



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 LOAN AGREEMENT BETWEEN THE COUNTY AND THE
FORMER REVELOPMENT AGENCY (AGREEMENT 09-112)

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.

Recommendation:

Ratify the loan agreement between the County and the former Redevelopment Agency (Agreement 09-112).

Fiscal Impact:

The loan agreement states that the County would loan the Redevelopment Agency \$3,000,000, which would in turn be provided by the Redevelopment Agency to the Kettleman City Community Services District for the expressed purpose of completing the Water Treatment Plan. 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.

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. 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.

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.