OVERSIGHT BOARD  
Successor Agency to the Chico Redevelopment Agency  
Meeting of May 2, 2012 – 9:00 a.m.  
Council Chamber Building, 421 Main Street, Conference Room No. 1  
Board: Chair Scott Gruendl, Vice Chair Trevor Stewart  
Kevin Buljeta, Dave Burkland, Wes Gilbert, Steve Visconti, Larry Wahl

REGULAR AGENDA

A. Roll Call

B. Oath of Office - City Clerk, Debbie Presson

C. Approval of Minutes dated April 4, 2012

D. Approval of Revised Preliminary ROPS for January - June 2012 - (Report - Senior Planner, Shawn Tillman)

E. Approval of Administrative Budget for Fiscal Year 2012-2013 - (Report - Finance Director, Jennifer Hennessy and Senior Planner, Shawn Tillman)

F. Approval of ROPS for July - December 2012 - (Report - Senior Planner, Shawn Tillman)

G. Upcoming Agenda

H. Reports and Communications - The report and communication item is provided for the Committee’s information. No action can be taken on the item unless the Committee agrees to include it on a subsequent posted agenda.

   1. Legislative Update - (Verbal Report - Senior Planner, Shawn Tillman)

I. Business from the Floor - Members of the public may address the Committee at this time on any matter not already listed on the agenda, with comments being limited to three minutes. The Committee cannot take any action at this meeting on requests made under this section of the agenda.

J. Adjournment and Next Meeting - The meeting will adjourn to the next Oversight Board meeting scheduled for Wednesday, June 6, 2012, at 9:00 a.m. in Conference Room No. 1.
Oversight Board
Successor Agency to the Chico Redevelopment Agency
April 4, 2012 Minutes

<table>
<thead>
<tr>
<th>Board present:</th>
<th>Staff present:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chair Scott Gruendl</td>
<td>Senior Planner Tillman</td>
</tr>
<tr>
<td>Vice Chair Trevor Stewart</td>
<td>City Clerk Presson</td>
</tr>
<tr>
<td>Kevin Bultema</td>
<td>Finance Director Hennessy</td>
</tr>
<tr>
<td>Dave Burkland</td>
<td>Administrative Analyst Brinkley</td>
</tr>
<tr>
<td>Steve Visconti</td>
<td></td>
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<tr>
<td>Larry Wahl</td>
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</tr>
<tr>
<td>Wes Gilbert</td>
<td></td>
</tr>
</tbody>
</table>

REGULAR AGENDA

A. Roll Call

Chair Gruendl called the meeting to order, with all Board Members present.

Newly appointed Board Member, Wes Gilbert introduced himself.

B. Overview of Local Agency Rules - (Report - City of Chico City Clerk, Debbie Presson)

1. Establishment of a Regular Meeting Schedule

A motion was made by Board Member Wahl and seconded by Vice Chair Stewart to establish the first Wednesday of each month at 9:00 a.m. as the regular meeting schedule of the Oversight Board. Meetings will be held at the Chico Municipal Center, Conference Room 1, 421 Main Street, Chico, CA.

AYES: Burkland, Bultema, Gilbert, Visconti, Wahl, Stewart, Gruendl
NOES: None

2. Statement of Economic Interests - Form 700

City Clerk Presson advised the Board that a Form 700 needs to be submitted within 30 days of assuming office and all categories need to be reported. A Conflict of Interest Code will be brought back in the future for Board adoption.

C. Distribution of Property Taxes - (Discussion - Finance Director, Jennifer Hennessy and Senior Planner, Shawn Tillman)

Senior Planner Tillman provided key dates and upcoming required actions. He also provided a schedule of the Agency's long term-debt.

Finance Director Hennessy explained the flow of Redevelopment funds prior to the passing of AB1X26 and how the funds will be distributed post AB1X26.

D. Unencumbered Bond Proceeds - (Discussion - Finance Director, Jennifer Hennessy and Senior Planner, Shawn Tillman)

Senior Planner Tillman explained the three options for using unencumbered bond proceeds. The proceeds may be used for the projects for which the bond was originally issued, to pay annual debt service or redeem the bonds over time. However, there may be penalties associated with the latter two options for early withdrawals. The unencumbered bond proceeds cannot be distributed to the taxing entities.
E. **Approval of the Successor Agency Administrative Budget**

Each Successor Agency is required to prepare an administrative budget and submit it to the Oversight Board for its approval. The budget covers Successor Agency administrative and operating costs for the period February 1, 2012 through June 30, 2012. The administrative budget is also the basis for the Administrative Cost Allowance for the successor agency, which also must be approved by the Oversight Board. *(Staff Report - Senior Planner, Shawn Tillman)*

Finance Director Hennessy reviewed the proposed Successor Agency Administrative Budget for February through June 30, 2012.

A motion was made by Board Member Wahl and seconded by Board Member Gilbert to fund fifty percent of the requested budget amount and the remaining amount to be paid based on invoicing for the those charges.

**AYES:** Gilbert, Wahl  
**NOES:** Burkland, Bultema, Visconti, Stewart, Gruendl

A motion was made by Vice Chair Stewart and seconded by Board Member Visconti to approve the proposed administrative budget without the staff time percentages listed for the period February, 2012 through June 30, 2012, and approve the inclusion of the full administrative cost allowance in the ROPS.

**AYES:** Burkland, Bultema, Visconti, Stewart, Gruendl  
**NOES:** Gilbert, Wahl

F. **Approval of Preliminary Recognized Obligation Payment Schedule**

Each successor agency is required to prepare a Recognized Obligation Payment Schedule (ROPS). The ROPS serves as the Successor Agency’s ongoing authority for making payments on the obligations of the former redevelopment agency. Before a ROPS becomes operative, it must, among other requirements, be approved by the Oversight Board for the Successor Agency. The ROPS covers the period January 1, 2012 through June 30, 2012. *(Staff Report - Senior Planner, Shawn Tillman)*

Senior Planner Tillman reviewed the preliminary ROPS and distributed several items for the record.

Tom Tenerio of the Community Action Agency spoke in support of line Item #15, the North Point Apartment project.

Laurie Doyle, the developer of the Harvest Park Apartments project, spoke in support of line Item #14, the Harvest Park Apartments.

Kasey Merrill submitted a letter and also spoke regarding the need for funding to complete improvements surrounding Enloe Medical Center, in the Chico Avenues neighborhood.

Janet Ellner spoke regarding the Commanche Creek plan which was recently approved by the Bidwell Park and Playground Commission.

A motion was made by Vice Chair Stewart and seconded by Board Member Bultema to approve the preliminary ROPS for January 1, 2012 through June 30, 2012, with the elimination of the third sentence in footnote #5 *(Under the Indenture of Trust which authorized the issuance of the bonds, bond proceeds are only permitted to be used to pay project costs).*

**AYES:** Burkland, Bultema, Gilbert, Visconti, Wahl, Stewart, Gruendl  
**NOES:** None

G. **Approval of Minutes dated March 21, 2012**

A motion was made by Board Member Burkland and seconded by Board Member Visconti to approve the March 21, 2012 Oversight Board meeting minutes.

**AYES:** Burkland, Bultema, Visconti, Wahl, Stewart, Gruendl  
**NOES:** None  
**ABSTAIN:** Gilbert
H. **Upcoming Agenda**

Senior Planner Tillman stated that the ROPS for July 1, 2012 through December 31, 2012 will be on the next agenda for consideration.

I. **Reports and Communications** - The report and communication item was provided for the Committee's information.

   1. Legislative Update - *(Verbal Report - Senior Planner, Shawn Tillman)*

   Senior Planner Tillman gave an update on the status of AB 1585, which was recently passed by the House. This legislation ensures that: 1) unspent housing funds are to be used for affordable housing, 2) upholds loans between agencies if they were established within two years of the formation of the project area, 3) prevents a fire sale to liquidate assets and allows time to develop a strategic plan to dispose of the assets, and 4) clarifies that Successor Agencies are a distinct and separate entity from cities.

   Senior Planner Tillman also provided a list of the Successor Agency's assets that were transferred from the RDA to the City of Chico.

J. **Business from the Floor** - None.

K. **Adjournment and Next Meeting** - The meeting adjourned at 10:55 a.m. to the next Oversight Board meeting scheduled for Wednesday, May 2, 2012, at 9:00 a.m. in Conference Room No. 1.

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Date Approved

Dani Brinkley, Administrative Analyst
Oversight Board Agenda Report
For Successor Agency to the
Chico Redevelopment Agency

TO: Oversight Board
FROM: Shawn Tillman, Senior Planner (530) 896-7204 stillman@ci.chico.ca.us
RE: Approval of Revised Recognized Obligation Payment Schedule for the Period of January-June 2012

REPORT IN BRIEF:

The Oversight Board approved the Preliminary ROPS on April 4, 2012 and it was submitted to the Auditor-Controller and Department of Finance on April 4, 2012 as required. Following its review, the DOF has requested that the Preliminary ROPS be modified and that the modified ROPS be reconsidered by the Oversight Board.

Recommendation:
Staff recommends the Oversight Board approve the Revised Preliminary Recognized Obligation Payment Schedule for the period January-June 2012.

BACKGROUND:

Under the requirements of AB1x26, each Successor Agency is required to prepare a Recognized Obligation Payment Schedule (ROPS). The ROPS serves as the Successor Agency’s ongoing authority for making payments on the obligations of the former redevelopment agency. Before a ROPS becomes operative it must, among other requirements, be approved by the Oversight Board for the Successor Agency. The ROPS, attached as Exhibit A, covers the period January 1, 2012 through June 30, 2012.

Pursuant to Health & Safety Code Section 34171 (h), a "Recognized Obligation Payment Schedule" means the document setting forth the minimum payment amounts and due dates of payments required by enforceable obligations for each six-month fiscal period.

DISCUSSION:

Following its review, the Department of Finance (DOF) requested that items 7-9, statutory reporting obligations totaling $30,000, be paid using the administrative cost allowance. DOF also requested that item 22, housing portfolio oversight costs of $40,050, be removed because the oversight activity is an obligation of the housing successor entity which is the City of Chico, and not the Successor Agency. Each of these items has been removed from the ROPS. Exhibit B is the preliminary ROPS approved on April 4, 2012, with areas that changed highlighted.

In addition, DOF requested that item 26, unspent bond proceeds, be removed because third party expenditure contracts to support the obligation had not been identified; however, DOF informed staff in a conference call that 3rd party contracts could be included on the July-Dec ROPS and would be reviewed when that ROPS is submitted. Those obligations will be reviewed in more detail later in the agenda. Exhibit C is the letter requesting reconsideration from the DOF.

The other significant change to the preliminary ROPS is the payment source for several obligations has been changed to Unencumbered Funds Balance as of February 1, 2012 from the Redevelopment Property Tax Trust Fund. Given the awkward timing of deadlines stemming from the Supreme Court’s reformation of dates and the fact that the first installment of FY 2011-2012 property tax distribution was already made, staff expects that the Successor Agency will be directed to expend unencumbered redevelopment cash first, and then can receive funds from the Redevelopment Property Tax Trust Fund.

The use of Unencumbered Cash reduces the administrative cost allocation, but staff feels adequate unencumbered cash remains to meet the administrative costs of the Successor Agency. Exhibit D summarizes the anticipated not
revenue to taxing entities for the Fiscal Years 11-12 through 13-14.

Once approved by the Oversight Board, the ROPS will be forwarded to the County Auditor-Controller, the Department of Finance and the State Controller’s Office, and will be posted on the Successor Agency’s website. The Department of Finance is required to notify the Successor Agency within three days whether they intend to review the Oversight Board’s action.

CONCLUSION/RECOMMENDATION:

Pursuant to Health & Safety Code Sections 34180 (g), staff recommends that the Oversight Board approve the revised preliminary ROPS for the period January 1, 2012 through June 30, 2012.

Prepared by: 

Reviewed by:

Shawn Tillman, Senior Planner

for Jennifer Hennessy, Finance Director

DISTRIBUTION:

City Clerk (8)

ATTACHMENTS:

Exhibit A: Revised Recognized Obligation Payment Schedule for January-June 2012
Exhibit B: Preliminary ROPS Approved on April 4, 2012 with highlights
Exhibit C: Department of Finance Letter Dated April 17, 2012
Exhibit D: Distribution to Taxing Entities
# Recognized Obligation Payment Schedule

**Per AB 26 - Section 34177**

**For the Period January 2012-June 2012**

**As of May 2, 2012**

## Project Name / Debt Obligation

<table>
<thead>
<tr>
<th>Project Name / Debt Obligation</th>
<th>Payee</th>
<th>Description</th>
<th>Total Outstanding Debt or Obligation</th>
<th>Total Due During Fiscal Year</th>
<th>Payments by month for the period January 2012 through June 2012</th>
<th>Payment Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. 2001 Tax Allocation Revenue Bonds</td>
<td>Union Bank of California</td>
<td>Debt Service (principal and interest)</td>
<td>22,525,000.00</td>
<td>2,888,036.26</td>
<td>Jan: 1,729,018.13</td>
<td>$ 1,729,018.13</td>
</tr>
<tr>
<td>2. 2003 Tax Allocation Bonds</td>
<td>Union Bank of California</td>
<td>Debt Service (principal and interest)</td>
<td>65,250,000.00</td>
<td>4,077,577.50</td>
<td>Feb: 2,716,038.75</td>
<td>$ 2,716,038.75</td>
</tr>
<tr>
<td>3. 2007 Tax Allocation Bonds</td>
<td>Union Bank of California</td>
<td>Debt Service (principal and interest)</td>
<td>19,180,000.00</td>
<td>1,923,263.78</td>
<td>March: 1,509,646.88</td>
<td>$ 1,509,646.88</td>
</tr>
<tr>
<td>4. Debt Service Reserve Fund</td>
<td>City of Chico</td>
<td>Debt Service</td>
<td>2,473,210.01</td>
<td>2,473,210.01</td>
<td>April: 2,473,210.01</td>
<td>$ 2,473,210.01</td>
</tr>
<tr>
<td>5. Continuing Disclaimers for Bonds</td>
<td>To Be Determined</td>
<td>Obligations Pursuant to Bond Indentures</td>
<td>5,000.00</td>
<td>-</td>
<td>May: 5,000.00</td>
<td>$ 5,000.00</td>
</tr>
<tr>
<td>6. Arbitrage Rate Calculation</td>
<td>Wells Fargo</td>
<td>Professional Services</td>
<td>2,500.00</td>
<td>-</td>
<td>June: 2,500.00</td>
<td>$ 2,500.00</td>
</tr>
<tr>
<td>7. Nitrate Compliance Loan</td>
<td>City of Chico</td>
<td>State Revolving Loan Repayment</td>
<td>1,900,000.00</td>
<td>1,900,000.00</td>
<td>Jan: 1,900,000.00</td>
<td>$ 1,900,000.00</td>
</tr>
<tr>
<td>8. Revenue Bond-Fogarty Unit</td>
<td>CA Regional Water Quality Control Board</td>
<td>Monitoring Costs</td>
<td>9,120.00</td>
<td>-</td>
<td>Feb: 9,120.00</td>
<td>$ 9,120.00</td>
</tr>
<tr>
<td>9. Revenue Bond-Fogarty Unit</td>
<td>CA Regional Water Quality Control Board</td>
<td>Monitoring Costs</td>
<td>3,040.00</td>
<td>-</td>
<td>March: 3,040.00</td>
<td>$ 3,040.00</td>
</tr>
<tr>
<td>10. Fogarty Trust Agreement</td>
<td>Union Bank</td>
<td>Fogarty Trust Interest Payment</td>
<td>123,586.46</td>
<td>-</td>
<td>April: 123,586.46</td>
<td>$ 123,586.46</td>
</tr>
<tr>
<td>11. North Point Apartments</td>
<td>Central California Housing Corp.</td>
<td>Low Income Housing Loan</td>
<td>2,523,109.00</td>
<td>-</td>
<td>May: 2,523,109.00</td>
<td>$ 2,523,109.00</td>
</tr>
<tr>
<td>12. North Point Apartments</td>
<td>CAA of Butte County</td>
<td>Low Income Housing Loan</td>
<td>1,813,589.00</td>
<td>44,192.00</td>
<td>June: 244,287.09</td>
<td>$ 244,287.09</td>
</tr>
<tr>
<td>13. South Point Apartments</td>
<td>CAA of Butte County</td>
<td>Low Income Housing Loan</td>
<td>748,911.00</td>
<td>149,720.00</td>
<td>Jan: 149,720.00</td>
<td>$ 149,720.00</td>
</tr>
<tr>
<td>14. Habitat 18th Street</td>
<td>Habitat for Humanity of Butte County</td>
<td>Low Income Housing Loan</td>
<td>120,697.00</td>
<td>29,021.40</td>
<td>Feb: 91,675.60</td>
<td>$ 91,675.60</td>
</tr>
<tr>
<td>15. Bicwell Park Apartments</td>
<td>Bicwell Associates, L.P.</td>
<td>Low Income Housing Loan</td>
<td>2,292,594.00</td>
<td>2,060,210.00</td>
<td>March: 352,608.32</td>
<td>$ 352,608.32</td>
</tr>
<tr>
<td>16. Bicwell Park Apartments</td>
<td>Bicwell Enterprises</td>
<td>Low Income Housing Loan</td>
<td>300.00</td>
<td>-</td>
<td>April: 300.00</td>
<td>$ 300.00</td>
</tr>
<tr>
<td>17. Corporation in Housing</td>
<td>Catalogue Development Services</td>
<td>Housing for those in need</td>
<td>105,814.00</td>
<td>74.00</td>
<td>May: 105,740.00</td>
<td>$ 105,740.00</td>
</tr>
<tr>
<td>18. Parkside Terrace</td>
<td>CHIC Parkside Terrace, L.P.</td>
<td>Low Income Housing Loan</td>
<td>27,770.00</td>
<td>6,942.50</td>
<td>June: 6,942.50</td>
<td>$ 6,942.50</td>
</tr>
<tr>
<td>19. DeYoung Foreclosure</td>
<td>Various</td>
<td>2006 MSP Loan Deferral Remedy</td>
<td>16,470.00</td>
<td>1,102.00</td>
<td>Jan: 3,073.60</td>
<td>$ 3,073.60</td>
</tr>
<tr>
<td>20. Wisconsin &amp; Northern</td>
<td>Northstar Engineering</td>
<td>Repair of Survey Map</td>
<td>10,851.00</td>
<td>300.00</td>
<td>Feb: 2,110.20</td>
<td>$ 2,110.20</td>
</tr>
<tr>
<td>21. Project Management/Construction</td>
<td>City of Chico</td>
<td>Housing Project Management/Construction</td>
<td>522,924.65</td>
<td>80,449.95</td>
<td>March: 80,449.95</td>
<td>$ 80,449.95</td>
</tr>
</tbody>
</table>

**Grand Total/All Obligations**

| $ 173,349,072.00 | $ 20,495,465.69 | $ 215,313.74 | $ 1,041,886.50 | $ 879,478.85 | $ 8,499,606.30 | $ 1,234,939.86 | $ 3,551,953.87 | $ 15,423,189.59 |

**Amount to be funded from Redevelopment Property Tax Trust Fund**

| $ 60,174.28 | $ 352,608.32 | $ 352,608.32 | $ 352,608.32 | $ 352,608.32 | $ 3,062,186.33 | $ 4,533,428.60 |

**Gross 5% Admin Cost Allowance or $250,000**

| $ 250,000.00 |

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1. **PAYMENT SOURCES**: (A) Low and Moderate Income Housing Fund (B) Bond proceeds (C) Reserve balances (D) Administrative cost allowance (E) Redevelopment Property Tax Trust Fund (F) Unencumbered Funds Balance as of 02/01/12.

2. **Amounts shown in June are reserved to make debt service payments that are due between July and December 2012.**

3. **Items 5 and 6 will be incurred annually until such time as bonds are completely redeemed.**

4. **This payment is required pursuant to a settlement agreement between the City of Chico, the Chico Redevelopment Agency and Fogarty et al., in which the Agency is obligated to deposit a specified amount of money in a trust fund for the benefit of Fogarty to be used for the construction of specified public improvements. The principal amount of the settlement has been fully funded. However, as part of that agreement, the Agency guaranteed that the trust funds would earn 2% per annum. In the event the trust does not earn that amount, the Agency must deposit an amount between the actual interest earned and 2%.**

5. **This obligation is entered on more than one line as it is being funded from more than one source for the Jan-Jun 2012 period.**
## RECOGNIZED OBLIGATION PAYMENT SCHEDULE

### Per AB 26 - Section 34177

#### As of April 4, 2012

<table>
<thead>
<tr>
<th>Project Name / Debt Obligation</th>
<th>Payee</th>
<th>Description</th>
<th>Total Outstanding Debt or Obligation</th>
<th>Total Due During Fiscal Year</th>
<th>Payments by month for the period January 2012 through June 2012</th>
<th>Payment Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>2) 2005 Tax Allocation Bonds</td>
<td>Union Bank of California</td>
<td>Debt Service (principal and interest)</td>
<td>112,668,408.79</td>
<td>4,077,077.50</td>
<td>March: 2,516,038.75, April: 2,516,038.75</td>
<td>E</td>
</tr>
<tr>
<td>3) 2007 Tax Allocation Bonds</td>
<td>Union Bank of California</td>
<td>Debt Service (principal and interest)</td>
<td>28,267,559.44</td>
<td>1,925,259.78</td>
<td>May: 1,509,646.88, June: 1,509,646.88</td>
<td>E</td>
</tr>
<tr>
<td>4) Debt Service Reserve Fund 2</td>
<td>City of Chico</td>
<td>Debt Service</td>
<td>2,520,633.76</td>
<td>2,520,633.76</td>
<td>Jan: 2,520,633.76, Feb: 2,520,633.76</td>
<td>E</td>
</tr>
<tr>
<td>5) Continuing Disclosure for Bonds</td>
<td>To Be Determined</td>
<td>Obligations Pursuant to Bond Indentures</td>
<td>2,500.00</td>
<td>2,500.00</td>
<td>March: 2,500.00, April: 2,500.00</td>
<td>E</td>
</tr>
<tr>
<td>6) Arbitrage Robots Calculation</td>
<td>Hiran</td>
<td>Professional Services</td>
<td>2,500.00</td>
<td>2,500.00</td>
<td>May: 2,500.00, June: 2,500.00</td>
<td>E</td>
</tr>
<tr>
<td>7) Financial Translations Report (GC 53861)</td>
<td>To Be Determined</td>
<td>Statutory Reporting Obligation</td>
<td>5,000.00</td>
<td>5,000.00</td>
<td>Jan: 5,000.00, Feb: 5,000.00</td>
<td>E</td>
</tr>
<tr>
<td>8) Successor Agency Audit (H&amp;S 33060, B)</td>
<td>To Be Determined</td>
<td>Statutory Reporting Obligation</td>
<td>8,175.00</td>
<td>20,020.00</td>
<td>March: 20,020.00, April: 20,020.00</td>
<td>E</td>
</tr>
<tr>
<td>9) Annual Report/Prog (H&amp;S 33060, B)</td>
<td>To Be Determined</td>
<td>Statutory Reporting Obligation</td>
<td>3,000.00</td>
<td>3,000.00</td>
<td>May: 3,000.00, June: 3,000.00</td>
<td>E</td>
</tr>
<tr>
<td>10) Nitrate Compliance Loan</td>
<td>Chico Urban Area JPA</td>
<td>State Revolving Loan Repayment</td>
<td>49,400,000.00</td>
<td>1,000,000.00</td>
<td>Jan: 1,000,000.00, Feb: 1,000,000.00</td>
<td>E</td>
</tr>
<tr>
<td>11) Revenue Pledge-HRRDB Unit</td>
<td>CA Regional Water Quality Control Board</td>
<td>Monitoring Costs</td>
<td>800,000.00</td>
<td>9,120.00</td>
<td>March: 9,120.00, April: 9,120.00</td>
<td>C</td>
</tr>
<tr>
<td>12) Revenue Pledge-Fogarty Unit</td>
<td>CA Regional Water Quality Control Board</td>
<td>Monitoring Costs</td>
<td>234,900.00</td>
<td>3,040.00</td>
<td>May: 3,040.00, June: 3,040.00</td>
<td>C</td>
</tr>
<tr>
<td>13) Fogarty Trust Agreement</td>
<td>Union Bank</td>
<td>Fogarty Trust Interest Payment</td>
<td>139,508.46</td>
<td>3,040.00</td>
<td>E</td>
<td></td>
</tr>
<tr>
<td>14) Harvest Park Apartments</td>
<td>Central California Housing Corp.</td>
<td>Low income housing payment</td>
<td>8,584,686.00</td>
<td>2,252,106.06</td>
<td>Jan: 2,252,106.06, Feb: 2,252,106.06</td>
<td>A</td>
</tr>
<tr>
<td>15) North Point Apartments</td>
<td>CAA of Butte County</td>
<td>Low income housing payment</td>
<td>4,799,990.00</td>
<td>4,167,520.00</td>
<td>March: 4,167,520.00, April: 4,167,520.00</td>
<td>A</td>
</tr>
<tr>
<td>16) Habitat 16th Street</td>
<td>Habitat for Humanity of Butte County</td>
<td>Low income housing payment</td>
<td>120,697.00</td>
<td>29,071.41</td>
<td>May: 29,071.41, June: 29,071.41</td>
<td>E</td>
</tr>
<tr>
<td>17) Bidwell Park Apartments</td>
<td>Chico Bidwell Apartments, L.P.</td>
<td>Low income housing payment</td>
<td>2,283,260.00</td>
<td>60,174.38</td>
<td>Jan: 60,174.38, Feb: 60,174.38</td>
<td>E</td>
</tr>
<tr>
<td>18) Bidwell Park Apartments</td>
<td>Chico Bidwell Apartments, L.P.</td>
<td>Public notice</td>
<td>300.00</td>
<td>300.00</td>
<td>March: 300.00, April: 300.00</td>
<td>E</td>
</tr>
<tr>
<td>19) Catalyst Transitional Housing</td>
<td>Catalyst Domestic Violence Services</td>
<td>Low income housing payment</td>
<td>105,144.00</td>
<td>105,144.00</td>
<td>May: 105,144.00, June: 105,144.00</td>
<td>E</td>
</tr>
<tr>
<td>20) Parkside Terrace</td>
<td>Chico Parkside Terrace, L.P.</td>
<td>Low income housing loan</td>
<td>27,770.00</td>
<td>6,983.50</td>
<td>March: 6,983.50, April: 6,983.50</td>
<td>E</td>
</tr>
<tr>
<td>21) DeYoung Foreclosure</td>
<td>Various</td>
<td>2006 MSP Loan Default Remedy</td>
<td>16,470.00</td>
<td>3,073.60</td>
<td>May: 3,073.60, June: 3,073.60</td>
<td>C</td>
</tr>
<tr>
<td>22) Housing Portfolio Oversight</td>
<td>City of Chico</td>
<td>Total: 2001-2012</td>
<td>6,976.00</td>
<td>6,976.00</td>
<td>Jan: 6,976.00, Feb: 6,976.00</td>
<td>E</td>
</tr>
<tr>
<td>23) Wisconen &amp; Boucher</td>
<td>Northern California Housing Authority</td>
<td>Low income housing payment</td>
<td>10,851.00</td>
<td>2,110.20</td>
<td>May: 2,110.20, June: 2,110.20</td>
<td>E</td>
</tr>
<tr>
<td>24) Admin. Cost Allowance (FY 11-12)</td>
<td>Successor Agency</td>
<td>Admin. Cost Allowance from 2911-2012</td>
<td>93,355.00</td>
<td>93,355.00</td>
<td>Jan: 93,355.00, Feb: 93,355.00</td>
<td>D</td>
</tr>
<tr>
<td>25) Project Management/Delivery</td>
<td>City of Chico</td>
<td>Housing Project Management/Delivery</td>
<td>522,949.55</td>
<td>80,499.45</td>
<td>May: 80,499.45, June: 80,499.45</td>
<td>E</td>
</tr>
<tr>
<td>26) Unspent Bond Proceeds</td>
<td>To Be Determined</td>
<td>Unspent Bond Proceeds</td>
<td>0,000,000.00</td>
<td>0,000,000.00</td>
<td>Jan: 0,000,000.00, Feb: 0,000,000.00</td>
<td>B</td>
</tr>
</tbody>
</table>

### Total Unaudited Obligations

$2,486,214,258.23

### Amount to be funded from Redevelopment Property Tax Trust Fund

$189,621.74

### Grand Total All Obligations

$2,497,235,879.97

### Payments by month for the period January 2012 through June 2012

<table>
<thead>
<tr>
<th>Month</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jan</td>
<td>1,729,018.13</td>
</tr>
<tr>
<td>Feb</td>
<td>1,729,018.13</td>
</tr>
<tr>
<td>March</td>
<td>2,516,038.75</td>
</tr>
<tr>
<td>April</td>
<td>2,516,038.75</td>
</tr>
<tr>
<td>May</td>
<td>1,509,646.88</td>
</tr>
<tr>
<td>June</td>
<td>1,509,646.88</td>
</tr>
</tbody>
</table>

### Payment Source

1. **PAYMENT SOURCES:** (A) Low and Moderate Income Housing Fund (B) Bond proceeds (C) Reserve balances (D) Administrative cost allowance (E) Redevelopment Property Tax Trust Fund (F) Unencumbered Funds Balance as of 02/01/12.

2. **Amounts shown in June are reserved to make debt service payments that are due between July and December 2012.

3. **Items 5 and 6 will be incurred annually until such time as bonds are completely defeased; items 7, 8, and 9 will be incurred annually until such time as all enforceable obligations are completely fulfilled.

4. **This payment is required pursuant to a settlement agreement between the City of Chico, the Chico Redevelopment Agency and Fogarty et al., in which the Agency is obligated to deposit a specified amount of money in a trust fund for the benefit of Fogarty to be used for the construction of specified improvements.**

5. **The principal amount of the settlement has been fully funded. However, as part of that agreement, the Agency guaranteed that the trust funds would earn 2% per annum. In the event the trust does not earn that amount, the Agency must deposit an amount into the account of the annual interest earned at 2%.**

6. **The bond funds available are proceeds from a tax-exempt bond sale in 2005, subject to anIndenture of Trust dated November 1, 2005. The bonds were issued for the specified purpose of paying for the construction of road, infrastructure and public improvements. The disposition of the remaining unexpended bond funds is subject to approval by the Oversight Board. The amount noted is an estimate, pending the final reconciliation of payments from this fund.**

---

**EXHIBIT B**
April 17, 2012

Jennifer Hennessy, Finance Director
City of Chico
P.O. Box 3420
Chico, CA 95927

Dear Ms. Hennessy:

Pursuant to Health and Safety Code (HSC) section 34177 (l)(2)(C), the City of Chico (City) Successor Agency submitted a Recognized Obligation Payment Schedule (ROPS) to the California Department of Finance (Finance) on April 4, 2012. Finance staff contacted you for clarification of items listed in the ROPS.

HSC section 34171 (d) lists enforceable obligations (EO) characteristics. Based on a sample of line items reviewed and application of the law, the following do not qualify as EOs:

- Item No. 8 and No. 24 for $23,000 administrative expenses is not an EO. HSC section 34171 (b) limits the 2011-12 administrative cost allowance to five percent of the property tax allocated to the successor agency or $250,000, whichever is greater. Five percent of the property tax allocated to the City of Chico Successor Agency in 2011-12 equated to approximately $557,130. Therefore, $23,000 of the claimed $580,130 is unallowed.

- Item No. 22 for Housing Portfolio Oversight costs of $40,050. Section HSC section 34176 (a) states that if a city or county that authorized the creation of an RDA elects to retain the responsibility for performing housing functions, all rights, powers, duties, and obligations shall be transferred to the city or county. Further, section 34176 (c) states that the housing successor may enforce affordability covenants. Monitoring affordability covenants on housing assets is an optional obligation of the housing successor, not of the Successor Agency for the RDA. Therefore, this is not an enforceable obligation.

- Item No. 26 for unspent bond proceeds of $5.9 million is not an EO. Section 34177(i) states “bond proceeds shall be used for the purposes for which bonds were sold unless the purposes can no longer be achieved, in which case, the proceeds may be used to defease the bonds.” It is not the intent of ABx1 26 to allow successor agencies to enter into new contracts, unless those contracts are specifically required pursuant to the terms of another pre-existing contract that meets the requirements of ABx1 26, or are specifically required by bond indentures. There are no third party expenditure contracts to support the obligation.

As authorized by HSC section 34179 (h), Finance is returning your ROPS for your reconsideration. This action will cause the specific ROPS items noted above to be ineffective until Finance approval. Furthermore, items listed on future ROPS will be subject to review and may be denied as EOs.
If you believe we have reached this conclusion in error, please provide further evidence that the items questioned above meet the definition of an EO.

Please direct any inquiries to Robert Scott, Supervisor or Kylie Le, Lead Analyst at (916) 322-2985.

Sincerely,

[Signature]

MARK HILL
Program Budget Manager

cc: Ms. Maria Solis, Auditor-Accountant, County of Butte
    Ms. Veda Musler, Manager of Property Tax, County of Butte
## City of Chico
### Impact of Redevelopment Dissolution
#### Analysis as of April 2012

<table>
<thead>
<tr>
<th>RDA Successor Agency</th>
<th>FY11-12 (Feb-Jun)</th>
<th>FY12-13</th>
<th>FY13-14</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross Tax Increment (per Budget)</td>
<td>13,907,010</td>
<td>29,538,677</td>
<td>30,723,757</td>
</tr>
<tr>
<td>Less: Pass Through Payments</td>
<td>5,909,204</td>
<td>7,322,019</td>
<td>7,697,519</td>
</tr>
<tr>
<td>Less: County Admin</td>
<td>307,876</td>
<td>613,471</td>
<td>634,177</td>
</tr>
<tr>
<td>Available Revenue to Successor Agency</td>
<td>7,689,930</td>
<td>21,603,187</td>
<td>22,392,061</td>
</tr>
<tr>
<td>Enforceable Obligations</td>
<td>15,122,504</td>
<td>15,759,419</td>
<td>12,604,297</td>
</tr>
<tr>
<td>Less: Available Funding</td>
<td>10,589,078</td>
<td>12,160</td>
<td>12,160</td>
</tr>
<tr>
<td>Obligation Retirement Fund Revenue</td>
<td>4,533,426</td>
<td>15,747,259</td>
<td>12,592,137</td>
</tr>
<tr>
<td>Less: Admin Allowance</td>
<td>250,000</td>
<td>472,418</td>
<td>377,764</td>
</tr>
<tr>
<td>Property Tax for Distribution</td>
<td>2,906,504</td>
<td>5,383,510</td>
<td>9,422,160</td>
</tr>
</tbody>
</table>

### Distribution to Taxing Entities

<table>
<thead>
<tr>
<th>AB8 Factor</th>
<th>FY11-12 (Feb-Jun)</th>
<th>FY12-13</th>
<th>FY13-14</th>
</tr>
</thead>
<tbody>
<tr>
<td>City of Chico - General Fund</td>
<td>16.30%</td>
<td>473,760</td>
<td>877,512</td>
</tr>
<tr>
<td>Butte County - General Fund</td>
<td>13.70%</td>
<td>388,600</td>
<td>719,775</td>
</tr>
<tr>
<td>Butte County - Welfare</td>
<td>5.130%</td>
<td>149,104</td>
<td>276,174</td>
</tr>
<tr>
<td>Butte County - Library</td>
<td>1.418%</td>
<td>41,214</td>
<td>76,338</td>
</tr>
<tr>
<td>Butte County - CSA 24 Chico MUD Drainage</td>
<td>0.595%</td>
<td>17,294</td>
<td>32,032</td>
</tr>
<tr>
<td>Total Butte County</td>
<td>20.513%</td>
<td>596,211</td>
<td>1,104,319</td>
</tr>
<tr>
<td>Butte Community College</td>
<td>7.310%</td>
<td>212,465</td>
<td>393,535</td>
</tr>
<tr>
<td>Butte County Schools</td>
<td>4.580%</td>
<td>133,118</td>
<td>246,565</td>
</tr>
<tr>
<td>Chico Area Recreation &amp; Park District</td>
<td>3.890%</td>
<td>113,063</td>
<td>209,419</td>
</tr>
<tr>
<td>Butte Mosquito Abatement District</td>
<td>1.527%</td>
<td>44,382</td>
<td>82,206</td>
</tr>
</tbody>
</table>
Oversight Board Agenda Report
For the Successor Agency to the
Chico Redevelopment Agency

TO: Oversight Board
FROM: Shawn Tillman, Senior Planner (530) 896-7204 stillman@ci.chico.ca.us
RE: Approval of Successor Agency Administrative Budget for FY 2012-2013

REPORT IN BRIEF:

Under AB 1x26, each successor agency to a former redevelopment agency is required to prepare an administrative budget and submit it to the oversight board for its approval. The budget covers successor agency administrative and operating costs for the period July 1, 2012 through June 30, 2013. The administrative budget is also the basis for the Administrative Cost Allowance for the successor agency, which also must be approved by the oversight board.

Recommendation:

Staff recommends that the Oversight Board approve the proposed administrative budget for the period July 1, 2012 through June 30, 2013, and approve the inclusion of an administrative cost allowance of $321,339 in the Recognized Obligation Payment Schedule for the period July-December 2012.

BACKGROUND:

Health & Safety Code Section 34177 (j) requires each successor agency prepare a proposed administrative budget and submit it to the oversight board for its approval. The proposed administrative budget is required to include the following:

- Estimated amounts for successor agency administrative costs for the upcoming six-month fiscal period.
- Proposed sources of payment for the estimated costs.
- Proposals for arrangements for administrative and operations services provided by a city or other entity.

The City of Chico elected to serve as Successor Agency and provide the staff resources for administration/operation on the expectation its costs would be reimbursed from the Administrative Cost Allocation, and this is the staffing arrangement that is proposed. The administrative budget includes staffing and operating costs of the Successor Agency including costs of oversight board meetings. Exhibit A details the proposed budget for the 2012-2013 fiscal year.

DISCUSSION:

The staff costs are the salary and benefits for the positions that spend dedicated time carrying out the operations of the Successor Agency. For the Successor Agency to the Chico Redevelopment Agency, this includes the Senior Planner in the City Manager's office full time as the primary staff resource, and partial time from positions in the Finance Office, City Clerk's office, City Attorney's office, and the City Manager's Office.

In addition to office and business expenses, the budget includes proportional internal service allocations for overhead items including building costs, liability insurance and information systems. It is proposed that property tax revenues deposited in the Redevelopment Property Tax Trust Fund be the source for the full amount of the estimated costs.

The Administrative Cost allowance is defined in Health & Safety Code Section 34171 (b) as follows: an amount that, subject to the approval of the oversight board, is payable from property tax revenues of up to 5 percent of the property tax allocated to the successor agency for the 2011-12 fiscal year and up to 3 percent of the property tax allocated to the Redevelopment Obligation Retirement Fund money that is allocated to the successor agency for each fiscal year thereafter; provided, however, that the amount shall not be less than two hundred fifty thousand dollars ($250,000) for any fiscal year or such lesser amount as agreed to by the successor agency. However, the allowance amount shall exclude any administrative costs that can be paid from bond proceeds or from sources other than property tax.
Administrative costs cannot be paid from bond proceeds and there is no source other than property tax from which to pay successor agency administration and operating costs.

<table>
<thead>
<tr>
<th></th>
<th>Fiscal Year 2012-2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Est. Enforceable Obligations¹</td>
<td>$15,750,000</td>
</tr>
<tr>
<td>Est. Administrative Cost Allowance²</td>
<td>$472,500</td>
</tr>
<tr>
<td>Proposed Administrative Budget</td>
<td>$484,669</td>
</tr>
</tbody>
</table>

¹ - To be funded by the Redevelopment Property Tax Trust Fund.
² - 3% for 2012-2013.

For 2012-2013, enforceable obligations are estimated to be approximately $15,750,000, with an Administrative Cost Allowance of up to 3%, or about $472,500. The proposed Successor Agency budget for 2012-2013 is currently estimated at approximately $485,000.

CONCLUSION/RECOMMENDATION:

Based on the provisions in Health & Safety Code Sections 34171 (b) and 34177 (j), staff recommends that the Oversight Board approve the proposed administrative budget for the Fiscal Year 2012-2013, and approve the inclusion of the administrative cost allowance of $321,339 in the Recognized Obligation Payment Schedule for the period July-December 2012.

Prepared by: Shawn Tillman, Senior Planner
Reviewed by: Jennifer Hennessy, Finance Director

DISTRIBUTION:

City Clerk (8)

ATTACHMENTS:

Exhibit A: Administrative Budget FY 2012-2013
<table>
<thead>
<tr>
<th></th>
<th>FY12-13</th>
<th>Budget Justification</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Salaries &amp; Benefits</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>City Clerk's Office</td>
<td>36,476</td>
<td>Clerking of Oversight Board Meetings, Oversight Board Agenda preparation</td>
</tr>
<tr>
<td>City Manager's Office</td>
<td>179,456</td>
<td>Staff management and Clerical support for Successor Agency</td>
</tr>
<tr>
<td>City Attorney's Office</td>
<td>21,371</td>
<td>Legal support for Successor Agency Admin</td>
</tr>
<tr>
<td>Finance Office</td>
<td>106,345</td>
<td>Financial Management, Budget, ROPS, Reconciliation, Audit Coordination, Debt Management, Accounts Payable</td>
</tr>
<tr>
<td><strong>Total Salaries &amp; Benefits</strong></td>
<td>343,648</td>
<td></td>
</tr>
<tr>
<td><strong>Operating Expenditures</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Office Expense</td>
<td>3,100</td>
<td></td>
</tr>
<tr>
<td>Postage &amp; Mailing</td>
<td>200</td>
<td></td>
</tr>
<tr>
<td>Business Expense</td>
<td>2,850</td>
<td></td>
</tr>
<tr>
<td>Training</td>
<td>2,000</td>
<td></td>
</tr>
<tr>
<td>Communications</td>
<td>2,000</td>
<td></td>
</tr>
<tr>
<td>Statutory Reporting</td>
<td>30,000</td>
<td></td>
</tr>
<tr>
<td><strong>Total Operating Expenditures</strong></td>
<td>40,150</td>
<td></td>
</tr>
<tr>
<td><strong>Allocations</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Liability Insurance</td>
<td>12,371</td>
<td>(estimate - 3.6% of Salaries &amp; Benefits)</td>
</tr>
<tr>
<td>Building Maintenance</td>
<td>6,500</td>
<td>(estimate - based on square footage)</td>
</tr>
<tr>
<td>Information Systems</td>
<td>32,000</td>
<td>(estimate - based on # of computers)</td>
</tr>
<tr>
<td>Indirect Cost Allocations</td>
<td>50,000</td>
<td>(estimate - awaiting new Cost Allocation Plan calculation)</td>
</tr>
<tr>
<td><strong>Total Allocations</strong></td>
<td>100,871</td>
<td></td>
</tr>
<tr>
<td><strong>Total Annual Budget</strong></td>
<td>484,669</td>
<td></td>
</tr>
<tr>
<td>3% of Draft ROPS</td>
<td>472,418</td>
<td>(estimated)</td>
</tr>
<tr>
<td>Variance</td>
<td>(12,251)</td>
<td></td>
</tr>
</tbody>
</table>
Oversight Board Agenda Report
For Successor Agency to the
Chico Redevelopment Agency

Meeting Date: May 2, 2012

TO: Oversight Board

FROM: Shawn Tillman, Senior Planner (530) 896-7204 stllman@ci.chico.ca.us

RE: Approval of Recognized Obligation Payment Schedule for the Period of July-December 2012

REPORT IN BRIEF:

Under the requirements of AB1x26, each Successor Agency is required to prepare a Recognized Obligation Payment Schedule (ROPS) every six months. The ROPS is forward looking to the next six months and serves as the Successor Agency’s ongoing authority for making payments on the obligations of the former redevelopment agency. The ROPS covers the period July 1, 2012 through December 31, 2012.

Recommendation:

Staff recommends the Oversight Board approve the Recognized Obligation Payment Schedule for the period July-December 2012.

BACKGROUND:

Pursuant to Health & Safety Code Section 34171 (h), a “Recognized Obligation Payment Schedule” means the document setting forth the minimum payment amounts and due dates of payments required by enforceable obligations for each six-month fiscal period. The Oversight Board (Board) approved its first ROPS for the period January-June 2012 on April 4, 2012 and the Department of Finance (DOF) requested reconsideration of certain items. The ROPS for the period July-December 2012 reflects the direction from the DOF and is attached as Exhibit A.

Given the timing and sequencing issues created when the Supreme Court reformed certain dates in its ruling on AB 1X 26, the Board is considering its second ROPS immediately following the adoption of the first. This situation will not occur in the future and the Board will consider future ROPS in time to submit them to the Auditor-Controller each December 15 and May 15.

DISCUSSION:

Items 1-12 and item 18 on the ROPS were evaluated by the DOF as it reviewed the preliminary ROPS for the period January-June 2012. These items were upheld and the DOF is not requesting reconsideration of them. Item 13, Oversight Board Legal Services, was added following direction from the Board at its meeting on April 4, 2012. This item has not been considered by the DOF.

Items 14-17 are 3rd party expenditure contracts that were in force prior to June 28, 2011, the date AB 1X 26 was enacted. In discussions with the DOF pertaining to the preliminary ROPS, staff was informed that 3rd party contracts executed prior to June 28, 2011, which obligated expenditure of redevelopment funds, could be included on the ROPS for the period July-December 2012. There are four such contracts included on the ROPS and, in each case, the obligation is local match for a Federal grant award.

Items 14 and 15 are Airport Improvement Program grants awarded by the Federal Aviation Administration (FAA) and the contracts are attached as Exhibit B and C. Items 16 and 17 are Economic Development Administration (EDA) grants awarded by the US Department of Commerce and the relevant contracts are attached as Exhibit D and E. In each case, redevelopment funds were identified as the local match and the City was required to affirm in the grant application that the local match funds were not encumbered or conditioned in a way that would preclude use of the funds for the projects. In the case of the EDA grants, the City was further required to confirm that the local match was set aside and secure prior to the grant award being issued. If the City is not able to meet the match requirement, each award would be forfeited and the City’s capacity/performance standing with both agencies will be reduced, which will adversely impact future funding requests.
Once approved by the Oversight Board, the ROPS will be forwarded to the County Auditor-Controller, the Department of Finance and the State Controller’s Office, and will be posted on the Successor Agency’s website. The Department of Finance is required to notify the Successor Agency within three days whether they intend to review the Oversight Board’s action.

CONCLUSION/RECOMMENDATION:

Pursuant to Health & Safety Code Sections 34180 (g), staff recommends that the Oversight Board approve the preliminary ROPS for the period July 1, 2012 through December 31, 2012.

Prepared by:  

Reviewed by:  

Shawn Tillman, Senior Planner

Jennifer Hennessy, Finance Director

DISTRIBUTION:

City Clerk (8)

ATTACHMENTS:

Exhibit A: Recognized Obligation Payment Schedule for the period July-December 2012
Exhibit B: AIP 29 Grant Agreement-Wildlife Hazard Assessment
Exhibit C: AIP 31 Grant Agreement-Rehabilitate Taxiway
Exhibit D: EDA Award No. 07-79-06477-Cohasset Road Widening
Exhibit E: EDA Award No. 07-79-06678-Airport Recovery Strategy
## RECOGNIZED OBLIGATION PAYMENT SCHEDULE

Per Health and Safety Code - Section 34177
For the Period July 2012-December 2012
As of May 2, 2012

<table>
<thead>
<tr>
<th>Project Name / Debt Obligation</th>
<th>Payee</th>
<th>Description</th>
<th>Total Outstanding Debt or Obligation</th>
<th>Total Due During Fiscal Year 2013</th>
<th>July</th>
<th>August</th>
<th>September</th>
<th>October</th>
<th>November</th>
<th>December</th>
<th>Total This Period</th>
<th>Payment Source 1</th>
</tr>
</thead>
<tbody>
<tr>
<td>1/01 2012 Tax Allocation Revenue Bonds 1</td>
<td>Union Bank of California</td>
<td>Debt Service (principal and interest)</td>
<td>21,305,000.00</td>
<td>1,733,424.00</td>
<td>1,733,424.00</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2/005 Tax Allocation Bond 2</td>
<td>Union Bank of California</td>
<td>Debt Service (principal and interest)</td>
<td>85,206,000.00</td>
<td>2,536,939.00</td>
<td>2,536,939.00</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2/012 Tax Allocation Bonds 2</td>
<td>Union Bank of California</td>
<td>Debt Service (principal and interest)</td>
<td>18,000,000.00</td>
<td>1,547,847.00</td>
<td>1,547,847.00</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3/Continuing Disclosure for Bonds 2</td>
<td>To Be Determined</td>
<td>Obligations Pursuant to Bond Indenture</td>
<td>5,000.00</td>
<td>2,500.00</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4/Arbitrator Rebate Calculation 1</td>
<td>Widesen</td>
<td>Professional Services</td>
<td>2,500.00</td>
<td>2,500.00</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5/Nitrile Compliance Loan</td>
<td>Chico Urban Area JPA</td>
<td>State Revolving Loan Repayment</td>
<td>49,400,000.00</td>
<td>1,900,000.00</td>
<td>1,900,000.00</td>
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<tr>
<td>6/Revenue Pledge-HRSA Unit</td>
<td>CA Regional Water Quality Control Board</td>
<td>Monitoring Costs</td>
<td>80,000.00</td>
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<tr>
<td>7/Revenue Pledge-Fogarty Unit</td>
<td>CA Regional Water Quality Control Board</td>
<td>Monitoring Costs</td>
<td>234,900.00</td>
<td>3,040.00</td>
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<td>8/Fogarty Trust Agreement 2</td>
<td>Union Bank</td>
<td>Fogarty Trust Interest Payment</td>
<td>127,000.00</td>
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<td>9/Harvest Park Apartments</td>
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<td>Low Income housing loan</td>
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<td>415,215.00</td>
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<td>10/North Point Apartments</td>
<td>CAH of Butte County</td>
<td>Low Income housing loan</td>
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<td>19,568.08</td>
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<td>11/Kidwell Park Apartments</td>
<td>Chico Kidwell Associates, L.P.</td>
<td>Low Income housing loan</td>
<td>232,378.00</td>
<td>19,568.08</td>
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<td>12/Overboard Legal Services</td>
<td>Legal services for Oversight Board</td>
<td>232,378.00</td>
<td>19,568.08</td>
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<td>13/Airport Improvement Program Grant-2001</td>
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<td>Grant Match-Wildfire Hazard Assessment</td>
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<td>14/Airport Improvement Program Grant-2002</td>
<td>City of Chico</td>
<td>Grant Match-Relativities Eastway</td>
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<tr>
<td>15/EPA Grant No. 07-79-0657</td>
<td>City of Chico</td>
<td>Grant Match-Cohasset Road Widening Project</td>
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<td>16/EPA Grant No. 07-79-0657</td>
<td>City of Chico</td>
<td>Grant Match-Airport Recovery Strategy</td>
<td>20,750.00</td>
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<td>17/Project Management/DELIVER</td>
<td>City of Chico</td>
<td>Housing Project Management/DELIVER</td>
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</tbody>
</table>

Total Grand Total All Obligations: $166,520,570.00

Amount to be funded from Redevelopment Property Tax Trust Fund: $10,711,246.50

3% Admin Cost Allowance: $327,338.60

---

1. **PAYMENT SOURCES:** (A) Low and Moderate Income Housing Fund (B) Bond proceeds (C) Reserve balances (D) Administrative cost allowance (E) Redevelopment Property Tax Trust Fund (F) Unencumbered Funds Balance as of 02/01/12.

2. Amounts shown are reserved to make debt service payments that are due between January and June 2013.

3. Items 4 and 5 will be incurred annually until such time as bonds are completely redeemed.

4. This payment is required pursuant to a settlement agreement between the City of Chico, the Chico Redevelopment Agency and Fogarty et al., in which the Agency is obligated to deposit a specified amount of money in a trust fund for the benefit of Fogarty to be used for the construction of specified public improvements. The principal amount of the settlement has been fully funded. However, as part of that agreement, the Agency guaranteed that the trust funds would earn 2% per annum. In the event the trust does not earn that amount, the Agency must deposit an amount between the actual interest earned and 2%.

5. Grant match for grant agreements entered into prior to June 28, 2011, subject to public improvement agreement between Chico Redevelopment Agency and the City of Chico dated June 26, 1995.

---

EXHIBIT A
GRANT AGREEMENT

U.S. Department of Transportation
Federal Aviation Administration

Date of Offer: September 16, 2009
Recipient: City of Chico
(Herein called ["Sponsor"])  
Project Number: 3-06-0041-29
Airport: Chico Municipal

OFFER

THE FEDERAL AVIATION ADMINISTRATION, FOR AND ON BEHALF OF THE UNITED STATES, HEREBY OFFERS AND AGREES to pay, as the United States' share, Ninety-five percent (95.00%) of the allowable costs incurred in accomplishing the project consisting of the following:

"Wildlife Hazard Assessment (WHA)"

as more particularly described in the Project Application dated August 25, 2009.

The maximum obligation of the United States payable under this Offer shall be $100,000.00 for airport planning.

This offer is made in accordance with and for the purpose of carrying out the provisions of Title 49, United States Code, herein called Title 49 U.S.C. Acceptance and execution of this offer shall comprise a Grant Agreement, as provided by Title 49 U.S.C., constituting the contractual obligations and rights of the United States and the Sponsor.

UNITED STATES OF AMERICA
FEDERAL AVIATION ADMINISTRATION

Manager, San Francisco Airports District Office

SPECIAL CONDITIONS

The Sponsor agrees to comply with the Special Conditions as described in Attachment A.

ACCEPTANCE

The Sponsor agrees to accomplish the project in compliance with the terms and conditions contained herein, in the Project Application, and in the May 2007 "Terms and Conditions of Accepting Airport Improvement Program Grants" signed on July 13, 2007.

Executed this 17th day of Sept. 2009

Deborah R. Presson
City Clerk

(Signature of Sponsor's Designated Official Representative)

David Burkland, City Manager
Title

CERTIFICATE OF SPONSOR'S ATTORNEY

Roger S. Wilson, Assistant City Attorney

Executed this 17th day of September, 2009

AUTHORIZED PURSUANT TO BUDGET
POLICY G.6.A. PARTICIPATION IN FEDERAL,
STATE, OR OTHER FUNDING ASSISTANCE
PROGRAMS, AS CONTAINED IN THE 2009-10
ANNUAL BUDGET

EXHIBIT B
GRANT AGREEMENT

U. S. Department of Transportation
Federal Aviation Administration

Date of Offer: May 20, 2011
Recipient: City of Chico
(Herein called ["Sponsor"])  
Project Number: 3-06-0041-31
Airport: Chico Municipal

OFFER

THE FEDERAL AVIATION ADMINISTRATION, FOR AND ON BEHALF OF THE UNITED STATES, HEREBY OFFERS AND AGREES to pay, as the United States’ share, Ninety-five percent (95.00%) of the allowable costs incurred in accomplishing the project consisting of the following:

"Acquire sweeper; Rehabilitate Taxiway “H” ([940’ x 75’], including Holding Apron (530’ x 150’)] – Design"

as more particularly described in the Project Application dated January 21, 2011.

The maximum obligation of the United States payable under this Offer shall be $307,800.00 for airport development.

This offer is made in accordance with and for the purpose of carrying out the provisions of Title 49, United States Code, herein called Title 49 U.S.C. Acceptance and execution of this offer shall comprise a Grant Agreement, as provided by Title 49 U.S.C., constituting the contractual obligations and rights of the United States and the Sponsor.

UNITED STATES OF AMERICA
FEDERAL AVIATION ADMINISTRATION

Manager, San Francisco Airports District Office

SPECIAL CONDITIONS

This Grant Offer may be funded all or in part with funds from the Small Airport Fund.

ACCEPTANCE

The Sponsor agrees to accomplish the project in compliance with the terms and conditions contained herein, in the Project Application, and in the May 2011 "Terms and Conditions of Accepting Airport Improvement Program Grants" to be signed concurrent with the Grant acceptance.

Executed this 25 day of May 2011

[Signature]  
David Burkland, City Manager
Title

CERTIFICATE OF SPONSOR’S ATTORNEY

I, ___________________________ acting as Attorney for the Sponsor do hereby certify: That in my opinion the Sponsor is empowered to enter into the foregoing Grant Agreement under the laws of California. Further, I have examined the foregoing Grant Agreement, and the actions taken by said Sponsor relating thereto, and find that the acceptance thereof by said Sponsor’s official representative has been duly authorized and that the execution thereof is in all respects due and proper and in accordance with the laws of the said State and Title 49 U.S.C. In addition, for grants involving projects to be carried out on property not owned by the Sponsor, there are no legal impediments that will prevent full performance by the Sponsor. Further, it is my opinion that the said Grant Agreement constitutes a legal and binding obligation of the Sponsor in accordance with the terms thereof.

[Signature]

Executed this 25 day of May 2011

Authorized Pursuant to Budget Policy
G.6. a - Participation in Federal, State or
Other Funding Assistance Programs - as
Contained in the 2010-11 Budget

EXHIBIT C
City of Chico - Capital Improvement Program
2011-12 Annual Budget

<table>
<thead>
<tr>
<th>Project Number: 50218</th>
<th>Included In Nexus?</th>
<th>No</th>
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<tr>
<td>Title: AIP No. 31</td>
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<tr>
<td>Department: 118 - Airport Management</td>
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<td></td>
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<tr>
<td>Project Manager: David Burkland, City Manager</td>
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</tbody>
</table>

Related Projects:

Project Description: Purchase a new sweeper, engineering design for rehabilitation of taxiway H and holding apron and airport layout plan update for the Chico Municipal Airport (CMA).

F856 - Federal Aviation Administration grant $412,300.

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<td>21,700</td>
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<td>434,000</td>
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Total by Fund

| Merged Redevelopment | 352 | 0       | 21,700  | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       |
| Airport              | 856 | 0       | 412,300 | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       |
| Project Total:      | 0    | 0       | 434,000 | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       |
**U.S. DEPARTMENT OF COMMERCE**

**FINANCIAL ASSISTANCE AWARD**

<table>
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<th>RECIPIENT NAME</th>
<th>City of Chico</th>
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<tr>
<td>STREET ADDRESS</td>
<td>P.O. Box 3420</td>
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<tr>
<td>CITY, STATE, ZIP CODE</td>
<td>Chico, California 95927</td>
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<tr>
<td>AWARD PERIOD</td>
<td>From date of approval shown below through 60 months</td>
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<tr>
<td>AWARD NUMBER</td>
<td>07-79-06477</td>
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**FEDERAL SHARE OF COST** $2,500,000

**RECIPIENT SHARE OF COST** $2,500,000

**TOTAL ESTIMATED COST** $5,000,000

**DEPARTMENT OF COMMERCE OPERATING UNIT** Economic Development Administration


**CFDA NO.** 11.307 **PROJECT TITLE:** Economic Adjustment Assistance

**BUREAU** 20 **FCFY** 10 **FUND** 40 **PROGRAM CODE** 79 **BUDGET SUBACTIVITY** 921 **OBJECT 1** 41 **CLASS EXPEND** 10 **ENTITY** 21

This Award approved by the Grants Officer is issued in triplicate and constitutes an obligation of federal funding. By signing the three documents, the Recipient agrees to comply with the Award provisions checked below and attached. Upon acceptance by the Recipient, two signed Award documents shall be returned to the Grants Officer and the third document shall be retained by the Recipient. If not signed and returned without modification by the Recipient within 30 days of receipt, the Grants Officer may unilaterally terminate this Award.

- ✔ Special Award Conditions and Attachments
- ✔ Line Item Budget
- ✔ 15 CFR Part 24, Uniform Admin Requirements for Grants/Cooperative Agreements to State & Local Governments
- ✔ OMB Circular A-87, Cost Principles for State and Local Governments and Indian Tribal Governments
- ✔ OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations
- ✔ 15 CFR, Part 14, Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, Other Nonprofit, and Commercial Organizations
- ✔ OMB Circular A-122, Cost Principles for Nonprofit Organizations
- ✔ OMB Circular A-21, Cost Principles for Educational Institutions
- ✔ EDA Standard Terms and Conditions Capacity Building Programs

**SIGNATURE OF DEPARTMENT OF COMMERCE GRANTS OFFICER**

![Signature]

**NAME** A. Leonard Smith  
**TITLE** Regional Director  
**DATE** 12/23/2009

**SIGNATURE OF AUTHORIZED RECIPIENT OFFICIAL**

![Signature]

**TYPED NAME AND TITLE** David Burkland, City Manager  
**DATE** 1/11/10

**APPROVED AS TO FORM**

Lori J. Barker, City Attorney

**EXHIBIT D**
Recipient: City of Chico, California

EDA Award No. 07-79-06477  

<table>
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<tr>
<th>Cost Classification</th>
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<td>Administrative and legal expenses</td>
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<td>Land, structures and rights-of-way appraisals, etc.</td>
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<td>Relocation expenses and payments</td>
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<td>Architectural and engineering fees</td>
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<td>Contingencies</td>
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TOTAL PROJECT COSTS  

$5,000,000  

$5,000,000
EXHIBIT "A"

U.S. DEPARTMENT OF COMMERCE
Economic Development Administration
Page 1 of 4

Public Works and Development Facilities

RECIPIENT: City of Chico, California

Award No. 07-79-06477

SPECIAL AWARD CONDITIONS

1. PROJECT DEVELOPMENT TIME SCHEDULE: The Recipient agrees to the following Project development time schedule:

   Time allowed after receipt of Financial Assistance Award for:

   Return of Executed Financial Assistance Award - 30 days

   Time allowed after acceptance by Recipient of Financial Assistance Award for:

   Start of Construction - 24 months
   Construction Period - 24 months

   Project Closeout - All Project closeout documents, including final financial information and any required program reports, shall be submitted to the Government not more than 90 days after the date the Recipient accepts the completed Project from the contractor(s).

   The Recipient shall pursue diligently the development of the Project so as to ensure completion of the Project and submission of closeout documents within this time schedule. Moreover, the Recipient shall notify the Government in writing of any event which could delay substantially the achievement of the Project within the prescribed time limits. The Recipient further acknowledges that failure to meet the development time schedule may result in the Government's taking action to terminate the Award in accordance with the regulations set forth at 13 CFR 305.99(b) and 15 CFR 24.43 (53 Fed. Reg. 8048-9, 8102, March 11, 1988).

2. GOALS FOR WOMEN AND MINORITIES IN CONSTRUCTION: Department of Labor regulations set forth in 41 CFR 60-4 establish goals and timetables for participation of minorities and women in the construction industry. These regulations apply to all Federally assisted construction contracts in excess of $10,000. The Recipient shall comply with these regulations and shall obtain compliance with 41 CFR 60-4 from contractors and subcontractors employed in the completion of the Project by including such notices, clauses and provisions in the Solicitations for Offers or Bids as required by 41 CFR 60-4. The goal for the participation of women in each trade area shall be as follows:

   From April 1, 1981, until further notice: 6.9 percent
All changes to this goal, as published in the Federal Register in accordance with the Office of Federal Contract Compliance Programs regulations at 41 CFR 60-4.6, or any successor regulations, shall hereafter be incorporated by reference into these Special Award Conditions.

Goals for minority participation shall be as prescribed by Appendix B-80, Federal Register, Volume 45, No. 194, October 3, 1980, or subsequent publications. The Recipient shall include the "Standard Federal Equal Employment Opportunity Construction Contract Specifications" (or cause them to be included, if appropriate) in all federally assisted contracts and subcontracts. The goals and timetables for minority and female participation may not be less than those published pursuant to 41 CFR 60-4.6.

3. TITLE: Prior to EDA authorization to start construction, the Recipient shall provide evidence satisfactory to the Government that the Recipient has acquired good and merchantable title, free of all mortgages, foreclosable liens, or encumbrances, to all land, rights-of-way, and easements necessary for the completion of the Project.

4. PROJECT INSPECTION AGREEMENT: Prior to the disbursement of funds by EDA, the Recipient must submit to the Government for approval a Project Inspection Agreement that meets the requirements of EDA publication "Summary of EDA Construction Standards" Section V. Requirements During Construction, E. Competitive Procurement Requirements, as well as the competitive procurement standards of 15 CFR Part 24 or 15 CFR Part 14, as applicable. The fee for Project Inspection services will be a lump sum or an agreed maximum and no part of the fee for services will be based upon a cost-plus-a-percentage-of-cost or a cost using a multiplier.

5. FEDERAL SHARE OF PROJECT COSTS: The EDA participation in total eligible project costs will be limited to the EDA grant amount or the EDA share of total allowable project costs based on the area's grant rate eligibility at the time of award, whichever is less.

6. REPORT ON UNLIQUIDATED OBLIGATIONS: If there is an EDA grant award of more than $100,000 which has not been fully disbursed (or disbursed and closed out) as of September 30 each year the recipient must submit OMB Standard Form 269A, Financial Status Report, to EDA annually on the status of unreimbursed obligations. The report will provide information on the amount of allowable project expenses that have been incurred by the Recipient but not claimed for reimbursement as of September 30. The report must be submitted to EDA no later than October 30 of each year. Noncompliance with this requirement will result in the suspension of EDA grant disbursements. EDA will furnish instructions for completing and filing the report to all recipients at least 60 days before the report is due.

7. GRANT SUSPENSION FOR FAILURE TO START CONSTRUCTION: If significant construction (as determined by EDA) is not commenced within two years of approval of the project or by the date estimated for start of construction in the grant award (or the expiration of any extension granted in writing by EDA), whichever is later, the EDA grant will be
7. GRANT SUSPENSION...CONT'D

automatically suspended and may be terminated if EDA determines, after consultation with the
grant recipient, that construction to completion cannot reasonably be expected to proceed
promptly and expeditiously.

8. PRESERVATION OF OPEN COMPETITION AND GOVERNMENT NEUTRALITY
TOWARDS GOVERNMENT CONTRACTORS' LABOR RELATIONS ON FEDERAL AND
FEDERALLY FUNDED CONSTRUCTION PROJECTS: Pursuant to E.O. 13202, unless the
project is exempted under section 5(c) of the order, bid specifications, project agreements, or
other controlling documents for construction contracts awarded by recipients of grants or
cooperative agreements, or those of any construction manager acting on their behalf, shall not:
a) include any requirement or prohibition on bidders, offerors, contractors, or subcontractors
about entering into or adhering to agreements with one or more labor organizations on the same
or related construction project(s); or b) otherwise discriminate against bidders, offerors,
contractors, or subcontractors for becoming or refusing to become or remain signatories or
otherwise to adhere to agreements with one or more labor organizations, on the same or other
related construction projects(s).

9. PROPERTY MANAGEMENT STANDARDS: In affirming this Award, the Recipient/Owner
acknowledges its responsibility to use the real property acquired, benefitted, or improved in
whole or in part with this investment assistance to serve the development along Cohasset Road
and to comply with the Economic Development Administration Reauthorization Act of 2004
/Public Law 108-373) interim final rule to reflect the amendments made to EDA's authorizing
statute, the Public Works and Economic Development Act of 1965, and 13 CFR PART
314–PROPERTY Subpart B–Real Property 314.7 Title.

10. REAFFIRMATION OF APPLICATION: Recipient(s) acknowledges that Recipient’s
application for this Award may have been submitted to the Government and signed by
Recipient(s) electronically. Regardless of the means by which Recipient(s) submitted its
application to the Government, Recipient(s) hereby reaffirms and states that a.) all data in said
application and documents submitted with the application are true and correct as of the date of
this Award and were true and correct as of the date of said application, b.) said application was
as of the date of this Award and as of the date of said application duly authorized by the
governing body of the Recipient(s) and c.) Recipients(s) will comply with the Assurances and
Certifications submitted with or attached to said application.

11. FLOODPLAIN NOTIFICATION: Thirty days prior to construction, the Recipient shall provide
evidence satisfactory to the EDA that a floodplain notice has been published in the newspaper of
greatest local circulation within the proposed action's area of impact for at least three
consecutive days followed by a 30-day public comment period.
12. NATIONAL POLLUTANT DISCHARGE ELIMINATION SYSTEM (NPDES) PERMIT: Prior to any ground disturbing activities, the grant Recipient shall provide evidence to the satisfaction of the EDA that a permit identification letter was received indicating coverage under a state NPDES stormwater permit for general construction.

13. STORMWATER POLLUTION PREVENTION PLAN (SWPPP): Prior to any ground disturbing activities, the grant Recipient shall provide evidence to the satisfaction of the EDA that a SWPPP have been prepared, and approved by the appropriate authority.

14. BUTTE COUNTY AIR QUALITY MANAGEMENT DISTRICT (AQMD): Prior to any ground disturbing activities, the grant Recipient shall provide evidence satisfactory to the EDA that a fugitive dust plan was submitted to the Butte County AQMD.
actual allowable costs. See also 13 C.F.R. §§ 305.10 and 308.2. If actual allowable costs are greater than the total approved estimated budget, the federal share shall not exceed the total federal dollar amount authorized by this Award.

b. The Matching Share, whether cash or in-kind, shall be paid out at the same rate as the federal share. Exceptions to this requirement may be granted by the Grants Officer based on sufficient documentation demonstrating previously determined plans for, or later commitment of, cash or in-kind contributions. In any case, the Recipient must meet its cost share commitment over the Award period.

c. The Recipient shall show that the Matching Share is committed to the Project, available as needed, and not conditioned or encumbered in any way that precludes its use consistent with the requirements of EDA investment assistance. See 13 C.F.R. § 301.5.

4. Budget Revisions and Transfers of Funds Among Budget Categories. The EDA-approved budget is the budget plan for the Project. The Recipient must notify EDA of any deviation from the budget or program plans, including any change in scope of work or the objective of the Project (even if there is no associated budget revision requiring prior written approval). See 15 C.F.R. §§ 14.25 or 24.30, as applicable.

a. Requests for budget revisions to the EDA-approved budget in accordance with the provisions provided below must be submitted to the Grants Officer, who shall make the final determination on such requests and notify the Recipient in writing.

b. Amendments to this Award require preparation of Form CD-451, “Amendment to Financial Assistance Award,” for execution by both the Grants Officer and the Recipient. Form CD-451 is required for the following:

(i) Changes to the Project scope of work;
(ii) Budget revisions requiring additional EDA or non-EDA funds;
(iii) Budget revisions that result in cumulative transfer among direct cost categories in excess of 10 percent of the project cost and the federal share is greater than $100,000;
(iv) The inclusion of costs for which EDA’s prior approval is needed under the following OMB Circulars: Circular A-21, “Cost Principles for Educational Institutions” (2 C.F.R. part 220); Circular A-87, “Cost Principles for State, Local, and Indian Tribal Governments” (2 C.F.R. part 225); and Circular A-122, “Cost Principles for Non-Profit Organizations” (2 C.F.R. part 230), as applicable;
(v) Change of site location;
(vi) Change or addition of Recipient;
(vii) Time extensions; and
(viii) Modifications to the Terms and Conditions of the Award, other than time extensions.

c. When an Award supports both construction and non-construction work, the Recipient must obtain prior written approval from the Grants Officer before making any fund or budget transfer from non-construction to construction or vice versa. See 15 C.F.R. §§ 14.25(j) or 24.30(c)(3), as applicable.

d. Transfers shall not be permitted if such transfers would cause any federal appropriation, or part thereof, to be used for purposes other than those intended. This transfer authority does not authorize the Recipient to create new budget categories within an approved budget.
(i) If any litigation, claim, or audit is started before the expiration of the three-year period, the records shall be retained until all litigation, claims, or audit findings involving the records have been resolved and final actions taken.

(ii) Records for real property and equipment acquired with federal funds must be retained for three years after final disposition.

(iii) When records are transferred or maintained by EDA, the three-year retention requirement is not applicable to the Recipient.

Records relating to indirect cost rate computations or proposals, cost allocation plans, and any similar accounting computations on the rate at which a particular group of costs is chargeable are subject to different retention requirements. See 15 C.F.R. §§ 14.53 or 24.42, as applicable.

The Recipient is responsible for monitoring any subrecipients and contractors to ensure their compliance with the records retention requirements. The Recipient must immediately notify the Project Officer in case records are not retained for the general retention periods noted above. See 13 C.F.R. § 302.14 and 15 C.F.R. §§ 14.50-14.53 or §§ 24.40-24.42, as applicable.

17. Termination Actions.

a. Termination for Cause. If the Recipient materially fails to comply with any of the Terms and Conditions of this Award, EDA has the right to terminate for cause all or any part of its obligation hereunder, including if:

(i) Any representation made by the Recipient to the Government in connection with the application for Government assistance is incorrect or incomplete in any material respect;

(ii) The intent and purpose and/or the economic feasibility of the Project is changed substantially so as to affect significantly the accomplishment of the Project as intended (including an unauthorized use of property as provided in 13 C.F.R § 314.4);

(iii) The Recipient has violated commitments it made in its application and supporting documents or has violated any of the Terms and Conditions of this Award;

(iv) The conflicts-of-interest rules in 13 C.F.R. § 302.17 are violated; or

(v) The Recipient fails to report immediately to the Government any change of authorized representative(s) acting in lieu of or on behalf of the Recipient.

In addition, EDA may take one or more of the actions set out in 15 C.F.R. §§ 14.62(a) or 24.43(a), as applicable.

b. Termination for Convenience. The Recipient may request at any time termination for convenience of this Award upon sending to the Grants Officer written notification in a form acceptable to EDA setting forth the reasons for requesting the termination and the effective date of such termination. See 15 C.F.R. §§ 14.61 or 24.44, as applicable.

18. Project Closeout Procedures. After construction is completed and the Project is closed out financially, the Recipient has an ongoing responsibility to properly administer, operate, and maintain the Project for its estimated useful life (as determined by EDA) in accordance with its original purpose. See 13 C.F.R. § 302.12. The Recipient must comply with all Award
A.1. Investment (Project) Region

Identify and describe the region where the project will be located, identify and describe the region that will benefit from the project (if different from or in addition to the region in which the project will be located), and discuss the project's expected economic impact. For purposes of this application, a region is defined as "an economic unit of human, natural, technological, capital or other resources, defined geographically. Geographic areas comprising a region need not be contiguous or defined by political boundaries, but should constitute a cohesive area capable of undertaking self-sustained economic development." (See 13 C.F.R. § 300.3 for the definition of "Region.")

see attached narrative page 1-2

A.2. Investment (Project) Description

Provide a detailed description of the complete scope of work for the proposed EDA investment. If you are proposing a construction project, please include specific construction components. Also, for National Technical Assistance, Training and Research, and Evaluation Projects, provide a description of the methodology to be used to complete the project.

see attached narrative page 2

Note: If EDA determines that your project merits further consideration, and if your project includes construction, you will be required to provide a USGS map of the site. You may provide this now using the 'Attachments' form that is part of the application package downloaded from www.Grants.gov or in hard copy.

A.3. Economic Development Needs

a. Does the region in which the project will be located have a Comprehensive Economic Development Strategy (CEDS)? (See www.eda.gov/EDAPublic/documents/pdf/docs2006/ceds flyer081706_2epdf/v1/edaflyer081706.pdf.) (Note: Except for strategy grants as described in 13 C.F.R. § 303.7, the region in which Public Works or Economic Adjustment projects will be located must have a CEDS with which the project is consistent.)

☐ Yes  ☐ No

If Yes, what is the source? Note: If you are unsure if your region has a CEDS, please contact your local District Organization.

Tri-County Economic Development District - see attached narrative page 3

If No, what alternate strategic planning document do you wish to govern this investment? Note: You will be asked to provide a copy of this planning document if your project is selected for further consideration. You may provide this now using the 'Attachments' form that is part of the application package downloaded from www.Grants.gov or in hard copy.
A.8. Proposed Project Budget

☒ For Construction investments, complete Form SF-424C.
☐ For Non-Construction investments, complete Form SF-424A.


A.9. Non-EDA Funding for the Project

a. Identify the source, nature and amount of all non-EDA funds, including in-kind contributions (non-cash contributions of space, equipment, services, or assumptions of debt; see definition of "In-Kind Contribution(s)", in 13 C.F.R. § 300.3). Explain the status of all funding commitments, including the date the funds will be available from each source, and describe any conditions or restrictions on the use of such funds. If in-kind contributions are included, explain the basis on which they are valued.

see attached narrative page 7

b. Are all non-EDA funds committed to the project, available as needed, and not conditioned or encumbered in any way that would preclude their use consistent with the purpose of the project? (See 13 C.F.R. § 301.5) ☒ Yes ☐ No (explain below)

Note: If EDA determines that your project merits further consideration, and if your project includes construction, you will be required to provide letters of commitment. You may provide these now using the 'Attachments' form that is part of the application package downloaded from www.Grants.gov or in hard copy.

c. Discuss the actions that need to be taken and the timing required to secure the non-EDA funds.

see attached narrative page 7

d. Does the applicant plan to seek other federal financial assistance as part of or in connection with this project? If so, please describe the source, amount and any terms and conditions of the funding, and when the funding will be available for use by the applicant.

☐ Yes (explain below) ☒ No

e. Is the requested EDA investment assistance available from any other federal economic development program? ☒ Yes (explain below) ☐ No (explain below)

If Yes, identify the source and provide an explanation of why EDA investment assistance is required.

If No, explain your efforts to identify and obtain funding from other sources.

see attached narrative page 7
additional businesses ultimately resulting in the creation of more jobs. The 1989 EDA investment spurred approximately $71 million in private investment (see Exhibit D). It is estimated that private investment in the area will be approximately $20 million over 5 years, based on historical annual averages for the original EDA investment from 1989 through 2007. Based on estimates made by committed private firms located at the Airport and identified in this application, total projected private investment may reach as high as $31.8 million.

A.2 - Investment (Project) Description

Provide a detailed description of the complete scope of work for the proposed EDA investment. If you are proposing a construction project, please include specific construction components. Also, for National Technical Assistance, Training and Research and Evaluation Projects, provide a description of the methodology to be used to complete the project.

The City of Chico is requesting EDA funding to complete the last stage of a road widening project. This infrastructure project will widen the remaining two lane segment of the Chico Municipal Airport Industrial Access Corridor (also known as Cohasset Road) to four lanes. This road is the major north/south arterial connecting the airport and three job centers in north Chico to Highway 99, the four lane freeway connecting Chico to the rest of California. (See Exhibit C, attached map.) This investment will add significant infrastructure into the regional economy leading to higher paying jobs and wealth creation.

Non-EDA Project - Significant Local Investment to Date

Over the past few decades the City of Chico has been investing its resources to widen Cohasset Road (to four lanes) from Highway 99 to the Chico Municipal Airport and one of the largest job center areas in this region. Currently, the City has funded and completed construction from Highway 99 to Eaton Road, the major cross road on the southern end of the airport. (See Exhibit C, attached map.)

The last portion (from Sycamore Creek just north of Eaton Road to the Airport entrance at Airpark Blvd.) currently remains two lanes and unfunded with the following exceptions. During 2008-09 the City began constructing the bridge widening, which crosses Sheep Hollow Tributary. The bridge is in the middle of the 2 lane, unfunded segment, but the City pursued this $2.9 M project because it was eligible for $2.3M from the Federal Highway Bridge Program, and in danger of losing it if construction was not carried out. (The remaining cost was reallocated from local funds for other projects.) Also during 2008-09 the City funded and completed the reconstruction of a two lane portion of Cohasset Road north of the airport entrance for $800,000. These are identified as “Non-EDA Project” on the attached maps (Exhibit C.)

EDA Project - Ready to Construct

The City is requesting EDA funding to complete the road widening needed on both sides of the widened bridge. The southern portion from Sycamore Creek (just north of Eaton Road) to the bridge is approximately 2,400 centerline feet and the northern portion from the bridge to the airport entrance (Airpark Blvd.) is 4,300 centerline feet for a total of 6,700 centerline feet. The project cost is $5.0 million. The 50% local match will be from redevelopment funds.

For this last stage of the widening project, design work has been completed, the environmental document certified by both NEPA and CEQA, environmental mitigations completed, and the land acquisitions accomplished. The project is ready to begin construction as soon as funding is secured.
A.9 - Non-EDA Project Funding

a. Identify the source, nature and amount of all non-EDA funds, including in-kind contributions (non-cash contributions of space, equipment, services, or assumptions of debt; see definition of "In-Kind Contribution(s)" in 13 C.F.R. § 300.3). Explain the status of all funding commitments, including the date the funds will be available from each source, and describe any conditions or restrictions on the use of such funds. If in-kind contributions are included, explain the basis on which they are valued.

Redevelopment Agency Funds. This project is applicable for Redevelopment Agency Funds so no conditions or restrictions exist for this funding source.

b. Are all non-EDA funds committed to the project, available as needed, and not conditioned or encumbered in any way that would preclude their use consistent with the purpose of the project? (See 13 C.F.R. § 301.5.)

Yes

c. Discuss the actions that need to be taken and the timing required to secure the non-EDA funds. The 50% match Funding is allocated and committed through the City of Chico's Capital Improvement Program. No other action necessary.

d. Does the applicant plan to seek other federal financial assistance as part of or in connection with this project? If so, please describe the source, amount and any terms and conditions of the funding, and when the funding will be available for use by the applicant.

No other funding.

e. Is the requested EDA investment assistance available from any other federal economic development program?

No. No other federal economic development program exists that would fund the roadway project.

A.10 - Lobbying Certifications

All applicants for federal financial assistance must certify that federal funds have not been used and will not be used for lobbying in connection with this request for federal financial assistance (Form CD-511). If non-federal funds have been or are planned to be used for lobbying in connection with this request for federal financial assistance, Form SF-LLL also must be completed. Please certify to the following:

Applicant's "Certifications Regarding Lobbying" (Form CD-511) is completed.

See attached signed Form CD-511.

Applicant's "Disclosure of Lobbying Activities" (Form SF-LLL) is attached, if required. (If not required by law, also check the box. If applicant is applying in hard copy, access the form at www.whitehouse.gov/omb/grants/sfllin.pdf.)

No lobbying has been done for grant.
Martha Wescoat-Andes - Confirmation of Local Match for Chico Municipal Airport Industrial Access Corridor Project

From: Martha Wescoat-Andes
To: Mnemonic@3coreedc.org; Sheri Nix
Date: 12/7/2009 2:36 PM
Subject: Confirmation of Local Match for Chico Municipal Airport Industrial Access Corridor Project
CC: David Burkland; Jennifer Hennessy; Tom Varga

This email confirms the Chico Redevelopment Agency’s local match for the Chico Municipal Airport Industrial Access Corridor Project. The match is in redevelopment dollars allocated from the 2005 Tax Allocation Bond fund. Therefore, the project is not subject to the State’s reduction to the Agency’s tax increment revenue. The local match allocated for the EDA grant is set aside and secure.

Thank you.

Martha Wescoat-Andes

Martha Wescoat-Andes
Economic Development/Redevelopment Manager
City of Chico
PO Box 3420
Chico, CA 95927
530-896-7203
Fax 530-895-4825
**FINANCIAL ASSISTANCE AWARD**

**RECIPIENT NAME**
City of Chico

**STREET ADDRESS**
411 Main Street

**CITY, STATE, ZIP CODE**
Chico, California 95928

**AWARD PERIOD**
June 1, 2011 through November 30, 2011

**AWARD NUMBER**
077906678

**FEDERAL SHARE OF COST**
$62,250.00

**RECIPIENT SHARE OF COST**
$20,750.00

**TOTAL ESTIMATED COST**
$83,000.00

**AUTHORITY**
Section 200 (42 U.S.C. 3140) of the Public Works and Economic Development Act of 1965 (Public Law 89-377), as amended by the Economic Development Administration Reauthorization Act of 2004 (Public Law 108-373)

**CFDA NO. AND PROJECT TITLE**
11.307/Chico Municipal Airport Facilities Closure Economic Recovery Strategy

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This Award approved by the Grants Officer is issued in triplicate and constitutes an obligation of Federal funding. By signing the three documents, the Recipient agrees to comply with the Award provisions checked below and attached. Upon acceptance by the Recipient, two signed Award documents shall be returned to the Grants Officer and the third document shall be retained by the Recipient. If not signed and returned without modification by the Recipient within 30 days of receipt, the Grants Officer may unilaterally terminate this Award.

- Department of Commerce Financial Assistance Standard Terms and Conditions (March 2008)
- Special Award Conditions
- Line Item Budget
- 15 CFR Part 14, Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, Other Nonprofit, and Commercial Organizations
- 15 CFR Part 24, Uniform Administrative Requirements for Grants and Agreements to State and Local Governments
- OMB Circular A-21, Cost Principles for Educational Institutions
- OMB Circular A-87, Cost Principles for State, Local, and Indian Tribal Governments
- OMB Circular A-122, Cost Principles for Nonprofit Organizations
- OMB Circular A-133, Audits of States, Local Governments, and Nonprofit Organizations
- Other(s): Special Award Conditions Attachments A, B, C, D, and E

**SIGNATURE OF DEPARTMENT OF COMMERCE GRANTS OFFICER**

- Leonard Smith
  - Regional Director
  - Title: Regional Director

**SIGNATURE OF AUTHORIZED RECIPIENT OFFICIAL**

- David Burkland
  - City Manager
  - Title: City Manager

**DATE**

- June 28, 2011
- July 5, 2011

**ADMINISTRATION/PSGS ELECTRONIC FORM**

Approved as for form:

Lori J. Barker, City Attorney
As: Roger S. Wilson, Asst. City Attorney

EXHIBIT E
A.8 – Proposed Project Budget

Estimated Construction Project Budget:
None

Estimated Non-Construction Project Budget:
See attached Form SF-424A Section B

It should be noted that the City is currently working with a potential tenant for 165 Ryan Avenue, and will be moving forward with the environmental assessment, the market rent appraisal, and building evaluation for this property. In addition, the City has begun evaluation of 1325 Fortress Street. This facility was not leased by Aero Union but is adjacent to the vacated Aero Union properties and was also recently vacated by a tenant. These expenses will be incurred prior to the submission of this EDA grant application therefore the costs incurred will be assumed solely by the City.

A.9 - Non-EDA Project Funding

a. Identify the source, nature and amount of all non-EDA funds, including in-kind contributions (non-cash contributions of space, equipment, services, or assumptions of debt; see definition of "In-Kind Contribution(s)" in 13 C.F.R. § 300.3). Explain the status of all funding commitments, including the date the funds will be available from each source, and describe any conditions or restrictions on the use of such funds. If in-kind contributions are included, explain the basis on which they are valued.

$20,750 local cash match will come from Redevelopment Agency Funds. This project is applicable for Redevelopment Agency Funds so no conditions or restrictions exist for this funding source.

b. Are all non-EDA funds committed to the project, available as needed, and not conditioned or encumbered in any way that would preclude their use consistent with the purpose of the project? (See 13 C.F.R. § 301.5.)
Yes

c. Discuss the actions that need to be taken and the timing required to secure the non-EDA funds.
The 25% match Funding is allocated and committed through the City of Chico’s Annual Budget. No other action necessary.

Contracts will be awarded by using the City’s procurement procedures and City force accounts.

d. Does the applicant plan to seek other federal financial assistance as part of or in connection with this project? If so, please describe the source, amount and any terms and conditions of the funding, and when the funding will be available for use by the applicant.
No other funding.

e. Is the requested EDA investment assistance available from any other federal economic development program?
No. No other federal economic development program exists that would fund the recovery strategy project.

A.10 –Lobbying Certifications

All applicants for federal financial assistance must certify that federal funds have not been used and