



Successor Agency
of the Scotts Valley
Redevelopment Agency

AGENDA

Meeting of the Successor Agency of the Scotts Valley Redevelopment Agency

Date: April 17, 2019

Time: 6:00 pm

CONTACT INFORMATION	MEETING LOCATION
Successor Agency of the Scotts Valley Redevelopment Agency 1 Civic Center Drive Scotts Valley, CA 95066 (831) 440-5600	City Council Chambers 1 Civic Center Drive Scotts Valley, CA 95066

ELECTED OFFICIALS	POSTING
Jack Dilles, Chair Randy Johnson, Vice Chair Donna Lind, Board Member Jim Reed, Board Member Derek Timm, Board Member	The agenda was posted 4-12-2019 at City Hall, SV Senior Center, SV Library and on the Internet at www.scottsvalley.org .

MEETING NOTICE AND AGENDA PACKET MATERIALS
<p>Notice regarding Successor Agency of the Scotts Valley Redevelopment Agency Meetings: The Successor Agency Board of Directors of the Scotts Valley Redevelopment Agency meets regularly on the 1st and 3rd Wednesday of each month, immediately following the Scotts Valley City Council meeting, which begins at 6:00 pm in the City Hall Council Chambers located at 1 Civic Center Drive, Scotts Valley, CA 95066.</p> <p>Agenda and Agenda Packet Materials: The Successor Agency of the Scotts Valley Redevelopment Agency agenda and the complete agenda packet are available for review by 5:00 pm the Friday before the Wednesday meeting on the Internet at the City's website: www.scottsvalley.org and in the lobby of City Hall at 1 Civic Center Drive, Scotts Valley, CA. Pursuant to Government Code §54957.5, materials related to an agenda item, submitted after distribution of the agenda packet, are available for public inspection in the lobby of City Hall during normal business hours, Monday-Friday, 8am-12 pm and 1-5 pm. In accordance with AB 1344, such documents will be posted on the City's website at www.scottsvalley.org.</p> <p>Televised Meetings: The Successor Agency of the Scotts Valley Redevelopment Agency Board meetings are cablecast "Live" on Community Television of Santa Cruz County on Comcast Channel 25.</p>

CALL TO ORDER 6:00 PM

ROLL CALL

PUBLIC COMMENT TIME

This is the opportunity for individuals to make and/or submit written or oral comments to the Board on any items within the purview of the Board, which are NOT part of the Agenda. No action on the item may be taken, but the Board may request the matter be placed on a future agenda.

ALTERATIONS TO REGULAR AGENDA

The Board can remove or add items to the Regular Agenda.

REGULAR AGENDA

Persons wishing to speak on any item may do so by raising their hand to be recognized by the Chair.

1. Consider amendments to the Scotts Valley Public Authority Joint Powers Agreement adding the Parking Authority of the City of Scotts Valley and withdrawing the Successor Agency of the Scotts Valley Redevelopment Agency

ADJOURNMENT

ADA NOTICE

The City of Scotts Valley does not discriminate against persons with disabilities. The City Council Chambers is an accessible facility. If you wish to attend a City Council meeting and require assistance such as sign language, a translator, or other special assistance or devices in order to attend and participate at the meeting, please call the City Clerk's office at (831) 440-5602 five to seven days in advance of the meeting to make arrangements for assistance. If you require the agenda of a City Council meeting be available in an alternative format consistent with a specific disability, please call the City Clerk's Office. The California State Relay Service (TTY/VCO/HCO to Voice: English 1-800-735-2929, Spanish 1-800-855-3000; or, Voice to TTY/VCO/HCO: English 1-800-735-2922, Spanish 1-800-855-3000), provides Telecommunications Devices for the Deaf and Disabled and will provide a link between the TDD caller and users of telephone equipment.

PROCEDURAL INFORMATION FOR THE PUBLIC

THE FOLLOWING IS THE PROCEDURE BOARD SHOULD TAKE IN APPROVAL OF A RESOLUTION:

1. Move the Resolution number for approval.
2. Second the motion.
3. Vote by body, a roll call vote is not required.

THE FOLLOWING IS THE PROCEDURE BOARD SHOULD TAKE IN INTRODUCTION/ADOPTION OF AN ORDINANCE:

1. Move the Ordinance number for introduction (or adoption).
2. Move the Ordinance be introduced by title only and waive the reading of the text.
3. Read the Ordinance title.
4. Second the motion.
5. Vote by body, a roll call vote is not required.

THE FOLLOWING IS THE PROCEDURE BOARD SHOULD TAKE IN PUBLIC COMMENT/PUBLIC HEARINGS:

Unless otherwise determined by the presiding officer of the meeting:

1. Three minutes allowed per individual to speak.
2. Five minutes allowed per individual representing a group of three or more.



The City of Scotts Valley does not discriminate against persons with disabilities. The City Council Chambers is an accessible facility. If you wish to attend a City Council meeting and require assistance such as sign language, a translator, or other special assistance or devices in order to attend and participate at the meeting, please call the City Clerk's office at (831) 440-5602 five to seven days in advance of the meeting to make arrangements for assistance. If you require the agenda of a City Council meeting be available in an alternative format consistent with a specific disability, please call the City Clerk's Office. The California State Relay Service (TTY/VCO/HCO to Voice: English 1-800-735-2929, Spanish 1-800-855-3000; Voice to TTY/VCO/HCO: English 1-800-735-2922, Spanish 1-800-855-3000; or, from or to Speech-to-Speech, English & Spanish 1-800-854-7787), provides Telecommunications Devices for the Deaf and Disabled and will provide a link between the TDD caller and users of telephone equipment.

Successor Agency of the Scotts Valley Redevelopment Agency STAFF REPORT

DATE: April 17, 2019

TO: Chair and Board of Directors

FROM: Tony McFarlane, Administrative Services Director

APPROVED: Jenny D. Haruyama, Executive Director

SUBJECT: **CONSIDER AMENDMENTS TO THE SCOTTS VALLEY PUBLIC FINANCING AUTHORITY JOINT POWERS AGREEMENT ADDING THE PARKING AUTHORITY OF THE CITY OF SCOTTS VALLEY AND WITHDRAWING THE SUCCESSOR AGENCY OF THE SCOTTS VALLEY REDEVELOPMENT AGENCY**

SUMMARY OF ISSUE

The City's 2003 and 2013 Certificates of Participation Issues ("2003 COP's" and "2013 COP's") may be refinanced now with significant benefit to the City's General Fund. The 2003 and 2013 COP's can both be called and refinanced now. The 1997 COP's are not callable, and as a result, are not candidates for a refinancing. Under current market conditions, a total of \$770,000 in net cash flow savings are projected from refinancing the 2003 COP's and the 2013 COP's.

In order to refinance these COP's, the Board needs to take action on certain technical matters at its April 17th meeting.

Both COP issues are structured legally as a financing lease. The City itself is the lessee. The Scotts Valley Public Financing Authority, a joint powers agreement ("JPA") between the City and its former redevelopment agency, is the lessor. Since the former redevelopment agency has been dissolved, there is now a legal question regarding the legal basis of the JPA. The City's bond counsel recommends that the former redevelopment agency be formally removed as a member of the JPA, and that the City form a new entity to become the other member of the JPA. Based on review of the available options for the City in this regard, the City's bond counsel believes that the formation of a parking authority is the best option to make these changes.

The Board will need to take the following actions:

- 1) Form a Parking Authority
- 2) Remove the Successor Agency of the Scotts Valley Redevelopment Agency from the Scotts Valley Public Financing Authority
- 3) Add the Parking Authority of the City of Scotts Valley as a member of the Scotts Valley Public Financing Authority

In addition, State law now requires that JPA boards approve financings at a regularly scheduled meeting. At present the Scotts Valley Public Financing Authority has no regularly scheduled meetings. Accordingly, the City Council is also being asked to amend the JPA to set up regularly scheduled meetings at the same time as City Council meetings. However, this amendment will also provide that no such meeting needs to take place if there is no business to conduct.

Bond Counsel Cameron Weist, from the Weist Law Firm, and Mark Northcross of NHA Advisors, will discuss these items in further detail with the Council.

At its regularly scheduled meeting on May 1st, both the City Council and the Scotts Valley Public Financing Authority Board will be asked to approve the legal documents for the proposed refinancing. The schedule for the financing calls for the refinancing COP's to be sold and closed by May 22nd.

FISCAL IMPACT

There is no fiscal impact as a result of approving the staff recommendation.

STAFF RECOMMENDATION

It is recommended that Board consider taking the following action:

1. Approve Resolution No. SA-45 amending the Scotts Valley Public Financing Authority to add the Parking Authority of the City of Scotts Valley and withdrawing the Successor Agency of the Scotts Valley Redevelopment Agency

TABLE OF CONTENTS

PAGE

Resolution SA-45.....	3
Amended JPA.....	4

RESOLUTION NO. SA-45

**A RESOLUTION OF THE GOVERNING BOARD OF THE
SUCCESSOR AGENCY OF THE SCOTTS VALLEY REDEVELOPMENT AGENCY
AUTHORIZING THE EXECUTION, DELIVERY AND ADMINISTRATION OF AN
AMENDED JOINT EXERCISE OF POWERS AGREEMENT BY AND AMONG THE
CITY OF SCOTTS VALLEY, THE SUCCESSOR AGENCY OF THE
SCOTTS VALLEY REDEVELOPMENT AGENCY, AND THE
PARKING AUTHORITY OF THE CITY OF SCOTTS VALLEY**

WHEREAS, the City of Scotts Valley, California (the "City"), acting pursuant to Article I (commencing with Section 6500) of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California (the "JPA Act") has heretofore entered into a Joint Exercise of Powers Agreement with the Scotts Valley Redevelopment Agency (the "Agency"), dated as of April 5, 1989 (the "Original Agreement") and thereby created the Scotts Valley Public Financing Authority (the "Authority"); and

WHEREAS, in 2011 the State of California enacted legislation commonly referred to as ABx1-26, as amended ("ABx1-26"), which required the dissolution of California redevelopment agencies, including the Agency, and the disposition and winding-up of the operations of these redevelopment agencies and pursuant to which the Successor Agency to the former Agency (the "Successor Agency") was established; and

WHEREAS, pursuant to the Parking Law of 1949 as codified in California Streets & Highways Code Sections 32500, et seq. ("Law") and Resolution No. 1961, adopted by the City Council on April 17, 2019, the City Council declared the need for a parking authority to function in the City, declared that the City Council shall be that parking authority and took additional requisite steps to form and establish the Parking Authority of the City of Scotts Valley (the "Parking Authority"); and

WHEREAS, in furtherance of requirements of ABx1-26 and the City's covenant with the Authority bondholders to preserve the existence of the Authority, and in anticipation of the issuance of bonds by the Authority, the City and the Successor Agency desire to amend and restate the Original Agreement so as to provide for the addition of the Parking Authority as a member of the Authority and the simultaneous withdrawal of the Successor Agency under ABx1-26 as a member of the Authority; and

WHEREAS, the City and the Successor Agency desire to amend the Original Agreement pursuant to Section 1 thereof to add the Parking Authority of the City (the "Parking Authority") as a Member thereunder; and

WHEREAS, there has been presented at this meeting a proposed form of Amended and Restated Joint Exercise of Powers Agreement, dated as of April 17, 2019 (the "Amended Joint Powers Agreement"), by and among the City, the Successor Agency, and the Parking Authority, which Amended Joint Powers Agreement continues the existence of the Authority; and

WHEREAS, following amendment of the Agreement to add the Parking Authority as a Member, the Successor Agency desires to be removed as a Member of the Authority.

NOW, THEREFORE BE IT RESOLVED by Governing Board of the Successor Agency (the "Board"), as follows:

Section 1. Approval of Recitals. Each of the above recitals is true and correct.

Section 2. Approval of Amended Joint Powers Agreement. The form of the Amended Joint Powers Agreement on file with the Clerk is hereby approved. The Chair, Vice-Chair or the Executive Director (each, an "Authorized Representative") or the designee thereof is hereby authorized and directed, on behalf of the City, to execute and deliver the Amended Joint Powers Agreement substantially in the approved form, with such changes as may be recommended by an Authorized Representative, said execution being conclusive evidence of such approval. The Board hereby authorizes the delivery and performance of the Amended Joint Powers Agreement and all actions necessary or advisable in connection with the execution and delivery thereof.

Section 3. Other Actions. The Authorized Representatives are hereby authorized, individually and collectively, to take all actions and execute any and all documents, certificates and other instruments which they may deem necessary or advisable to consummate the execution and delivery of the Amended Joint Powers Agreement and otherwise to carry out, give effect to and comply with the terms and intent of this Resolution. All actions heretofore taken by the Authorized Representatives, or their respective designees, and the employees and agents of the City, in connection with the matters described in this Resolution and the Amended Joint Powers Agreement are hereby ratified, approved and confirmed.

Section 4. Effective Date. This Resolution shall take effect from and after the date of its passage and adoption.

The above and foregoing Resolution was duly and regularly adopted by the governing body of the Successor Agency at a meeting held on the 17th day of April, 2019 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Approved: _____
Jack Dilles, Chair

Attest: _____
Tracy A. Ferrara, Clerk

AMENDED AND RESTATED JOINT EXERCISE OF POWERS AGREEMENT

This Amended and Restated Joint Exercise of Powers Agreement (“Amended Joint Powers Agreement”) is dated as of April 17, 2019, and is made by and among the City of Scotts Valley, a California municipal corporation and general law city (the “City”), the City of Scotts Valley as successor agency to the former Scotts Valley Redevelopment Agency, a public entity created pursuant to California Health & Safety Code Section 34173 et seq. (the “Successor Agency”), and the Parking Authority of the City of Scotts Valley, a California public agency pursuant to the Parking Law of 1949, as codified at California Streets & Highways Code Section 32500, et seq. (the “Parking Authority”), each hereafter referred to as Members. The Members are hereinafter sometimes referred to collectively as the “Parties.”

RECITALS

A. The Joint Exercise of Powers Act, being California Government Code Section 6500, et seq., provides that public agencies by agreement may jointly exercise any power common to the contracting parties and to exercise additional powers granted to it under the Joint Powers Act (defined below); and

B. Pursuant to the Joint Powers Act, the City and the former Scotts Valley Redevelopment Agency (the “Agency”) entered into a Joint Exercise of Powers Agreement, dated as of April 5, 1989 (the “Original Agreement”); and

C. Assembly Bill 26, enacted on June 29, 2011 (“ABx1-26”), amended the Community Redevelopment Law and added Part 1.85 to Division 24 of the Health and Safety Code; ABx1-26 ordered the dissolution of all California redevelopment agencies and the vesting of all authority, rights, powers, duties and obligations of redevelopment agencies in successor agencies as therein defined; pursuant to ABx1-26, the City thereafter designated itself as the Successor Agency to the former Redevelopment Agency of the City of Scotts Valley; ABx1-26 also requires the eventual dissolution of all successor agencies and the disposition and winding up of their operations; and

D. Because of the City’s covenant with existing bondholders to preserve the existence of the Authority, and in anticipation of the purchase or issuance of additional bonds by the Authority, the Parties intend that, by execution of this Amended Joint Powers Agreement, the Parking Authority will become a Member (defined in the Original Agreement) of the Authority and the Successor Agency will no longer be a Member of the Authority; and

E. The City and the Parking Authority are “public agencies” within the meaning of that term under Section 6502 of the Joint Powers Act; and

F. Article 4 of the Joint Powers Act (known as the “Marks-Roos Local Bond Pooling Act of 1985,” Government Code Section 6584 et seq.) authorizes and empowers the Authority to issue bonds and to purchase bonds issued by, or to make loans to, the City, the Parking Authority, or other public or private entity for financing or providing interim financing for the acquisition, construction, installation and improvement of public facilities and other public capital improvements, working capital, liability and other insurance needs, or projects whenever there are significant public benefits, as determined by the City or the Parking Authority. The Marks-Roos Local Bond Pooling Act of 1985 further authorizes and empowers the Authority to sell bonds so issued or purchased to public or private purchasers at public or negotiated sale; and

G. Each of the City and the Parking Authority is empowered by law to promote economic, cultural and community development, including, without limitation, the promotion of opportunities for the creation or retention of employment, the stimulation of economic activity, the increase of the tax base, and the promotion of opportunities for education, cultural improvement and public health, safety and general welfare; and

H. Each of the City and the Parking Authority may accomplish the purposes and objectives described in the preceding preamble by various means, including through making grants, loans or providing other financial assistance to governmental and nonprofit organizations; and

I. Each of the City and the Parking Authority is also empowered by law to acquire and dispose of real property for a public purpose; and

J. Each of the City and the Parking Authority has each determined to specifically authorize a public entity authorized pursuant to the Joint Powers Act including Article 4 to issue bonds pursuant to the Joint Powers Act or other applicable provisions; and

K. The Parties desire to enter into this Amended Joint Powers Agreement in furtherance of the Joint Powers Act, including Article 4 thereof, and in anticipation of the statutorily required dissolution of the Successor Agency.

NOW, THEREFORE, for and in consideration of the mutual benefits, covenants, and agreements set forth in this Agreement, the Parties agree as follows:

Section 1. Definitions. As used herein, the following terms shall have the meaning ascribed thereto, unless the context requires otherwise:

“Agency” means the former Scotts Valley Redevelopment Agency, a public body, corporate and politic.

“Agreement” or “Amended and Restated Joint Exercise of Powers Agreement” means this this Joint Exercise of Powers Agreement, as it may be amended from time to time, creating the Authority.

“Amended Joint Powers Agreement” means this Amended and Restated Joint Exercise of Powers Agreement.

“Article 1” means Article 1 of the Joint Powers Act, commencing with Section 6500.

“Article 2” means Article 2 of the Joint Powers Act, commencing with Section 6540.

“Article 4” means Article 4 of the Joint Powers Act, commencing with Section 6584.

“Authority” means the Scotts Valley Public Financing Authority, a joint powers authority duly organized and validly existing pursuant to the Constitution and laws of the State.

“Authority Treasurer” means the Administrative Services Director of the City.

“Governing Board” or “Board” means the governing body of the Authority, which shall be constituted as provided in Section 5 hereof.

“Bond Purchase Agreement” means a contractual agreement executed between the Authority and a Local Agency whereby the Authority agrees to purchase Bonds of the Local Agency. In circumstances which the Authority is exercising its powers described in Section 15 hereof, the private purchaser may execute and be a party to such contractual agreement.

“Bonds” means bonds, notes, commercial paper, floating rate, and variable maturity securities, and any other evidences of indebtedness and also includes certificates of participation, lease-purchase agreements or loan agreements.

“Brown Act” means the Ralph M. Brown Act (Chapter 9 of Part 1 of Division 2 of Title 5 of the California Government Code), or any successor legislation hereinafter enacted.

“Executive Director” means the City Manager of the City. “City” means the City of Scotts Valley and, depending upon the context, may refer to the City as a municipal corporation duly organized and validly existing pursuant to the Constitution and laws of the State, or may refer to the area within the territorial limits of the City.

“City” means the City of Scotts Valley, a municipal corporation and general law city duly organized and existing under and by virtue of the laws of the State.

“City Council” means the City Council of the City.

“Cost” as applied to a Public Capital improvement or portion thereof financed pursuant to the Joint Powers Act, means all or any part of the cost of construction, renovation, and acquisition of all lands, structures, real or personal property, rights, rights-of-way, franchises, easements, and interests acquired or used for a Public Capital Improvement, the cost of demolishing or removing any buildings or structures on land so acquired, including the cost of acquiring any lands to which the buildings, or structures may be moved; the cost of all machinery and equipment; finance charges; interest prior to, during, and for a period after, completion of that construction, as determined by the Authority; provisions for Working Capital, reserves for principal and interest and for extensions, enlargements, additions, replacements, renovations, and improvements; the cost of architectural, engineering, financial and legal services, plans, specifications, estimates, administrative expenses, and other expenses necessary or incident to determining the feasibility of constructing any project or incident to the construction or acquisition or financing of any Public Capital Improvement.

“County” means the County of Santa Cruz.

"Fiscal Year" unless and until changed by resolution of the Governing Board, the fiscal year of the Authority shall be the period from July 1 of each year to and including the following June 30.

“Include,” “Includes” or “Including” means including without limitation.

“Joint Powers Act” means the Joint Exercise of Powers Act, being California Government Code Section 6500, et seq., as amended from time to time.

“Legislative Body” means the legislative or governing body of a Local Agency.

“Local Agency” means the City, the Parking Authority, or any city, county, city and county, authority, district, or public corporation of the State.

“Marks-Roos Local Bond Pooling Act of 1985” or “Bond Pooling Act” means the Marks-Roos Local Bond Pooling Act of 1985, constituting Article 4, Chapter 5, Division 7, Title 1 (commencing with Section 6584) of the California Government Code, as amended from time to time.

“Member” means, upon the execution of this Amended Joint Powers Agreement, the City and the Parking Authority.

“Parking Authority” means the Parking Authority of the City of Scotts Valley, a parking authority organized and existing pursuant to the Parking Law of 1949, Streets and Highways Code Section 32500 *et seq.*, and all successor statutes and implementing regulations thereto.

“Party” means a party to this Amended Joint Powers Agreement.

“Public Capital Improvements” means one or more projects specified in Section 6546 of the Joint Powers Act necessary to deliver Local Agency services or otherwise support residential and commercial development.

“Revenue” means (i) all income and receipts of the Authority from a Bond Purchase Agreement, including the purchase price of Bonds of a Local Agency sold by the Authority to a private purchaser pursuant to Section 15, hereof, (ii) all income and receipts of the Authority derived from any loan agreement or lease agreement with any Local Agency, and (iii) all interest or other income from any investment of any money in any fund or account established for the payment of principal or interest or premiums of Bonds.

“State” means the State of California.

“Successor Agency” means the City of Scotts Valley acting in its capacity as successor agency to the Agency pursuant to applicable provisions of the California Health & Safety Code.

“Working Capital” means money to be used by, or on behalf of, a Local Agency for any purpose for which a Local Agency may borrow money pursuant to California Government Code Section 53852.

Section 2. Purpose of Amended Joint Powers Agreement. The purpose of the Amended Joint Powers Agreement is to provide for the continuation of the Authority notwithstanding the statutorily required dissolution of the Agency and eventual dissolution of the Successor Agency and to carry out the intent of the State Legislature as set forth in Article 4 of the Joint Powers Act, namely the financing of Public Capital Improvements and Working Capital whenever there are significant public benefits for taking such action, including (i) demonstrable savings in effective, interest rate, bond preparation, bond underwriting, or bond

issuance costs; (ii) significant reductions in effective user charges; (iii) employment benefits from undertaking the project in a timely fashion; and (iv) more efficient delivery of services to residential and commercial development.

Section 3. Authorization. The City and the Parking Authority are authorized to jointly exercise any power common to them. Such powers include all those powers set forth in the Recitals hereof.

Section 4. Continuation of Authority; Authority as Separate Public Entity. The Authority created pursuant to the Original Agreement, as amended and restated pursuant to this Amended Joint Powers Agreement, shall continue as a public entity separate and apart from the Parties hereto and is authorized to exercise all powers common to the Members and the additional powers set forth in Article 4 of the Joint Powers Act.

Section 5. Governing Board. The City Council shall constitute the governing body of the Authority, which governing body shall be known as the Governing Board. The Governing Board shall be vested with all of the rights, powers, duties, privileges and immunities of the Authority. Each member of the City Council of the City shall be a director on the Board by virtue of being a member of the City Council of the City. The term of office as a member of the Board shall terminate when such member of the Board ceases to be a member of the City Council of the City, and the successor to such person as a member of the City Council of the City will become a member of the Board automatically upon assuming such City Council office. The Board shall be the administering agency of this Agreement and, as such, shall be vested with the powers set forth herein, and shall administer this Agreement in accordance with the purposes and functions provided herein.

Section 6. Accountability; Reports; Audits.

A. There shall be strict accountability of all funds and report of all receipts and disbursements of the Authority.

B. So long as required by Sections 6505 and 6505.5 of the Joint Powers Act, the Authority Treasurer shall either make or contract with a certified public accountant or public accountant to make an annual audit of the accounts and records of the Authority, except that the Authority Treasurer need not make or contract for the audit in any case where an annual audit of the accounts and records of the Authority by a certified public accountant or public accountant is otherwise made by any agency of the State or the United States only as to those accounts and records which are directly subject to such a federal or state audit. In each case the minimum requirements of the audit shall be those prescribed by the State Controller for special districts under Section 26909 and shall conform to generally accepted auditing standards.

C. When an audit of an account and records is made by a certified public accountant or public accountant, a report thereof shall, be filed as public records with each of the Members and also with the County auditor and shall be sent to any public agency or person in the State that submits a written request to the Authority. The report shall be filed within 12 months of the end of the fiscal year or years under examination.

D. Any of the costs of the audit, including contracts with, or employment of certified public accountants or public accountants, in making an audit pursuant to this Section 6 shall be borne by the Authority and shall be a charge against any unencumbered funds of the Authority available for the purpose.

E. By unanimous request of the Governing Board, the Authority may replace the annual special audit with an audit covering a two-year period. Notwithstanding the foregoing provisions of this Section 6 to the contrary, the Authority shall be exempt from the requirement of an annual audit if the financial statements are audited by the State Controller to satisfy federal audit requirements.

Section 7. Power of Authority; Scope and Exercise. The Authority shall have all of the powers common to the Members and all additional powers set forth in the Joint Powers Act and other statutes applicable to the Authority, and is hereby authorized to do all acts necessary or appropriate for the exercise of such powers.

Section 8. Contributions; Payments and Advances; Use of Personnel, Equipment or Property. The Members may make contributions from their respective treasuries in furtherance of any or all of the purposes set forth in this Amended Joint Powers Agreement. The Members may make payments of public funds to defray the cost of any or all of such purposes. The Members may make advances of public funds for any or all of such purpose. Such advances shall be repaid as may be provided by separate agreement regarding advances which may be entered into between the Authority and any Member making such advance. Personnel, equipment or property of any Member may be used in lieu of other contributions or advances. The funds may be paid to and disbursed by the Authority, or by any Member.

Section 9. Bonding Persons Having Access to Property. The Members designate the Executive Director and the Authority Treasurer, and the designee or designees of each of them, as the persons who shall have charge of, handle, or have access to any property of the Authority. Such person or persons shall file an official bond in the amount required by the City for the City office held by such person.

Section 10. Treasurer or Certified Public Accountant; Designation as Depositary; Duties; Auditor. The Authority Treasurer shall be the depositary and have custody of all the money of the Authority, from whatever source. The Authority Treasurer shall do all of the following:

A. Receive and receipt for all money of the Authority and place it in the treasury of the City to the credit of the Authority.

B. Be responsible, upon his or her official bond, for the safekeeping and disbursement of all Authority money so held by him or her.

C. Pay, when due, out of money of the Authority held by him or her, all sums payable on outstanding bonds and coupons of the Authority.

D. Pay any other sums due from the Authority money, or any portion thereof, only upon warrants of the Authority Treasurer.

E. So long as required by Sections 6505 and 6505.5 of the Joint Powers Act, verify and report in writing on the first day of July, October, January, and April of each year to the Authority and to the

Members, the amount of money he or she holds for the Authority, the amount of receipts since his or her last report, and the amount paid out since his or her last report.

The Authority Treasurer shall draw warrants to pay demands against the Authority when the demands have been approved by the Authority Treasurer. The Governing Board shall determine charges to be made against the Authority for the services of the Authority Treasurer.

Section 11. Services. The City shall provide all of the necessary services to carry out the provisions of this Amended Joint Powers Agreement, including all necessary administrative services. The City shall also provide all necessary personnel, supplies, equipment, office and meeting space, furnishings, and, except as otherwise provided hereunder, shall advance all costs and expenses of the Authority. By separate agreement, the Members may provide for reimbursement by the Authority to the City for the cost of administrative, overhead and other expenses advanced pursuant to or in furtherance of this Amended Joint Powers Agreement. The City may be reimbursed for the cost of administrative, overhead and other expenses advanced pursuant to this Amended Joint Powers Agreement from the proceeds of bonds, loan agreements or other obligations of the Authority.

Section 12. Obligations of Authority; Contracts for Separate Responsibility. Except as specifically provided herein, the debts, liabilities, and obligations of the Authority shall not be the debts, liabilities, and obligations of the Members. A Member or another Local Agency may separately contract for, or assume responsibility for, specific debts, liabilities or obligations of the Authority.

Section 13. Restrictions on Powers. Pursuant to and to the extent required by Section 6509 of the Joint Powers Act, the Authority shall be restricted in the exercise of its powers in the same manner as the City is restricted in its exercise of similar powers.

Section 14. Issuance of Bonds. In addition to any other powers conferred upon the Authority pursuant to law or contract, the Authority may issue revenue bonds pursuant to Article 2 and Article 4 of the Joint Powers Act to pay the cost and expenses of acquiring or constructing a project for any or all of the purposes permitted thereby.

Section 15. Bond Purchase Agreements with Local Agencies; Exemptions from Public Sales Requirements. The Authority may enter into a Bond Purchase Agreement with one or more Local Agencies. The Bond Purchase Agreement shall specify the maximum rate of interest, the cost of issuance, the amount of required reserve, and the procedure to be used in case of default.

Local Agencies may sell their Bonds to the Authority on a negotiated basis without compliance with any public sale requirement included in the statutes under which such Bonds are issued. Section 16. Issuance of Bonds; Loans to Local Agencies. The Authority may, from time to time, issue its Bonds in the principal amount as the Authority determines necessary to provide sufficient funds for its purposes, which may include providing funds for Bond Purchase Agreements, payments of interest on Bonds of the Authority, establishment of reserves to secure the Bonds, and other expenditures of the Authority incident to issuance of the Bonds. The Authority may also issue Bonds for the purpose of financing or refinancing the construction of Public Capital Improvements to be leased to, or sold by, Local Agencies. The Authority may also issue Bonds for the purpose of making loans to Local Agencies, to the extent those Local Agencies are authorized

by law to borrow moneys, and the loan proceeds shall be used by the Local Agencies to pay for Public Capital Improvements, Working Capital, or insurance programs.

Section 17. Purpose, Terms and Form of Bonds; General Obligations.

A. The Authority may, from time to time, issue Bonds to provide funds to achieve its purposes.

B. Bonds may be authorized to finance a single Public Capital Improvement, Working Capital, or insurance program for a single Local Agency, a series of Public Capital Improvements, Working Capital, or insurance program for a single Local Agency, a single Public Capital Improvement, Working Capital, or insurance program for two or more Local Agencies, or a series of Public Capital Improvements, Working Capital, or insurance program for two or more Local Agencies.

C. Bonds issued for the purpose of financing Working Capital shall be used to make loans to Local Agencies for any of the purposes for which a Local Agency may borrow money pursuant to California Government Code Section 53852. The loans shall be repaid in accordance with the terms of California Government Code Section 53854.

D. Except as otherwise expressly provided by the Authority, every issue of its Bonds shall be general obligations of the Authority payable from any revenues or moneys of the Authority available therefor and not otherwise pledged. These revenues or moneys may include the proceeds of additional Bonds, subject only to any agreements with the holders of particular Bonds pledging any particular revenues or moneys. Notwithstanding that the Bonds may be payable from a special fund, they shall be deemed to be negotiable instruments for all purposes, subject only to the registration provisions.

E. The Bonds may be issued as serial bonds or as term bonds, or the Authority may issue Bonds of both types. The Bonds shall be authorized by resolution of the Authority and shall, as provided by the resolution or indenture pursuant to which the Bonds are issued, bear the date of issuance; the time of maturity, not exceeding 50 years from their date of issuance; bear the rate of interest, either fixed or variable and, if variable, not in excess of the maximum rate of interest specified therein; be payable as to principal and interest at the time or times provided; be in the denominations provided; be in the form provided; carry the registration privileges provided; be executed in the manner provided; be payable in lawful money of the United States at the place or places provided within or without the State; and be subject to the terms of redemption provided.

F. The Bonds shall be sold by the Authority at the time and in the manner set out in the Authority's resolution. The sale may be a public or private sale, and for price or prices, and on terms and conditions as the Authority determines proper, after giving due consideration to the recommendations of any Local Agency to be assisted from the proceeds of the Bonds.

Pending preparation of the definitive Bonds, the Authority may issue interim receipts, certificates, or temporary bonds which shall be exchanged for definitive bonds.

Section 18. Purchase of Bonds by Authority. The Authority may, out of any funds available therefor, purchase its Bonds. The Authority may hold, pledge, cancel, or resell the Bonds, subject to, and in accordance with, agreements with bondholders.

Section 19. Loan Agreements. The Authority may:

A. Make secured or unsecured loans to any Local Agency in connection with the financing of Public Capital Improvement projects, Working Capital or insurance programs in accordance with an agreement between the Authority and the Local Agency. However, no loan shall exceed the total cost of the Public Capital Improvements, Working Capital or insurance needs of the Local Agency as determined by the Local Agency and by the Authority.

B. Make secured or unsecured loans to any Local Agency in accordance with an agreement between the Authority and the Local Agency to refinance indebtedness incurred by the Local Agency in connection with Public Capital Improvements undertaken and completed.

C. Assign or pledge all or any portion of its interests in mortgages, deeds of trust, indentures of mortgage or trust, or similar instruments, notes, and security interests in property, tangible or intangible, of a Local Agency to which the Authority has made loans, and the revenues therefrom, including payment or income from any interest owned or held by the Authority, for the benefit of the holders of Bonds issued to finance Public Capital Improvements.

The pledge of moneys, revenues, accounts, contract rights, or rights to payment of any kind made by or to the Authority pursuant to the authority granted in this part shall be valid and binding from the time the pledge is made for the benefit of the pledgees and successors thereto, against all parties irrespective of whether the parties have notice of the claim.

D. Lease the Public Capital Improvements being financed to a Local Agency, upon terms and conditions that the Authority deems proper; charge and collect rents therefor; terminate any lease upon the failure of the lessee to comply with any of the obligations of the lease; include in any lease provisions that the lessee shall have options to renew the lease for a period or periods, and at rents as determined by the Authority; purchase or sell by an installment agreement or otherwise any or all of the Public Capital Improvements; or, upon payment of all the indebtedness incurred by the Authority for the financing or refinancing of the Public Capital Improvements, the Authority may convey any or all of the project to the lessee or lessees.

Section 20. Other Financing Powers. The Authority shall have all other powers relating to the financing of Public Capital improvements, Working Capital, and insurance needs provided in the Joint Powers Act and in other state law.

Section 21. Compensation of Governing Board. The persons who serve on the Governing Board shall not be entitled to compensation. The Governing Board may authorize reimbursement of expenses incurred by individual Commissioners in connection with Authority business.

Section 22. Officers; Duties; Powers of Governing Board. Except as otherwise provided in this Amended Joint Powers Agreement, the Governing Board shall exercise all powers and conduct all business of the Authority, either directly or by delegation to other bodies or persons.

The officers of the Authority shall be the President, Vice President, Executive Director, Secretary and Treasurer.

The President, Vice President, Executive Director, Treasurer and Secretary of the Authority shall be same individuals who are the Mayor, Vice Mayor, City Manager, Administrative Services Director and City Clerk, respectively, of the City at any given point in time.

Said officers shall perform such functions as shall be customary in the exercise of such positions, and as may be more specifically provided by the Governing Board from time to time. The Executive Director shall have charge of the day-to-day administration of the Authority and shall execute the directives of the Board. The Executive Director may sign all contracts on behalf of the Authority. The Treasurer shall have the authority to perform all the functions, acts, duties and responsibilities of the treasurer and auditor as set forth herein. The Secretary shall have charge of the records of the Authority (to the extent not held by the Treasurer) and shall be responsible for recording the minutes of all meetings of the Governing Board. The Governing Board shall be represented by an attorney or law firm to act as the legal advisor of the Authority, who shall be the individual or law firm acting as City Attorney of the City; such attorney or law firm shall perform such duties as may be prescribed by the Governing Board.

The Governing Board shall cause to be prepared, and shall review, modify as necessary, and adopt the annual operating budget of the Authority. Adoption of the budget may not be delegated. The Governing Board shall receive, review and act upon periodic reports and audits of the funds of the Authority. The Governing Board shall have such other powers and duties as are reasonably necessary to carry out the purposes of the Authority.

Section 23. Meetings. Subject to the provision of notice of the meeting in accordance with the Brown Act the Governing Board shall hold its regular meetings concurrently with and/or immediately following the regular meetings of the City and the same shall occur consistent with the schedule set by resolution of the City for its regular meetings as to time/place and location; provided, however, that the Authority shall not be precluded from holding a duly noticed special meeting of the Governing Board. In the event an agenda for a regular meeting of the Authority is not posted timely in accordance with the provisions of the Brown Act, then such failure to post shall be deemed to be a determination by the President that no are no items required discussion, and, therefore, that the regular meeting of the Authority has been cancelled without any further action of the any Member, the Governing Board or any officer of the Authority. Each meeting of the Governing Board, shall be called, noticed, held, and conducted in accordance with the Brown Act.

In accordance with Section 6592.1 of the Brown Act, any resolution authorizing Bonds or any issuance of Bonds or accepting the benefit of any Bonds or the proceeds of Bonds shall be adopted only during a regular meeting. The Authority shall have minutes of its meetings kept by the Secretary of the Authority. A majority of the members of the Governing Board shall be a quorum for the transaction of business. However, less than a quorum may adjourn a meeting from time to time. A vote of the majority of a quorum at a meeting is sufficient to take action.

Section 24. Member Responsibilities. Each Member shall make contributions in the form of annual Membership assessments and fees, if any, determined by the Governing Board for the purpose of defraying the costs of providing the annual benefits accruing directly to each Member from this Amended Joint Powers Agreement.

Section 25. Termination and Distribution of Assets. This Amended Joint Powers Agreement may be terminated at any time that no Bonds or other obligations of the Authority are outstanding. Upon

termination of this Amended Joint Powers Agreement, all assets of the Authority shall, after payment of all unpaid costs, expenses and charges incurred under this Amended Joint Powers Agreement, be distributed among the Members in accordance with their respective contributions.

The Parties acknowledge there are currently no assets of the Authority to be distributed.

Section 26. Liability of Governing Board, Officers and Employees. The members of the Governing Board, officers and employees of the Authority shall use ordinary care and reasonable diligence in the exercise of their powers and in the performance of their duties pursuant to this Amended Joint Powers Agreement. They shall not be liable for any mistake of judgment or any other action made, taken or omitted by them in good faith, nor for any action taken or omitted by any agent, employee or independent contractor selected with reasonable care, nor for loss incurred through investment of Authority funds, or failure to invest. No Commissioner, officer or employee shall be responsible for any action taken or omitted by any other director, officer or employee. No director, officer or employee shall be required to give a bond or other security to guarantee the faithful performance of his or her duties pursuant to this Amended Joint Powers Agreement.

Section 27. Bylaws. The Governing Board may adopt bylaws consistent with this Amended Joint Powers Agreement which shall provide for the administration and management of the Authority, and the regulation of its business and the conduct of its affairs.

Section 28. Severability. Should any portion, term, condition, or provision of this Amended Joint Powers Agreement be decided by a court of competent jurisdiction to be illegal or in conflict with any law of the State, or be otherwise rendered unenforceable or ineffectual, the validity of the remaining portions, terms, conditions, and provisions shall not be affected thereby.

Section 29. Filing with State and County. The Secretary of the Authority shall cause to be filed a notice of this Amended Joint Powers Agreement with the office of the Secretary of State, within 30 days of the effective date of this Amended Joint Powers Agreement, as required by Section 6503.5 of the Joint Powers Act, and, as required by Section 6503.6 of the Joint Powers Act, a copy of the Original Agreement and this Amended Joint Powers Agreement with the State Controller. The Secretary shall also cause to be filed with the Santa Cruz County Clerk, within 10 days of the effective date of this Amended Joint Powers Agreement, the information required by Section 53051 of the California Government Code.

Section 30. Conflict of Interest Code. The Authority shall, by resolution, adopt a Conflict of Interest Code to the extent required by law. Such Conflict of Interest Code may be the conflict of interest code of the City.

Section 31. Effective Date. The effective date of this Amended Joint Powers Agreement shall be April 17, 2019.

Section 32. Withdrawal by Successor Agency. The Parties agree and acknowledge that upon execution of this Agreement, the Successor Agency shall no longer be a Member of the Authority, and that the Members of the Authority will thereafter be the City and the Parking Authority.

* * * * *

IN WITNESS WHEREOF, the Parties have executed this Amended Joint Powers Agreement as of the date indicated below.

DATE: April 17, 2019

CITY OF SCOTTS VALLEY

City Manager

ATTEST:

CITY CLERK

DATE: April 17, 2019

PARKING AUTHORITY OF THE
CITY OF SCOTTS VALLEY

President

ATTEST:

SECRETARY

DATE: April 17, 2019

CITY OF SCOTTS VALLEY, IN ITS
CAPACITY AS SUCCESSOR AGENCY
TO THE FORMER SCOTTS VALLEY
REDEVELOPMENT AGENCY

Executive Director

ATTEST:

AGENCY SECRETARY