

"INTERACTIVE AGENDA" Click on the agenda item in the index to the left for agenda item details.



OROVILLE CITY COUNCIL

Council Chambers
1735 Montgomery Street
Regular Meeting

SPECIAL MEETING – BUDGET WORKSHOP MARCH 29, 2016 11:00 A.M. AGENDA

ROLL CALL

Council Members Berry, Del Rosario, Hatley, Pittman, Simpson, Vice Mayor Wilcox, Mayor Dahlmeier

PLEDGE OF ALLEGIANCE

RECOGNITION OF INDIVIDUALS WHO WISH TO SPEAK ON AGENDA ITEMS

This is the time the Mayor will invite anyone in the audience wishing to address the Council on a matter that is on the agenda to state your name and the agenda item on which you wish to speak. When that item comes up on the agenda, you will be asked to step to the podium, repeat your name for the record, and make your presentation or ask questions regarding the agenda item. Following your remarks, Council and/or staff may respond to your comments or questions. **Presentations are limited to three minutes per person.** Under Government Code Section 54954.3 the time allotted for presentations may be limited.

SPECIAL BUSINESS

1. **DEVELOPMENT OF PRIORITY LIST FOR THE USE OF EXCESS BOND PROCEEDS** – staff report
(Continued from March 1, 2016)

The Council may provide direction for the development of a priority list for the approximately \$3,395,434 of excess bond proceeds to the City of Oroville for implementation of projects consistent with the original bond covenants. **(Donald Rust, Director of Community Development, Rick Farley, RDA Coordinator and Dawn Nevers, Assistant Planner)**

Council Action Requested: **Provide direction, as necessary.**

2. **REVIEW OF THE PRELIMINARY ANNUAL BUDGET FOR FISCAL YEAR 2016/17 AND DISCUSSION OF CITY COUNCIL GOALS FOR BUDGET PREPARATION**

The Council may review the Preliminary Annual Budget for fiscal year 2016/17 and discuss City Council goals for the preparation of the Budget. **(Donald Rust, Acting City Administrator)**

Council Action Requested: **Provide direction to staff of any possible changes to the Preliminary Budget for fiscal year 2016/17 to be reflected in the Adopted Budget.**

ADJOURNMENT

The meeting will be adjourned to a special meeting of the Oroville City Council to be held on Wednesday, March 30, 2016 at 9:00 a.m.

**CITY COUNCIL
STAFF REPORT**

TO: MAYOR AND COUNCIL MEMBERS

FROM: DONALD RUST, DIRECTOR (530) 538-2433
RICK FARLEY, RDA COORDINATOR (530) 538-4307
DAWN NEVERS, ASSISTANT PLANNER (530) 538-2429

**RE: DEVELOPMENT OF PRIORITY LIST FOR THE USE OF EXCESS
BOND PROCEEDS**

DATE: MARCH 29, 2016 (CONTINUED FROM MARCH 1, 2016)

SUMMARY

The Council may provide direction for the development of a priority list for the approximately \$3,395,434 of excess bond proceeds to the City of Oroville for implementation of projects consistent with the original bond covenants.

DISCUSSION

Pursuant to AB 1484, the amended state legislation dissolving redevelopment agencies, Health and Safety Code Section 34191.4(c), successor agencies are allowed to spend so-called "excess bond proceeds", which are pre-2011 tax allocation bond proceeds that are otherwise not obligated for a project, once a Finding of Completion has been received from the Department of Finance ("DOF"). The expenditure of these excess bond proceeds must still comply with the bond covenants for which the bonds were issued.

As of the last accounting of the bond revenue funds that were originally issued for project implementation, there is approximately \$3,395,434 in excess bond proceeds from the Series 1995, Series 2002 and Series 2004 tax allocation bonds that remain unspent. The amount is approximate due to accruing interest, and the total amount to be transferred to the City may be adjusted after the execution of the Agreement to the actual amount on the day of the transfer.

While a Bond Expenditure Agreement was previously executed for the reimbursement of previously funded projects, because that action was denied by DOF, a revised Bond Expenditure Agreement (see Attachment 1) has been drafted as the Master Agreement authorizing the City to use excess bond proceeds transferred from the Successor Agency, consistent with bond covenants, on projects and programs indicated in the original bond documents. The official statements for the bond issuances (previously provided and available upon request), state the bonds were originally issued for projects for the Oroville Redevelopment Project No. 1 including public facility improvements, private development projects, rehabilitation projects, revitalization of the Oroville Riverfront

and downtown areas, parking and road improvements, purchase of land and buildings for resale to private developers, loans to private developers and a revolving loan fund, and other projects allowed under the Redevelopment Plan. Allowing the City to implement these projects with the excess bond proceeds would help to revitalize the Oroville Redevelopment Project No. 1 area which would in turn help improve property values in the area.

Exhibit A provides a list of potential projects that could be funded with the excess bond proceeds which are consistent with bond covenants. The potential projects include the Gateway Project, streetscape improvements, implementation of revitalization plans, parking lot, capital improvement projects, revitalization of the Oroville Riverfront and downtown areas, and others; all of which are consistent with the purpose of the original bond issuance. While the total amount of these projects exceeds the amount of excess bond proceeds available, approval of the entire list provides the City with the flexibility to prioritize and implement projects in a timely manner, as the projects are in varying stages of readiness. The excess bond proceeds may be used to complete an entire project, or it may be used as matching funds for several projects.

In addition to being consistent with the bond covenants, expenditure of the bond funds must also meet the IRS tax-exempt regulations. Oroville's excess bond proceeds include both taxable and tax-exempt bond funds, and as such, the taxable funds should be used for projects that benefit a specific project or property owner, while the tax-exempt funds must be used for general benefit. Of the \$3,395,434 of excess bond proceeds, \$564,943 are taxable.

FISCAL IMPACT

The Bond Expenditure Agreement would allow the City of Oroville to receive excess bond funds to implement approximately \$3,395,434 worth of projects consistent with the bond covenants and the original intent of the bonds. A NEW Capital projects Fund was created for these projects. Fund 304 will be used to pay for these projects.

RECOMMENDATION

Provide direction, as necessary.

ATTACHMENTS

- Attachment 1- Potential Projects for the Excess Bond Proceeds with accompanying MEMOs for each (A - M).
- Attachment 2 – Bond Expenditure Agreement
- Attachment 3 – Resolution No. 15-16

Potential Projects for the Excess Bond Proceeds

ATTACHMENT 1

Exhibit	List of Projects	Estimated
A	Gateway Project Development Project <i>Purchase property from the former RDA.</i>	\$ 1 million
B	Lincoln St. & Huntoon St. Streetscape Improvement Plan	\$ 1.5 million
C	Feather River Boulevard Revitalization Plan	\$500,000
D	711/750 Montgomery - parking lot and land acquisition	\$ 400,000
E	Municipal Auditorium - MIDAS Project	\$ 5 million
F	AC&E District - Revitalization of 29 acres of the Oroville Waterfront and Downtown area (concept plan already exists): <ul style="list-style-type: none"> • Signage and Wayfinding Improvements throughout the Historic Downtown. • Land Acquisition within ACE District (29 acres) boundaries • Public-Private Partnership to create residential development Projects 	\$ 100,000 \$250,000 \$ 1 million
G	Affordable Housing Project and Partnerships	\$ 400,000
H	Myers Street Underground Project (Rule 20A)	\$ 2.4 million
I	City Museum Improvement (Bolts AHTM - Expansion)	\$260,000
J	Corporation Yard Improvements	\$550,000
K	Fire Station / Heliport at the Airport	\$950,000
L	Alley Improvement Projects (Downtown Oroville)	\$ 1 million
M	Veteran's Memorial Park	\$ 1.2 million
N	PG&E – Parking Lot A	\$250,000
	TOTAL	\$16,560,000

(Figures rounded to the nearest ten thousandth)

Taxable Bond Funds	\$564,943
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(Taxable funds should be used for projects that benefit a specific project or property owner [e.g. to purchase a property for an affordable housing project])

Tax-Exempt Bond Funds	\$2,830,491
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(Tax-exempt funds must be used for general benefit [e.g. using the tax-exempt funds as matching funds for the project])

Total Remaining Bond Proceeds	\$3,395,434
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City of Oroville

COMMUNITY DEVELOPMENT DEPARTMENT

Donald Rust
DIRECTOR

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EXHIBIT A

TO: MAYOR AND COUNCIL MEMBERS

FROM: DONALD L. RUST, DIRECTOR (530) 538-2433
RICK FARLEY, RDA COORDINATOR (530) 538-4307
COMMUNITY DEVELOPMENT DEPARTMENT

RE: GATEWAY DEVELOPMENT PROJECT

DATE: MARCH 29, 2016

SUMMARY

The Council may consider prioritizing to commence with the development of the Gateway Development Project at the northwest corner of Montgomery Street and Feather River Blvd.

DISCUSSION

In 2012, the City of Oroville and Snyder Commercial Real Estate, LLC concluded project discussions regarding a two-phased development of the Gateway Development Project site and signed a Master Disposition and Development Agreement (MDDA). In order to move that project forward; the City currently has two options:

1. Obtain exclusive compensation agreement resolutions from the seventeen taxing agencies, including the City of Oroville, agreeing to the transfer of the former RDA parcels to the developer for \$1.00 dollar and obtain final DOF approval. The two City owned parcels would also be transferred to the developer at the same time and would be included in the \$1.00 compensation; or
2. The developer purchases the two former RDA parcels, at the appraised market value, with Butte County processing the appraisal of the properties to ensure transparency and encourage the developer to purchase the two City owned parcels for market value, to allow the developer full site control.

City staff believes that Option no. 2 will expedite the Gateway Development Project. Staff has contacted Jon Snyder, with Snyder Commercial Real Estate, LLC, and Mr. Snyder is reviewing the project files to begin to restart the development of the site. The MDDA will be required to be modified, reviewed and approval by the Council

FISCAL IMPACT

The City will sell the Gateway Development Project site to Snyder Commercial Real Estate, LLC for the appraised market value, the City will receive approximately 23% of the funds from the sale of the two former RDA properties, and 100% of the funds from the sale of the two City owned properties. In return, the City will provide public infrastructure improvements that meets the criteria associated with the use of the excess RDA Bond proceeds for the amount the developer purchases the property.

RECOMMENDATION

Provide direction as necessary.

ATTACHMENT(S)

None



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EXHIBIT B

TO: MAYOR AND CITY COUNCIL MEMBERS

**FROM: ALEX BROWN, ASSOCIATE CIVIL ENGINEER;
DONALD RUST, DIRECTOR (530) 538-2433
COMMUNITY DEVELOPMENT DEPARTMENT**

RE: LINCOLN AND HUNTOON STREETS RESTORATION PLAN

DATE: MARCH 29, 2016

SUMMARY

The Council will hear a staff presentation regarding the Lincoln and Huntoon Streets Restoration Plan (Plan).

DISCUSSION

Interest in the development of a Plan for the Lincoln and Huntoon Streets Couplet dates back to 2011 when the Council authorized the development of a concept report to explore converting the streets back to a two-way traffic flow design.

The presentation shows the development options for the Plan, and the estimated funding required to move the Plan toward completion.

FISCAL IMPACT

Funding need for the Plan is estimated at \$1.5 Million.

RECOMMENDATION

Provide staff direction regarding a funding commitment for the Plan.

ATTACHMENT(S)

None



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EXHIBIT C

TO: MAYOR AND CITY COUNCIL MEMBERS

**FROM: ALEX BROWN, ASSOCIATE CIVIL ENGINEER;
DONALD RUST, DIRECTOR (530) 538-2433
COMMUNITY DEVELOPMENT DEPARTMENT**

RE: FEATHER RIVER BOULEVARD REVITALIZATION PLAN

DATE: MARCH 29, 2016

SUMMARY

The Council will hear a staff presentation regarding Feather River Boulevard Revitalization Plan (Plan).

DISCUSSION

Interest in the development of a Plan for Feather River Boulevard dates back to 2011 when the Council authorized the development of a Plan to explore the options associated with improving the aesthetics and traffic flow for the corridor.

The presentation shows the development options for the Plan, and the estimated funding required to move the Plan toward completion.

FISCAL IMPACT

Funding need for the Plan is estimated at between \$500,000 and \$1.5 Million.

RECOMMENDATION

Provide staff direction regarding a funding commitment for the Plan.

ATTACHMENT(S)

None



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EXHIBIT D

TO: MAYOR AND COUNCIL MEMBERS

**FROM: DONALD L. RUST, DIRECTOR (530) 538-2433
COMMUNITY DEVELOPMENT DEPARTMENT**

**RE: 711 & 750 MONTGOMERY STREET PARKING LOT AND LAND
ACQUISITION PROJECTS**

DATE: MARCH 29, 2016

SUMMARY

The Council may consider prioritizing to commence the development of 711 and 750 Montgomery Street.

DISCUSSION

Both properties located at 711 and 750 Montgomery Street, across the street of each other, are ready to be redeveloped to help revitalize and improve the commercial and/or mixed use zoned properties in the general area of the intersection of Feather River Boulevard and Montgomery Street, and in the general proximity of the proposed Gateway Development Project site.

With regards to 750 Montgomery Street, City staff is still working to coordinate a site visit by representatives from the Department of Toxic Substance Control (DTSC) and State Water Control Board (SWCB) to review the project site and neighboring properties. The review is required to ensure that the property is cleared, or the appropriate site clean-up process is completed for the intended land use, meaning, a parking lot, or structure, would require less earthwork (earth removed to appropriate landfill, if necessary), as related to the requirements for a multi-story residential development project. Potentially, the 711 Montgomery Street property may be exchanged for the proposed Jamboree Housing Corporation affordable work-force housing project site, if the City receives the Affordable Housing and Sustainable Communities Grant through the State of California.

FISCAL IMPACT

The Council approved the use of \$500,000 in Traffic Impact Fees, and up to \$400,000 in Excess RDA Bond Proceeds, or the exchange of 711 Montgomery Street for the Jamboree Housing project site, located at the new address of 2355 Feather River Boulevard (APN: 035-030-099), if the City is awarded and accepts the Affordable Housing and Sustainable Communities Grant.

RECOMMENDATION

Provide direction as necessary.

ATTACHMENT(S)

None



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EXHIBIT E

TO: MAYOR AND COUNCIL MEMBERS

**FROM: DONALD RUST, DIRECTOR (530) 538-2433
GARY LAYMAN, CHIEF BUILDING OFFICIAL
COMMUNITY DEVELOPMENT DEPARTMENT**

RE: MUNICIPAL AUDITORIUM PROJECT

DATE: March 29, 2016

SUMMARY

The Council may consider excluding the Municipal Auditorium project from the list of potential projects for the Excess Bond Proceeds shown in Attachment 1 of the Staff Report.

BACKGROUND

City staff and Feather River Recreation and Park District (FRRPD) staff conducted an inspection of the Municipal Auditorium (Auditorium) on May 9, 2011 to address the current conditions of the building. Findings of the inspection included: (1) Lighting throughout the building is outdated and not energy efficient; (2) The six large swamp coolers over the main portion of the Auditorium are very inefficient and deteriorated beyond repair; (3) The Butte County Department of Public Health concluded an inspection of the commercial kitchen. The kitchen will require approximately \$15,000 of upgrades; (4) For safety reasons the ceiling of tiles were removed; (5) The two ADA restrooms are in good shape however, adjustments to the grab rails and relocation the two toilets will be required (Cost \$300 to \$500); and (6) The HVAC systems over the office area will need to be inspected. Further review of the PG&E audit report will offer insight to the current conditions of the HVAC system. These are the six biggest repairs that need to be addressed. There are a lot of other things that need to be addressed like repairs to the neon sign outside, outside security lights need to be replaced and relocated, basketball floor could stand to be refinished and a good paint job in the interior and exterior. But all in all, the building has “good bones”.

Currently, the city staff has entered into a contract to remove and replace the heating and air cooling units, and upgrade the kitchen appliances to commercial grade. The city has conducted an ADA evaluation and survey on the site with a barrier removal

transition plan. The repair cost estimates have been provided for the repairs which are approximately \$5 Million dollars for the exterior and interior ADA up-grades.

FISCAL IMPACT

Funds are not available in the FY 2016/2017 General Fund budget or in the Excess Bond Proceeds.

RECOMMENDATIONS

Provide directed as necessary

ATTACHMENTS

NONE



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EXHIBIT F

TO: MAYOR AND COUNCIL MEMBERS

**FROM: DONALD L. RUST, DIRECTOR (530) 538-2433
COMMUNITY DEVELOPMENT DEPARTMENT**

RE: ARTS, CULTURAL & ENTERTAINMENT DISTRICT

DATE: MARCH 29, 2016

SUMMARY

The Council may consider prioritizing to commence with the development of the Arts Cultural and Entertainment District.

DISCUSSION

The Arts, Culture and Entertainment (AC&E) District planning document is currently finalized and serves to facilitate both the formation of the AC&E District and to also guide future development and promote economic development in the District. This District and the planning documents themselves are envisioned to capitalize on current cultural and natural resources in the historic downtown area by promoting tourism and recreation, and high-quality development in the historic downtown and riverfront areas.

The AC&E District derives much of its character from interconnected public open spaces and a circulation system that binds the existing disparate arts and cultural areas together.

The eight (8) project goals of AC&E District are to: 1 – Infuse activities within the project area, 2 - Stimulate economic growth for the city, 3 - Increase attraction to the project area, 4 - Address the lack of an inviting central focus, 5 - Establish Oroville as a tourist/recreation destination, 6 - Encourage appropriate development of the waterfront, 7 - Re-establish the Historic downtown as the center of Oroville, and 8 - Establish the District as a community gathering place.

FISCAL IMPACT

Signage and Wayfinding improvements throughout the	\$100,000
Land Acquisition within AC&E district	\$250,000
Public-Private Partnership to create residential developments	\$1 million

RECOMMENDATION

Provide directed as necessary

ATTACHMENT(S)

None



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EXHIBIT G

TO: MAYOR AND COUNCIL MEMBERS

**FROM: DONALD L. RUST, DIRECTOR (530) 538-2433
COMMUNITY DEVELOPMENT DEPARTMENT**

**RE: AFFORDABLE HOUSING AND SUSTAINABLE COMMUNITIES
PROGRAM – AFFORDABLE FAMILY HOUSING DEVELOPMENT**

DATE: MARCH 29, 2016

SUMMARY

The Council may consider prioritizing various funding related actions for the assembling of a competitive grant application for the Affordable Housing and Sustainable Communities (AHSC) Grant Program.

DISCUSSION

On January 29, 2016, HCD issued a notice of funding availability (NOFA) for approximately \$320 million in funding for the AHSC Grant Program. On March 16, 2016, Jamboree Housing submitted a Concept Proposal application for a 70 unit affordable family housing project behind the Starbucks/Panda Express development (**site plan found in power point**). The preliminary budget for the project and sources of funds are identified below.

Sources of Funds	%	Total
Net Investor Equity	61.8%	\$14,706,030
Permanent Loan	4.4%	\$1,039,271
City of Oroville – Land Purchase	1.7%	\$400,000
Section 515 Loan	4.2%	\$1,000,000
AHSC – Cap and Trade	14.1%	\$3,354,766
Deferred Developer Fee	1.3%	\$300,000
City of Oroville – Impact Fee Waiver/Deferral and other sources	12.6%	\$3,004,172
	Total	\$23,804,239

The numbers identified above are approximations for the preliminary budget. As seen above, flexibility on when payment of the City's impact fees are collected and/or waiver of development impact fees would be required and City will have to gain control of the property through its purchase. Additionally, in order to have a competitive application for the AHSC Program, staff is proposing an expenditure of approximately \$500,000, from existing traffic impact fees that have been collected, for the installation of sustainable transportation infrastructure as identified in the Feather River Boulevard Revitalization Plan adopted by the City Council on December 3, 2013 **(plan found in power point)**.

At their March 31, 2015 meeting, the Oroville City Council reviewed and adopted new planning documents, amended the Oroville Municipal Code and amendments to other existing planning documents to provide consistency throughout the design, planning and building process and the guiding documents (i.e. updates to the 2030 General Plan, Zoning Code, Zoning Map, Climate Action Plan, California Building Code). The proposed Jamboree Housing project is consistent with all the new City adopted documents and the AHSC Grant Program requires (public) transit-orientated-development project to meet the overall goal of the grant program.

FISCAL IMPACT

The City's requested contributions for a competitive grant application are as follows:

1. Purchase of the property in an amount up to \$400,000 (RDA Excess Bond Proceeds) or an exchange of City owned property of comparative value for the project site; and
2. An expenditure of approximately \$500,000, from existing traffic impact fees that have been collected (Account #: 108-8195-7400), for new curb/gutter/sidewalk, bike lanes, sidewalks improvements, landscaping, and other multi-modal transportation infrastructure on the east side of Feather River Boulevard from Oro Dam Boulevard to Bedrock Park.

RECOMMENDATIONS

Provide directed as necessary

ATTACHMENTS

None



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EXHIBIT H

TO: MAYOR AND CITY COUNCIL MEMBERS

**FROM: ALEX BROWN, ASSOCIATE CIVIL ENGINEER;
DONALD RUST, DIRECTOR (530) 538-2433
COMMUNITY DEVELOPMENT DEPARTMENT**

**RE: MYERS STREET UNDERGROUNDING AND SOUTHSIDE
IMPROVEMENT PROJECTS**

DATE: MARCH 29, 2016

SUMMARY

The Council will hear a staff presentation regarding the Myers Street Undergrounding and Southside Improvements Projects.

DISCUSSION

Interest in the completion of the Myers Street Projects dates back to 2009 when the Council authorized the development of preliminary plans and specification for the Southside Improvement Project. In 2011, the Council approved the formation of an Utility Undergrounding District for the undergrounding of utilities using PG&E Rule 20A undergrounding funds.

Work on these Projects was suspended due to the dissolution of the City's Redevelopment Agency.

FISCAL IMPACT

Funding need for the Southside Improvements is estimated to be between \$330,000 and \$2.4 Million.

Funding need for the Myers Street Undergrounding (between Oro Dam and Lincoln Boulevards) is estimated at \$197,000.

RECOMMENDATION

Provide staff direction regarding a funding commitment for the Projects.

ATTACHMENT(S)

None



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EXHIBIT I

TO: MAYOR AND COUNCIL MEMBERS

**FROM: DONALD RUST, DIRECTOR (530) 538-2433
GARY LAYMAN, CHIEF BUILDING OFFICIAL
ALEX BROWN, ASSOCIATE CIVIL ENGINEER
COMMUNITY DEVELOPMENT DEPARTMENT**

**RE: BOLTS TOOL MUSEUM AND ASH TRAY MUSEUM EXPANSION
PROJECT**

DATE: MARCH 29, 2016

SUMMARY

The Council may consider including the Bolts Tool Museum project as one of the projects from the list of potential projects from the Excess Bond Proceeds shown in exhibit A and the rough plan design in exhibit B.

DISCUSSION

As part of an ongoing need to add additional space to the existing building which is housing the City's Bolt Tool Museum as well as finding locations for the Ash Tray Museum. An addition of a forty foot (40') by fifty foot (50') area would allow for the additional storage of the tools that have been donated to the Bolts Museum as well as provide a permanent location for the Ash Tray Museum. Rough plans can be found in power point. The preliminary budget for the project are identified below.

Phase of Construction	Total
Approximate cost of metal building	\$45,000.00
Approximate cost of foundation	\$25,000.00
Approximate cost of interior framing	\$30,000.00
Approximate cost of interior finishing	\$40,000.00
Approximate cost of mechanical/electrical	\$35,000.00
Approximate cost of plumbing	\$5,000.00
Approximate cost of civil site preparation	\$10,000.00
Approximate cost of Tree and Root Removal	\$8,000.00

Approximate labor cost for Building	\$60,000.00
Approximate Total Project Cost	\$258,000.00

This project is approximately 7.5% of the Excess Bond Proceeds.

FISCAL IMPACT

Funds are not available in the FY 2016/2017 General Fund budget but could be available in the Excess Bond Proceeds.

RECOMMENDATIONS

Provide directed as necessary

ATTACHMENTS

NONE



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EXHIBIT J

TO: MAYOR AND COUNCIL MEMBERS

**FROM: DONALD RUST, DIRECTOR (530) 538-2433
GARY LAYMAN, CHIEF BUILDING OFFICIAL
ALEX BROWN, ASSOCIATE CIVIL ENGINEER
COMMUNITY DEVELOPMENT DEPARTMENT**

RE: CITY CORPORATION YARD BUILDING PROJECT

DATE: MARCH 29, 2016

SUMMARY

The Council may consider including a new Corporation Yard Building project as one of the projects from the list of potential projects from the Excess Bond Proceeds shown in exhibit A and the rough plan design in exhibit B.

DISCUSSION

The City of Oroville Sewer Crew currently utilizes a forty foot (40') by sixty foot (60') steel structure that has reached the end of its useful life. This existing structure, located in the Corporation Yard, would be replaced with a one hundred foot (100') by forty foot (40') foot steel building as part of this project. The new building would increase the square footage from twenty-four hundred square feet (2,400sq') to four thousand square feet (4,000sq'). This increase in area would allow for more than double the office space, crew locker rooms, breakrooms, restrooms and computer stations. It would address the security concerns of the corporation yard which have been alleviated since the recent thieves and burglaries. The increased space would allow for the storage and increased longevity of heavy equipment. The new facility would be designed to accommodate both Sewer and Public Works crews with the ability to be used as an emergency shelter if needed. The combined crew facility would allow for joint meetings and trainings and coordination between the divisions. The approximate cost of the project is five hundred and forty-eight thousand dollars (\$548,000). The preliminary budget for the project are identified below:

Phase of Construction	Total
Approximate cost of metal building	\$85,000.00
Approximate cost of Existing slab removal	\$35,000.00
Approximate cost of foundation	\$50,000.00
Approximate cost of interior framing	\$30,000.00
Approximate cost of interior finishing	\$45,000.00
Approximate cost of mechanical/electrical	\$95,000.00
Approximate cost of plumbing	\$35,000.00
Approximate cost of civil site preparation	\$40,000.00
Approximate cost of retaining wall	\$58,000.00
Approximate labor cost for Building	\$75,000.00
Approximate Total Project Cost	\$548,000.00

This project is approximately 16% of the Excess Bond Proceeds.

FISCAL IMPACT

Funds are not available in the FY 2016/2017 General Fund budget but could be available in the Excess Bond Proceeds.

RECOMMENDATIONS

Provide direction as necessary.

ATTACHMENTS

NONE



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EXHIBIT K

TO: MAYOR AND COUNCIL MEMBERS

**FROM: DONALD RUST, DIRECTOR (530) 538-2433
GARY LAYMAN, CHIEF BUILDING OFFICIAL
COMMUNITY DEVELOPMENT DEPARTMENT**

**RE: FIRE/PUBLIC SAFETY BUILDING AND HELIPORT PROJECT AT THE
OROVILLE MUNICIPAL AIRPORT**

DATE: MARCH 29, 2016

SUMMARY

The Council may consider including the fire/public safety building and heliport project as one of potential projects from the Excess Bond Proceeds.

DISCUSSION

The City of Oroville has been collecting tax revenue from the property owners for emergency services with a current balance of \$356,589.50. The area is expanding with additional housing and commercial projects in progress and in the near future which will be adding to the tax collection to help maintain and staff the facility. The city has an obligation to provide these services in a timely manner. The cost to provide the fire/public safety building and heliport project is approximately one million two hundred and seventy eight thousand dollars (\$1,278,000.00). The preliminary budget for the project are identified below.

Phase of Construction	Total
Approximate cost of building	\$1,000,000.00
Approximate cost of infrastructure	\$270,000.00
Approximate cost of Heliport Pad	\$8,000.00
Current collected tax revenue	\$356,589.50
Approximate cost of required bond proceeds	\$921,410.50

This project is approximately 26.5% of the Excess Bond Proceeds.

FISCAL IMPACT

Funds are not available in the FY 2016/2017 General Fund budget but could be available through the Excess Bond Proceeds.

RECOMMENDATIONS

Provide direction as necessary

ATTACHMENTS

NONE



City of Oroville

COMMUNITY DEVELOPMENT DEPARTMENT

Donald Rust
DIRECTOR

1735 Montgomery Street
Oroville, CA 95965-4897
(530) 538-2401 – FAX (530) 538-2426
www.cityoforoville.org

EXHIBIT L

TO: MAYOR AND COUNCIL MEMBERS

**FROM: DONALD L. RUST, DIRECTOR (530) 538-2433
COMMUNITY DEVELOPMENT DEPARTMENT**

RE: ALLEY IMPROVEMENTS PROJECTS

DATE: MARCH 29, 2016

SUMMARY

The Council may consider prioritizing to commence with the development of the Alley Improvement projects in historic downtown and south Oroville locations.

DISCUSSION

The City's industrial history, combined with the design and changing use of residential neighborhoods and disinvestment in property has led to a significant number of vacant and abandoned parcels in the Oroville area, including alleyways. The AC&E District derives much of its character from interconnected public open spaces and a circulation system that binds the existing disparate arts and cultural areas together. While some of these parcels are simply a nuisance—overgrown with weeds, unattractive, or unusable due to undesirable activity—some of them pose significant hazards to the community. Cleanup and re-use of vacant properties has been linked to reductions in crime and improvements in health for neighboring residents.

FISCAL IMPACT

Proposed Alley Improvements up to and beyond \$1 million, depending the amount of improvements that implemented. Currently, California State University, Chico, students are development environmental documents and developing improvement plans that can be used to develop at less a small portion, or the initial phase of the alley improvement. The alley project proposed for south Oroville cannot use the Excess Bond Proceeds because the area was not a part of the established RDA boundaries. However, the

south Oroville area recently annexed into the City of Oroville has an alley maintain assessment on each parcel into provide maintains of the alleys.

RECOMMENDATION

Provide direction as necessary

ATTACHMENT(S)

None



City of Oroville

COMMUNITY DEVELOPMENT DEPARTMENT

Donald Rust
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EXHIBIT M

TO: MAYOR AND COUNCIL MEMBERS

**FROM: DONALD L. RUST, DIRECTOR (530) 538-2433
COMMUNITY DEVELOPMENT DEPARTMENT**

RE: VETERANS MEMORIAL PARK

DATE: MARCH 29, 2016

SUMMARY

The Council may consider prioritizing to provide a portion of the \$1.2 million remaining in necessary work to complete the Veterans Memorial Park project.

DISCUSSION

With acquisition complete, the County cleared the parcels and began rough grading the site. The parking lot and present landscaping were completed in 2014. In addition, approximately \$24,700 in labor expenses were incurred in FY 2013-14 due to project work related to a water conservation irrigation system implemented on site. The Veteran's Memorial Park (Park Committee) was recently awarded a Supplemental Benefits Fund (SBF) grant which requires the Park Committee to match a portion of the project funds. On January 26, 2016, the Butte County Board of Supervisors approved a \$219,250 budget adjustment to supplement the \$158,750 that will be received from the SBF grant. This will enable General Services to complete the railing around the outlook and to construct the Wall of Honor.

There is approximately \$1.2 million in necessary work remaining to complete the Project as defined by Land Image; the County and the Park Committee continue to seek funding opportunities.

FISCAL IMPACT

Necessary work remaining to complete the project \$1.2 million

RECOMMENDATION

Provide direction as necessary

ATTACHMENT(S)

None



City of Oroville

COMMUNITY DEVELOPMENT DEPARTMENT

Donald Rust
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EXHIBIT N

TO: MAYOR AND COUNCIL MEMBERS

**FROM: DONALD L. RUST, DIRECTOR (530) 538-2433
COMMUNITY DEVELOPMENT DEPARTMENT**

RE: PG&E – PARKING LOT A

DATE: MARCH 29, 2016

SUMMARY

The Council may consider prioritizing to provide authorization to City staff to work with PG&E personnel to develop a town center as part of the removal of contaminated soils in Parking Lot A in alignment with the Arts, Cultural & Entertainment District plan.

DISCUSSION

PG&E is in the planning stages of remediating site contamination in Parking Lot A. In recent discussions, PG&E has agreed to remove all contaminated soil from the area and to reconstruct the parking area to align with the Arts, Cultural & Entertainment District. PG&E is working on a potential reimbursement of the infrastructure that will be installed after all remediation work is done to enter into contract with the City to fund 85% of the project, the City funding the remaining 15%.

FISCAL IMPACT

Necessary work remaining to complete the project is approximately \$1.2 million. PG&E may provide reimbursement for the infrastructure for a town center as part of the remediation and clean-up and the City to provide \$250,000 in engineering design and some material (concrete and plantings) to cover the approximate 15% of the project cost.

RECOMMENDATION

Provide direction as necessary

ATTACHMENT(S)

None

BOND EXPENDITURE AGREEMENT

This Bond Expenditure Agreement (the “Agreement”) is entered into effective December 1, 2015, by and between the City of Oroville, a municipal corporation (the “City”), and the Oroville Redevelopment Successor Agency, successor agency to the Redevelopment Agency of the City of Oroville under Health and Safety Code Section 34173 (“Oroville SA”) pursuant to City Council Resolution No. 8447, Oroville SA Resolution No. 15-16, and the Oroville Oversight Board Resolution No. 08-15.

Recitals

A. Oroville SA received its Finding of Completion under Health and Safety Code Section 34179.7 from the California Department of Finance on May 6, 2014.

B. Health and Safety Code Section 34191.4(c) allows a successor agency that has received a finding of completion to use bond proceeds from bonds issued prior to 2011 for purposes for which the bonds were sold, provides that such proceeds in excess of amounts needed to satisfy approved enforceable obligations shall be expended in a manner consistent with the original bond covenants, and further provides that such expenditures shall constitute “excess bond proceeds obligations” that shall be listed separately on the successor agency’s Recognized Obligation Payment Schedule (“ROPS”).

C. Oroville SA has so so-called “excess bond proceeds,” i.e., pre-2011 tax allocation bond proceeds that are not otherwise obligated for a project or other enforceable obligation from the 1995, 2002 and 2004 Series A and Series B Tax Allocation Revenue Bonds for the Oroville Redevelopment Project No.1. Oroville SA wishes to use such proceeds for redevelopment purposes consistent with applicable bond covenants.

D. The California Community Redevelopment Law (Health and Safety Code Section 33000, et seq.) provides for a cooperative relationship between cities and their redevelopment agencies, as well as their successor agencies who have assumed the duties and obligations of the former redevelopment agencies. Under Health and Safety Code Section 33220, a city may aid and cooperate in the planning, undertaking, construction, or operation of redevelopment projects. Health and Safety Code Section 33220(e) specifically authorizes a city to enter into an agreement with its redevelopment agency or any other public entity to further redevelopment purposes. Health and Safety Code Section 34178 allows a successor agency and its sponsoring city to enter into agreements with the approval of the Oversight Board.

E. Oroville SA desires to provide excess bond proceeds to the City to enable the City to use such funds, in a manner consistent with the original bond covenants, for improvement projects for which these bonds were issued, as shown in Exhibit A. The transfer of these funds to the City would advance the City’s community development goals while maximizing fiscal and social benefits flowing to the taxing entities. The City Council has found that the use of excess bond proceeds to fund projects is in accordance with Health and Safety Code Sections 33445,

33445.1, and 33679, the bond covenants, and other applicable law. The Oroville Oversight Board has determined that the expenditure of excess bond proceeds in accordance with this Agreement will benefit the affected taxing entities, are consistent with the original bond covenants, and has therefore approved the execution of this Agreement and the provision of excess bond proceeds to the City for the purposes described herein.

F. In order to facilitate the use of excess bond proceeds consistent with the bond covenants, Oroville SA and the City have negotiated this Agreement requiring the transfer of current excess bond proceeds by Oroville SA to the City, and the City's use of such proceeds as shown in Exhibit A and consistent with bond covenants. The parties intend that this Agreement shall constitute an excess bond proceeds obligation within the meaning of Health and Safety Code Section 34191.4(c)(2)(A) to be paid from excess bond proceeds. With Oversight Board approval, Oroville SA will list this Agreement, and the requirement to transfer excess bond proceeds herein, on its Recognized Obligation Payment Schedule ("ROPS") for July 1, 2016 through June 30, 2017 ("ROPS 16-17") as an obligation to be funded with excess bond proceeds.

NOW, THEREFORE, the parties hereto do mutually agree as follows:

1. RECITALS

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

2. Oroville SA'S OBLIGATIONS

Oroville SA shall have the following obligations under this Agreement:

2.1. CURRENT EXCESS BOND PROCEEDS. Oroville SA shall transfer to the City Excess Bond Proceeds currently held by Oroville SA in an amount of \$3,368,183 (said amount may be adjusted, increased or decreased after the date of this Agreement to the actual amount on the date of transfer).

2.2. FUTURE EXCESS BOND PROCEEDS. Oroville SA shall transfer to the City all future Excess Bond Proceeds held or received by Oroville SA. Such future Excess Bond Proceeds shall include, without limitation, (1) Bond Proceeds previously obligated to a project or other Enforceable Obligation that become unobligated for any reason, (2) Bond Proceeds that become available in the form of rents, sale proceeds, loan repayments, or other revenues that are generated by properties or other assets acquired and/or improved with Bond Proceeds and that are not otherwise obligated to a project or other Enforceable Obligation, and (3) any other funds held by Oroville SA that qualify as Excess Bond Proceeds under this Agreement.

The parties intend that payments of future Excess Bond Proceeds be made to the City as soon as possible after such Excess Bond Proceeds become available. The transfer of future Excess Bond Proceeds shall be made pursuant to an approved ROPS within 30 days of the commencement of the relevant ROPS period. Oroville SA shall be responsible for ensuring that payments of future Excess Bond Proceeds, as such funds become available, are included on the next possible ROPS.

2.3. PROJECTS FUNDED BY EXCESS BOND PROCEEDS. Oroville SA assigns to the City all responsibilities in relation to the administration of any projects or programs funded by Excess Bond Proceeds. Oroville SA assigns to the City all contracts entered into by Oroville SA or the former Redevelopment Agency of the City of Oroville related to activities to be funded by Excess Bond Proceeds, with the exception of those contracts retained by Oroville SA relating to Enforceable Obligations.

3. CITY'S OBLIGATIONS

The City shall have the following obligations under this Agreement:

3.1. RETENTION OF EXCESS BOND PROCEEDS. The City shall accept, hold, and disburse Excess Bond Proceeds transferred to the City by Oroville SA under this Agreement, including current Excess Bond Proceeds and future Excess Bond Proceeds. The City shall retain any Excess Bond Proceeds that it receives, such as revenue generated from properties acquired or improved with Excess Bond Proceeds or payments on loans funded from Excess Bond Proceeds, without any obligation to return such funds to Oroville SA, and shall use such funds to reimburse for projects as identified in Exhibit A, consistent with applicable bond covenants.

3.2. USE OF EXCESS BOND PROCEEDS. The City may spend Excess Bond Proceeds received or retained under this Agreement on any project, program, or activity consistent with the original bond covenants applicable to the particular Excess Bond Proceeds, and must comply with all requirements of federal tax law and all applicable requirements of the California Community Redevelopment Law as to the use of such funds. The City shall be solely responsible for ensuring that Excess Bond Proceeds are maintained and spent in accordance with bond covenants and other applicable laws. The City may transfer funds between approved projects, programs and activities, as long as the transfer is within a single project area if applicable bond covenants restrict such funds to a particular project area.

The City shall indemnify and defend Oroville SA, and its officers and agents, against, and shall hold Oroville SA, and its officers and agents, harmless from, any claims, causes of action, or liabilities arising from the misuse of Excess Bond Proceeds by the City or the failure of the City to ensure that Excess Bond Proceeds are used in accordance with bond covenants, federal tax law, and the California Community Redevelopment Law.

The City assumes all contracts entered into by Oroville SA or the former Redevelopment Agency of the City of Oroville related to activities to be funded by Excess Bond Proceeds, with the exception of those contracts retained by Oroville SA relating to Enforceable Obligations. The City shall perform its obligations hereunder, and under such assumed contracts, in accordance with the applicable provisions of federal, state and local laws, including the obligation to comply with environmental laws such as CEQA, and shall timely complete the work required for each project.

4. ENTIRE AGREEMENT; WAIVERS; AND AMENDMENTS

4.1. This Agreement constitutes the entire understanding and agreement of the parties with respect to the transfer and use of Excess Bond Proceeds. This Agreement integrates all of the terms and conditions mentioned herein or incidental hereto, and supersedes all negotiations or previous agreements between the parties with respect to the subject matter of this Agreement.

4.2. This Agreement is intended solely for the benefit of the City and Oroville SA. Notwithstanding any reference in this Agreement to persons or entities other than the City and Oroville SA, there shall be no third party beneficiaries under this Agreement.

4.3. All waivers of the provisions of this Agreement and all amendments to this Agreement must be in writing and signed by the authorized representatives of the parties.

5. SEVERABILITY

If any term, provisions, covenant or condition of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the provisions shall continue in full force and effect unless the rights and obligations of the parties have been materially altered or abridged by such invalidation, voiding or unenforceability. In addition, the parties shall cooperate in good faith in an effort to amend or modify this Agreement in a manner such that the purpose of any invalidated or voided provision, covenant, or condition can be accomplished to the maximum extent legally permissible.

6. DEFAULT

If either party fails to perform or adequately perform an obligation required by this Agreement within thirty (30) calendar days of receiving written notice from the non-defaulting party, the party failing to perform shall be in default hereunder. In the event of default, the non-defaulting party will have all the rights and remedies available to it at law or in equity to enforce the provisions of this contract, including without limitation the right to sue for damages for breach of contract or to seek specific performance. The rights and remedies of the non-defaulting party enumerated in this paragraph are cumulative and shall not limit the non-defaulting party's rights under any other provision of this Agreement, or otherwise waive or deny any right or remedy, at law or in equity, existing as of the date of the Agreement or hereinafter enacted or established, that may be available to the non-defaulting party against the defaulting party.

7. BINDING ON SUCCESSORS

This Agreement shall be binding on and shall inure to the benefit of all successors and assigns of the parties, whether by agreement or operation of law.

8. FURTHER ASSURANCES

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

[SIGNATURES ON NEXT PAGE]

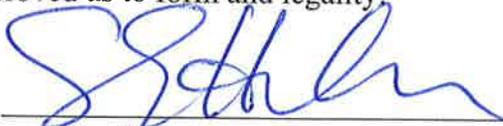
In witness whereof, the undersigned parties have executed this Bond Expenditure Agreement effective as of the date first above written.

“CITY”

THE CITY OF OROVILLE,
a municipal corporation

By: 
City Administrator

Approved as to form and legality:

By: 
City Attorney

“OROVILLE SA”

THE OROVILLE REDEVELOPMENT SUCCESSOR AGENCY, successor agency to the
Redevelopment Agency of the City of Oroville under Health and Safety Code Section 34173

By: 
Oroville SA Administrator

Approved as to form and legality:

By: 
Oroville SA Counsel

**OROVILLE SUCCESSOR AGENCY
RESOLUTION NO. 15-16**

A RESOLUTION OF THE OROVILLE SUCCESSOR AGENCY OF THE FORMER REDEVELOPMENT AGENCY OF THE CITY OF OROVILLE APPROVING THE BOND EXPENDITURE AGREEMENT BETWEEN THE CITY OF OROVILLE AND THE OROVILLE SUCCESSOR AGENCY

WHEREAS, the Oroville Successor Agency ("Successor Agency") received its Finding of Completion under Health and Safety Code Section 34179.7 from the California Department of Finance on May 6, 2014; and

WHEREAS, Health and Safety Code Section 34191.4(c) allows a successor agency that has received a finding of completion to use bond proceeds from bonds issued prior to 2011 for purposes for which the bonds were sold, provides that such proceeds in excess of amounts needed to satisfy approved enforceable obligations shall be expended in a manner consistent with the original bond covenants, and further provides that such expenditures shall constitute "excess bond proceeds obligations" that shall be listed separately on the successor agency's Recognized Obligation Payment Schedule ("ROPS"); and

WHEREAS, as of its last accounting, the Successor Agency has determined it is holding so-called "excess bond proceeds" in the amount of approximately \$3,390,180 (said amount may be adjusted, increased or decreased after the date of this Agreement) that are not otherwise obligated for a project or other enforceable obligations from the 1995, 2002, 2004 Series A and Series B Tax Allocation Revenue Bonds for the Oroville Redevelopment Project No. 1; and

WHEREAS, the Successor Agency desires to provide these excess bond proceeds to the City of Oroville to enable the City to use such funds, in a manner consistent with the original bond covenants, to undertake projects and programs that were not previously funded and obligated by Successor Agency or the City; and

WHEREAS, the Agreement would advance the City's community development goals while maximizing fiscal and social benefits flowing to the taxing entities from successful development. The City Council has found that the use of excess bond proceeds to fund projects detailed in the Agreement is in accordance with Health and Safety Code Sections 33445, 33445.1, and 33679, the original bond covenants, and other applicable laws; and

WHEREAS, the Oversight Board of the Oroville Successor Agency has determined that the expenditure of excess bond proceeds in accordance with the attached Agreement will benefit the affected taxing entities, is consistent with the original bond covenants, and approves the execution of the attached Agreement and the provision of excess bond proceeds to the City for the purposes described.

covenants, and approves the execution of the attached Agreement and the provision of excess bond proceeds to the City for the purposes described.

NOW THEREFORE, BE IT HEREBY RESOLVED by the Oroville City Council as follows:

SECTION 1. The foregoing recitals are true and correct.

SECTION 2. The Mayor is hereby authorized and directed to execute the Bond Expenditure Agreement between the Oroville Successor Agency and the City of Oroville for the transfer of excess bond proceeds currently held by the Successor Agency.

SECTION 3. The Clerk shall attest to the adoption of this Resolution.

PASSED and ADOPTED by the City Council of the City of Oroville at a regular meeting on December 1, 2015, by the following vote:

AYES: Council Members Del Rosario, Hatley, Pittman, Simpson, Vice Mayor Wilcox, Mayor Dahlmeier

NOES: None

ABSTAIN: None

ABSENT: Council Member Berry



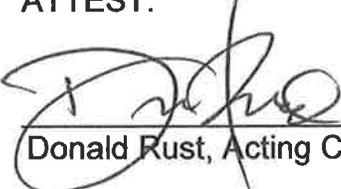
Linda L. Dahlmeier, Mayor

APPROVED AS TO FORM:



Scott E. Huber, City Attorney

ATTEST:



Donald Rust, Acting City Clerk