

**TOWN OF APPLE VALLEY  
TOWN COUNCIL/REDEVELOPMENT AGENCY**

**ADJOURNED MEETING  
MINUTES – August 2, 2011**

**OPENING CEREMONIES**

**CALL TO ORDER:**

Mayor Nassif called to order the meeting of the Apple Valley Town Council at 5:00 p.m.

Roll call was taken with the following members present:

Roll Call

Present: Councilwoman Coleman; Councilman Emick; Councilman Roelle; Mayor Pro Tem Stanton; Mayor Nassif. Absent: None.

**PLEDGE OF ALLEGIANCE:** The Pledge of Allegiance was led by Mayor Nassif

**PUBLIC COMMENTS**

**TOWN COUNCIL/REDEVELOPMENT AGENCY CONSENT AGENDA**

**MOTION**

Motion by Councilwoman Coleman, seconded by Councilman Emick, to approve and adopt the Consent Calendar items number 1.

Vote: Motion carried 5-0-0-0

Yes: Councilmember's Coleman; Emick; Roelle; Mayor Pro Tem Stanton; Mayor Nassif. Absent: None.

**1. Approve and Authorize an Amendment to the Agreement with San Bernardino County Department of Public Works for Right-of-Way Acquisition within Town Jurisdictional Area**

**Recommendation:**

1. That The Town Council Approve The Agreement Amendment With San Bernardino County Department Of Public Works For Right-Of-Way Acquisition Within Town Jurisdictional Area, Subject To Approval As To Form By The Town Attorney And As To Content By The Town Manager; and
2. That The Town Council Adopt Resolution 2011-40, "Declaring The Proposed Yucca Loma Bridge as A County Highway For That Portion Of The Yucca Loma Bridge That Lies Within The Town of Apple Valley For The Purpose of Acquiring Right-of-Way From The State".

**LEGISLATIVE MATTERS**

**REPORTS, REQUESTS AND COMMUNICATIONS**

**BUSINESS OF THE COUNCIL/REDEVELOPMENT AGENCY**

**2. Town of Apple Valley Compliance with the State of California Voluntary Alternative Redevelopment Program Pursuant to Part 1.9 of Division 24 of the California Health and Safety Code as Provided by ABx1 27.**

John Brown, Town Attorney, commented on the analysis performed by BB&K to determine whether or not any member of the Town Council has a conflict that would prohibit them from voting on this item. He stated that the analysis has established that none of the Town Council, including Mayor Nassif, has a disqualifying interest in this item. He also stated that should the Town Council proceed with the Voluntary Alternative Redevelopment Program, it may be necessary for Mayor Nassif, on a decision by decision basis; to analyze whether future specific action by the Redevelopment Agency would have a material financial affect on his economic interest.

Vice-Chair Stanton requested that the Council receive a copy of the analysis.

Kenneth Henderson, Assistant Town Manager, Economic and Community Development, provided the Council with an update on the changes that have taken place since the item was last presented which presents a threat to the redevelopment agencies. He stated that the City of Cerritos is contemplating its own lawsuit against the State of California and that VVEDA took action as well at the Policy Meeting to opt in to the state's Voluntary Alternative Redevelopment Program.

Discussion ensued regarding the need for submittal of an appeal.

Mr. Henderson provided the Council with a power point presentation on the Continuation of Redevelopment. He noted that bond proceeds can only be used for the projects of which they were originally issued and cannot be used for the budget or to make payments to the state. He commented on the operating transfer contained in the proposed budget. He stated that the transfer would prevent the agency of making payments to the state that would keep Apple Valley Redevelopment alive. He also stated that if the agency is required to make payments, VVEDA would not survive and the Town would risk all of its redevelopment projects including Yucca Loma Bridge as a result of not being able to make the payments.

Mr. Henderson recommended that the Council adopt the two Ordinances and take into consideration the discussions regarding the impact of the general fund.

Chair Nassif requested to know what levels of support have come from the state with respect to the clean-up Bill that would allow the agencies to make their payments over a period of time.

Mr. Henderson stated that there was some indication from Mr. Steinberg at the Senate that he would sponsor the clean up legislation; however, the Governor is not supportive of the clean up legislation that would enable the Redevelopment Agencies to make their AB 27 payments.

Mark Puckett, Finance Director, provided a hand out to Council, a recap of the RDA 80% funds for project areas 1 and 2 as well as the low mode funds for project areas 1 and 2, for FY 2011 vs. FY 2012. He noted that the recap includes a comparison of the impacts on the fund balances based on making the payment as is legislated in ABx1 27 for the opt in payments. He explained what would occur should both funds end the next fiscal year in a deficit condition. He commented on the need to make wage and benefits cuts in order to maintain the level of RDA funding that we have in the budget as it's currently proposed.

Mr. Puckett recommended that the Council take no action today as the budget is adopted and wait until the Town has had an opportunity to learn more information over the next month based on the direction of the lawsuit then take actions to reduce the redevelopment activities. He also commented on the cost allocation plan. He explained that the existing cost allocation plan did not have a tax increment for seven years and that the administrative functions of the redevelopment agency were supported by the Town's general fund. He stated that he is in the process of preparing a new cost allocation fund and the expectation is that there may be some reduction in the operating transfer.

Vice-Chair Stanton expressed concern regarding the operating transfer that is being proposed in the budget and how it will affect the redevelopment department as well as the Town's projects.

Chair Nassif asked a series of questions regarding the ability to borrow from low mode funds until the increment comes back.

Mr. Puckett stated there is a provision for borrowing from the low mode funds for a period of up to five years that would provide a form of a stop gap measure to help assist during this period of time; however, it will need to be paid back.

Mr. Henderson provided the Council with a brief history of the redevelopment agency. He stated that from 1996 to 2003, the agency did not receive a tax increment and that the redevelopment staff was supported by grants. He noted that when the general fund revenues were reduced, it was a result of reduction of sales and property taxes and that the general fund side was not contracted with the RDA side. Mr. Henderson stated that the Town has come to rely upon the revenues of the RDA to balance the general fund and that the deficit conditions that exist in the RDA is primarily as a result of unbudgeted for takes from the state.

### **MOTION**

Motion by Vice-Chair/Mayor Pro Tem Stanton, seconded by Board Member/Council Member Emick, and unanimously carried, to waive the reading of Ordinance No. 421 in its entirety and read by title only.

Yvonne Rivera, Deputy Town Clerk, read the title to Ordinance No. 421

### **MOTION**

Motion by Board Member/Council Member Roelle, seconded by Vice-Chair/Mayor Pro Tem Stanton, and unanimously carried, to waive the reading of Ordinance No. 422 in its entirety and read by title only.

Yvonne Rivera, Deputy Town Clerk, read the title to Ordinance No. 422

**MOTION**

Motion by Board Member/Council Member Roelle, seconded by Vice-Chair/Mayor Pro Tem Stanton, to adopt the attached urgency Ordinance No. 421 which, upon adoption, will enable the AV RDA to opt into the state's Voluntary Alternative Redevelopment Program.

Vote: Motion carried 5-0-0-0

Yes: Board/Council Members Coleman; Emick; Roelle; Vice-Chair/Mayor Pro Tem Stanton; Chair/Mayor Nassif. Noes: None; Abstain: None.

**MOTION**

Motion by Board Member/Council Member Emick, seconded by Vice-Chair/Mayor Pro Tem Stanton, to introduce Ordinance No. 422 for the purpose of enabling the Town of Apple Valley to opt into the state's Voluntary Alternative Redevelopment Program.

Vote: Motion carried 5-0-0-0

Yes: Board/Council Members Coleman; Emick; Roelle; Vice-Chair/Mayor Pro Tem Stanton; Chair/Mayor Nassif. Noes: None; Abstain: None.

**2A. APPEAL FEE AMOUNT REQUESTED BY THE STATE REGARDING REDEVELOPMENT AGENCIES.**

**MOTION**

Motion by Board Member/Council Member Coleman, seconded by Board Member/Councilman Emick, that the need to consider the formal appeal arose subsequent to the posting of the agenda. Due to the short time frame, the need to take action is this evening.

Vote: Motion carried 5-0-0-0

Yes: Board/Council Members Coleman; Emick; Roelle; Vice-Chair/Mayor Pro Tem Stanton; Chair/Mayor Nassif. Noes: None; Abstain: None.

Motion by Board Member/Council Member Coleman, seconded by Board Member/Council Member Roelle, to authorize staff to appeal the amount that the Town is being asked to pay if they find there is a dispute.

Vote: Motion carried 5-0-0-0

Yes: Board/Council Members Coleman; Emick; Roelle; Vice-Chair/Mayor Pro Tem Stanton; Chair/Mayor Nassif. Noes: None. Abstain: None.

Mayor Nassif requested that staff come back to the Council at the next meeting with a solution for the budget. He also invited the Council to attend a press conference on Friday at 10 a.m. at the Yucca Loma Bridge location.

**ADJOURNMENT**

Motion by Council Member Coleman, seconded by Council Member Emick, and unanimously carried, to adjourn the meeting of the Apple Valley Town Council at 6:03 p.m.

Town Clerk

Mayor