

KERMAN REDEVELOPMENT AGENCY

AGENDA

**June 18, 2008– Regular Meeting
6:30 PM**

**Community Teen Center
15101 Kearney Plaza
Kerman, CA 93630**

Agency Members: Chairperson Trinidad Rodriguez, Richard Stockwell, Raj Dhaliwal, Jack Sidhu, Charlie Jones.

Kerman RDA meetings are intended to be accessible to all persons. Please let us know if you require any accommodation to allow you to access and participate in this meeting. For assistance, please call (559) 846-9380 two days prior to the meeting.

Materials related to an item on this agenda that are public documents and are submitted after distribution and posting of the agenda are available for public inspection in the City Clerk's office at 942 South Madera Avenue, Kerman, during normal business hours. Documents that are public documents provided by others during a meeting will be available at the same location during business hours after the meeting.

Present:

Absent:

Also Present:

WELCOME – Chairperson Trinidad M. Rodriguez

CALL TO ORDER

ROLL CALL - City Clerk Renee Holdcroft

A. AGENDA APPROVAL

B. MINUTES – Last Regular Meeting Minutes - 5-21-08

C. REQUEST TO ADDRESS AGENCY

This portion of the meeting is reserved for members of the public to address the Redevelopment Agency on items of interest that are not on the Agenda and are within the subject matter jurisdiction of the Redevelopment Agency. Speakers shall be limited to three minutes. It is requested that no comments be made during this period on items on the Agenda. Members of the public wishing to address the Redevelopment Agency on items on the Agenda should notify the Chairperson when that Agenda item is called, and the Chairperson will recognize your discussion at that time. It should be noted that the Redevelopment Agency is prohibited by law from taking any action on matters discussed that are not on the Agenda. Speakers are asked to please use the microphone, and provide their name and address.

D. PUBLIC HEARINGS

E. ORDER OF BUSINESS

1. Agency Treasurer's Report:

Warrants Nos. #669 - #675 \$15,977.89

2. Five-Year Capital Improvement Plan (CIP Update) 2007/2008 to 2011/12 [RM]

This will update our Five-Year RDA/CIP. The major change is a shift from the downtown "old fashion" street lighting project to a more aggressive PRIDE program for signage and store front improvements along Madera Ave. Later on in the program the

RDA may desire to explore the purchasing of downtown property if landlords do not make improvements.

In FY 2008/09 we will pay-off the HELP/CHAFA Loan (Kearney Palms II) and if a downtown In-Fill project becomes a reality move the traffic light back to create a larger turn radius at the southeast corner of Madera & Kearney.

Recommendation: RDA Board approve the update Kerman RDA Five-Year CIP 2007/2008 to 2011/12

2. Introduction of Preliminary RDA Budget 2008-09 [RM]

The Kerman Redevelopment Agency (RDA) is funded by the property tax revenue that has increased after the creation of the Redevelopment Agency. This dollar amount is referred to as the RDA increment. There are two (2) RDA boundaries within the City. The larger of the two was created in 1989 and then a second boundary was created in 2001. Tax revenue increments have been increasing because of development improvements within these boundaries. Therefore, as new development within the boundaries takes place, the increase “value” of these improvements is assessed with a new increased property tax. This increase in the property tax is known as the increment which goes to the RDA. Revenues has also increased because of the second RDA area, added in 2001, has seen some minor improvements.

Recommendation: RDA Board consider recommended Kerman RDA budget for FY 2008/09. A final budget will be presented on July 16, 2008

F. WRITTEN COMMUNICATIONS

G. REQUEST FOR CLOSED SESSION

- 1. Government Code Section 54956.9(a), Conference with Legal Counsel - Pending Litigation: Property line dispute regarding 15408 W. California. City of Kerman v. Mr. Alden Martin.**

H. ADJOURNMENT

AGENDA POSTING CERTIFICATION

I, L. RENEE HOLDCROFT, Secretary for the City of Kerman Redevelopment Agency, do hereby declare under penalty of perjury that I caused the above agenda to be posted at Kerman City Hall, 942 So. Madera Avenue, and at Kerman Community/Teen Center, 15101 Kearney Plaza, Kerman Ca., at least 72 hours before the meeting for which this agenda was prepared.

Date: _____

L. Renee Holdcroft
City Clerk

KERMAN REDEVELOPMENT AGENCY

MINUTES

May 21, 2008– Regular Meeting
6:30 PM

Community Teen Center
15101 Kearney Plaza
Kerman, CA 93630

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Agency Members: Vice Chairperson Richard Stockwell, Raj Dhaliwal, Charlie Jones. **Absent:** Trinidad M. Rodriguez and Jack Sidhu. **Also Present:** City Manager, City Attorney, City Clerk, Parks and Community Services Director, Police Chief, Planning and Development Director, and Finance Director.

WELCOME – Vice Chairperson Richard Stockwell

CALL TO ORDER

8:55 p.m.

ROLL CALL - City Clerk Renee Holdcroft

A. AGENDA APPROVAL

Approved: CJ/RD
(3-0-2 Absent)

B. MINUTES – Last Regular Meeting

Minutes - 4-16-08 RDA Meeting

Approved: CJ/RD
(3-0-2 Absent)

C. REQUEST TO ADDRESS AGENCY

D. PUBLIC HEARINGS

None

E. ORDER OF BUSINESS

1. Agency Treasurer's Report:

Warrants Nos #665 - #668 \$7,059.49

Approved: CJ/RD
(3-0-2 Absent)

F. WRITTEN COMMUNICATIONS

None

G. REQUEST FOR CLOSED SESSION

None

H. ADJOURNMENT

9:00 p.m.

AGENDA POSTING CERTIFICATION

I, L. RENEE HOLDCROFT, Secretary for the City of Kerman Redevelopment Agency, do hereby declare under penalty of perjury that I caused the above agenda to be posted at Kerman City Hall, 850 So. Madera Avenue, and at Kerman Community/Teen Center, 15101 Kearney Plaza, Kerman Ca., at least 72 hours before the meeting for which this agenda was prepared.

Date: _____

L. Renee Holdcroft, City Clerk

Run date: 06/11/2008 @ 09:22
 Bus date: 06/11/2008

City of Kerman
 Check - Complete Detail

CITIBANK RDA

Check-Run	Seq#	Date	Vendor / Name / Obligat'n Description	Net amount	Invoice number
669- 1353	1	5/16/2008	3143 CITY OF KERMAN		
	1		34775 REIMBURSE PAYROLL/ RDA	2,451.38	P/E 5/9/08
669- 1353	1	5/16/2008	Logged	*** Total ***	2,451.38
670- 1353	2	5/16/2008	19063 SLUMBERGER LUMBER		
	2		34774 SUPPLIES / RDA HOUSE	190.58	C24218
670- 1353	2	5/16/2008	Logged	*** Total ***	190.58
671- 1355	1	5/29/2008	3219 CALIFORNIA CONSULTING, LLC		
	1		34872 MONTHLY RETAINER MAY 08	1,035.00	043008
671- 1355	1	5/29/2008	Logged	*** Total ***	1,035.00
672- 1355	2	5/29/2008	3143 CITY OF KERMAN		
	2		34873 RDA PAYROLL REIMBURSEMENT	2,451.40	P/E 5/23/08
672- 1355	2	5/29/2008	Logged	*** Total ***	2,451.40
673- 1357	1	6/06/2008	3219 CALIFORNIA CONSULTING, LLC		
	1		34932 MONTHLY RETAINER JUNE 08	1,000.00	5/31/08 RDA
673- 1357	1	6/06/2008	Logged	*** Total ***	1,000.00
674- 1357	2	6/06/2008	19110 STATE CONTROLLER'S OFFICE		
	2		34931 LOAN PAYMENT C88-097	6,315.52	RDP30185
674- 1357	2	6/06/2008	Logged	*** Total ***	6,315.52
675- 1359	1	6/11/2008	3143 CITY OF KERMAN		
	1		34995 REIMBURSE PAYROLL EXP 6/6/08	2,534.01	P/E 6/6/08
675- 1359	1	6/11/2008	Logged	*** Total ***	2,534.01
** Total MFP discount **				.00	
** Total MFP amount **				.00	
** Total check discount **				.00	
** Total check amount **				15,977.89	
** Total void discount **				.00	
** Total void amount **				.00	

**KERMAN REVELOPMENT AGENCY 5-YEAR CAPITAL IMPROVEMENT PLAN (CIP)
June 2008**

Fiscal Yr	07/08	08/09	09/10	10/11	11/12
<u>Gen Operations (9091)</u>					
City Hall Bond Debt	\$17,500	\$35,000	\$35,000	\$35,000	\$35,000
City Hall Exp/New Office	\$75,000	\$100,000			
Property 942 S. Madera					
PRIDE Loan/Grants		\$100,000		\$50,000	
Traffic Light (Kearney/ Madera		\$25,000			
Vineland/Whitesbridge Imp			\$75,000		
Downtown Property purchase				\$300,000	
<u>Lower Moderate Housing (9092)</u>					
HELP/CHAFA Loan		\$330,000			
Materials	\$3,000	\$20,000			
California Ave Housing					
Basin to Lots Property		\$50,000	\$50,000		
Materials			\$50,000	\$50,000	
<u>KUSD/Rec. Facilities (9093)</u>					
Kearney School Park/Ball Fields		\$200,000	\$100,000		
Ball Field Netting High School		\$18,000			

KERMAN REDEVELOPMENT AGENCY PRELIMINARY BUDGET

EXECUTIVE DIRECTOR'S BUDGET MESSAGE

FISCAL YEAR 2008 - 2009

The Kerman Redevelopment Agency (RDA) is funded by the property tax revenue that has increased after the creation of the Redevelopment Agency. This dollar amount is referred to as the RDA increment. There are two (2) RDA boundaries within the City. The larger of the two was created in 1989 and then a second boundary was created in 2001. Tax revenue increments have been increasing because of development improvements within these boundaries. Therefore, as new development within the boundaries takes place, the increase "value" of these improvements is assessed with a new increased property tax. This increase in the property tax is known as the increment which goes to the RDA. Revenues has also increased because of the second RDA area, added in 2001, has seen some minor improvements.

The Kerman RDA increment is divided into three separate categories:

- **The RDA General Redevelopment Budget (60 9091)** – To assist with business and public developments within the two (2) RDA boundaries. A substantial amount of funds are returned to the County of Fresno and other agencies like the North Central Fire District and Cemetery District. This is referred to as the **Pass Through** to Fresno County and other agencies such as North Central Fire Protection District). This amount represents \$95,000 in the RDA budget (60 9091).
- **The Lower & Moderate Income Housing Budget (61 9092)** – 20% of the total increment is dedicated to low and moderate housing development. In the past the Kerman RDA has contributed to the development of the low-incomes Senior Citizens apartment complex developments (Kearney Palms I & KPII) and the RDA houses that the Kerman High School Building Trades have built.
- **Kerman Unified School District (KUSD) Recreation Increment (62 9093)** – a fixed percentage dedicated to community recreation facilities agreement upon by KUSD and the Kerman RDA. The previous major project was the high school swimming pool which was financed by a USDA loan with the debt service paid by the increment. In Fiscal Year 2008/09 staff is recommending \$200,000 for site development of the ball fields at the new Kearney Elementary School Site.

REVENUE

The attached sheet to this narrative provides a snapshot view of the increment revenues for FY 07/08 & 08/09. We have anticipated a conservative 3% growth in increment revenue. However we also have income from interest, an anticipate sale of the RDA/LMI house on California and substantial reserves. While reserves will decrease of the 08/09 fiscal year; it is because of the ambitious capital improvement program that we have mapped out.

Total anticipated Kerman RDA Increment FY 2008/09 - \$687,383
Fresno County Agencies "Pass Through" \$95,000
Net Revenue: \$592,383

BUDGET EXPENDITURES

1. General Redevelopment 60 9091

- Personnel cost are charger off to Administrative staff involved in RDA type of activities. This year we have added 40% of the Code Enforcement Officer because a good amount of the code enforcement activities originates within the RDA boundaries and is involved with the removal/control of blight.
- Pass through to the County and other agencies is estimated at \$95,000
- There are several major capital projects planned for FY 08/09

They include:

- a. Madera Ave. Street light program - \$80,000 has been removed in favor of a more aggressive (\$100,000) Downtown PRIDE program to pay for grants/loans for façade & signage improvements
- b. City Hall reconstruction/expansion & 942 S. Madera Ave acquisition - \$175,000 (part of a \$2.4 million project) spread over two fiscal years.
 - Debt: The RDA is paying off a debt for a REDIP for improvements to the industrial park @ \$12,666/yr and to the City of Kerman \$8,000 for a loan made in 1988 to establish the RDA. In addition \$32,038 annually will go towards the debt service for the City Hall remodel & 942 S. Madera Ave acquisition.

Low & Moderate Income Housing (LMI) - 61 9092

20% of the total tax increment is set aside to assist with the development of moderate and low-income housing. Projects like Kerman Palms I & II Sr. Apartments Development and the Building Trades houses are projects that receive RDA/LMI assistance. The major expenses for FY 08/09 are:

- Capital Outlay/Building - \$20,000 in building expenses to complete the current house on California
- Capital Outlay/Improvement - \$50,000 for the anticipated cost of the basin lot which will be purchased form the City Drainage fund to build the next housing project on.
- Loan Payment (Debt) - \$330,000 in loan payment and interest for a HELP program loan made to the RDA from California Housing Finance Agency (CHFA) for the Kearney Palms I Sr. Apartment complex. Developer Willow partners paid off \$150,000 to Kerman RDA & the RDA forgave \$150,000.

KUSD Recreation Facilities Increment - 62 9093

Per agreement with KUSD upon the creation of the RDA in 1988 a percentage of funds are directed towards recreational facilities, usually on KUSD property, which are to be utilized for community wide recreational pursuits. Such facilities are also to benefit the students and children of the KUSD system and general recreation needs of the community

Major expenses in the FY 08/09 budget are:

- Netting for Varsity Ball Field to protect swimming pool area from foul balls. \$18,000 (KUSD has still not decided when or if they will proceed with this project)
- Initial development of the ball fields systems @ Kearney Elementary \$200,000.
- The Debit service on the Kerman High School swimming pool facilities - \$52,050

The final RDA Budget will be presented the same evening as the City Budget, July 16, 2008

Respectively Submitted,

Ron Manfredi, Executive Director.
June 18, 2008

KERMAN REDEVELOPMENT AGENCY

RDA

FISCAL YEAR 2008-2009

Revenue

The total tax increment for both RDA Areas is estimated to be \$687,383, assuming a 3% growth rate in 2008/2009.

Breakdown of Funds Available:	Beginning Reserves	Increment	Interest	Other Income	Expenses	Ending Reserves
07/08 RDA/General Projects	\$289,237	\$343,000	\$4,000		\$ (274,345)	\$361,892
FY 08/09	\$361,892	\$353,290	\$5,000		\$ (465,923)	\$254,259
07/08 RDA/Low & Moderate Income Housing (20%)	\$261,994	\$133,400	\$6,000		\$ (38,086)	\$363,308
FY 08/09	\$363,308	\$137,402	\$5,000	\$150,000	\$ (464,151)	\$191,559
07/08 RDA/KUSD Recreational Facility Fund	\$228,366	\$190,800	\$2,500		(\$64,900)	\$356,766
FY 08/09	\$356,766	\$196,524	\$3,000		(\$284,443)	\$271,847
FY 2007/08 Totals	\$779,597	\$667,200	\$12,500	\$0	(\$377,331)	\$1,081,966
FY 2008/09 Totals	\$1,081,966	\$687,216	\$13,000	\$150,000	(\$1,214,517)	\$717,665

2007/2008 Budget Highlights

**I. General Redevelopment (9091) - Estimated Increment Revenue = \$353,290 (assuming a 3% growth rate)
Plus \$5,000 of Interest. Total Income of \$358,290.**

Program Highlights:

- *Personnel \$89,184 -includes 40% of Code Enforcement Officer
- *REDIP Debt \$12,632
- *City Debt \$8,000
- *City Hall Expansion & Purchase New Building (Partial spread of two years)
- *County Pass Through \$95,000
- * PRIDE Grants/Loans - \$100,000 address Madera Ave Sign & Facades
- *Downtown Street Lights - \$80,000 -Eliminate
- *Contracts - 45% of CA Consulting Contract

Estimated Expenditures: \$465,923

**II. RDA Low & Moderate Income Housing (9092) - Estimated Increment Revenue = \$137,402
Plus \$5,000 of Interest and \$150,000 from sale of RDA House. Total Income of \$268,926.**

Program Highlights:

- *Personnel \$32,442
- *Materials to complete California Ave. House \$20,000
- *Basin Lot Purchase \$50,000
- * House design - \$5,000
- * Summer Crew Superviosr for Student Building Project - \$13,000
- HELP Loan Payment & Interest \$330,000

Estimated Expenditures \$464,151

**III. RDA Recreation Facilities Increment (9093)- Estimate Increment Revenues = \$196,542.
Plus \$3,000 of Interest Income. Total Income of \$199,524**

Projects (Per Approved CIP) :

- * Baseball Field Netting \$18,000
- * Pool Rental \$11,000
- *Pool Debt Service \$52,050
- *Kearney School Ball Fields \$200,000

Estimated Expenditures \$284,443

Kerman Redevelopment Agency Budget - 08/09
KUSD Recreation Facilities Increment

Activity: **9093**
Fund: **62.0**
Department: **RDA**

Fund	Object	Project			05/06	06/07	07/08	07/08	08/09	
Activity	Sub	Obj.	Description		Actual	Actual	Budget	Amended	Request	
62.0	9093	510	10	00	Professional Services/Audit	\$1,192		\$2,000	\$2,000	\$2,500
62.0	9093	560		00	Admin & Overhead	-		850	850	893
62.0	9093	567		00	Transfer to City (Pool Rental)	10,000		10,000	10,000	11,000
Subtotal					\$11,192	\$0	\$12,850	\$12,850	\$14,393	
62.0	9093	600	03	04	Baseball Field Netting			14,000		18,000
62.0	9093	600	03	05	Kearney School Ball Fields			175,000		200,000
Subtotal					-	-	189,000	-	218,000	
62.0	9093	700	01	00	USDA LOAN/Principal	\$29,000	\$30,050	\$32,000	\$32,000	\$33,000
62.0	9093	700	02	00	USDA LOAN/Interest	23,050	22,000	21,000	20,050	19,050
Subtotal					\$52,050	\$52,050	\$53,000	\$52,050	\$52,050	
Total Expenditures					\$63,242	\$52,050	\$254,850	\$64,900	\$284,443	

Remarks on Budget Request

**Kerman Redevelopment Agency Budget 08/09
General Redevelopment**

Activity: **9091**
Fund: **60.0**
Department: **RDA**

Fund	Object	Project		05/06	06/07	07/08	07/08	08/09					
Activity	Sub	Obj.	Description	Actual	Actual	Budget	Amended	Request					
60.0	9091	410	10	00	Salaries	\$ 8,586	\$ 19,120	24,832	\$ 24,000	58,068			
60.0	9091	410	20	00	Part-time Wages		1,550	1,898	1,500	2,689			
60.0	9091	420	00	00	Fringe Benefits	2,865	7,010	10,488	8,000	28,428			
Subtotal				\$	11,451	\$	27,680	\$	37,218	\$	33,500	\$	89,184
60.0	9091	510	10	00	Professional Services	\$ 1,500	\$ 3,374	\$ 3,500	\$ 4,000	\$ 4,500			
60.0	9091	510	03	00	Contract Services		\$ 1,000	\$ 7,500	\$ 11,000	\$ 14,000			
60.0	9091	521	02	00	General Supplies	300	222	1,000	1,000	1,000			
60.0	9091	545	00	00	Veh/Equip Internal	360	1,000	1,149	1,149	1,359			
60.0	9091	546	00	00	Computer	385	600	660	660	1,570			
60.0	9091	554	01	00	Travel/Conferences	150	10	750	200	500			
60.0	9091	560	0	0	Admin & Overhead					890			
60.0	9091	552	01	00	Public Notice	200		250	-	250			
60.0	9091	570	00	00	Abatement	5,000	12,500		2,000	5,000			
60.0	9091	580	00	00	E.R.A.F. Fees			17,976					
60.0	9091	590	00	00	Pass Through to Fresno County/Library	55,180	81,751	124,000	91,400	95,000			
Subtotal M & O				\$	63,075	\$	100,457	\$	156,785	\$	111,409	\$	124,069
60.0	9091	600	03	01	Madera Ave Street Lights			80,000					
60.0	9091	600	03	02	Capital Outlay/I-5 Social Svcs -Daycare	10,000							
60.0	9091	600	03	04	Pride Loans/Grants			30,000	23,800	100,000			
60.0	9091	600	03	05	City Hall Expansion			175,000	75,000	100,000			
60.0	9091	700	00	00	Debt.Principal/City of Kerman	4,000	24,000	8,000	8,000	8,000			
60.0	9091	700	02	00	Debt. Trade & Commerce (REDIP)	12,362	12,632	12,632	12,632	12,632			
60.0	9091	700	03	00	Debt Service - City Hall Expansion Bonds				10,004	32,038			
Subtotal				\$	26,362	\$	36,632	\$	305,632	\$	129,436	\$	252,670
Funding													
Total Expenditures				\$	100,888	\$	164,769	\$	499,635	\$	274,345	\$	465,923

Remarks on Budget Request

- 410 10 0 Personnel - Include 40% time of Code Enforcement Officer
- 510 03 00 Contract Services: Grant Consultants - RDA portion of fees from California Consulting, LLC.
- 510 10 00 Professional Services: Fresno County Administration Fee of approximately \$3,500 and Auditor's Fees.
- 590 0 0 Pass Through to Fresno County & Other Agencies Tax Increment
- 600 3 1 Eliminate the Madera Ave Street Lighting program
- 600 3 4 Substantially Increase PRIDE Program (07/08 Abatement Bldg. on Madera Ave.)
- 600 03 05 City Hall Expansion - \$175,000 to be used for Downtown Improvements on Planning Offices Building and City Hall spread over two fiscal year
- 700 03 00 Debt Service - City Hall Expansion Bonds - 21% of debt service on the City Hall Expansion Project.