

RESOLUTION NO. SA-5

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SUCCESSOR AGENCY TO THE SCOTTS VALLEY REDEVELOPMENT AGENCY APPROVING PROPOSED ADMINISTRATIVE BUDGETS PURSUANT TO HEALTH AND SAFETY CODE SECTION 34177; APPROVING THE EXECUTION OF A COOPERATIVE AGREEMENT FOR ADVANCE AND REIMBURSEMENT OF ADMINISTRATIVE, OVERHEAD AND OTHER EXPENSES BY AND BETWEEN THE SUCCESSOR AGENCY AND THE CITY OF SCOTTS VALLEY; AND TAKING CERTAIN ACTIONS IN CONNECTION THEREWITH

RECITALS:

A. Pursuant to Part 1.85 of the Community Redevelopment Law (commencing with Health and Safety Code Section 34170) ("Part 1.85"), the Successor Agency to the Scotts Valley Redevelopment Agency ("Successor Agency") is required to undertake a number of actions related to winding down the affairs of the former Redevelopment Agency pursuant to Health and Safety Code Section 34177(h).

B. In connection with the administration and operations of the Successor Agency, the Successor Agency is and will be utilizing the staff, facilities, and other resources of the City. The City Manager of the City serves as Executive Director of the Successor Agency, the Finance Director serves as Finance Officer of the Successor Agency, and the City Clerk serves as Secretary to the Successor Agency. Planning, finance, engineering, public works, and other City departments devote and are expected to devote substantial time with respect to the administration and operations of the Successor Agency, including gathering information relating to the Redevelopment Agency's enforceable obligations, conferring with public officials representing governmental agencies, and undertaking other activities in connection with administration and operations of the Successor Agency.

C. By providing and making available to the Successor Agency the staff, facilities, services, and other resources of the City, including, without limitation, consultants, legal counsel, office space, equipment, supplies, and insurance, necessary to the administration and operations of the Successor Agency, the City has advanced and will continue to advance the cost of the foregoing to the Successor Agency. The City and the Successor Agency desire to enter into an agreement to provide for an appropriate method of reimbursement of such advances by the Successor Agency to the City.

D. Pursuant to Health and Safety Code Section 34171(d)(1)(F), contracts or agreements necessary for the administration or operation of the Successor Agency are enforceable obligations and pursuant to Health and Safety Code Sections 34178(a) and 34180(h), the Successor Agency may enter into agreements with the City with the approval of the oversight board for the Successor Agency (the "Oversight Board").

E. Pursuant to Health and Safety Code Section 34177(j), the Successor Agency is required to prepare a proposed administrative budget for each six month fiscal period and submit each proposed administrative budget to the Oversight Board for its approval. Each proposed administrative budget shall include all of the following: (1) Estimated

amounts for Successor Agency administrative costs for the applicable six-month fiscal period; (2) Proposed sources of payment for the costs indentified in (1); and (3) Proposals for arrangements for administrative and operations services provided by the City or another entity.

F. Pursuant to Health and Safety Code Section 34177(k), the Successor Agency is required to provide administrative cost estimates, from its approved administrative budget that are to be paid from property tax revenues deposited in the Redevelopment Property Tax Trust Fund, to the County Auditor-Controller for each applicable six-month fiscal period.

NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE SUCCESSOR AGENCY TO THE SCOTTS VALLEY REDEVELOPMENT AGENCY, HEREBY FINDS, DETERMINES, RESOLVES, AND ORDERS AS FOLLOWS:

Section 1. The above recitals are true and correct and are a substantive part of this Resolution.

Section 2. This Resolution is adopted pursuant to the provisions of Part 1.85.

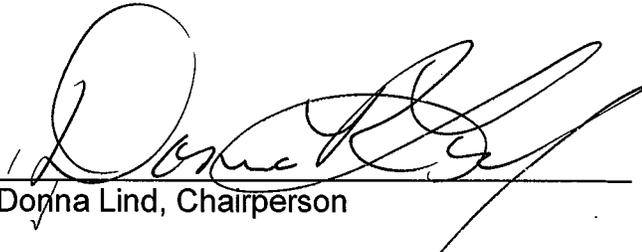
Section 3. The Board hereby approves the proposed administrative budget for the six-month fiscal period commencing January 1, 2012 and ending June 30, 2012 attached hereto as Exhibit A and incorporated herein by reference and the proposed administrative budget for the six-month fiscal period commencing July 1, 2012 and ending December 31, 2012 attached hereto as Exhibit B and incorporated herein by reference.

Section 4. The Board hereby approves the Cooperative Agreement for Advance and Reimbursement of Administrative, Overhead and other Expenses by and between the Successor Agency and the City attached hereto as Exhibit C and incorporated herein by reference (the "Agreement") and the Chair and Executive Director are hereby authorized and directed, acting singly, to execute the Agreement.

Section 5. The officers and staff of the Successor Agency are hereby authorized and directed, jointly and severally, to do any and all things which they may deem necessary or advisable to effectuate this Resolution, and any such actions previously taken by such officers and staff are hereby ratified and confirmed.

PASSED AND ADOPTED this 18th day of April, 2012.

AYES: AGUILAR, BUSTICHI, JOHNSON, LIND, REED
NOES: NONE
ABSTAIN: NONE
ABSENT: NONE



Donna Lind, Chairperson

ATTEST:



Tracy Ferrara, Secretary

EXHIBIT A

**Proposed Administrative Budget
(January 1, 2012 to June 30, 2012)**

SUCCESSOR AGENCY OF THE
SCOTTS VALLEY REDEVELOPMENT AGENCY

ADMINISTRATIVE BUDGET
JANUARY 1, 2012 TO JUNE 30, 2012

City staff costs	\$ 45,000
Legal services costs	<u>45,000</u>
Total	<u>\$ 90,000</u>

Note: The above costs will be paid from fund balance reserves.

EXHIBIT B

Proposed Administrative Budget
(July 1, 2012 to December 31, 2012)

SUCCESSOR AGENCY OF THE
SCOTTS VALLEY REDEVELOPMENT AGENCY

ADMINISTRATIVE BUDGET
JULY 1, 2012 TO DECEMBER 31, 2012

City staff costs	\$ 76,000
Legal services costs	45,000
Bond Trustee Fees	<u>4,000</u>
Total	<u>\$ 125,000</u>

Note: The above costs will be paid from the Administrative Cost Allowance.

EXHIBIT C

**Cooperative Agreement for Advance and Reimbursement of
Administrative, Overhead and other Expenses**

COOPERATIVE AGREEMENT FOR ADVANCE AND REIMBURSEMENT OF ADMINISTRATIVE, OVERHEAD AND OTHER EXPENSES

This COOPERATIVE AGREEMENT FOR ADVANCE AND REIMBURSEMENT OF ADMINISTRATIVE, OVERHEAD AND OTHER EXPENSES (this "Agreement") is entered into as of February 1, 2012, by and between the City of Scotts Valley (the "City") and the Successor Agency to the Scotts Valley Redevelopment Agency (the "Successor Agency").

RECITALS:

- A. The Successor Agency is required to undertake a number of actions pursuant to Part 1.85 of the Community Redevelopment Law (commencing with Health and Safety Code Section 34170) ("Part 1.85"), including winding down the affairs of the former Scotts Valley Redevelopment Agency ("Agency") pursuant to Health and Safety Code Section 34177(h).
- B. Pursuant to Health and Safety Code Section 34171(d)(1)(F), contracts or agreements necessary for the administration or operation of the Successor Agency are enforceable obligations.
- C. Pursuant to Health and Safety Code Sections 34178(a) and 34180(h), with the approval of the oversight board, the Successor Agency may enter into agreements with the City.
- D. In connection with the administration and operations of the Successor Agency, the Successor Agency is and will be utilizing the staff, facilities, and other resources of the City.
- E. The City Manager of the City serves as Executive Director of the Successor Agency, the Finance Director of the City serves as Finance Officer of the Successor Agency, and the City Clerk serves as Secretary to the Successor Agency. Planning, finance, engineering, public works, and other City departments devote and are expected to devote substantial time with respect to the administration and operations of the Successor Agency, including gathering information relating to the Agency's enforceable obligations, conferring with public officials representing governmental agencies, and undertaking other activities in connection with winding down the affairs of the Agency.
- F. By providing and making available to the Successor Agency the staff, facilities, services, and other resources of the City, including, without limitation, consultants, legal counsel, office space, equipment, supplies, and insurance, necessary to the administration and operations of the Successor Agency, the City has advanced and will continue to advance the cost of the foregoing to the Successor Agency.

G. The City and the Successor Agency desire to enter into this Agreement to acknowledge the foregoing recitals and to provide for an appropriate method of reimbursement of such advances by the Successor Agency to the City.

NOW, THEREFORE, THE PARTIES DO HEREBY AGREE AS FOLLOWS:

Section 1. The City shall make available to the Successor Agency its staff, facilities, services, and other resources, including, without limitation, consultants, legal counsel, office space, equipment, supplies, and insurance, necessary to the administration and operations of the Successor Agency. The Successor Agency shall have access to the foregoing staff, facilities, services, and other resources of the City.

Section 2. The value of the City staff, including all employee retirement and other benefits, facilities, services, and other resources of the City, including, without limitation, office space, equipment, supplies, and insurance, necessary to the administration and operations of the Successor Agency made, and to be made, available to the Successor Agency for each six-month fiscal period beginning with the fiscal period commencing on January 1, 2012 and ending on June 30, 2012, determined in accordance with Section 3 hereof, shall constitute an advance to the Successor Agency by the City for each six-month fiscal period, to be repaid in accordance with Section 4 of this Agreement.

Section 3. Following the end of each six-month fiscal period, beginning with the fiscal period commencing on January 1, 2012 and ending on June 30, 2012, the City Manager shall prepare and present to the Successor Agency an invoice for (i) the value of City staff, including all employee retirement and other benefits, based on time records prepared by City staff, which shall describe the time devoted exclusively to matters directly related to the administration and operations of the Successor Agency; (ii) the value of consultants and legal counsel based on invoices for services devoted exclusively to matters directly related to the administration and operations of the Successor Agency; (iii) the fair rental value of office space and equipment made available to the Successor Agency; and (iv) the value of supplies, insurance and other services and facilities provided by the City to the Successor Agency.

Section 4. Within a reasonable time after the City submits an invoice to the Successor Agency pursuant to Section 3, the Successor Agency shall pay to the City the amount of the invoice from available funds of the Successor Agency. In the event that insufficient funds are available to the Successor Agency, any unpaid amounts shall be carried over to the next six-month fiscal period.

Section 5. The parties hereto agree to take all appropriate steps and execute any documents which may reasonably be necessary or convenient to implement the intent of this Agreement.

Section 6. Each party shall maintain books and records regarding its duties pursuant to this Agreement. Such books and records shall be available for inspection by the officers and agents of the other party at all reasonable times.

Section 7. This Agreement is made in the State of California under the Constitution and laws of the State of California, and is to be so construed.

Section 8. This Agreement will become effective upon approval of the Oversight Board to the Successor Agency and shall remain in effect until such time as either party terminates the agreement with 180 days' prior written notice.

Section 9. This Agreement may be amended at any time, and from time to time, by an agreement executed by both parties to this Agreement and approved by the Oversight Board to the Successor Agency.

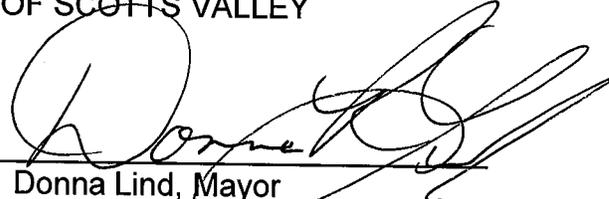
SUCCESSOR AGENCY TO THE SCOTTS VALLEY REDEVELOPMENT AGENCY

By: 
Donna Lind, Chairperson

ATTEST:


Tracy A. Ferrara, Secretary

CITY OF SCOTTS VALLEY

By: 
Donna Lind, Mayor

ATTEST:


Tracy A. Ferrara, City Clerk