

Honorable Mayor and Members  
of the City Council  
City Hall  
Torrance, California

**Members of the Council:**

**SUBJECT: Community Development – Approve draft Recognized Obligation Payment Schedule for July 1 through December 31, 2012 and Approve City Advances Payment Schedule**

**RECOMMENDATION**

Recommendation of the Community Development Director that City Council, acting as the Successor Agency to the former Redevelopment Agency of the City of Torrance, approve the draft Recognized Obligation Payment Schedule (ROPS) for the period of July 1 through December 31, 2012, in accordance with ABX1-26, And approve the estimated payment schedule for qualified enforceable obligations (city advances).

**BACKGROUND AND ANALYSIS**

As a part of redevelopment dissolution bill ABX1-26, Successor Agencies are required to approve a draft Recognized Obligation Payment Schedule (ROPS) every six months. On February 28, 2012, the City Council acting as the Successor Agency to the Redevelopment Agency adopted a draft ROPS for the period of January 1 through June 30, 2012. Successor Agencies are currently required to adopt the ROPS covering the period of July 1<sup>st</sup> through December 30<sup>th</sup> no later than April 15, 2012.

As indicated in the item dated February 28<sup>th</sup>, the ROPS is a formal description of all payments and obligations the Agency will make during that given fiscal period. A new ROPS will be adopted every six months, and will be reviewed by the Oversight Board before receiving final approval. Although the Oversight Board has not been formally established, the City is still obligated to comply with the deadlines established in ABX1-26. Once the ROPS has been approved and certified by the Oversight Board, only payments listed on the ROPS will be compensated. Pass-through payments will be remitted to the City twice annually, in June and January, to coincide with the ROPS.

ABX1-26 eliminates all City loans made to the Redevelopment Agency that were not agreed upon within 2 years of the creation of the respective project areas. Staff has identified approximately \$49 million of loans (including accrued interest) that were made by the City to the Agency (RDA Industrial Project Area) which qualifies as an enforceable obligation. The terms of the loans requires that the Agency repay the City after it has receive sufficient tax


increments to pay bonded indebtedness then City advances. Up until January 2012, the tax increments generated in the Industrial Redevelopment area was not sufficient to repay City advances. With the implementation of, ABX1-26 which essentially eliminated the 20% set aside dollars for low and moderate housing, staff estimates that there will be sufficient tax increment to begin repaying city advances. A payment schedule and a list of the loans that were made in 1985 are listed in Attachments B and C.

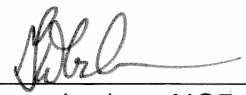
Staff recommends the City Council, acting as the Successor Agency to the former Redevelopment Agency of the City of Torrance, approve the draft Recognized Obligation Payment Schedule and the estimated loan repayment schedule for the period of July 1st through December 30th (Attachment A). The schedule will be posted on the City's website and submitted to the County Auditor-Controller, State Controller, and State Department of Finance.

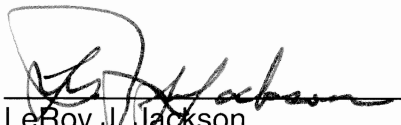
Respectfully submitted,

JEFFERY W. GIBSON  
COMMUNITY DEVELOPMENT DIRECTOR

CONCUR:

  
\_\_\_\_\_  
Jeffery W. Gibson  
Community Development Director

By   
\_\_\_\_\_  
Gregg Lodan, AICP  
Planning Manager

  
\_\_\_\_\_  
LeRoy J. Jackson  
City Manager

- Attachment: A) Recognized Obligation Payment Schedule 7/1/12-12/31/12
- Attachment: B) Eligible Enforceable Obligations (City Advances)
- Attachment: C) Estimated Payment Schedule

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

Project Name / Debt Obligation	Payee	Description	Total Outstanding Debt or Obligation As of January 31, 2012	Payment Source	Total Due During 2012-13 Fiscal Year	Payments by month												Total
						July	August	September	October	November	December							
2001 Tax Allocation Refunding Bonds (Skypark)	Bank of New York	Bonds issued to fund non-housing project	\$ 176,072.03	RPTTF	\$ 176,072.00	\$ 176,072.00										\$ 176,072.00		
Bond Series A (Downtown)	Bank of New York	Non-housing improvements	\$ 9,947,285.75	RPTTF	\$ 576,007.00	\$ 406,051.00										\$ 406,051.00		
Industrial Series B&C Bond (Industrial)	City of Torrance		\$ 2,450,482.00	RPTTF	\$ 2,450,135.00	\$ 612,326.88										\$ 612,326.88		
Industrial Loan Principal (Replacement) (Skypark)	City of Torrance		\$ 172,376.00	RPTTF	\$ 172,376.00	\$ 172,376.00										\$ 172,376.00		
Admin Fee SB257/AB1924 (Industrial)	State of CA		\$ 123,300.00	RPTTF	\$ 123,300.00	\$ 5,876.00	\$ 5,876.00	\$ 5,876.00	\$ 5,876.00	\$ 5,876.00	\$ 5,876.00	\$ 5,876.00	\$ 5,876.00	\$ 5,876.00	\$ 5,876.00	\$ 35,656.00		
County Admin Fee FY11-12 (Downtown)	County of Los Angeles	admin	\$ 30,300.00	RPTTF	\$ 30,300.00	\$ 2,525.00	\$ 2,525.00	\$ 2,525.00	\$ 2,525.00	\$ 2,525.00	\$ 2,525.00	\$ 2,525.00	\$ 2,525.00	\$ 2,525.00	\$ 2,525.00	\$ 15,150.00		
Property Tax Admin Cost FY11-12 (Skypark)	Skypark Redevelopment	admin	\$ 12,189.00	RPTTF	\$ 12,189.00	\$ 1,016.00	\$ 1,016.00	\$ 1,016.00	\$ 1,016.00	\$ 1,016.00	\$ 1,016.00	\$ 1,016.00	\$ 1,016.00	\$ 1,016.00	\$ 1,016.00	\$ 6,096.00		
Bond Admin Fee FY11-12 (Downtown)	Bank of New York	admin	\$ 2,000.00	RPTTF	\$ 2,000.00	\$ 167.00	\$ 167.00	\$ 167.00	\$ 167.00	\$ 167.00	\$ 167.00	\$ 167.00	\$ 167.00	\$ 167.00	\$ 167.00	\$ 1,002.00		
Bond Admin Fee FY11-12 (Industrial)	Bank of New York	admin	\$ 5,000.00	RPTTF	\$ 5,000.00	\$ 416.00	\$ 416.00	\$ 416.00	\$ 416.00	\$ 416.00	\$ 416.00	\$ 416.00	\$ 416.00	\$ 416.00	\$ 416.00	\$ 2,496.00		
Notes Payable (Developer) (Industrial)	Honda	for dev. of north american headquarters	\$ 1,775,337.00	RPTTF	\$ 1,775,337.00	\$ 1,775,337.00										\$ 1,775,337.00		
American Honda Interest (Industrial)	Honda		\$ 48,000.00	RPTTF	\$ 48,000.00	\$ 48,000.00										\$ 48,000.00		
Admin Cost	Successor Agency		\$ 63,050.00	RPTTF	\$ 63,050.00	\$ 5,254.00	\$ 5,254.00	\$ 5,254.00	\$ 5,254.00	\$ 5,254.00	\$ 5,254.00	\$ 5,254.00	\$ 5,254.00	\$ 5,254.00	\$ 5,254.00	\$ 31,524.00		
Admin Cost	Successor Agency		\$ 164,800.00	RPTTF	\$ 164,800.00	\$ 13,734.00	\$ 13,734.00	\$ 13,734.00	\$ 13,734.00	\$ 13,734.00	\$ 13,734.00	\$ 13,734.00	\$ 13,734.00	\$ 13,734.00	\$ 13,734.00	\$ 82,404.00		
Admin Cost	Successor Agency		\$ 22,150.00	RPTTF	\$ 22,150.00	\$ 1,846.00	\$ 1,846.00	\$ 1,846.00	\$ 1,846.00	\$ 1,846.00	\$ 1,846.00	\$ 1,846.00	\$ 1,846.00	\$ 1,846.00	\$ 1,846.00	\$ 11,076.00		
City Advance 1982 (Industrial)	City of Torrance	Non-housing improvements	\$ 56,298.00	RPTTF	\$ 56,298.00	\$ 56,298.00										\$ 56,298.00		
City Advance 1985 (Industrial)	City of Torrance	Non-housing improvements	\$ 48,438,665.31	RPTTF	\$ 6,601,669.00	\$ 6,601,669.00										\$ 6,601,669.00		
City Advance 1986 (Industrial)	City of Torrance	Non-housing improvements	\$ 3,488,417.00	RPTTF												\$ -		
City Advance 1987 (Industrial)	City of Torrance	Non-housing improvements	\$ 3,323,163.00	RPTTF												\$ -		
City Advance 1988 (Industrial)	City of Torrance	Non-housing improvements	\$ 298,635.00	RPTTF												\$ -		
City Advance 1988 (Industrial)	City of Torrance	Non-housing improvements	\$ 63,780.00	RPTTF												\$ -		
City Advance 1989 (Industrial)	City of Torrance	Non-housing improvements	\$ 151,133.00	RPTTF												\$ -		
City Advance 1990 (Industrial)	City of Torrance	Non-housing improvements	\$ 247,543.00	RPTTF												\$ -		
City Advance 1997 (Industrial)	City of Torrance	Non-housing improvements	\$ 1,748,520.00	RPTTF												\$ -		
City Advance 1997-1998 (Downtown)	City of Torrance	downtown rehabilitation	\$ 192,792.00	RPTTF												\$ -		
City Advance 1998 (Industrial)	City of Torrance	Non-housing improvements	\$ 1,578,089.00	RPTTF												\$ -		
City Advance 1998 (Industrial)	City of Torrance	Non-housing improvements	\$ 572,672.00	RPTTF												\$ -		
City Advance 1998 (Industrial)	City of Torrance	Non-housing improvements	\$ 113,893.00	RPTTF												\$ -		
City Advance 1999 (Industrial)	City of Torrance	Non-housing improvements	\$ 642,717.00	RPTTF												\$ -		
City Advance 1999 (Industrial)	City of Torrance	Non-housing improvements	\$ 1,633,409.00	RPTTF												\$ -		
Advance from Low-Mod Housing Fund FY09-10 (Skypark)	City of Torrance RDA	City Low Mod Housing Fund	\$ 240,316.00	RPTTF												\$ -		
Advance from Low-Mod Housing Fund FY10-11 (Skypark)	City of Torrance RDA	City Low Mod Housing Fund	\$ 2,403,160.00	RPTTF												\$ -		
Advance from County 1992-2011 (Downtown)	County of Los Angeles		\$ 20,770,044.43	RPTTF												\$ -		
Interest Payments to City (Downtown)	City of Torrance		\$ 314,638.00	RPTTF												\$ -		
County Pass Thru (Industrial)	County of Los Angeles		\$ 2,232,134.00	RPTTF	\$ 2,232,134.00	\$ 186,011.00	\$ 186,011.00	\$ 186,011.00	\$ 186,011.00	\$ 186,011.00	\$ 186,011.00	\$ 186,011.00	\$ 186,011.00	\$ 186,011.00	\$ 186,011.00	\$ 1,116,066.00		
County Pass Thru FY11-12 (Downtown)	County of Los Angeles		\$ 980,657.00	RPTTF	\$ 980,657.00	\$ 81,721.00	\$ 81,721.00	\$ 81,721.00	\$ 81,721.00	\$ 81,721.00	\$ 81,721.00	\$ 81,721.00	\$ 81,721.00	\$ 81,721.00	\$ 81,721.00	\$ 480,326.00		
County Pass Thru-Deferred Interest (Downtown)	City of Torrance		\$ 896,940.00	RPTTF												\$ -		
Labor & Salaries FY11-12 (Low-Mod) Industrial	Successor Agency	Home Improvement Program, Low Mod	\$ 280,000.00	RPTTF	\$ 280,000.00	\$ 23,333.00	\$ 23,333.00	\$ 23,333.00	\$ 23,333.00	\$ 23,333.00	\$ 23,333.00	\$ 23,333.00	\$ 23,333.00	\$ 23,333.00	\$ 23,333.00	\$ 139,996.00		
Salaries FY11-12 (Downtown)	City of Torrance	employee salaries & benefits	\$ 50,000.00	RPTTF	\$ 50,000.00	\$ 4,167.00	\$ 4,167.00	\$ 4,167.00	\$ 4,167.00	\$ 4,167.00	\$ 4,167.00	\$ 4,167.00	\$ 4,167.00	\$ 4,167.00	\$ 4,167.00	\$ 25,002.00		
<b>TOTAL</b>			\$ 136,104,777.52		\$ 15,821,474.00	\$ 8,335,442.00	\$ 732,117.00	\$ 1,110,768.88	\$ 326,066.00	\$ 326,066.00	\$ 326,066.00	\$ 326,066.00	\$ 326,066.00	\$ 326,066.00	\$ 326,066.00	\$ 11,804,529.88		

## Estimated Payment Schedule

	12%				
	Principle Balance	Payment	Interest	Principal	Balance
01/31/2012	\$49,438,665				
Annual Pymt	55,371,305	(6,651,967)	6,644,557	(7,411)	55,363,894
	55,363,894	(6,651,967)	6,643,667	(8,300)	55,355,594
	55,355,594	(6,651,967)	6,642,671	(9,296)	55,346,298
	55,346,298	(6,651,967)	6,641,556	(10,412)	55,335,886
	55,335,886	(6,651,967)	6,640,306	(11,661)	55,324,225
	55,324,225	(6,651,967)	6,638,907	(13,060)	55,311,165
	55,311,165	(6,651,967)	6,637,340	(14,628)	55,296,537
	55,296,537	(6,651,967)	6,635,584	(16,383)	55,280,154
	55,280,154	(6,651,967)	6,633,618	(18,349)	55,261,805
	55,261,805	(6,651,967)	6,631,417	(20,551)	55,241,254
	55,241,254	(6,651,967)	6,628,950	(23,017)	55,218,237
	55,218,237	(6,651,967)	6,626,188	(25,779)	55,192,458
	55,192,458	(6,651,967)	6,623,095	(28,873)	55,163,585
	55,163,585	(6,651,967)	6,619,630	(32,337)	55,131,248
	55,131,248	(6,651,967)	6,615,750	(36,218)	55,095,030
	55,095,030	(6,651,967)	6,611,404	(40,564)	55,054,466
	55,054,466	(6,651,967)	6,606,536	(45,432)	55,009,035
	55,009,035	(6,651,967)	6,601,084	(50,883)	54,958,152
	54,958,152	(6,651,967)	6,594,978	(56,989)	54,901,162
	54,901,162	(6,651,967)	6,588,139	(63,828)	54,837,334
	54,837,334	(6,651,967)	6,580,480	(71,487)	54,765,847
	54,765,847	(6,651,967)	6,571,902	(80,066)	54,685,781
	54,685,781	(6,651,967)	6,562,294	(89,674)	54,596,107
	54,596,107	(6,651,967)	6,551,533	(100,435)	54,495,673
	54,495,673	(6,651,967)	6,539,481	(112,487)	54,383,186
	54,383,186	(6,651,967)	6,525,982	(125,985)	54,257,201
	54,257,201	(6,651,967)	6,510,864	(141,103)	54,116,098
	54,116,098	(6,651,967)	6,493,932	(158,036)	53,958,062
	53,958,062	(6,651,967)	6,474,967	(177,000)	53,781,062
	53,781,062	(6,651,967)	6,453,727	(198,240)	53,582,822
	53,582,822	(6,651,967)	6,429,939	(222,029)	53,360,793
	53,360,793	(6,651,967)	6,403,295	(248,672)	53,112,121
	53,112,121	(6,651,967)	6,373,454	(278,513)	52,833,608
	52,833,608	(6,651,967)	6,340,033	(311,935)	52,521,673
	52,521,673	(6,651,967)	6,302,601	(349,367)	52,172,306
	52,172,306	(6,651,967)	6,260,677	(391,291)	51,781,016
	51,781,016	(6,651,967)	6,213,722	(438,246)	51,342,770
	51,342,770	(6,651,967)	6,161,132	(490,835)	50,851,935
	50,851,935	(6,651,967)	6,102,232	(549,735)	50,302,200
	50,302,200	(6,651,967)	6,036,264	(615,704)	49,686,496
	49,686,496	(6,651,967)	5,962,380	(689,588)	48,996,908
	48,996,908	(6,651,967)	5,879,629	(772,339)	48,224,570
	48,224,570	(6,651,967)	5,786,948	(865,019)	47,359,551
	47,359,551	(6,651,967)	5,683,146	(968,821)	46,390,729
	46,390,729	(6,651,967)	5,566,887	(1,085,080)	45,305,649
	45,305,649	(6,651,967)	5,436,678	(1,215,290)	44,090,360
	44,090,360	(6,651,967)	5,290,843	(1,361,124)	42,729,235
	42,729,235	(6,651,967)	5,127,508	(1,524,459)	41,204,776
	41,204,776	(6,651,967)	4,944,573	(1,707,394)	39,497,382
	39,497,382	(6,651,967)	4,739,686	(1,912,282)	37,585,100
	37,585,100	(6,651,967)	4,510,212	(2,141,755)	35,443,344
	35,443,344	(6,651,967)	4,253,201	(2,398,766)	33,044,578
	33,044,578	(6,651,967)	3,965,349	(2,686,618)	30,357,960
	30,357,960	(6,651,967)	3,642,955	(3,009,012)	27,348,948
	27,348,948	(6,651,967)	3,281,874	(3,370,094)	23,978,854
	23,978,854	(6,651,967)	2,877,462	(3,774,505)	20,204,349
	20,204,349	(6,651,967)	2,424,522	(4,227,446)	15,976,903
	15,976,903	(6,651,967)	1,917,228	(4,734,739)	11,242,164
	11,242,164	(6,651,967)	1,349,060	(5,302,908)	5,939,257
	5,939,257	(6,651,967)	712,711	(5,939,257)	0

<b>INDUSTRIAL TORRANCE REDEVELOPMENT AGENCY</b>					
<b>SCHEDULE OF INDEBTEDNESS - from 1985</b>					
<b>As of January 31, 2012</b>					
	<b>DESCRIPTION</b>	<b>%</b>	<b>PRINCIPAL</b>	<b>INTEREST</b>	<b>TOTAL</b>
<b>MISC ADVANCES</b>					
07.01.85	Admin Budget	current	84,726.00	\$ 83,915.73	\$ 168,641.73
05.15.85	Acquisition Cost	12%	1,150,000.00	1,563,706.82	2,713,706.82
07.23.85	Acq Armco parking	12%	635,000.00	1,513,416.90	2,148,416.90
09.14.85	Vac Hyde Escrow	12%	860,461.00	2,050,765.35	2,911,226.35
10.01.85	Acq Abalone&223	12%	1,628,495.00	4,665,993.96	6,294,488.96
10.01.85	Esc Closing-Land	12%	3,000,000.00	8,206,130.05	11,206,130.05
<b>ADVANCE FROM SELF-INSURANCE</b>					
05.15.85		12%/10%	3,000,000.00	1,166,666.67	4,166,666.67
05.15.85		10%	1,000,000.00	158,333.33	1,158,333.33
	Land Acq.			13,472,008.78	13,472,008.78
05.15.85	Acquisition Cost	12%	0.00	2,403,333.24	2,403,333.24
<b>ADVANCE FROM WATER FUND</b>					
05.15.85	Acquisition Cost	12%	700,000.00	2,095,712.48	2,795,712.48
<b>TOTAL CITY ADVANCES - INDUSTRIAL- from 1985</b>			<b>12,058,682.00</b>	<b>\$ 37,379,983.31</b>	<b>\$ 49,438,665.31</b>