



OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY FOR THE COUNTY OF KINGS

GOVERNMENT CENTER HANFORD, CALIFORNIA 93230 (559) 852-2362
Catherine Venturella, Clerk of the Oversight Board

SUBMITTED BY: Administration – Deb West

SUBJECT: RATIFY THE AGREEMENT BETWEEN THE FORMER REDEVELOPMENT
AGENCY AND THE KETTLEMAN CITY COMMUNITY SERVICES
DISTRICT (RDA AGREEMENT 09-003) FOR EXPENDITURE OF
REDEVELOPMENT LOAN FUNDS

SUMMARY:

Overview:

The first and only project in the Kettleman City Redevelopment Project area is the Water Treatment Plan. In order to help effectuate the redevelopment plan, the County agreed to loan \$3,000,000 to the Kings County Redevelopment Agency to facilitate the development, improvement, expansion and modernization of a water treatment plant, commercial storage tanks and other water distribution facilities (the “Water Treatment Plan”, see Attachment 1) in the Kettleman City Project Area. This agreement allowed the District to drawdown former Redevelopment Agency funds in order to meet the costs incurred for the project.

Recommendation:

Ratify the Agreement between the former Redevelopment Agency and the Kettleman City Community Services District (RDA Agreement 09-003).

Fiscal Impact:

This agreement authorizes the Kettleman City Community Services District to draw down funds associated with the initial costs of development of the Water Treatment Plan project. The repayment of the loan was to be made from tax increment accruing to the Redevelopment Agency after completion of the project. The District (the Kettleman City Community Services District) would in no way be responsible for the repayment of the County loan to the Redevelopment Agency. The initial authorization was for a drawdown of \$410,000 to meet the District’s costs for an initial six-month period. In addition, the agreement allowed for the District to request and the Agency authorize additional deposits on a monthly basis as needed by the District to meet the reasonably anticipated costs up to the total amount of the Redevelopment Agency funds of \$3,000,000.

(Cont’d)

BOARD ACTION :

APPROVED AS RECOMMENDED: _____ OTHER: _____

I hereby certify that the above order was passed
and adopted on _____2012.

CATHERINE VENTURELLA, Clerk of the Oversight Board

By _____, Deputy.

AGENDA ITEM:

May 9, 2012

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BACKGROUND:

The Water Treatment Plan was intended to be developed in two phases: Phase 1 was to construct a Surface Water Treatment Plant that would treat water from the California Aqueduct. Phase 2 would include the construction of a Commercial Water Tank Facility. The \$3,000,000 loan from the County was intended to be used as a catalyst for obtaining grant and/or loan funding for the full project. The Kettleman City Community Services District was not in a position to be able to provide any up-front funding for planning or design costs and this loan was meant to provide those necessary funds. Repayment was estimated over a 30 year period, starting after the project had been completed. Since the project has not yet even been fully funded (although several applications have been made for State grant funds), no repayment has begun.