement the Former RDA's Redevelopment Plan. Also pursuant to the Agreement, the Former RDA was required to reimburse the City "for all advances made to or on behalf of the Agency and for costs incurred for services and with respect to facilities by the City." Finally, the Agreement specifically stated that the obligations of the Former RDA "shall constitute an indebtedness of the Agency within the meaning of Section 33670, *et seq.* of the Community Redevelopment Law." The Agreement was executed by the City and the Former RDA on June 7, 1995.

On February 7, 1996, the City Council adopted Ordinance No. 96-901 approving and adopting the Redevelopment Plan for the Palm Avenue/Commercial Redevelopment Project. Among other actions provided by Ordinance No. 96-901 was the City's intention to undertake and complete any proceeding, "including the expenditure of monies" in order to carry out the provisions of the Redevelopment Plan.

After execution of the Agreement, the City began advancing funds to and providing services on behalf of the Former RDA pursuant to the terms of the Agreement. Beginning in 1996, the year-end financial statements prepared for the Former RDA reflect the loan amounts made by the City to the Former RDA. Additionally, resolutions adopted between 1996 and 2003 specifically authorize the advance of monies from the City to the Former RDA pursuant to the Agreement. The year-end financial statements of the Former RDA indicate the following principal balance of monies advanced by the City to the Former RDA pursuant to the Agreement:

<u>Year:</u>	<u>Principal Loan Balance:</u>
1996	\$150,000
1997	\$187,550
1998	\$197,550
1999	\$209,550
2000	\$271,511
2001	\$1,135,517
2002	\$1,288,586
2003	\$3,738,100
2004-2012	\$3,738,100

On July 18, 2001, the City Council adopted Resolution No. 2001-5477 and the Former RDA adopted Resolution No. R-01-36 approving Amendment 1 to the Redevelopment Plan for the Palm Avenue/Commercial Redevelopment Project. These actions expanded the original Redevelopment Project Area boundaries adopted and established on February 7, 1996 to effectively include the entire developable area of the City of Imperial Beach.

On June 4, 2003, the City Council and Former RDA adopted Resolution No. R-03-40 which authorized the City to loan the Former RDA \$3,348,000. This loan amount increased the

principal balance of the outstanding City Loan to \$3,738,100 (City Loan) as reflected in the year-end financial statement of the Former RDA for Fiscal Year 2002-2003. The Agreement under which these monies were advanced to the Former RDA by the City was further memorialized in an updated loan agreement dated May 17, 2006, executed by and between the City and the Former RDA. The updated loan agreement (the "Updated Agreement") memorialized the outstanding principal loan balance of \$3,738,100 and, under Section 1.1, specifically provides that, if the Former RDA was going to be terminated or placed in a position in which it could fail to service any debt payments, the total amount of the City Loan shall become immediately due and payable to the City. The Updated Agreement further provides that the City may, at any time, and without prior notice to the Former RDA, call on the total amount of the City Loan and all accrued interest immediately due and payable to the City.

ANALYSIS:

Pursuant to Sections 34177(d)(2) and 34178(b)(2) of the Dissolution Act, loan agreements entered into between a redevelopment agency and the city that created it, within two years of the date of creation of the redevelopment agency, may be deemed to be enforceable obligations and are not invalidated under the Dissolution Act. As discussed above, the Former RDA was formed by the City Council's adoption of Ordinance No. 95-891 on May 3, 1995 and, immediately thereafter, on June 7, 1995, the City and the Former RDA adopted and entered into a Cooperation Agreement in which the City agreed to advance necessary funds to the Former RDA or to expend funds on behalf of the Former RDA for the preparation and implementation of the Redevelopment Plan. As discussed above, the Agreement also required the Former RDA to reimburse the City for all advances made to or on behalf of the Former RDA with both parties expressly agreeing that the intent was to repay the City in order to "make the City whole." As this Agreement was entered into only a month after, and well within two years of the creation of the Former RDA, it may be deemed an enforceable obligation of and is not invalidated by Sections 34171(d)(2) and 34178(b)(2) of the Dissolution Act.

As also discussed above, pursuant to City Council/Formal RDA Resolution No. R-03-40 dated June 4, 2003, the Former RDA's year-end financial statements beginning June 30, 1996 through June 30, 2004, and the Updated Agreement between the City and the Former RDA dated May 17, 2006, the principal balance of the monies loaned to the Former RDA by the City is currently \$3,738,100. This City Loan was made by the City to the Former RDA for the Former RDA's use in connection with the preparation and implementation of the Redevelopment Plan for the Palm Avenue/Commercial Redevelopment Project adopted on February 7, 1996 and Amendment No. 1 to the Redevelopment Plan for the Palm Avenue/Commercial Redevelopment Project adopted on July 19, 2001, and to implement and carry out projects, capital improvements and other activities of the Former RDA.

Pursuant to the terms of both the original and Updated Agreement, and in particular Section 1.1 of the Updated Agreement, the City is now seeking the immediate repayment of the outstanding principal balance of the City Loan made to the Former RDA. Because interest payments have been made over the year pursuant to terms of the original and Updated Agreement, the City is calling due the outstanding principal of \$3,738,100.

ENVIRONMENTAL DETERMINATION:

Not a project as defined by CEQA.

FISCAL IMPACT:

If approved by the Oversight Board and the DOF as an enforceable obligation not invalidated by the Dissolution Act, the repayment of the City Loan would benefit the City's General Fund by adding up to \$3,738,100 to the City's available fund balance.

RECOMMENDATION:

Staff recommends that the City Council adopt Resolution No. 2013-7392 immediately calling due the outstanding principal of loans made to the Former RDA by the City in the amount of \$3,738,100.

Attachments:

1. Resolution No. 2013-7392
2. Resolution Nos. 95-4500 and R95-02
3. Cooperation Agreement – June 7, 1995
4. Resolution No. R-03-40
5. Updated Loan Agreement – May 17, 2006

RESOLUTION NO. 2013-7392

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF IMPERIAL BEACH
CALLING THE OUTSTANDING PRINCIPAL BALANCE DUE ON A CITY LOAN
MADE TO THE FORMER IMPERIAL BEACH REDEVELOPMENT AGENCY
PURSUANT TO A COOPERATION AGREEMENT DATED JUNE 7, 1995 AND
FURTHER MEMORIALIZED BY AN AGREEMENT DATED MAY 17, 2006**

WHEREAS, on May 3, 1995, the City Council of the City of Imperial Beach (the "City Council") adopted Ordinance No. 95-891 activating and forming the Imperial Beach Redevelopment Agency (the "Former RDA") pursuant to the Community Redevelopment Law, California Health and Safety Code Sections 33000, *et seq* (the "CRL"); and

WHEREAS, on June 7, 1995, the City Council adopted Resolution No. 95-4500 and the Former RDA adopted Resolution No. R95-02 approving a Cooperation Agreement (the "Agreement") by and between the City of Imperial Beach (the "City") and the Former RDA, wherein the City agreed to provide staff assistance, supplies, offices, technical services and other services and facilities of the City on behalf of the Former RDA in order to carry out the functions of the Former RDA under the CRL. Additionally, the Agreement authorized the City to advance or expend necessary funds to and on behalf of the Former RDA to prepare and implement the Former RDA's Redevelopment Plan. Also pursuant to the Agreement, the Former RDA was required to reimburse the City "for all advances made to or on behalf of the Agency and for costs incurred for services and with respect to facilities by the City." Finally, the Agreement specifically states that the obligations of the Former RDA "shall constitute an indebtedness of the Agency within the meaning of Section 33670, *et seq.* of the Community Redevelopment Law." The Agreement was executed by the City and the Former RDA on June 7, 1995; and

WHEREAS, on February 7, 1996, the City Council adopted Ordinance No. 96-901 approving and adopting the Redevelopment Plan for the Palm Avenue/Commercial Redevelopment Project. Among other actions provided by Ordinance No. 96-901 was the City's intention to undertake and complete any proceeding, "including the expenditure of monies" in order to carry out the provisions of the Redevelopment Plan; and

WHEREAS, on July 18, 2001, the City Council adopted Resolution No. 2001-5477 and the Former RDA adopted Resolution No. R-01-36 approving Amendment 1 to the Redevelopment Plan for the Palm Avenue/Commercial Redevelopment Project. These actions expanded the original Redevelopment Project Area boundaries adopted and established on February 7, 1996 to effectively include the entire developable area of the City of Imperial Beach; and

WHEREAS, pursuant to the Agreement, the City began advancing funds to and providing services on behalf of the Former RDA. Beginning in 1996, the year-end financial statements prepared for the Former RDA reflect the loan amounts made by the City to the Former RDA. Additionally, various Resolutions adopted between 1996 and 2003 specifically authorize the advance of monies from the City to the Former RDA in accordance with the Agreement; and

WHEREAS, on June 4, 2003, the City Council and Former RDA adopted Resolution No. R-03-40 which authorized the City to loan the Former RDA a total amount of \$3,348,000. This

loan amount increased the principal balance of the outstanding City loan to \$3,738,100 (the "City Loan") as reflected in the year-end financial statement of the Former RDA for Fiscal Year 2002-2003; and

WHEREAS, the Agreement, under which the City Loan was advanced to the Former RDA by the City, and the City Loan was further memorialized in an updated loan agreement dated May 17, 2006 and executed by and between the City and the Former RDA (the "Updated Agreement"). The Updated Agreement memorialized the outstanding principal loan balance of \$3,738,100 and, under Section 1.1, specifically provides that, if the Former RDA was going to be terminated or placed in a position in which it could fail to service any debt payments, the total amount of the City Loan shall become immediately due and payable to the City. Section 1.1 of the Updated Agreement further provides that the City may, at any time, and without prior notice to the Former RDA, call on the total amount of the City Loan and all accrued interest immediately due and payable to the City; and

WHEREAS, Assembly Bill No. X1 26 (2011-2012 1st Ex. Sess.) ("AB 26") was signed by the Governor of California on June 28, 2011, making certain changes to the CRL and to the California Health and Safety Code ("Health and Safety Code"), including adding Part 1.8 (commencing with Section 34161) ("Part 1.8") and Part 1.85 (commencing with Section 34170) ("Part 1.85") to Division 24 of the Health and Safety Code; and

WHEREAS, pursuant to AB 26, as modified by the California Supreme Court on December 29, 2011 by its decision in *California Redevelopment Association v. Matosantos*, all California redevelopment agencies, including the Former RDA, were dissolved on February 1, 2012, and successor agencies were designated and vested with the responsibility of paying, performing and enforcing the enforceable obligations of the former redevelopment agencies and expeditiously winding down the business and fiscal affairs of the former redevelopment agencies; and

WHEREAS, the City Council of the City adopted Resolution No. 2012-7136 on January 5, 2012, pursuant to Part 1.85 of AB 26, electing for the City to serve as the successor agency to the Former RDA upon the dissolution of the Former RDA under AB 26 ("Successor Agency"); and

WHEREAS, pursuant to Health and Safety Code Section 34173(b) of the Dissolution Act, all authority, rights, powers, duties, and obligations previously vested with the Former RDA, under the CRL, were vested by operation of law in the Successor Agency. Such obligations would include repayment of the City Loan to the City; and

WHEREAS, as part of the FY 2012-2013 State budget package, on June 27, 2012, the Legislature passed and the Governor signed Assembly Bill No. 1484 ("AB 1484", Chapter 26, Statutes 2012), which amended certain provisions of AB 26. On September 29, 2012, the Legislature passed and the Governor signed Assembly Bill No. 1585 ("AB 1585"), which further amended certain provisions of AB 26 as amended by AB 1484 (AB 26, AB 1484, and AB 1585 are collectively referred to herein as the "Dissolution Act"); and

WHEREAS, pursuant to Health and Safety Code Section 34178(b)(2) of the Dissolution Act, the City Loan was not invalidated by the Dissolution Act because the Agreement, as further memorialized by the Updated Agreement, constitutes a written agreement between the Former RDA and the City providing loans/start up funds for the Former RDA that was originally entered

into within two years of formation of the Former RDA. Such Agreements were also entered into within two years of the adoption of the Redevelopment Plans. Pursuant to Health and Safety Code Sections 34171(d)(1)(B) and (E), 34171(d)(2), and 34178(b)(2) of the Dissolution Act, the City Loan shall constitute an enforceable obligation of the Successor Agency under the Dissolution Act repayable from the Successor Agency's Redevelopment Property Tax Trust Fund and not subject to the loan repayment restrictions of Health and Safety Code Section 34191.4(b) of the Dissolution Act; and

WHEREAS, pursuant to Section 1.1 of the Updated Agreement, the City desires to call the City Loan in the outstanding principal balance of \$3,738,100 immediately due and payable to the City by the Successor Agency.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Imperial Beach as follows:

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

Section 2: Pursuant to the Agreement and Section 1.1 of the Updated Agreement, the City Council of the City hereby calls the City Loan in the outstanding principal balance of \$3,738,100 immediately due and payable to the City by the Successor Agency. In accordance with Section 1.1 of the Updated Agreement, prior notice to the Successor Agency of this action is not required.

Section 3: The City Council hereby authorizes the City Manager or designee to take such other actions and execute such other documents as are necessary or desirable to effectuate the intent and terms of this Resolution.

PASSED, APPROVED, AND ADOPTED by the City of Imperial Beach at its meeting held on the 18th day of September 2013, by the following vote:

AYES: **COUNCILMEMBERS:**
NOES: **COUNCILMEMBERS:**
ABSENT: **COUNCILMEMBERS:**

JAMES C. JANNEY, MAYOR

ATTEST:

JACQUELINE M. HALD, MMC
CITY CLERK

RESOLUTION NO. 95-4500

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY
OF IMPERIAL BEACH APPROVING A COOPERATION
AGREEMENT BY AND BETWEEN THE CITY AND THE
IMPERIAL BEACH REDEVELOPMENT AGENCY**

WHEREAS, on May 3, 1995 the City Council of the City of Imperial Beach (the "City Council") did duly pass and adopt Ordinance No. 95-891 and did thereby activate the Imperial Beach Redevelopment Agency (the "Agency"); and

WHEREAS, pursuant to the Community Redevelopment Law, California Health and Safety Code Sections 33000, *et seq.* (the "Community Redevelopment Law"), the Agency is performing a public function of the City; and

WHEREAS, Section 33128 of the Community Redevelopment Law provides that the Agency shall have access to the services and facilities of the Planning Commission, the City Engineer and other departments and offices of the City; and

WHEREAS, pursuant to Sections 33132, 33133, and 33600 of the Community Redevelopment Law, the Agency may accept financial or other assistance from any public or private source, for the Agency's activities, powers, and duties, and expend any funds so received for any of the purposes of the Community Redevelopment Law; and

WHEREAS, the City is authorized to aid and co-operate with the Agency in the planning, undertaking, construction, or operation of redevelopment projects pursuant to Section 33220 of the Community Redevelopment Law; and

WHEREAS, the City and the Agency desire to enter into a Cooperation Agreement pursuant to which the City will render certain activities, services and facilities to the Agency all in order to assist the Agency in carrying out its functions under the Community Redevelopment Law and the Agency agrees to reimburse the City for all advances made to or on behalf of the Agency pursuant to the terms of the Cooperation Agreement; and

WHEREAS, the Agency's obligations pursuant to the Cooperation Agreement shall constitute an indebtedness of the Agency within the meaning of Section 33670 of the Community Redevelopment Law.

NOW THEREFORE BE IT RESOLVED by the City Council of the City of Imperial Beach:

Section 1. The Cooperation Agreement by and between the Agency and the City attached hereto as Exhibit A and incorporated herein by this reference as though fully set forth herein is hereby approved, and the Mayor is authorized and directed to execute said Agreement on behalf of the City.

Section 2. Agency staff is hereby authorized and directed to take any appropriate action consistent with the purposes of this Resolution and the Cooperation Agreement approved hereby to carry out the Agreement on behalf of the City.

PASSED, APPROVED AND ADOPTED by the City Council of the City of Imperial Beach this 7th day of June, 1995 by the following vote:

AYES: COUNCILMEMBERS: ROSE, HALL, BENDA, HASKINS, BIXLER
NOES: COUNCILMEMBERS: NONE
ABSENT: COUNCILMEMBERS: NONE

Signature on File

MICHAEL B. BIXLER, MAYOR

ATTEST:

Signature on File

LORI ANNE PEOPLES, CITY CLERK

STATE OF CALIFORNIA)
COUNTY OF SAN DIEGO)
CITY OF IMPERIAL BEACH)

I, Lori Anne Peoples, City Clerk of the City of Imperial Beach, do hereby certify that the foregoing Resolution No.95-4500 was passed and adopted at a regular meeting of City Council of the City of Imperial Beach held on the 7th day of June, 1995, by the following vote of the members thereof:

AYES: COUNCILMEMBERS: ROSE, HALL, BENDA, HASKINS, BIXLER

NOES: COUNCILMEMBERS: NONE

ABSENT: COUNCILMEMBERS: NONE

ABSTAIN: COUNCILMEMBERS: NONE

Signature on File

Lori Anne Peoples, City Clerk

RESOLUTION NO. R95-02

**A RESOLUTION OF THE IMPERIAL BEACH
REDEVELOPMENT AGENCY APPROVING A
COOPERATION AGREEMENT BY AND BETWEEN
THE AGENCY AND THE CITY OF IMPERIAL BEACH**

WHEREAS, on May 3, 1995 the City Council of the City of Imperial Beach (the "City Council") did duly pass and adopt Ordinance No. 95-891 and did thereby activate the Imperial Beach Redevelopment Agency (the "Agency"); and

WHEREAS, pursuant to the Community Redevelopment Law, California Health and Safety Code Sections 33000, *et seq.* (the "Community Redevelopment Law"), the Agency is performing a public function of the City; and

WHEREAS, Section 33128 of the Community Redevelopment Law provides that the Agency shall have access to the services and facilities of the Planning Commission, the City Engineer and other departments and offices of the City; and

WHEREAS, pursuant to Sections 33132, 33133, and 33600 of the Community Redevelopment Law, the Agency may accept financial or other assistance from any public or private source, for the Agency's activities, powers, and duties, and expend any funds so received for any of the purposes of the Community Redevelopment Law; and

WHEREAS, the City is authorized to aid and co-operate with the Agency in the planning, undertaking, construction, or operation of redevelopment projects pursuant to Section 33220 of the Community Redevelopment Law; and

WHEREAS, the City and the Agency desire to enter into a Cooperation Agreement pursuant to which the City will render certain activities, services and facilities to the Agency all in order to assist the Agency in carrying out its functions under the Community Redevelopment Law and the Agency agrees to reimburse the City for all advances made to or on behalf of the Agency pursuant to the terms of the Cooperation Agreement; and

WHEREAS, the Agency's obligations pursuant to the Cooperation Agreement shall constitute an indebtedness of the Agency within the meaning of Section 33670 of the Community Redevelopment Law.

NOW THEREFORE BE IT RESOLVED by the Imperial Beach Redevelopment Agency:

Section 1. The Cooperation Agreement by and between the Agency and the City attached hereto as Exhibit A and incorporated herein by this reference as though fully set forth herein is hereby approved, and the Chairman is authorized and directed to execute said Agreement on behalf of the Agency.

Section 2. Agency staff is hereby authorized and directed to take any appropriate action consistent with the purposes of this Resolution and the Cooperation Agreement approved hereby to carry out the Agreement on behalf of the Agency.

PASSED, APPROVED AND ADOPTED at a regular meeting of the Imperial Beach Redevelopment Agency this 7th day of June, 1995 by the following vote:

AYES: AGENCY MEMBERS: ROSE, HALL, BENDA, HASKINS, BIXLER
NOES: AGENCY MEMBERS: NONE
ABSENT: AGENCY MEMBERS: NONE

Signature on File

Michael B. Bixler, Chairman
Imperial Beach Redevelopment Agency

ATTEST:

Signature on File

Lori Anne Peoples, Secretary
Imperial Beach Redevelopment Agency

COOPERATION AGREEMENT

THIS AGREEMENT is entered into as of the 7th day of June, 1995, by and between the CITY OF IMPERIAL BEACH, a municipal corporation (the "City") and the IMPERIAL BEACH REDEVELOPMENT AGENCY, a public body corporate and politic (the "Agency").

RECITALS

A. The City Council of the City, acting pursuant to the provision of the Community Redevelopment Law, California Health and Safety Code Sections 33000, *et seq.* (the "Community Redevelopment Law") has activated the Agency and has declared itself to constitute the Agency by Ordinance No. 95-891 adopted on May 3, 1995.

B. Pursuant to the Community Redevelopment Law, the Agency is performing a public function of the City and may have access to services and facilities of the City.

C. The City and Agency desire to enter into this Agreement:

(1) To set forth activities, services and facilities which the City will render for and make available to the Agency in furtherance of the activities and functions of the Agency under the Community Redevelopment Law; and

(2) To provide that the Agency will reimburse the City for actions undertaken and costs and expenses incurred by it for and on behalf of the Agency.

AGREEMENTS

NOW, THEREFORE, the parties hereto do mutually agree as follows:

1. The City agrees to provide for the Agency such staff assistance, supplies, offices, technical services and other services and facilities of the City as the Agency may require in carrying out its functions under the Community Redevelopment Law. Such assistance and services may include the services of city officers and employees and special consultants.

2. The City may, but is not required to, advance necessary funds to the Agency or expend funds on behalf of the Agency for the preparation and implementation of the redevelopment plan.

3. The City will keep records of advances made to or on behalf of the Agency, facilities provided, and activities and services undertaken pursuant to this Agreement and the costs thereof in order that an accurate record of the Agency's liability to the City can be ascertained. The City shall periodically, but not less than annually, submit to the Agency a statement of the costs incurred by the City in rendering activities and services of the City to the Agency pursuant to this Agreement. This Agreement may include a proration of the City's administrative and salary expense and rental value or pro rata cost of offices and related amenities attributable to services of City officials, employees and departments rendered for the Agency.

4. The Agency agrees to reimburse the City for all advances made to or on behalf of the Agency, and costs incurred for services and with respect to facilities by the City pursuant to this Agreement from and to the extent that funds are available to the Agency for such purpose pursuant Section 33670 of the Community Redevelopment Law or from other sources; provided, however, that the Agency shall have the sole and exclusive right to pledge any such sources of funds to the repayment of other indebtedness incurred by the Agency in carrying out the project. The costs of the City under this Agreement will be shown on statements submitted to the Agency pursuant to Paragraph 3 above. Although the parties recognize that payment may not occur for a number of years and that repayment may also occur over a period of time, it is the express intent of the parties that the expenses incurred by the City under this Agreement shall be entitled to payment, consistent with the Agency's financial ability, in order to make the City whole as soon as practically possible.

5. The City agrees to include the Agency within the terms of the City's insurance policy. The Agency shall pay to the City its pro rata share of the costs of insurance applicable to its activities resulting from the Agency's inclusion in the City's policy.

6. The obligations of the Agency under this Agreement shall constitute an indebtedness of the Agency within the meaning of Section 33670 *et seq.* of the Community Redevelopment Law, to be repaid to the City by the Agency with interest at a rate of ten percent (10%) per annum.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

CITY OF IMPERIAL BEACH

Signature on File

MICHAEL B. BIXLER, MAYOR

ATTEST:

Signature on File

LORI ANNE PEOPLES, CITY CLERK

IMPERIAL BEACH REDEVELOPMENT AGENCY

Signature on File

MICHAEL B. BIXLER, CHAIRMAN

ATTEST:

Signature on File

LORI ANNE PEOPLES, SECRETARY

STATE OF CALIFORNIA)
COUNTY OF SAN DIEGO)
CITY OF IMPERIAL BEACH)

I, Lori Anne Peoples, Secretary of the Imperial Beach Redevelopment Agency, do hereby certify that the foregoing Resolution No. R95-02 was passed and adopted at a regular meeting of the Imperial Beach Redevelopment Agency held on the 7th day of June, 1995, by the following vote of the members thereof:

AYES: AGENCY MEMBERS: ROSE, HALL, BENDA, HASKINS, BIXLER

NOES: AGENCY MEMBERS: NONE

ABSENT: AGENCY MEMBERS: NONE

ABSTAIN: AGENCY MEMBERS: NONE

Signature on File

Lori Anne Peoples, Secretary
Imperial Beach Redevelopment Agency

RESOLUTION NO. R-03-40

A RESOLUTION OF THE CITY COUNCIL/REDEVELOPMENT BOARD OF THE CITY OF IMPERIAL BEACH, CALIFORNIA, AUTHORIZING THE ADVANCE OF MONIES FROM THE CITY'S GENERAL FUND TO THE RDA TO FUND THE APPROPRIATION OF RDA FUNDS FOR USE IN THE FISCAL YEARS BEGINNING JULY 1, 2003 AND ENDING JUNE 30, 2004; AND BEGINNING JULY 1, 2004 AND ENDING JUNE 30, 2005.

WHEREAS, the City Council has approved the startup of a Redevelopment Agency within the City of Imperial Beach, California; and

WHEREAS, the Redevelopment Agency is required to borrow funds to be repaid with tax increment revenues; and

WHEREAS, certain costs are incumbent on the Agency; and

WHEREAS, the City Council desires to have the Redevelopment Agency pay all associated costs of operating the Agency and Agency-eligible capital improvement program projects.

NOW, THEREFORE, BE IT RESOLVED, by the City Council/Redevelopment Board of the City of Imperial Beach, that the City General Fund shall advance/loan \$3,348,300 to the Redevelopment Agency to fund the FY 2003/2005 Two-Year RDA Operating and CIP Budgets.

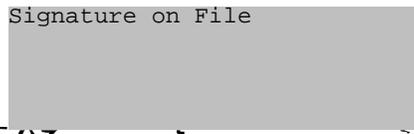
BE IT FURTHER RESOLVED that the Agency shall pay interest on all funds advanced as of June 5, 2003, at the annual rate of 6% per year, to be repaid with accrued interest as mutually agreed upon by both the Agency and the City.

BE IT FURTHER RESOLVED that \$3,348,300 be appropriated for use by the Redevelopment Agency Operations and CIP Funds of the City of Imperial Beach for the fiscal year beginning July 1, 2003 and ending June 30, 2005 in accordance with the proposed FY 2003/2005 Two-Year RDA Budget.

BE IT FURTHER RESOLVED that itemized details of such budget be filed with the City Clerk of the City of Imperial Beach, referenced to which is hereby made for further particulars.

PASSED, APPROVED AND ADOPTED by the City Council/Redevelopment Board of the City of Imperial Beach at its meeting held on the 4th day of June, 2003, by the following roll call vote:

AYES: COUNCILMEMBERS: WINTER, JANNEY, MCCOY, ROGERS, ROSE
NOES: COUNCILMEMBERS: NONE
ABSENT: COUNCILMEMBERS: NONE

Signature on File


DIANE ROSE, MAYOR

ATTEST:
Signature on File


JACQUELINE M. HALD
CITY CLERK


AGREEMENT

THIS AGREEMENT ("Agreement"), effective May 17, 2006, is made by and between the IMPERIAL BEACH REDEVELOPMENT AGENCY, a public body corporate and politic ("Agency") and the CITY OF IMPERIAL BEACH, a municipal corporation ("City") to memorialize a pre-existing loan obligation. The Agency and the City are collectively referred to as the "Parties."

RECITALS:

- A. On or about June of 2003, the City Council and Agency Board authorized the consolidation of an initial loan properly made by the City to the Agency in the amount of \$150,000 from October 1995 and several other loans since 1995 for a total of \$3,378,100 with interest at the rate of 6% annually ("Consolidated Loan") to be used for activities and expenses as allowed under the California Community Redevelopment Law, Health and Safety Code sections 33000 et seq. ("Redevelopment Law"). On May 17, 2006, the City Council and Agency Board, by joint resolution No. R-06-101/2006-6321, authorized an increase in the interest rate of the Consolidated Loan to 12% annually, as shown in Exhibit "A" attached hereto.
- B. The Agency has been paying the City annually in interest under this existing Consolidated Loan, but has not yet repaid in full the Consolidated Loan to the City.
- C. The Agency and the City desire to further memorialize the Consolidated Loan and the terms of repayment as set forth in this Agreement.
- D. Pursuant to Redevelopment Law, the City and Agency are authorized to enter into loan agreements for the City's provisions of such funds to the Agency.

AGREEMENT:

NOW, THEREFORE, in consideration of the recitals stated above, the mutual covenants set forth below, the Parties agree, promise and declare as follows:

ARTICLE I. LOAN TERMS:

Section 1.1 – Loan. The City loaned the Agency \$3,738,100 as of June of 2003. Interest on the Consolidated Loan is currently calculated at twelve percent (12%) annually, effective May of 2006. The Agency has paid the City annually for the interest due on the loan. The Agency agrees that the Agency will continue to pay the City the 12% interest annually on July 1 of each year and that the entire amount of the loan, including any unpaid accrued interest will be due in one lump sum on July 1, 2020 ("Loan Repayment"). The Loan Repayment shall be made solely from (a) first, the available tax increment collected by the Agency, and (b) second, any other funds available for such repayment.

If the Agency is going to be terminated or is going to be in a position to fail to service any debt payments, the total amount of this Loan Repayment shall become immediately due and payable to the City.

The City may at any time, and without prior notice to the Agency, call on the total amount of the Loan and all accrued interest immediately due and payable to the City.

Section 1.2 – Authority. In accordance with applicable law, the Agency Executive Officer and Fiscal Officer, and their respective designees, are each authorized to execute and attest such documents on behalf of the Agency, and to make such accounting arrangements with the City and provisions as may be required reasonably to effectuate the purposes of this Agreement.

In accordance with applicable law, the City Manager and Finance Officer, and their respective designees, are each authorized to execute and attest such documents on behalf of the City, and to make such accounting arrangements with the Agency and provisions as may be required reasonably to effectuate the purposes of this Agreement.

Section 1.3 – Agency Obligation Constitutes Indebtedness. The Loan and this Agreement shall constitute a legal obligation and debt of the Agency to the fullest extent provided

under the laws, including the Redevelopment Law. Such indebtedness shall be subordinate to any and all other Agency indebtedness incurred by the Agency, including indebtedness incurred through the issuance of tax allocation notes or bonds or any other bonds of the Agency.

Section 1.4 – Indemnification. Agency agrees and promises to protect, defend, indemnify, and hold harmless the City and its respective elected and appointed officers, agents, employees and representatives from any and all liabilities, losses, damages, related to the approval and fulfillment of this Agreement.

Notwithstanding anything to the contrary in this Agreement, no City or Agency officer or employee shall be personally liable with respect to the obligations of either Party under this Agreement, or any breach or default by such Party with respect to such Party's obligations under this Agreement, including, with respect to the Agency, any amounts payable by the Agency to the City, including the Loan Repayment.

Section 1.5 – Termination. The City reserves the right to terminate this Agreement in the event Agency is deemed to be in default of any of the obligations herein or in said other documents and instruments.

Section 1.6 - Default by Agency. In the event of a default by Agency in the performance of Section 1.1, any of the terms, covenants and conditions contained in this Agreement, or any Note or Deed of Trust given in conjunction herewith, or in the event of the commencement of bankruptcy proceedings by or against Agency, all sums disbursed or advanced by the City shall immediately become due and payable. The City shall thereafter be released from any and all obligations to Agency under the terms of this Agreement.

Section 1.7 – Agency Reporting. Commencing in fiscal year 2010-2011, the Agency shall annually submit to the City, on or before January 31, of each calendar year during the term of this Agreement, a copy of the Agency's annual independent audit report for the fiscal year ending on June 30 of the prior calendar year.

Section 1.8 – Time of the Essence. Time is of the essence in this Agreement and of each and every provision hereof. The waiver by the City of any breach or breaches hereof shall not be deemed, nor shall the same constitute, a waiver of any subsequent breach or breaches.

ARTICLE II. MISCELLANEOUS PROVISIONS

Section 2.1 – Notice. Any Notice under this Agreement shall be deemed given upon actual personal delivery to the notified Party or upon the expiration of two (2) days from the insertion of the notice, properly addressed and certified mail, return receipt requested, postage prepaid, in a U. S. Mail depository within California, or upon the expiration of seven (7) days from the insertion of the notice in a U. S. Mail depository outside of California. Notices shall be sent to the addresses for the Parties as set forth below or as changed by either Party from time to time by written notice to the other Party.

City: City Manager
City of Imperial Beach
825 Imperial Beach Blvd.
Imperial Beach, CA 91932

Agency: Executive Director
Imperial Beach Redevelopment Agency
825 Imperial Beach Blvd.
Imperial Beach, CA 91932

Section 2.3 – Severability. If any provision of this Agreement is deemed to be invalid or unenforceable by a court of competent jurisdiction, that provision shall be severed from the rest of the Agreement, and the remaining provisions shall continue in full force and effect.

Section 2.4 – Non-Waiver of Rights. No right, remedy, or power of the City or Agency under this Agreement shall be deemed to have been waived by any act or conduct on the part of the City/Agency or by any failure to exercise or delay in exercising such right, remedy or power. Every such right, remedy or power of the City/Agency shall continue in full force and effect until specifically waived or released by an instrument in writing executed by the City/Agency. No delay or omission of the City/Agency to exercise any right or power arising upon the occurrence of any default under this Agreement, shall impair any such right or power or shall be construed to be a waiver of any such default or an acquiescence therein; and every power and remedy given by this Agreement may be exercised from time to time and as often as may be deemed expedient.

Section 2.5 – Exhibits Incorporated. All exhibits to which reference is made in this Agreement are deemed incorporated into this Agreement whether or not the exhibits are actually attached to this Agreement.

Section 2.6 – Construction of Agreement. The provisions contained in this Agreement shall not be construed in favor of or against either Party, but shall be construed as if both Parties contributed equally to its preparation. This Agreement shall be construed in accordance with the laws of the State of California.

Section 2.7 – Assignment. Agency shall not assign its rights or obligations nor delegate its duties under this Agreement without the prior written consent of the City. Any attempt at assignment or delegation in violation of this Section 2.7 shall be void. The City shall have the full right and authority to assign all or part of its rights and delegate all or part of its duties under this Agreement.

Section 2.8 – Integration. This Agreement represents the entire agreement between the Parties on the subject matter of this Agreement, and supersedes any other agreements, promises or representations, oral or written, pertaining to such subject matter.

Section 2.9 – Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. It shall not be necessary in making proof of this Agreement to produce or account for more than one counterpart.

Section 2.10 -- Agreement to Pay Attorney's Fees and Expenses. In the event of an Event of Default hereunder, and if City should employ attorneys or incur other expenses for the collection of amounts due or the enforcement of performance or observance of an obligation or agreement on the part of the Agency in this Agreement, the Note and/or any applicable security agreements, the Agency agrees that it will, on demand therefore, pay to the City the reasonable fees of such attorneys and such other reasonable expenses so incurred by the City; and any such amounts paid by the City shall bear interest from the date such expenses are incurred at the maximum rate permitted by Section 1(2) of Article XV of the California Constitution.

*****SIGNATURES ON FOLLOWING PAGE*****

IN WITNESS WHEREOF, the Parties hereby execute this Agreement.

AGENCY:

Signature on File

By:

Gary Brown
Executive Director

CITY:

Signature on File

By:

Gary Brown
City Manager

APPROVED AS TO FORM BY:

Signature on File

By:

Jennifer M. Lyon,
General Counsel to
Redevelopment Agency

APPROVED AS TO FORM BY:

Signature on File

BY:

Jennifer M. Lyon
City Attorney, Imperial Beach



**STAFF REPORT
CITY OF IMPERIAL BEACH
REDEVELOPMENT AGENCY
SUCCESSOR AGENCY**

TO: CHAIR AND MEMBERS OF THE SUCCESSOR AGENCY
FROM: ANDY HALL, CITY MANAGER/EXECUTIVE DIRECTOR *AH*
MEETING DATE: SEPTEMBER 18, 2013
ORIGINATING DEPT.: SUCCESSOR AGENCY STAFF
GREGORY WADE, ASSISTANT CITY MANAGER/DEPUTY DIRECTOR *GW*
SUBJECT: ADOPTION OF RESOLUTION NO. SA-13-29 OF THE IMPERIAL BEACH REDEVELOPMENT AGENCY SUCCESSOR AGENCY APPROVING AND ADOPTING THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE FOR THE PERIOD OF JANUARY 1, 2014 THROUGH JUNE 30, 2014 (ROPS 13-14B)

EXECUTIVE SUMMARY:

Staff is seeking adoption of Resolution No. SA-13-29 that would approve and adopt the Recognized Obligation Payment Schedule (ROPS) for the period of January 1, 2014 through June 30, 2014 (ROPS 13-14B). Among the items included on the ROPS 13-14B for which Redevelopment Property Tax Trust Fund (RPTTF) is being requested are consultant costs totaling \$44,500 for the issuance of the 2003 Refunding Bonds, if in the unlikely event they are not issued, and repayment of the City Loan made by the City of Imperial Beach to the Redevelopment Agency with an outstanding principal balance of \$3,738,100. Pursuant to Sections 34171(d)(2) and 34178(b)(2) of the Dissolution Act, this loan may be deemed an enforceable obligation because the Cooperation Agreement between the City and the Redevelopment Agency allowing for the City Loan was made within the first two years of the date of creation of the Redevelopment Agency. The Redevelopment Agency was created on May 3, 1995, and the Cooperation Agreement was approved and executed on June 7, 1995.

FISCAL IMPACT:

If approved by the Oversight Board and the State Department of Finance ("DOF") as an enforceable obligation, the repayment of the City Loan would reduce outstanding obligations of the Successor Agency and the City's General Fund would be repaid up to \$3,738,100.

BACKGROUND:

On June 28, 2011, Assembly Bill No. X1 26 ("AB 26") was signed into law by the Governor of California which called for the dissolution of redevelopment agencies throughout the state and established the procedures by which this was to be accomplished. On December 29, 2011, AB 26 was largely upheld by the California State Supreme Court with some of the dates by which

certain dissolution actions were to occur pushed back by four months. As a result of the Supreme Court's decision, and on February 1, 2012, all California redevelopment agencies were dissolved, successor agencies were established as successor agencies to the former redevelopment agencies, and successor agencies are tasked with paying, performing and enforcing the enforceable obligations of the former redevelopment agencies and expeditiously winding down the affairs of the former redevelopment agencies.

As part of the FY 2012-2013 State budget package, on June 27, 2012, the Legislature passed and the Governor signed Assembly Bill No. 1484 ("AB 1484"), which amended certain provisions of AB 26. On September 29, 2012, the Legislature passed and the Governor signed Assembly Bill No. 1585 ("AB 1585"), which further amended certain provisions of AB 26 as amended by AB 1484 (AB 26, AB 1484, and AB 1585 are collectively referred to herein as the "Dissolution Act").

According to the Dissolution Act, the Successor Agency shall prepare a ROPS before each six-month fiscal period. For each recognized obligation, the ROPS shall identify one or more of the following sources of payment: (i) Low and Moderate Income Housing Funds, (ii) bond proceeds, (iii) reserve balances, (iv) administrative cost allowance, (v) the Redevelopment Property Tax Trust Fund ("RPTTF") but only to the extent no other funding source is available or when payment from property tax revenues is required by an enforceable obligation or by the provisions of the Dissolution Act, and (vi) other revenue sources, including rents, concessions, asset sale proceeds, interest earnings, and any other revenues derived from the former Redevelopment Agency as approved by the Oversight Board.

It is the intent of the Dissolution Act that the ROPS serve as the designated reporting mechanism for disclosing the Successor Agency's minimum bi-annual payment obligations by amount and source and that the San Diego County Auditor-Controller ("County Auditor-Controller") will be responsible for ensuring that the Successor Agency receives revenues sufficient to meet the requirements of the ROPS during each bi-annual period.

The Successor Agency is required to submit the ROPS 13-14B, after its approval and adoption by the Oversight Board, to the DOF and the County Auditor-Controller no fewer than 90 days before the date of property tax distribution on January 2, 2014, which is no later than October 1, 2013. Upon approval by the DOF, the County Auditor-Controller is required to make a payment of property tax revenues (i.e. former tax increment funds) from the RPTTF to the Successor Agency on January 2, 2014 for payments to be made toward recognized obligations listed on the ROPS 13-14B and approved by the DOF.

ANALYSIS:

As noted above, the ROPS 13-14B must be approved by the Oversight Board and submitted to the DOF by October 1, 2013. The ROPS 13-14B, a copy of which is attached to this staff report, includes requested RPTTF for enforceable obligations for the up-coming six-month period of January 1, 2014 through June 30, 2014. In the DOF's approval of the ROPS 13-14A (July 1, 2013 through December 31, 2013 period), the DOF approved the funding of bond debt reserves for the 2003 and 2010 Tax Allocation Bonds with RPTTF distributed to the Successor Agency on June 1, 2013. Therefore, for this ROPS 13-14B period, Successor Agency staff is not requesting RPTTF for bond debt service payments due in June 2014 as such payments will be paid entirely from bond debt reserves funded by RPTTF distributed to and received by the Successor Agency during the ROPS 13-14A period. The total amount of RPTTF requested for

enforceable obligations during this ROPS 13-14B, with the exception of the requested repayment of the City Loan in the amount of \$3,738,100 (described in detail below), totals \$268,650. If the Successor Agency was not seeking repayment of the City Loan from RPTTF, the requested amount of RPTTF would be well below what staff expects to be available in the RPTTF for distribution on January 2, 2014. As such, the RPTTF distribution would result, for the first time since dissolution of the Redevelopment Agency ("Former RDA"), in "residual" RPTTF available for distribution to the affected taxing entities, including the City of Imperial Beach ("City").

City Loan Repayment

Pursuant to Sections 34171(d)(2) and 34178(b)(2) of the Dissolution Act, loan agreements entered into between a redevelopment agency and the city, county, or city and county that created it, within two years of the date of creation of the redevelopment agency, may be deemed to be enforceable obligations. The Former RDA was formed by the City's adoption of Ordinance No. 95-891 on May 3, 1995. On June 7, 1995, the City adopted Resolution No. 95-4500 and the Former RDA adopted Resolution No. R95-02, thereby approving a Cooperation Agreement by and between the Former RDA and the City. Pursuant to the Cooperation Agreement, the City agreed to advance necessary funds to the Former RDA or to expend funds on behalf of the Former RDA for the adoption and implementation of the Redevelopment Plan. Also pursuant to the Cooperation Agreement, the Former RDA agreed to reimburse the City for all advances made to or on behalf of the Former RDA with both parties expressly agreeing that the intent was to repay the City in order to "make the City whole." The Cooperation Agreement further provides that the obligations of the Former RDA assumed under the Cooperation Agreement constituted an indebtedness of the Former RDA within the meaning of Section 33670 of the Community Redevelopment Law which were to be repaid to the City from tax increment funds.

After execution of the Cooperation Agreement on June 7, 1995, the City began advancing funds to the Former RDA in order to implement the Redevelopment Plan. Beginning with year-end financial statements of the Former RDA dated June 30, 1996, the principal balance of the City advances (i.e. "City Loan") was specifically tracked. The principal balance of the City Loan as of June 30, 2003, was \$3,738,100, and has remained this amount since that time. The City Loan was further evidenced by an Agreement among the City and the Former RDA and dated May 17, 2006. The City is now seeking repayment of the City Loan, having called the amount due in full, and, therefore, the Successor Agency is now seeking reimbursement for this indebtedness obligation from RPTTF as an enforceable obligation pursuant to the Dissolution Act.

The Successor Agency essentially has two avenues under the Dissolution Act to seek repayment of the City Loan to the City. The first avenue, as discussed above and proposed by Successor Agency staff, is to list the City Loan repayment as a separate enforceable obligation on the ROPS 13-14B pursuant to Sections 34171(d)(2) and 34178(b)(2) of the Dissolution Act which allows such loans made within the two years of creation of the Former RDA to be deemed enforceable obligations. This avenue would be more favorable to the City as it would potentially allow for repayment of the entire principal loan balance. The second avenue, available to the Successor Agency by virtue of having received a Finding of Completion from the DOF on April 12, 2013, authorizes the Successor Agency to place the City Loan on a ROPS pursuant to HSC Section 34191.4(b) of the Dissolution Act, provided the Oversight Board makes a finding that the loan was for legitimate redevelopment purposes. This second avenue is primarily reserved for city loans that were invalidated by the Dissolution Act (such as where the loan agreement

was not made within the first two year of redevelopment agency creation) and is made available to a successor agency once it receives its Finding of Completion. Loan repayments under this second avenue, however, are unable to be included on a ROPS until Fiscal Year 2014-2015 and will have significant repayment restrictions as described in Section 34191.4(b). Although it is Successor Agency staff's position is that this loan is an enforceable obligation under Sections 34171(d)(2) and 34178(b)(2) of the Dissolution Act (i.e. the first option), we will nevertheless be recommending that the Oversight Board make the required finding that the loan was made for a legitimate redevelopment purpose pursuant to Section 34191.4(b) of the Dissolution Act in the event the DOF denies the loan repayment as an enforceable obligation under Sections 34171(d)(2) and 34178(b)(2) and, therefore, imposes the repayment restrictions set forth in Section 34191.4(b) on the City Loan.

ENVIRONMENTAL DETERMINATION:

Not a project as defined by CEQA.

FISCAL IMPACT:

Approval of the obligations listed on the ROPS 13-14B and their funding from RPTTF will allow the Successor Agency to make required and timely payments for those obligations during the period from January 1, 2014 through June 30, 2014. The amount of RPTTF requested to fund enforceable obligations, excluding the requested repayment of the City Loan, totals \$268,650. The amount of RPTTF requested to fund enforceable obligations including repayment of the City Loan totals \$4,006,750. If approved by the DOF as an enforceable obligation, the repayment of the City Loan would reduce outstanding obligations of the Successor Agency and the City's General Fund would be repaid up to \$3,738,100. If the DOF denies the item seeking repayment of the City Loan from RPTTF as an enforceable obligation, this will result in a residual RPTTF being distributed to the affected taxing entities (including the City). Based upon an estimated distribution of RPTTF on January 1, 2014 of \$2,577,217 (the amount received on January 1, 2013), there would be residual RPTTF in the amount of approximately \$2,288,567 available for distribution to the taxing entities if the City Loan is not approved by the DOF on the ROPS 13-14B. Of that amount, the City would receive approximately \$605,784 for payment to the General Fund.

RECOMMENDATION:

Staff recommends that the Imperial Beach Redevelopment Agency Successor Agency adopt Resolution Number SA-13-29 approving the Recognized Obligation Payment Schedule for the period of January 1, 2014 through June 30, 2014 (referred to as ROPS 13-14B).

Attachments:

1. Resolution No. SA-13-29
2. ROPS 13-14B

RESOLUTION NO. SA-13-29

A RESOLUTION OF THE IMPERIAL BEACH REDEVELOPMENT AGENCY SUCCESSOR AGENCY APPROVING AND ADOPTING THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE FOR THE PERIOD OF JANUARY 1, 2014 THROUGH JUNE 30, 2014 AND APPROVING CERTAIN RELATED ACTIONS

WHEREAS, the Imperial Beach Redevelopment Agency (“Redevelopment Agency”) was a redevelopment agency in the City of Imperial Beach (“City”), duly created pursuant to the California Community Redevelopment Law (Part 1 (commencing with Section 33000) of Division 24 of the California Health and Safety Code) (“Redevelopment Law”); and

WHEREAS, Assembly Bill No. X1 26 (2011-2012 1st Ex. Sess.) (“AB 26”) was signed by the Governor of California on June 28, 2011, making certain changes to the Redevelopment Law and to the California Health and Safety Code (“Health and Safety Code”), including adding Part 1.8 (commencing with Section 34161) (“Part 1.8”) and Part 1.85 (commencing with Section 34170) (“Part 1.85”) to Division 24 of the Health and Safety Code; and

WHEREAS, pursuant to AB 26, as modified by the California Supreme Court on December 29, 2011 by its decision in *California Redevelopment Association v. Matosantos*, all California redevelopment agencies, including the Redevelopment Agency, were dissolved on February 1, 2012, and successor agencies were designated and vested with the responsibility of paying, performing and enforcing the enforceable obligations of the former redevelopment agencies and expeditiously winding down the business and fiscal affairs of the former redevelopment agencies; and

WHEREAS, the City Council of the City adopted Resolution No. 2012-7136 on January 5, 2012, pursuant to Part 1.85 of AB 26, electing for the City to serve as the successor agency to the Redevelopment Agency upon the dissolution of the Redevelopment Agency under AB 26 (“Successor Agency”); and

WHEREAS, on February 15, 2012, the Board of Directors of the Successor Agency, adopted Resolution No. SA-12-01 naming itself the “Imperial Beach Redevelopment Agency Successor Agency,” the sole name by which it will exercise its powers and fulfill its duties pursuant to Part 1.85 of AB 26, and establishing itself as a separate legal entity with rules and regulations that will apply to the governance and operations of the Successor Agency; and

WHEREAS, Health and Safety Code Section 34179 of AB 26 establishes a seven (7) member local entity with respect to each successor agency with fiduciary responsibilities to holders of enforceable obligations and taxing entities that benefit from distributions of property taxes, and such entity is titled the “oversight board.” The oversight board has been established for the Successor Agency (hereinafter referred to as the “Oversight Board”) and all seven (7) members have been appointed to the Oversight Board pursuant to Health and Safety Code Section 34179. The duties and responsibilities of the Oversight Board are primarily set forth in Health and Safety Code Sections 34179 through 34181 of AB 26; and

WHEREAS, as part of the FY 2012-2013 State budget package, on June 27, 2012, the Legislature passed and the Governor signed Assembly Bill No. 1484 (“AB 1484”, Chapter 26, Statutes 2012), which amended certain provisions of AB 26. On September 29, 2012, the Legislature passed and the Governor signed Assembly Bill No. 1585 (“AB 1585”), which further amended certain provisions of AB 26 as amended by AB 1484 (AB 26, AB 1484, and AB 1585 are collectively referred to herein as the “Dissolution Act”); and

WHEREAS, on April 12, 2013, the Department of Finance issued a Finding of Completion to the Successor Agency pursuant to Health and Safety Code Section 34179.7 of the Dissolution Act; and

WHEREAS, pursuant to Health and Safety Code Section 34171(m) of the Dissolution Act, a "Recognized Obligation Payment Schedule" ("ROPS") 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 Health and Safety Code Section 34177(m) of the Dissolution Act; and

WHEREAS, pursuant to Health and Safety Code Section 34177(l)(3) of the Dissolution Act, the ROPS shall be forward looking to the next six (6) months; and

WHEREAS, according to Health and Safety Code Section 34177(l)(1) of the Dissolution Act, the Successor Agency shall prepare a ROPS before each six-month fiscal period. For each recognized obligation, the ROPS shall identify one or more of the following sources of payment: (i) Low and Moderate Income Housing Funds, (ii) bond proceeds, (iii) reserve balances, (iv) administrative cost allowance, (v) the Redevelopment Property Tax Trust Fund ("RPTTF") but only to the extent no other funding source is available or when payment from property tax revenues is required by an enforceable obligation or by the provisions of Part 1.85 of the Dissolution Act, and (vi) other revenue sources, including rents, concessions, asset sale proceeds, interest earnings, and any other revenues derived from the former Redevelopment Agency as approved by the Oversight Board in accordance with Part 1.85 of the Dissolution Act; and

WHEREAS, it is the intent of the Dissolution Act that the ROPS serve as the designated reporting mechanism for disclosing the Successor Agency's minimum bi-annual payment obligations by amount and source and that the San Diego County Auditor-Controller ("County Auditor-Controller") will be responsible for ensuring that the Successor Agency receives revenues sufficient to meet the requirements of the ROPS during each bi-annual period; and

WHEREAS, pursuant to Health and Safety Code Section 34177(m) of the Dissolution Act, the Successor Agency is required to submit the ROPS for the period of January 1, 2014 through June 30, 2014, after its approval and adoption by the Oversight Board, to the State Department of Finance ("Department of Finance") and the County Auditor-Controller no fewer than 90 days before the date of property tax distribution on January 2, 2014, which is no later than October 1, 2013; and

WHEREAS, the ROPS covering the period from January 1, 2014 through June 30, 2014 (the "ROPS 13-14B") is attached to this Resolution as Exhibit "A" and is presented to the Successor Agency at this meeting for review, approval, and adoption; and

WHEREAS, among other obligations listed on the ROPS 13-14B, the Successor Agency includes the repayment of a loan totaling \$3,738,100 (the "City Loan") made by the City to the Redevelopment Agency pursuant to that certain Cooperation Agreement dated June 7, 1995 (which date is immediately subsequent to the activation of the former Redevelopment Agency on May 3, 1995), and pursuant to City Council/Redevelopment Agency Resolution No. R-03-40 dated June 4, 2003, the Redevelopment Agency's year-end financial statements beginning June 30, 1996 through June 30, 2004, and the Agreement among the Redevelopment Agency and City dated May 17, 2006. The City Loan was made by the City to the Redevelopment Agency for the Redevelopment Agency's use in connection with the preparation and implementation of the Redevelopment Plan for the Palm Avenue/Commercial Redevelopment Project adopted on or about September 7, 1995 and the Redevelopment Plan for the Palm Avenue/Commercial

Redevelopment Project Amendment No. 1 adopted on July 19, 2001 (collectively, the "Redevelopment Plans"), and the implementation, among other projects, capital improvements program projects; and

WHEREAS, pursuant to Health and Safety Code Section 34178(b)(2) of the Dissolution Act, the City Loan was not invalidated by the Dissolution Act because it constitutes a written agreement between the Redevelopment Agency and the City providing loans/start up funds for the Redevelopment Agency that were entered into within two years of formation of the Redevelopment Agency and also within two years of the adoption of the Redevelopment Plans. Pursuant to Health and Safety Code Sections 34171(d)(1)(B) and (E), 34171(d)(2), and 34178(b)(2) of the Dissolution Act, the City Loan shall constitute an enforceable obligation of the Successor Agency under the Dissolution Act repayable from the RPTTF and not subject to the loan repayment restrictions of Health and Safety Code Section 34191.4(b) of the Dissolution Act; and

WHEREAS, if approved and adopted by the Successor Agency, the ROPS 13-14B shall thereafter be submitted to the Oversight Board for review, approval, and adoption. In this regard, Health and Safety Code Section 34177(l)(2)(B) of the Dissolution Act requires the Successor Agency to submit a copy of the ROPS 13-14B to the San Diego County Administrative Officer, the County Auditor-Controller, and the Department of Finance at the same time that the Successor Agency submits the ROPS 13-14B to the Oversight Board for approval; and

WHEREAS, pursuant to Health and Safety Code Section 34177(l)(2)(C) of the Dissolution Act, a copy of the Oversight Board-approved ROPS 13-14B shall be submitted to the County Auditor-Controller and both the State Controller's Office and the Department of Finance and shall be posted on the Successor Agency's internet website; and

WHEREAS, pursuant to Health and Safety Code Section 34177(m)(1) of the Dissolution Act, the Successor Agency shall submit a copy of the Oversight Board-approved ROPS 13-14B to the Department of Finance electronically and the Successor Agency shall have completed the ROPS 13-14B in the manner provided by the Department of Finance; and

WHEREAS, pursuant to Health and Safety Code Section 34183(a)(2) of the Dissolution Act, the County Auditor-Controller is required to make a payment of property tax revenues (i.e. former tax increment funds) from the RPTTF to the Successor Agency on January 2, 2014 for payments to be made toward recognized obligations listed on the ROPS 13-14B and approved by the Department of Finance; and

WHEREAS, the proposed ROPS 13-14B attached to this Resolution as Exhibit "A" is consistent with the requirements of the Health and Safety Code and other applicable law; and

WHEREAS, the proposed ROPS 13-14B contains the schedules for payments on enforceable obligations required for the applicable six-month period and sources of funds for repayment as required pursuant to Health and Safety Code Section 34177(l) of the Dissolution Act; and

WHEREAS, pursuant to Health and Safety Code Section 34177(m) of the Dissolution Act, the ROPS 13-14B as approved and adopted by the Oversight Board shall be submitted to the Department of Finance and the County Auditor-Controller by October 1, 2013. Section 34177(m) further provides that the Department of Finance shall make its determination of the enforceable obligations and the amounts and funding sources of enforceable obligations no later than forty-five (45) days after the ROPS is submitted and that the Successor Agency may,

within five (5) business days of the Department of Finance's determination, request an additional review by the Department of Finance and an opportunity to meet and confer on disputed items. In the event of a meet and confer and request for additional review, the meet and confer period may vary but the Department of Finance shall notify the Successor Agency and the County Auditor-Controller as to the outcome of its review at least fifteen (15) days before the date of property tax distribution on January 2, 2014; and

WHEREAS, the activity proposed for approval by this Resolution has been reviewed with respect to applicability of the California Environmental Quality Act ("CEQA"), the State CEQA Guidelines (California Code of Regulations, Title 14, Section 15000 *et seq.*, hereafter the "Guidelines"), and the City's environmental guidelines; and

WHEREAS, the activity proposed for approval by this Resolution is not a "project" for purposes of CEQA, as that term is defined by Guidelines Section 15378, because the activity proposed by this Resolution is an organizational or administrative activity that will not result in a direct or indirect physical change in the environment, per Section 15378(b)(5) of the Guidelines; and

WHEREAS, all of the prerequisites with respect to the approval of this Resolution have been met.

NOW, THEREFORE, BE IT RESOLVED by the Imperial Beach Redevelopment Agency Successor Agency, as follows:

Section 1. The Successor Agency hereby determines that the foregoing recitals are true and correct and are a substantive part of this Resolution.

Section 2. (a) The Successor Agency hereby finds that the City Loan described in the Recitals above and included on the ROPS 13-14B was made to the Redevelopment Agency for legitimate redevelopment purposes.

(b) The Successor Agency hereby determines that, pursuant to Health and Safety Code Sections 34171(d)(2) and 34178(b)(2) of the Dissolution Act, the City Loan described in the Recitals above and included on the ROPS 13-14B was not invalidated by the Dissolution Act because it constitutes a written agreement between the Redevelopment Agency and the City providing loans/start up funds for the Redevelopment Agency that were entered into within two years of formation of the Redevelopment Agency and also within two years of the adoption of the Redevelopment Plans.

(c) The Successor Agency hereby determines that, pursuant to Health and Safety Code Sections 34171(d)(1)(B) and (E), 34171(d)(2), and 34178(b)(2) of the Dissolution Act, the City Loan described in the Recitals above and included on the ROPS 13-14B shall constitute an enforceable obligation of the Successor Agency under the Dissolution Act repayable from the RPTTF and not subject to the loan repayment restrictions of Health and Safety Code Section 34191.4(b) of the Dissolution Act.

Section 3. The Successor Agency hereby approves and adopts the ROPS 13-14B for the period from January 1, 2014 through June 30, 2014, in substantially the form attached to this Resolution as Exhibit "A".

- Section 4.** The Executive Director, or designee, of the Successor Agency is hereby authorized and directed to: (i) provide the ROPS 13-14B to the Oversight Board for review, approval, and adoption and concurrently submit a copy of the ROPS 13-14B to the County Administrative Officer, the County Auditor-Controller, and the Department of Finance; (ii) submit the ROPS 13-14B, as approved and adopted by the Oversight Board, to the Department of Finance electronically and the County Auditor-Controller no later than October 1, 2013; (iii) submit a copy of the ROPS 13-14B, as approved and adopted by the Oversight Board, to the State Controller's Office and post the ROPS 13-14B on the Successor Agency's internet website; (iv) revise the ROPS 13-14B, and make such changes and amendments as necessary, before official submittal of the ROPS 13-14B to the Department of Finance, in order to complete the ROPS 13-14B in the manner provided by the Department of Finance and to conform the ROPS 13-14B to the form or format as may be prescribed by the Department of Finance; (v) make other non-substantive changes and amendments to the ROPS13-14B as may be approved by the Executive Director of the Successor Agency and its legal counsel; and (vi) take such other actions and execute such other documents as are necessary or desirable to effectuate the intent of this Resolution on behalf of the Successor Agency.
- Section 5.** If any provision of this Resolution or the application of any such provision to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of this Resolution that can be given effect without the invalid provision or application, and to this end the provisions of this Resolution are severable. The Successor Agency declares that its board would have adopted this Resolution irrespective of the invalidity of any particular portion of this Resolution.
- Section 6.** The adoption of this Resolution is not intended to and shall not constitute a waiver by the Successor Agency of any constitutional, legal or equitable rights that the Successor Agency may have to challenge, through any administrative or judicial proceedings, the effectiveness and/or legality of all or any portion of the Dissolution Act, any determinations rendered or actions or omissions to act by any public agency or government entity or division in the implementation of the Dissolution Act, and any and all related legal and factual issues, and the Successor Agency expressly reserves any and all rights, privileges, and defenses available under law and equity.
- Section 7.** The Successor Agency determines that the activity approved by this Resolution is not a "project" for purposes of CEQA, as that term is defined by Guidelines Section 15378, because the activity approved by this Resolution is an organizational or administrative activity that will not result in a direct or indirect physical change in the environment, per Section 15378(b)(5) of the Guidelines.
- Section 8.** This Resolution shall take effect upon the date of its adoption.

PASSED, APPROVED, AND ADOPTED by the Imperial Beach Redevelopment Agency
Successor Agency at its meeting held on the 18th day of September 2013, by the following vote:

AYES: BOARD MEMBERS:
NOES: BOARD MEMBERS:
ABSENT: BOARD MEMBERS:

JAMES C. JANNEY
CHAIRPERSON

ATTEST:

JACQUELINE M. HALD, MMC
SECRETARY

EXHIBIT "A"

**IMPERIAL BEACH REDEVELOPMENT AGENCY SUCCESSOR AGENCY
RECOGNIZED OBLIGATION PAYMENT SCHEDULE
January 1, 2014 through June 30, 2014
("ROPS 13-14B")**

Approved and Adopted by the Successor Agency on September 18, 2013

Recognized Obligation Payment Schedule (ROPS 13-14B) - Summary

Filed for the January 1, 2014 through June 30, 2014 Period

Name of Successor Agency: Imperial Beach
Name of County: San Diego

Current Period Requested Funding for Outstanding Debt or Obligation		Six-Month Total
Enforceable Obligations Funded with Non-Redevelopment Property Tax Trust Fund (RPTTF) Funding Sources (B+C+D):		\$ 1,907,790
B	Bond Proceeds Funding (ROPS Detail)	-
C	Reserve Balance Funding (ROPS Detail)	1,907,790
D	Other Funding (ROPS Detail)	-
E Enforceable Obligations Funded with RPTTF Funding (F+G):		\$ 4,006,750
F	Non-Administrative Costs (ROPS Detail)	4,006,750
G	Administrative Costs (ROPS Detail)	-
H Current Period Enforceable Obligations (A+E):		\$ 5,914,540

Successor Agency Self-Reported Prior Period Adjustment to Current Period RPTTF Requested Funding		
I	Enforceable Obligations funded with RPTTF (E):	4,006,750
J	Less Prior Period Adjustment (Report of Prior Period Adjustments Column U)	-
K Adjusted Current Period RPTTF Requested Funding (I-J)		\$ 4,006,750

County Auditor Controller Reported Prior Period Adjustment to Current Period RPTTF Requested Funding		
L	Enforceable Obligations funded with RPTTF (E):	4,006,750
M	Less Prior Period Adjustment (Report of Prior Period Adjustments Column AB)	-
N Adjusted Current Period RPTTF Requested Funding (L-M)		4,006,750

Certification of Oversight Board Chairman:
Pursuant to Section 34177(m) of the Health and Safety code, I hereby certify, based on my information and belief, that the above is a true and accurate Recognized Obligation Payment Schedule for the above named agency.

Name	Title
/s/ _____	
Signature	Date

Recognized Obligation Payment Schedule (ROPS) 13-14B - Report of Fund 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.

A	B	C	D	E	F	G	H	I	J	K
Fund Balance Information by ROPS Period		Fund Sources								Comments
		Bond Proceeds		Reserve Balance		Other	RPTTF		Total	
		Bonds Issued on or before 12/31/10	Bonds Issued on or after 01/01/11	Review balances retained for approved enforceable obligations	RPTTF balances retained for bond reserves	Rent, Grants, Interest, Etc.	Non-Admin	Admin		
ROPS III Actuals (01/01/13 - 6/30/13)										
1	Beginning Available Fund Balance (Actual 01/01/13) Note that for the RPTTF, 1 + 2 should tie to columns L and Q in the Report of Prior Period Adjustments (PPAs)	379,908					(100,176)		\$ 279,732	
2	Revenue/Income (Actual 06/30/13) Note that the RPTTF amounts should tie to the ROPS III distributions from the County Auditor-Controller	533,092					2,577,217		\$ 3,110,309	
3	Expenditures for ROPS III Enforceable Obligations (Actual 06/30/13) Note that for the RPTTF, 3 + 4 should tie to columns N and S in the Report of PPAs	913,000					2,577,217		\$ 3,490,217	
4	Retention of Available Fund Balance (Actual 06/30/13) Note that the Non-Admin RPTTF amount should only include the retention of reserves for debt service approved in ROPS III	-					267,146		\$ 267,146	
5	ROPS III RPTTF Prior Period Adjustment Note that the net Non-Admin and Admin RPTTF amounts should tie to columns O and T in the Report of PPAs.	No entry required							\$ -	
6	Ending Actual Available Fund Balance (1 + 2 - 3 - 4 - 5)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (367,322)	\$ -	\$ (367,322)	
ROPS 13-14A Estimate (07/01/13 - 12/31/13)										
7	Beginning Available Fund Balance (Actual 07/01/13) (C, D, E, G, and I = 4 + 6, F = H4 + F6, and H = 5 + 6)	\$ -	\$ -	\$ -	\$ 267,146	\$ -	\$ (367,322)	\$ -	\$ (100,176)	
8	Revenue/Income (Estimate 12/31/13) Note that the RPTTF amounts should tie to the ROPS 13-14A distributions from the County Auditor-Controller						3,015,673	250,000	\$ 3,265,673	
9	Expenditures for 13-14A Enforceable Obligations (Estimate 12/31/13)				267,146		2,748,527	125,000	\$ 3,140,673	
10	Retention of Available Fund Balance (Estimate 12/31/13) Note that the RPTTF amounts may include the retention of reserves for debt service approved in ROPS 13-14A				1,782,790			125,000	\$ 1,907,790	
11	Ending Estimated Available Fund Balance (7 + 8 - 9 - 10)	\$ -	\$ -	\$ -	\$ (1,782,790)	\$ -	\$ (100,176)	\$ -	\$ (1,882,966)	

Recognized Obligation Payment Schedule (ROPS) 13-14B - ROPS Detail
January 1, 2014 through June 30, 2014
 (Report Amounts in Whole Dollars)

A	B	C	D	E	F	G	H	I	J	K					P				
										L						M	N	O	
										Funding Source									RPTTF
										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				
1.00	2003 Tax Allocation Bonds Series A (or payments on the proposed Tax Allocation Refunding Bonds, Series 2013 # issued by the Successor Agency)	Bonds Issued On or Before 12/31/10	12/1/2003	12/1/2036	Wells Fargo Bank	Bond Debt Service pursuant to Section 34171 (d) (1) (A) and 34171(d)(1)(E). See Notes Page.	Palm Ave Commercial Corridor PA1, PA2	\$ 79,245,607 31,000,051	N	\$ -	\$ 1,907,790 1,028,787	\$ -	\$ 4,006,750	\$ -	\$ 5,914,540 1,028,787				
2.00	2010 Tax Allocation Bonds Series	Bonds Issued On or Before 12/31/10	11/1/2010	11/1/2041	Wells Fargo Bank	Bond Debt Service pursuant to Section 34171 (d) (1) (A) and 34171(d)(1)(E). See Notes Page.	Palm Ave Commercial Corridor PA1, PA2	42,709,241	N		754,003				\$ 754,003				
3.00	2003 Tax Allocation Bonds Series A Reserve	Bonds Issued On or Before 12/31/10	12/1/2003	12/1/2036	Wells Fargo Bank	Bond Debt Service pursuant to Section 34171 (d) (1) (A) and 34171(d)(1)(E).	Palm Ave Commercial Corridor PA1, PA2	-	N						\$ -				
4.00	2010 Tax Allocation Bonds Series Reserve	Bonds Issued On or Before 12/31/10	11/1/2010	11/1/2041	Wells Fargo Bank	Bond Debt Service pursuant to Section 34171 (d) (1) (A) and 34171(d)(1)(E).	Palm Ave Commercial Corridor PA1, PA2	-	N						\$ -				
9.00	Clean & Green Program	Improvement/Infrastructure	4/17/2013	6/30/2014	Various Contractors/Project Management	Tax Exempt Housing Bond Indenture Project pursuant to and consistent with 2003 Tax Allocation Bonds Series A issued December 2003.	Palm Ave Commercial Corridor PA1, PA2	338,990	N						\$ -				
10.00	Habitat Project	Improvement/Infrastructure	6/28/2013	6/30/2014	Habitat P.M. /Project Management	Tax Exempt Housing Bond Indenture Project pursuant to and consistent with 2003 Tax Allocation Bonds Series A issued December 2003.	Palm Ave Commercial Corridor PA1, PA2	533,000	N						\$ -				
11.00	Admin Budget	Admin Costs	1/1/2014	6/30/2014	Successor Agency & City of Imperial Beach	Per Sections 34177(j) and 34177(k) of the Dissolution Act, the Administrative Budget and estimated payment with RPTTF was approved by Successor Agency on September 4, 2013 by Resolution and presented to the Oversight Board for approval by Resolution on September 11, 2013. See Notes Page.	Palm Ave Commercial Corridor PA1, PA2	125,000	N		125,000				\$ 125,000				
13.00	Legal	Legal	2/1/2011	2/1/2015	McDougal Love/Kane Ballmer	Legal Services provided to Successor Agency per enforceable obligations.	Palm Ave Commercial Corridor PA1, PA2	200,000	N						\$ -				
14.00	Pier One South Hotel Project Requirements	OPA/DDA/Construction	12/1/2010	3/15/2066	Successor Agency & City of Imperial Beach	Fulfillment of Project requirements per DDA and Ground Lease. See Notes Page.	Palm Ave Commercial Corridor PA1, PA2	200,000	N				20,000		\$ 20,000				
15.00	Capital Trailer Rental	Project Management Costs	6/1/2006	1/1/2015	Bert's Mobile Home Acceptance	Temp Trailer for Project Management.	Palm Ave Commercial Corridor PA1, PA2	3,600	Y						\$ -				
16.00	Due Diligence Review ("DDR") Preparation Cost	Professional Services	7/27/2012	6/30/2013	Lance Soll/Vavrinek Triner/Other	To perform DDR as required by Section 34179.5.	Palm Ave Commercial Corridor PA1, PA2	-	Y						\$ -				
17.00	2003 Tax Allocation Bonds Series A	Bonds Issued On or Before 12/31/10	12/1/2003	12/1/2036	Wells Fargo Bank	Bond Debt Service.	Palm Ave Commercial Corridor PA1, PA2	-	Y						\$ -				

Recognized Obligation Payment Schedule (ROPS) 13-14B - ROPS Detail
January 1, 2014 through June 30, 2014
(Report Amounts in Whole Dollars)

A	B	C	D	E	F	G	H	I	J	K					P	
										L						
										M						
N					O											
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	Funding Source					Six-Month Total	
										Non-Redevelopment Property Tax Trust Fund (Non-RPTTF)			RPTTF			
										Bond Proceeds	Reserve Balance	Other Funds	Non-Admin	Admin		
18.00	Litigation	Litigation	4/25/2012	2/1/2015	Successor Agency, City of Imperial Beach, McDougal Love, and Kane Ballmer	Lawsuit filed by Affordable Housing Coalition of San Diego County re obligations of Former RDA. See Notes Page.	Palm Ave Commercial Corridor PA1, PA2	100,000	N					60,000		\$ 60,000
19.00	Oversight Board Costs Required by State Law	Admin Costs	1/1/2014	6/30/2014	Successor Agency & City of Imperial Beach	Costs incurred by Successor Agency as requested and required by the Oversight Board per State law. See Notes Page.	Palm Ave Commercial Corridor PA1, PA2	20,000	N					20,000		\$ 20,000
20.00	ROPS I Cash-flow Deficit	Prior Period RPTTF Shortfall	1/1/2014	6/1/2014	IB Successor Agency, City of Imperial Beach, Southbay Drugs, Oppen Varco, Keyser Marston, Urban Systems, NBS, Kane Ballmer	ROPS I Approved Yet Unfunded Enforceable Obligation	Palm Ave Commercial Corridor PA1, PA2		Y							\$ -
21.00	ROPS 3 Administrative Cost Allowance Approved Yet Unfunded	Prior Period RPTTF Shortfall	1/1/2013	1/1/2014	City of Imperial Beach, IB Successor Agency	Unfunded DOF Approved Administration Costs Allowance from ROPS 3	Palm Ave Commercial Corridor PA1, PA2		Y							\$ -
22.00	9th & Palm Avenue Real Estate Management	Property Maintenance	1/1/2014	6/30/2014	Successor Agency & City of Imperial Beach	Costs of maintaining Successor Agency owned asset prior to disposition per LRPMP. See Notes Page.	Palm Ave Commercial Corridor PA1, PA2	100,000	N					50,000		\$ 50,000
23.00	Tax Allocation Bonds Required Annual Continuing Disclosure	Professional Services	11/17/2010	1/1/2015	NBS	Costs relating to required annual continuing disclosure obligations of the Successor Agency on the 2003 Series A TABs (or the 2013 TABs if 2003 Series A TABs are refunded) and 2010 TABs. See Notes Page.	Palm Ave Commercial Corridor PA1, PA2	7,900	N					3,950		\$ 3,950
24.00	Tax Allocation Bonds Property Tax Data Collection/Monitoring	Professional Services	1/14/2004	1/1/2015	HdL	Data used by NBS for preparation of the required annual continuing disclosure obligations of the Successor Agency on the 2003 Series A TABs (or the 2013 TABs if 2003 Series A TABs are refunded) and 2010 TABs. See Notes Page.	Palm Ave Commercial Corridor PA1, PA2	4,050	N					2,025		\$ 2,025
25.00	Successor Agency Annual Financial Audit and Financial Statements Required by State Law	Professional Services	6/15/2010	6/30/2014	Lance, Soll Lundgard, CPA Firm	Costs relating to the Successor Agency's preparation of Annual Audit and Financial Statements required by State law. See Notes Page.	Palm Ave Commercial Corridor PA1, PA2	5,832	N					5,832		\$ 5,832
26.00	2003 Series A Tax Allocation Bonds Refunding Financial Advisor/Non-Contingent Portion	Professional Services	12/1/2013	2/1/2014	First Southwest	2003 Series A TABs Refunding Financial Advisor - non-contingent portion of costs. See Notes Page.	Palm Ave Commercial Corridor PA1, PA2	19,000	N					19,000		\$ 19,000
27.00	2003 Series A Tax Allocation Bonds Refunding Fiscal Consultant/Non-Contingent Portion	Professional Services	7/17/2013	2/1/2014	Fraser & Associates	2003 Series A TABs Refunding Fiscal Consultant - non-contingent portion of costs. See Notes Page.	Palm Ave Commercial Corridor PA1, PA2	25,500	N					25,500		\$ 25,500
28.00	2003 Series A Tax Allocation Bonds Refunding Successor Agency Non-Contingent Fees & Costs	Professional Services	12/1/2013	2/1/2014	Successor Agency, City of Imperial Beach, McDougal Love and Kane, Ballmer	2003 Series A TABs Refunding - Successor Agency non-contingent fees and costs (including legal fees and reimbursement costs). See Notes Page.	Palm Ave Commercial Corridor PA1, PA2	50,000	N					50,000		\$ 50,000

Recognized Obligation Payment Schedule 13-14B - Notes

January 1, 2014 through June 30, 2014

Item #	Notes/Comments
1.00	Per DOF's instructions, \$1,028,787 is indicated under the Reserve column as those were RPTTF funds received by the Successor Agency on June 1, 2013 as bond reserves approved as #3 on ROPS 13-14A to be used toward the bond debt service payment in June 2014 during the ROPS 13-14B period. Also, in connection with the 2003 Tax Allocation Bonds, Series A, pursuant to Resolutions OB-13-18 and OB-13-23, and in accordance with its authority set forth in Health and Safety Code Section 34177.5, the Successor Agency has commenced the bond refunding process to refund the 2003 Tax Allocation Bonds, Series A and to issue the proposed Tax Allocation Refunding Bonds, Series 2013. Therefore, the bond debt service payments identified in this Item 1 will be replaced with the required bond debt service payments on the Tax Allocation Refunding Bonds, Series 2013 if they are issued by the Successor Agency.
2.00	Per DOF's instructions, \$754,003 is indicated under the Reserve column as those were RPTTF funds received by the Successor Agency on June 1, 2013 as bond reserves approved as #4 on ROPS 13-14A to be used toward the bond debt service payment in June 2014 during the ROPS 13-14B period.
11.00	The Successor Agency received a total amount of \$250,000 on June 1, 2013 as payment for the Administrative Cost Allowance for the entire Fiscal Year 2013-2014. Therefore, \$125,000 was used during the ROPS 13-14A period and the remaining balance of \$125,000 will be used during the ROPS 13-14B period. As such, the SA is including this \$125,000 remaining balance under the Reserve column. Further, the amount of the Administrative Cost Allowance is not intended to limit the use and amount of other funds available to the Successor Agency, if any is available, to be used to pay for additional administrative costs included in the Administrative Budget for the period January 1, 2014 through June 30, 2014.
14.00	These costs are associated with a DDA entered into by the Former RDA on December 16, 2010 and the Ground Lease, as required by the DDA, on March 15, 2011. Pursuant to Health and Safety Code Section 34171(d)(1)(E), this item constitutes an enforceable obligation. This item is specifically excluded from the definition of and payment by the administrative cost allowance and does not constitute an administrative cost as a project-related cost pursuant to Health and Safety Code Section 34171(b). Payment of this obligation is required by the underlying Former RDA DDA and therefore constitutes an enforceable obligation of the Successor Agency pursuant to Health and Safety Code Section 34171(d)(1)(E) and shall be payable from RPTTF monies.
18.00	Litigation costs due to the filing of a lawsuit by the Affordable Housing Coalition of San Diego County alleging that unmet obligations of the Former RDA pursuant to the California Community Redevelopment Law constitute an enforceable obligation of the Successor Agency payable from RPTTF. Costs relating to potential and pending litigation in connection with assets or obligations constitute an enforceable obligation of the Successor Agency and shall be payable from RPTTF monies, not as an administrative cost, pursuant to Health & Safety Code Section 34171(b).
19.00	Costs incurred by the Successor Agency in connection with performing statutorily required services for the Oversight Board are not administrative costs and are not paid using the Administrative Cost Allowance because they are costs incurred by the Successor Agency due to the Successor Agency being required to perform services for the Oversight Board pursuant to State law set forth at Health and Safety Code Section 34179(c). As such, payment of this obligation is required by State law at Health and Safety Code Section 34179(c) and therefore constitutes an enforceable obligation of the Successor Agency pursuant to Health and Safety Code Section 34171(d)(1)(C) and shall be payable from RPTTF monies, not as an administrative cost.
22.00	These costs are associated with maintaining and managing this real estate asset owned by the Successor Agency. Further, these costs are specifically excluded from the definition of and payment by the administrative cost allowance and does not constitute an administrative cost as a cost for maintaining assets pursuant to Health and Safety Code Section 34171(b). Payment of these obligations constitute an enforceable obligation of the Successor Agency and shall be payable from RPTTF monies.
23.00	Costs relating to annual continuing disclosure obligations of the Successor Agency on the 2003 Series A TABs (or the 2013 TABs if 2003 Series A TABs are refunded) and 2010 TABs are required by the Indentures governing the issuance of the TABs and constitute enforceable obligations of the Successor Agency pursuant to Health and Safety Code Sections 34171(d)(1)(A) and 34171(d)(1)(E), and shall be payable from RPTTF monies, not as an administrative cost.

Recognized Obligation Payment Schedule 13-14B - Notes

January 1, 2014 through June 30, 2014

Item #	Notes/Comments
24.00	<p>Costs relating to data collection and monitoring for the annual continuing disclosure obligations of the Successor Agency on the 2003 Series A TABs (or the 2013 TABS if 2003 Series A TABs are refunded) and 2010 TABs are required by the Indentures governing the issuance of the TABs and constitute enforceable obligations of the Successor Agency pursuant to Health and Safety Code Sections 34171(d)(1)(A) and 34171(d)(1)(E), and shall be payable from RPTTF monies, not as an administrative cost.</p>
25.00	<p>Pursuant to State law at Health and Safety Code Section 34177(n), the Successor Agency is required to cause a post audit of the financial transactions and records of the successor agency to be made at least annually by a certified public accountant. As such, payment of this obligation is required by State law at Health and Safety Code Section 34177(n) and therefore constitutes an enforceable obligation of the Successor Agency pursuant to Health and Safety Code Section 34171(d)(1)(C) and shall be payable from RPTTF monies, not as an administrative cost.</p>
26.00	<p>Pursuant to State law at Health and Safety Code Section 34177.5(h), the Successor Agency shall make use of an independent financial advisor in developing financing proposals for bond refunding or refinancing. The Successor Agency has begun the refunding of the 2003 Series A TABs and, therefore, the Successor Agency is required to retain the services of a Financial Advisor for the bond refunding process. As such, payment of this obligation is required by State law at Health and Safety Code Section 34177.5(h) and therefore constitutes an enforceable obligation pursuant to Health and Safety Code Section 34171(d)(1)(C) and shall be payable from RPTTF monies, not as an administrative cost. In addition, pursuant to Resolution OB-13-18, and in accordance with its authority set forth in Health and Safety Code Section 34177.5(f), the Oversight Board directed the Successor Agency to commence the bond refunding process and authorized the Successor Agency to recover all costs associated with such bond refunding process. The DOF approved Resolution OB-13-18. Therefore, payment of this obligation constitutes an enforceable obligation pursuant to Health and Safety Code Sections 34177.5 and 34171(d)(1) and shall be payable from RPTTF monies, not as an administrative cost. Further, pursuant to Resolution OB-13-19, and in accordance with its authority set forth in Health and Safety Code Section 34177.5, the Oversight Board approved the Professional Services Agreement with First Southwest for financial advisory services. The DOF approved Resolution OB-13-19. Therefore, payment of this obligation constitutes an enforceable obligation of the Successor Agency pursuant to Health and Safety Code Sections 34177.5 and 34171(d)(1) and shall be payable from RPTTF monies, not as an administrative cost.</p>
27.00	<p>Pursuant to Resolution OB-13-18, and in accordance with its authority set forth in Health and Safety Code Section 34177.5(f), the Oversight Board directed the Successor Agency to commence the bond refunding process and authorized the Successor Agency to recover all costs associated with such bond refunding process. The DOF approved Resolution OB-13-18. Therefore, payment of this obligation constitutes an enforceable obligation pursuant to Health and Safety Code Sections 34177.5 and 34171(d)(1) and shall be payable from RPTTF monies, not as an administrative cost. Further, pursuant to Resolution OB-13-22, and in accordance with its authority set forth in Health and Safety Code Section 34177.5, the Oversight Board approved the Professional Services Agreement with Fraser & Associates for fiscal consultant services. The DOF approved Resolution OB-13-22. Therefore, payment of this obligation constitutes an enforceable obligation of the Successor Agency pursuant to Health and Safety Code Sections 34177.5 and 34171(d)(1) and shall be payable from RPTTF monies, not as an administrative cost.</p>
28.00	<p>Pursuant to Resolution OB-13-18, and in accordance with its authority set forth in Health and Safety Code Section 34177.5(f), the Oversight Board directed the Successor Agency to commence the bond refunding process and authorized the Successor Agency to recover all costs associated with such bond refunding process. The DOF approved Resolution OB-13-18. Therefore, payment of this obligation constitutes an enforceable obligation of the Successor Agency pursuant to Health and Safety Code Sections 34177.5 and 34171(d)(1) and shall be payable from RPTTF monies, not as an administrative cost.</p>

Recognized Obligation Payment Schedule 13-14B - Notes

January 1, 2014 through June 30, 2014

Item #	Notes/Comments
29.00	<p>On May 3, 1995, the Former RDA was created. On June 7, 1995, and within 45 days of creation of the Former RDA, the City of Imperial Beach and the Former RDA entered into a Cooperation Agreement for the City's loan/advance of funds to the Former RDA for startup monies to jump start redevelopment, which loan/advances would be repaid by the Former RDA from tax increment funds. City loan/advances were provided to the Former RDA upon the adoption of the Redevelopment Plan for the original Project Area and upon the adoption of the Redevelopment Plan for Amendment No. 1 Area. Repayment of the City loan is due and payable now as the City has called repayment of the principal of the loan. Pursuant to Health and Safety Code Sections 34171(d)(1)(B) and (E), 34171(d)(2), and 34178(b)(2), this City loan to the Former RDA constitutes an enforceable obligation of the Successor Agency and shall be payable from RPTTF monies. Further, because of the timing of the City loan to the Former RDA, this City loan constitutes an enforceable obligation of the Former RDA and Successor Agency under the Dissolution Act and was not invalidated by Sections 34178(b)(2) and 34171(d)(2). Further, the repayment of the City loan is not subject to the repayment restrictions of Chapter 9 (beginning with Health and Safety Code Section 34191.4(b)) of the Dissolution Act.</p>
30.00	<p>These costs are legal expenses related to litigation that was filed in connection with the June 1, 2012 RPTTF distribution. Litigation was filed to protect enforceable obligations and prevent default as a result of County notice not to distribute June 1, 2012 RPTTF without DOF approval letter. Costs relating to potential and pending litigation in connection with assets or obligations constitute an enforceable obligation of the Successor Agency and shall be payable from RPTTF monies, not as an administrative cost, pursuant to Health and Safety Code Section 34171(b).</p>
1, 14, 18, 19	<p>The actual amounts provided herein are solely estimates and the actual amount paid due to final costs owed by the Successor Agency may end up being greater than shown above. Therefore, the approval of this ROPS by the Successor Agency, the Oversight Board and the DOF includes the approval of such increased amount actually paid.</p>
1, 14, 18, 19	<p>To the extent RPTTF is not available to pay an enforceable obligation listed on this ROPS, the approval of this ROPS by the Successor Agency, the Oversight Board, and the DOF includes authorizing the Successor Agency to make payments on an enforceable obligation from any other funds the Successor Agency may have available, if any, at the time a payment is to be made.</p>



**STAFF REPORT
CITY OF IMPERIAL BEACH
REDEVELOPMENT AGENCY
SUCCESSOR AGENCY**

TO: CHAIR AND MEMBERS OF THE SUCCESSOR AGENCY

FROM: ANDY HALL, CITY MANAGER/EXECUTIVE DIRECTOR *AH*

MEETING DATE: SEPTEMBER 18, 2013

ORIGINATING DEPT.: SUCCESSOR AGENCY STAFF
GREGORY WADE, ASSISTANT CITY MANAGER/DEPUTY DIRECTOR *GW*

SUBJECT: ADOPTION OF RESOLUTION NO. SA-13-30 OF THE IMPERIAL BEACH REDEVELOPMENT AGENCY SUCCESSOR AGENCY APPROVING THE ADMINISTRATIVE BUDGET FOR THE PERIOD OF JANUARY 1, 2014 THROUGH JUNE 30, 2014 AND RELATED ACTIONS

EXECUTIVE SUMMARY:

Staff is seeking adoption of Resolution No. SA-13-30 that would approve the Administrative Budget for the period of January 1, 2014 through June 30, 2014 (the ROPS 13-14B period). Pursuant to Section 34177(j) of the Dissolution Act, the Successor Agency is required to prepare an administrative budget for each six-month fiscal period and submit the administrative budget to the Oversight Board for approval. For Imperial Beach, the amount of administrative cost allowance available from the Redevelopment Property Tax Trust Fund (RPTTF) is capped at \$250,000 per fiscal year. Therefore, the proposed Administrative Budget for January to June 2014 totals \$125,000.

FISCAL IMPACT:

For the upcoming six-month period of January 1, 2014 through June 30, 2014, staff has proposed an Administrative Budget totaling \$125,000 as this is half the amount of the current Fiscal Year Administrative Cost Allowance available to the Successor Agency from RPTTF. During its approval of the ROPS 13-14A, the Department of Finance approved the payment of \$250,000 of administrative cost allowance to the Successor Agency for the entire Fiscal Year 2013-14. Therefore, the Successor Agency has already received the \$125,000 of Administrative Cost Allowance from RPTTF for the upcoming six-month period which will be used to fund the costs shown in the proposed administrative budget.

BACKGROUND:

On June 28, 2011, Assembly Bill No. X1 26 ("AB 26") was signed into law by the Governor of California which called for the dissolution of redevelopment agencies throughout the state and established the procedures by which this was to be accomplished. On December 29, 2011, AB

26 was largely upheld by the California State Supreme Court with some of the dates by which certain dissolution actions were to occur pushed back by four months. As a result of the Supreme Court's decision, and on February 1, 2012, all California redevelopment agencies were dissolved, successor agencies to the former redevelopment agencies were established and were tasked with paying, performing and enforcing the enforceable obligations of the former redevelopment agencies and expeditiously winding down the affairs of the former redevelopment agencies.

As part of the wind-down process enacted by AB 26, the City Council adopted Resolution No. 2012-7136 on January 5, 2012, electing for the City to serve as the successor agency to the Redevelopment Agency ("Successor Agency") upon the dissolution of the Redevelopment Agency under AB 26.

As part of the FY 2012-2013 State budget package, on June 27, 2012, the Legislature passed and the Governor signed Assembly Bill No. 1484 ("AB 1484", Chapter 26, Statutes 2012), which amended certain provisions of AB 26. On September 29, 2012, the Legislature passed and the Governor signed Assembly Bill No. 1585 ("AB 1585"), which further amended certain provisions of AB 26 as amended by AB 1484 (AB 26, AB 1484, and AB 1585 are collectively referred to herein as the "Dissolution Act").

ANALYSIS:

Pursuant to Section 34177(j) of the Dissolution Act, the Successor Agency is required to prepare an administrative budget for each six-month fiscal period and submit the administrative budget to the Oversight Board for approval. The administrative budget must include all of the following: (i) estimated amounts for Successor Agency administrative costs for the upcoming six-month fiscal period; (ii) proposed sources of payment for Successor Agency administrative costs; and (iii) proposals for arrangements for administrative and operations services provided by the City or other entity. Section 34177(k) of the Dissolution Act requires the Successor Agency to provide to the San Diego County Auditor-Controller for each six-month fiscal period the administrative cost estimates from its approved administrative budget that are to be paid from property tax revenues (i.e. former tax increment revenues) deposited in the County's Redevelopment Property Tax Trust Fund (RPTTF) established for the Successor Agency.

Pursuant to Section 34170.5(b) of the Dissolution Act, an "Administrative Cost Allowance" is paid to the Successor Agency by the County Auditor-Controller from available funds in the RPTTF for use toward the payment of administrative costs. The Administrative Cost Allowance is defined as an amount, subject to the approval of the Oversight Board, which is either up to 3% of the total amount of RPTTF allocated to the Successor Agency's Redevelopment Obligation Retirement Fund to pay for enforceable obligations for each fiscal year, or a minimum amount of \$250,000 unless the Oversight Board reduces this amount. Given the total amount of RPTTF being approved by the Department of Finance (DOF) for enforceable obligations, the amount of the fiscal year Administrative Cost Allowance available for payment to the Successor Agency has been a maximum of \$250,000.

Successor Agency staff is seeking the Successor Agency's approval of the administrative budget for the period of January 1, 2014 through June 30, 2014 ("Administrative Budget"), in the form attached to Resolution Number SA-13-30 as Exhibit "A", and the Successor Agency's authorization to submit the approved Administrative Budget to the Oversight Board for its consideration at its meeting on September 25, 2014, and to forward the information required by

Section 34177(k) of the Dissolution Act to the San Diego County Auditor-Controller. It should be noted that, during approval of the Recognized Obligation Payment Schedule (ROPS) for the period of July 1, 2013 through December 31, 2013, the DOF approved the entire fiscal year amount of the Administrative Cost Allowance and \$250,000 was distributed to the Successor Agency from the RPTTF on June 1, 2013. Therefore, the Successor Agency has already received the \$125,000 to be used to pay its administrative costs for the upcoming six-month period.

ENVIRONMENTAL DETERMINATION:

Not a project as defined by CEQA.

FISCAL IMPACT:

As noted above, the Administrative Cost Allowance is defined as an amount, subject to the approval of the Oversight Board, which is up to 3% of the total amount of RPTTF allocated to the Successor Agency's Redevelopment Obligation Retirement Fund to pay for enforceable obligations for each fiscal year, or a minimum of \$250,000 unless the Oversight Board reduces this amount. The DOF has maintained that the Successor Agency is entitled to receive no more than \$250,000 in a given fiscal year. For the six-month period of January 1, 2014 through June 30, 2014, therefore, staff has proposed an Administrative Budget totaling \$125,000 as this is half the amount of this Fiscal Year's Administrative Cost Allowance approved by the DOF. The Successor Agency has already received the \$125,000 of Administrative Cost Allowance for the upcoming six-month period which will be used to fund the costs shown in the Administrative Budget.

RECOMMENDATION:

Staff recommends that the Imperial Beach Redevelopment Agency Successor Agency adopt Resolution Number SA-13-30 approving the Administrative Budget for the period of January 1, 2014 through June 30, 2014 and other related actions.

Attachments:

1. Resolution No. SA-13-30

RESOLUTION NO.SA-13-30

RESOLUTION OF THE IMPERIAL BEACH REDEVELOPMENT AGENCY SUCCESSOR AGENCY APPROVING THE ADMINISTRATIVE BUDGET FOR THE PERIOD FROM JANUARY 1, 2014 THROUGH JUNE 30, 2014 AND APPROVING CERTAIN RELATED ACTIONS

WHEREAS, the Imperial Beach Redevelopment Agency (“Redevelopment Agency”) was a redevelopment agency in the City of Imperial Beach (“City”), duly created pursuant to the California Community Redevelopment Law (Part 1 (commencing with Section 33000) of Division 24 of the California Health and Safety Code) (“Redevelopment Law”); and

WHEREAS, Assembly Bill No. X1 26 (2011-2012 1st Ex. Sess.) (“AB 26”) was signed by the Governor of California on June 28, 2011, making certain changes to the Redevelopment Law and to the California Health and Safety Code (“Health and Safety Code”), including adding Part 1.8 (commencing with Section 34161) (“Part 1.8”) and Part 1.85 (commencing with Section 34170) (“Part 1.85”) to Division 24 of the Health and Safety Code; and

WHEREAS, pursuant to AB 26, as modified by the California Supreme Court on December 29, 2011 by its decision in *California Redevelopment Association v. Matosantos*, all California redevelopment agencies, including the Redevelopment Agency, were dissolved on February 1, 2012, and successor agencies were designated and vested with the responsibility of paying, performing and enforcing the enforceable obligations of the former redevelopment agencies and expeditiously winding down the business and fiscal affairs of the former redevelopment agencies; and

WHEREAS, the City Council of the City adopted Resolution No. 2012-7136 on January 5, 2012, pursuant to Part 1.85 of AB 26, electing for the City to serve as the successor agency to the Redevelopment Agency upon the dissolution of the Redevelopment Agency under AB 26 (“Successor Agency”); and

WHEREAS, on February 15, 2012, the Board of Directors of the Successor Agency, adopted Resolution No. SA-12-01 naming itself the “Imperial Beach Redevelopment Agency Successor Agency,” the sole name by which it will exercise its powers and fulfill its duties pursuant to Part 1.85 of AB 26, and establishing itself as a separate legal entity with rules and regulations that will apply to the governance and operations of the Successor Agency; and

WHEREAS, Health and Safety Code Section 34179 of AB 26 establishes a seven (7) member local entity with respect to each successor agency with fiduciary responsibilities to holders of enforceable obligations and taxing entities that benefit from distributions of property taxes, and such entity is titled the “oversight board.” The oversight board has been established for the Successor Agency (hereinafter referred to as the “Oversight Board”) and all seven (7) members have been appointed to the Oversight Board pursuant to Health and Safety Code Section 34179. The duties and responsibilities of the Oversight Board are primarily set forth in Health and Safety Code Sections 34179 through 34181 of AB 26; and

WHEREAS, as part of the FY 2012-2013 State budget package, on June 27, 2012, the Legislature passed and the Governor signed Assembly Bill No. 1484 (“AB 1484”, Chapter 26, Statutes 2012), which amended certain provisions of AB 26. On September 29, 2012, the Legislature passed and the Governor signed Assembly Bill No. 1585 (“AB 1585”), which further amended certain provisions of AB 26 as amended by AB 1484 (AB 26, AB 1484, and AB 1585 are collectively referred to herein as the “Dissolution Act”); and

WHEREAS, on April 12, 2013, the Department of Finance issued a Finding of Completion to the Successor Agency pursuant to Health and Safety Code Section 34179.7 of the Dissolution Act; and

WHEREAS, Health and Safety Code Section 34177(j) of the Dissolution Act requires the Successor Agency to prepare an administrative budget for each six-month fiscal period and submit the administrative budget to the Oversight Board for approval. The administrative budget shall include all of the following: (i) estimated amounts for Successor Agency administrative costs for the upcoming six-month fiscal period; (ii) proposed sources of payment for Successor Agency administrative costs; and (iii) proposals for arrangements for administrative and operations services provided by the City or other entity; and

WHEREAS, Health and Safety Code Section 34177(k) of the Dissolution Act requires the Successor Agency to provide to the San Diego County Auditor-Controller ("County Auditor-Controller") for each six-month fiscal period the administrative cost estimates from its approved administrative budget that are to be paid from property tax revenues (i.e. former tax increment revenues) deposited in the County's Redevelopment Property Tax Trust Fund ("RPTTF") established for the Successor Agency; and

WHEREAS, staff of the Successor Agency seeks the Successor Agency's approval of the administrative budget for the period of January 1, 2014 through June 30, 2014 ("Administrative Budget"), in the form attached to this Resolution as Exhibit "A", and the Successor Agency's authorization to submit the approved Administrative Budget to the Oversight Board for its approval and to forward the information required by Health and Safety Code Section 34177(k) to the County Auditor-Controller; and

WHEREAS, the Administrative Budget has been prepared in accordance with Health and Safety Code Section 34177(j) of the Dissolution Act and is consistent with the requirements of the Health and Safety Code and other applicable law. The proposed source of payment of the costs set forth in the Administrative Budget is property taxes from the County's RPTTF established for the Successor Agency. The Successor Agency does not directly employ its own staff but relies on the employees and staff members of the City to perform its functions and operations required by the Dissolution Act; and

WHEREAS, as required by Health and Safety Code Section 34180(j) of the Dissolution Act, the Successor Agency will submit a copy of the Administrative Budget to the County Administrative Officer, the County Auditor-Controller, and the State Department of Finance ("Department of Finance") at the same time that the Successor Agency submits the Administrative Budget to the Oversight Board for review and approval; and

WHEREAS, as required by Health and Safety Code Section 34179(f) of the Dissolution Act, all notices required by law for proposed actions of the Oversight Board will be posted on the Successor Agency's internet website or the Oversight Board's internet website; and

WHEREAS, pursuant to Health and Safety Code Section 34179(h) of the Dissolution Act, the Successor Agency is required to provide written notice and information about all actions taken by the Oversight Board to the Department of Finance by electronic means and in the manner of the Department of Finance's choosing; and

WHEREAS, in furtherance of Part 1.85 of the Dissolution Act, a copy of the Administrative Budget as it may be approved by the Oversight Board will be submitted to the County Auditor-Controller and both the State Controller's Office and the Department of Finance

and will be posted on the Successor Agency's internet website; and

WHEREAS, pursuant to Health and Safety Code Section 34183(a)(2) of the Dissolution Act, the County Auditor-Controller is required to make a payment of property tax revenues (i.e. former tax increment funds) from the RPTTF to the Successor Agency on January 2, 2014 for payments to be made toward recognized obligations listed on the approved Recognized Obligation Payment Schedule for the period from January 1, 2014 through June 30, 2014 ("ROPS 13-14B") and for the administrative cost estimates from its approved Administrative Budget; and

WHEREAS, the activity proposed for approval by this Resolution has been reviewed with respect to applicability of the California Environmental Quality Act ("CEQA"), the State CEQA Guidelines (California Code of Regulations, Title 14, Section 15000 *et seq.*, hereafter the "Guidelines"), and the City's environmental guidelines; and

WHEREAS, the activity proposed for approval by this Resolution is not a "project" for purposes of CEQA, as that term is defined by Guidelines Section 15378, because the activity proposed by this Resolution is an organizational or administrative activity that will not result in a direct or indirect physical change in the environment, per Section 15378(b)(5) of the Guidelines; and

WHEREAS, all of the prerequisites with respect to the approval of this Resolution have been met.

NOW, THEREFORE, BE IT RESOLVED by the Imperial Beach Redevelopment Agency Successor Agency, as follows:

- Section 1.** The Successor Agency hereby determines that the foregoing recitals are true and correct and are a substantive part of this Resolution.
- Section 2.** The Successor Agency hereby approves the Administrative Budget for the period from January 1, 2014 through June 30, 2014, in substantially the form attached to this Resolution as Exhibit "A".
- Section 3.** The Executive Director, or designee, of the Successor Agency is hereby authorized and directed to: (i) submit the approved Administrative Budget to the Oversight Board for its review and approval and concurrently submit a copy of the Administrative Budget to the County Administrative Officer, the County Auditor-Controller, and the Department of Finance; (ii) submit the Administrative Budget, as approved by the Oversight Board, and written notice of the Oversight Board's approval of the Administrative Budget, to the Department of Finance electronically pursuant to Health and Safety Code Section 34179(h) of the Dissolution Act; (iii) submit a copy of the Administrative Budget, as approved by the Oversight Board, to the County Auditor-Controller and the State Controller's Office; (iv) post the Administrative Budget, as approved by the Oversight Board, on the Successor Agency's internet website; (v) upon approval of the Oversight Board, submit to the County Auditor-Controller the administrative cost estimates from the Administrative Budget that are to be paid from property tax revenues deposited in the County's Redevelopment Property Tax Trust Fund established for the Successor Agency; and (vi) take such other actions and execute such other documents as are necessary to effectuate the intent of this Resolution on behalf of the Successor Agency.

Section 4. If any provision of this Resolution or the application of any such provision to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of this Resolution that can be given effect without the invalid provision or application, and to this end the provisions of this Resolution are severable. The Successor Agency declares that its board would have adopted this Resolution irrespective of the invalidity of any particular portion of this Resolution.

Section 5. The adoption of this Resolution is not intended to and shall not constitute a waiver by the Successor Agency of any constitutional, legal or equitable rights that the Successor Agency may have to challenge, through any administrative or judicial proceedings, the effectiveness and/or legality of all or any portion of the Dissolution Act, any determinations rendered or actions or omissions to act by any public agency or government entity or division in the implementation of the Dissolution Act, and any and all related legal and factual issues, and the Successor Agency expressly reserves any and all rights, privileges, and defenses available under law and equity.

Section 6. The Successor Agency determines that the activity approved by this Resolution is not a "project" for purposes of CEQA, as that term is defined by Guidelines Section 15378, because the activity approved by this Resolution is an organizational or administrative activity that will not result in a direct or indirect physical change in the environment, per Section 15378(b)(5) of the Guidelines.

Section 7. This Resolution shall take effect upon the date of its adoption.

PASSED, APPROVED, AND ADOPTED by the Imperial Beach Redevelopment Agency Successor Agency at its meeting held on the 18th day of September 2013, by the following vote:

AYES: BOARD MEMBERS:
NOES: BOARD MEMBERS:
ABSENT: BOARD MEMBERS:

JAMES C. JANNEY
CHAIRPERSON

ATTEST:

JACQUELINE M. HALD, MMC
SECRETARY

**IMPERIAL BEACH REDEVELOPMENT AGENCY SUCCESSOR AGENCY
ADMINISTRATIVE BUDGET
FOR THE PERIOD OF JANUARY 1, 2014 THROUGH JUNE 30, 2014**

JANUARY 1, 2014 THROUGH JUNE 30, 2014

LABOR COSTS

Position Title	SA Admin Labor Cost
Assistant City Manager/Comm Dev Director/Deputy Director	\$ 35,749.01
Administrative Secretary II	\$ 1,090.00
City Manager/Executive Director	\$ 16,954.14
Clerk Typist	\$ 1,180.82
City Clerk	\$ 8,291.30
Administrative Services Director/Treasurer	\$ 20,499.38
Financial Services Assistant	\$ 1,994.75
Senior Account Technician	\$ 1,740.83
Labor Cost SA Calculation Totals	\$ 87,500

OTHER OPERATING EXPENSES

Legal Costs (6-months)	\$ 37,500
Other Operating Expenses Totals:	\$ 37,500
Successor Agency Administrative Cost Total:	\$ 125,000



**STAFF REPORT
CITY OF IMPERIAL BEACH
CITY COUNCIL
AND**

IMPERIAL BEACH REDEVELOPMENT AGENCY SUCCESSOR AGENCY

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL AND CHAIR AND MEMBERS OF THE IMPERIAL BEACH REDEVELOPMENT AGENCY SUCCESSOR AGENCY

FROM: ANDY HALL, CITY MANAGER/EXECUTIVE DIRECTOR *AH*

MEETING DATE: SEPTEMBER 18, 2013

ORIGINATING DEPT.: COMMUNITY DEVELOPMENT/SUCCESSOR AGENCY STAFF
GREGORY WADE, ASSISTANT CITY MANAGER/DEPUTY DIRECTOR *GW*

SUBJECT: ADOPTION OF CITY COUNCIL RESOLUTION NO. 2013-7391 AND SUCCESSOR AGENCY RESOLUTION NO. SA-13-31 APPROVING AN EXTENSION OF VARIOUS DATES AND DEADLINES IN THE DISPOSITION AND DEVELOPMENT AGREEMENT (DDA) BETWEEN THE IMPERIAL BEACH REDEVELOPMENT AGENCY SUCCESSOR AGENCY (SUCCESSOR AGENCY) AND SUDBERRY-PALM AVENUE LLC (SUDBERRY) BY LETTER AGREEMENT

EXECUTIVE SUMMARY:

Staff is seeking adoption of City Council and Successor Agency resolutions that would approve extensions of various dates and deadlines in the Disposition and Development Agreement (DDA) between the Successor Agency and Sudberry-Palm Avenue LLC. The Successor Agency has been assigned the rights and responsibilities of the DDA by the City, however, the City retains certain obligations under the DDA relating to the use and expenditure of bond proceeds. Staff is recommending approval of another nine (9) month extension of various dates and deadlines in the DDA to allow for the review of the Successor Agency's Long Range Property Management Plan to be completed.

FISCAL IMPACT:

There is no direct fiscal impact with these recommended actions, however, development of the Property pursuant to the terms of the DDA would have significant financial benefits to the City and to other affected taxing entities.

BACKGROUND:

On September 23, 2009, the former Imperial Beach Redevelopment Agency (the “Former Agency”) approved an Exclusive Negotiation Agreement (ENA) with Sudberry Properties, Inc. for the development of the former Miracle Shopping Center and North Island Credit Union properties located at the southwest corner of 9th Street and Palm Avenue (the “Property”). The ENA was subsequently amended by a “Letter Agreement” entered into by the City and Sudberry Properties, Inc. dated March 17, 2010, as was later amended by an “Amendment to Exclusive Negotiation Agreement” dated January 4, 2011 and by a “Second Amendment to Exclusive Negotiation Agreement” dated June 1, 2011 (all collectively referred to herein as the “ENA”).

On February 16, 2011, the City of Imperial Beach (the “City”) and the Former Agency entered into a Cooperation Agreement within which were identified several projects to be carried out by the City on behalf of the Former Agency. One of the projects identified in the Cooperation Agreement is the “Highway 75 Improvements” which calls for the reconfiguration of the Palm Avenue/State Route 75 right-of-way and other related public improvements adjacent to and associated with development of the Property. On March 9, 2011, the Former Agency authorized the transfer of portions of the Property constituting approximately 3.9 acres and referenced by Assessor Parcel Numbers 626-250-03 and 626-250-04 Thru 06 from the Former Agency to the City and the transfer of certain tax-exempt bond proceeds of the Former Agency to the City for development of the Project (defined below). Neither the Cooperation Agreement nor the transfer of the Property (or any of the related documents and actions) were challenged within the applicable statute of limitations.

On June 28, 2011, Assembly Bill No. x1 26 (“AB 26” or the “Dissolution Act”) was signed into law by the Governor of California which called for the dissolution of redevelopment agencies throughout the State and established the procedures by which this was to be accomplished. On December 29, 2011, the California State Supreme Court largely upheld the Dissolution Act as constitutional and reformed and extended certain dates, by which certain dissolution actions were to occur under the Dissolution Act, by an additional four months. As a result of the Supreme Court’s decision, and on February 1, 2012, all California redevelopment agencies were dissolved, including the Former Agency, and successor agencies to the former redevelopment agencies were established and tasked with paying, performing and enforcing the enforceable obligations of the former redevelopment agencies and expeditiously winding down the affairs of the former redevelopment agencies, including without limitation liquidating and disposing of real property owned by the former redevelopment agencies.

On December 14, 2011, the City approved a Disposition and Development Agreement (DDA) with Sudberry-Palm Avenue LLC (Sudberry) for a proposed 46,200 square foot commercial/retail center shopping development on the Property, including the construction of certain public improvements (the “Project”), along with the project entitlements and a Mitigated Negative Declaration (MND) associated with the Project. The DDA was subsequently amended by “Letter Agreement” dated March 15, 2012, entered into by the City and Sudberry, later amended by a “Memorandum of Agreement Regarding Ninth Street Improvements and Funding for Site Preparation Design Work” entered into by the City and Sudberry and dated August 10, 2012, and further amended by a second “Letter Agreement” dated December 20, 2012, entered into by the City and Sudberry (all collectively referred to herein as the “DDA” and incorporated herein by this reference).

On January 5, 2012, as part of the wind-down process enacted by the Dissolution Act, the City Council adopted Resolution No. 2012-7136 electing for the City to serve as the successor agency to the Former Agency ("Successor Agency") upon the dissolution of the Former Agency under the Dissolution Act. As also required by the Dissolution Act, a seven-member Oversight Board consisting of representatives of the affected taxing entities, resident representatives of the City and staff of the Former Agency was created to oversee the activities of the Successor Agency. It is the duty of the Successor Agency to wind down the fiscal and business activities of the Former Agency and it is the responsibility of the Oversight Board to oversee the activities and actions of the Successor Agency.

On February 1, 2012, pursuant to the Dissolution Act, the Former Agency was effectively dissolved by operation of law and the Successor Agency assumed the duties of dissolving and/or winding down the activities of the Former Agency, including without limitation liquidating and disposing of real property owned by the Former Agency. Since that time, the Successor Agency and its staff have been working to ensure that the wind-down process is accomplished in compliance with the Dissolution Act and with any other pertinent guidelines and/or Legislation adopted by the State.

On March 15, 2012, in order to implement the Project and provide the parties with additional time within which to perform certain obligations and to exercise certain rights under the DDA in light of the Dissolution Act, the City and Sudberry mutually agreed to extend dates and deadlines set forth in the DDA and the Schedule of Performance (Attachment No. 5 to the DDA) by nine (9) months.

On June 27, 2012, the State Legislature passed and the Governor signed Assembly Bill No. 1484 ("AB 1484", Chapter 26, Statutes 2012) as a trailer bill for the Fiscal Year 2012-2013 State budget package. Although the primary purpose of AB 1484 was to make technical and substantive amendments to the Dissolution Act based on issues that have arisen in the implementation of the Dissolution Act, AB 1484 also imposes additional statutory provisions relating to the activities and obligations of successor agencies and to the wind-down process of former redevelopment agencies (remaining references in this staff report to the "Dissolution Act" means AB 26 as amended by AB 1484).

On August 15, 2012, the Successor Agency adopted Resolution No. SA-12-15 which approved, among other actions, (i) the terms of the DDA between the City and Sudberry, (ii) the sale and conveyance of the Property to Sudberry pursuant to the terms of the DDA for development of the Project; (iii) the City's retention and ownership of certain public improvements constructed as part of the Project; and (iv) the City's transfer to the Successor Agency of the residual proceeds received from the sale of the Property to Sudberry for the Successor Agency's use and distribution for approved development projects or to otherwise wind down the affairs of the Former Agency pursuant to Section 34177(e) of the Dissolution Act. In addition, the Successor Agency authorized and directed the Executive Director of the Successor Agency, or his or her designee, and the City Manager, or his or her designee, to take all actions and sign any and all documents necessary to implement and effectuate the DDA and the actions approved by Resolution No. SA-12-15 including, without limitation, approving extensions of deadlines set forth in the DDA and the Schedule of Performance as determined necessary by the City Manager, or his or her designee, under the DDA, approving amendments to the DDA and its Attachments as determined necessary by the City Manager, or his or her designee, to effectuate the DDA, executing documents on behalf of the Successor Agency and City (including, without

limitation, grant deeds and quitclaim deeds), and administering the Successor Agency's and City's obligations, responsibilities and duties to be performed pursuant to such Resolution.

Further, on August 15, 2012, the City Council adopted Resolution No. 2012-7243 which approved, subject to certain conditions, the City's transfer to the Successor Agency of the residual proceeds of the sale of the Property under the terms of the DDA. In addition, provided that all required conditions were satisfied, the City Council authorized and directed the Executive Director of the Successor Agency, or his or her designee, and the City Manager, or his or her designee, to take all actions and sign any and all documents necessary to implement and effectuate the DDA and the actions approved by Resolution No. 2012-7243 including, without limitation, approving extensions of deadlines set forth in the DDA and the Schedule of Performance as determined necessary by the City Manager, or his or her designee, under the DDA, approving amendments to the DDA and its Attachments as determined necessary by the City Manager, or his or her designee, to effectuate the DDA, executing documents on behalf of the Successor Agency and City (including, without limitation, grant deeds and quitclaim deeds), and administering the Successor Agency's and City's obligations, responsibilities and duties to be performed pursuant to such Resolution.

Pursuant to the Dissolution Act, the Successor Agency submitted its approvals and actions taken pursuant to Resolution No. SA-12-15 to the Oversight Board to seek its approval of the terms of the DDA and other actions, and published prior notice of such Oversight Board actions in a newspaper at least ten (10) days prior to the Oversight Board's consideration of such actions. On September 12, 2012, the Oversight Board approved all of the same actions approved by the Successor Agency as described above, by approving Resolution No. OB-12-10.

Pursuant to the Dissolution Act, Successor Agency staff then submitted notice of the Oversight Board's actions approving Resolution No. OB-12-10 to the State Department of Finance (DOF), in addition to submitting notice to the County of San Diego and other agencies.

Section 34179(h) of the Dissolution Act provides that the DOF may review such Oversight Board actions, and that such Oversight Board actions shall become effective five (5) business days after notice to the DOF in the manner specified by the DOF is provided unless the DOF requests a review. The DOF never requested review of the Oversight Board actions taken pursuant to Resolution No. OB-12-10 within the statutory review period. Therefore, in accordance with Section 34179(h) of the Dissolution Act, the Oversight Board approvals set forth in Resolution No. OB-12-10 are considered effective.

Additionally, in connection with the Oversight Board actions pertaining to the Property and asset dispositions, Section 34181(f) of the Dissolution Act provides that the Oversight Board actions shall be subject to review by the DOF pursuant to Section 34179 of the Dissolution Act (referenced above) except that the DOF may extend its review period from forty (40) days by up to sixty (60) days, and that if the DOF does not object to such actions, and if no action challenging such actions is commenced within sixty (60) days of the approval of the actions by the Oversight Board, then the actions of the Oversight Board shall be considered final and "can be relied upon as conclusive by any person." The DOF never requested review of the Oversight Board actions taken pursuant to Resolution No. OB-12-10 within the statutory review period and no action challenging such Oversight Board actions was commenced within 60 days of September 12, 2012, the date of the Oversight Board's approval of Resolution No. OB-12-10. Therefore, in accordance with Section 34181(f) of the Dissolution Act, the Oversight Board

approvals set forth in Resolution No. OB-12-10 are considered final and can be relied on as conclusive by any person.

On December 5, 2012, the City Council and Successor Agency adopted Resolution Nos. 2012-7282 and SA-12-19, respectively, approving, among other actions, extensions of various dates and deadlines in the DDA for an additional nine (9) months. Also authorized by Resolution Nos. 2012-7282 and SA-12-19 was an Assignment and Assumption Agreement assigning all of the City's rights, interest and obligations under the DDA, including all Attachments and agreements entered into by the City pursuant to the DDA, and for the Successor Agency's acceptance of the assignment and assumption of all rights, interest and obligations, subject to the terms of the Assignment and Assumption Agreement. In addition, the proposed Assignment and Assumption Agreement released and relieved the City of the performance of all terms, covenants, and conditions on the part of the City to be performed under the DDA except for the financial obligations to provide up to \$2.2 Million to pay or reimburse Sudberry for the cost of the plans, permitting, construction and installation of the public improvements as part of the Project from the funds received by the City from the Former Agency pursuant to the Cooperation Agreement, as long as the City has possession of these funds. The proposed Assignment and Assumption Agreement would not release or relieve any other party from the obligations under the DDA, or relieve the City of any of its rights and interests relating to the City's obligations under the DDA.

On December 20, 2012, in order to implement the Project and provide the parties with additional time within which to perform certain obligations and to exercise certain rights under the DDA in light of the Dissolution Act, the City and Sudberry mutually agreed to extend certain dates and deadlines set forth in the DDA and the Schedule of Performance (Attachment No. 5 to the DDA) by an additional nine (9) months.

On December 27, 2012, the Assignment and Assumption Agreement was executed by the City and the Successor Agency. Also authorized by Resolution Nos. 2012-7282 and SA-12-19 adopted on December 5, 2013, was the transfer by the City to the Successor Agency of the Property proposed for development. The transfer and acceptance of the Property was agreed to by Sudberry in writing and was done for several reasons in order to effectuate development of the Property. This transfer was completed by execution of a Quitclaim Deed on December 27, 2012, which was then recorded on January 17, 2013.

Pursuant to Section 34191.5(b) of the Dissolution Act, once the DOF issues a Finding of Completion to the Successor Agency, the Successor Agency must prepare a Long-Range Property Management Plan ("LRPMP") that addresses the disposition and use of certain real properties held by the Former Agency. The LRPMP must be submitted to the Oversight Board and to the DOF for approval no later than 6 months following the issuance of the Finding of Completion to the Successor Agency. On February 13, 2013, the Oversight Board approved the LRPMP, which was prepared for review by the Oversight Board and DOF in advance of receiving a Finding of Completion, was submitted in an effort to expedite, to whatever extent possible, the review and approval of the LRPMP and the wind-down of the Former Agency.

On April 12, 2013, the Successor Agency received its Finding of Completion from the DOF, clearing the statutory hurdle for approval of the LRPMP by the DOF. July 30, 2012, the Successor Agency received a letter from the DOF stating that the manner in which the Successor Agency proposed to sell the properties to Sudberry under the terms of the DDA was denied. The DOF further advised that it was returning the LRPMP to the Oversight Board for

reconsideration. On August 15, 2013, Successor Agency staff held a Meet and Discuss with the DOF regarding the LRPMP and, after subsequent conversations, agreed upon a revised LRPMP. The revised LRPMP is currently being prepared and will be submitted to the Oversight Board and the DOF later this month. However, one of the DDA extensions approved by the City Council and Successor Agency on December 5, 2012, will expire on October 1, 2012, and others soon thereafter. Since staff will only be submitting the revised LRPMP to the DOF on or after September 25, 2013, it is necessary once again to extend the dates and deadlines in the DDA. Staff is recommending that those dates and deadlines be extended for another nine (9) months in order to allow sufficient time for review of the revised LRPMP.

ANALYSIS:

Given the additional time needed to proceed with the Project as noted above, staff is recommending that the Successor Agency and City Council authorize the Executive Director/City Manager to execute a third Letter Agreement with Sudberry that will further extend various dates and deadlines in the DDA including certain dates and deadlines set forth in the SOP (Attachment No. 5 to the DDA) as determined necessary by the Executive Director/City Manager by an additional nine (9) months. Such extension will implement the Project and provide the parties with additional time within which to obtain approval of the LRPMP and to perform certain obligations and to exercise certain rights under the DDA in light of the Dissolution Act. Sudberry has verbally agreed to such extensions and to executing the proposed third Letter Agreement with the City.

A summary of certain dates and deadlines which will be extended by the proposed Letter Agreement include: (i) the deadline of October 1, 2013, by which the Successor Agency may terminate the DDA with payment to Sudberry of \$50,000 liquidated damages because of Project infeasibility, (ii) the deadline of November 1, 2013, by which the Successor Agency and Sudberry must negotiate, complete, and approve final forms of the Attachments to the DDA for the Closing, (iii) the deadline of December 11, 2013, by which Sudberry shall submit design development drawings and landscape and grading plans for the applicable Phase of the Project, and (iv) the deadline of January 1, 2014, by which Sudberry may terminate the DDA if, based on evidentiary reports, the environmental condition of the Property is not suitable or economically feasible for development of Project.

Potential dates and deadlines that may be extended by the proposed Letter Agreement as determined necessary by the Executive Director/City Manager include: (i) the deadlines by which Sudberry shall submit documentation that all conditions precedent to the close of escrow for the Phase 1 Closing and for the Phase 2 Closing have been satisfied, (ii) the deadlines by which the Phase 1 Closing Date and the Phase 2 Closing Date shall occur (*which extension would exceed the period of extensions authorized by the DDA for Executive Director/City Manager administrative approval of extensions of the Closing Dates*), (iii) the deadlines by which the completion of construction of the Phase 1 Improvements shall occur, and (iv) the deadlines by which the commencement and completion of construction of the Phase 2 Improvements shall occur.

Further, the City and Successor Agency's extension of dates and deadlines in the DDA and the SOP are consistent with the approvals of the City Council, Successor Agency, and Oversight Board as set forth in Resolution No. 2012-7243, Resolution No. SA-12-15, and Resolution No. OB-12-10, respectively, for the purposes of implementing the Project and effectuating the DDA and the approvals set forth in these Resolutions. Thus, this action has been previously

authorized by said Resolutions and would be taken in furtherance of implementing the Project and the DDA as approved by the City Council, Successor Agency and Oversight Board. Such prior approvals of the Oversight Board were not reviewed or objected to by the DOF or challenged within the time periods provided by the Dissolution Act.

SUMMARY OF THE BENEFITS OF THE PROJECT

As specified in more detail in the staff report and exhibits to the August 15, 2012 and December 5, 2012 City Council/Successor Agency agenda items approving the terms of the DDA and other actions (such staff report and exhibits are hereby incorporated by reference) and approving extension of dates and deadlines, transfer of the Property from the City to the Successor Agency and assignment of the DDA from the City to the Successor Agency, the development of the Property in accordance with the terms of the DDA would generate substantial short-term and long-term economic benefits not only to the City, but also to the State and all other affected taxing entities. The Project is not only projected to generate an annual and on-going flow of sales tax to both the State and the City, but it will also generate annual and on-going property tax to all affected taxing entities. Development of the Property in accordance with the DDA will also provide significant State and Federal economic benefits from income taxes generated through construction-related and full-time jobs both during construction and from the long-term operation of the Project.

Additionally, an appraisal dated July 10, 2012, determined that, given the significant physical and other constraints necessary to prepare the Property for development, the Property had “nominal value.” An updated appraisal dated September 10, 2013, determined the value of the property to have increased only slightly since then to \$213,000 (rounded from \$212,849). Given this relatively low value, the economic benefits derived from development of the Property by Sudberry in accordance with the terms of the DDA would far surpass what might be obtained by sale of the Property in its current condition. In fact, given the afore-mentioned physical site constraints, together with the lengthy and expensive entitlement process any future owner of the Property would have to pursue, it is unlikely that the Property would be developed for another several years at least, resulting in little to no long-term economic benefits. Finally, what should not be overlooked is the potential catalytic benefit this type of development can have throughout the City. Projects of this size and quality typically result in improvements to adjacent and nearby properties. To that end, speculation and interest in nearby properties has already been noted, as have inquiries by other existing and potential property owners eager to see this Property developed as contemplated by the DDA.

ENVIRONMENTAL DETERMINATION:

A Mitigated Negative Declaration (MND) was prepared for the Project, routed for public review and submitted to the State Clearinghouse (SCH #2011111018) for agency review pursuant to the provisions of the California Environmental Quality Act (“CEQA”). The City Council of the City, as lead agency, approved and certified the information contained in the Final MND for the Project on December 14, 2011, which included mitigation measures that will avoid or reduce all potentially significant environmental effects to below a level of significance. This activity has been determined to be adequately addressed in the Final MND for the Project, and there is no substantial change in circumstances, new information of substantial importance, or project changes which would warrant additional environmental review; therefore, no further environmental review is required under the CEQA pursuant to State CEQA Guidelines Section 15162.

RECOMMENDATION:

Staff recommends that the City Council of the City of Imperial Beach adopt Resolution No. 2013-7391 and that the Imperial Beach Redevelopment Agency Successor Agency adopt Resolution No. SA-13-30 approving an extension of various dates and deadlines in the DDA by a Letter Agreement.

Attachments:

1. Resolution No. 2013-7391
2. Resolution No. SA-13-31
3. Letter Agreement Dated September __, 2013

RESOLUTION NO. 2013-7391

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF IMPERIAL BEACH APPROVING AN EXTENSION OF VARIOUS DATES AND DEADLINES IN THE DISPOSITION AND DEVELOPMENT AGREEMENT (DDA) WITH SUDBERRY-PALM AVENUE LLC BY LETTER AGREEMENT

WHEREAS, the City of Imperial Beach (the "City") entered into that certain Disposition and Development Agreement with Sudberry-Palm Avenue LLC, a California limited liability company (the "Developer") dated December 14, 2011 (the "DDA") for the development of (i) a privately owned "town center" of new construction combining retail with commercial space in a pedestrian-friendly environment, consisting of approximately 46,200 square feet of building area in seven (7) buildings (designated as Parcels A through G), surface parking consisting of approximately 238 parking stalls, landscaping, hardscaping, lighting, driveways, and related improvements (defined in the DDA as the "Private Improvements"), and (ii) certain off-site public improvements, including without limitation intersection improvements at Delaware Avenue, Palm Avenue and State Route 75 and all associated improvements, curb, gutter, landscaping, traffic signal, alley and undergrounding improvements required for the Project, and any other Cal-Trans requirements (defined in the DDA as the "Public Improvements"), (the Private Improvements and the Public Improvements are collectively defined as the "Project"); and

WHEREAS, the DDA was amended by that certain "Letter Agreement" entered into by the City and the Developer and dated March 15, 2012, and further amended by that certain "Memorandum of Agreement Regarding Ninth Street Improvements and Funding for Site Preparation Design Work" entered into by the City and the Developer and dated August 10, 2012, and further amended by that certain second "Letter Agreement" entered into by the City and the Developer and dated December 20, 2012 (the "Second Extension Letter Agreement"), all collectively referred to herein as the "DDA" and incorporated herein by this reference; and

WHEREAS, the DDA pertains to that certain real property constituting two (2) parcels formerly owned by the former Imperial Beach Redevelopment Agency (the "Former Agency") and conveyed to the City for development of the Project (Parcels A - Assessor Parcel Number: 626-250-03, and Parcel B - Assessor Parcel Number 626-250-04 Thru 06) and additional land vacated by the City comprising in total approximately 4.75 acres located generally at the south side of Palm Avenue (State Route 75), between 7th Street and 9th Street, Imperial Beach, California and (defined collectively in the DDA as the "Site");

WHEREAS, the DDA contemplates the disposition of the Site to the Developer for the development of the Project pursuant to the DDA; and

WHEREAS, the DDA further contemplates the City's retention and ownership of the Public Improvements to be constructed on and off the Site pursuant to the DDA; and

WHEREAS, Assembly Bill No. X1 26 (2011-2012 1st Ex. Sess.) ("AB 26" or the "Dissolution Act") was signed by the Governor of California on June 28, 2011, making certain changes to the California Community Redevelopment Law (Part 1 (commencing with Section 33000) of Division 24 of the California Health and Safety Code) (the "Redevelopment Law") and the California Health and Safety Code (the "Health and Safety Code"), including adding Part 1.8 (commencing with Section 34161) and Part 1.85 (commencing with Section 34170) ("Part 1.85") to Division 24 of the Health and Safety Code; and

WHEREAS, on December 29, 2011, the California Supreme Court delivered its decision in *California Redevelopment Association v. Matosantos*, finding the Dissolution Act largely constitutional and reformed certain deadlines set forth in the Dissolution Act; and

WHEREAS, under the Dissolution Act and the California Supreme Court's decision in *California Redevelopment Association v. Matosantos*, all California redevelopment agencies, including the Former Agency, were dissolved on February 1, 2012, and successor agencies were designated and vested with the responsibility of paying, performing and enforcing the enforceable obligations of the former redevelopment agencies and expeditiously winding down the business and fiscal affairs of the former redevelopment agencies, including without limitation liquidating and disposing of real property owned by the former redevelopment agencies; and

WHEREAS, on January 5, 2012, the City Council (the "City Council") of the City adopted Resolution No. 2012-7136 accepting for the City the role of Successor Agency to the Former Agency (the "Successor Agency") pursuant to Part 1.85 of the Dissolution Act; and

WHEREAS, under the Dissolution Act, each Successor Agency shall have an oversight board with fiduciary responsibilities to holders of enforceable obligations and the taxing entities that benefit from distributions of property taxes and other revenues pursuant to Health and Safety Code Section 34188; and

WHEREAS, the oversight board has been established for the Successor Agency (hereinafter referred to as the "Oversight Board") and all seven (7) members have been appointed to the Oversight Board pursuant to Health and Safety Code Section 34179. The duties and responsibilities of the Oversight Board are primarily set forth in Health and Safety Code Sections 34179 through 34181 of the Dissolution Act; and

WHEREAS, on March 15, 2012, in order to implement the Project and provide the parties with additional time within which to perform certain obligations and to exercise certain rights under the DDA in light of the Dissolution Act, the City and Sudberry mutually agreed to extend certain dates and deadlines set forth in the DDA and the Schedule of Performance (Attachment No. 5 to the DDA) by nine (9) months; and

WHEREAS, the Dissolution Act was amended when the Governor signed Assembly Bill No. 1484 ("AB 1484") on June 27, 2012 (reference hereinafter to the Dissolution Act means AB 26 as amended by AB 1484); and

WHEREAS, on August 15, 2012, the Successor Agency adopted Resolution No. SA-12-15 which approved, among other actions, (i) the terms of the DDA between the City and the Developer, (ii) the sale and conveyance of the Site to the Developer pursuant to the terms of the DDA for development of the Project; (iii) the City's retention and ownership of the Public Improvements constructed as part of the Project; and (iv) the City's transfer to the Successor Agency of the residual proceeds received from the sale of the Site to the Developer for the Successor Agency's use and distribution for approved development projects or to otherwise wind down the affairs of the Former Agency pursuant to Health and Safety Code Section 34177(e) of the Dissolution Act. In addition, the Successor Agency authorized and directed the Executive Director of the Successor Agency, or his or her designee, and the City Manager, or his designee, to take all actions and sign any and all documents necessary to implement and effectuate the DDA and the actions approved by Resolution No. SA-12-15 including, without limitation, approving extensions of deadlines set forth in the DDA and the Schedule of Performance as determined necessary by the City Manager, or his designee, under the DDA,

approving amendments to the DDA and its Attachments as determined necessary by the City Manager, or his designee, to effectuate the DDA, executing documents on behalf of the Successor Agency and City (including, without limitation, grant deeds and quitclaim deeds), and administering the Successor Agency's and City's obligations, responsibilities and duties to be performed pursuant to such Resolution; and

WHEREAS, on August 15, 2012, the City Council adopted Resolution No. 2012-7243 which approved, subject to certain conditions, the City's transfer to the Successor Agency of the residual proceeds of the sale of the Site under the terms of the DDA. In addition, provided that all required conditions were satisfied, the City Council authorized and directed the Executive Director of the Successor Agency, or his designee, and the City Manager, or his designee, to take all actions and sign any and all documents necessary to implement and effectuate the DDA and the actions approved by Resolution No. 2012-7243 including, without limitation, approving extensions of deadlines set forth in the DDA and the Schedule of Performance as determined necessary by the City Manager, or his designee, under the DDA, approving amendments to the DDA and its Attachments as determined necessary by the City Manager, or his designee, to effectuate the DDA, executing documents on behalf of the Successor Agency and City (including, without limitation, grant deeds and quitclaim deeds), and administering the Successor Agency's and City's obligations, responsibilities and duties to be performed pursuant to such Resolution; and

WHEREAS, pursuant to the Dissolution Act, the Successor Agency submitted its approvals and actions taken pursuant to Resolution No. SA-12-15 to the Oversight Board to seek its approval of the terms of the DDA and other actions, and published prior notice of such Oversight Board actions in a newspaper at least ten (10) days prior to the Oversight Board's consideration of such actions. On September 12, 2012, the Oversight Board approved all of the same actions approved by the Successor Agency as described above, by its adoption of Resolution No. OB-12-10; and

WHEREAS, pursuant to the Dissolution Act, Successor Agency staff then submitted notice of the Oversight Board's adoption of Resolution No. OB-12-10, and approvals therein, to the State Department of Finance (DOF), in addition to submitting notice of such actions to the County of San Diego and other agencies; and

WHEREAS, Health and Safety Code Section 34179(h) of the Dissolution Act provides that the DOF may review such Oversight Board actions, and that such Oversight Board actions shall become effective five (5) business days after notice to the DOF in the manner specified by the DOF is provided unless the DOF requests a review. The DOF never requested review of the Oversight Board actions taken pursuant to Resolution No. OB-12-10 within the statutory review period. Therefore, in accordance with Health and Safety Code Section 34179(h) of the Dissolution Act, the Oversight Board approvals set forth in Resolution No. OB-12-10 are considered effective; and

WHEREAS, additionally, in connection with the Oversight Board actions pertaining to the Site and asset dispositions, Health and Safety Code Section 34181(f) of the Dissolution Act provides in pertinent part that the Oversight Board actions shall be subject to review by the DOF pursuant to Health and Safety Code Section 34179 of the Dissolution Act except that the DOF may extend its review period from forty (40) days by up to sixty (60) days, and that if the DOF does not object to such actions, and if no action challenging such actions is commenced within sixty (60) days of the approval of the actions by the Oversight Board, then the actions of the Oversight Board shall be considered final and "can be relied upon as conclusive by any person."

The DOF never requested review of the Oversight Board actions taken pursuant to Resolution No. OB-12-10 within the statutory review period and no action challenging such Oversight Board actions was commenced within 60 days of September 12, 2012, the date of the Oversight Board's approval of Resolution No. OB-12-10. Therefore, in accordance with Health and Safety Code Section 34181(f) of the Dissolution Act, the Oversight Board approvals set forth in Resolution No. OB-12-10 are considered final and can be relied on as conclusive by any person; and

WHEREAS, on December 5, 2012, the City Council and Successor Agency adopted Resolution Nos. 2012-7282 and SA-12-19, respectively, approving, among other actions, extensions of various dates and deadlines in the DDA for an additional nine (9) months. Also authorized by Resolution Nos. 2012-7282 and SA-12-19 was an Assignment and Assumption Agreement assigning all of the City's rights, interest and obligations under the DDA, including all Attachments and agreements entered into by the City pursuant to the DDA, and for the Successor Agency's acceptance of the assignment and assumption of all rights, interest and obligations, subject to the terms of the Assignment and Assumption Agreement. In addition, the proposed Assignment and Assumption Agreement released and relieved the City of the performance of all terms, covenants, and conditions on the part of the City to be performed under the DDA except for the financial obligations to provide up to \$2.2 Million to pay or reimburse Sudberry for the cost of the plans, permitting, construction and installation of the public improvements as part of the Project from the funds received by the City from the Former Agency pursuant to the Cooperation Agreement, as long as the City has possession of these funds; and

WHEREAS, on December 20, 2012, in order to implement the Project and provide the parties with additional time within which to perform certain obligations and to exercise certain rights under the DDA in light of the Dissolution Act, the City and Sudberry mutually agreed to extend certain dates and deadlines set forth in the DDA and the Schedule of Performance (Attachment No. 5 to the DDA) by an additional nine (9) months; and

WHEREAS, on December 27, 2012, the Assignment and Assumption Agreement was executed by the City and the Successor Agency. Also authorized by Resolution Nos. 2012-7282 and SA-12-19 adopted on December 5, 2013, was the transfer by the City to the Successor Agency of the Site. This transfer was completed by execution of a Quitclaim Deed on December 27, 2012, which was then recorded on January 17, 2013; and

WHEREAS, the DDA, including the Schedule of Performance ("SOP") (Attachment No. 5 to the DDA), contains various dates and deadlines for the performance of obligations and the exercise of rights by the City and the Developer, respectively, set forth in the DDA. Due to delays in implementation of the Project caused by issues relating to the Dissolution Act and proceedings pursuant thereto, staff is recommending that the City Council authorize the City Manager to execute a third Letter Agreement with the Developer that will further extend various dates and deadlines in the DDA, including certain dates and deadlines set forth in the SOP, as determined necessary by the City Manager by an additional nine (9) months. Such extension will implement the Project and provide the parties with additional time within which to perform certain obligations and to exercise certain rights under the DDA in light of the Dissolution Act. The Developer has verbally agreed to such extensions and to executing the proposed third Letter Agreement; and

WHEREAS, the proposed extension of dates and deadlines in the DDA, including the SOP, is consistent with the approvals of the City Council, Successor Agency, and Oversight

Board as set forth in Resolution No. 2012-7243, Resolution No. SA-12-15, and Resolution No. OB-12-10, respectively, for the purposes of implementing the Project and effectuating the DDA and the approvals set forth in these Resolutions. Thus, these actions have been previously authorized by these Resolutions and would be taken to further implement the Project and the DDA as approved by the City Council, Successor Agency and Oversight Board. These prior approvals of the Oversight Board were not reviewed or objected to by the DOF or challenged within the time periods provided by the Dissolution Act; and

WHEREAS, a Mitigated Negative Declaration (MND) was prepared for the Project, routed for public review and submitted to the State Clearinghouse (SCH #2011111018) for agency review pursuant to the provisions of the California Environmental Quality Act ("CEQA"). The City Council of the City, as lead agency, approved and certified the information contained in the Final MND for the Project on December 14, 2011, which included mitigation measures that will avoid or reduce all potentially significant environmental effects to below a level of significance. This activity has been determined to be adequately addressed in the Final MND for the Project, and there is no substantial change in circumstances, new information of substantial importance, or project changes which would warrant additional environmental review; therefore, no further environmental review is required under the CEQA pursuant to State CEQA Guidelines Section 15162.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Imperial Beach as follows:

- Section 1:** The foregoing recitals are true and correct and are a substantive part of this Resolution.
- Section 2:** The City Council hereby approves the extension of various dates and deadlines set forth in the DDA, including certain dates and deadlines set forth in the Schedule of Performance ("SOP") (Attachment No. 5 to the DDA), as determined necessary by the City Manager by an additional nine (9) months. Further, the City Council authorizes the City Manager, or his designee, to execute a Letter Agreement, in the form as approved by the City Manager and the City Attorney, to extend such dates and deadlines as determined necessary by the City Manager by an additional nine (9) months, in accordance with this Resolution.
- Section 3:** The City Council hereby authorizes the City Manager to take such other actions and execute such other documents as are necessary to effectuate the intent and terms of this Resolution.
- Section 4:** The adoption of this Resolution and actions approved and taken pursuant to this Resolution are not intended to waive, and shall not constitute a waiver, by the City and/or the Successor Agency of any constitutional, legal and/or equitable rights that the City and/or the Successor Agency may have under law and/or in equity, relating to the effectiveness of the DDA or previous actions taken with respect to the DDA, or to challenge, through administrative or judicial proceedings, the effectiveness and/or legality of all or any portion of AB 26/AB 1484, any determinations rendered or actions or omissions to act by any public agency or government entity or division in the implementation of AB 26/AB 1484, and any and all related legal and factual issues, and the City expressly

reserves any and all such rights, privileges, and defenses available under law and in equity.

Section 5: A Mitigated Negative Declaration (MND) was prepared for the Project, routed for public review and submitted to the State Clearinghouse (SCH #2011111018) for agency review pursuant to the provisions of the California Environmental Quality Act ("CEQA"). The City Council of the City, as lead agency, approved and certified the information contained in the Final MND for the Project on December 14, 2011, which included mitigation measures that will avoid or reduce all potentially significant environmental effects to below a level of significance. This activity has been determined to be adequately addressed in the Final MND for the Project, and there is no substantial change in circumstances, new information of substantial importance, or project changes which would warrant additional environmental review; therefore, no further environmental review is required under the CEQA pursuant to State CEQA Guidelines Section 15162.

PASSED, APPROVED, AND ADOPTED by the City of Imperial Beach at its meeting held on the 18th day of September 2013, by the following vote:

AYES: COUNCILMEMBERS:
NOES: COUNCILMEMBERS:
ABSENT: COUNCILMEMBERS:

JAMES C. JANNEY, MAYOR

ATTEST:

JACQUELINE M. HALD, MMC
CITY CLERK

RESOLUTION NO. SA-13-31

RESOLUTION OF THE IMPERIAL BEACH REDEVELOPMENT AGENCY SUCCESSOR AGENCY APPROVING AN EXTENSION OF VARIOUS DATES AND DEADLINES IN THE DISPOSITION AND DEVELOPMENT AGREEMENT (DDA) WITH SUDBERRY-PALM AVENUE LLC BY LETTER AGREEMENT

WHEREAS, the City of Imperial Beach (the "City") entered into that certain Disposition and Development Agreement with Sudberry-Palm Avenue LLC, a California limited liability company (the "Developer") dated December 14, 2011 (the "DDA") for the development of (i) a privately owned "town center" of new construction combining retail with commercial space in a pedestrian-friendly environment, consisting of approximately 46,200 square feet of building area in seven (7) buildings (designated as Parcels A through G), surface parking consisting of approximately 238 parking stalls, landscaping, hardscaping, lighting, driveways, and related improvements (defined in the DDA as the "Private Improvements"), and (ii) certain off-site public improvements, including without limitation intersection improvements at Delaware Avenue, Palm Avenue and State Route 75 and all associated improvements, curb, gutter, landscaping, traffic signal, alley and undergrounding improvements required for the Project, and any other Cal-Trans requirements (defined in the DDA as the "Public Improvements"), (the Private Improvements and the Public Improvements are collectively defined as the "Project"); and

WHEREAS, the DDA was amended by that certain "Letter Agreement" entered into by the City and the Developer and dated March 15, 2012, and further amended by that certain "Memorandum of Agreement Regarding Ninth Street Improvements and Funding for Site Preparation Design Work" entered into by the City and the Developer and dated August 10, 2012, and further amended by that certain second "Letter Agreement" entered into by the City and the Developer and dated December 20, 2012 (the "Second Extension Letter Agreement"), all collectively referred to herein as the "DDA" and incorporated herein by this reference; and

WHEREAS, the DDA pertains to that certain real property constituting two (2) parcels formerly owned by the former Imperial Beach Redevelopment Agency (the "Former Agency") and conveyed to the City for development of the Project (Parcels A - Assessor Parcel Number: 626-250-03, and Parcel B - Assessor Parcel Number 626-250-04 Thru 06) and additional land vacated by the City comprising in total approximately 4.75 acres located generally at the south side of Palm Avenue (State Route 75), between 7th Street and 9th Street, Imperial Beach, California and (defined collectively in the DDA as the "Site");

WHEREAS, the DDA contemplates the disposition of the Site to the Developer for the development of the Project pursuant to the DDA; and

WHEREAS, the DDA further contemplates the City's retention and ownership of the Public Improvements to be constructed on and off the Site pursuant to the DDA; and

WHEREAS, Assembly Bill No. X1 26 (2011-2012 1st Ex. Sess.) ("AB 26" or the "Dissolution Act") was signed by the Governor of California on June 28, 2011, making certain changes to the California Community Redevelopment Law (Part 1 (commencing with Section 33000) of Division 24 of the California Health and Safety Code) (the "Redevelopment Law") and the California Health and Safety Code (the "Health and Safety Code"), including adding Part 1.8 (commencing with Section 34161) and Part 1.85 (commencing with Section 34170) ("Part 1.85") to Division 24 of the Health and Safety Code; and

WHEREAS, on December 29, 2011, the California Supreme Court delivered its decision in *California Redevelopment Association v. Matosantos*, finding the Dissolution Act largely

constitutional and reformed certain deadlines set forth in the Dissolution Act; and

WHEREAS, under the Dissolution Act and the California Supreme Court's decision in *California Redevelopment Association v. Matosantos*, all California redevelopment agencies, including the Former Agency, were dissolved on February 1, 2012, and successor agencies were designated and vested with the responsibility of paying, performing and enforcing the enforceable obligations of the former redevelopment agencies and expeditiously winding down the business and fiscal affairs of the former redevelopment agencies, including without limitation liquidating and disposing of real property owned by the former redevelopment agencies; and

WHEREAS, on January 5, 2012, the City Council (the "City Council") of the City adopted Resolution No. 2012-7136 accepting for the City the role of Successor Agency to the Former Agency (the "Successor Agency") pursuant to Part 1.85 of the Dissolution Act; and

WHEREAS, under the Dissolution Act, each Successor Agency shall have an oversight board with fiduciary responsibilities to holders of enforceable obligations and the taxing entities that benefit from distributions of property taxes and other revenues pursuant to Health and Safety Code Section 34188; and

WHEREAS, the oversight board has been established for the Successor Agency (hereinafter referred to as the "Oversight Board") and all seven (7) members have been appointed to the Oversight Board pursuant to Health and Safety Code Section 34179. The duties and responsibilities of the Oversight Board are primarily set forth in Health and Safety Code Sections 34179 through 34181 of the Dissolution Act; and

WHEREAS, on March 15, 2012, in order to implement the Project and provide the parties with additional time within which to perform certain obligations and to exercise certain rights under the DDA in light of the Dissolution Act, the City and Sudberry mutually agreed to extend certain dates and deadlines set forth in the DDA and the Schedule of Performance (Attachment No. 5 to the DDA) by nine (9) months; and

WHEREAS, the Dissolution Act was amended when the Governor signed Assembly Bill No. 1484 ("AB 1484") on June 27, 2012 (reference hereinafter to the Dissolution Act means AB 26 as amended by AB 1484); and

WHEREAS, on August 15, 2012, the Successor Agency adopted Resolution No. SA-12-15 which approved, among other actions, (i) the terms of the DDA between the City and the Developer, (ii) the sale and conveyance of the Site to the Developer pursuant to the terms of the DDA for development of the Project; (iii) the City's retention and ownership of the Public Improvements constructed as part of the Project; and (iv) the City's transfer to the Successor Agency of the residual proceeds received from the sale of the Site to the Developer for the Successor Agency's use and distribution for approved development projects or to otherwise wind down the affairs of the Former Agency pursuant to Health and Safety Code Section 34177(e) of the Dissolution Act. In addition, the Successor Agency authorized and directed the Executive Director of the Successor Agency, or his or her designee, and the City Manager, or his designee, to take all actions and sign any and all documents necessary to implement and effectuate the DDA and the actions approved by Resolution No. SA-12-15 including, without limitation, approving extensions of deadlines set forth in the DDA and the Schedule of Performance as determined necessary by the City Manager, or his designee, under the DDA, approving amendments to the DDA and its Attachments as determined necessary by the City Manager, or his designee, to effectuate the DDA, executing documents on behalf of the Successor Agency and City (including, without limitation, grant deeds and quitclaim deeds), and administering the Successor Agency's and City's obligations, responsibilities and duties to be performed pursuant to such Resolution; and

WHEREAS, on August 15, 2012, the City Council adopted Resolution No. 2012-7243 which approved, subject to certain conditions, the City's transfer to the Successor Agency of the residual proceeds of the sale of the Site under the terms of the DDA. In addition, provided that all required conditions were satisfied, the City Council authorized and directed the Executive Director of the Successor Agency, or his designee, and the City Manager, or his designee, to take all actions and sign any and all documents necessary to implement and effectuate the DDA and the actions approved by Resolution No. 2012-7243 including, without limitation, approving extensions of deadlines set forth in the DDA and the Schedule of Performance as determined necessary by the City Manager, or his designee, under the DDA, approving amendments to the DDA and its Attachments as determined necessary by the City Manager, or his designee, to effectuate the DDA, executing documents on behalf of the Successor Agency and City (including, without limitation, grant deeds and quitclaim deeds), and administering the Successor Agency's and City's obligations, responsibilities and duties to be performed pursuant to such Resolution; and

WHEREAS, pursuant to the Dissolution Act, the Successor Agency submitted its approvals and actions taken pursuant to Resolution No. SA-12-15 to the Oversight Board to seek its approval of the terms of the DDA and other actions, and published prior notice of such Oversight Board actions in a newspaper at least ten (10) days prior to the Oversight Board's consideration of such actions. On September 12, 2012, the Oversight Board approved all of the same actions approved by the Successor Agency as described above, by its adoption of Resolution No. OB-12-10; and

WHEREAS, pursuant to the Dissolution Act, Successor Agency staff then submitted notice of the Oversight Board's adoption of Resolution No. OB-12-10, and approvals therein, to the State Department of Finance (DOF), in addition to submitting notice of such actions to the County of San Diego and other agencies; and

WHEREAS, Health and Safety Code Section 34179(h) of the Dissolution Act provides that the DOF may review such Oversight Board actions, and that such Oversight Board actions shall become effective five (5) business days after notice to the DOF in the manner specified by the DOF is provided unless the DOF requests a review. The DOF never requested review of the Oversight Board actions taken pursuant to Resolution No. OB-12-10 within the statutory review period. Therefore, in accordance with Health and Safety Code Section 34179(h) of the Dissolution Act, the Oversight Board approvals set forth in Resolution No. OB-12-10 are considered effective; and

WHEREAS, additionally, in connection with the Oversight Board actions pertaining to the Site and asset dispositions, Health and Safety Code Section 34181(f) of the Dissolution Act provides in pertinent part that the Oversight Board actions shall be subject to review by the DOF pursuant to Health and Safety Code Section 34179 of the Dissolution Act except that the DOF may extend its review period from forty (40) days by up to sixty (60) days, and that if the DOF does not object to such actions, and if no action challenging such actions is commenced within sixty (60) days of the approval of the actions by the Oversight Board, then the actions of the Oversight Board shall be considered final and "can be relied upon as conclusive by any person." The DOF never requested review of the Oversight Board actions taken pursuant to Resolution No. OB-12-10 within the statutory review period and no action challenging such Oversight Board actions was commenced within 60 days of September 12, 2012, the date of the Oversight Board's approval of Resolution No. OB-12-10. Therefore, in accordance with Health and Safety Code Section 34181(f) of the Dissolution Act, the Oversight Board approvals set forth in Resolution No. OB-12-10 are considered final and can be relied on as conclusive by any person; and

WHEREAS, on December 5, 2012, the City Council and Successor Agency adopted Resolution Nos. 2012-7282 and SA-12-19, respectively, approving, among other actions,

extensions of various dates and deadlines in the DDA for an additional nine (9) months. Also authorized by Resolution Nos. 2012-7282 and SA-12-19 was an Assignment and Assumption Agreement assigning all of the City's rights, interest and obligations under the DDA, including all Attachments and agreements entered into by the City pursuant to the DDA, and for the Successor Agency's acceptance of the assignment and assumption of all rights, interest and obligations, subject to the terms of the Assignment and Assumption Agreement. In addition, the proposed Assignment and Assumption Agreement released and relieved the City of the performance of all terms, covenants, and conditions on the part of the City to be performed under the DDA except for the financial obligations to provide up to \$2.2 Million to pay or reimburse Sudberry for the cost of the plans, permitting, construction and installation of the public improvements as part of the Project from the funds received by the City from the Former Agency pursuant to the Cooperation Agreement, as long as the City has possession of these funds; and

WHEREAS, on December 20, 2012, in order to implement the Project and provide the parties with additional time within which to perform certain obligations and to exercise certain rights under the DDA in light of the Dissolution Act, the City and Sudberry mutually agreed to extend certain dates and deadlines set forth in the DDA and the Schedule of Performance (Attachment No. 5 to the DDA) by an additional nine (9) months; and

WHEREAS, on December 27, 2012, the Assignment and Assumption Agreement was executed by the City and the Successor Agency. Also authorized by Resolution Nos. 2012-7282 and SA-12-19 adopted on December 5, 2013, was the transfer by the City to the Successor Agency of the Site. This transfer was completed by execution of a Quitclaim Deed on December 27, 2012, which was then recorded on January 17, 2013; and

WHEREAS, the DDA, including the Schedule of Performance ("SOP") (Attachment No. 5 to the DDA), contains various dates and deadlines for the performance of obligations and the exercise of rights by the City and the Developer, respectively, set forth in the DDA. Due to delays in implementation of the Project caused by issues relating to the Dissolution Act and proceedings pursuant thereto, staff is recommending that the Successor Agency authorize the Executive Director of the Successor Agency to execute a third Letter Agreement with the Developer that will further extend various dates and deadlines in the DDA, including certain dates and deadlines set forth in the SOP, as determined necessary by the Executive Director by an additional nine (9) months. Such extension will implement the Project and provide the parties with additional time within which to perform certain obligations and to exercise certain rights under the DDA in light of the Dissolution Act. The Developer has verbally agreed to such extensions and to executing the proposed third Letter Agreement; and

WHEREAS, the proposed extension of dates and deadlines in the DDA, including the SOP, is consistent with the approvals of the City Council, Successor Agency, and Oversight Board as set forth in Resolution No. 2012-7243, Resolution No. SA-12-15, and Resolution No. OB-12-10, respectively, for the purposes of implementing the Project and effectuating the DDA and the approvals set forth in these Resolutions. Thus, these actions have been previously authorized by these Resolutions and would be taken to further implement the Project and the DDA as approved by the City Council, Successor Agency and Oversight Board. These prior approvals of the Oversight Board were not reviewed or objected to by the DOF or challenged within the time periods provided by the Dissolution Act; and

WHEREAS, a Mitigated Negative Declaration (MND) was prepared for the Project, routed for public review and submitted to the State Clearinghouse (SCH #2011111018) for agency review pursuant to the provisions of the California Environmental Quality Act ("CEQA"). The City Council of the City, as lead agency, approved and certified the information contained in the Final MND for the Project on December 14, 2011, which included mitigation measures that will avoid or reduce all

potentially significant environmental effects to below a level of significance. This activity has been determined to be adequately addressed in the Final MND for the Project, and there is no substantial change in circumstances, new information of substantial importance, or project changes which would warrant additional environmental review; therefore, no further environmental review is required under the CEQA pursuant to State CEQA Guidelines Section 15162.

NOW, THEREFORE, BE IT RESOLVED by the Imperial Beach Redevelopment Agency Successor Agency, as follows:

- Section 1:** The foregoing recitals are true and correct and are a substantive part of this Resolution.
- Section 2:** The Successor Agency hereby approves the extension of various dates and deadlines set forth in the DDA, including certain dates and deadlines set forth in the Schedule of Performance ("SOP") (Attachment No. 5 to the DDA), as determined necessary by the Executive Director by an additional nine (9) months. Further, the Successor Agency authorizes the Executive Director, or his designee, to execute a Letter Agreement, in the form as approved by the Executive Director and the City Attorney, to extend such dates and deadlines as determined necessary by the Executive Director by an additional nine (9) months, in accordance with this Resolution.
- Section 3:** The Successor Agency hereby authorizes the Executive Director to take such other actions and execute such other documents as are necessary to effectuate the intent and terms of this Resolution.
- Section 4:** The adoption of this Resolution and actions approved and taken pursuant to this Resolution are not intended to waive, and shall not constitute a waiver, by the City and/or the Successor Agency of any constitutional, legal and/or equitable rights that the City and/or the Successor Agency may have under law and/or in equity, relating to the effectiveness of the DDA or previous actions taken with respect to the DDA, or to challenge, through administrative or judicial proceedings, the effectiveness and/or legality of all or any portion of AB 26/AB 1484, any determinations rendered or actions or omissions to act by any public agency or government entity or division in the implementation of AB 26/AB 1484, and any and all related legal and factual issues, and the City expressly reserves any and all such rights, privileges, and defenses available under law and in equity.
- Section 5:** A Mitigated Negative Declaration (MND) was prepared for the Project, routed for public review and submitted to the State Clearinghouse (SCH #2011111018) for agency review pursuant to the provisions of the California Environmental Quality Act ("CEQA"). The City Council of the City, as lead agency, approved and certified the information contained in the Final MND for the Project on December 14, 2011, which included mitigation measures that will avoid or reduce all potentially significant environmental effects to below a level of significance. This activity has been determined to be adequately addressed in the Final MND for the Project, and there is no substantial change in circumstances, new information of substantial importance, or project changes which would warrant additional environmental review; therefore, no further environmental review is required under the CEQA pursuant to State CEQA Guidelines Section 15162.

PASSED, APPROVED, AND ADOPTED by the Imperial Beach Redevelopment Agency
Successor Agency at its meeting held on the 18th day of September 2013, by the following vote:

AYES: BOARDMEMBERS:
NOES: BOARDMEMBERS:
ABSENT: BOARDMEMBERS:

JAMES C. JANNEY
CHAIRPERSON

ATTEST:

JACQUELINE M. HALD, MMC
SECRETARY



City of Imperial Beach, California

OFFICE OF THE CITY MANAGER

825 Imperial Beach Blvd., Imperial Beach, CA 91932 Tel: (619) 423-8303 Fax: (619) 628-1395

September ____, 2013

Via Electronic Mail and Certified Mail, Return Receipt Requested

Mr. Colton T. Sudberry
Sudberry-Palm Avenue LLC
c/o Sudberry Properties
5465 Morehouse Drive; Suite 260
San Diego, California 92121

RE: 9th and Palm Avenue Project; Third Extension of Deadlines Set forth in DDA and Schedule of Performance

Dear Mr. Sudberry:

As you know, Sudberry-Palm Avenue LLC (the "Developer") and the City of Imperial Beach (the "City") entered into that certain Disposition and Development Agreement dated for identification purposes as of December 14, 2011, which was amended by that certain "Letter Agreement" entered into by the City and the Developer and dated March 15, 2012 (the "First Extension Letter Agreement"), as further amended by that certain "Memorandum of Agreement Regarding Ninth Street Improvements and Funding for Site Preparation Design Work" entered into by the City and the Developer and dated August 10, 2012, and as further amended by that certain second "Letter Agreement" entered into by the City and the Developer and dated December 20, 2012 (the "Second Extension Letter Agreement"), all collectively referred to herein as the "DDA" and incorporated herein by this reference.

The DDA was subsequently assigned to the Imperial Beach Redevelopment Agency Successor Agency (the "Successor Agency") on December 27, 2012. The Successor Agency currently owns the real property which is the subject of the DDA and described in the DDA as the "Site", and is currently in negotiations with Developer to replace and substitute the DDA with a new Purchase and Sale Agreement.

The DDA provides, among other matters, for the sale to the Developer of the Site for the development of the Site by the Developer as a commercial/retail center, and for the development by the Developer of certain off-Site Public Improvements, as collectively described in the DDA as the "Project". Any capitalized term not otherwise defined in herein shall have the meaning ascribed to such term in the DDA.

The DDA and the Schedule of Performance, attached to the DDA as Attachment No. 5, require that certain rights of the parties be exercised and certain obligations of the parties

Mr. Colton T. Sudberry
Sudberry-Palm Avenue LLC
September _____, 2013
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be performed on or before certain specified dates or deadlines stated therein. Pursuant to the First Extension Letter Agreement, the City and the Developer mutually agreed to the extension of dates and deadlines set forth in the DDA and the Schedule of Performance, each by nine (9) consecutive months from the applicable date or deadline stated therein. Pursuant to the Second Extension Letter Agreement, the City and the Developer mutually agreed to the extension of four (4) dates and deadlines set forth in the DDA and the Schedule of Performance, each by an additional nine (9) consecutive months from the applicable date or deadline stated therein.

Although the parties have been working diligently to effectuate the DDA, the parties mutually recognize and agree that certain dates and deadlines by which such rights shall be exercised and such obligations shall be performed are quickly approaching.

To provide each of the parties additional time within which to exercise their respective rights and perform their respective obligations pursuant to the DDA and the Schedule of Performance, as extended by the First Extension Letter Agreement and the Second Extension Letter Agreement, the parties desire to further extend the following dates and deadlines (collectively referred to herein as the "Third Extended Dates and Deadlines") set forth in the DDA and the Schedule of Performance, each by an additional nine (9) consecutive months from the applicable date or deadline stated therein, as extended by the First Extension Letter Agreement and the Second Extension Letter Agreement:

- (a) The extended deadline of November 1, 2013 set forth in Section 606(c) of the DDA, by which the parties must negotiate, complete and approve final forms of the Attachments to the DDA for the Closing (the new 9 month extended date as a result of the Third Extended Dates and Deadlines will be **August 1, 2014**),
- (b) The extended date of October 1, 2013 set forth in Sections 208(aa) and 512(b) of the DDA, by which the Successor Agency may terminate the DDA with payment to the Developer of \$50,000 liquidated damages because of Project infeasibility (the new 9 month extended date as a result of the Third Extended Dates and Deadlines will be **July 1, 2014**),
- (c) The extended deadline of December 11, 2013 set forth in "Actions Relating to Design Requirements" - #3 of the Schedule of Performance, by which the Developer shall submit design development drawings and landscape and grading plans for the applicable Phase of the Project (the new 9 month extended date as a result of the Third Extended Dates and Deadlines will be **September 11, 2014**), and

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- (d) The extended deadline of January 1, 2014 set forth in Section 216(a)(3) of the DDA, by which the Developer may terminate the DDA if, based on evidentiary reports, the environmental condition of the Property is not suitable or economically feasible for development of Project (the new 9 month extended date as a result of the Third Extended Dates and Deadlines will be **October 1, 2014**).

The further extension of the Third Extended Dates and Deadlines (defined above) set forth in the DDA and the Schedule of Performance, by which the parties shall exercise their respective rights and perform their respective obligations, each by an additional nine (9) consecutive months from the applicable date or deadline stated therein, as extended by the First Extension Letter Agreement and Second Extension Letter Agreement, may be accomplished by the parties' execution of this Letter Agreement.

Section 602(b) of the DDA provides in pertinent part as follows: *"Times of performance under this Agreement may . . . be extended in writing by both the City and Developer."* In addition, Section 606(b) of the DDA provides in pertinent part as follows: *"Except as otherwise expressly provided in this Agreement, approvals required of the City shall be deemed granted by the written approval of the City Manager or designee."* In this regard, City Council Resolution No. 2011-7132 in which the City Council of the City approved the DDA provides in pertinent part as follows: *"The City Manager, or designee, is hereby authorized, on behalf of the City, subject to approval as to form by the City Attorney and Special Counsel, to make such changes to the attachments and provisions of the DDA, sign all documents and take such actions that as City Manager may determine are necessary and appropriate to carry out and implement the purposes of Agreement, and to administer the City's obligations, responsibilities and duties to be performed under the Agreement."* Due to the assignment of the DDA to the Successor Agency, references in the DDA to approvals by the City and City Manager were modified to be references to the Successor Agency and Successor Agency Executive Director. Successor Agency Resolution No. 12-15 in which the Successor Agency approved of the terms of the DDA, provides in pertinent part as follows: *"The Successor Agency hereby authorizes and directs the Executive Director of the Successor Agency, or his or her designee, and the City Manager, or his or her designee, to take all actions and sign any and all documents necessary to implement and effectuate the DDA and the actions approved by this Resolution including, without limitation, approving extensions of deadlines set forth in the DDA and the Schedule of Performance (Attachment No. 5 to the DDA) as determined necessary by the City Manager, or his or her designee, under the DDA, approving amendments to the DDA and its Attachments as determined necessary by the City Manager, or his or her designee, to effectuate the DDA, executing documents on behalf of the Successor Agency and City (including, without limitation, grant deeds and quitclaim deeds), and administering the Successor Agency's and City's obligations, responsibilities*

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and duties to be performed pursuant to this Resolution.” In addition, Successor Agency Resolution No. 12-19 in which the Successor Agency accepted and assumed the DDA, provides in pertinent part as follows: *“The Successor Agency hereby authorizes the Executive Director to take such other actions and execute such other documents as are necessary to effectuate the intent and terms of this Resolution.”*

Further, on September 18, 2013, the City Council of the City, by Resolution No. 2013-7391, specifically approved the extension of various dates and deadlines set forth in the DDA and the Schedule of Performance, as determined necessary by the City Manager, by an additional nine (9) months, and authorized the City Manager, or his designee, to execute this Letter Agreement to extend such dates and deadlines as determined necessary by the City Manager by an additional nine (9) months.

On September 18, 2013, the Successor Agency Board, by Resolution No. SA-13-31, specifically approved the extension of various dates and deadlines set forth in the DDA and the Schedule of Performance, as determined necessary by the Executive Director, by an additional nine (9) months, and authorized the Executive Director, or his designee, to execute this Letter Agreement to extend such dates and deadlines as determined necessary by the Executive Director by an additional nine (9) months.

Finally, the extension of dates and deadlines in the DDA and the Schedule of Performance are consistent with the approvals of the City Council, Imperial Beach Redevelopment Agency Successor Agency and its Oversight Board as set forth in Resolution No. 2012-7243, Resolution No. SA-12-15, and Resolution No. OB-12-10, respectively, for the purposes of implementing the Project and effectuating the DDA and the approvals set forth in those Resolutions.

The City Manager and Successor Agency Executive Director have determined it necessary to extend the dates and deadlines defined above collectively as the Third Extended Dates and Deadlines for the purposes of implementing the Project and effectuating the DDA. Pursuant to the authority described herein above, the City and Successor Agency hereby approve the extension of the Third Extended Dates and Deadlines (defined above) set forth in the DDA and the Schedule of Performance, by which the parties shall exercise their respective rights and perform their respective obligations, each by an additional nine (9) consecutive months from the applicable date or deadline stated therein, as extended by the First Extension Letter Agreement and Second Extension Letter Agreement.

By executing below, you, on behalf of the Developer in the DDA, hereby acknowledge and agree that the Developer mutually approves the extension of the Third Extended Dates and Deadlines (defined above) set forth in the DDA and the Schedule of Performance, by which the parties shall exercise their respective rights and perform their respective obligations,

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each by an additional nine (9) consecutive months from the applicable date or deadline stated therein, as extended by the First Extension Letter Agreement and Second Extension Letter Agreement, and further acknowledge and agree that the Developer shall continue to be bound by the DDA and all its applicable Attachments, as amended in this letter.

Should you have any questions or comments, please do not hesitate to contact Greg Wade, Assistant City Manager/Community Development Director, at (619) 628-1354.

Sincerely,

CITY OF IMPERIAL BEACH,
a municipal corporation

Dated: _____

By: _____
City Manager

APPROVED AS TO FORM
City Attorney

By: _____
Jennifer M. Lyon

KANE, BALLMER & BERKMAN
Special Counsel

By: _____

IMPERIAL BEACH REDEVELOPMENT
AGENCY SUCCESSOR AGENCY

Dated: _____

By: _____
Executive Director

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APPROVED AS TO FORM
Successor Agency Counsel

By: _____
Jennifer M. Lyon

KANE, BALLMER & BERKMAN
Special Counsel

By: _____

[SIGNATURES CONTINUE ON FOLLOWING PAGE]

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CONSENT TO THE FURTHER EXTENSION OF THE "THIRD EXTENDED DATES AND DEADLINES" (DEFINED ABOVE) SET FORTH IN THE DDA AND THE SCHEDULE OF PERFORMANCE, BY WHICH THE PARTIES SHALL EXERCISE THEIR RESPECTIVE RIGHTS AND PERFORM THEIR RESPECTIVE OBLIGATIONS, EACH BY AN ADDITIONAL NINE (9) CONSECUTIVE MONTHS FROM THE APPLICABLE DATE OR DEADLINE STATED THEREIN, AS EXTENDED BY THE FIRST EXTENSION LETTER AGREEMENT AND SECOND EXTENSION LETTER AGREEMENT, AS SET FORTH ABOVE.

The Developer, Sudberry-Palm Avenue, LLC, a California limited liability company, hereby acknowledges, consents, and approves to the extensions stated above and agrees to continue to be bound by the DDA and all its applicable Attachments, as amended herein.

SADBERRY-PALM AVENUE LLC,
a California limited liability company

By: SADBERRY DEVELOPMENT, INC.,
a California corporation, its Manager

Dated: _____

By: _____
Charles J. Todd, Chief Operating Officer

cc: Gerald I. Solomon, Esq.
Solomon Minton Cardinal LLP
(via email only: gis@smclawoffices.com)