

Orange Countywide Oversight Board

Agenda Item No. 8a

Date: 9/17/2024

From: Successor Agency to the Anaheim Redevelopment Agency

Subject: Resolution of the Countywide Oversight Board Approving Amendment to the Recognized Obligation Payment Schedule (ROPS)

Recommended Action:

Approve resolution approving amendment to FY 2024-25B ROPS for the Anaheim Successor Agency

The Anaheim Successor Agency requests approval of the Amended Recognized Obligation Payment Schedule (ROPS) 24-25B for the second half of Fiscal Year 2024-25. The amendment would request additional RPTTF funds for ROPS Line-Item No. 66 – River Valley Redevelopment Project Area, No. 75 – External Project Costs, and No. 151- Westgate Remediation in the aggregate amount of \$4,759,465.85.

Line-Item No. 66 (River Valley Redevelopment Project Area)

This line-item is in connection with a Successor Agency Note payable to the Savi Ranch Valley Irrigation Company for the purpose of effectuating the Redevelopment Plan for the River Valley Redevelopment Project Area. The Successor Agency is requesting an additional \$59,465.85 for this line item to cover a shortfall based on a revision to the payment schedule. The payment schedule was revised because documentation used to derive the actual payment amount for the calculation was provided post approval of ROPS 24-25.

Line-Item No. 75 (External Project Costs)

This line-item is in connection with professional project related services. The Successor Agency is requesting an additional \$200,000 to cover associated project related costs for consulting services regarding implementation of LRPMP property disposition, project management associated with existing property leases and projects of the former redevelopment agency, as well as legal services, specifically recent litigation costs associated with LRPMP Property #10.

Line-Item No. 151 (Westgate Remediation)

The Successor Agency is requesting an additional \$4,500,000 for this line item to cover ongoing environmental remediation costs to fulfill obligations imposed by various regulatory agencies that hold jurisdiction over the Westgate Property landfill (“LRPMP Property #16” or “Property”) and to fulfill a State approved Remedial Action Plan related to operations, monitoring, and maintenance activities at the subject Property, as well as a Clean Closure Plan in accordance with the Requirements of Title 27 of the California Code of Regulations and applicable local requirements.

The request for additional funds will support ongoing activities for the Clean Closure Plan. During the process, it was found that mud and waste had encroached closer to the property’s north boundary than anticipated. To address this, specialized removal methods, including slot cutting and direct disposal, will be used, along with increased sampling and backfilling. Additionally, the activities will involve demolishing northern perimeter walls, shoring, and excavating impacted material. In the southwest section, the plan includes obtaining permits, sampling, relocating improvements, and removing waste through borehole drilling, followed by backfilling and surface replacements

The Successor Agency has sufficient contract authority available to complete these repairs and, if approved by the Countywide Oversight Board, it intends to utilize the requested additional RPTTF funds in the ROPS 24-25B period to immediately address the associated activities, operations, monitoring and maintenance activities at the subject Property.

Impact on Taxing Entities

The proposed ROPS Amendment will reduce residual RPTTF to the taxing entities from the January 2025 distribution by \$4,759,465.85.

Staff Contact(s)

Sergio Ramirez, Economic Development Director
sramirez@anaheim.net

Stephen Stoewer, Senior Project Manager
SStoewer@anaheim.net

Attachments

1. Resolution
2. Amended ROPS FY 24-25B
3. Tetra Tech BAS Scope of Work

**RESOLUTION OF THE ORANGE COUNTYWIDE OVERSIGHT BOARD
RESOLUTION NO. 24-029**

A RESOLUTION OF THE ORANGE COUNTYWIDE OVERSIGHT BOARD APPROVING AN *AMENDED RECOGNIZED OBLIGATION PAYMENT* FOR THE FY2024-25 FISCAL PERIOD OF JULY 1, 2024 TO JUNE 30, 2025, FOR THE SUCCESSOR AGENCY TO THE ANAHEIM REDEVELOPMENT AGENCY, SUBJECT TO SUBMITTAL TO, AND REVIEW BY, THE STATE DEPARTMENT OF FINANCE [DOF] UNDER CALIFORNIA HEALTH AND SAFETY CODE, DIVISION 24, PART 1.85, AND AUTHORIZING POSTING AND TRANSMITTAL THEREOF

WHEREAS, the former Anaheim Redevelopment Agency (“Former Agency”) previously was a community redevelopment agency that was previously organized and existing under the California Community Redevelopment Law, Health and Safety Code Section 33000, *et seq.*, and previously authorized to transact business and exercise powers of a redevelopment agency pursuant to action of the City Council of the City of Anaheim (“City”); and

WHEREAS, Assembly Bill x1 26 added Parts 1.8 and 1.85 to Division 24 of the California Health and Safety Code, which caused the dissolution of all redevelopment agencies and wind down of the affairs of former agencies, including as such laws were amended by Assembly Bill 1484 and by other subsequent legislation (“Dissolution Law”); and

WHEREAS, as of February 1, 2012 the Agency was dissolved pursuant to the Dissolution Law, and as a separate public entity, corporate and policy the Successor Agency to the Anaheim Redevelopment Agency (“Successor Agency”) administers the enforcement obligations of the Former Agency and otherwise unwinds the Former Agency’s affairs; and

WHEREAS, prior to July 1, 2018 under the Dissolution Law, in particular Sections 34179 and 34180, all actions of the Successor Agency were subject to the review and approval by a local seven-member oversight board, which oversaw and administered the Successor Agency’s activities during the period from dissolution until June 30, 2018; and

WHEREAS, as of, on and after July 1, 2018, under the Dissolution Law, in particular Section 34179(j), in every California county there shall be only one oversight board that is staffed by the county auditor-controller, with certain exceptions that do not apply in the County of Orange; and

WHEREAS, as of, on and after July 1, 2018, the Orange Countywide Oversight Board (“Oversight Board”) was established through the Orange County Auditor-Controller in compliance with Section 34179(j), which serves as the oversight board to the 25 successor agencies existing and operating in Orange County, including Successor Agency and all other successor agencies in Orange County; and

WHEREAS, every oversight board, both the prior local oversight board and this newly established Orange Countywide Oversight Board, have fiduciary responsibilities to the holders of enforceable obligations and to the taxing entities that benefit from distributions of property tax and other revenues pursuant to Section 34188 of the Dissolution Law; and

WHEREAS, Section 34177(m), 34177(o) and 34179 provide that each ROPS is submitted to, review and approved by the Successor Agency and then reviewed and approved by the Oversight Board final review and approval by the State Department of Finance (“DOF”); and

WHEREAS, Section 34177(o)(1)(E) of the Dissolution Law authorizes that “[o]nce per period, and no later than October 1, a successor agency may submit one amendment to the [ROPS] approved by the department pursuant to this subdivision, if the oversight board makes a finding that a revision is necessary for the payment of approved enforceable obligations during the second one-half of the [ROPS] period, which shall be defined as January 1 to June 30, inclusive. A successor agency may only amend the amount requested for payment of approved enforceable obligations. The revised [ROPS] shall be approved by the oversight board and submitted to the department by electronic means in a manner of the department’s choosing. The department shall notify the successor agency and the county auditor-controller as to the outcome of the department’s review at least 15 days before the date of the property tax distribution”; and

WHEREAS, the Successor Agency has submitted to the Orange Countywide Oversight Board an amendment to ROPS FY 2024-25 that would request additional RPTTF funds for ROPS Line-Item No. 66 – River Valley Redevelopment Project Area, No. 75 – External Project Costs, and No. 151- Westgate Remediation; and

WHEREAS, the objective of this Orange Countywide Oversight Board resolution is to authorize, make findings, and approve the Successor Agency’s amendment of ROPS FY24-25 to correct and increase line items 66, 75, and 151 in the aggregate amount of \$4,759,465.85 as reflected on the amendment to the Successor Agency’s ROPS FY 2024-25 attached as Attachment No. 1 to this resolution and fully incorporated herein by this reference; and

WHEREAS, the Orange Countywide Oversight Board has reviewed and considered the Successor Agency’s amendment of ROPS FY24-25, and desires to make certain findings, including: (i) amendment is necessary to pay DOF-approved enforceable obligations on ROPS FY 2024-2025 during the “B” fiscal period, (ii) ROPS FY 2024-25, as amended, is approved, (iii) the Successor Agency or City staff are authorized to post ROPS FY 2024-25, as amended, on the City’s website, and (iv) staff is directed to transmit ROPS FY 2024-25, as amended, to the DOF, pursuant to the Dissolution Law;

NOW, THEREFORE, BE IT RESOLVED BY THE ORANGE COUNTYWIDE OVERSIGHT BOARD:

SECTION 1. The foregoing recitals are incorporated into this Resolution by this reference, and constitute a material part of this Resolution.

SECTION 2. The Orange Countywide Oversight Board hereby finds the revision set forth in amended ROPS FY 2024-2025 for funds to be distributed from the Redevelopment Property Tax Trust Fund (RPTTF) for the fiscal period January 1, 2025 to June 30, 2025 is necessary to pay DOF-approved enforceable obligations for such ROPS FY 2024-2025B period; in particular, the amendment is to correct and increase the RPTTF authorized for disbursement to the Successor Agency and payment by the Successor Agency for line items 66,75, and 151.

SECTION 3. Under the Dissolution Law, the Orange Countywide Oversight Board approves the ROPS FY 2024-25, as amended, (Attachment No. 1); provided however, that the ROPS FY 2024-2025, as amended, is approved subject to the condition that such ROPS, as amended, is to be submitted to and reviewed by the DOF. Further, the Executive Director of the Successor Agency and his authorized designees, in consultation with legal counsel, shall be authorized to discuss this matter with the DOF and make augmentations, modifications, additions or revisions as may be necessary or directed by DOF.

SECTION 4. The Orange Countywide Oversight Board authorizes transmittal of ROPS FY 2024-2025, as amended, to the DOF.

SECTION 5. The Executive Director of the Successor Agency and his authorized designees directed to post this Resolution, including the ROPS FY 2024-2025, as amended, on the City's website.

SECTION 6. The approval of the amendment to the ROPS through this Resolution does not commit the Orange Countywide Oversight Board to any action that may have a significant effect on the environment. As a result, such action does not constitute a project subject to the requirements of the California Environmental Quality Act.

SECTION 7. Under Section 34179(h) written notice and information about certain actions taken by the Orange Countywide Oversight Board shall be provided to the DOF by electronic means and in a manner of DOF's choosing. The Orange Countywide Oversight Board's action shall become effective five (5) business days after notice in the manner specified by the DOF unless the DOF requests a review.

SECTION 8. This Resolution shall take effect immediately upon its adoption.

**Amended Recognized Obligation Payment Schedule (ROPS 24-25B) - Summary
Filed for the January 1, 2025 through June 30, 2025 Period**

Successor Agency: Anaheim

County: Orange

Current Period Requested Funding for Enforceable Obligations (ROPS Detail)	ROPS 24-25B Authorized Amounts	ROPS 24-25B Requested Adjustments	ROPS 24-25B Amended Total
A Enforceable Obligations Funded as Follows (B+C+D)	\$ 151,180	\$ -	\$ 151,180
B Bond Proceeds	-	-	-
C Reserve Balance	-	-	-
D Other Funds	151,180	-	151,180
E Redevelopment Property Tax Trust Fund (RPTTF) (F+G)	\$ 14,095,099	\$ 4,759,465	\$ 18,854,564
F RPTTF	13,842,099	4,759,465	18,601,564
G Administrative RPTTF	253,000	-	253,000
H Current Period Enforceable Obligations (A+E)	\$ 14,246,279	\$ 4,759,465	\$ 19,005,744

Certification of Oversight Board Chairman:

Pursuant to Section 34177 (o) of the Health and Safety code, I hereby certify that the above is a true and accurate Recognized Obligation Payment Schedule for the above named successor agency.

Name Title

/s/ _____
Signature Date

Anaheim
Amended Recognized Obligation Payment Schedule (ROPS 24-25B) - ROPS Detail
January 1, 2025 through June 30, 2025

Item #	Project Name	Obligation Type	Total Outstanding Obligation	Authorized Amounts					Total	Requested Adjustments					Total	Notes	
				Fund Sources						Fund Sources							
				Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF		Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF			
			\$182,886,873	\$-	\$-	\$151,180	\$13,842,099	\$253,000	\$14,246,279	\$-	\$-	\$-	\$4,759,465	\$-	\$4,759,465		
50	Tax Allocation Refunding Bonds	Bonds Issued On or Before 12/31/10	\$36,977,860	-	-	-	-	-	\$-	-	-	-	-	-	-	\$-	
54	Fiscal agent/arbitrage svcs	Fees	\$481,952	-	-	-	14,000	-	\$14,000	-	-	-	-	-	-	\$-	
56	HUD 108 Loan-Capital Projects	CDBG/HUD Repayment to City/County	\$2,951,671	-	-	-	47,379	-	\$47,379	-	-	-	-	-	-	\$-	
58	HUD 108 Loan-Westgate	CDBG/HUD Repayment to City/County	\$-	-	-	-	-	-	\$-	-	-	-	-	-	-	\$-	
63	External Project Costs	Professional Services	\$416,998	-	-	-	20,000	-	\$20,000	-	-	-	-	-	-	\$-	
66	River Valley Redev. Proj. Area	OPA/DDA/Construction	\$2,424,842	-	-	-	-	-	\$-	-	-	-	59,465	-	-	\$59,465	
68	Anaheim Westgate Center Proj.	Miscellaneous	\$5,737,242	-	-	-	114,347	-	\$114,347	-	-	-	-	-	-	\$-	
70	8.9-acre SoCal Edison	Miscellaneous	\$13,344,192	-	-	-	302,405	-	\$302,405	-	-	-	-	-	-	\$-	
71	Shoe City lease	Miscellaneous	\$1,605,791	-	-	-	20,238	-	\$20,238	-	-	-	-	-	-	\$-	
75	External Project Costs	Professional Services	\$497,266	-	-	-	4,600	-	\$4,600	-	-	-	200,000	-	-	\$200,000	
103	External Project Costs	Professional Services	\$-	-	-	-	-	-	\$-	-	-	-	-	-	-	\$-	
114	Avon Dakota Revitalization	Miscellaneous	\$3,122,010	-	-	-	1,561,005	-	\$1,561,005	-	-	-	-	-	-	\$-	
115	Avon Dakota Revitalization	Miscellaneous	\$718,000	-	-	-	359,000	-	\$359,000	-	-	-	-	-	-	\$-	
116	Project Management	Project Management Costs	\$-	-	-	-	-	-	\$-	-	-	-	-	-	-	\$-	
117	External Project Costs	Professional Services	\$-	-	-	-	-	-	\$-	-	-	-	-	-	-	\$-	
135	Administrative Cost Allowance	Admin Costs	\$506,000	-	-	-	-	-	\$-	-	-	-	-	-	-	\$-	
151	Westgate Remediation (Previous ROPS Line 100)	Remediation	\$18,158,041	-	-	-	1,500,000	-	\$1,500,000	-	-	-	4,500,000	-	-	\$4,500,000	
187	Domain Project Area Remediation	Remediation	\$302,360	-	-	151,180	-	-	\$151,180	-	-	-	-	-	-	\$-	
191	Insurance for Westgate LandFill (Related to Line 151)	Remediation	\$-	-	-	-	-	-	\$-	-	-	-	-	-	-	\$-	
193	2018 Refunding Bonds Series A	Bonds Issued On or Before 12/31/10	\$95,257,250	-	-	-	9,874,125	-	\$9,874,125	-	-	-	-	-	-	\$-	
195	Westgate Remediation - Water Control Board	Remediation	\$385,398	-	-	-	25,000	-	\$25,000	-	-	-	-	-	-	\$-	



August 14, 2024

Stephen Stoewer
Housing & Community Development Department
201 South Anaheim Blvd. 10th Floor
Anaheim, Ca 92805

**RE: UPDATED WESTGATE REMEDIATION COSTS FOR CITY FOR ANAHEIM
JULY 1, 2024 THROUGH JUNE 30, 2025**

Dear Mr. Stoewer:

At the request of the City of Anaheim (the City), Tetra Tech BAS (TT-BAS) has prepared this update to the planning level evaluation for the anticipated scope and costs for the City's Recognized Obligation Payment Schedule (ROPS) from the California Department of Finance (DoF) for the period from July 1, 2024 through June 30, 2025 relating to the currently projected in-place closure and clean closure activities associated with the Davis Mud Pit and the Sparks, Anderson, Rains Pits Landfill. The scope and costs included herein are updates to the original estimates provided in our letter of December 15, 2023 and are intended for the City's planning purposes. Proposals for various work items will be provided separately based on the City's decisions regarding the appropriate path forward.

All work will be performed in accordance with the Requirements of Title 27 of the California Code of Regulations and applicable local requirements. Clean Closure of the Davis Mud Pit portion of the site has been partially completed. Completion of these activities, as well as in-place closure of the small remaining portions of that disposal area are anticipated to occur during the ROPS 2024-2025 period. In-place closure activities are associated with the phased closure of four separate portions of the Sparks, Anderson, Rains Pits Landfill. Phase I and II closure activities were completed prior to the ROPS period in question. Based on the recent developments relating to the relinquishment of Beach Blvd. from Caltrans back to the City, and in recognition of the long term technical, logistical and financial considerations associated with in-place closure, clean closure has been determined to be the preferred approach for addressing the residual Davis Mud Pit wastes beneath Beach Boulevard. Phase IV Closure planning and engineering for the remainder of the Sparks, Anderson Rains Pits are anticipated to occur during the ROPS 2024-2025 period.

The following sections detail the various activities that will need to be performed. Costs and schedule considerations are provided for each major scope.

Tetra Tech BAS

21700 Copley Drive, Suite 200, Diamond Bar, CA 91765
Tel 909.860.7777 Fax 909.860.8017 www.tetrattech.com

COMPLETION OF CLEAN CLOSE THE DAVIS MUD PIT

Davis Mud Pit clean closure activities, were recommenced on July 1, 2024, as planned. During implementation of these activities, a mud and waste was found to encroach nearer than expected to the north boundary of the City-owned property. In order to address this condition, specialized removal actions will likely be required and are anticipated to include the following.

- Slot cutting of alternating removal trenches perpendicular to the property boundary under supervision of a registered geotechnical engineer.
- Direct loading and disposal of slot cut materials.
- Haul and dispose of excavated material
- Increased confirmation sampling frequency to allow for immediate backfilling of the slot trenches.
- Backfilling of the slot cut trenches with concrete slurry.
- Based on the results of confirmation sampling, perform the following activities to remove residual impacts:
 - Demolition of the two northern perimeter walls
 - Design, installation and subsequent removal of shoring
 - Excavation of residual impacted material within the City-owned property
 - Direct load excavated material for disposal
 - Haul and dispose of excavated material
 - Backfill with clean import material
 - Reconstruction of northern perimeter wall

Anticipated Time to Complete: 3 Months

Anticipated Added Cost: \$3,000,000.00

PARTIAL CLEAN CLOSURE OF THE SOUTHWEST DAVIS MUD PIT

In the original December 15, 2023 projection two options were provided for this task (In-Place Closure and Clean Closure) and both encompassed engineering, coordination between the regulators and developers, permitting, and construction of the in-place closure of the extreme southwestern portions of the Davis Mud Pit, within current City-owned property. However, since development of the December 15, 2024 projection, the timeline for relinquishment of Beach Blvd. by Caltrans to the City has been accelerated and will occur in the latter part of calendar 2024. This will expand the area requiring closure and impact the long term technical, logistical and financial considerations associated with in-place closure such that, clean closure has been determined to be the preferred approach for this area. Tasks associated with clean closure of the expanded area are as follows:

- Engineering and encroachment permits from both Caltrans and the City.
- Investigation of the expanded area for limits of waste.
- Pre-removal confirmation sampling.
- Pre-removal protection and/or relocation of existing improvements within the expanded area.

- Removal of mud and waste through concentric borehole drilling
- Off-site disposal of removed material
- Back filling of borings
- Replacement of paved surface
- Replacement of improvements within the expanded area

Because of the expanded closure area and in consideration of added complexity related to the relinquishment of Beach Blvd, additional costs are projected.

Anticipated Time to Complete: 3 Months
Anticipated Added Cost: \$1,500,000

PHASE III CLOSURE ENGINEERING AND CONSTRUCTION

The scope and budget for this task presented in the original December 15, 2023 estimate has not changed.

Anticipated Time to Complete: 12 Months
Anticipated Added Cost: No Change

PHASE IV CLOSURE PLANNING

The scope and budget for this task presented in the original December 15, 2023 estimate has not changed.

Anticipated Time to Complete: 12 Months
Anticipated Added Cost: No Change

ROUTINE LANDFILL GAS MAINTENANCE, MONITORING, AND REPORTING

The scope and budget for this task presented in the original December 15, 2023 estimate has not changed.

Anticipated Time to Complete: Continuing Basis
Anticipated Added Cost: No Change

NON-ROUTINE LANDFILL GAS SYSTEM MAINTENANCE, MONITORING, AND REPORTING

The scope and budget for this task presented in the original December 15, 2023 estimate has not changed.

Anticipated Time to Complete: 12 Months
Anticipated Added Cost: No Change

ROUTINE GROUNDWATER ACTIVITIES

The scope and budget for this task presented in the original December 15, 2023 estimate has not changed.

Anticipated Time to Complete: Continuing Basis
Anticipated Added Cost: No Change

NON-ROUTINE GROUNDWATER ACTIVITIES

The scope and budget for this task presented in the original December 15, 2023 estimate has not changed.

Anticipated Time to Complete: Continuing Basis
Anticipated Added Cost: No Change

ROUTINE GENERAL SITE MAINTENANCE

The scope and budget for this task presented in the original December 15, 2023 estimate has not changed.

Anticipated Time to Complete: Continuing Basis
Anticipated Added Cost: No Change

NON-ROUTINE GENERAL SITE MAINTENANCE

The scope and budget for this task presented in the original December 15, 2023 estimate has not changed.

Anticipated Time to Complete: Continuing Basis
Anticipated Added Cost: No Change

SUMMARY

Based on the planning level assessment presented herein the following summary is provided.

Element	Updated Cost / Duration
Davis Mud Pit Clean Closure	\$3,000,000
Partial In-Place/Clean Close of the Southwest Davis Mud Pit	\$1,500,000
Phase III Closure	No Change
Phase IV Closure	No Change
Routine Landfill Gas OM&M	No Change
Non-Routine Landfill Gas System OM&M	No Change
Routine Groundwater Activities	No Change
Non-Routine Groundwater Activities	No Change
Routine General Site Maintenance	No Change
Non-Routine General Site Maintenance	No Change
TOTAL:	\$4,500,000
Estimated Overall Implementation Time	9 to 12 months

Re: Westgate Update of Remediation Costs for City of Anaheim
August 14, 2024
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We look forward to providing continued support to the City on this project. Should you have any questions or comments regarding this planning level evaluation or any of the assumptions made herein, please do not hesitate to contact me directly.

Sincerely,

A handwritten signature in blue ink, appearing to be 'G Acosta', written in a cursive style.

Greg Acosta, P.E.
Vice President, Environmental Services