



STAFF REPORT

October 10, 2006

To: Redevelopment Agency Board via Executive Director
From: Finance Director
Subject: Budget Amendment

RECOMMENDATION

The Board adopt RDA Resolution No. 06-01.

BACKGROUND

The City has recently completed work on National Park Drive. The work consisted of improvements in the median to control the flow of water, and landscaping. The audit of the City's use of Measure "I" funds for fiscal year 2005-2006 was recently completed, and most of the median work was disallowed because it does not directly benefit the street.

If we had not used Measure "I" for this project, we would have used redevelopment funds. Staff requests the Board to authorize the use of those funds by adopting RDA Resolution No. 06-01.

RDA RESOLUTION NO. 06-01

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE TWENTYNINE PALMS REDEVELOPMENT AGENCY, AUTHORIZING ADJUSTMENT TO THE BUDGET FOR FISCAL YEAR 2005 - 2006

WHEREAS, one of the missions of the Agency is to improve property within the boundaries of the Agency, thus enhancing the value of surrounding property; and

WHEREAS, the recent improvements to the median on National Park Drive have made the approach to Joshua Tree National Park Headquarters more appealing to visitors, through which the entire City will benefit; and

WHEREAS, the auditor has determined that the majority of the costs incurred do not qualify for funding as a street project;

NOW, THEREFORE, BE IT RESOLVED, the Board of Directors of the Twentynine Palms Redevelopment Agency makes the following adjustment to the budget of the fiscal year ended June 30, 2006:

Account no. 70-1009-4885 "National Park Drive Median" shall be added to the Agency chart of accounts, with a budget of \$250,000.

PASSED, APPROVED, AND ADOPTED on the 10th day of October, 2006.

Kevin Cole, Chair

ATTEST:

Charlene Sherwood, Secretary

I hereby certify that the foregoing Resolution was duly adopted by the Board of Directors of the Twentynine Palms Redevelopment Agency at a regular meeting thereof, held on the 10th day of October, 2006, by the following vote of the Board:

AYES: Boardmembers:
NOES: Boardmembers:
ABSENT: Boardmembers:

Charlene Sherwood, Secretary



STAFF REPORT

October 10, 2006

To: City Council / Redevelopment Board via City Manager
From: Finance Director
Subject: Loan from City to RDA

RECOMMENDATION

The City Council and the Redevelopment Agency Board adopt Resolution Number 06-30/RDA 06-02, approving the new loan between the two entities.

BACKGROUND

The Redevelopment Agency (RDA) operates on borrowed funds. Until it begins to generate enough tax increment to issue certificates of participation and borrow funds through the financial markets, the City will loan the funds as needed. The RDA currently has a loan from the City of \$600,000 of which \$150,000 has been repaid. In order to carry out the projects that are budgeted for the current fiscal year, the RDA will need to borrow more money from the City, bringing the total loan to \$1,000,000.

The borrowed funds will go into the RDA Capital Improvement Fund. That fund had a deficit balance of \$253,000 at June 30, 2006. The proposed loan would leave that fund with a negative balance of \$480,000 at the end of the current fiscal year if all the proposed projects are completed. The agency would then have to borrow additional funds from either the General Fund or outside sources.

RESOLUTION NO. 06-30 / RDA 06-02

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF TWENTYNINE PALMS AND THE BOARD OF DIRECTORS OF THE TWENTYNINE PALMS REDEVELOPMENT AGENCY CREATING A NEW FINANCING AGREEMENT BETWEEN THE TWO AGENCIES

WHEREAS, the City of Twentynine Palms (City) and the Redevelopment Agency (RDA) are cooperating governmental entities which share similar goals; and

WHEREAS, the RDA must borrow money to carry out its programs and to receive tax increment; and

WHEREAS, the City has loaned funds to the RDA in the past for operations and capital projects, and the RDA has repaid those funds promptly; and

WHEREAS, the RDA, having repaid \$150,000 of the \$600,000 loan, is in need of additional financing to complete projects for the current year.

NOW, THEREFORE, BE IT RESOLVED that the City and the RDA agree to enter into a financing agreement in the form of a loan from the City to the RDA, a copy of which is attached (Exhibit A) and made a part of this resolution the terms of which are as follows:

1. The amount of the loan shall be \$1,000,000.
2. \$450,000 shall be retained by the City as repayment of the principal balance of the prior note.
3. The term shall be indefinite.
4. The interest rate shall be the monthly rate available through the Local Agency Investment Fund plus Two Percent (2%).
5. The loan shall be repaid by the tax increment the agency receives, less the 20% set-aside for low-to-moderate income housing.

PASSED, APPROVED AND ADOPTED by the City Council and the Board of Directors of the Redevelopment Agency at a regular meeting held on the 10th day of October 2006.

Kevin Cole, Mayor/Redevelopment Agency Chair

ATTEST:

Charlene Sherwood, City Clerk/
Redevelopment Agency Secretary

I hereby certify that the foregoing Resolution was duly adopted by the City Council of the City of Twentynine Palms at a regular meeting thereof, held on the 10th day of October, 2006, by the following vote of the Council:

AYES: COUNCIL/BOARDMEMBERS:

NOES: COUNCIL/BOARDMEMBERS:

ABSENT: COUNCIL/BOARDMEMBERS:

Charlene Sherwood, City Clerk/
Redevelopment Agency Secretary

FINANCING AGREEMENT AND PROMISSORY NOTE

THIS FINANCING AGREEMENT AND PROMISSORY NOTE ("Note") is made and entered into this Tenth day of October, 2006 (" Effective Date"), by and between the CITY OF TWENTYNINE PALMS ("City") and the TWENTYNINE PALMS REDEVELOPMENT AGENCY ("Agency").

R E C I T A L S

- A. City is a municipal corporation and general law city of the State of California. Agency is a public body, corporate and politic, organized and existing under the Community Redevelopment Law (Health & Safety Code Sec. 33000 et seq.) (The "CRL").
- B. City and Agency are authorized by the CRL to effect loans by the City to the Agency. By previous action, City and Agency effected a loan by the City to the Agency in the amount of Six Hundred Thousand Dollars (\$600,000), (the "Prior Loan"), plus interest at the rate equal to, from time to time, the rate of return on the City's investment in the Local Agency Investment Fund ("LAIF Rate") plus TWO PERCENT (2%). The Agency has made payments on the outstanding principal balance and accrued interest to date, such that the total outstanding balance (principal and interest) due by the Agency to the City under the Prior Loan, as of the Effective Date, is Four Hundred Fifty Thousand Dollars (\$450,000).
- C. City and Agency desire to enter into this Note for the purpose of terminating the existing loan and to increase the outstanding principal balance by Five Hundred Fifty Thousand Dollars (\$550,000), so that the total outstanding principal to be due by the Agency to City under this Note is One Million Dollars (\$1,000,000).

A G R E E M E N T

NOW, THEREFORE, in consideration of the foregoing recitals and the promises and covenants hereinafter contained, and for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

- 1. Termination of Prior Loan, Transfer of Balance Due, and Additional Note Amount. The City and Agency acknowledge and agree that the Prior Loan is hereby terminated and that the current outstanding principal balance and accrued interest under the Prior Loan of Four Hundred Fifty Thousand Dollars (\$450,000) is hereby transferred to this Note as outstanding principal ("Transfer Principal"). The City and Agency agree that City shall, as of the Effective Date, loan to Agency an additional Five Hundred Fifty Thousand Dollars (\$550,000) and that this amount shall be added to the outstanding principal balance under this Note ("Additional Principal"). Therefore, the total principal amount due under this Note shall be the sum of the Transfer Principal and Additional Principal which

equals ONE MILLION DOLLARS (\$1,000,000).

2. Interest. Simple interest, compounded annually, shall accrue on the outstanding principal balance of this Note at the LAIF Rate plus TWO PERCENT (2%)..
3. Payment; Subordination .
 - a. Agency shall make payments on the outstanding principal and accrued interest under this Note on not less than an annual basis from “Available Property Tax Increment”. For the purposes of this Note, the term “Available Property Tax Increment” shall mean the taxes paid to and actually received by the Agency under Health and Safety Code Section 33670 (“Agency Tax Increment”) , less such portion of the Agency Tax Increment (i) deposited into the Agency’s Low and Moderate Income Housing Fund; (ii) as may be required under State law to be paid, repaid, deposited, or deducted from the Agency Tax Increment; (iii) paid or held by the State of California or the County of San Bernardino as an administrative fee; (iv) pledged or encumbered to bonded indebtedness, financing agreements, or any other contractual obligations of the Agency, whether existing prior to or after the Effective Date hereof; (v) required to meet any contingent liabilities of Agency; and (vi) committed for administration and overhead of the Agency.
 - b. Payments shall first be applied to accrued interest and then to outstanding principal.
 - c. Agency shall be permitted to prepay all or any portion of the outstanding balance of this Note at any time without payment of any penalty, fee, or charge.
4. Default. Agency shall be in default of its payment obligations hereunder if Agency fails to timely make a payment required by this Note. The rate of interest applicable to periods of default shall be calculated at the lesser of ten percent (10%) or the maximum legal rate, simple interest, compounded annually, and shall accrue as of the date such payment was originally due.
5. Non-Liability of City and Agency Officials . No officer, official, member, employee, agent, or representative of City or Agency shall be personally liable for any amount which may become due to City or Agency hereunder, or may be due as a result of a breach of the terms of this Agreement by City or Agency.
6. Entire Agreement; Amendment . This Note shall constitute the entire agreement of the parties hereto with respect to the Subject matter hereof. This Note may be amended only by an agreement in writing signed by the parties hereto.

IN WITNESS WHEREOF, City and Agency have executed this Financing Agreement and Note as of the date first above written.

“CITY”

CITY OF TWENTYNINE PALMS

By : _____
Kevin Cole, Mayor

ATTEST:

Charlene L. Sherwood, CMC, City Clerk

“AGENCY”

TWENTYNINE PALMS
REDEVELOPMENT AGENCY

By : _____
Kevin Cole, Chairman

ATTEST :

Charlene L. Sherwood, CMC, Agency Secretary



CITY OF TWENTYNINE PALMS
STAFF REPORT
6136 Adobe Road
Twentynine Palms, CA 92277
(760) 367-6799, Fax (760) 367-5400
commdev@ci.twentynine-palms.ca.us

To: City Council
From: City Manager
Date: October 10, 2006
RE: Department Management Action Plans

RECOMMENDATION: Review and provide direction to staff as appropriate

BACKGROUND: Each Department Head in the City has created a Management Action Plan (MAP) thru which the City Manager can track the progress of projects/tasks to be completed during the fiscal year.

Generally speaking, the MAP does not include tasks that are accomplished on a routine basis within a department, unless the Department Head and/or City Manager has determined a deficiency that will be singled out for improvement during the year.

Among its many uses, the MAP is an effective tool for the City Manager in providing performance evaluations. It can also be an important tool for the City Council, as it provides a regular update on City projects, and can be used to ensure that staff has aligned its work with the vision of the Council.

The MAPs are updated by Department Heads on a monthly basis and will be provided for review the first City Council meeting of each month.

FISCAL IMPACT: N/A

September 2006 Community Development Report

Date	New Business Licenses Issued		Building Permits Issued							Code Enforcement Actions								
	Month	New	Renewals	New Residences	New Commercial	Electrical, plumbing, structural or other	Residential Additions	Plans Check	Commercial Tenant Improvements	Complaints Received	Cases Opened	First Letters	Subsequent Letters	Citation	Notice to Abate	Cases Closed	Neighborhood Cleanup Remaining Open	Neighborhood Cleanup Closed
Oct. '05		12	119	52	0	35	2	20	0	20	4	13	5	7	0	43	0	0
Nov. '05		28	189	13	0	23	2	25	0	12	5	98	5	1	0	29	95	0
Dec. '05		19	96	16	0	25	1	18	0	19	3	20	5	0	1	16	95	0
Jan. '06		13	62	23	0	13	3	43	0	5	4	11	15	1	0	22	54	44
Feb. '06		21	19	16	0	37	2	25	1	11	5	6	14	1	1	39	34	61
Mar '06		33	0	27	0	39	0	38	0	9	2	24	13	1	4	20	24	10
April '06		24	0	21	0	28	0	23	3	11	2	7	3	1	0	12	16	79
May '06		29	0	22	0	50	1	44	0	11	4	219	4	1	0	27	35	3
June '06		15	2	24	1	29	1	39	0	23	0	28	6	15	4	27	0	19
July '06		7	0	15	0	22	3	26	0	28	2	17	17	0	0	25	12	3
Aug '06		26	6	15	0	32	3	43	2	15	5	32	18	0	2	34	10	2
Sept '06		6	0	16	0	36	1	16	0	48	8	23	25	2	1	59	4	6
To Date Totals		233	493	260	1	369	19	360	6	212	44	498	130	30	13	353	379	227

Sept 2006 - 16 new single family residential units

Building permits (fiscal year)

	SFR	MFR	Total	
06/07	46	7	53	
05/06	330	93	423	67%
04/05	237	16	253	277%
03/04	67	0	67	458%
02/03	12	0	12	20%
01/02	10	0	10	100%
00/01	5	0	5	--

Phone Calls - Sept 2006

GB	70
BS	364
VG	477
FF	292
KC	82
AM	160

TOTAL CALLS 1445





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(760) 367-6799 ☐ Fax (760) 367-5400
commdev@ci.twentynine-palms.ca.us

To: City Council via Michael Tree, City Manager
From: Richard Pedersen, City Engineer
Date: October 10, 2006
RE: Two Mile Road Widening Project Sunrise Avenue to Adobe Road

RECOMMENDATION:

1. Accept the completed work on the Two Mile Road Widening Project by Ficara Paving Inc. for the amount of \$505,353.34.
2. Direct the City Clerk to file a Notice of Completion, and notify surety to exonerate contract bonds.
3. Direct the Finance Director to release the retention after 30 days if no claims are filed against the contractor.

DISCUSSION: In April 2006, a contract was awarded to Ficara Paving Inc., the lowest bidder, to provide labor to construct the Two Mile Road Widening Project. The City provided the asphalt that was supplied by Matich Corporation under a separate contract. The project included reconstructing, overlaying and widening with asphalt concrete (A.C.) paving Two Mile Road from Sunrise Avenue to Adobe Road, as a result, an additional two-way left turn lane was constructed to enhance traffic safety for the residents that live along this section of Two Mile Road.

ATTACHEMENT • Notice of Completion

BACKGROUND: All work was completed within the working days required by the contract. The work was inspected and found to be satisfactory. The project is in this fiscal year's budget and utilized Measure I funds. The project should be finalized to fulfill the City's obligations of the contract.

Recording Requested by:
City of Twentynine Palms

When Recorded mail to:

CITY OF TWENTYNINE PALMS
Engineering Division
6136 Adobe Road
Twentynine Palms, CA 92277

FOR RECORDER'S USE ONLY

Notice of Completion

NOTICE IS HEREBY GIVEN, that

1. The undersigned, Richard H. Pedersen is the duly appointed and qualified City Engineer of the City of Twentynine Palms, a municipal corporation of the State of California, and which is located within the County of San Bernardino, in said State, and the address of the undersigned is 6136 Adobe Road, Twentynine Palms, California 92277.
2. That on the 25th day of April, 2006 and pursuant to approval of the City Council of the said City, the City entered into a contract with Ficara Paving Inc. whose address is 4733 Desert Knolls Avenue, Twentynine Palms, California 92277, for the construction of the Two Mile Road Widening Project, in the City of Twentynine Palms, and in accordance with the City of Twentynine Palm's Plans and Specifications.
3. That all of the said work or improvement was located on Two Mile Road from Sunrise Avenue to Adobe Road in said City.
4. That all of the said work or improvement contemplated in and under said contract was accepted by Council action on October 10, 2006.
5. That the Surety on the Performance Bond of said Contractor and the surety on the Labor and Material Bond of said Contractor, under said contract, was and is \$480,363 and \$240,181.

The undersigned, being the first duly sworn, says: That is the duly appointed and qualified City Engineer of the City of Twentynine Palms, the political subdivision of the state of California which conducted the proceedings for the improvement located at 6136 Adobe Road, in said City, described or referred to in the foregoing Notice; and that he has read the foregoing "Notice of Completion;" and knows the contents thereof, and that the facts recited therein are true.

City Engineer of the City of Twentynine Palms, California

STATE OF CALIFORNIA)
COUNTY OF SAN BERNARDINO)
CITY OF TWENTYNINE PALMS) ss.



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STAFF REPORT
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To: City Council via City Manager
From: City Engineer, Richard Pedersen
Date: September 26, 2006
RE: Master Plan of Drainage

RECOMMENDATION: For information purposes only. No action is required.

DISCUSSION: The City Council has expressed a desire to discuss the City's Master Plan of Drainage and the City's policy's to the implementation of the drainage plan. Staff will review with the Council the challenges of controlling storm water within the desert, a place of infrequent storms, and the financial constrains associated with the Master Plan of Drainage. The discussion will also include an explanation of the roll of the Federal Emergency Management Agency's (FEMA) with regard to flood zones.

BACKGROUND:

The City received a Master Plan of Drainage in the mid 1990's that was prepared by a NBS/Lowery Engineers and Planners Inc., a consultant for the County Flood Control District. The plan is a tool that helps the City determine the amount of drainage that affects various areas of the City when evaluating proposed development within these various areas. Another tool is the FEMA flood Maps. Both of these tools affect the way properties are allowed to develop.

FISCAL IMPACT: N/A



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To: City Council via City Manager
From: City Engineer
Date: October 10, 2006
RE: CIP Project list evaluation

RECOMMENDATION: Review and provide direction to staff on a draft budget revision to street improvement projects in the FY 06-07 Capital Improvement Program.

DISCUSSION:

At the request of the City Manager I have re-evaluated and provided an updated cost estimate on the street projects contained in the Capital Improvement Plan (CIP) for FY 06-07. I have also prioritized the streets in the FY 06-07 CIP in an effort to recommend which projects should be funded.

Below is a table of the streets listed in the FY 06-07 CIP, with the exception of three additional streets that were not listed in the budget, but whose attention is required (shaded cells):

Priority	ROAD NAME	FROM ROAD	TO ROAD	Current Engineer's Estimate	Budgeted Amount	Over/Under Budget
1	Amboy Road	Adobe	Utah Trail	\$362,892	\$200,000	-\$162,892
2	Utah Trail	SR 62	Two Mile Road	\$369,612	\$0	-\$369,612
3	Mesquite Springs	SR 62	Two Mile Road	\$465,804	\$250,000	-\$215,804
4	National Park Drive	Candlewood Ave	Utah Trail	\$164,836	\$0	-\$164,836
5	Adobe Road	SR 62	Baseline	\$354,381	\$250,000	-\$104,381
6	Bagley Ave.	Split Rock Ave	Two Mile Road	\$380,028	\$200,000	-\$180,028
7	East & West Court	SR 62	north end	\$74,390	\$0	-\$74,390
8	Homestead	Adobe	Bagley Avenue	\$59,394	\$60,000	\$606
9	Joe Davis	Utah Trail	East End	\$88,569	\$60,000	-\$28,569
10	Street Alignment	Highway 62 @ Larrea		\$400,000	\$250,000	-\$150,000
				\$1,270,000		-\$1,449,905

As shown, most of the street projects have been under budgeted, with the gap in funding to accomplish all projects in FY 06-07 being \$1,449,905.

After a review of the above listed projects, and the FY 06-07 budget, I recommend the City fund in their entirety the two projects with highest priority. I also recommend that due to the complexity of the Mesquite Springs Road project (line of sight issues at intersection of Mesquite Springs Road and Wildcat Way, etc.) that the project be divided into an engineering phase and a construction phase, with \$75,000 being allocated in FY 06-07 for engineering.

Additionally, I recommend that the City drop the street alignment project at HWY 62 and Larrea, as this project was to be a joint effort between the City and a developer, who has since dropped his proposed project.

Finally, I recommend that the remainder of the FY 06-07 CIP budget for street improvements (\$462,496) be allocated to a Local Street Overlay Budget to complete several of the overlay projects listed in the table (National Park Drive, Homestead, East & West Court, etc).

If the Council is agreeable to the direction staff is taking on the street projects in the FY 06-07 CIP a budget amendment will be placed on a future Council agenda.

BACKGROUND: The Capital Improvement Program (CIP) is a program that lists the more significant road projects. The list includes major arterial streets programmed for reconstruction or widening, such as the recent Two Mile Road Widening Project. The following are examples of this type of project the City has completed from past years:

Utah Trail from Two Mile Road to Amboy Road,
Two Mile Road from Adobe Road to Utah Trail,
Adobe Road from State Route 62 to Amboy Road (Phases 1 and 2),
Utah Trail from the Joshua Tree National Park entrance to State Route 62

In addition to listing major road reconstruction projects, it is recommended that the CIP include a budget for an annual Slurry Seal Program and an annual Local Street Overlay Program (the City currently has a Slurry Seal Program but does not have a Local Street Overlay Program).

Like the Slurry Seal Program which has a budgeted amount of \$350,000 in the current FY 06-07 budget, the Local Street Overlay Program budget should be established with funds allocated for the overlaying local streets that become priority as indicated in the City's Pavement Management Program.

FISCAL IMPACT: N/A



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To: City Council via City Manager
From: Community Development Director
Date: October 10, 2006
RE: Conceptual review of Verbena Drive Parking Lot

RECOMMENDATION: Review and provide direction to staff.

BACKGROUND:

The City of Twentynine Palms has the opportunity to provide parking north of the Twentynine Palms Highway and west of Adobe Road, through the realignment of traffic, addition of signage, widening and restriping of Verbena Drive between Adobe Road and Smoke Tree Avenue.

SUMMARY:

In 2003, the City completed the Downtown Parking Needs Analysis. The result of the analysis indicated that sufficient parking is provided in the Downtown to satisfy both existing demand as well as parking demand created if private off-site parking spaces were removed.

The study recommended that to maximize the availability of future parking along the Twentynine Palms Highway (SR 62) west of Adobe Road, the City should consider acquiring additional property north of the highway.

Based upon this study, the City Engineer has completed a preliminary feasibility analysis and determined that additional parking north of SR 62 could be provided along Verbena Drive, without negatively impacting traffic and circulation in the area.

The project could be accomplished in a phased manner, with a first phase adding seven new parking spaces through signage and restriping between Adobe Road and Cholla Avenue.

If successful, a second phase could be completed at a later date. The second phase would create fifteen (15) additional parking spaces by widening Verbena Drive between Cholla Avenue and Smoke Tree Avenue.

FISCAL IMPACT:

The cost of the total project is \$25,000. Phase I would cost \$5,000. Phase II would cost \$20,000. The RDA Capital Project Fund Budget for 2006-2007 includes \$100,000 for downtown parking.