



City Council Staff Report

Subject: Recognized Obligation Payment Schedule (ROPS) FY 2024/25

Date: December 12, 2023

Submitted By: Angela Doyle, Senior Accountant
Daniel Choe, Deputy Director of Administrative Services

Department: Administrative Services - Finance

Recommendation:

Receive the City of Rocklin's Successor Agency Recognized Obligation Payment Schedule for the Period of July 1, 2024 - June 30, 2025.

Background:

Pursuant to Assembly Bills 1X26 and 1484 (Bills), all redevelopment agencies in the State of California were dissolved on February 1, 2012. The Bills authorized certain local agencies, such as a city or county, to become the Successor Agency. On January 1, 2012, the City Council elected to become the Successor Agency for the former Rocklin Redevelopment Agency. The Successor Agency is responsible for winding down the affairs of the former redevelopment agency, which includes making payments due for enforceable obligations, disposition of the assets of the former redevelopment agency. The three-acre parcel of the former Big Gun Quarry is the last remaining property owned by the former Rocklin Redevelopment Agency. Staff is currently working on the disposition of the property.

Health and Safety Code (HSC) Section 34177(l)(1) requires Successor Agencies to prepare a Recognized Obligation Payment Schedule (ROPS) before the period to include the nature, amount, and source(s) of payment of all enforceable obligations of the dissolved Rocklin Redevelopment Agency.

On September 22, 2015, Senate Bill 107 was passed which amended HSC section 34177(o) (1) to require agencies to submit an Oversight Board approved annual ROPS to the California Department of Finance and the County Auditor Controller by February 1, 2016 and each February 1 thereafter.

The City of Rocklin Successor Agency will submit the ROPS 2024/25 to the Placer County Consolidated Oversight Board for approval on January 25, 2024. Approval of the ROPS by the County Oversight Board is required before submission to the Department of Finance by February 1, 2024.

The ROPS for July 1, 2024 through June 30, 2025 requests a total of \$1,612,950 to pay current obligations of: Tax Allocation Bond Debt Service, audit fees, bank fees, property maintenance and administrative costs. The City has other funds on hand of \$ 2,608 from interest earned, that must be used towards these obligations. The remaining \$1,610,342 is requested from Redevelopment Property Tax Trust Fund (RPTTF) moneys.

The Current Period Enforceable Obligations for ROPS 2023/24 was \$1,611,575. The increase to \$1,612,950 for ROPS 2024/25 is due to payments required by the Bond debt service payment schedule. Administrative obligations have remained at \$70,000 on both prior ROPS 2023/24 and current ROPS 2024/25 due to the continued efforts by City Staff and outside consultants to sell the last remaining property owned by the Successor Agency. Administration also consists of staff costs for salary and benefits for employees that perform services directly for the Successor Agency. These services include accounting and audit functions, management of the long range property management plan, debt management, report preparation including the ROPS, budget, disclosures, correspondence, public information, contract preparation, review, legislative analysis, legal services, Oversight Board meeting preparation, meeting attendance, and document management. Once the last property owned by the Rocklin Redevelopment Agency is sold, staff costs will be reduced.

Work performed and progress made on the disposition of the property in the last year:

- Appraisal report completed May 2023.
- Final approval received August 2023 that the requirements of Surplus Land Act of the California Department of Housing and Community Development have been met and the Successor Agency is now permitted to proceed with the sale of the property.
- Contracted with a professional agency to market and manage the sale of the property.
- Sought proposals from qualified real estate brokers.
- Selected and executed an Exclusive Sale Listing Agreement Capital Rivers Commercial, developed marketing materials, listing went live August 2023.
- Received a Letter of Intent from Developer expressing an interest in purchasing the property.
- Meetings with the developer team and staff to negotiate and refine the terms including shared parking needs for proposed development.
- City of Rocklin acting as Successor Agency approval of the Letter of Intent with the intention of continuing negotiations.

Work that will be needed in order to close the sale of the property in the fiscal year 2024/25:

- Meetings for negotiations on the final sale terms and develop the purchase and sale agreement that will govern the sales transaction.
- An agreement in place by the City with the developer for a shared public parking arrangement.
- Obtain an environmental site assessment and negotiate a cost-sharing agreement for any significant remediation efforts required.
- Assist buyer in its due diligence by providing requested documentation.
- Work with the broker to close escrow.

Fiscal Impact:

There is no direct fiscal impact to the City's General Fund from accepting ROPS 2024/25.

The ROPS for July 1, 2024 through June 30, 2025 is requesting a total of \$1,612,950, which include Administrative Costs of \$70,000. Funding is requested as follows: \$1,610,342 from

RPTTF and \$2,608 from Other Funds on hand at the City.

As authorized pursuant to Health and Safety Code Section 34183(a)(3), the proposed source of payment for the administrative cost allowance is the RPTTF established and maintained by the County Auditor-Controller pursuant to Health and Safety Code Section 34170.5(b).

ATTACHMENTS:

1. [Successor Agency Resolution](#)
2. [SA Resolution- Exhibit A- ROPS 2024-25](#)