



Legislation Text

File #: 21-737, **Version:** 1

FROM:

Management Services

SUBJECT:

Ten-Ninety, Ltd. - Second Quarter Statement of Development Costs - April 1, 2021, through June 30, 2021

RECOMMENDATION:

Approve the Reimbursement of Ten-Ninety, Ltd., 2021 Second Quarter Statement of Development Costs, in the amount of \$145,448.37 (Jurupa Hills Redevelopment Project).

COUNCIL GOALS:

- To practice sound fiscal management by fully funding liabilities and reserves.
- To practice sound fiscal management by developing long-term funding and debt management plans.

DISCUSSION:

The Owner Participation Agreement (OPA) between the former Fontana Redevelopment Agency and Ten-Ninety, Ltd., provides that certain development costs incurred by the master developer are eligible for reimbursement. Per the OPA, the master developer submits, on a quarterly basis, an itemized accounting of development costs incurred that are associated with the development of Southridge Village. Approved development costs are paid out of tax increment revenues received from the Redevelopment Project.

Although AB1 X26 abolished the Fontana Redevelopment Agency, the OPA itself is an "enforceable obligation." As such, the City as Successor Agency and the Oversight Board should continue to comply with the terms of the OPA. This would include the obligation to reimburse the master developer for eligible costs. As required under the OPA, Ten-Ninety, Ltd. has submitted and staff has reviewed the 2021 Second Quarter Statement of Development Costs. Total Development Costs, including Overhead and Management Reimbursements, as submitted by Ten-Ninety, Ltd., and recommended by staff are summarized as follows:

Costs	Submitted	Recommended
Development Costs ^{(1) (2)}	\$ 124,314.85	124,314.85
Overhead Reimbursement @ 12%	\$ 14,917.78	14,917.78
Management Reimbursement @ 5%	\$ 6,215.74	6,215.74

TOTAL DEVELOPMENT COSTS	\$ 145,448.37	145,448.37
-------------------------	---------------	------------

⁽¹⁾ See attached Statement for details.

⁽²⁾ Excluding allowance for Overhead and Management Reimbursements.

FISCAL IMPACT:

This action will increase the OPA indebtedness to Ten-Ninety, Ltd. in the amount of \$145,448.37 for development costs.

MOTION:

Approve staff recommendation.