

AGENDA



CITY OF VALLEJO OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE VALLEJO REDEVELOPMENT AGENCY SPECIAL MEETING

BOARDMEMBERS:
Erin Hannigan, Chair
Annette Taylor, Vice-Chair
Pippin Dew-Costa
Dr. Ramona Bishop
LaGuan Lea
Shane McAfee
Gary Truelsen

THURSDAY, SEPTEMBER 29, 2016
8:30 A.M.

CITY COUNCIL CHAMBERS, 2ND FLOOR
555 SANTA CLARA STREET, VALLEJO

This AGENDA contains a brief general description of each item to be considered. The posting of the recommended actions does not indicate what action may be taken. If comments come to the Board without prior notice and are not listed on the AGENDA, no specific answers or response should be expected at this meeting per State law.

Notice of Availability of Public Records: All public records relating to an open session item, which are not exempt from disclosure pursuant to the Public Records Act, that are distributed to a majority of the Board will be available for public inspection at the City Clerk's Office, 555 Santa Clara Street, Vallejo, CA at the same time that the public records are distributed or made available to the Board. Such documents may also be available on the City of Vallejo website at <http://www.cityofvallejo.net> subject to staff's ability to post the documents prior to the meeting. Information may be obtained by calling (707) 648-4527, TDD (707) 649-3562.

Requests for disability related modifications or accommodations, aids or services may be made by a person with a disability to the City Clerk's office no less than 72 hours prior to the meeting as required by Section 202 of the Americans with Disabilities Act of 1990) and the federal rules and regulations adopted in implementation thereof

NOTICE: Members of the public shall have the opportunity to address the Board concerning any item listed on the agenda *before or during consideration of that item. No other items may be discussed at this special meeting.*

1. **CALL TO ORDER**

2. **ROLL CALL**

3. **APPROVAL OF THE MINUTES**

A. Approval of the Minutes from the June 30, 2016, Special Meeting

4. **OLD BUSINESS**

A. **Verbal Update on the North Vallejo Community Center Project**

Recommendation: Status update by Greater Vallejo Recreation District. No action is required.

5. **NEW BUSINESS**

A. **Adopt a Resolution Approving a Revision the Last and Final Recognized Obligation Payment Schedule**

Recommendation: Adopt a Resolution approving the Last and Final Recognized Obligation Payment Schedule (ROPS)

- B. **Consideration of a Resolution Authorizing an Agreement Between the City of Vallejo (City) and the Successor Agency to the Former Vallejo Redevelopment Agency (Agency) to Transfer the Agency's Investments in the Empress Theater to the City**
Recommendation: Adopt a resolution authorizing an agreement to transfer the Agency's Empress Theater Investments to the City

6. **AGENDA ITEMS FOR FUTURE MEETINGS**

- A. **Discussion of Agenda Items for Future Meetings and Future Meeting Dates**

7. **ADJOURNMENT**

CERTIFICATION:

I, Dawn Abrahamson, Secretary, do hereby certify that I have caused a true copy of the above notice and agenda to be delivered to each of the members of the Oversight Board for the Successor Agency of the Vallejo Redevelopment Agency, at the time and in the manner prescribed by law and that this agenda was posted at City Hall, 555 Santa Clara Street, CA at 5:00 p.m., Thursday, September 22, 2016.

Dated: September 22, 2016


Dawn Abrahamson, Secretary

**CITY OF VALLEJO OVERSIGHT BOARD
FOR THE SUCCESSOR AGENCY TO THE VALLEJO REDEVELOPMENT AGENCY
SPECIAL MEETING MINUTES
JUNE 30, 2016**

1. CALL TO ORDER

The meeting was called to order by Chair Hannigan at 8:33 a.m.

2. ROLL CALL

Boardmembers Present: Chair Hannigan (Solano County Board of Supervisors' Appointee), Vice Chair Taylor (member representing Employees of Former Redevelopment Agency Appointee), Boardmembers Dew-Costa (Mayor of Vallejo Appointee), Lea (Chancellor of California Community College Appointee), McAfee (GVRD, largest Special District Appointee), and Truelsen (Solano County Board of Supervisors' Public Member Appointee)

Boardmembers Absent: Boardmember Bishop (County Superintendent of Education Appointee),

Staff Present: Kathleen Diohep, Economic Development Manager; Dawn Abrahamson, Secretary; and Michael Roush, Legal Counsel

3. APPROVAL OF THE MINUTES

A. Approval of the Minutes from the January 28, 2016 Special Meeting

Action: Moved by Vice Chair Taylor, seconded by Boardmember McAfee and carried by unanimous vote of members present, approval of the minutes from the January 28, 2016 special meeting (Absent-Bishop).

4. OLD BUSINESS

A. **Verbal Update on the North Vallejo Community Center Project**

Recommendation: Status update by staff. No action is required

Economic Development Manager Diohep provided background and funding information related to the project. Boardmember McAfee provided an update on building status and noted that additional enhancements will be added to the project due to additional available funds. The \$1.25 million dollar's worth of work has been completed and the remainder of the work is related to GVRD's funding contribution. Boardmember McAfee anticipated that the project would be completed by end of summer with a Ribbon Cutting Ceremony scheduled end of August/beginning of September.

5. NEW BUSINESS

A. **Adopt a Resolution Approving a Revision to the Vallejo Successor Agency's Long Range Property Management Plan to Retain Sites for Public Parking Use**

Recommendation: Adopt a Resolution approving an amended Long Range Property Management Plan and, once the amended Long Range Property Management Plan is approved by the Department of Finance, authorizing the Successor Agency to transfer certain parcels to the City of Vallejo

Economic Development Manager Diohep provided an overview of the staff report including background information related to SB 107 and how it affected amending the Original LRPMP once to solely allow for retention of real properties that constitute parking facilities and lots dedicated solely to public parking for government use.

Chair Hannigan requested that in the future, meetings not be scheduled on the deadline date of submittal to the Department of Finance for items of importance, such as this item. The Oversight Board should have ample time to review and ask questions, as needed, prior to the actual deadline date.

Speakers: None

Action: Moved by Vice Chair Taylor, seconded by Boardmember Dew-Costa and carried by unanimous vote of members present, to adopt Resolution No. 16-003 (Absent-Bishop).

6. AGENDA ITEMS FOR FUTURE MEETINGS

A. Discussion of Agenda Items for Future Meetings and Future Meeting Dates

Boardmember Truelsen requested an update on the Empress Theater. In response, Economic Development Manager Diohep provided a brief update and noted that the City Attorney's Office is working on the complexity of legal matters related to this property.

In response to questions related to a schedule of future meetings, Economic Development Manager Diohep stated that potentially an August meeting might be held but more realistically a meeting in the fall.

7. ADJOURNMENT

The meeting adjourned at 8:56 a.m.

ERIN HANNIGAN, Chair

DAWN G. ABRAHAMSON, Secretary



DATE: September 29, 2016
TO: Chairperson and Members of the Oversight Board
FROM: Ron Millard, Finance Director
SUBJECT: ADOPT A RESOLUTION APPROVING THE LAST AND FINAL RECOGNIZED OBLIGATION PAYMENT SCHEDULE

RECOMMENDATION

Adopt a Resolution approving the Last and Final Recognized Obligation Payment Schedule (ROPS).

REASONS FOR RECOMMENDATION

The Successor Agency to the City of Vallejo Redevelopment Agency ("Successor Agency") meets State criteria to seek approval of a Last and Final ROPS. The Last and Final ROPS (Exhibit A to Attachment 1) presents a payment schedule to retire remaining Agency expenditure obligations of \$22.9 million by the year 2033. The Successor Agency Board is scheduled to consider the Last and Final ROPS during its meeting on September 27, 2016. With subsequent approval by the local Oversight Board and the State Department of Finance, the Successor Agency will be relieved from the administrative burden of annual ROPS filings.

Under the terms of California Senate Bill 107, enacted September 22, 2015, Successor Agencies with an approved Last and Final ROPS will gain authority to increase the interest rate from 3% to 4% on outstanding pre-dissolution City/Agency loans.

After its last scheduled disbursement in 2033, the Successor Agency will formally dissolve. At that time, the County will restore tax increment revenues to the respective taxing agencies.

BACKGROUND AND DISCUSSION

Redevelopment Dissolution

In 2011, the Governor signed into law AB1X 26 (the "Dissolution Act") which immediately suspended most activities of Redevelopment Agencies prior to their elimination effective October 1, 2011. A Successor Agency to the City of Vallejo Redevelopment Agency was established, with the City Council members sitting as its Board.

ABX1 26 also established the Oversight Board for the Successor Agency to the Vallejo Redevelopment Agency to review and approve most actions of the Successor Agency. Assembly Bill 1484 ("AB 1484") was signed by the Governor in 2012, the primary purpose of which was to make technical and substantive amendments to the Dissolution Act based on experience to-date at the state and local level in implementing that act. AB 1484 added significant new or modified actions and deadlines. The Dissolution Act was further amended by SB 107 on September 22, 2015.

Recognized Obligation Payment Schedules (ROPS)

The Dissolution Act requires successor agencies to prepare a ROPS which sets forth the successor agency's enforceable obligations and scheduled payments. The ROPS is the base document used by the County Auditor-Controller (the "CAC") in determining how much property tax increment revenue is needed to meet outstanding Agency obligations and administrative expenses, and if any residual tax revenue is available to distribute among local taxing agencies. The ROPS are prepared by staff and approved by the Successor Agency Board and the Oversight Board. All ROPS are then subject to approval by the DOF and to audit by the CAC.

Pursuant to State law (HSC 34177(o)(1)), Successor Agencies that have received a Finding of Completion may submit a Last and ROPS if all the following conditions are met:

- The remaining debt is limited to administrative costs and payments pursuant to enforceable obligations with defined payment schedules such as debt service payments, loan agreements and contracts.
- All remaining obligations have been previously listed on the ROPS and approved for payment by the Department of Finance.
- The Successor Agency is not party to outstanding/unresolved litigation.

The Successor Agency meets the above criteria. Remaining payment obligations include debt service payments on Tax Allocation Bonds; the associated administrative costs of those bonds; general administration costs; and repayment of approved City loan agreements. After consideration by the Successor Agency Board, the Last and Final ROPS will be ready for consideration by the Oversight Board and the State Department of Finance (DOF).

The State Department of Finance has created a specific format for Last and Final ROPS submissions and provides required ROPS templates to successor agencies for completion. The report includes disbursement schedules for two six-month tax distribution periods within each year through payment of the Agency's final obligation.

Because the Last & Final ROPS is limited to fixed payment obligations, no further revisions are anticipated. However, should the Successor Agency's cash requirements change over time, for example from a disruption in tax revenue or because of an unexpected payment obligation, the Dissolution Act permits up to two amendments of the Last and Final ROPS to address required changes in cash flow.

FISCAL IMPACT

Revenue

Successor Agency payment obligations are substantially financed from redevelopment property tax increment revenue. For ROPS planning purposes, the Agency conservatively estimates \$72 million in tax increment revenue will be available over the next 16 years to meet remaining financial obligations of \$22.9 million.

Actual revenues over this extended 16 year planning period are likely to fluctuate significantly from this projection. However, even without future growth in property values and tax increment revenue, sufficient revenues would be available each year to cover the proposed payment schedule. Also, two of the Agency's three outstanding bonds will be retired in the next 3 years, further diminishing the risk of revenue sufficiency. The primary remaining payment obligation is for City Loans. Should revenues fall short of scheduled payments, the Dissolution Act allows for two amendments to the Last and Final ROPS to adjust the annual payment schedules, and further provides for ongoing tax distributions by the County until all listed Last and Final ROPS payments have been funded. These mechanisms provide contingencies to ensure that cash flow will be available to retire remaining obligations.

The Last and Final ROPS anticipates the following tax revenue and associated distributions through maturity in 2033:

**Estimated Successor Agency Tax Revenues and Distributions
 For Last and Final ROPS Planning Purposes
 2017-18 to 2032-33**

Property Tax Increment Revenue	\$ 72,566,565	100%
County Administration Fees	(1,915,490)	-3%
Pass-through Payments to Taxing Agencies	(15,218,295)	-21%
	55,432,780	
Successor Agency Expenditures paid from Tax Increment		
Bond Debt Service and Fees, net of Bond Reserves	(7,055,000)	-10%
City Administration	(2,982,952)	-4%
City Loan Payments	(11,800,565)	-16%
	(21,838,518)	
 Residual Tax Revenue Distributed to Taxing Agencies	 \$ 33,594,262	 46%

Expenditures

The Last and Final ROPS authorizes the following expenditures totaling \$22.9 million over the next 16 years, through fiscal year 2032-33.

Bond Repayments and Fees (Items 5-6, 26, 30) - \$8.1 Million, of which \$1 million will be paid from reserves
 Tax Increment Bond payments continue for three outstanding bonds, including bonds issued in 1989, 1990, and 2001. Vallejo's bonds were issued to finance various infrastructure improvements, primarily along the waterfront, and other public improvements. Bond payments are made twice a year, once for interest only, and the second for interest and principal. Bond trustee and related debt support costs are also scheduled for payment. Final year bond payments are projected to be paid from reserves held by the bond trustee.

City Administrative Costs (Item 33): \$3 Million

The Successor Agency is provided an administrative allowance under the Dissolution Act of \$125,000 for each semi-annual ROPS period. This allowance covers staff time, overhead, and all other Agency expenses not otherwise recognized as an enforceable obligation on the ROPS. This allowance is limited over time under a new provision from Senate Bill 107. As the Agency's bonds are retired, the eligible administrative allowance begins to phase out in 2023, and is eliminated by 2033.

Repayment of City Advances (Item 8): \$11.8 million

The Agency has received State DOF approval to repay its City/Agency pre-dissolution loans. Senate Bill 107 adjusted the interest calculation on City/Agency loans to 3% simple interest, with payments applied first to the outstanding principal balance. With approval of the Last and Final ROPS, Senate Bill 107 further adjusts interest rates to 4%.

At dissolution in 2012, the Agency reported \$14.2 million in outstanding principal and interest due to the City for its various project area loans. Through a series of legislative changes and State Department of Finance determinations, both principal and interest have been written down, and the reestablished by the Successor Agency as enforceable obligations. With interest, the Last and Final ROPS now schedules eligible City loan payments of \$11.8 million from 2017 through 2033.

The maximum allowable annual City loan repayment under the Dissolution Act is 50% of the growth in residual tax increment paid to taxing agencies since the 2012-13 base measurement year. Eligible loan payments will increase over time with revenue growth and as bond obligations are retired.

Next Steps

With Oversight Board approval, the Last and Final ROPS will be submitted to the State Department of Finance for further consideration and approval. Upon approval, the Last and Final ROPS payment schedules will become effective on July 1, 2017.

Net Impact of Last and Final ROPS

With approval of the Last and Final ROPS, the Agency will no longer have the administrative burden of preparing annual ROPS forms for consideration by the Successor Agency and Oversight Boards. Further, the interest rate on City advances will be restored to 4% from 3%.

ENVIRONMENTAL REVIEW

This action is exempt from the California Environmental Quality Act (CEQA) because it is not a project which has a potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment, pursuant to CEQA Guideline section 15378.

ATTACHMENTS

Attachment 1 – Resolution Approving Last and Final ROPS
Exhibit A – Last and Final ROPS Schedules

CONTACT

Ron Millard, Finance Director, 707-648-4592, Ron.Millard@cityofvallejo.net

OVERSIGHT BOARD RESOLUTION NO. 16-xx

**A RESOLUTION OF OVERSIGHT BOARD FOR THE SUCCESSOR
AGENCY OF THE FORMER VALLEJO REDEVELOPMENT AGENCY,
APPROVING THE LAST AND FINAL RECOGNIZED OBLIGATION
PAYMENT SCHEDULE**

WHEREAS, pursuant to AB 1X 26, enacted June 28, 2011 (as found constitutional and as partially reformed by the California Supreme Court in its decision in *California Redevelopment Association v. Matosantos* on December 29, 2011), and as amended by AB 1484, enacted June 27, 2012, and as further amended by SB 107, enacted September 22, 2015 (the “Dissolution Act”), the Vallejo Redevelopment Agency, along with all other redevelopment agencies in the State, was dissolved as of February 1, 2012; and

WHEREAS, pursuant to the authority provided in Health and Safety Code Section 34173, as enacted by AB 1X 26, the City Council of the City of Vallejo (“City”) elected and determined that the City shall become the “successor agency” to the former Redevelopment Agency, and upon dissolution of the Redevelopment Agency under AB 1X 26, all authorities, rights, powers, duties and obligations previously vested with the former Redevelopment Agency, under the Community Redevelopment Law (Health and Safety Code Section 33000 et seq.), were vested in the Successor Agency; and

WHEREAS, pursuant to Health and Safety Code Section 34173(g), added by AB 1484, the Successor Agency has been designated as a separate public entity from the City; and

WHEREAS, pursuant to the Dissolution Act, an Oversight Board has been selected to oversee, direct and approve specified actions of the Successor Agency; and

WHEREAS, also pursuant to the Dissolution Act, Successor Agency staff is eligible to prepare a Last and Final Recognized Obligation Payment Schedule (“ROPS”), listing all remaining outstanding obligations of the Agency, to submit for approval by the Oversight Board, and to submit an electronic copy to the State Department of Finance (“DOF”);

NOW, THEREFORE, THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY OF THE FORMER VALLEJO REDEVELOPMENT AGENCY DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. The Recitals set forth above are true and correct and are incorporated into this Resolution by this reference.

Section 2. The approval of the ROPS through this Resolution does not commit the Successor Agency to any action that may have a significant effect on the environment. As a result, such action does not constitute a project subject to the requirements of the California Environmental Quality Act.

Section 3. The Oversight Board hereby approves and adopts the Last and Final ROPS, in substantially the form attached to this Resolution as **Exhibit A**, and directs the

Successor Agency to submit this information in the DOF-approved electronic format as provided under the Dissolution Act.

This resolution was adopted by those present and voting at a regular meeting of the Oversight Board to the Successor Agency of the former Vallejo Redevelopment Agency held on September 29, 2016 by the following vote:

AYES:

NOES:

ABSENT:

ABSTENTIONS:

ERIN HANNIGAN, Chairperson

ATTEST:

DAWN G. ABRAHAMSON, Secretary

Last and Final Recognized Obligation Payment Schedule (ROPS) - Summary
Filed for the July 1, 2017 through June 30, 2048 Period

Successor Agency: Vallejo
 County: Solano
 Initial ROPS Period: ROPS 17-18A
 Final ROPS Period: ROPS 46-47B

Requested Funding for Enforceable Obligations		Total Outstanding Obligation
A	Enforceable Obligations Funded as Follows (B+C):	\$ 1,030,675
B	Bond Proceeds	-
C	Other Funds	1,030,675
D	Redevelopment Property Tax Trust Fund (RPTTF) (E+F):	\$ 21,838,518
E	RPTTF	18,855,566
F	Administrative RPTTF	2,982,952
G	Total Outstanding Enforceable Obligations (A+D):	\$ 22,869,193

Certification of Oversight Board Chairman:
 Pursuant to Section 34177 (o) of the Health and Safety code, I hereby
 certify that the above is a true and accurate Recognized Obligation
 Payment Schedule for the above named agency.

 Name Title
 /s/ _____
 Signature Date

Vallejo Last and Final Recognized Obligation Payment Schedule (ROPS) - ROPS Detail
 July 1, 2017 through June 30, 2048

A Period July - December						
ROPS Period	Fund Sources					
	Bond Proceeds	Other Funds	RPTTF	Admin RPTTF	Six-Month Total	Twelve-Month Total
	\$ -	\$ 730,675	\$ 6,048,349	\$ 1,493,377	\$ 8,272,401	\$ 8,272,401
ROPS 17-18A	-	-	784,528	125,000	909,528	909,528
ROPS 18-19A	-	-	783,774	125,000	908,774	908,774
ROPS 19-20A	-	-	800,196	125,000	925,196	925,196
ROPS 20-21A	-	415,000	404,561	125,000	944,561	944,561
ROPS 21-22A	-	-	336,596	125,000	461,596	461,596
ROPS 22-23A	-	-	343,241	105,646	448,887	448,887
ROPS 23-24A	-	-	259,362	105,082	364,444	364,444
ROPS 24-25A	-	-	263,108	82,343	345,451	345,451
ROPS 25-26A	-	-	271,505	81,823	353,328	353,328
ROPS 26-27A	-	-	279,377	82,135	361,512	361,512
ROPS 27-28A	-	-	286,625	82,184	368,809	368,809
ROPS 28-29A	-	-	283,549	81,946	375,495	375,495
ROPS 29-30A	-	-	299,847	81,495	381,342	381,342
ROPS 30-31A	-	-	310,621	80,757	391,378	391,378
ROPS 31-32A	-	315,675	5,021	80,964	401,660	401,660
ROPS 32-33A	-	-	346,438	3,802	350,240	350,240
ROPS 33-34A	-	-	-	-	-	-
ROPS 34-35A	-	-	-	-	-	-
ROPS 35-36A	-	-	-	-	-	-
ROPS 36-37A	-	-	-	-	-	-
ROPS 37-38A	-	-	-	-	-	-
ROPS 38-39A	-	-	-	-	-	-
ROPS 39-40A	-	-	-	-	-	-
ROPS 40-41A	-	-	-	-	-	-
ROPS 41-42A	-	-	-	-	-	-
ROPS 42-43A	-	-	-	-	-	-
ROPS 43-44A	-	-	-	-	-	-
ROPS 44-45A	-	-	-	-	-	-
ROPS 45-46A	-	-	-	-	-	-
ROPS 46-47A	-	-	-	-	-	-

B Period January - June						
ROPS Period	Fund Sources					
	Bond Proceeds	Other Funds	RPTTF	Admin RPTTF	Six-Month Total	Twelve-Month Total
	\$ -	\$ 300,000	\$ 12,807,217	\$ 1,489,575	\$ 14,596,792	\$ 22,869,193
ROPS 17-18B	-	-	1,031,212	125,000	1,156,212	1,156,212
ROPS 18-19B	-	-	330,836	125,000	455,836	455,836
ROPS 19-20B	-	-	701,578	125,000	826,578	826,578
ROPS 20-21B	-	-	545,195	125,000	670,195	670,195
ROPS 21-22B	-	-	873,641	125,000	998,641	998,641
ROPS 22-23B	-	-	779,328	105,646	884,974	884,974
ROPS 23-24B	-	-	868,716	105,082	973,798	973,798
ROPS 24-25B	-	-	893,024	82,543	975,567	975,567
ROPS 25-26B	-	-	928,172	81,823	1,009,995	1,009,995
ROPS 26-27B	-	-	933,908	82,135	1,016,043	1,016,043
ROPS 27-28B	-	-	953,744	82,184	1,035,928	1,035,928
ROPS 28-29B	-	-	967,284	81,946	1,049,230	1,049,230
ROPS 29-30B	-	-	984,613	81,495	1,066,108	1,066,108
ROPS 30-31B	-	-	1,000,605	80,757	1,081,362	1,081,362
ROPS 31-32B	-	-	1,015,361	80,964	1,096,325	1,096,325
ROPS 32-33B	-	-	-	-	-	-
ROPS 33-34B	-	-	-	-	-	-
ROPS 34-35B	-	-	-	-	-	-
ROPS 35-36B	-	-	-	-	-	-
ROPS 36-37B	-	-	-	-	-	-
ROPS 37-38B	-	-	-	-	-	-
ROPS 38-39B	-	-	-	-	-	-
ROPS 39-40B	-	-	-	-	-	-
ROPS 40-41B	-	-	-	-	-	-
ROPS 41-42B	-	-	-	-	-	-
ROPS 42-43B	-	-	-	-	-	-
ROPS 43-44B	-	-	-	-	-	-
ROPS 44-45B	-	-	-	-	-	-
ROPS 45-46B	-	-	-	-	-	-
ROPS 46-47B	-	-	-	-	-	-

Vallejo Last and Final Recognized Obligation Payment Schedule (ROPS) - ROPS Detail
July 1, 2017 through June 30, 2048
(Report Amounts in Whole Dollars)

A Item #	B Project Name/Debt Obligation	C Obligation Type	D Contract/Agreement Execution Date	E Contract/Agreement Termination Date	F Payee	G Description/Project Scope	H Project Area	I Total Outstanding Obligation	J Bond Proceeds	K Other Funds	Fund Sources			M Admin RPTTF
											L RPTTF			
								\$ 22,869,193	\$ -	\$ -	\$ 764,528	\$ -	\$ 125,000	
17-18A (July - December)														
1	North Vallejo Community Center	Improvement/Infrastructure	6/23/2005	9/1/2016	GVRD	Renovation of the Community Center in North Vallejo	Merged Project Area							
5	1989 Tax Allocation Bonds	Bonds Issued On or Before 12/31/10	1/1/1989	5/1/2019	Wells Fargo Bank	Waterfront Development	Merged Project Area	632,942				22,318		
6	1990 Tax Allocation Bonds	Bonds Issued On or Before 12/31/10	8/1/1990	9/1/2020	Wells Fargo Bank	Marina Vista & Vallejo Central development	Merged Project Area	1,956,627				433,375		
8	Advances from City	City/County Loan (Prior 06/28/11), Cash exchange	2/1/2015	7/1/2032	City of Vallejo General Fund	Redevelopment Activities	N/A	11,800,565						
26	Tax Allocation Bond, Certification of Participations, Tax Relief Bond.	Fees	10/20/2000	10/1/2032	Bondlogistic LLC, Wells Fargo	Debt Service Admin Fee	Merged Project Area	28,846				4,242		
30	2001 Vallejo Housing Set-aside	Fees	10/20/2000	10/1/2032	Bondlogistic, Wells Fargo Bank	Debt Service Admin Fee	Low-Mod	106,486				4,368		
31	2001 Vallejo Housing Set-aside	Bonds Issued On or Before 12/31/10	8/6/2001	10/1/2031	Wells Fargo Bank	Vallejo Housing Set Aside Bond	Low-Mod	5,360,775				300,225		
33	Administration	Admin Costs	7/1/2016	6/30/2017	City of Vallejo	Administration Cost	N/A	2,982,952						125,000

**Vallejo Last and Final Recognized Obligation Payment Schedule (F
July 1, 2017 through June 30, 2048
(Report Amounts in Whole Dollars)**

A Item #	B Project Name/Debt Obligation	C Obligation Type	D Contract/Agreement Execution Date	E Contract/Agreement Termination Date	F Payee	N	17-18B (January - June)			18-19A (July - December)			U
							Bond Proceeds	Other Funds	RPTTF	Bond Proceeds	Other Funds	RPTTF	
						Fund Sources			Fund Sources				
						\$	\$	\$	\$	\$	\$	\$	
1	North Vallejo Community Center	Improvement/Infrastruct ure	6/23/2005	9/1/2016	GVRD								
5	1989 Tax Allocation Bonds	Bonds Issued On or Before 12/31/10	1/1/1989	5/1/2019	Wells Fargo Bank			292,318				11,653	
6	1990 Tax Allocation Bonds	Bonds Issued On or Before 12/31/10	8/1/1990	9/1/2020	Wells Fargo Bank			49,500				454,500	
8	Advances from City	City/County Loan (Prior 06/28/11), Cash exchange	2/1/2015	7/1/2032	City of Vallejo General Fund			568,980					
26	Tax Allocation Bond, Certification of Participations, Tax Relief Bond.	Fees	10/20/2000	10/1/2032	Bondlogstix LLC, Wells Fargo			4,242				4,284	
30	2001 Vallejo Housing Set-aside	Fees	10/20/2000	10/1/2032	Bondlogstix, Wells Fargo Bank			2,247				4,412	
31	2001 Vallejo Housing Set-aside	Bonds Issued On or Before 12/31/10	8/6/2001	10/1/2031	Wells Fargo Bank			113,925				308,925	
33	Administration	Admin Costs	7/1/2016	6/30/2017	City of Vallejo						125,000		125,000

**Vallejo Last and Final Recognized Obligation Payment Schedule (F
July 1, 2017 through June 30, 2048
(Report Amounts in Whole Dollars)**

A Item #	B Project Name/Debt Obligation	C Obligation Type	D Contract/Agreement Execution Date	E Contract/Agreement Termination Date	F Payee	V	W	X	Y	Z	18-19B (January - June)				19-20A (July - December)			
											Bond Proceeds	Other Funds	RPTTF	Admin RPTTF	Bond Proceeds	Other Funds	RPTTF	Admin RPTTF
						Fund Sources				Fund Sources								
						Bond Proceeds	Other Funds	RPTTF	Admin RPTTF	Bond Proceeds	Other Funds	RPTTF	Admin RPTTF					
1	North Vallejo Community Center	Improvement/Infrastruct ure	6/23/2005	9/1/2016	GVRD	\$ -	\$ 300,000	\$ 330,836	\$ 125,000	\$ -	\$ -	\$ 800,196	\$ 125,000					
5	1989 Tax Allocation Bonds	Bonds Issued On or Before 12/31/10	1/1/1989	5/1/2019	Wells Fargo Bank		300,000	6,653										
6	1990 Tax Allocation Bonds	Bonds Issued On or Before 12/31/10	8/1/1990	9/1/2020	Wells Fargo Bank			34,313				474,313						
8	Advances from City	City/County Loan (Prior 06/28/11), Cash exchange	2/1/2015	7/1/2032	City of Vallejo General Fund			176,216										
26	Tax Allocation Bond, Certification of Participations, Tax Relief Bond.	Fees	10/20/2000	10/1/2032	Bondlogistix LLC, Wells Fargo			4,284				4,327						
30	2001 Vallejo Housing Set-aside	Fees	10/20/2000	10/1/2032	Bondlogistix, Wells Fargo Bank			2,270				4,456						
31	2001 Vallejo Housing Set-aside	Bonds Issued On or Before 12/31/10	8/6/2001	10/1/2031	Wells Fargo Bank			107,100				317,100						
33	Administration	Admin Costs	7/1/2016	6/30/2017	City of Vallejo				125,000				125,000					

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A Item #	B Project Name/Debt Obligation	C Obligation Type	D Contract/Agreement Execution Date	E Contract/Agreement Termination Date	F Payee	AD	19-20B (January - June)			20-21A (July - December)			AJ	AK	
							AE	AF	AG	AH	AI	20-21A (July - December)			
						Fund Sources			Fund Sources						
						Bond Proceeds	Other Funds	RPTTF	Admin RPTTF	Bond Proceeds	Other Funds	RPTTF	Admin RPTTF		
1	North Vallejo Community Center	Improvement/Infrastructure	6/23/2005	9/1/2016	GVRD	\$ -	\$ -	\$ 701,578	\$ 125,000	\$ -	\$ 415,000	\$ 404,561	\$ 125,000		
5	1989 Tax Allocation Bonds	Bonds Issued On or Before 12/31/10	1/1/1989	5/1/2019	Wells Fargo Bank										
6	1990 Tax Allocation Bonds	Bonds Issued On or Before 12/31/10	8/1/1990	9/1/2020	Wells Fargo Bank			17,813			415,000	77,813			
8	Advances from City	City/County Loan (Prior 06/28/11), Cash exchange	2/1/2015	7/1/2032	City of Vallejo General Fund			579,250							
26	Tax Allocation Bond, Certification of Participations, Tax Relief Bond.	Fees	10/20/2000	10/1/2032	Bondlogistix LLC, Wells Fargo			2,473				2,497			
30	2001 Vallejo Housing Set-aside	Fees	10/20/2000	10/1/2032	Bondlogistix, Wells Fargo Bank			2,292				4,501			
31	2001 Vallejo Housing Set-aside	Bonds Issued On or Before 12/31/10	8/6/2001	10/1/2031	Wells Fargo Bank			99,750				319,750			
33	Administration	Admin Costs	7/1/2016	6/30/2017	City of Vallejo				125,000				125,000		

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A Item #	B Project Name/Debt Obligation	C Obligation Type	D Contract/Agreement Execution Date	E Contract/Agreement Termination Date	F Payee	AL	AM	AN	AO	AP	AQ	AR	AS
						Fund Sources			Fund Sources				
						Bond Proceeds	Other Funds	RPTTF	Admin RPTTF	Bond Proceeds	Other Funds	RPTTF	Admin RPTTF
1	North Vallejo Community Center	Improvement/Infrastruct ure	6/23/2005	9/1/2016	GVRD	\$ -	\$ -	\$ 545,195	\$ 125,000	\$ -	\$ -	\$ 336,596	\$ 125,000
5	1989 Tax Allocation Bonds	Bonds Issued On or Before 12/31/10	1/1/1989	5/1/2019	Wells Fargo Bank								
6	1990 Tax Allocation Bonds	Bonds Issued On or Before 12/31/10	8/1/1990	9/1/2020	Wells Fargo Bank								
8	Advances from City	City/County Loan (Prior 06/28/11), Cash exchange	2/1/2015	7/1/2032	City of Vallejo General Fund			448,333					
26	Tax Allocation Bond, Certification of Participations, Tax Relief Bond.	Fees	10/20/2000	10/1/2032	Bondlogstix LLC, Wells Fargo			2,497					
30	2001 Vallejo Housing Set-aside	Fees	10/20/2000	10/1/2032	Bondlogstix, Wells Fargo Bank			2,315				4,546	
31	2001 Vallejo Housing Set-aside	Bonds Issued On or Before 12/31/10	8/6/2001	10/1/2031	Wells Fargo Bank			92,050				332,050	
33	Administration	Admin Costs	7/1/2016	6/30/2017	City of Vallejo				125,000				125,000

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A Item #	B Project Name/Debt Obligation	C Obligation Type	D Contract/Agreement Execution Date	E Contract/Agreement Termination Date	F Payee	AT	AU	AV	AW	AX	AY	AZ	BA
						Fund Sources			Fund Sources				
						Bond Proceeds	Other Funds	RPTTF	Admin RPTTF	Bond Proceeds	Other Funds	RPTTF	Admin RPTTF
1	North Vallejo Community Center	Improvement/Infrastruct ure	6/23/2005	9/1/2016	GVRD	\$ -	\$ -	\$ 873,641	\$ 125,000	\$ -	\$ -	\$ 343,241	\$ 105,646
5	1989 Tax Allocation Bonds	Bonds Issued On or Before 12/31/10	1/1/1989	5/1/2019	Wells Fargo Bank								
6	1990 Tax Allocation Bonds	Bonds Issued On or Before 12/31/10	8/1/1990	9/1/2020	Wells Fargo Bank								
8	Advances from City	City/County Loan (Prior 06/28/11), Cash exchange	2/1/2015	7/1/2032	City of Vallejo General Fund			787,653					
26	Tax Allocation Bond, Certification of Participations, Tax Relief Bond.	Fees	10/20/2000	10/1/2032	Bondlogistix LLC, Wells Fargo								
30	2001 Vallejo Housing Set-aside	Fees	10/20/2000	10/1/2032	Bondlogistix, Wells Fargo Bank			2,338				4,591	
31	2001 Vallejo Housing Set-aside	Bonds Issued On or Before 12/31/10	8/6/2001	10/1/2031	Wells Fargo Bank			83,650				338,650	
33	Administration	Admin Costs	7/1/2016	6/30/2017	City of Vallejo				125,000				105,646

**Vallejo Last and Final Recognized Obligation Payment Schedule (F
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A Item #	B Project Name/Debt Obligation	C Obligation Type	D Contract/Agreement Execution Date	E Contract/Agreement Termination Date	F Payee	22-23B (January - June)		23-24A (July - December)		BH	BI		
						BB Bond Proceeds	BC Other Funds	BD RPTTF	BE Admin RPTTF			BF Bond Proceeds	BG Other Funds
						Fund Sources		Fund Sources					
						Bond Proceeds	Other Funds	RPTTF	Admin RPTTF	Bond Proceeds	Other Funds	RPTTF	Admin RPTTF
1	North Vallejo Community Center	Improvement/Infrastructure	6/23/2005	9/1/2016	GVRD	\$ -	\$ -	\$ 779,328	\$ 105,646	\$ -	\$ -	\$ 259,362	\$ 105,082
5	1989 Tax Allocation Bonds	Bonds Issued On or Before 12/31/10	1/1/1989	5/1/2019	Wells Fargo Bank								
6	1990 Tax Allocation Bonds	Bonds Issued On or Before 12/31/10	8/1/1990	9/1/2020	Wells Fargo Bank								
8	Advances from City	City/County Loan (Prior 06/28/11), Cash exchange	2/1/2015	7/1/2032	City of Vallejo General Fund			702,241					
26	Tax Allocation Bond, Certification of Participations, Tax Relief Bond.	Fees	10/20/2000	10/1/2032	Bondlogistix LLC, Wells Fargo								
30	2001 Vallejo Housing Set-aside	Fees	10/20/2000	10/1/2032	Bondlogistix, Wells Fargo Bank			2,362				4,637	
31	2001 Vallejo Housing Set-aside	Bonds Issued On or Before 12/31/10	8/6/2001	10/1/2031	Wells Fargo Bank			74,725				254,725	
33	Administration	Admin Costs	7/1/2016	6/30/2017	City of Vallejo				105,646				105,082

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A Item #	B Project Name/Debt Obligation	C Obligation Type	D Contract/Agreement Execution Date	E Contract/Agreement Termination Date	F Payee	G BJ	H BK	I BL	J BM	K BN	L BO	M BP	N BQ
						Fund Sources			Fund Sources				
						Bond Proceeds	Other Funds	RPTTF	Admin RPTTF	Bond Proceeds	Other Funds	RPTTF	Admin RPTTF
1	North Vallejo Community Center	Improvement/Infrastructure	6/23/2005	9/1/2016	GVRD	\$ -	\$ -	\$ 868,716	\$ 105,082	\$ -	\$ -	\$ 263,108	\$ 82,543
5	1989 Tax Allocation Bonds	Bonds Issued On or Before 12/31/10	1/1/1989	5/1/2019	Wells Fargo Bank								
6	1990 Tax Allocation Bonds	Bonds Issued On or Before 12/31/10	8/1/1990	9/1/2020	Wells Fargo Bank								
8	Advances from City	City/County Loan (Prior 06/28/11), Cash exchange	2/1/2015	7/1/2032	City of Vallejo General Fund			797,905					
26	Tax Allocation Bond, Certification of Participations, Tax Relief Bond.	Fees	10/20/2000	10/1/2032	Bondlogistix LLC, Wells Fargo								
30	2001 Vallejo Housing Set-aside	Fees	10/20/2000	10/1/2032	Bondlogistix, Wells Fargo Bank			2,386				4,683	
31	2001 Vallejo Housing Set-aside	Bonds Issued On or Before 12/31/10	8/6/2001	10/1/2031	Wells Fargo Bank			68,425				258,425	
33	Administration	Admin Costs	7/1/2016	6/30/2017	City of Vallejo				105,082				82,543

**Vallejo Last and Final Recognized Obligation Payment Schedule (F
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A	B	C	D	E	F	BR	BS	BT	BU	BV	BW	BX	BY
Item #	Project Name/Debt Obligation	Obligation Type	Contract/Agreement Execution Date	Contract/Agreement Termination Date	Payee	Bond Proceeds	Other Funds	RPTTF	Admin RPTTF	Bond Proceeds	Other Funds	RPTTF	Admin RPTTF
1	North Vallejo Community Center	Improvement/Infrastructure	6/23/2005	9/1/2016	GVRD	\$ -	\$ -	\$ 893,024	\$ 82,543	\$ -	\$ -	\$ 271,505	\$ 81,823
5	1989 Tax Allocation Bonds	Bonds Issued On or Before 12/31/10	1/1/1989	5/1/2019	Wells Fargo Bank								
6	1990 Tax Allocation Bonds	Bonds Issued On or Before 12/31/10	8/1/1990	9/1/2020	Wells Fargo Bank								
8	Advances from City	City/County Loan (Prior 06/28/11), Cash exchange	2/1/2015	7/1/2032	City of Vallejo General Fund			828,840					
26	Tax Allocation Bond, Certification of Participations, Tax Relief Bond.	Fees	10/20/2000	10/1/2032	Bondlogistix LLC, Wells Fargo								
30	2001 Vallejo Housing Set-aside	Fees	10/20/2000	10/1/2032	Bondlogistix, Wells Fargo Bank			2,409				4,730	
31	2001 Vallejo Housing Set-aside	Bonds Issued On or Before 12/31/10	8/6/2001	10/1/2031	Wells Fargo Bank			61,775				266,775	
33	Administration	Admin Costs	7/1/2016	6/30/2017	City of Vallejo				82,543				81,823

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A Item #	B Project Name/Debt Obligation	C Obligation Type	D Contract/Agreement Execution Date	E Contract/Agreement Termination Date	F Payee	BZ	CA	CB	CC	CD	CE	CF	CG
						Fund Sources			Fund Sources				
						Bond Proceeds	Other Funds	RPTTF	Admin RPTTF	Bond Proceeds	Other Funds	RPTTF	Admin RPTTF
1	North Vallejo Community Center	Improvement/Infrastructure	6/23/2005	9/1/2016	GVRD	\$ -	\$ -	\$ 928,172	\$ 81,823	\$ -	\$ -	\$ 279,377	\$ 82,135
5	1989 Tax Allocation Bonds	Bonds Issued On or Before 12/31/10	1/1/1989	5/1/2019	Wells Fargo Bank								
6	1990 Tax Allocation Bonds	Bonds Issued On or Before 12/31/10	8/1/1990	9/1/2020	Wells Fargo Bank								
8	Advances from City	City/County Loan (Prior 06/28/11), Cash exchange	2/1/2015	7/1/2032	City of Vallejo General Fund			871,139					
26	Tax Allocation Bond, Certification of Participations, Tax Relief Bond.	Fees	10/20/2000	10/1/2032	Bondlogistix LLC, Wells Fargo								
30	2001 Vallejo Housing Set-aside	Fees	10/20/2000	10/1/2032	Bondlogistix, Wells Fargo Bank			2,433				4,777	
31	2001 Vallejo Housing Set-aside	Bonds Issued On or Before 12/31/10	8/6/2001	10/1/2031	Wells Fargo Bank			54,600				274,600	
33	Administration	Admin Costs	7/1/2016	6/30/2017	City of Vallejo				81,823				82,135

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A	B	C	D	E	F	CH	CI	CJ	CK	CL	CM	CN	CO
Item #	Project Name/Debt Obligation	Obligation Type	Contract/Agreement Execution Date	Contract/Agreement Termination Date	Payee	Bond Proceeds	Other Funds	RPTTF	Admin RPTTF	Bond Proceeds	Other Funds	RPTTF	Admin RPTTF
1	North Vallejo Community Center	Improvement/Infrastructure	6/23/2005	9/1/2016	GVRD	\$ -	\$ -	\$ 933,908	\$ 82,135	\$ -	\$ -	\$ 286,625	\$ 82,184
5	1989 Tax Allocation Bonds	Bonds Issued On or Before 12/31/10	1/1/1989	5/1/2019	Wells Fargo Bank								
6	1990 Tax Allocation Bonds	Bonds Issued On or Before 12/31/10	8/1/1990	9/1/2020	Wells Fargo Bank								
8	Advances from City	City/County Loan (Prior 06/28/11), Cash exchange	2/1/2015	7/1/2032	City of Vallejo General Fund			884,550					
26	Tax Allocation Bond, Certification of Participations, Tax Relief Bond.	Fees	10/20/2000	10/1/2032	Bondlogistix LLC, Wells Fargo								
30	2001 Vallejo Housing Set-aside	Fees	10/20/2000	10/1/2032	Bondlogistix, Wells Fargo Bank			2,458				4,825	
31	2001 Vallejo Housing Set-aside	Bonds Issued On or Before 12/31/10	8/6/2001	10/1/2031	Wells Fargo Bank			46,900				281,800	
33	Administration	Admin Costs	7/1/2016	6/30/2017	City of Vallejo				82,135				82,184

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A Item #	B Project Name/Debt Obligation	C Obligation Type	D Contract/Agreement Execution Date	E Contract/Agreement Termination Date	F Payee	CP	CQ	CR	CS	CT	CU	CV	CW
						Fund Sources			Fund Sources				
						Bond Proceeds	Other Funds	RPTTF	Admin RPTTF	Bond Proceeds	Other Funds	RPTTF	Admin RPTTF
						\$	\$	\$	\$	\$	\$	\$	\$
1	North Vallejo Community Center	Improvement/Infrastruct ure	6/23/2005	9/1/2016	GVRD								
5	1989 Tax Allocation Bonds	Bonds Issued On or Before 12/31/10	1/1/1989	5/1/2019	Wells Fargo Bank								
6	1990 Tax Allocation Bonds	Bonds Issued On or Before 12/31/10	8/1/1990	9/1/2020	Wells Fargo Bank								
8	Advances from City	City/County Loan (Prior 06/28/11), Cash exchange	2/1/2015	7/1/2032	City of Vallejo General Fund			912,587					
26	Tax Allocation Bond, Certification of Participations, Tax Relief Bond.	Fees	10/20/2000	10/1/2032	Bondlogistix LLC, Wells Fargo								
30	2001 Vallejo Housing Set-aside	Fees	10/20/2000	10/1/2032	Bondlogistix, Wells Fargo Bank			2,482				4,874	
31	2001 Vallejo Housing Set-aside	Bonds Issued On or Before 12/31/10	8/6/2001	10/1/2031	Wells Fargo Bank			38,675				288,675	
33	Administration	Admin Costs	7/1/2016	6/30/2017	City of Vallejo				82,184				81,946

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A Item #	B Project Name/Debt Obligation	C Obligation Type	D Contract/Agreement Execution Date	E Contract/Agreement Termination Date	F Payee	CX	CY	CZ	DA	DB	DC	DD	DE
						Fund Sources				Fund Sources			
						Bond Proceeds	Other Funds	RPTTF	Admin RPTTF	Bond Proceeds	Other Funds	RPTTF	Admin RPTTF
1	North Vallejo Community Center	Improvement/Infrastruct ure	6/23/2005	9/1/2016	GVRD	\$ -	\$ -	\$ 967,284	\$ 81,946	\$ -	\$ -	\$ 299,847	\$ 81,495
5	1989 Tax Allocation Bonds	Bonds Issued On or Before 12/31/10	1/1/1989	5/1/2019	Wells Fargo Bank								
6	1990 Tax Allocation Bonds	Bonds Issued On or Before 12/31/10	8/1/1990	9/1/2020	Wells Fargo Bank								
8	Advances from City	City/County Loan (Prior 06/28/11), Cash exchange	2/1/2015	7/1/2032	City of Vallejo General Fund			934,852					
26	Tax Allocation Bond, Certification of Participations, Tax Relief Bond.	Fees	10/20/2000	10/1/2032	Bondlogistix LLC, Wells Fargo								
30	2001 Vallejo Housing Set-aside	Fees	10/20/2000	10/1/2032	Bondlogistix, Wells Fargo Bank			2,507				4,922	
31	2001 Vallejo Housing Set-aside	Bonds Issued On or Before 12/31/10	8/6/2001	10/1/2031	Wells Fargo Bank			29,925				294,925	
33	Administration	Admin Costs	7/1/2016	6/30/2017	City of Vallejo				81,946				81,495

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A Item #	B Project Name/Debt Obligation	C Obligation Type	D Contract/Agreement Execution Date	E Contract/Agreement Termination Date	F Payee	DF	DG	DH	DI	DJ	DK	DL	DM
						Fund Sources			Fund Sources				
						Bond Proceeds	Other Funds	RPTTF	Admin RPTTF	Bond Proceeds	Other Funds	RPTTF	Admin RPTTF
1	North Vallejo Community Center	Improvement/Infrastructure	6/23/2005	9/1/2016	GVRD	\$ -	\$ -	\$ 984,613	\$ 81,495	\$ -	\$ -	\$ 310,621	\$ 80,757
5	1989 Tax Allocation Bonds	Bonds Issued On or Before 12/31/10	1/1/1989	5/1/2019	Wells Fargo Bank								
6	1990 Tax Allocation Bonds	Bonds Issued On or Before 12/31/10	8/1/1990	9/1/2020	Wells Fargo Bank								
8	Advances from City	City/County Loan (Prior 06/28/11), Cash exchange	2/1/2015	7/1/2032	City of Vallejo General Fund			961,431					
26	Tax Allocation Bond, Certification of Participations, Tax Relief Bond.	Fees	10/20/2000	10/1/2032	Bondlogstix LLC, Wells Fargo								
30	2001 Vallejo Housing Set-aside	Fees	10/20/2000	10/1/2032	Bondlogstix, Wells Fargo Bank			2,532				4,971	
31	2001 Vallejo Housing Set-aside	Bonds Issued On or Before 12/31/10	8/6/2001	10/1/2031	Wells Fargo Bank			20,650				305,650	
33	Administration	Admin Costs	7/1/2016	6/30/2017	City of Vallejo				81,495				80,757

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A	B	C	D	E	F	DN	30-31B (January - June)			DQ	DR	31-32A (July - December)			DT	DU
							DO	DP	Other Funds			RPTTF	Admin RPTTF	Bond Proceeds		
Item #	Project Name/Debt Obligation	Obligation Type	Contract/Agreement Execution Date	Contract/Agreement Termination Date	Payee	Bond Proceeds	Other Funds	RPTTF	Admin RPTTF	Bond Proceeds	Other Funds	RPTTF	Admin RPTTF			
1	North Vallejo Community Center	Improvement/Infrastructure	6/23/2005	9/1/2016	GVRD	\$ -	\$ -	\$ 1,000,605	\$ 80,757	\$ -	\$ 315,675	\$ 5,021	\$ 80,964			
5	1989 Tax Allocation Bonds	Bonds Issued On or Before 12/31/10	1/1/1989	5/1/2019	Wells Fargo Bank											
6	1990 Tax Allocation Bonds	Bonds Issued On or Before 12/31/10	8/1/1990	9/1/2020	Wells Fargo Bank											
8	Advances from City	City/County Loan (Prior 06/28/11), Cash exchange	2/1/2015	7/1/2032	City of Vallejo General Fund			987,372								
26	Tax Allocation Bond, Certification of Participations, Tax Relief Bond.	Fees	10/20/2000	10/1/2032	Bondlogistix LLC, Wells Fargo											
30	2001 Vallejo Housing Set-aside	Fees	10/20/2000	10/1/2032	Bondlogistix, Wells Fargo Bank			2,558				5,021				
31	2001 Vallejo Housing Set-aside	Bonds Issued On or Before 12/31/10	8/6/2001	10/1/2031	Wells Fargo Bank			10,675			315,675					
33	Administration	Admin Costs	7/1/2016	6/30/2017	City of Vallejo				80,757				80,964			

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A Item #	B Project Name/Debt Obligation	C Obligation Type	D Contract/Agreement Execution Date	E Contract/Agreement Termination Date	F Payee	DV	DW	31-32B (January - June)			DY	DZ	EA	EB	EC
								Bond Proceeds	Other Funds	RPTTF					
						32-33A (July - December)									
						Fund Sources			Fund Sources						
						Bond Proceeds	Other Funds	RPTTF	Admin RPTTF	Bond Proceeds	Other Funds	RPTTF	Admin RPTTF		
1	North Vallejo Community Center	Improvement/Infrastruct ure	6/23/2005	9/1/2016	GVRD	\$ -	\$ -	\$ 1,015,361	\$ 80,964	\$ -	\$ -	\$ -	\$ 346,438	\$ 3,802	
5	1989 Tax Allocation Bonds	Bonds Issued On or Before 12/31/10	1/1/1989	5/1/2019	Wells Fargo Bank										
6	1990 Tax Allocation Bonds	Bonds Issued On or Before 12/31/10	8/1/1990	9/1/2020	Wells Fargo Bank										
8	Advances from City	City/County Loan (Prior 06/28/11), Cash exchange	2/1/2015	7/1/2032	City of Vallejo General Fund			1,012,778					346,438		
26	Tax Allocation Bond, Certification of Participations, Tax Relief Bond.	Fees	10/20/2000	10/1/2032	Bondlogisix LLC, Wells Fargo										
30	2001 Vallejo Housing Set-aside	Fees	10/20/2000	10/1/2032	Bondlogisix, Wells Fargo Bank			2,583							
31	2001 Vallejo Housing Set-aside	Bonds Issued On or Before 12/31/10	8/6/2001	10/1/2031	Wells Fargo Bank										
33	Administration	Admin Costs	7/1/2016	6/30/2017	City of Vallejo				80,964					3,802	

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A Item #	B Project Name/Debt Obligation	C Obligation Type	D Contract/Agreement Execution Date	E Contract/Agreement Termination Date	F Payee	ED	EE	EF	EG	IP
Fund Sources										
						Bond Proceeds	Other Funds	RPTTF	Admin RPTTF	Total
1	North Vallejo Community Center	Improvement/Infrastruct ure	6/23/2005	9/1/2016	GVRD	\$ -	\$ -	\$ -	\$ -	\$ 22,869,193
5	1989 Tax Allocation Bonds	Bonds Issued On or Before 12/31/10	1/1/1989	5/1/2019	Wells Fargo Bank					\$ 632,942
6	1990 Tax Allocation Bonds	Bonds Issued On or Before 12/31/10	8/1/1990	9/1/2020	Wells Fargo Bank					\$ 1,956,627
8	Advances from City	City/County Loan (Prior 06/28/11), Cash exchange	2/1/2015	7/1/2032	City of Vallejo General Fund					\$ 11,800,565
26	Tax Allocation Bond, Certification of Participations, Tax Relief Bond.	Fees	10/20/2000	10/1/2032	Bondlogistix LLC, Wells Fargo					\$ 28,846
30	2001 Vallejo Housing Set-aside	Fees	10/20/2000	10/1/2032	Bondlogistix, Wells Fargo Bank					\$ 106,486
31	2001 Vallejo Housing Set-aside	Bonds Issued On or Before 12/31/10	8/6/2001	10/1/2031	Wells Fargo Bank					\$ 5,360,775
33	Administration	Admin Costs	7/1/2016	6/30/2017	City of Vallejo					\$ 2,982,952



DATE: September 29, 2016
TO: Chairperson and Members of the Oversight Board
FROM: Ron Millard, Finance Director
SUBJECT: ADOPT RESOLUTION AUTHORIZING EXECUTION OF AN AGREEMENT PURSUANT TO WHICH THE SUCCESSOR AGENCY TO THE FORMER VALLEJO REDEVELOPMENT AGENCY WOULD TRANSFER INTERESTS IN THE EMPRESS THEATER TO THE CITY

RECOMMENDATION

Adopt the attached resolution authorizing execution of an agreement pursuant to which the Successor Agency would transfer interests in the Empress Theater to the City.

REASONS FOR RECOMMENDATION

Council has expressed interest in retaining the Empress Theater under City control. With Triad Partners expressing their intent to exit the deal, staff is proposing a set of actions that would ultimately give ownership to the City. There are some liabilities the City would assume; however, the largest amounts (approximately \$6.3 million) beyond ongoing operations and maintenance costs would be loans the City would owe itself.

Pursuant to the Dissolution Act, the Successor Agency is obligated to wind-down the affairs of the former Redevelopment Agency of the City of Vallejo. Accordingly, the Successor Agency seeks to transfer its interests in the Empress Theater ("**Theater**") to the City. Doing so is consistent with the goals and intent of the Dissolution Act because the transfer will reduce Successor Agency liabilities, and therefore will benefit the taxing entities while enabling the City to preserve an important historic and community-serving resource.

In 2007, rehabilitation of the Theater was completed using a complex New Markets Tax Credit financing arrangement using a combination of public funds and private investments. As a result of the unwinding of this arrangement and the exit of the private investor, the Successor Agency currently holds interests in a limited liability company, the Empress Investment Fund, LLC (the "**Fund**") that in turn holds interests in both the entity that owns the Theater and in the entity that holds a master lease of the Theater. In addition, the Successor Agency and the Fund each hold certain loans that financed renovation of the Theater and that are payable by the Theater Owner and secured by deeds of trust on the Theater property.

The current and potential liabilities associated with the Theater outweigh the value of the Successor Agency's interests for the following reasons: (i) the Theater has experienced deferred maintenance and is in need of capital replacements, (ii) delinquent property taxes are owed on the property, (iii) a capital grant requires the Theater operator, Vallejo Community Arts Foundation ("**VCAF**"), to seek to use the Theater for programs supporting the arts or by another non-profit entity and used solely for tax-exempt purposes; (iv) the Theater does not generate cash flow sufficient to cover operating expenses, (v) the Theater lease has expired and the Successor Agency lacks authority to enter into new leases or operating agreements; and (vi) the property is encumbered by over \$6 million in debt that was issued to finance the previous renovation of the Theater, and there is insufficient cash flow for debt service. As a result of the foregoing, the interests held by the Successor Agency have little value. Transferring the Successor Agency's interests to the City will protect the

taxing entities from the risk that the Successor Agency will require future tax increment funds to pay the Successor Agency's share of maintenance, tax, operating expenses and debt service. The City's acceptance of the Successor Agency's interests in the Empress Theater will enable the City to achieve the public benefits of maintaining an historic structure and preserving a community-serving facility. With legislative powers broader than the Successor Agency, the City can work to consolidate ownership of the property, and lease, finance, and preserve the Empress Theater for the future benefit of the community.

BACKGROUND AND DISCUSSION

The State of California has enacted legislation (Assembly Bill 1x26, AB 1484, and SB 107, collectively, the "Dissolution Act") that obligates successor agencies to wind down the affairs of their former redevelopment agencies.

In 2004, the Redevelopment Agency of the City of Vallejo ("Redevelopment Agency") partnered with a local developer to invest approximately \$6 million in restoration of the historic Empress Theater located at 330 Virginia Street in downtown Vallejo. The Redevelopment Agency's original investment in the Empress Theater was a \$2,828,000 loan authorized through an Owner Participation Agreement (OPA) executed with Triad Communities, L.P. ("**Triad**"). Pursuant to the OPA, Vallejo Community Arts Foundation ("**VCAF**") was selected as the non-profit organization to oversee the operation and management of the Theater as a mixed-use performing arts center. As restoration costs expanded, the Redevelopment Agency's loan increased to a cumulative \$4.296 million.

In 2007, additional private restoration funding was secured through the federal New Markets Tax Credit Program ("**NMTC**"). To implement private investment through the NMTC, the OPA was amended, several holding companies were established, and \$2 million of net additional private investment was contributed to the Theater renovation budget. Ownership of the Theater and the loan obligations were transferred from Triad to Empress Theatre Associates, LLC (the "**Theater Owner**"). In connection with the NMTC transaction, repayment of the Redevelopment Agency's \$4.296 million loan became the obligation of the Theater Owner.

In 2014, at the end of the seven-year NMTC tax credit period, several actions were undertaken to unwind the NMTC structure to enable the private investor to exit as contemplated by the original financing agreements. The unwinding of the NMTC transaction resulted in the following:

A. OWNERSHIP OF ENTITIES

1. Theater Owner (Empress Theatre Associates, LLC). Triad owns a 51% interest in the Theater Owner entity, and Empress Theatre Master Tenant, LLC ("**Master Tenant**") owns a 49% interest.
2. Master Tenant (Empress Theatre Master Tenant, LLC). Empress Investment Fund, LLC (the "**Fund**") holds a 100% interest in the Master Tenant entity. (The Master Tenant leases the Theater from the Theater Owner, and through a series of subleases, ultimately leased the Theater to VCAF for theater operations.)
3. The Fund (Empress Investment Fund, LLC). The Successor Agency holds a 100% interest in the Fund. (The Fund served as the vehicle for the NMTC investor's participation in the project.)

Consequently, through its ownership of the Fund, the Successor Agency controls the Master Tenant, and through its control of the Master Tenant, the Successor Agency controls a 49% interest in the Theater Owner.

B. STATUS OF LOANS

1. Redevelopment Agency \$4.296 Loan. The Redevelopment Agency's \$4.296 loan was satisfied in exchange for assignment of the NMTC investor's two promissory notes ("Note A" in the amount of \$3 million, and "Note B" in the amount of \$3.325 million) to the Fund. (As described above, the Fund is controlled by the Successor Agency).
2. Investor Loans. Note A was further assigned to the Successor Agency, and Note B is held by the Fund which as noted above, is controlled by the Successor Agency. Note A and Note B are both payable by the Theater Owner.
3. Triad Loan to the Fund. In connection with the NMTC financing, Triad made a loan to the Fund in the amount of \$42,500. This loan is currently outstanding and payable by the Fund.

Consequently, the Successor Agency is currently the holder of the \$3 million Note A, and through its control of the Fund, the Successor Agency is the indirect beneficiary of the \$3.325 million Note B. Both of these loans are payable by the Theater Owner and are secured by deeds of trust on the Theater property. The Triad loan remains an obligation of the Fund, and therefore of the Successor Agency as the sole owner of the Fund.

As described above, as the owner of the Fund, the Successor Agency controls a 49% ownership interest in the Theater Owner; therefore, ultimately, the Successor Agency is partially responsible for the repayment of these loans. However, the Theater has not generated positive cash flow, and therefore the loans have been delinquent for several years. As described below, for a number of reasons, it is not anticipated that the Theater will generate sufficient cash flow to pay debt service on these loans.

Because the Dissolution Act was designed to assist successor agencies in winding down their affairs, successor agency powers no longer include the leasing, operating, property maintenance, capital asset refurbishment, and contracting flexibility necessary to develop and sustain a viable events venue. As a result, the Dissolution Act significantly limits the powers of the Successor Agency to administer its interests in the Empress Theater.

Furthermore, the Successor Agency's ability to recover cash flow from its interests in the Theater is not feasible for the following reasons:

1. Operating leases for the Theater have expired, and the Successor Agency does not have the power under the Dissolution Act to renew or extend operating leases.
2. VCAF reports that Theater operating revenues over the past four fiscal years have covered an average of 57% of operating expenses. To date, donor contributions averaging \$215,000 per year have made up the gap to sustain programming but do not generate any excess cash flow, and revenues are insufficient to pay any debt service.
3. A recent property condition assessment has quantified the costs necessary to maintain the Theater at approximately \$17,000 in annual maintenance costs, over \$76,000 in current deferred maintenance, and over \$1 million in long-term capital replacement needs. There is no cash flow available to address the property's deferred and long-term capital asset requirements.
4. Property taxes on the Theater are now delinquent in the cumulative amount of \$19,791 through June 2016. Without a catch-up payment, the property is at risk for total loss through County tax sale.

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5. The Theater operator, VCAF, has accepted a \$200,000 renovation grant provided in 2007 by the Northern California Loan Fund. The grant requires VCAF to seek to use not less than 2/3 of the occupied space in the Theater for activities supporting the arts or by another nonprofit entity for tax-exempt purposes. The VCAF grant commitment remains in effect until 2027. In addition, the expired VCAF operating lease presents a non-compliance event which is listed as a material breach in the grant agreement. Non-compliance could initiate a demand for \$200,000 grant repayment from VCAF, with 10% compounded annual interest.
 6. Through the complex NMTC structure and subsequent exit of the investor, the Theater property is encumbered by \$6.325 million in debt. Although the Successor Agency is the ultimate beneficiary of these loans, Theater operations do not currently, and are not projected to, generate sufficient cash flow to make payments toward these obligations.
 7. The Successor Agency controls a minority 49% ownership interest in the Theater Owner, and as such does not control decisions regarding the property or its financing. Furthermore, the Dissolution Act further restricts the Successor Agency's ability to participate in Theater operations and management.

Given these factors and their collective limitation on the ability to generate positive cash flow, the Successor Agency's interests in the Theater have been valued at zero for financial reporting purposes in the Agency's 2015 financial statements. The proposed action acknowledges the Successor Agency's current and future liabilities related to the Theater. Transfer of the Successor Agency's interests would mitigate future cash flow risk to the Successor Agency, and therefore would benefit the taxing entities by reducing the Successor Agency's need for property tax revenue to cover its share of liabilities associated with the Theater.

The City has a public interest in sustaining this historic structure and community-serving events venue. With its more flexible legislative and financing powers, the City could potentially cover the delinquent property tax liability, annual maintenance, deferred maintenance, and long-term replacement costs necessary to sustain the Theater through general fund revenue or other sources, and could seek to negotiate to acquire the remaining 51% Theater ownership interest now held by Triad; dissolve the various holding companies established through the NMTC financing; budget capital funds to sustain the Theater; and update the operating lease to continue community programming and cure the deficiency in the private foundation grant. Through adoption of the proposed resolution, the City would acknowledge the potential liabilities and cash flow risk associated with accepting the transfer of the Successor Agency interests.

Due Diligence by the City

The City has taken the following actions to evaluate the proposed action:

- 1) Obtained Title Report (dated July 13, 2016)
The County records confirm Empress Theatre Associates, LLC as the current property owner, and show the following liens against the property: (i) delinquent property taxes; (ii) deeds of trust securing loans of \$6.3 million due to the Fund (one of these was assigned to the Successor Agency, as described above); (iii) VCAF leasehold deed of trust securing \$200,000 Northern California Loan Fund use restriction (as further described above); and (iv) the master lease and subleases of the property.
- 2) Contracted for Property Condition Assessment
At the request of the City, Harris & Associates visited the Theater to inspect and document the condition of the building in order to estimate maintenance costs of the facility. Their report is presented as Exhibit C to this staff report. The report notes that during the 105 years since original construction in 1911, the building has gone through several cycles of decline and renovation. The building was damaged in the 1989 Loma Prieta earthquake, and since it required expensive seismic upgrades,

remained vacant for nearly twenty years. In 2007, the theater completed an approximately \$6 million renovation and reopened for operation.

Appendix A of the Harris & Associates report includes estimates of anticipated maintenance costs by year, using an industry CPI factor. These costs are summarized below in five-year increments. In accepting the Successor Agency's interests, the City can anticipate that the following capital improvement outlays will be necessary to sustain the Theater.

**Theater Maintenance Budget
Estimated by Harris & Associates**

2017-2021	\$ 225,630
2022-2026	787,460
2027-2031	461,650
2031+	<u>1,143,385</u>
	\$ 2,618,125

3) Evaluated Theater Operator Financial Reports

The Vallejo Community Arts Foundation has provided internal financial reports for the four years ended June 30, 2013, 2014, 2015 and 2016. During this time, VCAF financial reports show that Theater operating revenues, before donations, sponsorships, and fundraising, supported 57% of operating expenses. Donors, sponsors, and fundraising events have covered the remaining 43% of operating costs to sustain theater programs. At June 30, 2016, the Theater reported a net working capital deficit of \$71,000, financed by a donor loan. In accepting the Successor Agency's interests, the City can anticipate that Theater operations will continue to be dependent upon community support.

**Theater Operations
Before Sponsorships/Donations/Fundraising**

	<u>Operating Expenses</u>	<u>Revenues Before Donations</u>	<u>Net, Covered by Donations</u>
2012-13	\$ (279,684)	\$ 180,280	\$ (99,404)
2013-14	(357,625)	218,829	(138,796)
2014-15	(798,071)	516,797	(281,274)
2015-16	(560,454)	216,419	(344,035)
4 Year Average	\$ (498,959)	\$ 283,081	\$ (215,877)
	100%	57%	43%

Specific Interests Recommended for Transfer to City

The Successor Agency proposes to transfer the following interests to the City. For reasons detailed above, these are considered to be without current market value, and as described in this report, the City would be accepting certain financial obligations and potential liabilities in connection with the proposed transfers.

- 1) Ownership of the Fund. The Successor Agency's 100% ownership interest in the Empress Investment Fund, LLC (the "Fund") is proposed to be transferred to the City. As described above, the Fund is the sole owner of the Master Tenant which in turn controls a 49% interest in the Theater Owner entity.

After implementation of the proposed transfer to the City, the following ownership structure would result:

Theater Owner: The Fund (which would be controlled by the City) would control the Master Tenant's 49% interest, and Triad would own 51%. Triad is the current Manager of the Theater Owner entity.

Master Tenant: The Fund (which would be controlled by the City) would own 100%. Triad is the current Manager of the Master Tenant entity.

- 2) Beneficial Interests in Loans. In connection with the transfer of ownership of the Successor Agency's interest in the Fund to the City, the City would become the ultimate beneficiary under the \$3.325 million investor loan ("Note B") previously assigned to the Fund in connection with the NMTC unwind. The Successor Agency is currently the beneficiary of the \$3 million loan ("Note A") that was also assigned in connection with the NMTC unwind. As discussed above, both of these loans have been delinquent for several years, and because it is not anticipated that the Theater will generate cash flow to pay debt service, these loans are considered to be uncollectible. In addition, as described above, due to the Successor Agency's interest in the ownership of the Theater Owner, the Successor Agency essentially is partially responsible for payment of the loans owed to itself. In order to maintain the City's leverage in its negotiations with Triad regarding management and control of the Theater, staff recommends that the Successor Agency seek approval for the transfer of Note A and the accompanying deed of trust to the City.

Consideration to be Provided by City; Consistency with Dissolution Act

The proposed actions do not specifically involve the transfer of interests in real property, but instead provide for the transfer of interests in entities that in turn have indirect ownership interests in the entity that owns the Theater. Therefore, the Successor Agency's interests were not included in the Long-Range Property Management Plan previously submitted to, and approved by, the Oversight Board and the Department of Finance. Nonetheless, by analogy to the Dissolution Act requirements that might apply in connection with the Successor Agency's transfer of real property, the proposed action provides that if the City were to obtain ownership of the Theater and subsequently receive net proceeds from a future sale of the property, the City would agree to distribute such net proceeds to the taxing entities pursuant to a compensation agreement. This is consistent with the requirements of the Dissolution Act pertaining to real property transferred by successor agencies to their sponsoring jurisdictions for future development. Although the proposed transfers will essentially result in the City's receipt of a 49% interest in the Theater Owner entity, the proposed action provides that in consideration for the concurrent transfer of the Successor Agency's interest in Note A to the City, the City would agree to distribute 100% of the net proceeds of a future sale of the Theater property to the taxing entities. (As described above, because this note is uncollectible, it has no financial value to the Successor Agency; however the transfer of the Note and accompanying deed of trust would facilitate the City's control over operations and ownership of the Theater property.) Furthermore, as described in this report, the proposed action is consistent with the Dissolution Act because it will reduce current and potential Successor Agency liabilities and therefore result in increased revenue to the taxing entities.

Approvals Required from Oversight Board and State Department of Finance

Actions by the Successor Agency are subject to ratification by the Oversight Board and by the State Department of Finance. The City Council and Successor Agency are scheduled to consider this action on September 27, 2016. With subsequent approval by the Oversight Board, this action will be submitted to the State Department of Finance. The transfer of the interests to the City would be effective upon approval by the State Department of Finance.

FISCAL IMPACT

If the City accepts the Successor Agency's interests in Note A and the Fund, the Successor Agency would reduce its liabilities and obligations for the following, and the City would potentially become at least partially obligated for the same:

- 1. Loan Obligation to Triad Communities LP \$ 42,500

Empress Investment Fund, LLC (the "Fund") currently owes the sum of \$42,500 to Triad. If the Successor Agency transfers its interest in the Fund to the City, the City would become the sole owner of the Fund and could potentially become obligated to pay this amount.

- 2. Note A (\$3,000,000) owed by Theater Owner to Successor Agency

If the Successor Agency assigns Note A to the City, the City could potentially receive payments on this Note from Empress Theatre Associates, LLC (the "Theater Owner"). As described above, this loan is delinquent, and it is not anticipated that the Theater will generate sufficient cash flow to permit repayment. It should be noted that if the Successor Agency assigns its interest in the Fund to the City, the City would have a controlling interest in the Master Tenant which in turn holds a 49% interest in the Theater Owner. In such capacity, if the City were to demand payment on Note A, as the holder of an indirect interest in the Theater Owner, the City could potentially become obligated to pay a proportionate share of this obligation. Simply stated, the City would owe money to itself.

- 3. Note B (\$3,325,000) owed by Theater Owner to Fund

If the Successor Agency assigns its interest in the Fund to the City, the City could potentially receive payments on this Note from the Theater Owner. As is the case for Note A, Note B is also delinquent, and it is not anticipated that the Theater will generate cash flow to permit repayment. In addition, as noted above, as the holder of a controlling interest in the entity that holds a 49% interest in the Theater Owner, the City could potentially become obligated to pay a proportionate share of this obligation. Simply stated, the City would owe money to itself.

- 4. Past-due Property taxes, through June 2016 \$ 19,791

The Theater Owner owes past due property taxes to the County. If the City assumes a controlling interest in the entity that owns a 49% interest in the Theater Owner, the City may become liable for a proportionate share of this tax liability.

- 5. Property Maintenance (through 2031) \$2,618,125

If the City assumes a controlling interest in the entity that owns a 49% interest in the Theater Owner, the City may become responsible for a proportionate share of responsibility for ensuring ongoing funding for property maintenance and capital replacements at the Theater.

The net fiscal impact of the proposed transactions will be for the Successor Agency to clear its books of its Theater interests, and for the City to acquire an indirect 49% ownership interest in the Theater, along with the related operating, maintenance, and financing obligations of property ownership.

ENVIRONMENTAL REVIEW

This action is exempt from the California Environmental Quality Act (CEQA) because it is not a project which has a potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment, pursuant to CEQA Guideline section 15378.

ATTACHMENTS

- Attachment A Resolution of the Oversight Board
- Attachment B City/Agency Agreement to Transfer Empress Interests
- Attachment C Facility Condition Assessment, Empress Theater, provided by Harris & Associates

CONTACT

Ron Millard, Finance Director, 707-648-4502, ron.millard@cityofvallejo.net

RESOLUTION NO. ____

**RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY
TO THE REDEVELOPMENT AGENCY OF THE CITY OF VALLEJO
APPROVING AN AGREEMENT PROVIDING FOR SUCCESSOR AGENCY
TRANSFER OF ITS INTERESTS IN THE EMPRESS THEATER TO THE CITY
OF VALLEJO, AUTHORIZING EXECUTION OF THE AGREEMENT, AND
AUTHORIZING THE TRANSFER OF SUCH INTERESTS**

WHEREAS, in accordance with the Redevelopment Dissolution Law, the City Council of the City of Vallejo ("**City**") elected and determined that the City should become the successor agency ("**Successor Agency**") to the former Redevelopment Agency of the City of Vallejo (the "**Redevelopment Agency**") commencing upon the dissolution of the Redevelopment Agency on February 1, 2012; and

WHEREAS, the Redevelopment Dissolution Law requires the Successor Agency to expeditiously wind-down the affairs of the former Redevelopment Agency, as directed by the oversight board created pursuant to Section 34179 of the California Health and Safety Code ("**Oversight Board**"); and

WHEREAS, in 2007, the historic Empress Theater located in the City at 330 Virginia Street (the "**Theater**") was renovated using public and private funds invested through the federal New Markets Tax Credit ("**NMTC**") program; and

WHEREAS, in connection with the NMTC financing, several entities were formed to finance, own, and lease the Theater; and

WHEREAS, at the conclusion of the NMTC seven-year tax credit period, the NMTC transaction was unwound as contemplated by the original agreements, and as a result, the Successor Agency is currently the holder of a 100% membership interest in Empress Investment Fund, LLC (the "**Fund**"), an entity that was formed to serve as the vehicle for the private investor's participation in the NMTC transaction; and

WHEREAS, the Fund is the sole member of the Empress Theatre Master Tenant, LLC ("**Master Tenant**") which leases the Theater from the Theater Owner; and

WHEREAS, the Master Tenant holds a 49% interest in Empress Theatre Associates, LLC ("**Theater Owner**"), the entity that owns the Theater; and

WHEREAS, the Theater Owner is the obligor under two promissory notes: one in the amount of \$3 million ("**Note A**"), and one in the amount of \$3.325 million ("**Note B**"), both of which are secured by deeds of trust recorded against the Theater property; and

WHEREAS, in connection with the exit of the NMTC investor, Note A and Note B were assigned to the Fund, and Note A was subsequently assigned to the Successor Agency; and

WHEREAS, the Theater does not generate cash flow sufficient to cover operating expenses; and

WHEREAS, the Theater property is encumbered by over \$6 million in debt that was issued to finance the previous restoration of the Theater, but there is insufficient cash flow to make debt service payments; and

WHEREAS, payments on Note A and Note B have been delinquent for several years; and

WHEREAS, property taxes on the Theater property are delinquent; and

WHEREAS, the terms of a third-party grant accepted by Vallejo Community Arts Foundation (VCAF) provide that for the 20-year term of the grant, the Theater must be occupied and used by VCAF for programs supporting the arts or by another nonprofit entity for tax-exempt purposes; and

WHEREAS, the Theater has experienced deferred maintenance and is in need of capital replacements; and

WHEREAS, as documented in a recent property condition assessment prepared for the Theater by Harris & Associates, the Theater will require expenditure of approximately \$17,000 per year for routine maintenance, an additional \$76,000 to address deferred maintenance, and over \$1 million in long-term capital asset requirements; and

WHEREAS, the Theater operating lease has expired and the Successor Agency lacks authority to enter into new leases or operating agreements; and

WHEREAS, as a result of the facts set forth in the foregoing Recitals, the Successor Agency's interests in Note A and in the Fund have little value; and

WHEREAS, because the Successor Agency controls a 49% interest in the Theater Owner through its ownership of the Fund, the Successor Agency essentially is partially responsible for repayment of Note A and Note B to itself; and

WHEREAS, as the owner of the Fund, the Successor Agency is potentially responsible for the Fund's liabilities, including the Fund's obligation to repay a \$42,500 note payable to Triad Communities, LP; and

WHEREAS, transfer of the Successor Agency's interests in the Fund will reduce current and potential Successor Agency liabilities, and therefore will result in increased revenue to the taxing entities; and

WHEREAS, transfer of the Successor Agency's interests in the Fund, Note A, and the deed of trust securing Note A to the City will facilitate the City's preservation of an historic resource and community-serving facility; and

WHEREAS, the City has agreed that if the City ultimately becomes the 100% owner of the Theater, and if in the future, the City sells the property, the City will share the net proceeds of any such sale with the taxing entities pursuant to a compensation agreement; and

WHEREAS, the Successor Agency has prepared an Agreement Transferring Successor Agency Interests (the "**Agreement**") pursuant to which, following approval by the Oversight Board and the Department of Finance, the Successor Agency would transfer to the City the Successor Agency's interest in the Fund, Note A, and the deed of trust securing Note A.

NOW, THEREFORE, the Oversight Board of the Successor Agency to the Redevelopment Agency of the City of Vallejo hereby resolves as follows:

1. The Oversight Board hereby finds and determines that the transfer of the Successor Agency's interest in the Fund, Note A, and the deed of trust securing Note A, to the City of Vallejo will be of benefit to the taxing entities because such transfer will reduce current and potential liabilities of the Successor Agency, reduce the Successor Agency's potential need to draw upon property tax revenues to meet such liabilities, and therefore will result in increased revenue to the taxing entities.

2. The Oversight Board further finds and determines that execution and implementation of the Agreement may result in additional revenue to the taxing entities generated as a result of any future City sale of the Theater property.

3. The Agreement is hereby approved, and following approval by the Department of Finance, the Successor Agency is authorized to execute the Agreement substantially in the form presented to the Board and attached to the Staff Report accompanying this Resolution.

4. Successor Agency staff are hereby authorized to make such minor, technical and clarifying revisions to the Agreement as are deemed necessary to carry out the purposes and intent of this Resolution and the Dissolution Law.

5. Successor Agency staff are hereby authorized and directed to transmit this Resolution and the Agreement to the Department of Finance for review and approval.

6. Once the Agreement has been approved by the Department of Finance, and has been fully-executed, Successor Agency staff are hereby authorized to take all actions and to execute all instruments necessary to implement the Agreement, consistent with this Resolution and its basic purposes.

Passed and adopted at a regular meeting of the Oversight Board of the Successor Agency to the Redevelopment Agency of the City of Vallejo on September 29, 2016, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Erin Hannigan, Chair

ATTEST:

Dawn G. Abrahamson, Secretary

AGREEMENT TRANSFERRING SUCCESSOR AGENCY INTERESTS

THIS AGREEMENT TRANSFERRING SUCCESSOR AGENCY INTERESTS (“**Agreement**”) is dated as of _____, 2016, and is executed by and between the Successor Agency to the Redevelopment Agency of the City of Vallejo, a public agency (“**Successor Agency**” or “**Assignor**”) and the City of Vallejo, a municipal corporation (“**City**” or “**Assignee**”). The Successor Agency and the City are collectively referred to herein as the “Parties.”

RECITALS

WHEREAS, in accordance with the Redevelopment Dissolution Law, the City Council of the City of Vallejo elected and determined that the City should become the successor agency to the former Redevelopment Agency of the City of Vallejo (the “**Redevelopment Agency**”) commencing upon the dissolution of the Redevelopment Agency on February 1, 2012;

WHEREAS, the Redevelopment Dissolution Law requires the Successor Agency to expeditiously wind-down the affairs of the former Redevelopment Agency, as directed by the oversight board created pursuant to Section 34179 of the California Health and Safety Code (“**Oversight Board**”);

WHEREAS, in 2007, the historic Empress Theater located in the City at 330 Virginia Street (the “**Theater**”) was renovated using public and private funds invested through the federal New Markets Tax Credit (“**NMTC**”) program;

WHEREAS, in connection with the NMTC financing, several entities were formed to finance, own, and lease the Theater;

WHEREAS, at the conclusion of the NMTC seven-year tax credit period, the NMTC transaction was unwound as contemplated by the original agreements, and as a result, the Successor Agency became the holder of a 100% membership interest in Empress Investment Fund, LLC, a Delaware limited liability company (the “**Fund**”), an entity that was formed to serve as the vehicle for the private investor’s participation in the NMTC transaction;

WHEREAS, the Fund is the sole member of the Empress Theatre Master Tenant, LLC, a Delaware limited liability company (“**Master Tenant**”) which leases the Theater from the Theater Owner;

WHEREAS, the Master Tenant holds a 49% interest in Empress Theatre Associates, LLC, a California limited liability company (“**Theater Owner**”), the entity that owns the Theater;

WHEREAS, the Theater Owner is the obligor under two promissory notes: one in the amount of \$3,000,000 (“**Note A**”), and one in the amount of \$3,325,900 (“**Note B**”), each of which is dated as of July 17, 2007, and both of which are secured by deeds of trust recorded against the Theater property;

WHEREAS, in connection with the exit of the NMTC investor, Note A and Note B were assigned to the Fund, and Note A was subsequently assigned to the Successor Agency;

WHEREAS, the Theater does not generate cash flow sufficient to cover operating expenses;

WHEREAS, the Theater property is encumbered by over \$6 million in debt that was issued to finance the previous restoration of the Theater, but there is insufficient cash flow to make debt service payments;

WHEREAS, payments on Note A and Note B have been delinquent for several years;

WHEREAS, property taxes on the Theater property are delinquent;

WHEREAS, the terms of a third-party grant accepted by Vallejo Community Arts Foundation (VCAF) provide that for the 20-year term of the grant, the Theater must be occupied and used by VCAF for programs supporting the arts or by another nonprofit entity for tax-exempt purposes;

WHEREAS, the Theater has experienced deferred maintenance and is in need of capital replacements;

WHEREAS, as documented in a recent property condition assessment prepared for the Theater by Harris & Associates, the Theater will require expenditure of approximately \$17,000 per year for routine maintenance, an additional \$76,000 to address deferred maintenance, and over \$1 million in long-term capital asset requirements;

WHEREAS, the Theater operating lease has expired and the Successor Agency lacks authority to enter into new leases or operating agreements;

WHEREAS, as a result of the facts set forth in the foregoing Recitals, the Successor Agency's interests in Note A and in the Fund have little value;

WHEREAS, because the Successor Agency controls a 49% interest in the Theater Owner through its ownership of the Fund, the Successor Agency essentially is partially responsible for repayment of Note A and Note B to itself;

WHEREAS, as the owner of the Fund, the Successor Agency is potentially responsible for the Fund's liabilities, including the Fund's obligation to repay a \$42,500 note payable to Triad Communities, LP;

WHEREAS, transfer of the Successor Agency's interests in the Fund will reduce current and potential Successor Agency liabilities, and therefore will result in increased revenue to the taxing entities;

WHEREAS, the Successor Agency's transfer to the City of the Successor Agency's interests in the Fund, Note A, and the deed of trust securing Note A (that certain Deed of Trust, Assignment of Rents and Leases and Security Agreement (Note A), dated July 17, 2007, and recorded in the Official Records of Solano County ("**Official Records**") on August 7, 2007 under Recorder's Serial Number 200700086764, and hereinafter referred to as the "**Note A Deed of Trust**") will facilitate the City's preservation of an historic resource and community-serving facility;

WHEREAS, the City has agreed that if the City ultimately becomes the 100% owner of the Theater, and if in the future, the City sells the property, the City will share the net proceeds of any such sale with the taxing entities pursuant to a compensation agreement;

WHEREAS, the Oversight Board has determined that the transfer of the Successor Agency's interest in the Fund, Note A, and the Note A Deed of Trust to the City will be of benefit to the taxing entities because such transfer will reduce current and potential liabilities of the Successor Agency, reduce the Successor Agency's potential need to draw upon property tax revenues to meet such liabilities, and therefore will result in increased revenue to the taxing entities;

WHEREAS, the Oversight Board has determined that execution and implementation of this Agreement may result in additional revenue to the taxing entities generated as a result of any future City sale of the Theater property;

WHEREAS, the Successor Agency desires to transfer, convey and assign to City the Successor Agency's membership interest in the Fund and the rights and obligations associated therewith;

WHEREAS, the Successor Agency desires to transfer, convey and assign to City Note A and the beneficial interest under the Note A Deed of Trust;

WHEREAS, the City desires to accept and assume the transfer, conveyance and assignment of Note A, the Note A Deed of Trust, and the Successor Agency's membership interest in the Fund and the rights and obligations associated therewith; and

WHEREAS, the City Council of the City has acknowledged that by accepting such Successor Agency interests, the City will also assume certain liabilities associated with such interests.

NOW, THEREFORE, in consideration of the mutual benefits accruing to the Parties and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

AGREEMENT

1. Incorporation of Recitals. The Parties acknowledge the truth of the foregoing Recitals which are hereby incorporated into this Agreement.

2. Assignment of Membership Interest. Successor Agency hereby transfers, conveys, assigns and sets over to City, 100% of Successor Agency's right, title and interest in the Fund, including without limitation, Successor Agency's membership interest and all rights and obligations of Successor Agency under the Fund's Amended and Restated Operating Agreement dated as of July 17, 2007 ("**Operating Agreement**"). City hereby accepts this assignment, and agrees to assume and perform all covenants, agreements, conditions, duties and obligations of Assignor as and when due and be bound by the terms and provisions of the Operating Agreement. As of the date hereof, Successor Agency (a) relinquishes all of its rights with respect to Assignor's membership interest in the Fund for all purposes under the Operating Agreement, (b) withdraws as a member of the Fund, (c) grants to City the right to be admitted to the Fund as a substitute member thereof, and (d) acknowledges that it is not a necessary party to any amendment to the Operating Agreement to reflect its withdrawal as a member of the Fund.

3. Assignment of Note and Deed of Trust. Successor Agency hereby transfers, conveys, assigns and sets over to City, all of Successor Agency's right, title and beneficial interest as the holder of Note A and as the beneficiary under the Note A Deed of Trust. Successor Agency shall execute an allonge to Note A substantially in the form attached hereto as Exhibit A (the "**Allonge**"), shall affix the Allonge to Note A, and shall deliver Note A and the Allonge to the City. The Successor Agency shall execute, acknowledge and deliver to City an assignment of deed of trust substantially in the form attached hereto as Exhibit B ("**Assignment of Deed of Trust**"), which shall be recorded in the Official Records.

4. Taxing Entity Compensation Agreement. The City agrees that if the City ultimately becomes the owner of the entire fee interest in the Theater, and if in the future, the City sells the Theater, the City will share the Net Unrestricted Proceeds of any such sale with the taxing entities that share in the property taxes generated by property located within the tax rate area in which the Theater is located in proportion to each taxing entity's share of the tax base for such tax rate area. "**Net Unrestricted Proceeds**" shall mean the proceeds of sale received by the City for the sale of the Theater property less: (i) costs incurred by City for expenses incurred in connection with the acquisition, operation, management, maintenance, financing and repair of the Theater and/or the disposition of the Theater, including without limitation, costs incurred for property management, maintenance, insurance, marketing, appraisals, brokers' fees, escrow, closing costs, survey, title insurance, attorneys' and consultants' fees, and other reasonable costs incurred, including reasonable compensation for City staff performing functions associated with the management, operation, maintenance and disposition of the Theater, and (ii) any proceeds of sale that are restricted by virtue of the source of funds (e.g. grant funds or the proceeds of bonds) that were used for the original acquisition or rehabilitation of the Theater. Upon request, the City shall deliver to the Taxing Entities an accounting of all such costs, expenses and restricted proceeds.

5. Binding on Successors; No Third Party Beneficiaries. This Agreement shall be binding upon and shall inure to the benefit of the Parties and their successors and assigns. There are no third-party beneficiaries to this Agreement, and nothing contained in this Agreement is intended to or shall be deemed to confer upon any person, other than the Parties and their respective successors and assigns, any rights or remedies hereunder.

6. Further Assurances. The Parties each agree to take such further actions, including without limitation, the execution, delivery and recordation in the Official Records of such other agreements, instruments and documentation as may be necessary to effectuate and confirm the transfer, conveyance, and assignment contemplated by this Agreement, and shall take such other action as either Party may reasonably request as necessary or desirable in order to implement the intent of the Parties pursuant to this Agreement. Without limiting the generality of the foregoing, Assignor shall at any time and from time to time, promptly execute and deliver all further instruments and documents, and take all further action that Assignee may reasonably request, in order to protect any right or interest assigned to Assignee by this Agreement.

7. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California without regard to principles of conflicts of laws.

8. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same instrument.

9. Severability. If any provision of this Agreement is determined to be unenforceable for any reason, it shall be adjusted rather than voided, to the greatest extent possible, to achieve the intent of the Parties. All of the other provisions shall be deemed valid and enforceable to the greatest extent possible.

10. Entire Agreement; Amendment and Waiver. This Assignment contains the complete and entire understanding of the Parties with respect to the matters covered herein. This Agreement may not be amended, modified or changed, nor shall any waiver of any provision hereof be effective, except by a written instrument signed by the Party against whom enforcement of the waiver, amendment, change, or modification is sought, and then only to the extent set forth in that instrument. No specific waiver of any of the terms of this Assignment shall be considered as a general waiver.

SIGNATURES ON FOLLOWING PAGE(S)

IN WITNESS WHEREOF, the Parties have executed this Agreement Transferring
Successor Agency Interests as of the date first written above.

SUCCESSOR AGENCY:

**SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF
VALLEJO, a public agency**

By: _____

Name: _____

Title: _____

Attest:

Dawn G. Abrahamson, Secretary

Approved as to form:

By: _____
Agency Counsel

CITY:

CITY OF VALLEJO, a municipal corporation

By: _____

Name: _____

Title: _____

Attest:

Dawn G. Abrahamson, City Clerk

Approved as to form:

By: _____
City Attorney

Exhibit A

ALLONGE TO PROMISSORY NOTE A

This Allonge to Promissory Note A is to be affixed to and made a part of that certain Promissory Note A dated July 17, 2007 in the stated principal amount of \$3,000,000.00 executed by Empress Theatre Associates, LLC, a California limited liability company, made to the order of NDC New Markets Investments XXXIX, LLC, a Delaware limited liability company, and subsequently assigned to Empress Investment Fund, LLC, a Delaware limited liability company, and further assigned to the Successor Agency to the Redevelopment Agency of the City of Vallejo.

Pay to the order of the City of Vallejo, a municipal corporation, without recourse or warranty.

Dated _____, 2016

SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF VALLEJO, a public agency

By: _____

Name: _____

Title: _____

Attest:

Dawn G. Abrahamson, Secretary

Approved as to form:

By: _____
Agency Counsel

Exhibit B

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

City of Vallejo
555 Santa Clara Street
Vallejo, CA 94590
Attn: City Clerk

Exempt from recording fees per
Government Code Section 27383

(SPACE ABOVE THIS LINE RESERVED FOR RECORDER'S USE)

ASSIGNMENT OF DEED OF TRUST

Effective as of _____, 2016, for good and valuable consideration, the Successor Agency to the Redevelopment Agency of the City of Vallejo, a public agency (“**Assignor**”) does hereby assign, transfer and convey to the City of Vallejo, a municipal corporation (“**Assignee**”) all of Assignor’s right, title and interest as beneficiary in and to that certain Deed of Trust, Assignment of Rents and Leases and Security Agreement (Note A) dated July 17, 2007, made by Empress Theater Associates, LLC, a California limited liability company, and recorded in the Official Records of Solano County on August 7, 2007 under Serial Number 200700086764.

IN WITNESS WHEREOF, the undersigned has duly caused this Assignment of Deed of Trust to be duly executed and delivered by its authorized representative as of the date first set forth above.

SUCCESSOR AGENCY:

SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF VALLEJO, a public agency

By: _____

Name: _____

Title: _____

Attest:

Dawn G. Abrahamson, Secretary

Approved as to form:

By: _____
Agency Counsel



Harris & Associates

Facility Conditions Assessment Empress Theater Vallejo California



Provided by: Harris and Associates

Provided For: City of Vallejo



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Executive Summary:

Designated a Vallejo Landmark in 1990, the Empress Theatre was **built in 1911** by the Independent Order of Odd Fellows and opened its doors for the first time in 1912. In the over 100 years since it was constructed the theatre has undergone numerous renovations, most recently in 2007 when it was seismically upgraded. The work of that \$6M project included new seating, extensive facelifts of the lobby area, restrooms, marquee and ticket window, and upgrades to the theater's stage, heating, ventilation, and air conditioning systems. All original neon from the 1950's was replaced and the marquee restored.

Since the 2007 renovations a number of other upgrades have been made to the facility by the theatre operators, Vallejo Community Arts Foundation. These upgrades include: 1. A new fire sprinkler main was installed into the building and the attic space above the entire theater was sprinklered. 2. The stage was extended out from original depth and an ADA lift was installed at the front of stage. 3. An equipment lift was installed under stage to facilitate moving equipment and materials in from the rear alley.

At the request of the city Harris and Associates visited the theater to observe and document the condition of the building in order to estimate maintenance costs of the facility. During the site visit Harris was accompanied by Tim MacDonald, board member of the Vallejo Community Arts Foundation (VCAF), and Don Bassey (for a portion), General Manager of the theatre.

A summary of costs follows:

Historical maintenance costs since 2008 - \$8,000 - \$10,000 per year (VCAF)

Harris estimated costs (2016 \$'s):

Deferred Maintenance - \$76,175

Yearly Maintenance - \$16,696

Long Term Replacement Costs - \$1,035,066

Please review the qualifications on page 5 of the report to fully understand for inclusions and exclusions to these costs.

Introduction

In accordance with Harris and Associates (Harris) work authorization HA-03 (Empress) Harris has conducted a facility maintenance assessment of the Empress Theater located at 330 Virginia Street, Vallejo CA. The study looks at the condition of the facility to determine what, if any, deferred maintenance may be required, along with the potential long term maintenance requirements and costs. This study does not look at current Building code compliance of the existing facility, nor ADA compliance.

This report provides a summary of the facility information known to us at the time of the study, an equipment inventory, and an evaluation of the visually apparent condition of the Property. We have relied on information provided by the current operators of the theater for information about past maintenance and other work since the facility re-opened in 2007. No destructive investigations were done, nor were individual systems started and operated under loads to determine functionality.

History

Designated a Vallejo Landmark in 1990, the Empress Theatre was **built in 1911** by the Independent Order of Odd Fellows and opened its doors for the first time in 1912. The *Beaux Arts* style building was two-tiered with gold-leafed clouds on the ceiling, red velvet seats, and a pipe organ. Since that time the building has gone through several cycles of decline and renovation. The theatre's interior layout dates from a 1930 Fox West Coast renovation after a ruinous fire, while the magnificent *Skouras* ceiling and scroll-work arrived during a 1952 renovation. The building was damaged in the 1989 Loma Prieta earthquake and, requiring expensive seismic upgrades, remained vacant for nearly twenty years.

In 2007 the theatre underwent an approximately \$6 million restoration consisting of a comprehensive seismic retrofit while preserving the Empress' historic character and charm. The work included new seating, extensive facelifts of the lobby area, restrooms, marquee and ticket window, and upgrades to the theater's stage, heating, ventilation, and air conditioning systems. All original neon from the 1950's was refurbished and reinstalled in its original location throughout the theatre.

Empress Theatre Associates LLC (and Triad) received City Council approval for federal tax credits to assist with recovering some of the costs associated with the theatre renovation. National Development Council, a national non-profit organization, helped Triad obtain New Market Tax Credits to help cover costs of the renovation. The theatre restoration was completed in July of 2007. (empresstheater.org)

Survey

On February 3, 2016 Matt Nethercutt of Harris and Associates visited the theater to observe and document the condition of the building. During the site visit Harris was accompanied by Tim MacDonald, board member of the Vallejo Community Arts Foundation, and Don Bassey (for a portion), General Manager of the Theater.

Upgrades since 2007 Renovation

The majority of the building and all related systems were upgrade during the 2007 Seismic Upgrade project. However, there have been a number of smaller projects that have made modifications since that time.

1. New fire sprinkler main was installed into the building. Attic space above the entire theater was sprinklered.
2. Stage was extended out from original depth. Electrical and sound systems were extended into stage. An ADA lift was installed at front of stage.
3. New equipment lift was installed under stage to facilitate moving equipment and materials in from rear alley.
4. Electrical revisions related to moving projection and sound mixing board to center of theater where the wheel chair area was originally shown.
5. ADA revisions at center of theater provide for wheel chairs and attendant seating as well as 3 larger seats.

Note: Equipment purchased by VCAF, such as theatrical lighting and sound equipment, is owned by VCAF. (Tim MacDonald)

Current maintenance expenditure

According to the theatre management staff typical maintenance expenditures for the last 9 years have been in the \$8,000 to \$12,000 range. This does not include costs of upgrades made during this time. In addition, some minor repairs are made by theatre management so no labor costs are incurred.

Qualifications of costs included

1. For much of the background and past maintenance and cost information we have relied upon Tim MacDonald of VCAF. Mr. MacDonald is a VCAF board member and the primary person behind the operations of the theatre.
2. Maintenance costs included in the following tables do not include normal cleaning of the premises before or after events.
3. No management costs for opening the facility or monitoring the repairs are included.
4. Monthly utility costs and fire alarm and elevator monitoring costs are not included for the operation of the building.
5. Costs are in 2016 dollars and are conceptual estimates based on direct labor, materials, equipment and overhead and profit for each item. Costs do not include a general contractor's general requirements as items are viewed individually and not part of a "project".
6. Soft costs are NOT included. These include design fees, permit and inspection costs, and project and construction management costs.
7. Furnishings, fixtures, and freestanding equipment (FF&E) are not included.
8. Long term replacement costs need to be adjusted for inflation depending on the anticipated year the replacement is undertaken.
9. The "Green Room" area is assumed to be part of a long term lease agreement and is considered part of the theater building operations and therefore its maintenance costs are included.
10. Maintenance costs for the restrooms in the adjacent building that are used by mutual agreement are not included (terms of lease agreement should be reviewed, if available). It is our understanding that these restrooms are not always available for use during theatre events.
11. Damaged due to "forces of nature" are not included in our costs and are assumed to be covered under insurance policies. Note: the Napa earthquake of August 2014 damaged the plaster finish at the main theater ceiling. While the damage itself is not very significant, these areas have not been repaired and it is not known if insurance was in place at the time of the damage.



Projected maintenance and replacement costs - (2016 dollars)

Deferred Maintenance - \$76,175

The theatre has been operated and maintained by VCAF since the 2007 renovations. In general the theater has appears to have been well maintained since the renovations. Cost above is for deferred maintenance work on items that shows signs of failure and need to be repaired in order to avoid future more costly repairs.

Yearly Maintenance - \$16,696

This cost represents the annual expense to maintain the facility from a building maintenance standpoint. Costs included are for touchup painting, inspection of HVAC, fire sprinkler, and fire alarm systems, deep cleaning of carpets and seating, expected plumbing repairs, roof maintenance, and other items that are generally not related to costs of a specific event, but are needed to maintain the overall condition of the facility so as to maintain the current use of the facility. Projections of maintenance costs should reflect inflation as well as the increase in costs as the facility ages. Without specific lifecycle costs for each item, we recommend the yearly maintenance costs be increased by 7% each year, not including inflation costs.

Long Term Replacement Costs - \$1,035,066

This cost represents the replacement cost for items that have come to the end of their useful life. Depending on the specific item, the cost needs to be escalated to reflect the cost of replacement at the time of replacement. For this building, we would recommend setting the baseline at 2007 and calculate useful lifetimes from that date to get an expected replacement date based on the lifespans included for each item in the report. Costs do not include any structural renovations or code upgrades, just the direct cost of the specific line item.

Construction Inflation

There are construction indexes that show historical inflation of construction costs, RS Means and ENR, to name just two. But construction inflation can run in cycles, vary by location and by specific materials, etc. In 2004 – 2008 costs were increasing faster than most construction estimators could reasonable calculate, yet in 2010 – 2013 construction costs fell. Costs have again begun to increase again and for the purposes of projections we recommend including a construction inflation rate of 3%-5% annually based on historical averages over the long term.

Item #	Condition	Location	Description of condition	Deferred Maintenance \$	Yearly Maintenance \$	Long Term \$	Expected Lifespan years (when new)
Section 01 - Exterior							
1	Fair	Exterior Main Entrance	Area below Marquee will need total repainting in 3-5 year. Doors all appear to be functioning well.		380	8,000	10
2	Fair	Marquee	Paint peeling along top (not visible from below). Tubes fail on occasion. Long term is for complete restoration of neon system and painting.	5,500	1,500	40,000	20
3	Good	Exterior poster display	Aluminum cases need only occasional cleaning.		125	9,000	30
4	Good	Ticket windows	No conditions noted. Painting included in next item.		125		20
5	Poor	Façade above marquee	Window putty is failing at spots along window panes. Will eventually lead to wood rot if not maintained.	5,200		17,000	6
6	Fair	Roof above marquee	Roof could use a good cleaning, but no failure areas noted. Reapplication of top coat is included after cleaning in deferred costs.	2,000	50	2,500	15
7	Fair/Poor	Siding and roof at Stage Fly	Corrugated metal (galvanized) siding is unpainted. Many panels are rusted. Management reports no leaks at this time. Consider replacement or painting of rusting panels to prolong life. Deferred maintenance item includes allowance for replacement of 25% of panels included in replacement costs + prorated cost of lift. Note: paint becomes maintenance item.	22,500		80,000	30
8	Fair/Poor	Roofing above main theater	Low slope has ponding water on east and west sides of roof. Delamination of foam roofing in spots. Top coat is thinning in areas and needs recoat after repairs to delaminations.	11,000	500	25,000	20
9	Fair	Rear Alley	Paint on doors and louvers needs repainting, but cosmetic issue only. Potential for graffiti is high. Theater management is considering security lighting and cameras. Roof drain connection needs repair. Confirm RWL's are not connected to sanitary sewer.	250	250		
10	n/a	South side of building off rear alley	Appears there may be wood impeded in brick. Could not access to view. Metal panels damaged, but not leaking per manager. Allowance for replacement included in stage fly exterior.				
Section 02 - Interiors							
11	Fair	Lobby Area	Lobby has been well maintained and its appearance is consistent with the age of the restoration. Carpet cleaning, paint touch up would be typical maintenance for this area.		500		
12	Fair	Snack Bar	Generally in good condition. Back cabinets just have plywood tops that get covered with fabric on which items are placed.		250		15
13	Fair	Snack Bar Counter	Stainless steel compartment could use a closure strip to keep debris from falling below unit.	150		20,000	
14	Fair	Storage area to right of snack bar	Not all areas were visible due to presence of equipment, files, materials, etc. Most items just cosmetic.	250			



Item #	Condition	Location	Description of condition	Deferred Maintenance \$	Yearly Maintenance \$	Long Term \$	Expected Lifespan years (when new)
15	Fair	Storage area to left of snack bar	Not all areas were visible due to presence of equipment, files, materials, etc. Most items just cosmetic. Plumbing systems on this side will require annual maintenance. Flooring corner joints need attention to avoid damage. Long term costs is to completely paint snack bar and storage areas and replacement of flooring.	500	250	11,500	15
16	Good	Mens and Womens restrooms off lobby	In very good condition well maintained. No known plumbing issues currently.	-	1,500	75,000	20
17	Fair	Main theater walls and ceiling	Most in decent condition, but there is one major plaster failure at ceiling beam and other areas of cracking. Difficult access to get to these areas due to the decorative floating ceiling panels below. Deferred cost is to repair item 17C. Other repairs to cracking at ceiling would be very expensive due to access issue. Long term is for complete paint job using scaffolding for ceiling access.	3,850	1,150	97,000	10
18	Fair	Main theater flooring.	Carpet and vinyl well maintained. Minor staining observed. Major cleaning assumed every 2 - 3 years calculated into yearly cost. Long term is for complete replacement at \$45/yd. including trims.	-	1,383	31,279	15
19	Good	Wheel chair and sound mixing area	Recently updated, minor cosmetic issues only.	-	125	n/a	
20	Good	Theater seating	Seating is in very good condition given age (9yrs). Total # of seats is 460 per management. Maintenance is for steam cleaning 3 years of 1/2 the seats. Long term is for fabric replacement and repair of frames as needed. \$350/chair	-	1,597	161,000	20
21	Good	ADA stage lift	Maintenance once every 5 years - 4 hrs.		100	5,000	20
22	Fair	Stage	Yearly maintenance consists of paint touchup and replacement of any damaged panels as needed. Long term is for fabric replacement of curtains, scrims, etc. All other systems - lighting, sound, lifts, etc. considered fixtures maintained by user group.		1,000	15,000	20
23	Fair / Poor	Brick walls at east side and rear of stage that are below grade	Efflorescence (white material) present on brick. Maintenance is to just sweep away material that collects. Rinsing walls can make it worse. Long term treatment not economically feasible. (waterproof back of wall)	500	500		
24	Fair	Below stage area storage	Mostly cosmetic issues with paint. Deferred is for spot painting existing wall patches from electrical modification for stage extension. Maintenance for equipment is in equipment section. Long term is for painting and flooring of all areas (\$30/yd.).	1,750	500	16,580	15
25	Good	Stage lift	This was purchased by theater operator. Unknown as to whether it is fixed equipment, or a fixture.				
26	Fair	Sumps and humidifier	See equipment section for related costs.				
27	Fair	Stairs from stage to below stage area west	Costs included in item 24				
28	Fair	Passenger elevator	See equipment section for related costs.				
29	Fair	Below stage area	Costs included in item 24				
30	Fair	Below stage area	Costs included in item 24				
31	Fair	Below stage area	Costs included in item 24				
32	Fair	Fire door into green	See equipment section for related costs.				
33	Fair	Passenger elevator	See equipment section for related costs.				



Item #	Condition	Location	Description of condition	Deferred Maintenance \$	Yearly Maintenance \$	Long Term \$	Expected Lifespan years (when new)
34	Fair	Green room area and dressing rooms.	In decent condition. Bathroom clean and appears to meet ADA requirements. Long term cost is for complete repaint and bathroom finishes update.	-	500	10,000	15
35	Fair	Projection booth	Management states that room is seldom used for current productions. Flooring looks older than in other areas. No long term upgrade costs included as it is unlikely to remain in use. Deferred maintenance - light fixture needs to be reinstalled into ceiling.	250	250		
36	Fair	Attic space	Deferred maintenance is for wood brace that has been cut during fire sprinkler installation (36D). Yearly inspection only looking for potential roof leaks or other non-normal conditions. Inspection of smoke detection and sprinkler systems is included in equipment section	600	125		
Section 03 - Equipment							
37	Fair	Rooftop Air Handler (20 ton packaged Unit).	Packaged units require yearly maintenance with filter change out. Management states units have been serviced yearly since they were put in service. Replacement costs include new unit, labor, & crane to set units.	-	750	26,500	25
38	Fair	Rooftop Air Handler (20 ton packaged Unit).	Packaged units require yearly maintenance with filter change out. Management states units have been serviced yearly since they were put in service. Replacement costs include new unit, labor, & crane to set units.	-	750	26,500	25
39	Fair	Rooftop mounted heat pump system (3 ton)	Packaged units require yearly maintenance with filter change out. Management states units have been serviced yearly since they were put in service. Replacement costs include new unit, line set, fan, labor, & crane to set units.	-	300	11,250	25
40	Fair	Rooftop mounted split AC system for projection room (1.5	Minimal maintenance for his ductless unit. Yearly service included in cost for other units. Replacement costs includes new unit, line set, labor, & crane.	-	-	4,500	20
41	Fair	Water heater (19 gal electric)	No maintenance costs included as none is typically required. Replace after 6 years			1,150	6
42	Good	Fire alarm system including fire door.	Yearly inspections required and includes allowance for replacement of failed devices. Replacement is not typically required unless major renovation.		500		50
43	Good	Fire sprinkler system (attic space)	Yearly inspections required and includes allowance for replacement of failed devices. Replacement is not typically required unless major renovation. 5 yr. inspection cost for City FD included in allowance.		960		50
44	Fair	Fire Hose system	Included in cost above. Requires hose replacement or hydro testing of hoses every 5 years.				
45	Fair	Sump pumps	Yearly inspection to remove debris.		63	1,450	10
46	Fair	Dehumidifier	Yearly inspection to clean coil. Replacement costs includes a 100 pint unit.		63	1,500	10
47	Fair	Passenger elevator	Yearly inspection required. License renewal required every 2 years and is prorated into yearly maintenance cost. No cost for replacement included.		400		
Totals				\$ 54,300	\$ 16,446	\$ 696,709	



SECTION 01 - EXTERIOR



Item 1 Entrance – Fair

Comments: Exterior painting at lower portion is in fair condition. Area above marquee is in poor condition and needs maintenance to avoid damage to wood windows and trims.

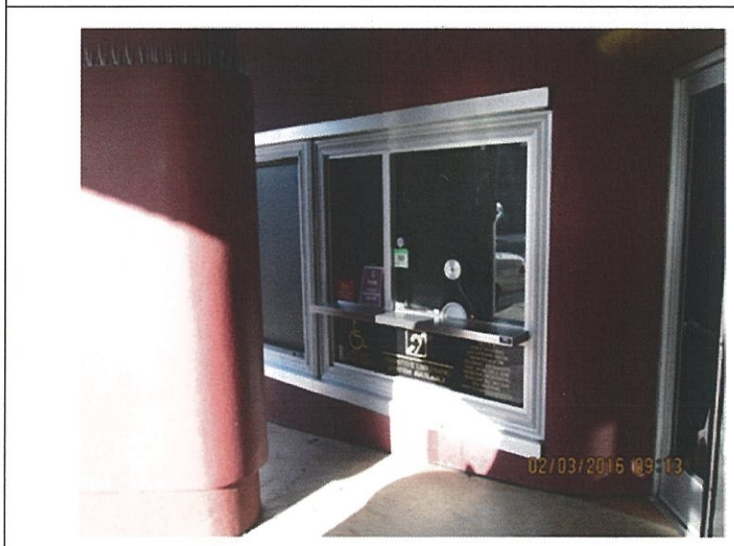


Item 2 Marquee – Fair

Comments: Neon lighting is an on-going maintenance requirement as tubes or parts fail over time.



Item 3 Entry Display cases - Good



Item 4 Ticket Windows – Good
Comment: New ticket windows on either side of entry doors are in good condition. Original ticket window in center area is in fair condition. The original window is used for displays or occasionally for will-call tickets.



Item 5 Area above marquee – poor
Comment: Paint is faded and steel supports are rusting. Exposure to salt laden fog accelerates deterioration.



Item 5B Paint on top edge of marquee is starting to peel.



Item 5C Window putty is failing at spots along window panes and painting is cracking in other areas on facade. Will eventually lead to wood rot if not maintained.



Item 6 Roof at Marquee – fair
Comment: Roof could use a good cleaning, but no failure areas noted. Recoating of topcoat is recommended to extend life.



Item 7 Rear of building (upper) stage fly – fair to poor
Comment: corrugated metal (galvanized) siding is unpainted. Many panels are rusted. Management reports no leaks at this time. Consider replacement or painting of rusting panels to prolong life. Note: paint becomes maintenance item.



Item 7B Stage fly at roof level.



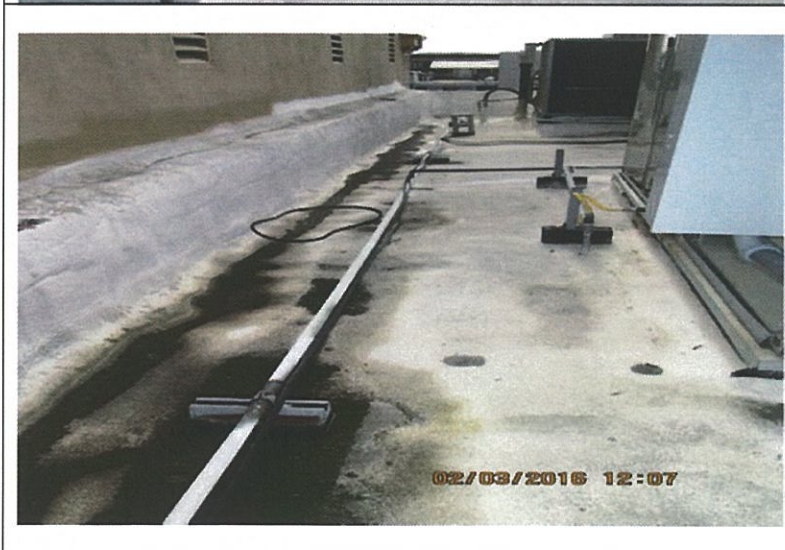
Item 8 Roof coating has worn through in a few locations. - Poor
Comments: Roof appears to be a spray foam over a built up roof. In a few areas the foam appears to have delaminated from the surface below. Delaminated areas need to be removed and re-foamed before entire roof is re-coated with a new elastomeric top coat.



Item 8A Blisters in area of ponding water.



Item 8B Roof drains are clear at both sides of roof, but path to drains needs to be cleaned.



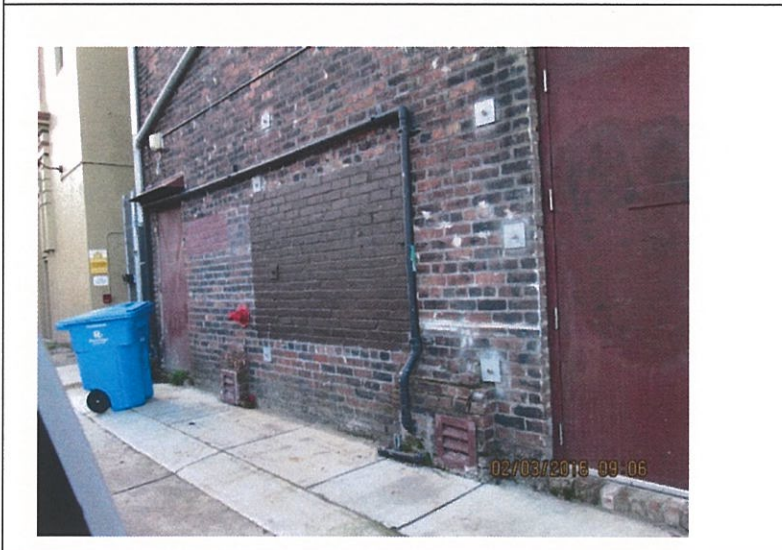
Item 8C Roughly a 2 x 4 ft. area in front of air handler (forefront) has delaminated. Suspect other areas where water is ponding along flow line also have issues.



Item 8D Field area of roof in relatively decent condition. Topping coat thin in areas.



Item 9: Rear Alley – fair.
Comment: PG&E meter panel not opened.



Item 9A: Rear Alley.



Item 9B: Roof rain water drain – poor.

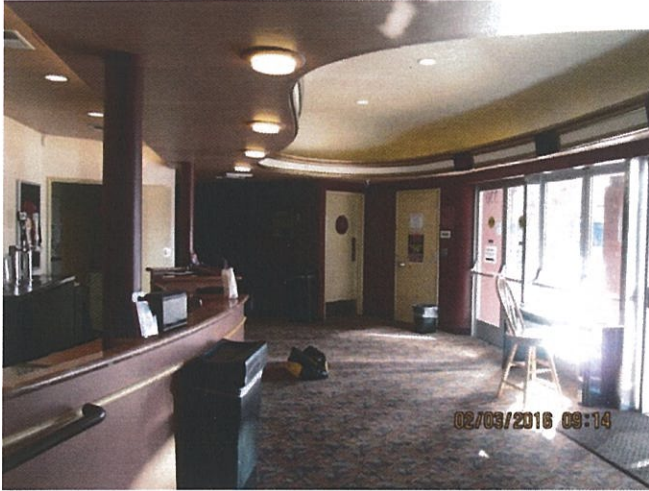
Comment: Banded connection leaking. Could not verify if rain leaders were tied into storm or sanitary sewer. Sanitary sewer connection would be code violation



Item 10: South side of building off alley.

Comment: Appears there may be wood impeded in brick. Could not access to view. Metal panels damaged, but not leaking per manager.

SECTION 02 – INTERIOR



Item 11: Lobby – fair.

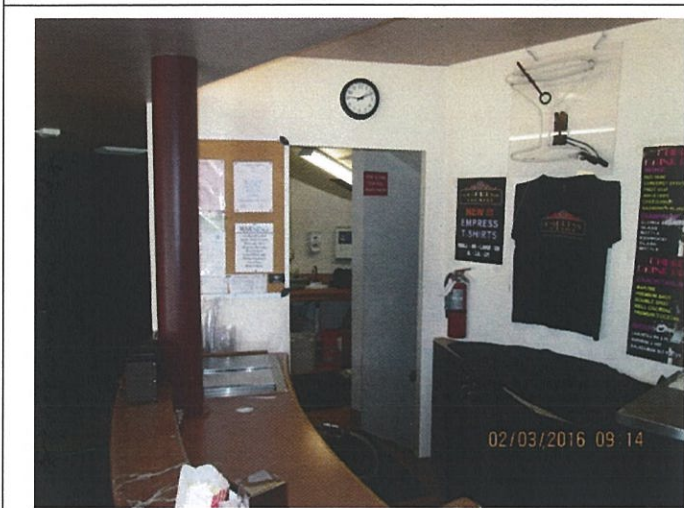
Comments: Condition is consistent with age of lobby. Carpet has been well maintained, little staining observed.



Item 11A: corridor to right of lobby – fair.



Item 11B: Corridor to left of lobby – fair.



Item 12: Snack bar – fair.

Comment:



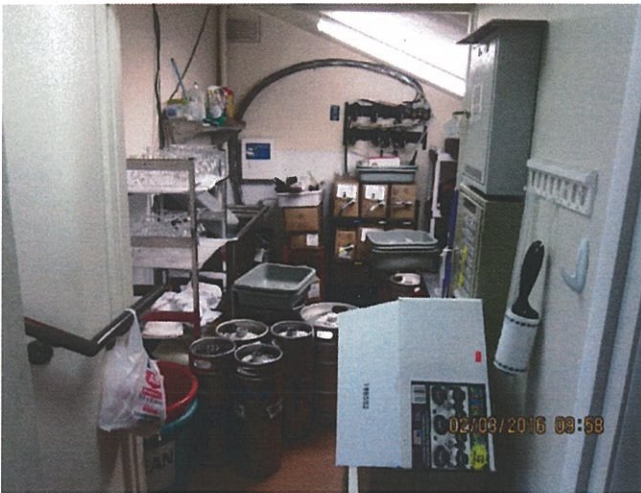
Item 13: Snack bar counter – fair.

Comment: Stainless steel compartment (drink well?) does not fit opening. Gap at back would be a code violation if considered food prep area.



Item 14: Storage area to right of snack bar – fair.

Comment: Doors and door frame could use painting.



Item 14A: Storage – fair.

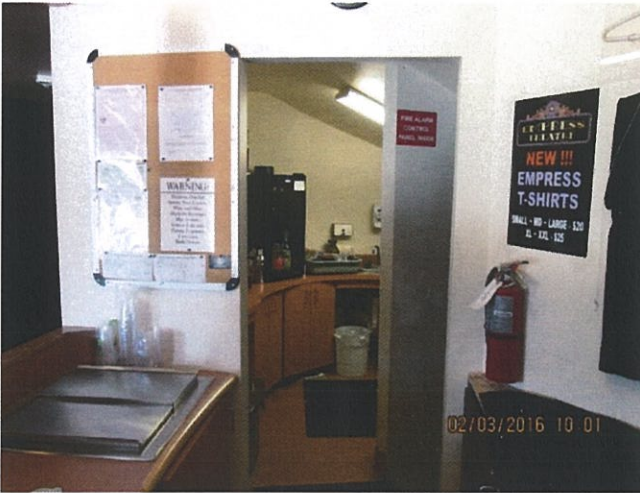


Item 14B: Marquee letter storage – fair.



Item 14C: File storage – poor.

Comment: Paint failure appear to be moisture related, but source not evident.



Item 15: Storage to left of snack bar – fair.



Item 15A: Sink area – floor drain and under counter plumbing – fair.





Item 15 B: Sheet vinyl flooring – fair.

Comment: Joints at outside corners beginning to open in a number of locations.



Item 15C: patch in ceiling of storage – related to electrical upgrades?



Item 15D: Water heater for sink – fair.

Comment: see equipment items for maintenance and replacement costs.



Item 15E: Mop sink – fair.

Comment: Water stains appear to be from water dripping down wall after faucet is shut off.



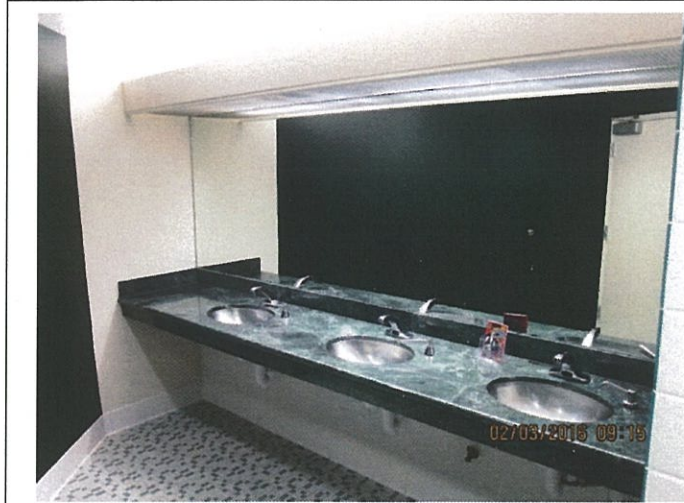
Item 15D floor sink at snack bar – fair.

Comment: Clear.



Item 16: Mens and Womens restrooms – good.





Item 16A: Restroom counters – good.



Item 16B: Restroom partitions – good.



Item 16C: Restroom stalls – good.

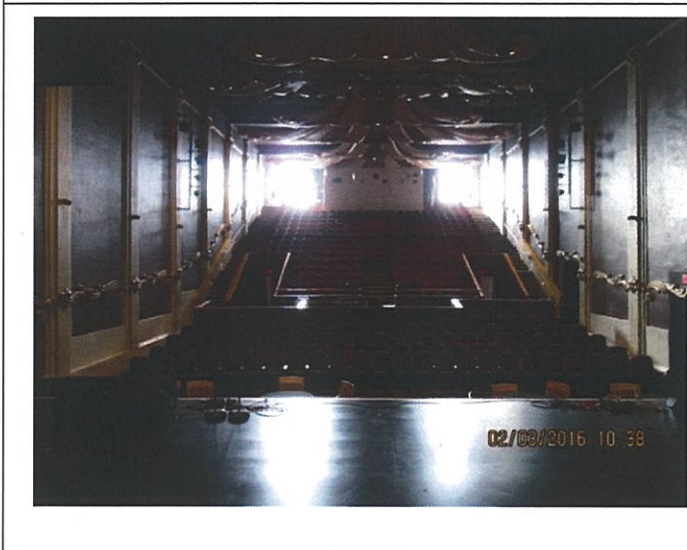


Item 16C

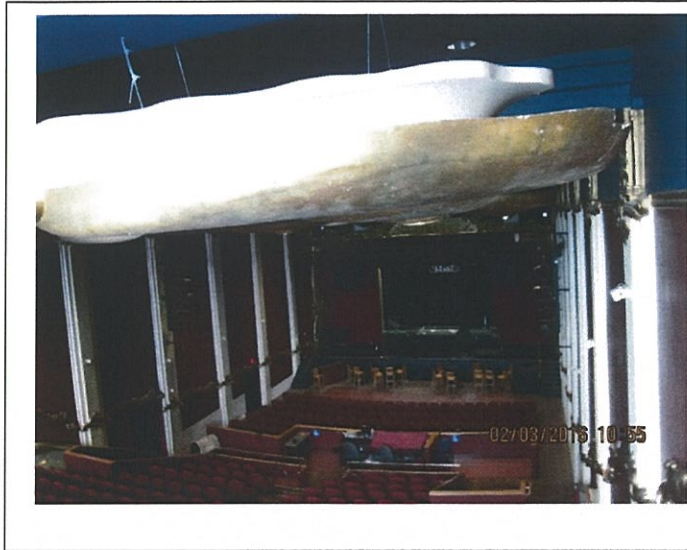


Item 17: Main theater walls and ceilings – fair.

Comments: Paint is generally in fair condition. Facility is used primarily after hours and condition of finishes may not be as apparent during low light.



Item 17A



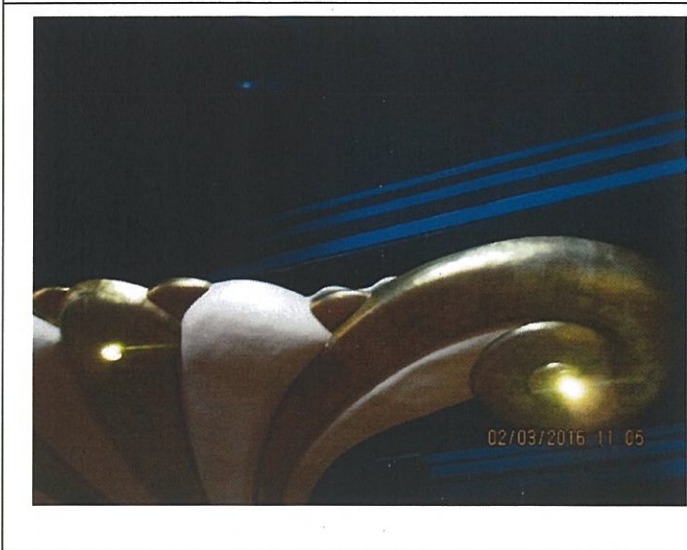
Item 17B: Cloud ceiling fixtures – fair.

Comment: Some sign of skin damage and peeling in fixture finish adjacent to projection booth. These defects are not really noticeable from below and are not a function issue.

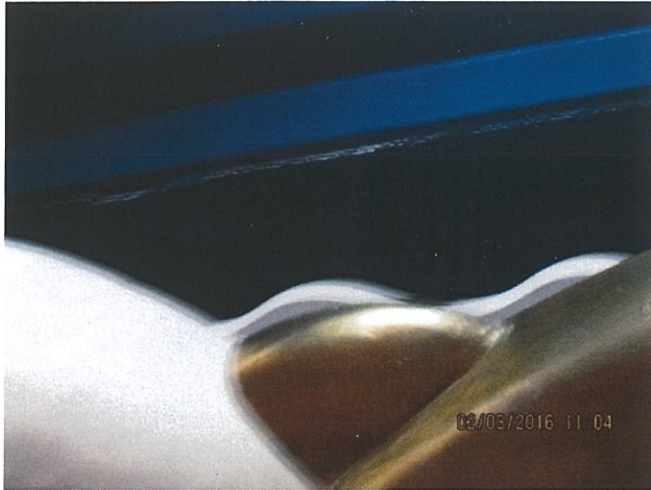


Item 17C: Finish around beams – poor in locations.

Comment: Per theater management staff, damage occurred during August 24th, 2014 Napa earthquake. Damage was considered cosmetic and per management City allowed reoccupation of building after earthquake. This area is the largest area damaged. In some areas access to repair damage is hampered by cloud fixtures below. See following photos.



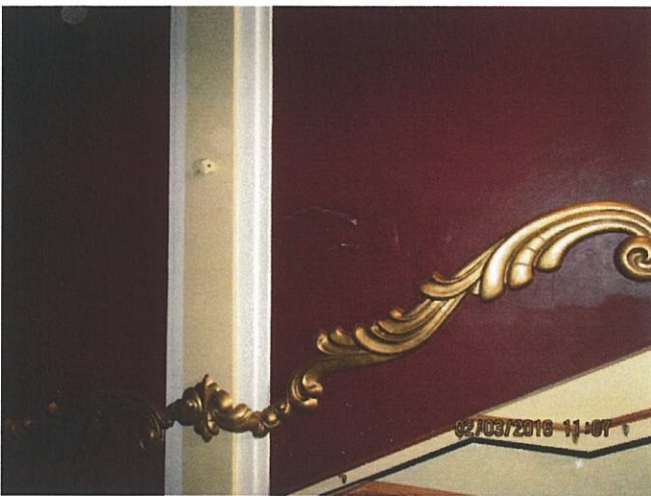
Item 17D: Crack at beam.



Item 17E: Close up of cracking plaster at ceiling beam.



Item 17F: Crack at end of beam.



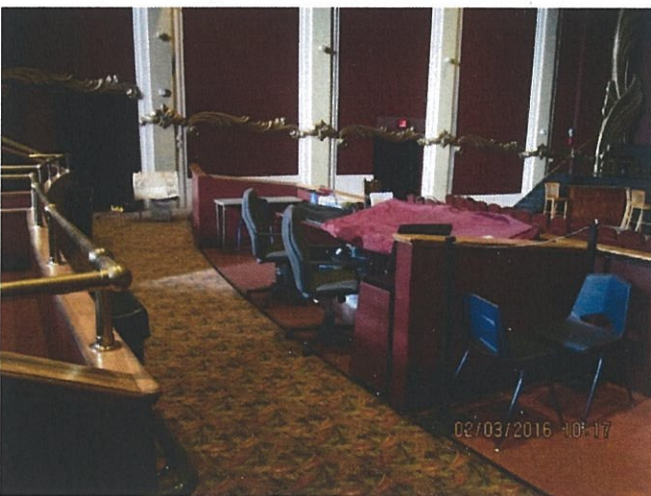
Item 17G: Plaster pop at wall.



Item 17H: Minor paint peeling.



Item 17I: Minor paint peeling. This area appears to have repeated peeling. May be due to moisture behind wall, but none present on surface during walk.



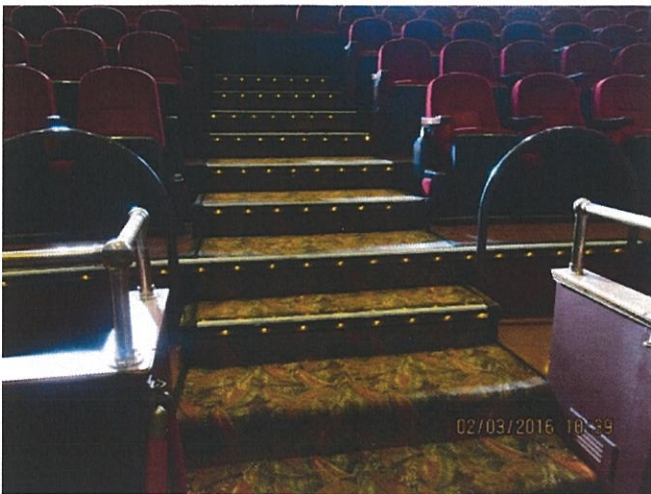
Item 18: Main theater floor areas – fair.

Comment: Carpet appears well maintained, staining was very minimal.





Item 18A: Sheet vinyl flooring – fair.



Item 18B: Center stairs and nosing – fair.



Item 18C: Stair nosing.



Item 18D: Side stairs – fair.



Item 18E: Stair lighting – good.

Comment: This feature was added after the 2007 renovation.



Item 19: Wheelchair area – good.



Item 20: Theater seating – good.

Comment: Seating is in better than expected condition. Only two seats were found with minor damage. Very little staining for wear observed. Management states that they have replacement seats available in storage if a seat needs to be replaced.



Item 20A



Item 20B

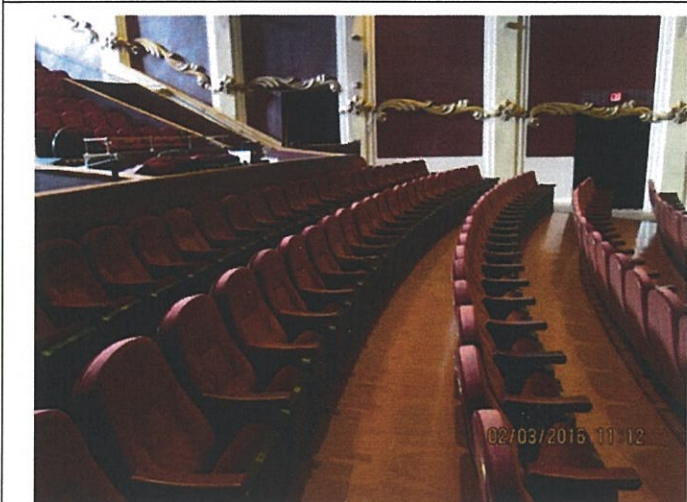




Item 20C



Item 20D: Small cut in seat bottom. One other seat had a similar size cut in backrest.



Item 20E: Seats in lower section – good.

Comment: Replacement seats available for this section as well.



Item 20F



Item 20G: Recently added double and large seats - good.



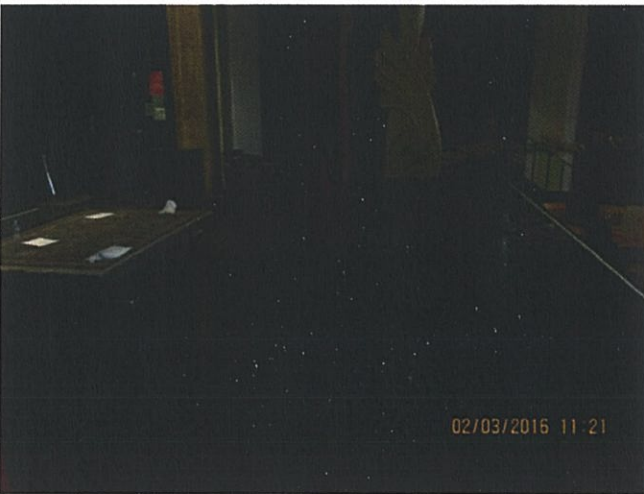
Item 21: ADA lift.

Comment: Lift operation not confirmed.





Item 22: Stage area – fair.



Item 22A: Stage – fair.



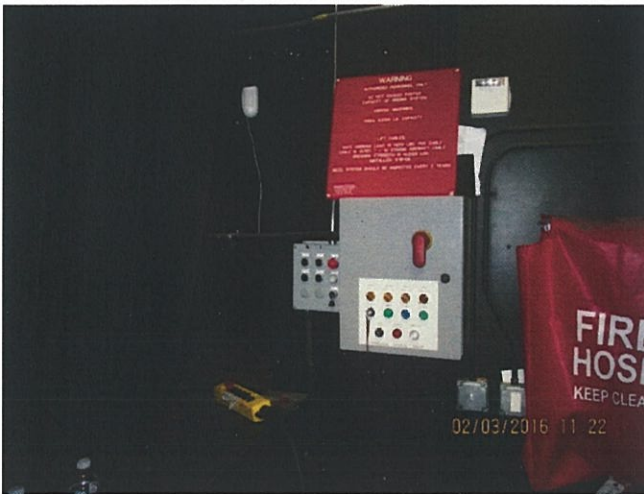
Item 22B: Stage left.



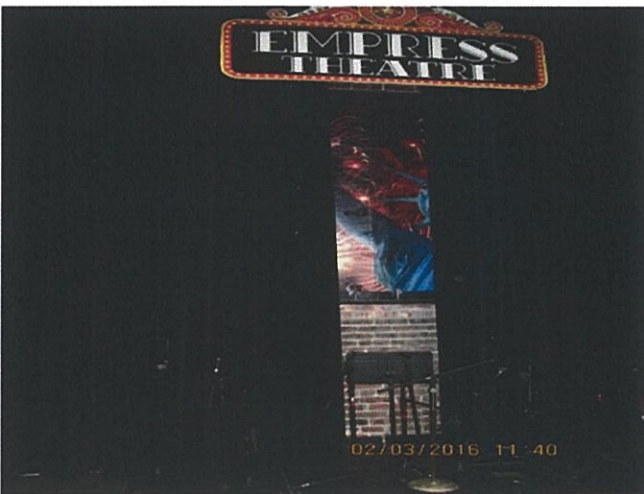


Item 22C: Stage lighting.

Comments: Per management stage lighting is owned by VCAF?



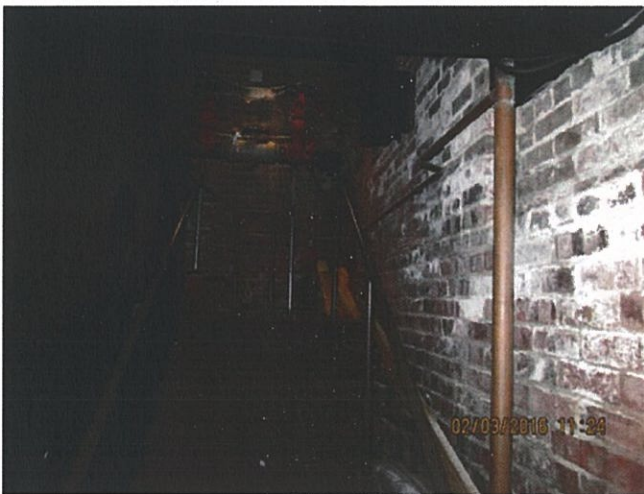
Item 22D: Stage overhead scene and lighting lift power controller.



Item 22E: Double doors to alley at rear of stage – fair.

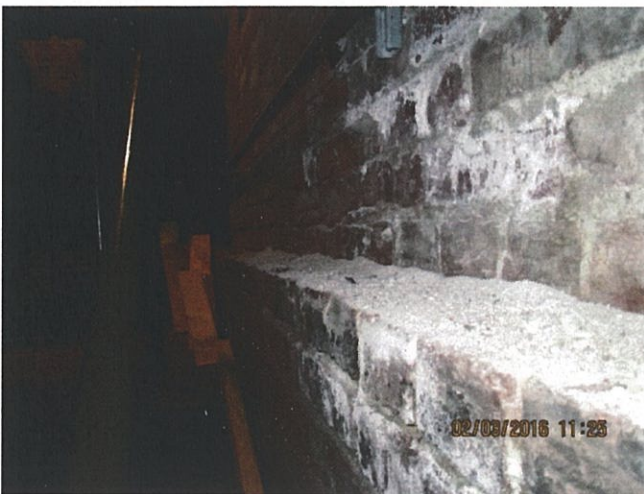


Item 22: Structural steel frame of seismic retrofit - good.



Item 23: Walls at east side of stage – fair / poor.

Comment: Efflorescence (white material) present on brick indicates presence of moisture / water behind wall. In order to stop condition from occurring water must be blocked from entering the wall. Surface treatments can slow it down, as they treat only one side, but it usually returns.



Item 23A: Efflorescence residue.



Item 24: Below stage storage area - fair.

Comment: Most issues observed in this area are cosmetic in nature.



Item 25: Stage lift.

Comment: This lift was recently purchased and installed by the theater. It is used to move materials from the rear double doors off the alley to the stage level (approximately 5 feet below the alley level).



Item 26: Sump and dehumidifier – fair.





Item 26A: East sump.

Comment: Dehumidifier discharges to sump pit, which discharges to the alley behind theater. During heavy or prolonged rains water appears on rear wall. Sump opens to rear of exterior wall per detail 2/S-29 on renovation drawings.



Item 26B: Dehumidifier – fair.



Item 27: Stairs from storage up to stage.



Item 28: Area under stage at passenger elevator.

Comment: Walls have a number of areas that have been patched after new electrical work was completed. Patches have not been painted.



Item 28: Passenger elevator – fair.

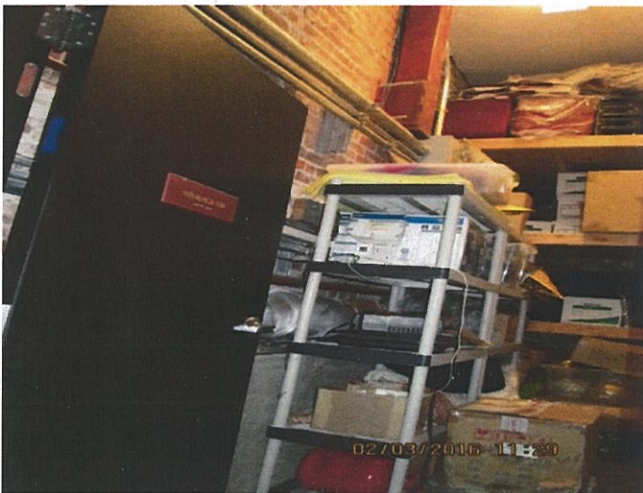
Comment: Wall patch around light switch.



Item 28A: Elevator power disconnect.



Item 29: Storage area at west sump pump.

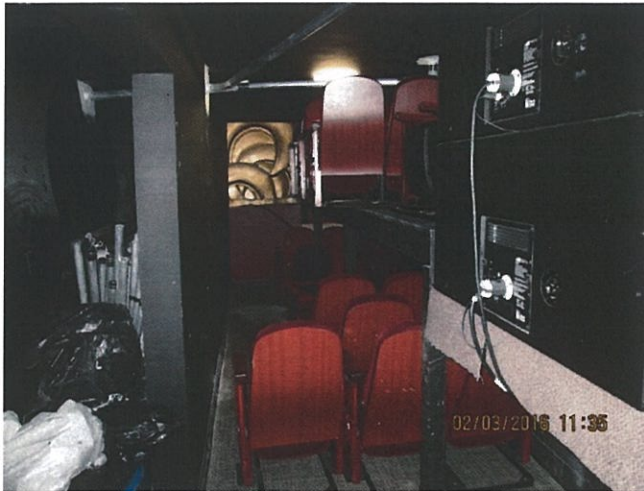


Item 30: Storage area below stage at west wall.



Item 31: Storage area beneath extended stage – fair.





Item 31A: Storage beneath stage extension.



Item 32: Fire door into adjacent building where "green rooms" are located – fair.

Comment: Operation of automatic fire door not tested, but operated manually without issue.



Item 33: Stage level passenger elevator door landing – fair.



Item 34: Corridor from theater to stage – fair.



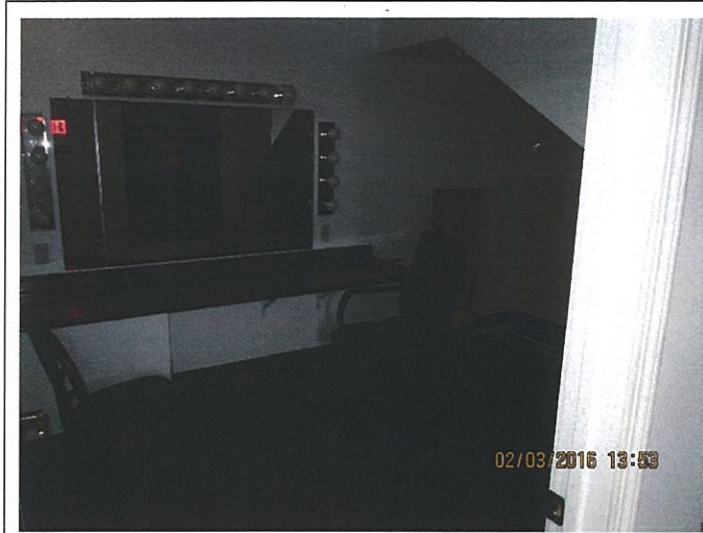
Item 34A: Green room area – fair.

Comment: These rooms are in the building to the west of the theater. It is our understanding that this area is leased for exclusive use of the theater.

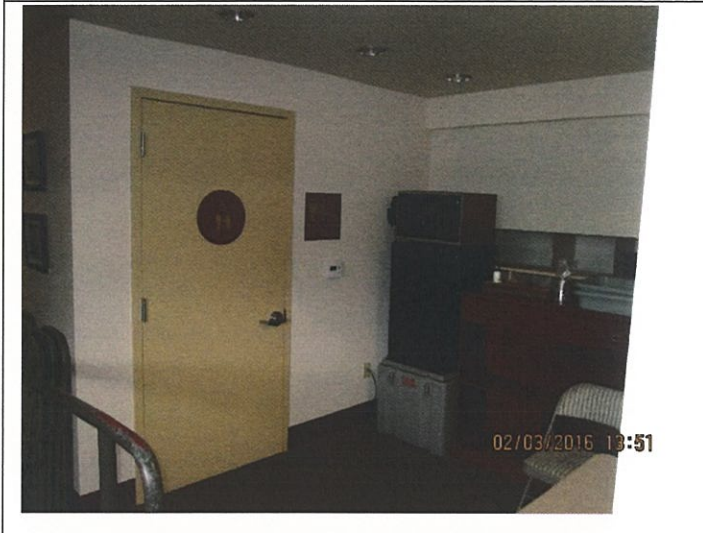


Item 34B: Dressing room 1 – fair.

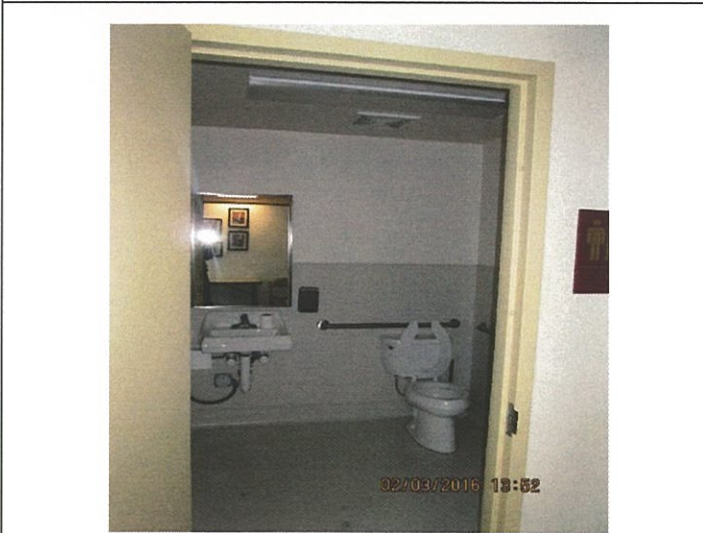




Item 34C: Dressing room 2 – fair.



Item 34D: Green room storage - fair.



Item 34E: Bathroom – fair.

Note: Appears compliant.





Item 35: Projection booth – fair.

Comment: According to management booth has only been used on a few occasions. Most movies or other projections are shown via a digital projector from the sound board area mid theater.



Item 36: Attic above theater – fair.



Item 36A: New seismic connections.



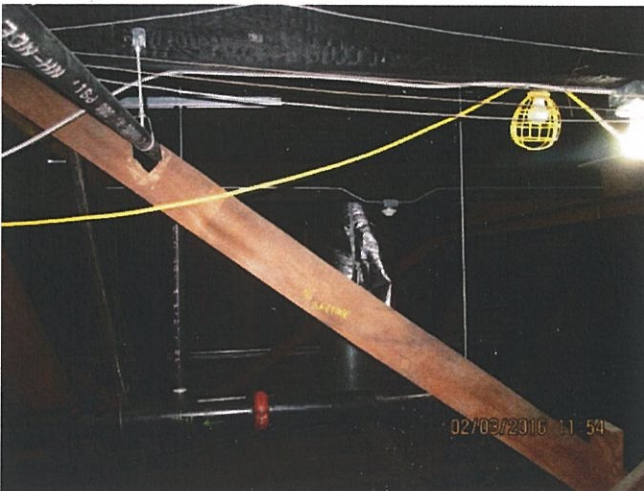


Item 36B: New seismic connections at south wall (main entry side of theater). Oil spot on plywood is likely from installation of new sprinkler system and is of no concern.



Item 36C: New sprinkler main serving attic sprinklers.

Note: According to management this system was not code required, but was recently installed using grant money.



Item 36D: Diagonal brace likely cut during installation of sprinkler piping – should be repaired or reviewed by structural engineer.





Item 36E: Reinforced beam.

Note: Charring of wood members seen in 36D & E is likely from a 1930 fire described on the theater's website.



Item 36F: New ductwork to rooftop units – good.



Item 36G: New exhaust vent ducts serving restrooms.



Section 3 - Equipment



Item 37 Air Handling Unit (AHU) 1 rooftop – fair.

Comment: AHU units installed in 2006 with seismic renovations. Per theater management units are serviced yearly. Units AHU 1 & 2 serve main theater area.



Item 37A – AHU1 label. Per Trane model # unit is a 20ton gas/electric unit with no options.

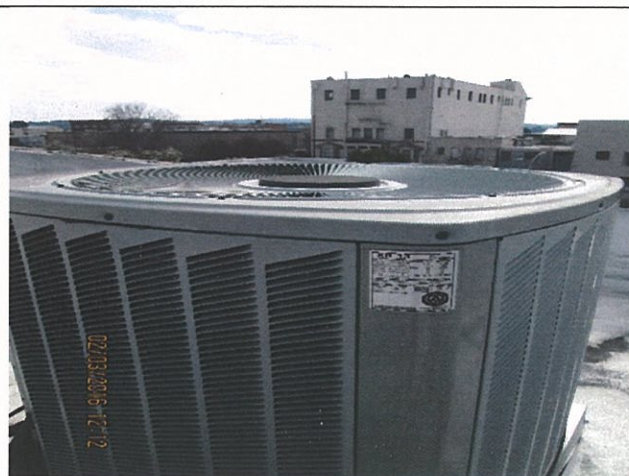


Item 38 Air Handling Unit (AHU) 2 rooftop – fair.

Comment: AHU units installed in 2006 with seismic renovations. Per theater management units are serviced yearly.



Item 38A – AHU 2 label. Per Trane model # unit is a 20 tone gas/electric unit with no options.



Item 39 split system condenser XB 13 – fair.

Comment: unit serves lobby and snack bar area.





Item 39A condenser label.



Item 39B evaporate for lobby split system - fair.



Item 40 condenser of projection booth AC unit – fair.





Item 40A evaporator for projection booth AC unit – fair.



Item 41 19 gallon, 3000 watt, water heater – fair.



Item 42 Fire alarm system panel – good.



Item 42A automatic fire door - fair. Requires annual inspections.



Item 43 automatic fire sprinkler riser (serves attic space) and check valve.

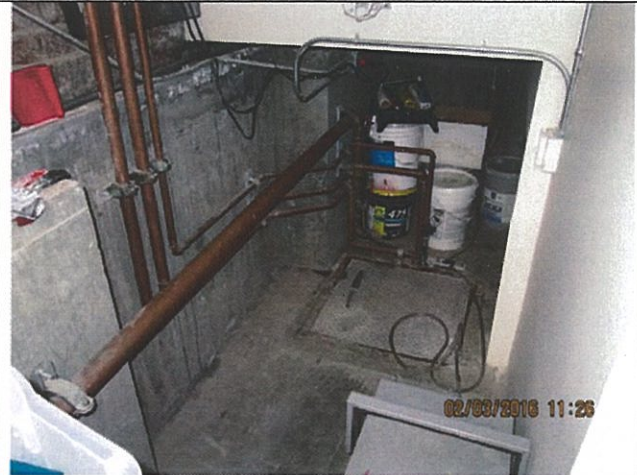
Comment: system was installed in April 2015. After our inspection walk theater staff contacted Harris and reported that water was leaking around fire water pipe penetrating the rear wall of the building during heavy rain. This could be a warranty item depending on the contract for this work.



Item 43A drain valve for attic sprinkler system.



Item 44 fire hose cabinet. Fire hose system is served off the domestic water and not the new fire riser.



Item 45 sump pumps (3 total) – fair.



Item 46 Dehumidifier for area below stage – fair.



Item 47 passenger elevator (1 floor).

APPENDIX A

Empress Theater
 Estimate of Yearly Maintenance Costs
 (See disclaimer at bottom of last page)

Item #	Condition	Location	Description of condition	Deferred Maintenance \$	Yearly Maintenance \$	Long Term \$	Expected Lifespan Years (When new)	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031+
Section 01 - Exterior																						
1	Fair	Exterior Main Entrance	Area below Marquee will need total repainting in 3-5 year. Doors all appear to be functioning well.		380	12,813	10			12,813												
2	Fair	Marquee	Paint peeling along top (not visible from below). Tubes fail on occasion. Long term is for complete restoration of neon system and painting.	6,875	1,500	50,000	20														50,000	
3	Good	Exterior poster display cases	Aluminum cases need only occasional cleaning.		125	11,250	30															11,250
4	Good	Ticket windows	No conditions noted. Painting included in next item.		125		20															
5	Poor	Façade above marquee	Window putty is falling at spots along window panes. Will eventually lead to wood rot if not maintained.	6,500		21,250	8															
6	Fair	Roof above marquee	Roof could use a good cleaning, but no failure areas noted. Reapplication of top coat is included after cleaning in deferred costs.	2,500	50	5,625	15															
7	Fair/Poor	Siding and roof at Stage Fly	Corrugated metal (galvanized) siding is unpainted. Many panels are rusted. Management reports no leaks at this time. Consider replacement or painting of rusting panels to prolong life. Deferred maintenance item includes allowance for replacement of 25% of panels included in replacement costs + prorated cost of lift. Note: paint becomes maintenance item.	34,375		100,000	30															5,625
8	Fair/Poor	Roofing above main theater	Low slope has ponding water on east and west sides of roof. Delamination of foam roofing in spots. Top coat is thinning in areas and needs recoat after repairs to delaminations.	13,750	500	31,250	20															100,000
9	Fair	Rear Alley	Paint on doors and louvers needs repainting, but cosmetic issue only. Potential for graffiti is high. Theater management is considering security lighting and cameras. Roof drain connection needs repair. Confirm RWL's are not connected to sanitary sewer.	250	250																	31,250
10	n/a	South side of building off rear alley	Appears there may be wood impeded in brick. Could not access to view. Metal panels damaged, but not leaking per manager. Allowance for replacement included in stage fly exterior.																			
Section 02 - Interiors																						
11	Fair	Lobby Area	Lobby has been well maintained and its appearance is consistent with the age of the restoration. Carpet cleaning, paint touch up would be typical maintenance for this area.		500																	
12	Fair	Snack Bar	Generally in good condition. Back cabinets just have plywood tops that get covered with fabric on which items are placed.		250		15															
13	Fair	Snack Bar Counter	Stainless steel compartment could use a closure strip to keep debris from falling below unit. Long term costs include a make over of casework, paint, and flooring.	500		100,000	10															100,000
14	Fair	Storage area to right of snack bar	Not all areas were visible due to presence of equipment, files, materials, etc. Most items just cosmetic.	688																		
15	Fair	Storage area to left of snack bar	Not all areas were visible due to presence of equipment, files, materials, etc. Most items just cosmetic. Plumbing systems on this side will require annual maintenance. Flooring corner joints need attention to avoid damage. Long term costs is to completely paint snack bar and storage areas and replacement of flooring.	575	250	14,375	15															14,375



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16	Good	Mens and Womens restrooms off lobby	In very good condition well maintained. No known plumbing issues currently. Long term costs include replacement of fixtures, partitions, counter, and tile, but no structural changes.		1,750	106,250	20																
17	Fair	Main theater walls and ceiling	Most in decent condition, but there is one major plaster failure at ceiling beam and other areas of cracking. Difficult access to get to these areas due to the decorative floating ceiling panels below. Deferred cost is to repair item 17C. Other repairs to cracking at ceiling would be very expensive due to access issue. Long term is for complete paint job using scaffolding for ceiling access.	7,063	1,150	133,750	10										133,750					106,250	
18	Fair	Main theater flooring.	Carpet and vinyl well maintained. Minor staining observed. Major cleaning assumed every 2 - 3 years calculated into yearly cost. Long term is for complete replacement at \$45/yd. including trims. Removal and reinstallation of seating is also included.		1,383	68,779	15																
19	Good	Wheel chair and sound mixing area	Recently updated, minor cosmetic issues only.		125	n/a										68,779							
20	Good	Theater seating	Seating is in very good condition given age (9yrs). Total # of seats is 460 per management. Maintenance is for steam cleaning 3 years of 1/2 the seats. Long term is for fabric replacement and repair of frames as needed. \$350/Chair		1,597	161,000	20																
21	Good	ADA stage lift.	Maintenance once every 5 years - 4 hrs.		100	11,250	20															161,000	
22	Fair	Stage	Yearly maintenance consists of paint touchup and replacement of any damaged panels as needed. Long term is for fabric replacement of curtains, scrims, etc. All other systems - lighting, sound, lifts, etc. considered fixtures maintained by user group.		1,000	46,875	20																11,250
23	Fair / Poor	Brick walls at east side and rear of stage that are below grade	Efflorescence (White material) present on brick. Maintenance is to just sweep away material that collects. Finishing walls can make it worse. Long term treatment not economically feasible. (waterproof back of wall)	500	500																		46,875
24	Fair	Below stage area storage	Mostly cosmetic issues with paint. Deferred is for spot painting existing wall patches from electrical modification for stage extension. Maintenance for equipment is in equipment section. Long term is for painting and flooring of all areas (\$350/yd.).	1,750	500	20,725	15																
25	Good	Stage lift	This was purchased by theater operator. Unknown as to whether it is fixed equipment, or a fixture.																				
26	Fair	Sumps and humidifier	See equipment section for related costs.																				
27	Fair	Stairs from stage to below stage area west side.	See equipment section for related costs.																				
28	Fair	Passenger elevator	See equipment section for related costs.																				
29	Fair	Below stage area Storage	Costs included in item 24																				
30	Fair	Below stage area Storage	Costs included in item 24																				
31	Fair	Below stage area storage	Costs included in item 24																				
32	Fair	Fire door into green room	See equipment section for related costs.																				
33	Fair	Passenger elevator	See equipment section for related costs.																				
34	Fair	Green room area and dressing rooms.	In decent condition. Bathroom clean and appears to meet ADA requirements. Long term cost is for complete repaint and bathroom finishes update.		500	50,000	15									50,000							



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35	Fair	Projection booth	Management states that room is seldom used for current productions. Flooring looks older than in other areas. No long term upgrade costs included as it is unlikely to remain in use. Deferred maintenance - light fixture needs to be reinstalled into ceiling.	250	250																		2031+
36	Fair	Attic space	Deferred maintenance is for wood brace that has been cut during fire sprinkler installation (36D). Yearly inspection only looking for potential roof leaks or other non-normal conditions. Inspection of smoke detection and sprinkler systems is included in equipment section	600	125																		
Section 03 - Equipment																							
37	Fair	Rooftop Air Handler (20 ton packaged Unit).	Packaged units require yearly maintenance with filter change out. Management states units have been serviced yearly since they were put in service. Replacement costs include new unit, labor, & crane to set units.	-	750	33,125	25																
38	Fair	Rooftop Air Handler (20 ton packaged Unit).	Packaged units require yearly maintenance with filter change out. Management states units have been serviced yearly since they were put in service. Replacement costs include new unit, labor, & crane to set units.	-	750	33,125	25																33,125
39	Fair	Rooftop mounted heat pump system (3 ton)	Packaged units require yearly maintenance with filter change out. Management states units have been serviced yearly since they were put in service. Replacement costs include new unit, line set, fan, labor, & crane to set units.	-	300	14,063	25																35,125
40	Fair	Rooftop mounted split AC system for projection room (1.5 ton)	Minimal maintenance for this ductless unit. Yearly service included in cost for other units. Replacement costs include new unit, line set, labor, & crane.	-	-	4,063	20																14,063
41	Fair	Water heater (19 gal electric)	No maintenance costs included as none is typically required. Replace after 6 years			1,438	6																4,063
42	Good	Fire alarm system including fire floor.	Yearly inspections required and includes allowance for replacement of failed devices. Replacement is not typically required unless major renovation.		500		50																
43	Good	Fire sprinkler system (attic space)	Yearly inspections required and includes allowance for replacement of failed devices. Replacement is not typically required unless major renovation. 5 Yr. inspection cost for City FD included in allowance.		960		50																
44	Fair	Fire hose system	Included in cost above. Requires hose replacement or hydro testing of hoses every 5 years.				10																
45	Fair	Sump pumps	Yearly inspection to remove debris.		63	2,188	10																
46	Fair	Dehumidifier	Yearly inspection to clean coil. Replacement costs includes a 100 pint unit.		63	1,875	10																
47	Fair	Passenger elevator	Yearly inspection required. License renewal required every 2 years and is prorated into yearly maintenance cost. No cost for replacement included.		400																		
Totals				\$ 76,175	\$ 16,696	\$ 1,035,066		\$ 76,175															
Deferred																							
Yearly (adjusted for aging of facility at 7%/yr.)																							
Total																							
Total Cost with escalation of:				5%				\$ 92,871	\$ 42,579	\$ 35,200	\$ 28,379	\$ 26,601	\$ 29,886	\$ 33,577	\$ 37,724	\$ 269,731	\$ 416,542	\$ 56,172	\$ 63,109	\$ 70,903	\$ 771,466	\$ 1,143,385	

Disclaimer: This is an estimate of probable yearly maintenance costs over time. Actual costs can vary widely based on many factors including inflation, use of facility (light or heavy) and actual maintenance of the facility. Variations in costs from year to year could be significant.

