

**REGULAR MEETING
CALIFORNIA CITY REDEVELOPMENT AGENCY
TUESDAY, July 18, 2006, 5:30 p.m.
Council Chambers, 21000 Hacienda Blvd.
MINUTES**

OPENING CEREMONIES:

The meeting was called to order at 5:30 p.m. by Chairman Lessenevitch. Following the pledge of allegiance, the City Clerk called the roll.

PRESENT: Dempsey, Edmiston, Schafer, Adams, Lessenevitch
ABSENT: None

Also Present:

Executive Director William Way, Finance Director Terry Hicks, Agency special counsel Wayne Lemieux, Agency Secretary Denise Hilliker

ADOPT AGENDA:

Motion by Vice Chairman Adams, second by Director Edmiston, to adopt the agenda, carried

PRESENTATIONS: None

STAFF ANNOUNCEMENTS/REPORTS: None

CIVIC/COMMUNITY ORGANIZATION ANNOUNCEMENTS:

Jim Quiggle, EDC President, reminded everyone about the Eric Dodge concert to benefit the park is on July 31st at 6:00pm. Also the following night, August 1st, is "National Night Out, where the council will serve a planned lamb BBQ. Vice Chairman Adams also offered his thanks to CCA for their generous contributions this year. They purchased the chicken as well as giving a \$500. donation. Also Benz Sanitation bought the hot dogs, buns and salad. Reminder to the public that this is a free BBQ.

PUBLIC BUSINESS FROM THE FLOOR: None

PUBLIC HEARINGS: None

NEW BUSINESS:

Agency consider adopting F/Y 06'-07' Budget - Executive Director

Finance Director Hicks was asked to present the budget. He wanted to

CC1

refresh everyone's memory that when you are looking at this RDA budget that principally what we are talking about is a budget that consists of contractual and/or statutory debt. Under the community redevelopment law an agency can not receive tax increments unless it is in debt. We are forecasting an increase in incremental assess valuation from 05'-06' to 06'-07' in this budget document of \$60 million, which he feels is a conservative estimate. That estimate pertains to the original territory of the agency. We are forecasting a total of some \$36 million for the second plan amendment area. Based on an incremental assessment valuation of the original plan area of some \$338 million that would produce, considering the 1% general levy, override levies, 20% housing set aside and a provision for some delinquencies, a forecast of \$2,680,000 for tax increment revenues for non-housing activities. That same valuation forecast would produce a 20% set aside of \$696,000. for the original plan area. For the second and third plan amendments, based upon the same valuation of \$36 million, we would forecast \$303,000. of non-housing tax increments. \$78,000 would be the forecast for the 20% housing set aside. The outflows in this budget are debt service payments on the housing and non-housing existing bond issues, county property tax administration charges, \$40,000 pass through for the county library and county general fund pass through of \$217,000. Also included is AVEK general levy of \$246,000., AVEK settlement of \$70,000., \$33,000. pass through for school district, AB1290 statutory pass through, Hyundai tax sharing agreement, payments due on notes between the Agency and SDI, and a payment budgeted for the Hyundai owner participation agreement. (This is a highlight of some of the debt service payments) Some of the other expenses of the agency are administration, which include employee salaries, attorney fees and Foreign Trade Zone expenditures.

Director Edmiston inquired about the request to increase funds for the EDC. Executive Director Way explained that it is a \$10,000 increase to cover their efforts that they are making with their staff to assist in compensation because they have picked up a sizable quantity of the work that was being done by Kari Tapia, formerly employed by the City.

Chairman Lessenevitch asked for clarification on the new increment amount of \$60 million, asking what amount does that mean in income to the Agency? Mr. Hicks replied that amount would be about \$600,000. He inquired as to where in the budget we might see new spending, since there seems to be about \$300,000. after pass throughs are deducted. Mr. Hicks replied that the Master EIR project will be about \$125,000. and there will be the Hyundai OPA obligation of \$200,000. for a road and water lines. It was also explained that it is in the agreement that the tax increments for that area are split with Hyundai. Chairman Lessenevitch asked if with all the growth the City has done, is the only thing the Agency has to show for

it is an EIR and payments to Hyundai? Mr. Hicks explained that the budget reflects the debt of the RDA and asked how would the board choose to allocate these estimated flows for tax increment. Chairman Lessenevitch reiterated that he was simply asking where the new revenue was going to be spent and where was that reflected in the budget. Mr. Hicks explained that there are various line item categories in non-housing funds that reflect increases. Director Edmiston inquired if there were increases in the taxing agency payments. Mr. Hicks replied that for instance AVEK general is increased \$50,000. Statutory pass throughs are also reflecting substantial increases.

Director Schafer inquired as to what the EDC is going to do with the increase of \$10,000. Jim Quiggle answered that printing costs are a huge part as well as the basic cost of doing business. Also the cost of updating our graphics and display booths used to promote the City. Chairman Lessenevitch requested a proposal from the EDC for additional activities that might want to take the lead on and as the bottom line becomes more clear with the agency hopefully there will be more funding available.

Motion by Vice Chairman Adams, second by Director Schafer, to approve the budget. Roll call vote as follows:

AYES: Dempsey, Edmiston, Schafer, Adams, Lessenevitch
NAYS: None
ABSENT: None
ABSTAIN: None

CONSENT CALENDAR:

CC 1. Minutes of the Regular meeting of June 20th, 2006

CC 2. Check register dated 6/30/06.

CC 3. Adopt "A RESOLUTION OF THE REDEVELOPMENT AGENCY OF THE CITY OF CALIFORNIA CITY MAKING CERTAIN FINDINGS PURSUANT TO HEALTH AND SAFETY CODE SECTION 33334.3 (d)"

Motion by Director Edmiston, second by Vice Chairman Adams to adopt the Consent Calendar. Roll call vote as follows:

AYES: Dempsey, Edmiston, Schafer, Adams, Lessenevitch
NAYS: None
ABSENT: None
ABSTAIN: None

Chairman Lessenevitch called recess at 6:04, waiting until the City Council's closed session, to discuss the Agency's closed session item.

CLOSED SESSION:

CS 1. Pursuant to Gov't Code Section 54956.8, confer with Real Property Negotiator, William Way, regarding Hyundai.

The agency adjourned at 6:48 pm for closed session, returning at 7:32 pm. Counsel reported that the board instructed its property negotiator with respect to Hyundai. It would be inappropriate to disclose those instructions to the public at this time.

ADDITIONAL PUBLIC COMMENT: None

ADJOURNMENT:

Motion to adjourn at 7:33 pm by Director Schafer, second by Director Edmiston; carried. Meeting adjourned.

Respectfully Submitted:

Denise Hilliker
Agency Secretary