



NOTICE OF SPECIAL MEETING January 24, 2012

In accordance with Section 54956 of the California Government Code, I hereby call a Special Meeting of the Fountain Valley City Council/Agency For Community Development of the City of Fountain Valley for the purpose of conducting a Special Meeting on Tuesday, January 24, 2012, beginning at 5:00 p.m. at City Hall, located at 10200 Slater Avenue, Fountain Valley, CA 92708 for the purpose of:

Consideration of Consent Items:

1. (Agency) Adoption of a Resolution of the Fountain Valley Agency for Community Development to Comply with California Assembly Bill 936 in Regard to the Reporting of any Loan Forgiveness for the Time Period of January 1, 2010 to December 31, 2011 and to Provide Notice of Intention of Forgiveness of Any Loans, Advances or Indebtedness.
2. (Agency) Consider a motion by the Fountain Valley Redevelopment Agency approving and adopting an amended Enforceable Obligations Payment Schedule pursuant to ABx1 26.
3. (Agency) Approval of a professional services agreement between the City of Fountain Valley and Rosenow Spevacek Group and amendment of the 2011-2012 General Fund Budget in the amount of \$25,000.

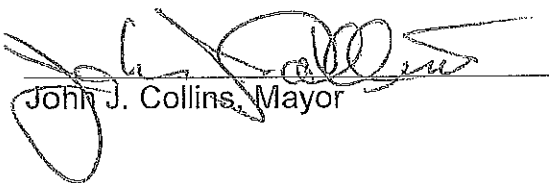
Immediately following:

CLOSED SESSION: Conference with Labor Negotiator pursuant to Government Code Section 54957.6

Agency Negotiators: Ray Kromer, City Manager; Matt Mogensen, Assistant to the City Manager; Jean Hirai, Personnel Manager

Employee Organizations: Fountain Valley Municipal Employees Association; Professional/Technical Unit; Fountain Valley General Employees Association; Fountain Valley Firefighters Association IAFF Local 4530; Individually Represented Battalion Chiefs

NOTICE IS FURTHER GIVEN that the public will be given the opportunity to speak at this meeting only on those matters specified in this notice. Dated this 20th day of January, 2012


John J. Collins, Mayor

Posting Affidavit

I, Kathy Heard, Deputy City Clerk of the City of Fountain Valley, California, do hereby certify under penalty of perjury under the laws of the State of California, that the foregoing notice of special meeting was hand delivered to each member of the Fountain Valley City Council; posted on the posting board at Fountain Valley City Hall; and faxed to the following newspapers: Fountain Valley View and Orange County Register; all on the 20th day of January, 2012.



AGENDA

CITY OF FOUNTAIN VALLEY CITY COUNCIL/AGENCY FOR COMMUNITY DEVELOPMENT SPECIAL MEETING

5:00 P.M.

Tuesday, January 24, 2012

Council Chambers

10200 Slater Avenue
Fountain Valley, CA 92708
<http://www.fountainvalley.org>

Ray Kromer
City Manager

Alan R. Burns
City Attorney

Mayor and City
Council/Agency

John J. Collins
Mayor

Mark McCurdy
Mayor Pro Tem

Larry R. Crandall
Council Member

Steve A. Nagel
Council Member

Michael Vo
Council Member

MEETING ASSISTANCE: In compliance with the Americans with Disabilities Act, anyone needing special assistance to participate in a City Council/Agency meeting should contact the City Clerk's Office at (714) 593-4445. Notification 72 hours prior to the meeting allows the City to make reasonable arrangements to ensure accessibility to the meeting.

AGENDA COMMUNICATIONS: All revised or additional documents and writings related to an item on this agenda provided to all or a majority of the City Council/Agency Members after distribution of the agenda packet, are available for public inspection (1) in the City Clerk's Office at 10200 Slater Avenue, Fountain Valley, CA 92708 during normal business hours; and (2) in the Council Chambers at the time of the meeting. Unless directed otherwise by the City Council/Agency, all actions shall be based on/memorialized by the latest document submitted as a late communication.

PUBLIC COMMENTS (Scheduled Matters): Persons wishing to address the City Council/Agency regarding an agenda item(s) are requested to identify themselves by completing a blue speaker card indicating the item they want to address and to give the card to the City Clerk prior to the public comment period. Speakers must limit remarks to a total of (5) five minutes and address the City Council/Agency through the Mayor. Comments to individuals or staff are not permitted.

PUBLIC COMMENTS (Unscheduled Matters): Persons wishing to speak on a matter not on the agenda are also requested to identify themselves by completing a blue speaker card indicating the matter they want to speak on, and to give the card to the City Clerk prior to the public comment period. **Requests to speak will not be accepted after the public comment session begins without permission of the Chair.** Comments must be related to issues that are within the subject matter of the City Council jurisdiction. Speakers must limit remarks to a total of (5) five minutes and address the City Council/Agency through the Mayor. Comments to individuals or staff are not permitted. Pursuant to the Brown Act, the City Council/Agency may not enter into discussion regarding items not on the City Council/Agency agenda.

CONSENT CALENDAR: All matters listed under the Consent Calendar are considered by the City Council/Agency member to be routine and will be enacted on simultaneously with one motion without discussion unless separate action and/or discussion is requested by a Council/Agency Member, staff, or a member of the public.

PUBLIC HEARINGS: Persons in favor of or in opposition to a proposal are given an opportunity to do so during the public hearing. Those wishing to address the City Council during the hearing are requested to complete the blue speaker card and submit it to the City Clerk prior to the hearing. If a proposed action is challenged in court, there may be a limitation to raising only those issues raised during the hearing or in written correspondence received by the City Council/Housing Authority at or before the hearing.

Employee Organizations: Fountain Valley Municipal Employees Association; Professional/Technical Unit; Fountain Valley General Employees Association; Fountain Valley Firefighters Association IAFF Local 4530; Individually Represented Battalion Chiefs

NOTICE IS FURTHER GIVEN that the public will be given the opportunity to speak at this meeting only on those matters specified in this notice.

ADJOURNMENT Mayor Collins to adjourn the Special Meeting of the City of Fountain Valley City Council meeting to the next scheduled meeting of February 7, 2012 at 6:00 p.m.



**CITY OF FOUNTAIN VALLEY
AGENCY FOR COMMUNITY DEVELOPMENT
AGENCY ACTION REQUEST**

To: Honorable Agency Chair and
Members of the Agency for
Community Development

Agenda Date: January 24, 2012

SUBJECT: A Resolution of the Fountain Valley Agency for Community Development To Comply with California Assembly Bill 936 In Regards to the Reporting of any Loan Forgiveness for the Time Period of January 1, 2010 to December 31, 2011 and to Provide Notice of Intention of Forgiveness of Any Loans, Advances or Indebtedness.

EXECUTIVE SUMMARY:

On September 6, 2011 the Governor approved Assembly Bill 936. This bill requires redevelopment agencies to conduct a public meeting and adopt a resolution to report if the agency has any intention to or has forgiven any loan, advance or indebtedness that has been owed by a public body or has had a loan, advance or indebtedness forgiven by a public body.

The time period in which the agency must report any past debt forgiveness is from January 1, 2010 to December 31, 2011. The Agency must also report its intention in the near future to forgive any debt. The resolution must be adopted by February 1, 2012. A copy of the resolution must be transmitted to the City Council and the State Controller.

Staff recommends the Fountain Valley Agency for Community Development (Agency) by means of a roll call vote pass the resolution and direct staff to forward a copy to the City and the State Controller as prescribed in Assembly Bill 936.

DISCUSSION:

The adoption of Assembly Bill 936 will require two separate but related items. A redevelopment agency must 1) adopt a resolution stating its intention to forgive repayment of a loan, advance or indebtedness of a public body or has had a loan, advance or indebtedness forgiven by a public body and 2) declare whether or not it has forgiven a loan, advance or indebtedness of a public body or has had a loan, advance or indebtedness forgiven by a public body during the time period from January 1, 2010 to December 31, 2011.

The resolution shall specify the following information: the name of the public body or agency, the amount of the proposed forgiveness, the terms of the loan, advance or indebtedness, the fiscal effect of the proposed forgiveness on the public body, the fiscal effect of the forgiveness on the agency, the date on which the agency intends to act on the resolution which shall be no less than 15 days after the adoption of the resolution, the adoption of the resolution and the action that forgives repayment. The item shall not be placed on the agency's or the public body's consent calendar, but shall be adopted by a recorded roll call vote.

The Agency has not forgiven repayment of a loan, advance or indebtedness of a public body or has had a loan, advance or indebtedness forgiven by a public body from January 1, 2010 to December 31, 2011 and does not intend to forgive repayment of a loan, advance or indebtedness of a public body or has had a loan, advance or indebtedness forgiven by a public body.

A copy of the resolution must be transmitted to the governing body and the State Controller no less than 10 days after the adoption of the resolution.

FINANCIAL ANALYSIS:

There is no cost other than staff time to prepare the staff report and resolution related to this action.

ATTORNEY REVIEW:

The City Attorney has reviewed the resolution.

ALTERNATIVES:

Alternative No.1: Fountain Valley Agency for Community Development by means of a roll call vote pass the resolution and direct staff to forward a copy to the City and the State Controller as prescribed in Assembly Bill 936.

Alternative No. 2: Fountain Valley Agency for Community Development does not pass the resolution.

RECOMMENDATION:

Staff recommends Alternative No. 1 Fountain Valley Agency for Community Development by means of a roll call vote pass the resolution and direct staff to forward a copy to the City and the State Controller as prescribed in Assembly Bill 936.

Prepared By:	Brent Hoff, Housing Coordinator
Approved By:	Andrew Perea, Planning/Building Director
Fiscal Review by:	Sherri Holman, Finance Director/ Treasurer
Approved By:	Raymond H. Kromer, Executive Director

Attachment 1: Resolution

AGENCY RESOLUTION NO.117

**A RESOLUTION OF THE FOUNTAIN VALLEY AGENCY FOR
COMMUNITY DEVELOPMENT TO COMPLY WITH CALIFORNIA
ASSEMBLY BILL 936 DECLARING THAT IT HAS NOT FORGIVEN
ANY LOAN, ADVANCE OR INDEBTEDNESS BETWEEN
JANUARY 1, 2010 THROUGH DECEMBER 31, 2011**

WHEREAS, on September 6, 2011 California Assembly Bill 936 was approved by the Governor and filed with the Secretary of State; and

WHEREAS, Assembly Bill 936 requires a redevelopment agency to adopt a resolution to declare whether it intends to forgive the repayment wholly or partially, of a loan, advance, or indebtedness that has been owed by a public body to the agency or an agency to a public body; and

WHEREAS, Assembly Bill 936 requires a redevelopment agency to adopt a resolution to declare whether it has forgiven, during the period of time commencing January 1, 2010 through December 31, 2011, the repayment wholly or partially, of a loan, advance, or indebtedness that has been owed by a public body to the agency or an agency to a public body; and

WHEREAS, the redevelopment agency must adopt a resolution regarding loan forgiveness on or before February 1, 2012; and

WHEREAS, the Fountain Valley Agency for Community Development does hereby desire to comply with the requirements of Assembly Bill 936;

NOW, THEREFORE, the Board of Directors of the Fountain Valley Agency for Community Development does hereby Resolve as follows:

1. The Fountain Valley Agency for Community Development does not at the time of the adoption of this resolution intend to forgive any loan, advance, or indebtedness that has been owed by a public body to the agency or an agency to a public body.
2. The Fountain Valley Agency for Community Development has not forgiven any loan, advance, or indebtedness that has been owed by a public body to the agency or an agency to a public body during the period of time from January 1, 2010 to December 31, 2011.

3. As prescribed by Assembly Bill 936 the adoption of this resolution the Fountain Valley Agency for Community Development has been made by a recorded roll call vote.
4. As prescribed by Assembly Bill 936 no less than ten days after the adoption of this resolution the Fountain Valley Agency for Community Development shall transmit a copy of this resolution to the City Council and the State Controller.

PASSED and ADOPTED this 24th day of January 2012.

Agency Chairman

ATTEST:

Agency Secretary

Approved As to Form:



Agency Attorney



**CITY OF FOUNTAIN VALLEY
AGENCY FOR COMMUNITY DEVELOPMENT
AGENCY ACTION REQUEST**

To: Honorable Agency Chair and
Members of the Agency for
Community Development

Agenda Date: January 24, 2012

Subject: Consider a Motion of the Fountain Valley Redevelopment Agency, Approving
and Adopting an Amended Enforceable Obligations Payment Schedule
Pursuant to ABx1 26

EXECUTIVE SUMMARY:

As a result of the timing of the California Supreme Court ruling to uphold ABx1 26 and overturn and invalidate ABx1 27, the Enforceable Obligation Payment Schedule adopted in August 2011 has since expired. Therefore, it is recommended that the Agency amend its Enforceable Obligation Payment Schedule to update and include enforceable obligations from January 1, 2012 through June 30, 2012 to ensure that payments can be made prior to and following its dissolution on February 1, 2012.

DISCUSSION:

In January 2011, the Governor announced his intent to eliminate redevelopment agencies as a way to help balance the State budget. The Legislature later enacted, and the Governor signed, ABx1 26 and ABx1 27. These bills took effect on June 29, 2011. Many believe these bills violate a number of provisions in the California Constitution, including the recently enacted Proposition 22, so the California League of Cities and the California Redevelopment Association filed suit in the California Supreme Court challenging the constitutionality of these bills. On August 11, 2011, the Supreme Court agreed to take the case and issued partial stays of both ABx1 26 and ABx1 27.

In an attempt to comply with ABx1 27 and avoid dissolution of the Agency, the City adopted a Continuation Ordinance on August 22, 2011. Despite this action and the intent of the City Council to retain redevelopment, the Agency was placed in a suspended state until the constitutionality of ABx1 26 and ABx1 27 was decided by the Court. As a result, all redevelopment agencies were subject to the remaining provisions of ABx1 26 that were not stayed by the Court (Sections 34161 – 34169.5).

As provided in ABx1 26, Sections 34161-34169.5 required that all redevelopment agencies prepare an Enforceable Obligation Payment Schedule ("EOPS"), no later than August 27, 2011, to serve as the basis for the payment of the Agency's outstanding financial obligations through December 31, 2011. The Agency subsequently adopted an EOPS on August 23, 2011.

On December 29, 2011, the Supreme Court announced its ruling to uphold ABx1 26 (dissolution of redevelopment agencies), but overturned and invalidated ABx1 27 (allowing redevelopment agencies to continue with voluntary payments to the State). Due to the timing of this Supreme Court ruling, the original dates within the language of ABx1 26 have since changed and a void has occurred in the original EOPS schedule. As a result, there is no formal payment schedule covering the period of January 1, 2012 through June 30, 2012. Therefore, it is recommended that the Agency prepare an Amended Enforceable Obligation Payment Schedule ("Amended EOPS"), no later than January 31, 2012, to serve as the basis for the payment of the Agency's outstanding financial obligations from January 1, 2012 through June 30, 2012. ABx1 26 also permits agencies to amend the EOPS at any public meeting of the agency, so long as it is posted on the agency or legislative body's website for at least three business days before a payment is made pursuant to the amendment. The Agency must also send notification of the amendment with a link to the website to the Orange County Auditor-Controller, State Controller, and State Department of Finance.

A secondary provision of ABx1 26 required that all redevelopment agencies prepare a Preliminary Draft Initial Recognized Obligation Payment Schedule ("IROPS") no later than September 30, 2011 to provide to a successor agency upon the Agency's dissolution. The Agency prepared an IROPS for this purpose on September 20, 2011. The IROPS will be used to create the Recognized Obligation Payment Schedule ("ROPS"). Under dissolution, the ROPS would serve to wind down the financial obligations of the Agency. The ROPS must list all of the "enforceable obligations" of the Agency and the minimum amounts, due dates, and sources of payments required by each enforceable obligation for six month periods beginning with January 1, 2012 through June 30, 2012. ABx1 26 also states that any agreements, contracts, or arrangements between the city or county, or city and county that created redevelopment agency and the redevelopment agency are deemed invalid for the ROPS unless approved by the oversight board. The ROPS is subject to approval by an oversight board, the county auditor-controller, the State Controller, and the State Department of Finance.

Agency staff has prepared an Amended EOPS for the Agency Board's consideration, which is attached to this staff report. If it is approved by the Agency Board, Agency staff will post it on the City's website and send notification of the amendment with a link to the website to the Orange County Auditor-Controller, State Controller, and State Department of Finance.

ALTERNATIVES:

Alternative No.1: Adopt the EOPS as presented and authorize staff to file this in accordance with the provision of law.

Alternative No. 2: Do not adopt the EOPS and give further instruction to staff.

FINANCIAL ANALYSIS:

There is no cost associated with the adoption of the Amended EOPS. It is necessary to adopt the Amended EOPS in order for the Agency to make payments on its enforceable obligations prior to and following its dissolution.

ATTORNEY REVIEW:

The original EOPS and related staff report was reviewed by special council Jeff Oderman of Rutan and Tucker; a review of the amendment is not required.

PUBLIC NOTIFICATION:

The standard City Clerk's agenda notification process was used for this item.

RECOMMENDATION:

That the Agency approve and direct staff to submit to the State Director of Finance, the State Controller, and the Orange County Auditor-Controller the Amended Enforceable Obligations Payment Schedule.

Prepared By: Sherri Holman, Finance Director/Treasurer

Procurement Review: Cathy Wagner
Purchasing Manager

Approved By: Raymond H. Kromer, City Manager

Attachment: Amended Enforceable Obligation Payment Schedule

Name of Redevelopment Agency: Fountain Valley Agency for Community Development
 Project Area(s): Industrial Area

ENFORCEABLE OBLIGATION PAYMENT SCHEDULE
 Per AB 26 - Section 34167 and 34169 (*)

Project Name / Debt Obligation	Payee	Description	Total Due During Fiscal Year	Actual Payments by month							Subtotal	
				Jul	Aug	Sept	Oct	Nov	Dec			
1) 1998 Tax Allocation Bonds	Bank of New York	Industrial Area Bonds	\$ 2,158,570	-	-	-	-	-	-	-	1,962,380	\$ 1,962,380
2) TAB Bond Reserve	Bank of New York	Reserve for Industrial Area TAB	\$ -	-	-	-	-	-	-	-	-	\$ -
3) Bond Trustee Fees	Bank of New York	Fiscal agent fees for TAB	\$ 11,590	-	-	-	-	-	-	-	11,590	\$ 11,590
4) Continuing Bond Disclosure	Witdan	Disclosure for 1998 TAB	\$ 3,986	-	-	-	-	-	-	-	-	\$ -
5) 2003 COP	Fountain Valley Financing Authority	Refunding City COP	\$ 881,737	-	-	687,006	-	-	-	-	-	\$ 687,006
6) 2003 COP Bond Reserve	Fountain Valley Financing Authority	Reserve for 2003 COP	\$ -	-	-	-	-	-	-	-	-	\$ -
7) Bond Trustee Fees	Union Bank	Fiscal agent fees for 2003 COP	\$ 1,872	-	-	-	-	-	-	-	-	\$ -
8) OPA - Fry's	Fry's Electronics Inc.	Assistance for development of site	\$ 435,000	-	-	-	-	-	-	-	-	\$ -
9) OPA - Mike Thompson	Mike Thompson Recreational Vehicles, Fountain Valley, Inc	sales tax sharing agreement	\$ 481,000	-	-	-	-	-	-	-	-	\$ -
10) Repayment of SERAF loan	LMHIF	Loan from Housing Fund	\$ 3,364,450	-	-	-	-	-	-	-	-	\$ -
11) City 2010-11 Pass-through	City of Fountain Valley	2010-11 Pass-through payment due	\$ 107,382	-	-	-	-	-	-	-	-	\$ -
12) Palm Island Dev. Agreement	Fountain Valley Senior Housing, LLC	financial assistance for retirement community	\$ 100,000	-	-	-	-	-	-	-	100,000	\$ 100,000
13) Lease of Advertising Space	City of Fountain Valley	lease of advertising space	\$ 300,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	\$ 150,000
14) City Co-op Agreement	City of Fountain Valley	Reimbursement to City for Non-housing expenses	\$ 1,280,250	106,688	106,688	106,688	106,688	106,688	106,688	106,688	106,688	\$ 640,128
15) City Co-op Agreement	City of Fountain Valley	Reimbursement to City for Housing Expenses	\$ 1,052,600	87,717	87,717	87,717	87,717	87,717	87,717	87,717	87,717	\$ 526,302
16) Successor Agency Administration	City of Fountain Valley	Salary, benefits, insurance	\$ 250,000	-	-	-	-	-	-	-	-	\$ -
17) Successor Agency Legal Services	Rutan & Tucker, SYCR, Harper & Burns	Legal counsel services	\$ 50,000	-	-	-	-	-	-	-	-	\$ -
18) Successor Agency Consulting Services	RSG, Inc	Technical services for reports	\$ 25,000	-	-	-	-	-	-	-	-	\$ -
19) Housing Monitoring	City of Fountain Valley Employee	Monitoring affordable housing projects	\$ 34,836	2,903	2,903	2,903	2,903	2,903	2,903	2,903	2,903	\$ 17,418
20) County Admin Fee	County of Orange	County administrative charges	\$ 90,000	-	-	-	-	-	-	-	-	\$ -
21) City Co-op Agreement	City of Fountain Valley	Reimbursement to City for Capital projects	\$ 4,500,000	15,446	375,000	375,000	375,000	375,000	375,000	375,000	15,816	\$ 1,586,481
22) Kalama River/Mt Shea Rehab.	City of Fountain Valley	Bond Proceeds Project	\$ 2,000,000	-	-	-	-	-	-	-	-	\$ -
23) Development Projects North of I-405	City of Fountain Valley	Bond Proceeds Project	\$ 10,000,000	-	-	-	-	-	-	-	-	\$ -
24) Economic Development Incentives	City of Fountain Valley	Bond Proceeds Project	\$ 1,000,000	-	-	-	-	-	-	-	-	\$ -
25) Euclid Street Enhancement	SoCal Engineers Inc.	Bond Proceeds Project	\$ 500,000	-	-	-	-	-	-	-	-	\$ -
26) Euclid Street Enhancement	SoCal Engineers Inc.	Final project closeout	\$ 20,041	-	-	-	-	-	-	-	-	\$ -
27) Newhope/Euclid/Talbert Triangle	City of Fountain Valley	Bond Proceeds Project	\$ 3,098,937	-	-	-	-	-	-	-	-	\$ -
Total			\$ 31,747,251	237,754	597,308	1,284,314	756,053	238,124	2,547,722	2,547,722	\$ 5,661,285	

* This Enforceable Obligation Payment Schedule (EOPS) is to be adopted by the redevelopment agency no later than February 1, 2012. It is valid through 6/30/12. It is the basis for the Recognized Obligation Payment Schedule (ROPS), which must be prepared by the dissolving Agency by 3/1/12.
 ** Include only payments to be made after the adoption of the EOPS.

Name of Redevelopment Agency: Fountain Valley Agency for Community Development
 Project Area(s): Industrial Area

ENFORCEABLE OBLIGATION PAYMENT SCHEDULE
 Per AB 26 - Section 34167 and 34169 (*)

Project Name / Debt Obligation	Payee	Description	Total Due During Fiscal Year	Projected Payments by month						Subtotal	
				Jan**	Feb	Mar	Apr	May	Jun		
1) 1998 Tax Allocation Bonds	Bank of New York	Industrial Area Bonds	\$ 2,158,570	-	-	-	-	-	-	196,190	\$ 196,190
2) TAB Bond Reserve	Bank of New York	Reserve for Industrial Area TAB	\$ 1,971,884	-	1,971,884	-	-	-	-	-	\$ 1,971,884
3) Bond Trustee Fees	Bank of New York	Fiscal agent fees for TAB	\$ 11,590	-	-	-	-	-	-	-	\$ -
4) Continuing Bond Disclosure	Wildan	Disclosure for 1998 TAB	\$ 3,986	-	3,986	-	-	-	-	-	\$ 3,986
5) 2003 COP	Fountain Valley Financing Authority	Refunding City COP	\$ 881,737	-	194,731	-	-	-	-	-	\$ 194,731
6) 2003 COP Bond Reserve	Fountain Valley Financing Authority	Reserve for 2003 COP	\$ 889,592	-	889,592	-	-	-	-	-	\$ 889,592
7) Bond Trustee Fees	Union Bank	Fiscal agent fees for 2003 COP	\$ 1,872	-	-	-	-	-	-	1,872	\$ 1,872
8) OPA - Fy's	Fry's Electronics Inc.	Assistance for development of site	\$ 435,000	-	-	-	435,000	-	-	-	\$ 435,000
9) OPA - Mike Thompson	Mike Thompson Recreational Vehicles, Fountain Valley, Inc	sales tax sharing agreement	\$ 481,000	-	-	-	-	-	-	481,000	\$ 481,000
10) Repayment of SERAF loan	LMIHF	Loan from Housing Fund	\$ 3,364,450	-	-	-	-	-	-	3,364,450	\$ 3,364,450
11) City 2010-11 Pass-through	City of Fountain Valley	2010-11 Pass-through payment due	\$ 107,382	107,382	-	-	-	-	-	-	\$ 107,382
12) Palm Island Dev. Agreement	Fountain Valley Senior Housing, LLC	financial assistance for retirement community	\$ 100,000	-	-	-	-	-	-	-	\$ -
13) Lease of Advertising Space	City of Fountain Valley	lease of advertising space	\$ 300,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	\$ 150,000
14) City Co-op Agreement	City of Fountain Valley	Reimbursement to City for Non-housing expenses	\$ 1,280,250	106,688	106,688	106,688	106,688	106,688	106,688	106,688	\$ 640,128
15) City Co-op Agreement	City of Fountain Valley	Reimbursement to City for Housing Expenses	\$ 1,052,600	87,717	87,717	87,717	87,717	87,717	87,717	87,717	\$ 526,302
16) Successor Agency Administration	City of Fountain Valley	Salary, benefits, insurance	\$ 250,000	-	50,000	50,000	50,000	50,000	50,000	50,000	\$ 250,000
17) Successor Agency Legal Services	Rutan & Tucker, SYCR, Harper & Burns	Legal counsel services	\$ 50,000	5,000	10,000	10,000	10,000	10,000	10,000	5,000	\$ 50,000
18) Successor Agency Consulting services	RSG, Inc	Technical services for reports	\$ 25,000	-	7,500	7,500	5,000	5,000	5,000	-	\$ 25,000
19) Housing Monitoring	City of Fountain Valley Employee	Monitoring affordable housing projects	\$ 34,836	2,903	2,903	2,903	2,903	2,903	2,903	2,903	\$ 17,418
20) County Admin Fee	County of Orange	County administrative charges	\$ 90,000	-	-	-	90,000	-	-	-	\$ 90,000
21) City Co-op Agreement	City of Fountain Valley	Reimbursement to City for Capital projects	\$ 4,500,000	375,000	375,000	375,000	375,000	375,000	375,000	375,000	\$ 2,250,000
22) Kalamia River/Mt Shea Rehab.	City of Fountain Valley	Bond Proceeds Project	\$ 2,000,000	333,333	333,333	333,333	333,333	333,333	333,333	333,333	\$ 1,999,998
23) Development Projects North of I-405	City of Fountain Valley	Bond Proceeds Project	\$ 10,000,000	1,666,667	1,666,667	1,666,667	1,666,667	1,666,667	1,666,667	1,666,667	\$ 10,000,002
24) Economic Development Incentives	City of Fountain Valley	Bond Proceeds Project	\$ 1,000,000	166,667	166,667	166,667	166,667	166,667	166,667	166,667	\$ 1,000,002
25) Euclid Street Enhancement	SoCal Engineers Inc.	Bond Proceeds Project	\$ 500,000	-	100,000	100,000	100,000	100,000	100,000	100,000	\$ 500,000
26) Euclid Street Enhancement	SoCal Engineers Inc.	Final project closeout	\$ 20,041	20,041	-	-	-	-	-	-	\$ 20,041
27) Newhope/Euclid/Talbert Triangle	City of Fountain Valley	Bond Proceeds Project	\$ 3,098,937	98,937	300,000	300,000	300,000	300,000	300,000	300,000	\$ 1,598,937
Total			\$ 31,747,251	2,995,335	6,291,668	3,231,475	3,753,975	3,228,975	3,753,975	7,262,487	\$ 26,763,915

* This Enforceable Obligation Payment Schedule (EOPS) is to be adopted by the redevelopment agency no later than February 1, 2012. It is valid through 6/30/12. It is the basis for the Recognized Obligation Payment Schedule (ROPS), which must be prepared by the dissolving Agency by 3/1/12.
 ** Include only payments to be made after the adoption of the EOPS.



**CITY OF FOUNTAIN VALLEY
CITY COUNCIL
AGENCY FOR COMMUNITY DEVELOPMENT
COUNCIL/AGENCY ACTION REQUEST**

To: Honorable Agency Chair and
Members of the Agency for
Community Development and
Honorable Mayor and Members of
the City Council

Agenda Date: January 24, 2012

Subject: Approval of a Professional Services Agreement between the City of
Fountain Valley and Rosenow Spevacek Group and Amendment of the
2011-12 General Fund Budget in the amount of \$25,000

EXECUTIVE SUMMARY:

On December 29, 2011, California's Supreme Court announced its decision in the California Redevelopment Association v. Matosantos case regarding AB x 1 26 and AB x 1 27. The Court found AB x 1 26 (the "Dissolution Act") to be constitutional and AB x 127 to be unconstitutional. This decision has resulted in the dissolution of Redevelopment Agencies in California by February 1, 2012.

Due to the ambiguity of the language in the dissolution bill and the myriad of unanswered questions regarding the necessary actions and reporting requirements of the dissolution of the Fountain Valley Agency for Community Development, staffs feels that is in the best interest of the City to enter into a professional services agreement with Rosenow Spevacek to help facilitate the winding down of the Agency's affairs.

DISCUSSION:

In January, 2011, the Governor announced his intent to eliminate redevelopment agencies as a way to help balance the State budget. The Legislature later enacted and the Governor signed, Assembly Bill x1 26 and Assembly Bill x1 27; these bills took effect on June 29, 2011. Many believe these bills violated a number of provisions in the California Constitution, including the recently enacted Proposition 22; for this reason the California League of Cities and the California Redevelopment Association filed suit in the California Supreme Court challenging the constitutionality of these bills. On August 11, 2011, the Supreme Court agreed to take the case and issued an immediate stay of ABx1 27 in its entirety and a partial stay of ABx1 26.

On December 29, 2011 California's Supreme Court announced its decision in the California Redevelopment Association v. Matosantos case regarding AB x 1 26 and AB x 1 27. The Court found AB x 1 26 (the "Dissolution Act") to be constitutional and AB x 1 27 to be unconstitutional under voter approved Proposition 22. The end result of the Court's

decision is that all California Redevelopment Agencies will be dissolved by February 1, 2012, and all Agency assets will be transferred to successor agencies. For the City of Fountain Valley, the City has chosen to be the successor agency for the Industrial Project Redevelopment Area and the Fountain Valley Housing Authority will be the successor agency for Housing Set-Aside activities.

Now that AB x 1 26 has been upheld there is the matter of interpreting and implementing the provisions of the bill. In its haste to pass this piece of legislation, the legislators left the language of the bill very ambiguous and open to many different interpretations. The bill also includes stringent reporting requirements and deadlines that are also vague and open to many interpretations.

Given all of the unanswered questions, unresolved issues and restrictive amount of time allowed for the successor agency to wind down the affairs of the soon to be former Redevelopment Agency (RDA) staff recommends utilizing the services of Rosenow Spevacek to assist in the transition. Their role would be to provide technical, management, and administrative services to enable staff to respond to ongoing reporting requirements, transition of the Agency to the successor agency, and to provide financial and strategic planning, and other services as directed to staff. Their services would be charged on a time-and-materials basis for an amount not to exceed \$25,000.

The amount of the professional services agreement will be included on the Agency's Enforceable Obligations Payment Schedule (EOPS) with the hopes that the obligation will be recognized as an enforceable obligation that will allow the City to be reimbursed by the successor agency for these services.

Staff recommends that Council approve the professional services agreement with Rosenow Spevacek Group and amend the 2011-12 General Fund budget in the amount of \$25,000.

ALTERNATIVES:

Alternative No. 1: Approve the agreement for professional services regarding the dissolution of the Fountain Valley Agency for Community Development and amend the 2011-12 General Fund budget in the amount of \$25,000

Alternative No. 2: Do not approve the agreement or amend the General Fund budget.

FINANCIAL ANALYSIS:

Currently there are not adequate funds available within the General Fund to accommodate the agreement with Rosenow Spevacek Group and the 2011-12 budget would need to be amended in the amount of \$25,000. This agreement will be listed on the RDA's EOPS as an enforceable obligation to the City that maybe eligible for reimbursement by the successor agency.

ATTORNEY REVIEW:

The City Attorney has reviewed and approved the City's standard Professional Services Agreement.

PUBLIC NOTIFICATION:

The standard City Clerk's agenda notification process was used for this item.

RECOMMENDATION:

Staff recommends that Council approve the professional services agreement with Rosenow Spevacek Group and amend the 2011-12 General Fund budget in the amount of \$25,000.

Prepared By:	Sherri Holman Finance Director/Treasurer
Procurement Review:	Cathy Wagner Purchasing Manager
Approved By:	Raymond H. Kromer City Manager/ Executive Director

Attachments: Professional Services Agreement

This is:
 One-time Item

**AGREEMENT FOR CONSULTANT SERVICES
CON – 12 - 02**

THIS AGREEMENT is made and effective as of January 13, 2012, between the City of Fountain Valley, a municipal corporation ("City") and Rosenow Spevacek Group Inc. a corporation, ("Consultant"). In consideration of the mutual covenants and conditions set forth herein, the parties agree as follows:

1. TERM

This Agreement shall commence on January 13, 2012, and shall remain and continue in effect until tasks described herein are completed, but in no event later than January 13, 2013, unless sooner terminated pursuant to the provisions of this Agreement.

2. SERVICES

Consultant shall perform the tasks described and set forth in Exhibit "A", attached hereto and incorporated herein as though set forth in full. Consultant shall complete the tasks according to the schedule of performance which is also set forth in Exhibit "A".

3. PERFORMANCE

Consultant shall at all times faithfully, competently and to the best of his/her ability, experience, and talent perform all tasks described herein. Consultant shall employ, at a minimum, generally accepted standards and practices utilized by persons engaged in providing similar services as are required of Consultant hereunder in meeting its obligations under this Agreement.

4. CITY MANAGEMENT

The City Manager shall represent City in all matters pertaining to the administration of this Agreement, review and approval of all products submitted by Consultant, but not including the authority to enlarge the Tasks to be performed or change the compensation due to Consultant. The City Manager shall be authorized to act on City's behalf and to execute all necessary documents which enlarge the Tasks to be Performed or change Consultant's compensation, subject to Section 5 hereof.

5. PAYMENT

(a) The City agrees to pay Consultant for services performed. The amount of this Agreement shall not exceed Twenty Five Thousand dollars (\$25,000) for the total term of the Agreement unless additional payment is approved as provided in this Agreement.

(b) Consultant shall not be compensated for any services rendered in connection with its performance of this Agreement which are in addition to those set forth herein, unless such additional services are authorized in advance and in writing by the City Manager. Consultant shall be compensated for any additional services in the amounts and in the manner as agreed to by City Manager and Consultant at the time City's written authorization is given to Consultant for the performance of said services. The City Manager may approve additional work not to exceed fifteen-thousand dollars (\$15,000.00). Any additional work in excess of this amount shall be approved by the City Council.

(c) Consultant will submit invoices for actual services performed. Invoices shall be submitted on or about the first business day of each month, or as soon thereafter as practical, for services provided in the previous month. Payment shall be made within thirty (30) days of receipt of each invoice as to all non-disputed fees. If the City disputes any of Consultant's fees it shall give written notice to Consultant within thirty (30) days of receipt of an invoice of any disputed fees set forth on the invoice.

6. SUSPENSION OR TERMINATION OF AGREEMENT WITHOUT CAUSE

(a) The City may at any time, for any reason, with or without cause, suspend or terminate this Agreement, or any portion hereof, by serving upon the Consultant at least thirty (30) days prior written notice. Upon receipt of said notice, the consultant shall immediately cease all work under this Agreement, unless the notice provides otherwise. If the City suspends or terminates a portion of this Agreement such suspension or termination shall not make void or invalidate the remainder of this Agreement.

(b) In the event this Agreement is terminated pursuant to this Section, the City shall pay to Consultant the actual value of the work performed up to the time of termination, provided that the work performed is of value to the City. Upon termination of the Agreement pursuant to this Section, the Consultant will submit an invoice to the City pursuant to Section 5.

7. DEFAULT OF CONSULTANT

(a) The Consultant's failure to comply with the provisions of this Agreement shall constitute a default. In the event that Consultant is in default for cause under the terms of this Agreement, City shall have no obligation or duty to continue compensating Consultant for any work performed after the date of default and can terminate this Agreement immediately by written notice to the Consultant. If such failure by the Consultant to make progress in the performance of work hereunder arises out of causes beyond the Consultant's control, and without fault or negligence of the Consultant, it shall not be considered a default.

(b) If the City Manager or his/her delegate determines that the Consultant is in default in the performance of any of the terms or conditions of this Agreement, he/she shall cause to be served upon the Consultant a written notice of the default. The Consultant shall have ten (10) days after service upon it of said notice in which to cure the default by rendering a satisfactory performance. In the event that the Consultant fails to cure its default within such period of time, the City shall have the right, notwithstanding any other provision of this Agreement, to terminate this Agreement without further notice and without prejudice to any other remedy to which it may be entitled at law, in equity or under this Agreement.

8. OWNERSHIP OF DOCUMENTS

(a) Consultant shall maintain complete and accurate records, reports, documentation and other such information required by City that relate to the performance of services under this Agreement. Consultant shall maintain adequate records of services provided in sufficient detail to permit an evaluation of services. All such records shall be maintained in accordance with generally accepted accounting principles and shall be clearly identified and readily accessible. Consultant shall provide free access to the representatives of City or its designees at reasonable times to such books and records; shall give City the right to examine and audit said books and records; shall permit City to make transcripts therefrom as necessary; and shall allow inspection of all work, data, documents, proceedings and activities related to this Agreement. Such records, together with supporting documents, shall be maintained for a period of three (3) years after receipt of final payment.

(b) Upon completion, termination or suspension of this Agreement all records, reports, documentation and other such information prepared in the course of providing the services to be performed pursuant to this Agreement shall become the sole property of the City and may be used, reused or otherwise disposed of by the City without the permission of the Consultant. With respect to computer files, Consultant shall make available to the City, at the Consultant's office and upon reasonable written request by the City, the necessary computer software and hardware for purposes of accessing, compiling, transferring and printing computer files.

9. INDEMNIFICATION

(a) Indemnification for Professional Liability. To the fullest extent permitted by law, Consultant shall indemnify, protect, defend and hold harmless City and any and all of its officials, employees and agents ("Indemnified Parties") from and against any and all losses, liabilities, damages, costs and expenses, including attorney's fees and costs which arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of the Consultant.

(b) Indemnification for Other Than Professional Liability. Other than in the performance of professional services and to the full extent permitted by law, Consultant shall indemnify, defend and hold harmless City, and any and all of its employees, officials and agents from and against any liability (including liability for claims, suits, actions, arbitration proceedings, administrative proceedings, regulatory proceedings, loses, expenses or costs of any kind, whether actual, alleged or threatened, including attorneys fees and costs, court costs, interest, defense costs and expert witness fees); where the same arise out of, are a consequence of, or are in any way attributable to, in whole or in part, the performance of this Agreement by Consultant or by any individual or entity for which Consultant is legally liable, including but not limited to officers, agents, employees or subconsultants of Consultant.

(c) General Indemnification Provisions. Consultant agrees to obtain executed indemnity agreements with provisions identical to those set forth here in this section from each and every subconsultant or any other person or entity involved by, for, with or on behalf of Consultant in the performance of this Agreement. In the event Consultant fails to obtain such indemnity obligations from others as required here, Consultant agrees to be fully responsible according to the terms of this section. Failure of City to monitor compliance with these requirements imposes no additional obligations on City and will in no way act as a waiver of any rights hereunder. This obligation to indemnify and defend City as set forth here is binding on the successors, assigns or heirs of Consultant and shall survive the termination of this Agreement or this section.

10. INSURANCE

Consultant shall maintain prior to the beginning of and for the duration of this Agreement insurance coverage as required and specific to services in Exhibit "A" attached to and part of this Agreement.

11. INDEPENDENT CONSULTANT

(a) Consultant is and shall at all times remain as to the City a wholly independent Consultant. The personnel performing the services under this Agreement on behalf of Consultant shall at all times be under Consultant's exclusive direction and control. Neither City nor any of its officers, employees, or agents shall have control over the conduct of Consultant or any of Consultant's officers, employees, or agents, except as

set forth in this Agreement. Consultant shall not at any time or in any manner represent that it or any of its officers, employees, or agents are in any manner officers, employees, or agents of the City. Consultant shall not incur or have the power to incur any debt, obligation, or liability whatever against City, or bind City in any manner.

(b) No employee benefits shall be available to Consultant in connection with the performance of this Agreement. Except for the fees paid to Consultant as provided in the Agreement, City shall not pay salaries, wages, or other compensation to Consultant for performing services hereunder for City. City shall not be liable for compensation or indemnification to Consultant for injury or sickness arising out of performing services hereunder. In addition to the indemnification provisions of Section 9, Consultant shall indemnify, defend, and hold City harmless from claims or liability arising from Consultant's employees for City benefits including, but not limited to, pension, health benefits, holiday, vacations, etc.

12. LEGAL RESPONSIBILITIES

The Consultant shall keep itself informed of State and Federal laws and regulations which in any manner affect those employed by it or in any way affect the performance of its service pursuant to this Agreement. The Consultant shall at all times observe and comply with all such laws and regulations. The City, and its officers and employees, shall not be liable at law or in equity occasioned by failure of the Consultant to comply with this Section.

13. UNDUE INFLUENCE

Consultant declares and warrants that no undue influence or pressure is used against or in concert with any officer or employee of the City of Fountain Valley in connection with the award, terms or implementation of this Agreement, including any method of coercion, confidential financial arrangement or financial inducement. No officer or employee of the City of Fountain Valley will receive compensation, directly or indirectly, from Consultant, or from any officer, employee or agent of Consultant, in connection with the award of this Agreement or any work to be conducted as a result of this Agreement. Violation of this Section shall be a material breach of this Agreement entitling the City to any and all remedies at law or in equity.

14. NO BENEFIT TO ARISE TO LOCAL EMPLOYEES

No member, officer, or employee of City, or their designees or agents, and no public official who exercises authority over or responsibilities with respect to the Project during his/her tenure or for one year thereafter, shall have any interest, direct or indirect, in any agreement or sub-agreement, or the proceeds thereof, for work to be performed in connection with the Project performed under this Agreement.

15. RELEASE OF INFORMATION / CONFLICTS OF INTEREST

(a) All information gained by Consultant in performance of this Agreement shall be considered confidential and shall not be released by Consultant without City's prior written authorization. Consultant, its officers, employees, agents or subconsultants, shall not without written authorization from the City Manager or unless requested by the City Attorney, voluntarily provide declarations, letters of support, testimony at depositions, response to interrogatories, or other information concerning the work performed under this Agreement or relating to any project or property located within the City. Response to a subpoena or court order shall not be considered "voluntary" provided Consultant gives City notice of such court order or subpoena.

(b) Consultant shall promptly notify City should Consultant, its officers, employees, agents or subconsultants be served with any summons, complaint, subpoena, notice of deposition, request for documents, interrogatories, requests for admissions, or other discovery request, court order, or subpoena from any person or party regarding this Agreement and the work performed thereunder or with respect to any project or property located within the City. City retains the right, but has no obligation, to represent Consultant and/or be present at any deposition, hearing, or similar proceeding. Consultant agrees to cooperate fully with City and to provide the opportunity to review any response to discovery requests provided by Consultant. However, City's right to review any such response does not imply or mean the right by City to control, direct, or rewrite said response.

16. NOTICES

Any notices which either party may desire to give to the other party under this Agreement must be in writing and may be given either by (i) personal service, (ii) delivery by a reputable document delivery service, such as but not limited to, Federal Express, which provides a receipt showing date and time of delivery, or (iii) mailing in the United States Mail, certified mail, postage prepaid, return receipt requested, addressed to the address of the party as set forth below or at any other address as that party may later designate by notice:

To City: City of Fountain Valley
 Attention: City Clerk
 10200 Slater Avenue
 Fountain Valley, California 92708

To Consultant: Rosenow Spevacek Group Inc.
 309 West 4th Street
 Santa Ana, CA. 92701
 714-541-4585

17. ASSIGNMENT

The Consultant shall not assign the performance of this Agreement, nor any part thereof, nor any monies due hereunder, without prior written consent of the City. Because of the personal nature of the services to be rendered pursuant to this Agreement, only Rosenow Spevacek Group staff shall perform the services described in this Agreement.

Upon termination of this agreement, Consultant's sole compensation shall be payment for actual services performed up to, and including, the date of termination or as may be otherwise agreed to in writing between the City Council and the Consultant.

18. LICENSES

At all times during the term of this Agreement, Consultant shall have in full force and effect, all licenses required of it by law for the performance of the services described in this Agreement.

19. GOVERNING LAW

The City and Consultant understand and agree that the laws of the State of California shall govern the rights, obligations, duties and liabilities of the parties to this Agreement and also govern the interpretation of this Agreement. Any litigation concerning this Agreement shall take place in the municipal, superior or federal district court with jurisdiction over the City of Fountain Valley.

20. ENTIRE AGREEMENT

This Agreement contains the entire understanding between the parties relating to the obligations of the parties described in this Agreement. All prior or contemporaneous agreements, understandings, representations, and statements, oral or written, are merged into this Agreement and shall be of no further force or effect. Each party is entering into this Agreement based solely upon the representations set forth herein and upon each party's own independent investigation of any and all facts such party deems material.

21. MODIFICATION

No modification to this agreement shall be effective unless it is in writing and signed by authorized representatives of the parties hereto.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed the day and year first above written.

CITY OF FOUNTAIN VALLEY

CONSULTANT

City Manager (or Mayor)

Signature

ATTEST:

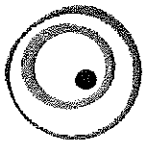
Typed Name

City Clerk

Title

APPROVED AS TO FORM:

City Attorney



RSG

INTELLIGENT COMMUNITY DEVELOPMENT

ROSENOW SPEVACEK GROUP INC.
309 WEST 4TH STREET
SANTA ANA, CALIFORNIA
92701-4502

T 714 541 4585
F 714 541 1175
E INFO@WEBRSG.COM
WEBRSG.COM

January 13, 2012

Via Electronic Mail

Ray Kromer, City Manager
Sherri Holman, Finance Director
CITY OF FOUNTAIN VALLEY
10200 Slater Avenue
Fountain Valley, CA 92708

LETTER OF ENGAGEMENT FOR FINANCIAL CONSULTING SERVICES

Dear Mr. Kromer and Ms. Holman:

At your request, RSG has prepared this letter of engagement to provide the City, the Agency for Community Development, and other entities of the City of Fountain Valley financial and management consulting services as an extension of staff. Our role would be to provide technical, management, and administrative services to enable staff to respond to ongoing reporting requirements, transition of the Agency to a successor agency, financial and strategic planning, and other services as directed by staff.

Specific assignments may include but are not limited to the following:

- Operational Startup Activities for a successor agency to the Agency
- Financial Planning and Transition Services
- Organizational Structuring
- Startup of Dissolution Oversight Body
- Meeting Coordination
- Monitoring of Legal Requirements and Covenants
- Financial Administration
- Others as Designated

Our services would be charged on a time-and-materials basis, in accordance with our current fee schedule below:

Principal/Director	\$ 195
Senior Associate	160
Associate	140
Senior Analyst	110
Analyst	100
Research Assistant	90

COMMUNITY INVESTMENT & IMPROVEMENT
LOCAL GOVERNMENT SOLUTIONS
FINANCIAL ANALYSIS
REAL ESTATE & DEVELOPMENT

Ray Kromer, City Manager
Sherri Holman, Finance Director
CITY OF FOUNTAIN VALLEY
January 13, 2012
Page 2

Technician	70
Clerical	60

Reimbursable Expenses Cost plus 10%

RSG does not charge clients for mileage (except direct costs related to blight field surveys), parking, standard telephone/fax expenses, general postage or incidental copies. However, we do charge for messenger services, overnight shipping/express mail costs and teleconferencing services. We also charge for copies of reports, documents, notices, and support material in excess of five (5) copies. These costs are charged back at the actual expense plus a 10% surcharge.

RSG issues monthly invoices payable upon receipt, unless otherwise agreed upon in advance. Invoices identify tasks completed to date, hours expended and the hourly rate. **Our Federal Tax ID is 95-3435849.**

We anticipate an initial budget of \$25,000 to undertake these assignments for the City and its agencies.

Thank you for the opportunity to assist the City. If you have any questions, please do not hesitate to contact me.

Sincerely,
ROSENOW SPEVACEK GROUP, INC.



Jim Simon
Principal