

COUNTY OF PLACER

County Administrative Center 175 Fulweiler Avenue Auburn, CA 95603

Oversight Board

of the Successor Agency of the former Placer County Redevelopment Agency

February 20, 2013 9:00 A.M.

County Administrative Center, 175 Fulweiler Avenue, Auburn, CA 95603

Members of the Board:

Jennifer Montgomery, Placer County Board of Supervisors, Chair
Ron McIntyre, Public Member appointed by County Board of Supervisors
Gerald Johnson, appointed by Superintendent of Board of Education
Dr. Ronald Feist, Public Member appointed by Superintendent of Board of Education
Chris Yatooma, appointed by California Community College Chancellor
Lane Lewis, appointed by North Tahoe Public Utility District
Thomas Hart, former Redevelopment Agency Employee appointed by County Board of Supervisors

AGENDA

- 1. Call to Order
- 2. Pledge of Allegiance
- 3. Public Comments

At this time, members of the public may comment on any item not appearing on the agenda. Under state law, matters presented under this item cannot be discussed or acted upon by the Board at this time. For items appearing on the agenda, the public is invited to make comments at the time the items come up for Board consideration. Any person addressing the Board will be limited to a maximum of three (3) minutes so that all interested parties have an opportunity to speak. Comments from the audience WITHOUT coming to the podium will be disregarded or ruled out of order. Please state your name and address for the record.

4. Presentation by the Placer County Auditor-Controller regarding the process and procedure for determining the distribution of former Placer County Redevelopment Agency property tax allocations to applicable Placer County taxing entities.

Information Item Only - Andrew Sisk, Placer County Auditor-Controller

The Placer County Auditor-Controller will make a presentation to the Oversight Board regarding the process and procedures undertaken to accurately and in a timely manner distribute all former Placer County Redevelopment Agency property tax allocations to applicable Placer County taxing entities.

5. Discussion and adoption of the Recognized Obligation Payment Schedule for the six-month term beginning July 1, 2013 through December 31, 2013.

Action Item – Rae James

Review and approve the submission of the Recognized Obligation Payment Schedule for the six month period beginning July 1, 2013 through December 31, 2013 to the California Department of Finance, the California State Controller, and the Placer County Auditor Controller.

6. Update regarding the status of B.B., LLC trust deed holdings.

Information Only – Rae James

Presentation and discussion regarding the current status of the outstanding loans between the former Redevelopment Agency and B.B., LLC.

7. Close

Future items and meetings.

The above actions of the Oversight Board (Board) shall not become effective for five (5) business days, pending any request by the Department of Finance (DoF). If DoF requests review of the above Board actions, it will have forty (40) days from the date of its request to approve the Board action or return if to the Board for reconsideration and action. If action is taken by the Oversight Board, action will not be effective until approved by DoF.

Materials related to an item on this Agenda submitted to the Board after distribution of the agenda packet are available for public inspection in the Clerk of the Board's office at 175 Fulweiler Avenue, Auburn, CA during normal business hours. Placer County is committed to ensuring that persons with disabilities are provided the resources to participate fully in its public meetings. If you are hearing impaired, we have listening devices available. If you have a disability and need a disability-related modification or accommodation to participate in the meeting, please contact the Clerk of the Board's office at (530) 889-4000. Contact the Clerk of your needs at least 24 hours prior to the meeting. If requested, the agenda shall be provided in appropriate alternative formats to persons with disabilities. All requests must be in writing and must be received by the Clerk five (5) business days prior to the scheduled meeting for which you are requesting accommodation. Request received after such time will be accommodated on if time permits.

5

Recognized
Obligation Payment
Schedule

PLACER COUNTY

SUCCESSOR AGENCY

MEMORANDUM

TO: Honorable Members of the Placer County Oversight Board

FROM: Rae James, Director **DATE:** February 20, 2013

SUBJECT: Approval of the Recognized Obligation Payment Schedule for the Period Beginning

July 1, 2013 to December 31, 2013 and Submission to the Department of Finance,

the California State Controller, and the County Auditor Controller

ISSUE

Pursuant to Health and Safety Code Sections 34177(l) and 34177(m) a Recognized Obligation Payment Schedule (ROPS) for the period beginning July 1, 2013 to December 31, 2013 must be approved and submitted to the Department of Finance (DOF), the California State Controller, and the County Auditor-Controller no later than March 1, 2013. The DOF has 45 days after the ROPS has been submitted to provide a determination of enforceable obligations and the amounts and funding sources of the enforceable obligations. Failure to meet the deadline will result in a fine to the Successor Agency in the amount of \$10,000 per day for every day the schedule is late. There are additional penalties if not submitted within ten days of the deadline.

BACKGROUND

Pursuant to Health and Safety Code Sections 34177(l) and 34177(m), a ROPS for the period beginning July 1, 2013 to December 31, 2013 (ROPS 13-14A) must be prepared by the Successor Agency for submission and approval by the Placer County Oversight Board.

Under Health & Safety Code Section §34177(m) ROPS 13-14A must be approved by the Placer County Oversight Board and submitted to the Department of Finance (DOF), the California State Controller, and the County Auditor-Controller no later than March 1, 2013. The DOF has 45 days after the ROPS has been submitted to provide a determination of enforceable obligations and the amounts and funding sources of the enforceable obligations.

The total outstanding obligations of the Successor Agency as shown on ROPS 13-14A in the amount of \$58,248,483 are \$2,138,642 less than that for ROPS3, thereby reflective of the continued overall downward trend imposed by the Dissolution Act.

The estimated six month total for ROPS 13-14A is \$13,687,197, an increase of \$1,456,013 from the previous ROPS six month estimated total of \$12,231,184. The increase is reflective of the 2006 bond issue principal payments due during this period for an increase of \$530,000. Payments are split such that principal and interest payments are made in the first half of a year and interest-only payments are made in the second half of a year. Therefore, bond payments in the first half of the year are larger than bond interest payments in the second half of the year.

Additionally, the Successor Agency is required to sell its parcels of land not intended for future government use; the additional cost of sale expenses of \$197,133 over the previous ROPS are due to delay in receiving DOF approval to place the property on the market.

Finally, contributions to former Redevelopment employees' retirement and other employee benefits in the amount of \$273,100, and \$248,554 in additional costs for toxic remediation of contaminated sites in Kings Beach contributed to the increased amount for the ROPS4 six-month period.

As you know, the ROPS reporting period is limited to six months. Due to the restricted time available to undertake much of the wind down activities needed in North Lake Tahoe, the first ROPS of any fiscal year will always be greater than wind down activities budgeted in the second half of a fiscal year since it encompasses the winter months.

This is an indication that total Agency debt continues in a downward trend resulting from the steady conclusion of contracts and liabilities of the former Redevelopment Agency.

ACTION REQUESTED

Approve by resolution, the ROPS for the period beginning July 1, 2013 to December 31, 2013 and transmittal of the ROPS to the DOF, the State Controller, and the County Auditor-Controller.

Attachments: Resolution

Recognized Obligation Payment Schedule for the period July 1, 2013 to

December 31, 2013.

cc: Sue Bloch, Successor Agency Counsel

Before the Oversight Board to the Successor Agency County of Placer, State of California

In the matter of:

A resolution approving the Recognize Schedule for the period beginning July December 31, 2013 and authorizing transpersament of Finance, the California Stand the County Auditor-Controller.	y 1, 2013 to smittal to the Ord. No:
and the County Additor-Controller.	First Reading:
The following <u>Resolution</u> was duly pagency of the County of Placer at a regular methe following vote on roll call:	assed by the Oversight Board to the Successor eeting held on February 20, 2013,
Ayes:	
Noes:	
Absent:	
Signed and approved by me after its passage.	
Attest:	Chair, Oversight Board to the Placer County Successor Agency
Clerk of said Board	
Melissa Poplin	

WHEREAS, pursuant to the provisions of California Health and Safety Code §§34177(1 and 34177(m), the Placer County Successor Agency ("Successor Agency") must prepare and submit to the Placer County Oversight Board ("Oversight Board") for approval a Recognized Obligation Payment Schedule for the six month period beginning July 1, 2013 to December 31, 2013 (ROPS4);

WHEREAS, Successor Agency staff have prepared, and the Governing Board of the Successor Agency has reviewed and approved ROPS 4 in the form provided to the Oversight Board;

WHEREAS, pursuant to Health and Safety Code §34177(l)(2(B), the draft ROPS must be concurrently submitted to the California State Controller, the County Auditor-Controller, the State Department of Finance, and the Oversight Board;

WHEREAS, once approved by the Oversight Board, the ROPS must be submitted to the County Auditor-Controller, the State Controller, and the DOF, and must be posted on the Successor Agency's website.

NOW, THEREFORE, BE IT RESOLVED that the Oversight Board to the Placer County Successor Agency hereby approves the Recognized Obligations Payment Schedule for the period beginning July 1, 2013 through December 31, 2013 in the form attached to this Resolution.

BE IT FURTHER RESOLVED that Successor Agency staff are authorized and directed to take all actions necessary to implement this Resolution, including without limitation, the submittal of the ROPS to the State Controller, the County Auditor-Controller and the Department of Finance.

SUMMARY OF RECOGNIZED OBLIGATION PAYMENT SCHEDULE

Filed for the July 1, 2013 to December 31, 2013 Period

Name of Successor Agency: PLACER COUNTY (PLACER)

Outsta	anding Debt or Obligation		Total				
	Total Outstanding Debt or Obligation		\$58,248,483				
Currer	nt Period Outstanding Debt or Obligation		Six-Month Total				
Α	Available Revenues Other Than Anticipated RPTTF Funding		\$11,039,326				
В	Enforceable Obligations Funded with RPTTF	\$2,522,871					
С	Administrative Allowance Funded with RPTTF		\$125,00				
D	Total RPTTF Funded (B + C = D)		\$2,647,87				
Е	Total Current Period Outstanding Debt or Obligation (A + B + C	= E) Should be same amount as ROPS form six-month total	\$13,687,197				
F	Enter Total Six-Month Anticipated RPTTF Funding		\$2,647,871				
G	Variance (F - D = G) Maximum RPTTF Allowable should not exc	eed Total Anticipated RPTTF Funding	\$0				
Н	Enter Estimated Obligations Funded by RPTTF (lesser of Finance	s approved RPTTF amount including admin allowance or the actual amount distributed)	\$1,956,988				
	Period (July 1, 2012 through December 31, 2012) Estimated vs.		\$1 956 988				
1	Enter Actual Obligations Paid with RPTTF		\$1,480,446				
J	Enter Actual Administrative Expenses Paid with RPTTF	\$221,942					
K	Adjustment to Redevelopment Obligation Retirement Fund (H	-(I+J)=K)	\$254,600				
L	Adjustment to RPTTF (D - K = L)		\$2,393,271				
Certifi	cation of Oversight Board Chairman:						
Pursua	ant to Section 34177(m) of the Health and Safety code,	Name	Title				
I herel	by certify that the above is a true and accurate Recognized						
Obliga	tion Payment Schedule for the above named agency.	/s/					
		Signature	Date				

PLACER COUNTY (PLACER) RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS 13-14A) July 1, 2013 through December 31, 2013

		1	1	Г	_	T	1								
									Funding Source						
								Turing and the							
		Contract/Agreement	Contract/Agreement				Total Outstanding	Total Due During Fiscal Year							
Item#	Project Name / Debt Obligation	Execution Date	Termination Date	Payee	Description/Project Scope	Project Area	Debt or Obligation	2013-14	Bond Proceeds	Reserve Balance	Admin Allowance	RPTTF	Other	Six-Month Total	
TCCIT II	1 Tojece Name / Best Obligation	Execution Dute	Terrimation bate	rayee	Beschption, 110 jeet Scope	110/00074100	\$58,248,483	\$14,886,766	\$11,039,326	\$0	\$125,000	\$2,522,871	\$0		
1	Lease	10/24/2003	8/31/2036	H.J. Cassady	Land -Pub Prkng Lot	NLT	1,299,471	37,904	0	0	0	19,628	0		
2	Bond Payments	6/8/2006	6/8/2036	Bank of NY	Series A- NLT	NLT	23,105,382	971,298	0	0	0	661,599	0		
3	Bond Payments	6/8/2006	6/8/2036	Bank of NY	Series B - No. Aub	NA	5,071,252	215,971	0	0	0	148,761	0	148,761	
4	Bond Payments	6/8/2006	6/8/2036	Bank of NY	Series C - Areawide	NLT/NA	10,188,751	427,899	0	0	0	267,959	0	267,959	
5	Bond Program			Bank of NY	Trustee Costs	NLT/NA	124,200	5,400	0	0	0	5,400	0	5,400	
6	Bond Program			AMTEC	Bond Rebate Calcu Rpt	NLT/NA	4,000	1,000	0	0	0	0	0	0	
7	Bond Program			Fraser & Asso.	Bond Administration	NLT/NA	25,000	25,000	0	0	0	14,000	0	14,000	
8	State Loan	3/1/2005	2/28/2025	CIEDB-04-059	Brook Lot Construc	NLT	365,898	17,012	0	0	0	13,184	0	13,184	
9	State Loan	7/1/2006	6/30/2026	CIEDB-05-067	Auburn Plaza Const	NA	1,858,108	82,695	0	0	0	63,992	0	63,992	
10	State Loan	9/1/2007	8/31/2027	CIEDB-07-078	Minnow Lot Constr	NLT	630,650	25,853	0	0	0	19,701	0	19,701	
11	State Loan			CIEDB	Loan Adminstrtn	NLT/NA	0	0	0	0	0	0	0	0	
12	Agreement	7/1/2011	9/30/2012	NTBA	Econ Dev/Mrktng	NLT	0	0	0	0	0	0	0	0	
13	Agreement	7/2/2011	9/30/2013	TCDA	Econ Dev/Mrktng	NLT	0	0	0	0	0	0	0	0	
14	Prop. Mgmt Contracts			Various	Maintenance, etc	NLT	100,657	100,657	0	0	0	56,980	0	56,980	
15	Toxic Cleanup - State Plan	9/8/2011	6/30/2013	Kleinfelder	S.Mart-Decontamination	NLT	202,500	75,000	0	0	0	50,000	0	50,000	
16	Toxic Cleanup - State Plan	9/8/2011	6/30/2013	Kleinfelder	Ronning-Decontamination	NLT	502,500	356,000	0	0	0	306,000	0	306,000	
17	Toxic Cleanup - State Plan	11/2/2009		Calif SWRCB	Polanco Act - Tolling Agr	NLT	40,237	0	0	0	0	0	0	0	
18	Property Disposition		6/30/2013	Johnson-Perkins	Appraiser	NLT	20,000	20,000	0	0	0	6,000	0	6,000	
19	Property Disposition		6/30/2013	Andregg Geo.	Survey	NLT	25,000	25,000	0	0	0	3,500	0	3,500	
20	Property Disposition	7/1/2011	6/30/2013	CoreLogic	Real Estate Software	NLT	0	0	0	0	0	0	0	0	
21	Property Disposition		3/1/2013	Various	Sale of Properties	NLT	382,069	382,069	0	0	0	220,035	0	220,035	
22	Preparation of DOF Audits			MGO	Due Diligence/ Audit	ALL	0	0	0	0	0	0	0	U	
23	Liability a/o 1/31/2012		1/31/2022	RDA Fund PERS	RDA Fund PERS	ALL	1,777,450	280,650	0	0	0	187,100	0	187,100	
24	Liability a/o 1/31/2012		1/31/2022	RDA Fund OPEB	RDA Fund OPEB	ALL	817,000	129,000	0	0	0	86,000	0	86,000	
25	KB Com'l Core Improvement	6/27/2012		Placer County	Amended/Restated Agrm	NLT	0	0	0	0	0	0	0	0	
26	Hwy 49 Improvement Proj	6/27/2012		Placer County	Amended/Restated Agrm	NA	0	0	0	0	0	0	0	, and the second	
27	Continued Administration	7/1/2010	6/30/2013	Meyers Nave Ri	Legal Contract	NLT/NA	30,000	30,000	0	0	15,000	0	0	15,000	
28	Continued Administration			Newspapers	Public Notices	NLT/NA	0	0	0	0	0	0	0	0	
29	Continued Administration			Golden State	Printer Maint	NLT/NA	0	0	0	0	0	0	0	0	
30	Continued Administration			Nextel	Wireless Phone	NLT/NA	0	0	0	0	0	0	0	0	
31	Continued Administration			Various	Supplies	NLT/NA	1,000	1,000	0	0	500	0	0	500	
32	Continued Administration			Fedex	Delivery Charges	NLT/NA	1,000	1,000	0	0	500	0	0	500	
	Continued Administration			Placer County	Operations	NLT/NA	12,000	12,000	0	0	6,000	0	0	0,000	
	Continued Administration			County Counsel	Legal Service	NLT/NA	40,000	40,000	0	0	20,000	0	0	20,000	
	Continued Administration			County Employees	Employee Cost	NLT/NA	168,000	168,000	0	0	83,000	0	0	83,000	
	Quartz Ridge Housing DDA	1/25/2011 (See Notes)	(See Notes)	Quartz Ridge Family Apts	Construction Loan	NA	353,032	353,032	0	0	0	353,032	0		
	Quartz Ridge Housing DDA		(See Notes)	Various	Project Delivery Loan Administration	NA	64,000	64,000	0	0	0	40,000	0	,	
	KB Com'l Core Improvement	5/1/2013 (See Notes)	(See Notes)	Placer County	Construction of State Roadway Improvements	NLT	10,026,635	10,026,635	10,026,635	0	0	0	0	10,020,033	
	Hwy 49 Improvement Proj	6/1/2013 (See Notes)	(See Notes)	Placer County	Construction of State Roadway Improvements	NA	1,000,292	1,000,292	1,000,292	0	0	0	0	1,000,232	
40	Agreement		6/30/2012 (See Notes)	NTPUD	Construction of Public Rec Area Parking	NLT	12,399	12,399	12,399	0	0	0	0	12,399	
											1			0	
											1			0	
		ļ								ļ	1			0	
														0	
		ļ								ļ	1			0	
														0	
		1												0	

PLACER COUNTY (PLACER)

Pursuant to Health and Safety Code section 34186 (a)

PRIOR PERIOD ESTIMATED OBLIGATIONS vs. ACTUAL PAYMENTS

RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS II)

July 1, 2012 through December 31, 2012

						uly 1, 2012 till ough t										
									,							
					LMIHF		Bond Proceeds		Reserve Balance		Admin Allowance		RPTTF		Other	
Item#	Project Name / Debt Obligation	Payee	Description/Project Scope	Project Area	Estimate	Actual	Estimate	Actual	Estimate	Actual	Estimate	Actual	Estimate	Actual	Estimate	Actual
					\$1,300,000	\$1,192,526	\$0	\$487,601	\$0	\$0	\$523,310	\$221,942	\$1,719,388	\$1,480,446	\$0	\$
1	Lease	H.J. Cassady	Land - Pub Prking Lot	NLT									24,368	25,693		
2	Bond Payments	Bank of NY	Series A - NLT	NLT									653,199	653,199		
3	Bond Payments	Bank of NY	Series B - No. Aub	NA									145,214	145,214		
4	Bond Payments	Bank of NY	Series C - Areawide	NLT/NA									265,834	265,834		
5	Bond Program	Bank of NY	Trustee Costs	ALL									5,400	5,400		
6	Bond Program	AMTEC	Bond Rebate Calculation Rept	NLT/NA									0	0		
7	Bond Program	Fraser & Assoc.	Bond Administration	NLT/NA									7,000	0		
8	State Loan	CIEDB-04-059	Brook Lot Construction	NLT									12,281	12,280		
9	State Loan	CIEDB-05-067	Auburn Plaza Construction	NA									19,884	59,471		
10	State Loan	CIEDB-07-078	Minnow Lot Construction	NLT									6,498	18,226		
11	State Loan	CIEDB	Loan Administration	NLT/NA									10,000	6,201		
12	Housing Loan	Cal HFA	Principal and Interest	NLT/NA	1,300,000	1,192,526										
13	DDA - BBLLC	BB LLC	Draw Reimbursement for Entitlement Wrk	NLT									44,834	0		
14	Agreement	NTBA	Econ Dev/Mrktng	NLT									21,667	16,250		
15	Agreement	TCDA	Econ Dev/Mrktng	NLT									21,667	16,250		
	Property Management Contracts	Various	Maintenance, utilities, snow removal, etc.	NLT									39,419	57,065		
	Toxic Cleanup - 2003 State Plan	Kleinfelder	S.Mart - Polanco Act Remediation	NLT									85,520	0		
	Toxic Cleanup - 2003 State Plan	Kleinfelder	Ronning - Polanco Act Remediation	NLT									129,372	4,113		
	Toxic Cleanup - 2003 State Plan	Calif SWRCB	Polanco Act - Tolling Agreement	NLT									0	0		
	Property Disposition	Johnson-Perkins	Appraiser	NLT									4.000	22,500		
	Property Disposition	Andregg	Surveyor	NLT									12,500	0		
	Property Disposition	Corelogic	Real Estate Software	NLT									1,250	200		
	Prop Disposition / Oversight Board	Various	Sale of Properties	NLT									72,931	22,642		
	Preparation of DOF Audit	MGO	Due Dilligence Audits	ALL									, 2,551	0		
	Liability a/o 1/31/2012	RDA Funds - PERS	RDA Funds - PERS	ALL									93,550	93,550		
	Liability a/o 1/31/2012	RDA Funds - OPEB	RDA Funds - OPEB	ALL									43,000	43,000		
	KB Com'l Core Improvement	Placer County	Amended / Restated Agmt	NLT									0	0		
	Hwy 49 Improvement Proj	Placer County	Amended / Restated Agmt	NA									0	0		
	Continued Administration	Applied Business Software	Annual Mortgage Office Software Leasees	ALL							4,400	0	-	_		
	Continued Administration	Newspapers	Public Notices	ALL							325	407				
	Continued Administration	Golden State	Printer Maint.	ALL							375	0				
	Continued Administration	Nextel	Wireless Phone	ALL							300	163				
	Continued Administration	Various	Supplies	ALL							6,700	872				
	Continued Administration	Fedex	Delivery Charges	ALL							264	248				
	Continued Administration	Placer County	Operations	ALL	1						60,576	20,381				
	Continued Administration	County Counsel	Legal Services	ALL							55,998	23,081			+	
	Continued Administration	County Employees	Employee Costs	ALL							324,372	164,463			+	
	Continued Administration	Myers Nave Riback	Legal Contract	ALL							70.000	12.327			+	
	Agreement (See Notes)	NTPUD	Construction of Rec Area Parking Lot - ROPS1 (See Notes)	NLT	1		n	487,601			7.0,000	12,327				
	Liability a/o 1/31/2012	Employee - Steve Brown	Outstanding Vacation Liability as of 1/31/2012	ALL	†		0	407,001			1		n	13.358	<u> </u>	
	Elability dyo 1/31/2012	Employee Steve Brown	Outstanding vacation clabinty as of 17 517 2012	ALL									Ů	15,550		
					1											
				1	1											
				1	1											
				1												
				+											+	
				+											+	
	<u> </u>		+	+							1					
				1												
				1												-
		+			+											
																_

PLACER COUNTY (PLACER)

RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS 13-14A) -- Notes (Optional)

July 1, 2013 through December 31, 2013

Item#	Project Name / Debt Obligation	Notes/Comments
1	Lease	
2	Bond Payments	
3	Bond Payments	
4	Bond Payments	
5	Bond Program	
6	Bond Program	
7	Bond Program	
8	State Loan	
9	State Loan	
10	State Loan	
11	State Loan	
12	Agreement	
13	Agreement	
14	Prop. Mgmt Contracts	
15	Toxic Cleanup - State Plan	This line item is governed by the Polanco Act and will involve various Payees as the remediation progresses. See H&S 34173(f)
16	Toxic Cleanup - State Plan	This line item is governed by the Polanco Act and will involve various Payees as the remediation progresses. See H&S 34173(f)
17	Toxic Cleanup - State Plan	
18	Property Disposition	
19	Property Disposition	
20	Property Disposition	
21	Property Disposition	
22	Preparation of DOF Audits	
23	Liability a/o 1/31/2012	Please change name of Payee to: PERS
24	Liability a/o 1/31/2012	Please change name of Payee to: CERBT
25	KB Com'l Core Improvement	
26	Hwy 49 Improvement Proj	
27	Continued Administration	Payee is changed to Burke Williams due to contract cancellation with Myers Nave - This is a substitution and not a new legal contract
28	Continued Administration	
29	Continued Administration	
30	Continued Administration	
31	Continued Administration	
32	Continued Administration	
33	Continued Administration	
34	Continued Administration	
35	Continued Administration	

PLACER COUNTY (PLACER)

RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS 13-14A) -- Notes (Optional)

July 1, 2013 through December 31, 2013

Item#	Project Name / Debt Obligation	Notes/Comments
36	Quartz Ridge Housing DDA	Pursuant to the Meet & Confer Determination Letter dated 1/17/13 our Successor Agency was advised to place this enforceable obligation on a future ROPS.
37	Quartz Ridge Housing DDA	Pursuant to the Meet & Confer Determination Letter dated 1/17/13 our Successor Agency was advised to place this enforceable obligation on a future ROPS.
38	KB Com'l Core Improvement	Pursuant to HSC section 34191.4, it is anticipated that our Successor Agency will receive a Finding of Completion during ROPS 3.
39	Hwy 49 Improvement Proj	Pursuant to HSC section 34191.4, it is anticipated that our Successor Agency will receive a Finding of Completion during ROPS 3.
40	NTPUD Agreement	Awaiting final construction invoice

6

Update on Status of B.B., LLC trust deed holdings

PLACER COUNTY

SUCCESSOR AGENCY

MEMORANDUM

TO: Honorable Members of the Oversight Board

FROM: Rae James, Director **DATE:** February 20, 2013

SUBJECT: Information Only: Loan Update – B.B., LLC

ISSUE

To present a proposal from B.B.,LLC representatives to staff for going forward in order to resolve current payment deficiencies in its loan with the former Placer County Redevelopment Agency and discuss next steps.

BACKGROUND

B.B., LLC is a limited liability company whose principal officer was the Steven K. and Candace Brown Trust. Formed in 2006, B.B., LLC purchased thirteen parcels of land in Kings Beach, out of foreclosure court for five million dollars.

In 2007, Mr. Brown purchased three more parcels bringing the total to sixteen (see attached map). In July 2007, the Board of Supervisors (BOS) authorized an Exclusive Right to Negotiate Agreement between B.B., LLC and the Agency, which anticipated a mixed-use development including new offices, restaurants, retail shops, public plazas, residential condominiums, and significant upgrades to public infrastructure and environmental protection facilities to the central Kings Beach area. In February 2008, TRPA awarded B.B., LLC sufficient development entitlements to complete the project. In June 2008, the BOS authorized a pre-development loan for \$500,000 to supplement design, engineering, and environmental review costs.

In early 2010, Agency staff discovered the pending financial defaults facing B.B., LLC and contacted Steven K. Brown who indicated that as a result of the economic recession his holdings were severely affected, including those parcels he owned in Kings Beach. The Agency began discussions with Mr. Brown's two banks and, in October 2010, the BOS approved the purchase of the B.B., LLC loans from Central Pacific Bank, with a face value of \$2.2 million for the discounted amount of \$1.5 million. In November 2010, the BOS approved the purchase of the loan from Umpqua Bank valued at \$4.2 million for the discounted amount of \$2.9 million. In summary, the Agency had purchased B.B., LLC's loans valued at \$6.4 million, for \$4.4 million.

As conditions of the original bank loans (which the Agency was assigned), B.B., LLC was required to maintain the payment of its property taxes and continue to pursue the EIR. However, County code stipulates that if property taxes are in default, project applications, in this case the Environmental Impact Report cannot proceed. B.B., LLC owes over \$650,000 in back taxes.

In August 2012, B.B., LLC withdrew its project application. B.B., LLC's payments were deferred as long as it continued to pursue a project. As a result of BBLLC's project withdrawal, and its property tax default, in accordance with current loan and development agreements, B.B., LLC is presently in default on its four loans with the former RDA.

SUMMARY

We have been contacted by Mr. John Davis, B.B., LLC current managing partner, who has submitted a letter to staff proposing a deferred payment plan through a loan workout program. He has suggested a timeline which indicates a return to your Board in April 2013 with a Loan Workout Agreement for your Board approval.

Staff will approach this request with the intent of securing, to the greatest extent possible, the maximum amount of revenue that will proceed to the taxing entities. This will be accomplished by first, staff communicating to B.B., LLC its current default status. B.B., LLC will be afforded the opportunity to cure its default status, then if necessary, in accordance with the former RDA loan assignments and development agreement, a notice will be transmitted.

Second, staff will request from B.B., LLC current due diligence information regarding B.B., LLC holdings in Kings Beach in order to assess present land value, rents, and other financial information.

Finally, staff will return to your board in April, or sooner, with possible alternatives for proceeding which may include:

- Selling the notes to a qualified purchaser; or
- Locating a buyer to partner with B.B.,LLC in order to develop the desirable design elements of a project; or
- Having staff continue to work with B.B., LLC to develop a mutually acceptable loan workout agreement.