



MEMORANDUM
OFFICE OF THE
COUNTY EXECUTIVE OFFICE
COUNTY OF PLACER

TO: Honorable Board of Supervisors

FROM: Thomas M. Miller, County Executive Officer

DATE: August 9, 2011

SUBJECT: Remittance Agreement with the Placer County Redevelopment Agency for State-Mandated Redevelopment Voluntary Program Payments

ACTION REQUESTED: Adopt a resolution authorizing the County Executive Officer or his designee to execute a Remittance Agreement with the Placer County Redevelopment Agency for payment of an estimated \$3,806,964 in Fiscal Year 2011-12 and an estimated \$895,756 annually in subsequent years, adjusted by inflation and new debt, to comply with California law ABx1-27.

BACKGROUND: On June 29, 2011, Governor Brown signed several budget trailer bills to implement the State Budget for Fiscal Year (FY) 2011-2012. Among those bills were ABx1 26, the Redevelopment Agency Dissolution Act, and ABx1 27, the Redevelopment Agency Voluntary Program Act. The County Board of Supervisors will consider, as a separate item, the adoption of an urgency ordinance to opt into the Voluntary Program Act. If the County opts into the Voluntary Program, the State Bill requires the County to make annual payments according to State mandated formulas.

An agreement between Placer County and the Agency is proposed to describe and document the methodology and respective responsibilities of the Agency and Placer County for making and distributing the payments. The agreement provides that the Agency is responsible to provide the source of funds for transfer to the County Auditor in order for the County to satisfy the financial obligations under the Voluntary Program. The agreement would only be made if the County Board decides to opt into the Voluntary Payment Program. The authorizing resolution attached to this memorandum reflects this contingency.

FISCAL IMPACT: Through the proposed agreement the County would pay an estimated \$3,806,964 of tax increment funds in FY 2011-12 and an estimated \$895,756 annually in subsequent years, adjusted for inflation and new debt.

Attachment: Resolution
Remittance Agreement

**Before the Placer County
Board of Supervisors
State of California**

In the matter of:

Authorizing the County Executive Officer or his designee to execute a Remittance Agreement with the Placer County Redevelopment Agency for payments mandated by State Bill ABx1-27

Resol. No:

Ord. No:

First Reading:

The following Resolution was duly passed by the Board of Supervisors of the County of Placer at a regular meeting held _____,

by the following vote on roll call:

Ayes:

Noes:

Absent:

Signed and approved by me after its passage.

Attest:
Clerk of said Board

Chair, Board of Supervisors

WHEREAS, the Board of Supervisors (Board) of the County of Placer (County) approved and adopted the following Redevelopment Plans covering certain properties within the unincorporated area of the County: North Auburn Redevelopment Project (adopted June 24, 1997, Ordinance No. 4832-B); Sunset Industrial Redevelopment Project (adopted June 24, 1997,

Ordinance No. 4835-B); and North Lake Tahoe Redevelopment Project (adopted July 16, 1996, Ordinance No. 4753-B) (hereinafter collectively referred to as 'Project Areas');

WHEREAS, the County Redevelopment Agency (Agency) is engaged in activities to execute and implement the Redevelopment Plans pursuant to the provisions of the California Community Redevelopment Law (Health and Safety Code Sections 33000, et seq.) (CRL);

WHEREAS, as part of the Fiscal Year (FY) 2011-12 State budget bill, the California Legislature has enacted and the Governor has signed companion bills ABx1-26 and ABx1-27, requiring that each redevelopment agency be dissolved unless the community that created it enacts an ordinance committing it to making certain payments;

WHEREAS, ABx1-27 provides that a community may participate in an 'Alternative Voluntary Redevelopment Program' in order to enable a redevelopment agency within that community to remain in existence and carry out the provisions of the CRL, by enacting an ordinance agreeing to comply with Part 1.9 of Division 24 of the Health and Safety Code; and

WHEREAS, a Remittance Agreement between the Agency and County has been prepared to define the responsibilities of the Agency and County in processing the required payments and other activities of the Alternative Voluntary Redevelopment Program.

WHEREAS, this Agreement is conditioned on the County Board of Supervisors enacting an ordinance to opt into the Voluntary Program pursuant to ABx1-27.

NOW, THEREFORE, BE IT RESOLVED that the County Executive Officer or designee is authorized to execute a Remittance Agreement with the Placer County Redevelopment Agency for an amount of \$3,806,964 in FY 2011-12 and \$895,756 annually in subsequent years, adjusted by inflation and new debt, to participate in the ABx1-27 Alternative Voluntary Redevelopment Program.

BE IT FURTHER RESOLVED, that the above authorization is contingent upon the enactment by the County Board of Supervisors of an ordinance opting into the Voluntary Payment Program pursuant to ABx1-27.

BE IT FURTHER RESOLVED, that the source of the payments to satisfy the ABx1-27 payment obligations shall be tax increment funds that are available to the Redevelopment Agency and transferred to the County Auditor.

BE IT FURTHER RESOLVED, by the Board of Supervisors that this Resolution shall become effective immediately upon adoption.

REMITTANCE AGREEMENT

THIS REMITTANCE AGREEMENT (this “**Agreement**”) is entered into effective as of _____, 2011, by and between the County of Placer, a political subdivision of the State of California (the “**County**”) and the Redevelopment Agency of Placer County, a public body, corporate and politic (the “**Agency**”) (hereinafter sometimes referred to collectively as the “**Parties**”), with reference to the following facts:

A. Assembly Bill x1 27 (“**ABx1 27**”) was passed by the California State Legislature, signed by the Governor, and has been codified as Part 1.9 of Division 24 of the California Health and Safety Code, commencing with Section 34192 (“**Part 1.9**”).

B. ABx1 27 establishes an “Alternative Voluntary Redevelopment Program” pursuant to which the Agency may continue to exist and carry out the provisions of California Community Redevelopment Law (Health and Safety Code Section 33000 *et seq.*, the “**CRL**”) if the County Board of Supervisors (“**County Board**”) enacts an ordinance to comply with the provisions of Part 1.9, including the remittance of certain payments to the County Auditor-Controller as described in California Health and Safety Code Section 34194 (the “**Community Remittances**”).

C. The County Board has adopted, or concurrently with its approval of this Agreement, is adopting, an ordinance committing the County to comply with Part 1.9, including making the Community Remittances (the “**Ordinance**”).

D. Pursuant to Health and Safety Code Section 34194.1, in making the Community Remittances, the County may use any available funds not otherwise obligated for other uses.

E. Pursuant to Health and Safety Code Section 34194.2, the County may enter into an agreement with the Agency pursuant to which the Agency will transfer a portion of its tax increment to the County, in an amount not to exceed the annual Community Remittance required pursuant to Chapter 3 of Part 1.9, for the purpose of financing activities within the redevelopment area that are related to accomplishing the redevelopment agency project goals.

F. The purpose of this Agreement is to provide for the Agency’s transfer of tax increment to the County in an annual amount equal to the Community Remittance required by Part 1.9 for the applicable year.

G. The County Board’s enactment of an ordinance to participate in the “Alternative Voluntary Redevelopment is a condition precedent to execution of this Agreement.

NOW, THEREFORE, the Parties hereby agree as follows:

1. Incorporation of Recitals. The recitals set forth above are an integral part of this Agreement and set forth the intentions of the Parties and the premises on which the Parties have decided to enter into this Agreement.

2. Agency Agreement to Transfer Funds. The Agency shall transfer to the County tax increment or other available funds (subject to any limitation imposed by the CRL or Part 1.9), in an amount equal to the annual Community Remittance required pursuant to Chapter 3 of Part 1.9, as such may be adjusted by any successful appeal or modification.

3. County Agreement to Make Community Remittances. Subject to the County's receipt of funds from the Agency, the County shall timely remit to the County auditor-controller the payments required by Part 1.9 as provided in the Ordinance.

4. No Waiver. Nothing in this Agreement is intended to be, or shall be, interpreted to be a waiver of the rights of the County to appeal the determination of the amount of any required Community Remittance, or the rights of the County and the Agency to challenge the validity and enforceability of Part 1.9 or the validity and enforceability of Part 1.8 or Part 1.85 of Division 24 of the California Health and Safety Code enacted pursuant to Assembly Bill x1 26, as any of the foregoing may be subsequently amended.

5. Indebtedness. The obligations of the Agency to make payments to County pursuant to this Agreement shall constitute an indebtedness of the Agency within the meaning of Article XVI, Section 16 of the California Constitution and CRL Section 33670, and shall be payable from tax increment paid to the Agency pursuant to Article XVI, Section 16 of the California Constitution and CRL Section 33670 or from any other source legally available to the Agency for such payment, and shall constitute an indebtedness of the Agency until paid in full. The Agency shall include its obligations to the County under this Agreement as an indebtedness on the Agency's statement of indebtedness filed with the County Auditor pursuant to CRL Section 33675.

6. Subordination. The obligations of the Agency to make payments to the County pursuant to this Agreement shall be subordinate to any obligation of the Agency to pay debt service on bonds heretofore or hereafter issued by the Agency and to pay any other contractual indebtedness of the Agency incurred prior to the date of this Agreement.

7. No Third-Party Beneficiaries; Assignments. Nothing in this Agreement is intended to create any third-party beneficiaries to the Agreement, and no person or entity other than the Agency and the County shall be authorized to enforce the provisions of this Agreement.

8. Agreement Effective Date, Term. The Parties agree that the County Board's enactment of an ordinance to opt into the Alternative Voluntary Redevelopment Program is a condition precedent to execution of this Agreement. The parties are authorized to execute this Agreement only after the date of enactment of said ordinance ("Effective Date"). Should the County Board not adopt said ordinance, this Agreement shall be of no further force and effect. The term of this Agreement shall commence on the Effective Date and continue as long as the Alternative Voluntary Payment Program remains in effect.

9. Further Assurances. Each party agrees to execute, acknowledge and deliver all additional documents and instruments, and to take such other actions as may be reasonably necessary to carry out the intent of the transactions contemplated by this Agreement.

10. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original and all of which shall constitute one and the same instrument.

11. Amendments. This Agreement may be modified or amended, in whole or in part, only by an instrument in writing, executed by the Parties. No waiver of any provision of this Agreement shall be effective unless set forth in a written instrument executed by the Parties.

12. Entire Agreement. This Agreement contains the entire agreement of the Parties with respect to the subject matter hereof, and supersedes all negotiations or previous agreements between the Parties with respect thereto.

13. Severability. If any term or provision of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of this Agreement shall continue in full force and effect unless the rights and obligations of the Parties have been materially altered or abridged by such invalidation, voiding or unenforceability.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first set forth above.

COUNTY OF PLACER

By: _____

Name: _____
County Executive Officer

Approved as to form:

By: _____
County Counsel

PLACER COUNTY REDEVELOPMENT AGENCY

By: _____
Deputy Director, Placer County Redevelopment Agency

Approved as to form:

By: _____
Agency Counsel