



MINUTES

REGULAR MEETING OF THE HEMET REDEVELOPMENT AGENCY

February 26, 2008

1:00 pm
City of Hemet Council Chambers
450 E. Latham Avenue

www.cityofhemet.org

Please silence all cell phones

Call to Order

Chairperson VanArsdale called the meeting to order at 1:07 p.m.

Roll Call

PRESENT: Board Members Lowe, McBride and Searl, Vice Chairperson
Christie and Chairperson VanArsdale

ABSENT: None

Work Study

1. Review of Tax Increment Thresholds and Bonding Capacity - Assistant Executive Director Baker
Informational item for Board Members, with possible direction to staff for next phase of analysis

Duane Baker, Assistant City Manager, reviewed with the Board the tax increment thresholds and bonding capacities for the redevelopment project areas. The City's three redevelopment project areas are:

- Hemet Project Area (Southwest Park, Hemet Hospital, and Stock Farm)
- Merged Project Area (Farmer's Fair, Downtown, and Weston Park)
- Combined Commercial Project Area

It is assumed that the project areas will grow by 3% in assessed values over time. The bonding assumptions are: interest rate of 6%; a reserve fund of 10%; 3% interest on reserve fund; and a coverage ratio of 1.25.

The plan for the Hemet Redevelopment Project Area was adopted on July 13, 1982 and will expire on July 13, 2022. Tax increments are collected until July 13, 2032. There is a \$10,000,000 limit on the amount of tax increment per fiscal year. There is no time limit on incurring new debt. The outstanding bonded debt limit is \$100 million. The following is a list of agencies that have Agreements with the Hemet Redevelopment Project Area:

- Pass Through Agreements:
 - Riverside County

- Flood Control District
- Hemet Unified School District
- Eastern Municipal Water District
- Statutory Pass Through Agreements:
 - Mt. San Jacinto College
 - Riverside County Office of Education
 - Valley Wide Recreation and Park District
 - San Jacinto Basin Resource Conservation

The Hemet Redevelopment Project area has a \$10,000,000 increment limit which will be reached this year. Future tax increments, although generated, it will not be available for the agency and will limit the bonding capacity and amount available to fund projects. The current net proceeds are estimated at \$22.5 million. If the tax increment limit is amended, proceeds could be increased.

The plan for the Merged Project Area was adopted on June 13, 1989 and will expire on June 13, 2029. Tax increments will be collected until June 13, 2039, with a \$9 million limit on the amount of tax increment per fiscal year. The limit on incurring new debt is June 13, 2009 and the outstanding bonded debt limit is \$90 million. The following is a list of agencies that have Pass Through agreements with the Merged Project Area:

- Riverside County
- Flood Control District
- Hemet Unified School District
- Eastern Municipal Water District
- Mt. San Jacinto College
- Riverside County Office of Education
- Valley Wide Recreation and Park District

The merged project area has a June 13, 2009 deadline date to issue new debt. The deadline can be amended, if amended, additional statutory pass throughs will be triggered. The current net proceeds are estimated at \$5.4 million. If the tax increment limit is amended, the proceeds will still be estimated at \$5.4 million.

The plan for the Combined Commercial Project Area was adopted on April 9, 1996 and will expire on April 9, 2029. Tax increments will be collected until April 9, 2041. There is no time limit on incurring new debt. Outstanding bonded debt limit is \$80 million. The following is a list of agencies that have Statutory Pass Through agreements with the Combined Commercial Project Area:

- Riverside County
- City of Hemet
- Flood Control District
- Hemet Unified School District
- Eastern Municipal Water District
- Lake Hemet Municipal Water District

- Mt. San Jacinto College
- Riverside County Office of Education
- Valley Wide Recreation and Park District
- Riverside County Parks
- San Jacinto Valley Cemetery District
- San Jacinto Basin Resource Conservation

There is an April 9, 2016 deadline to issue new debt, the deadline can be amended. The current net proceeds are estimated at \$12.4 million. If the deadline is amended, the proceeds could be increased.

The conditions of these project areas need to be examined to see if sufficient blight remains to justify amendments to the plans. Amendments could include: increasing tax increment and bond limits; increasing the Plan durations and the tax increment collection period for up to 10 years; adding public improvement projects needed in the project areas; and possibly merging the project areas. Amendments to these plans would trigger additional pass through agreements.

The Board and staff discussed the pass through agreements. The money received by the other agencies does not have to be spent in the project areas. The agencies funds can be audited to determine where the City's Redevelopment money is being spent.

Board Member Lowe, requested an audit of Redevelopment funds per agency to determine where the funds were spent.

The Redevelopment Agency recessed to the Housing Authority meeting at 1:19 p.m.
Reconvened and recessed to Closed Session at 1:54 p.m.

Closed Session

Notice of Opportunity for Public Comment

There were no public comments presented at this time.

2. Conference with Real Property Negotiators
Pursuant to Government Code Section 54956.8
Property: 831 Devonshire Avenue APN: 443-163-001
Agency Negotiator: John Davidson, City Manager
Negotiating parties: Hemet Unified School District
Under negotiation: Disposition, Price and Terms
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REGULAR SESSION

7:00 p.m.
City of Hemet Council Chambers
450 E. Latham Avenue

Call to Order

Chairperson VanArsdale called the meeting to order at 8:19 p.m.

Roll Call

PRESENT: Board Members Lowe, McBride, Searl, Vice Chairperson
Christie and Chairperson VanArsdale
ABSENT: None

Agency Attorney Closed Session Report

3. Conference with Real Property Negotiators
Pursuant to Government Code Section 54956.8
Property: 831 Devonshire Avenue APN: 443-163-001
Agency Negotiator: John Davidson, City Manager
Negotiating parties: Hemet Unified School District
Under negotiation: Disposition, Price and Terms
The Agency Attorney reported that there was no reportable action.
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Consent Calendar

4. Minutes for February 12, 2008
(Staff recommends approval/Deputy Secretary McComas)

Vice Chairperson Christie moved and Board Member Lowe seconded a motion to approve the Consent Calendar as presented. Motion carried 5-0.

Communications From the Public

There were no communications from the public at this time.

Future Agenda Items

There were no future agenda items requested at this time.

Adjournment

Adjourned at 8:19 p.m. to Tuesday, March 4, 2008 at 9:00 a.m.