



**CITY OF EL PASO DE ROBLES**  
*"The Pass of the Oaks"*

**AGENDA**  
**Oversight Board of the Successor Agency to the Paso  
Robles Redevelopment Agency**

**Thursday, June 21, 2012 2:00 PM**

**MEETING LOCATION: PASO ROBLES LIBRARY/CITY HALL  
LARGE CONFERENCE ROOM, 1000 SPRING STREET, 2<sup>nd</sup> FLOOR**

---

**2:00 PM – CONVENE REGULAR MEETING**

**CALL TO ORDER**

**ROLL CALL** Board members Nick Gilman, Mary Jarvis, Sandee McLaughlin, Tom Flynn, Ed Gallagher, Frank Mecham, and Chris Iversen,

**PUBLIC COMMENTS**

**OLD BUSINESS**

1. **Approval of Minutes of the Oversight Board Meeting of May 3, 2012**

**NEW BUSINESS**

2. **Funding Assistance Agreement between the City of El Paso de Robles Acting in It is Capacity as Successor Agency to the Redevelopment Agency (Agency) and the San Luis Obispo County Office of Education (COE) Regarding Assistance to Development of the First 5 Early Education Center**

**Explanation:** Commencing In 2005, the Agency and the COE collaborated on the development of the First 5 Early Education Center at 36<sup>th</sup> and Oak Streets. In 2009, the Agency amended its Five-Year Implementation Plan to provide assistance to COE for the development of the First 5 Center, and held a noticed public hearing, as required by Health and Safety Code Section 33679 to authorize the Agency to provide \$1 million in financial assistance to this from redevelopment tax increment funds to assist COE with the acquisition of land for and the construction of the First 5 Center. In furtherance of the prior agreement between the Agency and COE, and in reliance on the Agency's and City's commitments and approvals referenced above, COE entered into several contracts for the design, development and construction of the First 5 Center. Construction of the First 5 Center is now complete.

**Recommendation:** Adopt a Resolution approving a Funding Assistance Agreement.

**ADJOURNMENT** to next meeting (to be scheduled).

Any writing or document pertaining to an open session item on this agenda which is distributed to a majority of the members of the Oversight Board after the posting of this agenda will be available for public inspection at the time the subject writing or document is distributed. The writing or document will be available for public review in the City Clerk's Office, 1000 Spring Street, Paso Robles, CA, during normal business hours, and may be posted on the City's web site at <http://www.prcity.com/government/citycouncil/agendas.asp>.

**AMERICANS WITH DISABILITIES ACT** Any individual, who because of a disability needs special assistance to attend or participate in this meeting, may request assistance by contacting the City Clerk's Office (805) 237-3960. Whenever possible, requests should be made four (4) working days in advance of the meeting.



CITY OF EL PASO DE ROBLES  
*"The Pass of the Oaks"*

**Oversight Board of the Successor Agency to the  
Paso Robles Redevelopment Agency  
MINUTES**

**Thursday, May 3, 2012 11:00 AM**

**MEETING LOCATION: PASO ROBLES LIBRARY/CITY HALL  
LARGE CONFERENCE ROOM, 1000 SPRING STREET, 2<sup>nd</sup> FLOOR**

---

**11:00 PM – CONVENE REGULAR MEETING**

**CALL TO ORDER**

**ROLL CALL** Board members Flynn, Jarvis, McLaughlin, Gallagher, Mecham, and Iversen were present. Board member Gilman was absent.

**PUBLIC COMMENTS**

**OLD BUSINESS**

**1. Approval of Minutes of the Oversight Board Meeting of April 10, 2012**

It was moved by Member Mecham, seconded by Member Jarvis, and passed unanimously (Member Gilman absent) to approve the minutes of the April 10, 2012 meeting as presented.

**NEW BUSINESS**

**2. Recognized Obligation Payment Schedule (ROPS) for July 1 – December 31, 2012**

Jim Throop, Administrative Services Director for the City of Paso Robles, explained the Draft ROPS for the period July 1 – December 31, 2012.

It was moved by Member Jarvis, seconded by Member McLaughlin, and passed unanimously (Member Gilman absent) to adopt Resolution 12-006 Approving a Recognized Obligation Payment Schedule for the Period July 1 – December 31, 2012, Pursuant to Health and Safety Code Section 34177(l).

**ADJOURNMENT** to next meeting on June 21, 2012 at 2:00 pm.

**TO:** Oversight Board for Paso Robles Redevelopment Agency  
**FROM:** Jim Throop, Administrative Services Director  
**SUBJECT:** **Redevelopment Funds - County Office of Education Funding Assistance Agreement**  
**DATE:** July 21, 2012

---

**NEEDS:** For the Oversight Board of the former Paso Robles Redevelopment Agency to consider a funding agreement that was previously approved by the former Redevelopment Agency Board and the City Council on September 1, 2009.

- FACTS:**
1. The former Redevelopment Agency (RDA) Board and City Council approved a funding assistance agreement with the County Office of Education, to assist in the construction of the First Five Center in 2005 and again in 2009.
  2. Per AB 1X 26, the City's RDA was dissolved as of February 1, 2012. The City chose to remain the Successor Agency and an Oversight Board was created per the legislation.
  3. The executed agreement that was approved initially in 2005, and formalized in the September 2009 RDA Plan update cannot be located and as such, the Oversight Board and Successor Agency must reaffirm and formalize the previous commitments and approvals.

**ANALYSIS &**

**CONCLUSION:** Commencing in 2005, the Agency and City worked with and supported COE, in conjunction with the First 5 Commission of San Luis Obispo County, in the acquisition of land at the corner of 36th and Oak Streets, in the City of Paso Robles, and the design and construction of a First 5 Early Education Center (First 5 Center, as more fully described in Section 1, below). To enable the Agency to continue its efforts to redevelop and revitalize the Redevelopment Project Area, and to provide educational facilities within the Redevelopment Project Area to benefit the area's children and prepare them for their academic future, and as an inducement to COE to construct the First 5 Center to further these goals, the Agency committed to assist COE by providing a portion of the costs for the construction of the First 5 Center.

On September 1, 2009, the Agency amended its Five-Year Implementation Plan to provide assistance to COE for the development of the First 5 Center, including an initial contribution of \$240,000, plus additional redevelopment funds adequate to finance \$1,000,000 in debt for the construction of the First 5 Center, which additional amount was estimated and budgeted at \$80,300 per year for a period of twenty (20) years

Following a formal request from COE for release of funds to pay costs associated with the First 5 Center, the Agency prepared a summary report, and the Agency and City Council held a noticed public hearing, as required by Health and Safety Code Section 33679. Following the public hearing, the Agency (by Resolution No. 09-006) and the City Council (by Resolution No. 09-087) made the appropriate findings and determinations required under the Community Redevelopment Law to enable the Agency to use redevelopment tax increment funds to assist COE with the acquisition of land for and the construction of the First 5 Center.

In furtherance of the prior agreement between the Agency and COE, and in reliance on the Agency's and City's commitments and approvals referenced above, COE entered into several contracts for the design, development and construction of the First 5 Center. Construction of the First 5 Center is now complete and the COE has provided satisfactory documentation of its costs of construction.

In proceeding with the wind-down activities of the former Agency, the Successor Agency and COE have been unable to locate an executed agreement between the Agency and COE setting out the terms and conditions for the payment of the Agency Assistance. In light of the current circumstance, the parties desire to enter into this Funding Assistance Agreement to reaffirm and formalize the prior commitments and approvals of the former Agency, the City and COE, and enable the Successor Agency to receive tax increments from the Redevelopment Project Area to honor the commitment of the former Agency to pay the Agency Assistance and to treat this Agreement as an enforceable obligation to be listed on the Successor Agency's Recognized Obligation Payment Schedules.

**FISCAL**

**IMPACTS:**

There is no impact against the General Fund. All funds would be distributed by the County Auditor as the property tax allocations allow. Should property taxes not be sufficient, the liability would be accrued until such time funding is available.

**OPTIONS:**

- a. Approve the attached Funding Assistance Agreement with the County Office of Education for the assistance with its construction of the First Five Facility.
- b. Amend, modify, or reject the above options.

Attachments:

- 1. Funding Assistance Agreement for the First Five Center

**RESOLUTION NO. \_\_\_\_**

**A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE DISSOLVED PASO ROBLES REDEVELOPMENT AGENCY APPROVING A FUNDING ASSISTANCE AGREEMENT BETWEEN THE CITY OF EL PASO DE ROBLES, AS THE SUCCESSOR AGENCY, AND THE SAN LUIS OBISPO COUNTY OFFICE OF EDUCATION TO REAFFIRM A PRIOR AGREEMENT BETWEEN THE AGENCY AND COE FOR THE FIRST 5 EARLY EDUCATION CENTER**

**WHEREAS**, pursuant to Health and Safety Code Section 34173(d), the City of El Paso de Robles (“RDA Successor Agency”) is the successor agency to the dissolved Redevelopment Agency of the City of El Paso de Robles (“Agency”), confirmed by the adoption of City Council Resolution No. 12-005, on January 17, 2012; and

**WHEREAS**, the Oversight Board is the RDA Successor Agency’s oversight board pursuant to Health and Safety Code Section 34179(a); and

**WHEREAS**, at the time of adoption of the Redevelopment Plan for the Paso Robles Redevelopment Project (the “Redevelopment Plan”), in order to alleviate the financial burden and detriment arising out of the adoption of the Redevelopment Plan, the Agency entered into an agreement (“Pass-Through Agreement”) with the San Luis Obispo County Office of Education (“COE”), wherein the parties agreed that the Agency would set aside certain property taxes from which the Superintendent of Schools could draw in order to use such funds for public facilities benefitting the Redevelopment Project Area; and

**WHEREAS**, commencing in 2005, the Agency and City of El Paso de Robles (“City”) worked with and supported COE, in conjunction with the First 5 Commission of San Luis Obispo County, in the acquisition of land at the corner of 36th and Oak Streets, in the City of Paso Robles, and the design and construction of a First 5 Early Education Center (“First 5 Center”); and

**WHEREAS**, to enable the Agency to continue its efforts to redevelop and revitalize the Redevelopment Project Area, and to provide educational facilities within the Redevelopment Project Area to benefit the area’s children and prepare them for their academic future, and as an inducement to COE to construct the First 5 Center to further these goals, the Agency committed to assist COE by providing a portion of the costs for the construction of the First 5 Center; and

**WHEREAS**, on September 1, 2009, the Agency amended its Five-Year Implementation Plan to provide assistance to COE for the development of the First 5 Center, including an initial contribution of \$240,000, plus additional redevelopment funds adequate to finance \$1,000,000 in debt for the construction of the First 5 Center, which additional amount was estimated and budgeted at \$80,300 per year for a period of twenty (20) years (“Agency Assistance”); and

**WHEREAS**, following a formal request from COE for release of funds to pay costs associated with the First 5 Center, the Agency prepared a summary report, and the Agency and

City Council held a noticed public hearing, as required by Health and Safety Code Section 33679, and thereafter the Agency (by Resolution No. 09-006) and the City Council (by Resolution No. 09-087) made the appropriate findings and determinations required under the Community Redevelopment Law to enable the Agency to use redevelopment tax increment funds to assist COE with the acquisition of land for and the construction of the First 5 Center; and

**WHEREAS**, in furtherance of the Pass-Through Agreement between the Agency and COE, and in reliance on the Agency's and City's commitments and approvals referenced above, COE entered into several contracts for the design, development and construction of the First 5 Center; and

**WHEREAS**, construction of the First 5 Center is now complete, and the COE has provided satisfactory documentation of its costs of construction to the RDA Successor Agency; and

**WHEREAS**, in proceeding with the wind-down activities of the former Agency, the RDA Successor Agency and COE have been unable to locate an executed agreement between the Agency and COE setting out the terms and conditions for the payment of the Agency Assistance; and

**WHEREAS**, in light of the current circumstance, the parties desire to enter into a Funding Assistance Agreement ("Funding Agreement") to reaffirm and formalize the prior commitments and approvals of the former Agency, the City and COE, and enable the RDA Successor Agency to receive tax increments from the Redevelopment Project Area to honor the commitment of the former Agency to pay the Agency Assistance and to treat the Funding Agreement as an enforceable obligation to be listed on the RDA Successor Agency's Recognized Obligation Payment Schedules;

**NOW, THEREFORE, THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE DISSOLVED PASO ROBLES REDEVELOPMENT AGENCY DOES HEREBY RESOLVE AS FOLLOWS:**

SECTION 1. Recitals. The Recitals set forth above are true and correct and are incorporated into this Resolution by this reference.

SECTION 2. Approval of the Funding Agreement. The Oversight Board hereby approves the Funding Assistance Agreement between the RDA Successor Agency and the COE, in substantially the form attached to this Resolution as Exhibit A, and finds that the Funding Agreement reaffirms the prior agreement between the Agency and COE and the Agency's commitment to provide the Agency Assistance for the construction of the First 5 Center, as approved and authorized by the Agency Board and City Council in 2009.

SECTION 3. Severability. 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

Oversight Board declares that the Oversight Board would have adopted this Resolution irrespective of the invalidity of any particular portion of this Resolution.

SECTION 4. Certification. The City Clerk of the City of El Paso de Robles, acting on behalf of the Oversight Board as its Secretary, shall certify to the adoption of this Resolution.

SECTION 5. Effective Date. Pursuant to Health and Safety Code Section 34179(h), all actions taken by the Oversight Board may be reviewed by the State of California Department of Finance, and, therefore, this Resolution shall not be effective for three (3) business days, pending a request for review by the State of California Department of Finance.

**PASSED, APPROVED AND ADOPTED** this \_\_\_\_\_ day of \_\_\_\_\_, 2012, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

\_\_\_\_\_  
Oversight Board Chairperson

ATTEST:

\_\_\_\_\_  
Oversight Board Secretary

**EXHIBIT A**

**FUNDING ASSISTANCE AGREEMENT**

**[Attached behind this page]**

## FUNDING ASSISTANCE AGREEMENT

### San Luis Obispo County Office of Education In Conjunction With the First 5 Commission of San Luis Obispo County Paso Robles First 5 Early Education Center

THIS FUNDING ASSISTANCE AGREEMENT is entered into as of \_\_\_\_\_, 2012, by and between the **CITY OF EL PASO DE ROBLES**, acting in its capacity as the successor agency to the former REDEVELOPMENT AGENCY OF THE CITY OF EL PASO DE ROBLES (Successor Agency), and the **SAN LUIS OBISPO COUNTY OFFICE OF EDUCATION (COE)**, with respect to the following:

#### Recitals

A. Pursuant to the Community Redevelopment Law of the State of California (Health and Safety Code Section 33000 *et seq.*), the Redevelopment Agency of the City of El Paso de Robles (Agency) was vested with the responsibility to carry out the Redevelopment Plan (Redevelopment Plan) for the Paso Robles Redevelopment Project (Redevelopment Project Area).

B. The major goals and objectives of the Redevelopment Plan included, among others, the elimination of blighting influences and the correction of environmental deficiencies in the Redevelopment Project Area, providing an environment for social and economic growth, and the installation and construction of public improvements and facilities to serve the area. The Redevelopment Plan authorized the Agency to pay for, develop, or construct any publicly-owned improvements, including school and related facilities, either within or outside the Redevelopment Project Area, for itself or for any public body or entity, which improvements are or would be of benefit to the Redevelopment Project Area. The Redevelopment Plan also specifically authorizes the Agency to install and construct, or cause to be installed and constructed, within or outside the Redevelopment Project Area, public improvements and facilities necessary to carry out the Redevelopment Plan. The Five-Year Implementation Plan, adopted by the Agency pursuant to Health and Safety Code Section 33490, specifically identifies, as one of the public improvements projects to be undertaken by the Agency, to cooperate with and provide assistance to the San Luis Obispo County Office of Education and the First 5 Commission of San Luis Obispo County for development of a center for childhood school readiness programs and parent education, within the Redevelopment Project Area, to serve the education needs of the Redevelopment Project Area and surrounding community.

C. In order to alleviate the financial burden or detriment arising out of the adoption of the Redevelopment Plan, the Agency entered into an agreement with COE wherein the parties agreed that the Agency would set aside certain property taxes from which the Superintendent of Schools could draw in order to use such funds for public facilities benefitting the Redevelopment Project Area.

D. Pursuant to Health and Safety Code Section 33445, the Agency was authorized, with the consent of the City Council, to pay all or part of the value of the land for and the cost of installation and construction of any building, facility, structure or other improvements which are publicly owned, either within or outside the Redevelopment Project Area, upon a determination by the Agency and City Council that such buildings, facilities, structures or other improvements are of benefit to the Redevelopment Project, and making certain other specified findings.

E. Commencing in 2005, the Agency and City worked with and supported COE, in conjunction with the First 5 Commission of San Luis Obispo County, in the acquisition of land at the corner of 36th and Oak Streets, in the City of Paso Robles, and the design and construction of a First 5 Early Education Center (First 5 Center, as more fully described in Section 1, below). To enable the Agency to continue its efforts to redevelop and revitalize the Redevelopment Project Area, and to provide educational facilities within the Redevelopment Project Area to benefit the area's children and prepare them for their academic future, and as an inducement to COE to construct the First 5 Center to further these goals, the Agency committed to assist COE by providing a portion of the costs for the construction of the First 5 Center.

F. On September 1, 2009, the Agency amended its Five-Year Implementation Plan to provide assistance to COE for the development of the First 5 Center, including an initial contribution of \$240,000, plus additional redevelopment funds adequate to finance \$1,000,000 in debt for the construction of the First 5 Center, which additional amount was estimated and budgeted at \$80,300 per year for a period of twenty (20) years (Agency Assistance, as more fully defined in Section 2, below).

G. Following a formal request from COE for release of funds to pay costs associated with the First 5 Center, the Agency prepared a summary report, and the Agency and City Council held a noticed public hearing, as required by Health and Safety Code Section 33679. Following the public hearing, the Agency (by Resolution No. 09-006) and the City Council (by Resolution No. 09-087) made the appropriate findings and determinations required under the Community Redevelopment Law to enable the Agency to use redevelopment tax increment funds to assist COE with the acquisition of land for and the construction of the First 5 Center.

H. In furtherance of the prior agreement between the Agency and COE, and in reliance on the Agency's and City's commitments and approvals referenced above, COE entered into several contracts for the design, development and construction of the First 5 Center. Construction of the First 5 Center is now complete.

I. Pursuant to AB 1X 26 and the decision of the California Supreme Court in *California Redevelopment Association et al., v. Ana Matosantos, et al.*, all redevelopment agencies throughout the State were deemed dissolved on February 1, 2012. However, pursuant to the authority provided in Health and Safety Code Section 34173, as enacted by AB 1X 26, the City Council adopted Resolution No. 12-005 electing to serve as the Successor Agency to the former Agency to wind down the affairs of the former Agency, and all rights, powers, duties and obligations of the former Agency are now vested with the City, which include the commitment and obligation of the Agency to fund the Agency Assistance and to include this Agreement as a

enforceable obligation on the Recognized Obligation Payment Schedule, as defined in AB 1X 26, and prepared by the Successor Agency.

J. In proceeding with the wind-down activities of the former Agency, the Successor Agency and COE have been unable to locate an executed agreement between the Agency and COE setting out the terms and conditions for the payment of the Agency Assistance. In light of the current circumstance, the parties desire to enter into this Funding Assistance Agreement to reaffirm and formalize the prior commitments and approvals of the former Agency, the City and COE, and enable the Successor Agency to receive tax increments from the Redevelopment Project Area to honor the commitment of the former Agency to pay the Agency Assistance.

K. Section 33678 of the Community Redevelopment Law provides that the portion of taxes allocated to an agency pursuant to Section 33670(b) of the Community Redevelopment Law (Tax Increments) will not be deemed the receipt or appropriation of proceeds of taxes for the purposes of Article XIII.B. of the California Constitution so long as such Tax Increments are used for redevelopment activity which primarily benefits the Redevelopment Project Area.

### Agreements

#### THE SUCCESSOR AGENCY AND COE HEREBY AGREE AS FOLLOWS:

1. Construction of First 5 Center. In reliance on the commitment of Agency Assistance, COE acquired the land for, and contracted for the design and construction of the Paso Robles First 5 Early Education Center (First 5 Center) located at the corner of 36th and Oak Streets, in the City of Paso Robles and within the Redevelopment Project Area, which improvements include three preschool classrooms, a library building, a building for offices and parent education, in addition to playground and parking areas. The work was completed in 2011 and COE has provided satisfactory documentation of its costs of construction.

2. Agency Assistance. In consideration of the undertakings of COE under Sections 1 and 3 of this Agreement, the Successor Agency shall pay to COE (or pay to a third party on behalf of COE) Eighty Thousand Three Hundred Dollars (\$80,300.00) per year for a period of twenty (20) years (Agency Assistance Payments), which is the amount of the annual payments required to finance One Million Dollars (\$1,000,000.00) over a 20-year period for the construction of the First 5 Center.

The Agency Assistance Payments shall be paid to COE annually within thirty (30) days following receipt by the Successor Agency of property tax revenues from the San Luis Obispo County Auditor-Controller for such payment in 2012 and provided that this Agreement is approved by the Oversight Board of the Successor Agency and by the state Department of Finance as an enforceable obligation as set forth in the following paragraph.

The Agency Assistance shall be paid to COE from property taxes paid to the Successor Agency from the Redevelopment Project Area, to the extent property taxes are paid to the Successor Agency for such purpose. Under AB 1X 26, each successor agency is required to

adopt every 6 months a Recognized Obligation Payment Schedule (“ROPS”) which sets out the enforceable obligations of the former Agency, which ROPS is then subject to approval by the Successor Agency’s Oversight Board, and the State Department of Finance. Following dissolution of the Agency, property tax increments that would otherwise be allocated to the Agency are paid to the San Luis Obispo County Auditor-Controller, to be disbursed to the Successor Agency to make the payments listed in its ROPS. As required by AB 1X 26, the Successor Agency adopted an initial ROPS covering the period through June 2012, and an ROPS covering the period July through December 2012, which includes the Agency Assistance to COE for construction of the First 5 Center as an enforceable obligation of the former Agency. The Successor Agency shall use good faith efforts to include the Agency Assistance Payments on each future ROPS prepared by the Successor Agency, and take such actions as are reasonable to obtain the approvals necessary for the Successor Agency to receive property tax increments from the San Luis Obispo County Auditor-Controller to make the Agency Assistance Payments to COE pursuant to this Agreement.

3. Maintenance and Operation. Following completion of construction of the First 5 Center, COE shall operate the Center to provide early childhood school readiness programs designed to prepare the community’s youth for their academic future. The First 5 Center shall be owned, operated and maintained by COE, at no cost to the Successor Agency.

4. Failure by either party to perform its obligations hereunder shall constitute a default under this Agreement, and the other party may institute legal action to cure, correct or remedy such default, to recover damages for such default or to obtain any other remedy, including injunctive or declaratory relief, consistent with the purpose of this Agreement.

5. This Agreement constitutes an indebtedness of the former Agency incurred in carrying out the Redevelopment Plan, and a pledge of Tax Increments from the Redevelopment Project Area to repay such indebtedness, under the provisions of Section 16 of Article XVI of the California Constitution and Section 33670 *et seq.* of the Health and Safety Code.

6. Pursuant to Section 895.4 of the Government Code, the Successor Agency and COE agree that each will assume the full liability imposed upon it or any of its officers, agents or employees for injury caused by a negligent or wrongful act or omission occurring in the performance of this Agreement and each party agrees to indemnify and hold harmless the other party for any loss, costs or expense that may be imposed upon such other party by virtue of Sections 895.2 and 895.6 of the Government Code.

7. This Agreement and the obligations of the Successor Agency and COE hereunder shall terminate upon payment in full of the Agency Assistance as set forth in Section 2.

IN WITNESS WHEREOF, the Successor Agency and COE have executed this Agreement as of the date first above written.

**CITY OF EL PASO DE ROBLES, acting in its capacity as the Successor Agency to the former REDEVELOPMENT AGENCY OF THE CITY OF EL PASO DE ROBLES**

By: \_\_\_\_\_  
City Manager

Approved as to Form

By: \_\_\_\_\_  
City Attorney

**SAN LUIS OBISPO COUNTY OFFICE OF EDUCATION**

By: \_\_\_\_\_  
Its: \_\_\_\_\_