



**CITY OF SAND CITY SUCCESSOR AGENCY
Oversight Board Meeting Agenda for August 13, 2012**

**3:00 p.m., Monday, August 13, 2012,
City Hall, Council Chambers, 1 Sylvan Park, Sand City, CA 93955**

AGENDA ITEMS:

1. CALL TO ORDER
2. ROLL CALL & ESTABLISHMENT OF QUOROM

John McPherson, Monterey County Office of Education
Jane Parker, Monterey County Board of Supervisors
Jerry Lomax, Monterey County Board of Supervisors (Public Member)
Stephen Ma, Monterey Peninsula College
Linda Scholink, City of Sand City Successor Agency
Steve Matarazzo, City of Sand City Successor Agency
Jayanti Addleman, Monterey County Libraries
3. PLEDGE OF ALLEGIANCE
4. COMMUNICATIONS FROM THE FLOOR: At this time, any person may comment on any item which is not on the agenda. Please state your name and address for the record. Action will not be taken on an item that is not on the agenda. If it requires action, it will be referred to staff and/or placed on the next agenda. In order that all interested parties have an opportunity to speak, please limit comments to a maximum of three (3) minutes. Any member of the public may comment on any matter listed on this agenda at the time the matter is being considered by the Board.

BOARD MEMBER COMMENTS: Board Members may ask a question for clarification; make a brief report or announcement on his/her activities. Board members may provide a referral to Staff or other resources for factual information, or direct Staff to place a request to agendize a matter of business on a future agenda. Any item not listed on the Agenda after the posting of the Agenda and that must be acted upon (2/3rds vote required to place on agenda) prior to the next Board meeting may be addressed at this time. (G.C. 54954.2)

5. ACTION/ DISCUSSION ITEMS
 - A. Approval of Oversight Board RESOLUTION Approving the Oversight Board Minutes of July 2, 2012
 - B. Consideration of Successor Agency Oversight Board RESOLUTION Approving the Retention of Legal Counsel
 - C. Consideration of the Successor Agency Oversight Board RESOLUTION Approving an Administrative Budget for Fiscal Year 2012-2013
 - D. Consideration of the Successor Agency Oversight Board RESOLUTION Approving the Recognized Obligation Payment Schedule (ROPS 3) for January 2013 through June 2013



**CITY OF SAND CITY SUCCESSOR AGENCY
Oversight Board Meeting Agenda for August 13, 2012**

- E. Consideration of rescheduling Oversight Board meeting for Holiday Observance to minimize conflict with the Monday, September 3, 2012 Labor Day Holiday to Monday, September 10, 2012 at 4:00 p.m.

6. ADJOURNMENT

ALL MEETINGS ARE OPEN TO THE PUBLIC. The City of Sand City does not discriminate against persons with disabilities. City Hall and the Council Chambers are accessible facilities. Any person with a disability who requires a modification or accommodation to be able to participate in this meeting is asked to contact the office of the City Clerk at (831) 394-3054 no fewer than two business days prior to the meeting to allow for reasonable arrangements.

SAND CITY SUCCESSOR AGENCY OVERSIGHT BOARD

RESOLUTION OB ____, 2012

RESOLUTION OF THE OVERSIGHT BOARD FOR THE SAND CITY SUCCESSOR AGENCY APPROVING THE OVERSIGHT BOARD MINUTES OF JULY 2, 2012

WHEREAS, the Oversight Board at its regular meeting of August 13, 2012 reviewed the Oversight Board draft minutes of July 2, 2012; and

WHEREAS, based on its review of said minutes, the Oversight Board finds the draft minutes to be an accurate summary of the major points and actions taken during the meeting of July 2, 2012.

NOW, THEREFORE, THE OVERSIGHT BOARD hereby finds the subject minutes to be adequate and they are hereby approved as the approved minutes of July 2, 2012.

PASSED AND ADOPTED by the Sand City Successor Agency Oversight Board on this __ day of August, 2012 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED:

Stephen Ma, Board Chair

ATTEST:

Connie Horca, Board Secretary



CITY OF SAND CITY SUCCESSOR AGENCY
July 2, 2012
Oversight Board Meeting Minutes

The meeting was called to order by Chair Ma at 4:03 P.M.

AGENDA ITEM 2, MEMBERS PRESENT:

John McPherson, Monterey County Office of Education (excused absence)
Jane Parker, Monterey County Board of Supervisors
Jerry Lomax, Monterey County Board of Supervisors (excused absence)
Stephen Ma, Monterey Peninsula College
Linda Scholink, City of Sand City Successor Agency
Steve Matarazzo, City of Sand City Successor Agency
Jayanti Addleman, Monterey County Libraries

AGENDA ITEM 3, PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Board Member Scholink.

AGENDA ITEM 4, COMMUNICATIONS FROM THE FLOOR

There was no comment from the Public.

Board Member Addleman expressed her apologies for having missed several meetings.

AGENDA ITEM 5, ACTION/DISCUSSION ITEMS

- A. Board Member Parker thanked Staff for providing detailed minutes of the Oversight Board meetings. The minutes have proved helpful in refreshing the Board's memory of the previous meeting.

Board Member Matarazzo added that as a requirement of AB 1484, all actions of the Oversight Board must now be approved by resolution, including approval of minutes.

Motion to approve the Oversight Board **Resolution** approving the Oversight Board Minutes of June 4, 2012 was made by Board Member Parker, seconded by Board Member Scholink. AYES: Board Members Parker, Ma, Scholink, Matarazzo. NOES: None. ABSENT: Board Members McPherson, Lomax. ABSTAIN: None. Motion Carried.

- B. Board Member Matarazzo reported that at the last Oversight Board meeting, Board Member Parker commented that the City loan to the former Redevelopment Agency (the Staff time loan and cash advances) be subject to the Local Agency Investment Fund (LAIF) average rather than the 7%. With the passage of AB 1484, that direction is now law.

Sand City and Successor Agency Attorney Jim Heisinger referred to page 9 of the Board packet that summarizes the major provisions of AB 1484, the Redevelopment Dissolution Act Clean up Legislation. Three payments the Successor Agency must make are any amounts due to the taxing entities based on the December 2011 property tax distribution by July 12, 2012, Low-Moderate Income Housing Fund (LMIHF) balances to County Auditor by November 28, 2012 and unencumbered cash by April 10, 2013. By October 1, 2012 the Successor agency must conduct an audit of balances of the former Redevelopment Agency by a licensed accountant of the LMIHF, cash assets and cash transfers. This audit will be submitted to the Oversight Board for approval. Once the Audit has been reviewed and approved, it will be transmitted to the Department of Finance, and to the County Auditor. When this process is completed, the Successor Agency will receive a "finding of completion" from the Department of Finance, and at that point, real estate disposition may be considered. In regard to the City loan, the former Redevelopment Agency owes the City approximately \$12 million. A portion of that loan dated back to 1987 to provide staff services, overhead, etc. Part of the loan agreement allowed the City to make cash advances to fund a tax sharing agreement to Seaside, and an agreement with Costco. These loans to the Redevelopment Agency fell within the 2 year exception in AB 1x26 and AB 1484. A new provision in AB 1484, talks about "Safe Harbor". Once the 'finding of completion' is issued by the Department of Finance, any loans between the City and the Agency can be approved by the Oversight Board, however; a reasonable installment plan must be formulated, and the installments are subject to a cap. Those amounts will be subject to a 20% charge that will be transferred to a housing fund. The City will get some money back from the loan made to the former Redevelopment Agency, although it may not receive all of it back.

There was Board discussion regarding when payments will be disbursed to agencies after approval of the "finding of completion". The ROPS III may include these payments as a place holder as determined by the Successor Agency. There was further discussion regarding the Low to Moderate Income Housing Funds, and if the Successor Housing Agency would receive these funds. The LMIHF monies should eventually be distributed to all taxing agencies by the end of the calendar year based on their normal tax rates.

Board Member Parker questioned the timeline of when Successor Agency audits will be ready for Oversight Board review. Mr. Heisinger commented that the City will discuss with the auditors and County Controller on when these audits will be conducted and finalized.

The Board further discussed AB 1484 regarding real property assets which require disposal of real property at the direction of the Oversight Board. AB 1484 requires the Successor Agency to prepare a long-range property management plan regarding either the use, liquidation or City transfer of

these properties by the spring of 2013.

- C. Board Member Parker commented that the proposed request for Special Counsel services is acceptable. She suggested that this be distributed to the County Bar Association Board Member Matarazzo commented that there should be standard items on the next ROPS, and if the Board has significant issues prior to approval, an additional meeting can be held in August in order to meet the deadline for submission to the Department of Finance, which is September 1, 2012.

4:39 P.M. Floor opened for Public Comment.

City/Successor Agency Attorney Jim Heisinger commented that submitting the RFQ to the County Bar Association is acceptable, however to find a knowledgeable and qualified attorney regarding AB 1484, may require that the RFP be distributed to a wider attorney's list serve as well.

4:40 P.M. Floor closed to Public Comment.

The Board discussed the need for an attorney at every meeting, or on an as needed basis. The language regarding the scope of services item 1, was amended to include that attendance would be on an "as needed" basis.

Motion to approve the Oversight Board **Resolution** as amended, directing Staff to distribute a Request for Qualifications was made by Board Member Scholink, seconded by Board Member Matarazzo. AYES: Board Members Parker, Ma, Scholink, Matarazzo. NOES: None. ABSENT: Board Members McPherson, Lomax. ABSTAIN: None. Motion Carried.

- D. There was no further discussion regarding the review of the process of selling the Carroll Property, 525 Ortiz Avenue, currently owned by the Sand City Successor Agency, as this subject is now controlled by a longer time line provided by AB 1484.

AGENDA ITEM 6, ADJOURNMENT

Motion to adjourn the Sand City Successor Agency Oversight Board meeting was made by Board Member Matarazzo, seconded by Board Member Scholink to the next scheduled Oversight Board meeting on Monday, August 6, 2012 at 4:00 p.m. There was unanimous consensus of the Board to adjourn the meeting at 4:45 p.m.

Connie Horca, Oversight Board Secretary

Sand City Oversight Board to the Successor Agency
staff memorandum

DATE: August 7, 2012 (for Oversight Board Meeting of August 13, 2012)
TO: Sand City Oversight Board
FROM: Steve Matarazzo, staff 
SUBJECT: Consideration of Service Contract For Legal Services to the Oversight Board

The Oversight Board determined that it needed independent legal advice on an "as needed basis" and directed staff to distribute requests for qualifications (RFQs) toward that end. The RFQs were distributed as directed by the Oversight Board and interest was received from seven (7) firms. One firm, Delay & Laredo, submitted their response one day late of the filing period. (See attachment 1.)

The Successor Agency attorney, Jim Heisinger, has provided brief summaries of each firm's abilities in the field of redevelopment, without a specific recommendation (see attachment 2). My preference would be to hire one of the following four firms (the order does not reflect ranking) based primarily on their experience related to redevelopment law and their direct experience serving as counsel to redevelopment agencies.

1. Judd Jordan of Lozano Smith
2. David Prentice of Cota Cole
3. Robin Donahue/Steve Mattas of Meyers Nave
4. David Kahn, Renne Sloan Holtzman

As a footnote, Mr. Heisinger has had experience with David Prentice and finds him to be well-qualified and collaborative. (Cota Cole also has an office in Salinas.)

RECOMMENDATION

Following general discussion and deliberation, it is **RECOMMENDED** that the Oversight Board make a selection as to the appropriate Oversight Board counsel and direct staff to enter into a contract with that firm as soon as possible (contract language provided in attachment 3.)

ATTACHMENTS;

1. Qualifications Statements from the seven firms.
2. Summary of Qualifications by Successor Agency Counsel
3. Resolution of Approval with Contract as Exhibit A.

ATTORNEYS AT LAW

Paul R. De Lay
David C. Laredo
Heidi A. Quinn
Alex J. Lorca
Frances M. Farina, *of Counsel*

Telephone (831) 646 1502
Facsimile (831) 646-0377

July 30, 2012

CITY OF SAND CITY
AUG 01 2012
RECEIVED

Linda Scholink
Director of Administrative Services
City of Sand City
City Hall
1 Sylvan Park
Sand City, California 93955

Re: Request for Qualifications

Dear Ms. Scholink:

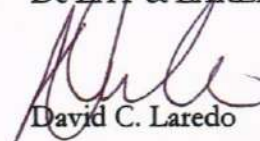
This letter responds to your Request for Qualifications for legal services to the Oversight Board for the Successor Agency of the Redevelopment Agency of the City of Sand City.

Please find following the qualifications of David C. Laredo as lead counsel, and the law firm of De Lay & Laredo to provide legal services. David C. Laredo has 37 years experience as an attorney, all in the area of public agency law. The law firm of DeLay & Laredo was founded in 1981 and has specialized in public agency law since its inception.

David C. Laredo and the DeLay & Laredo law firm have the skills and experience requested in the Request for Proposal, and would be ideally matched to meet the needs of the Successor Agency.

Thank you for the opportunity to present our qualifications. Should you require any additional information or materials, please do not hesitate to contact our office.

Sincerely,
De LAY & LAREDO



David C. Laredo

DESCRIPTION OF QUALIFICATIONS AND EXPERIENCE OF LEAD ATTORNEY
DAVID C. LAREDO, AND ASSOCIATES

David C. Laredo and De Lay & Laredo are fully qualified to respond to serve as General Counsel to the Oversight Board for the Successor Agency of the Redevelopment Agency of the City of Sand City.

DAVID C. LAREDO – California State Bar #66532

Years of Practice: 37 years (all in the representation of public entities). Managing Director of De Lay & Laredo, founded in 1981 and specializing in public agency law.

Scholastic & Professional Data: Southwestern University, School of Law, Juris Doctor, 1975, B.A. in English from UCLA, 1972; London School of Economics, Directors Leadership Institute, 2004. Admitted to practice before the United States Supreme Court (1979), California Supreme Court (1975), the U.S. Court of Appeals, Ninth Circuit (1986), the U.S. District Court - Northern District (1981), and the U.S. Court of Military Appeals (1976).

Public Agency Law Experience: David C. Laredo has focused his legal career in the area of California public agency law, and under contract serves as City Attorney for the City of Pacific Grove and as General Counsel and Special Counsel to several public agencies and special districts. Local public agency clients served on retainer include:

- Carmel Highlands Fire Protection District – General Counsel (since 1993)
- City of Pacific Grove – City Attorney (since 2005)
- Goleta Water District – (since 2008)
- Monterey County Regional Taxi Authority (since 2011)
- Monterey Peninsula Water Management District – General Counsel (since 1979)
- Monterey-Salinas Transit District – General & Special Counsel (since 1986)

Mr. Laredo formerly served as Deputy County Counsel for Monterey County and as Staff Judge Advocate at the Naval Postgraduate School. As Deputy County Counsel, he served as general counsel to the Monterey Bay Unified Air Pollution Control District and represented the County Auditor, Registrar of Voters, County Personnel, Planning, Local Agency Formation Commission (LAFCO), Public Works, Sheriff and Social Services.

Experience in the area of the Public Records Act, the Brown Act, and the Political Reform Act: Mr. Laredo is familiar with and regularly provides counsel relating to the Public Records Act, the Brown Act, the Political Reform Act, and the recent requirements of AB 1234. He is also familiar with the federal Freedom of Information Act.

David C. Laredo and Heidi A. Quinn are certified as AB 1234 Ethics Course providers, and regularly present seminars in this topic to appointed and elected officials.

Mr. Laredo has been a guest lecturer at the Monterey College of Law on the Brown Act by reason of his expertise in open meeting rules and Public Records law, and has regularly made presentations to public officials on the topics of Brown Act and the Political Reform Act. He is experienced with the process to request and obtain letter opinion rulings from the Fair Political Practices Commission (FPPC).

Practice in the area of public contracting and public finance: Mr. Laredo has performed services as General Counsel for the issuance of several debt obligations, including a \$27,000,000 bus purchase agreement for Monterey Salinas Transit, \$33,000,000 in certificates of participation for the Monterey Peninsula Water Management District Reclaimed Water Project, and lesser issues exceeding \$2,000,000 for several other clients. He has participated in several validation proceedings in support of debt issuance.

Mr. Laredo is familiar with provisions of the Public Contract Code and regularly provides counsel relating to bid proposals and bid contests.

Experience in the area of contracts and real property: As City Attorney, public agency counsel, and as past Deputy County Counsel, David C. Laredo regularly reviews and negotiates contracts for equipment, services and supplies.

De Lay & Laredo has familiarity with those aspects of real estate law that regularly affect the interests of public entities, including deed restrictions required by land use approval conditions. Representational activities have included zoning, plan and deed review, as well as creation and litigation regarding easements and rights of way. Our office has negotiated and drafted property sale agreements, listing agreements, leases and other deeds.

Mr. Laredo has also regularly provided counsel relating to the acquisition of real and personal property, and has negotiated agreements between governmental agencies, regulated public agencies and private individuals. Mr. Laredo has worked with clients to acquire land and easements, and has both acquired and conveyed easements.

Practice relating to land use, planning, and environmental issues: Mr. Laredo regularly provides advice relating to the California Environmental Quality Act (CEQA) and National Environmental Policy Act (NEPA) process, and has litigated issues ranging from project definition, CEQA exemptions, negative declarations and the adequacy of environmental impact reports (EIRs) at both the trial and appellate level. He has also been engaged as special counsel solely to provide CEQA and NEPA advice and has been a guest lecturer on these topics for the California Continuing Education of the Bar (CEB).

Continued professional development. Mr. Laredo and all members of his firm are committed to regular and ongoing professional development. All attorneys regularly attend professional education sponsored by the California State Bar Association, the League of California Cities, the Association of California Water Agencies (ACWA), and the California Special Districts Association (CSDA).

ASSOCIATE ATTORNEYS

Two Associate Attorneys with De Lay & Laredo are available to provide support services, namely, Heidi A. Quinn, and Alex J. Lorca. Each of these individuals is available to provide competent, substitute, and backup legal representation in the event of the absence or unavailability of David C. Laredo. Each is a licensed California attorney in good standing.

HEIDI A. QUINN – California State Bar #180880

Heidi A. Quinn (CA Bar #180880) – Heidi Quinn has practiced law since 1995. She serves as Assistant City Attorney for the City of Pacific Grove and provides General Counsel services to the Cypress and Mid-Carmel Valley Fire Protection Districts. Before joining De Lay & Laredo, Ms. Quinn previously worked as an associate for Ropers, Majeski, Kohn & Bentley and for Wise & Sheppard (now Manatt, Phelps & Phillips). She has experience in employment law, business litigation, and select areas of insurance coverage and defense. She has handled matters involving construction defects and intellectual property. She is admitted to practice before the California Supreme Court, U.S. District Court, Central, Eastern and Northern Districts. Ms. Quinn is a graduate of San Diego State University (B.A., Emphasis in Education) and Santa Clara University School of Law (J.D.).

ALEX J. LORCA – California State Bar #266444

Alex Lorca has practiced law since 2009. Mr. Lorca's practice focuses on public agency law. Mr. Lorca regularly provides counsel to clients relating to the Brown Act, the Public Records Act, and Conflicts of Interest law. His experience includes representing public agencies in litigation matters at the trial and appellate levels. In addition to public agency law, Mr. Lorca has litigated tort and contract matters. Mr. Lorca is a graduate of the University of San Francisco (B.S., International Business) and Monterey College of Law (J.D.). Upon graduation from law school, Mr. Lorca completed an externship in the chambers of the Hon. Kay T. Kingsley.

CLIENT REFERENCES

David Stoldt
General Manager
Monterey Peninsula Water Management District
P. O. Box 85
Monterey, CA 93942 (831) 658-5652

permission to use name granted

RESPONSE TO REQUEST

OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY OF THE REDEVELOPMENT OF THE CITY OF SAND CITY

PAGE 4 OF 6

009

Carl Sedoryk
General Manager and CEO
Monterey-Salinas Transit District
One Ryan Ranch Road
Monterey, CA 93940 (831) 393-8123

permission to use name granted

Thomas Frutchey
City Manager
City of Pacific Grove
300 Forest Ave.
Pacific Grove, CA 93950 (831) 648-3106

permission to use name granted

LIST OF CURRENT HOURLY RATES

David C. Laredo	\$250
Heidi A. Quinn	\$250
Alex J. Lorca	\$250
Administrative Professional	\$50

De Lay & Laredo utilizes real-time billing software to track time and costs and to produce billing statements. All time is recorded in 1/10 hour increments, with minimum billing factors for court and administrative appearances. Cost advances shall be shown on each statement for reimbursement. The firm is able to provide discrete billing statements for different categories of service or discrete assignments.

DISCLOSURE OF CONFLICTS

The firm of De Lay & Laredo represents a variety of local public agencies, but is not in any adversarial position with the agencies that appointed the Oversight Board members, nor does the firm represent any private developers under existing contracts with the prior dissolved Redevelopment Agency or the City of Sand City for redevelopment projects. It must nonetheless be acknowledged that matters may from time to time arise whereby legal interests for the Successor Agency may potentially conflict with our representation of other public agencies. If such an occurrence arises, the conflict shall be avoided through reciprocal conflict waivers, or in the absence of such waivers, our firm would necessarily withdraw from representing any party in that matter.

In addition, the Fair Political Practices Act establishes criteria under which conflicts of interest may be affected by making or participating in a governmental decision. De Lay & Laredo is committed to completing and abiding by the eight (8) step analysis required by the Fair Political Practices

Commission to determine the existence of impermissible conflicting interests. Members of the firm shall file annual economic interest disclosure statements as required by law.

STATEMENT OF INSURANCE

De Lay & Laredo currently carries professional liability, errors and omissions insurance coverage through Navigator Insurance Company in the sum of one million (\$1,000,000) dollars for each occurrence, and ten million (\$10,000,000) dollars aggregate coverage. The firm also maintains workers' compensation insurance through State Farm Insurance Company. All automobiles are insured. The firm shall supply certificates, assurances and/or agreements as directed and appropriate, and shall meet all insurance-related and hold harmless requirements as may be requested.

Judd L. Jordan
Attorney at Law

E-mail: jjordan@lozanosmith.com

July 30, 2012

HAND DELIVERY

Linda Scholink, Director of Administrative Services
City of Sand City
City Hall
1 Sylvan Park
Sand City, CA 93955

CITY OF SAND CITY

JUL 30 2012

RECEIVED

Re: Lozano Smith Proposal for Legal Representation for the Oversight Board
for the Successor Agency of the Redevelopment Agency of Sand City

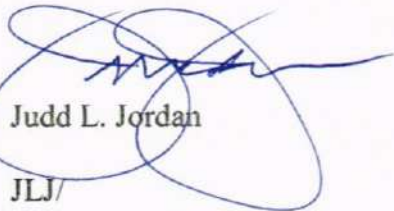
Dear Ms. Scholink:

In response to the request for qualifications to provide legal services for the Oversight Board for the Successor Agency to the Redevelopment Agency of Sand City, please find enclosed our written proposal to provide such legal representation.

Although we have included the information we believe you will find most relevant and helpful, please let me know if you desire any additional information. Thank you for this opportunity to seek to represent the Oversight Board for the Successor Agency to the Redevelopment Agency of Sand City.

Sincerely,

LOZANO SMITH



Judd L. Jordan

JLJ/

Encl: Lozano Smith Proposal for Legal Representation for the Oversight Board
for the Successor Agency of the Redevelopment Agency of Sand City (7 copies)



CITY OF SAND CITY

JUL 30 2012

RECEIVED

PROPOSAL FOR:

Legal Representation for the Oversight Board for the
Successor Agency of the Redevelopment Agency of
Sand City

RESPECTFULLY SUBMITTED BY:

Judd Jordan

Lozano Smith

4 Lower Ragsdale Drive, Ste 200

Monterey, CA 93940

T 831.646.1501

F 831.646.1801

jjordan@lozanosmith.com

July 30, 2012

LozanoSmith.com

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A. INTRODUCTION

Background of the Firm

Lozano Smith respectfully submits this Proposal for Legal Services to the Oversight Board for the Successor Agency of the Redevelopment Agency of Sand City (Oversight Board) for consideration as Legal Representation for the Oversight Board.

Lozano Smith attorneys specialize in representing public agencies. The firm is a professional corporation formed on January 1, 1988. Since that time, it has grown from the original four shareholders (partners¹) and five associate attorneys in two offices, to our present size of 61 attorneys and three paralegal assistants and law clerks, with offices in eight California cities, including Monterey.

As a law firm fully dedicated to the practice of public agency law, we have developed expertise representing various cities in California. Our attorneys have extensive experience advising and representing public entities including resolving issues regarding redevelopment agencies. In addition, the firm's Local Government Practice Group includes attorneys who have served in County Counsel and City Attorney capacities for many years, gathering a wealth of knowledge and understanding of client needs.

B. AREAS OF EXPERTISE

ABx1 26 Legislation

The firm is currently advising oversight boards and successor agencies on ABx1 26 legislation in content, interpretation and implementation on a daily basis. The firm advises clients on the issues of enforceable obligations, the role of the successor agencies, the composition and duties of oversight boards, the duties of the county auditor/controller, and the role of state agencies, including the Department of Finance.

Brown Act, Political Reform Act and Public Records Act

Brown Act

Our attorneys provide advice regarding the open meeting requirements of the Ralph M. Brown Act. The firm publishes handbooks and other resources for clients to use in understanding and complying with the Brown Act. The firm also frequently conducts training sessions on open meetings laws and guidance for effective meetings. All of our workshops include a thorough review of the Brown Act.

Political Reform Act

Our attorneys are well-versed on a host of public law issues, from routine matters to complex ones involving dozens of agencies and legal issues with city, county and statewide impacts. We frequently counsel public agencies regarding a wide range of conflicts of interest and ethics issues, including the Political Reform Act.

¹ Lozano Smith is a professional corporation; hence its principal attorneys are called shareholders.

The Public Records Act

We routinely advise clients regarding responses to requests for public records. The firm's attorneys are well versed in the Public Records Act and remain abreast of recent legislation and case law.

Redevelopment Law Experience

Lozano Smith attorneys have drafted numerous Owner Participation Agreements, Disposition and Development Agreements, and Affordable Housing Agreements. In addition, the firm's attorneys are experienced with matters involving urban renewal, economic development, and Community Development Block Grant Programs. Prior to ABx1 26 and the demise of redevelopment agencies, Lozano Smith advised multiple redevelopment agencies in Fresno, Kings, Madera and Monterey Counties. Knowledge of redevelopment law is relevant in rendering legal advice to oversight boards.

Real Property

Lozano Smith has extensive knowledge in all aspects of real property transactions. These transactions have included negotiated sales and purchases, real property exchanges with both private and public entities, acquisition through developer agreements, and eminent domain. We work cooperatively with other facilities consultants and state agencies during the approval and acquisition of property. Our attorneys are experienced with issues concerning entitlements, dedications, title and survey matters that occur during the real property due diligence period.

Public Contracting

Since the firm's inception, our attorneys have advised public agencies on the myriad of legal issues presented by the procurement of services, equipment and materials. Our attorneys are experienced in Public Contract Code contracting requirements. Our depth of experience and familiarity with the negotiation of contracts also enables us to assist in obtaining more favorable terms.

Bond Counsel

Lozano Smith attorneys are regularly engaged to provide expert legal counsel with respect to the validity of bonds and the tax treatment of interest on bonds. Our attorneys are mindful both of the law governing bonds and of the historic customs and practices associated with the process. Members of the firm have successfully structured many bond issues for a wide array of projects. Knowledge of bond law is relevant in the interpretation of ABx1 26.

Litigation

Lozano Smith's Litigation Practice Group offers its clients a long history of dedicated and successful representation. The litigation group is highly regarded in the legal and judiciary community. Lozano Smith has successfully represented public agencies at all levels of state and federal jurisdiction on such diverse matters as personnel disputes, civil rights, personal injury, environmental issues, construction disputes and mandated cost litigation. Lozano Smith attorneys have also been involved in resolving issues and litigation involving redevelopment agencies.

C. ATTORNEY TEAM

We have the necessary experience, ability and resources to provide high quality legal services to the Oversight Board. One of the significant advantages offered by our firm is the high quality legal representation that the Oversight Board would receive from an experienced and dedicated team of attorneys. Included in this proposal is a profile of each attorney outlining qualifications and experience.

Judd Jordan is proposed as lead counsel with assistance, as necessary, from other team members listed below:

Attorney	Title
Judd Jordan (Lead)	Shareholder
Devon Lincoln	Senior Counsel
Laurie Avedisian	Senior Counsel

D. ADDITIONAL PROPOSAL REQUIREMENTS

Conflict of Interest

Laurie Avedisian performed services for the Greenfield Redevelopment Agency until it was dissolved and has continued to perform services for its Successor Agency. To the firm's knowledge, the firm's representation of the Oversight Board would not be adverse to the firm's concurrent representation of the Successor Agency for the Greenfield Redevelopment Agency.

Pursuant to Rule 3-310(E) of the Professional Rules of Conduct, the firm may represent the Oversight Board without the informed written consent of the firm's former clients if the representation is not adverse to the former clients and/or if the firm has not obtained confidential information from the former clients material to the representation of the Oversight Board. To the firm's knowledge, no former client of the firm is currently adverse to the Oversight Board, and the firm does not have any confidential information from any

former client that is material to the firm's proposed representation of the Oversight Board. As a result, there is no conflict of interest. Similarly, there are no divided loyalties.

In the event that a potential conflict arises, the firm would seek a conflict waiver from the Oversight Board and the firm client. If neither the Oversight Board nor the firm client consents to waive the potential conflict, the firm would, as to that specific matter, not represent the Oversight Board or the firm client. No conflict is currently anticipated after performing a conflict check in the firm's database. The firm is well versed in conflict of interest requirements for attorneys and has an in-house ethics counsel responsible for interpretation and enforcement of ethical rules for the firm.

Insurance

The firm maintains a policy of commercial general liability insurance with an aggregate limit of five million dollars (\$5,000,000.00), professional liability insurance with an aggregate amount of (\$5,000,000.00); and, workers compensation insurance with a limit of one million dollars (\$1,000,000.00) per accident.

References

Greenfield Redevelopment Agency

Brent Slama, Interim City Manager

(831) 674-5591

BSlama@ci.greenfield.ca.us

Carmel Unified School District

Rick Blanckmeister, Chief Business Official

(831) 624-1546 x 2050

rblanckmeister@carmelunified.org

Monterey County Office of Education

Garry Bousum, Associate Superintendent

(831) 755-0312

gbousum@monterey.k12.ca.us

AGREEMENT FOR LOZANO SMITH LEGAL SERVICES

THIS AGREEMENT is effective _____, between the Oversight Board for the Successor Agency of the Redevelopment Agency of Sand City ("Client") and the law firm of Lozano Smith, a professional corporation ("Attorney").

Client and Attorney agree as follows:

Client hires Attorney as its legal counsel with respect to matters the Client refers to Attorney. Attorney shall provide legal services to represent Client in such matters, keep Client informed of significant developments and respond to Client's inquiries regarding those matters. Client understands that Attorney cannot guarantee any particular results, including the costs and expenses of representation. Client has been advised of the right to seek independent legal advice regarding this Agreement.

Client agrees to pay Attorney for services rendered based on the attached rate schedule. Agreements for legal fees on other-than-an-hourly basis may be made by mutual agreement for special projects (including as set forth in future addenda to this Agreement). Written responses to audit letter inquiries will be charged to Client on an hourly basis, with the minimum charge for such responses equaling .5 hours.

Attorney shall send Client a statement for fees and costs incurred every calendar month. Statements shall set forth the amount, rate and description of services provided. Client shall pay Attorney's statements within thirty (30) calendar days after receipt. An interest charge of one percent (1%) per month shall be assessed on balances that are more than thirty (30) calendar days past due, not to exceed 10% per annum.

In addition to regular telephone, mail and other common business communication methods, Client authorizes Attorney to use facsimile transmissions, cellular telephone calls, unencrypted email, and other computer transmissions in communicating with Client. Unless otherwise instructed by Client, any such communications may include confidential information.

Client may discharge Attorney at any time by written notice. Unless otherwise agreed, and except as required by law, Attorney will provide no further services after receipt of such notice. Attorney may withdraw its services with Client's consent or as allowed or required by law, upon ten (10) calendar days written notice. Upon discharge or withdrawal, Attorney shall transition all outstanding legal work and services to others as Client shall direct.

SO AGREED:

OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY
OF THE REDEVELOPMENT AGENCY OF SAND CITY

LOZANO SMITH

By
Its:

Date

Gregory A. Wedner
Managing Shareholder

Date

PROFESSIONAL RATE SCHEDULE
FOR OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY OF THE
REDEVELOPMENT AGENCY OF SAND CITY
(Effective July 30, 2012)

1. HOURLY PROFESSIONAL RATES

Client agrees to pay Attorney by the following standard hourly rate*:

Shareholder / Senior Counsel / Of Counsel	\$ 300 per hour
Associate	\$ 225 per hour
Law Clerk	\$ 135 per hour
Paralegal	\$ 110 per hour

* Rates for Specific Attorneys Available Upon Request

Travel time shall be prorated if the assigned attorney travels for two or more clients on the same trip.

2. COSTS AND EXPENSES

In-office copying/electronic communication printing	\$ 0.25 per page
Facsimile	\$ 0.25 per page
Postage	Actual Usage
Mileage	IRS Standard Rate

Other costs, such as messenger, meals, and lodging shall be charged on an actual and necessary basis.



JUDD JORDAN

Shareholder

Overview

Judd Jordan is a shareholder in Lozano Smith's Monterey office. His extensive legal experience includes litigation of more than 100 matters in federal and state courts for more than 33 years. He also has considerable experience in alternative dispute resolution that includes negotiation, mediation and arbitration.

Mr. Jordan has advised and represented both private and public entity clients in a wide variety of matters including business and construction disputes, contract and property rights cases, and intellectual property issues.

Education

Mr. Jordan received his law degree from the University of California at Los Angeles and his undergraduate degree from the University of California at Berkeley, with distinction in General Scholarship. He was a Comment Editor on the Board of Editors of the UCLA Law Review and was admitted to practice in the courts of the state of California in 1976.

CONTACT

4 Lower Ragsdale Drive
Suite 200
Monterey, CA 93940
T 831.646.1501
F 831.646.1801
jjordan@lozanosmith.com

PRACTICE AREAS

Litigation
Facilities and Business
Construction Advice and Litigation

EDUCATION

J.D., University of California, Los Angeles

B.A. (*with distinction*), University of California, Berkeley

BAR ADMISSION

California, 1976



DEVON B. LINCOLN

Senior Counsel

Overview

Devon B. Lincoln is senior counsel in Lozano Smith's Monterey office where she practices in the firm's Facilities and Business and Charter Schools practice groups. After practicing international, environmental and transactional law in Washington, D.C., Ms. Lincoln relocated to California and joined LOZANO SMITH in 2003.

Drawing on her experience as a corporate attorney on large transactions, Ms. Lincoln focuses her practice on construction, bidding, solar projects and clean energy, general facilities and business issues, and matters involving charter schools, including charter school governance and facilities issues and creating dependent charter schools. She is co-chair of the firm's Charter School Practice Group and coordinates the firm's Client News Brief Program.

Presenter Experience

Ms. Lincoln has presented at numerous Lozano Smith Facilities and Business Consortia on topics such as "A Primer on Paper Cuts: Document Retention, The Public Records Act, The Brown Act and Email" and "What To Do When Third Parties Come Knocking To Use School Facilities," and the Webinar, "Going Green and Conserving Energy." She has also presented at the California Association of School Business Officials (CASBO) Annual Conference on technology legal issues facing school districts, the Small School Districts Association (SSDA) and the California School Boards Association (CSBA) conferences on charter school matters.

Education

Ms. Lincoln received her law degree from the University of California, Berkeley, Boalt Hall School of Law in 1999. She was a visiting student at Georgetown University Law Center. She earned a B.A. degree in English and Political Science from Columbia University in 1996.

CONTACT

4 Lower Ragsdale Drive
Suite 200
Monterey, CA 93940
T 831.646.1501
F 831.646.1801
dlincoln@lozanosmith.com

PRACTICE AREAS

Charter Schools
Facilities and Business

EDUCATION

J.D., University of California,
Berkeley, Boalt Hall School of
Law

B.A., Columbia University

BAR ADMISSIONS

California, 2004



CONTACT

7404 North Spalding Avenue
Fresno, CA 93720
T 559.431.5600
F 559.261.9366
lavedisian@lozanosmith.com

PRACTICE AREAS

Local Government
Facilities and Business

EDUCATION

J.D. (*cum laude*), University of San Diego School of Law

B.S., California State University, Fresno

BAR ADMISSION

California, 2004

PROFESSIONAL AFFILIATIONS

Fresno County Bar Association
Fresno County Women Lawyers

LAURIE A. AVEDISIAN

Senior Counsel

Overview

Laurie A. Avedisian is an associate in Lozano Smith's Fresno office. Her legal expertise includes advice regarding complex business and facilities matters on behalf of public agencies. She is a skilled negotiator, having arranged numerous contracts including various real estate, development and consulting agreements.

Ms. Avedisian currently serves as Deputy City Attorney for the cities of Coalinga, Firebaugh and Parlier. In that capacity she provides a full range of legal advice and services in all aspects of municipal law. She also assists clients with real property acquisitions, bidding and construction, government liability and issues related to former redevelopment agencies, including successor agencies and oversight boards.

Education

Ms. Avedisian earned her J.D. degree from the University of San Diego School of Law (*cum laude*) in 2003. She earned a B.S. from California State University, Fresno, in 2001.

Professional Affiliations

- Fresno County Bar Association, Board Member 2008 – present; President Elect 2012
- Fresno County Women Lawyers, Current Member
- Fresno County Young Lawyer's Association, Board Member 2004 – 2009; President 2008



ROSEVILLE OFFICE:
 DENNIS M. COTA
 DEREK P. COLE
 SCOTT E. HUBER
 JENNIFER HARTMAN KING
 CAROLYN J. FRANK
 JONATHAN E. MILLER
 WILLIAM R. GALSTAN
 SEAN D. DE BURGH
 MIRANDA CARROLL DALJU
 STEPHANIE C. ALFORD

MADERA OFFICE:
 DAVID A. PRENTICE
 THOMAS E. EBERSOLE
 GREGORY W. OLSON

REPLY TO:
 ROSEVILLE
 MADERA

David A. Prentice
dprentice@cotalawfirm.com

July 26, 2012

**HARDCOPY VIA OVERNIGHT DELIVERY AND
 ELECTRONIC COPY VIA EMAIL TO LINDA@SANDCITY.ORG**

Linda Scholink
 Director of Administrative Services
 City of Sand City
 City Hall
 1 Sylvan Park
 Sand City, CA 93955

CITY OF SAND CITY

JUL 27 2012

RECEIVED

Re: Response to Request for Qualifications for Legal Services for the Oversight Board, Successor Agency to the Redevelopment Agency of the City of Sand City


Dear Ms. Scholink:

Cota Cole LLP is pleased to submit the enclosed response to the Request for Qualifications for legal services requested by the Sand City Oversight Board. Please accept the proposal as Cota Cole's commitment to provide general counsel and litigation services to the Oversight Board under the terms and conditions described in the attached proposal. As requested, 10 hardcopies of the proposal are being overnighted for delivery on July 27. An electronic copy is also being provided via email.

With regard to the contact and related information to be provided by way of this cover letter, please note that I am the proposed lead counsel for the Oversight Board. Details regarding my background are included in the biographical information contained within the proposal. Any questions regarding our proposal may be directed to my attention. You may reach me by phone through our new Salinas office number (831-648-7000 ext. 212), direct dial to my Madera office number (559-675-5660), or via my cell (559-250-6042). My email address is listed above.

We thank you for your consideration of our proposal and look forward to hearing from you.

Sincerely,


 David A. Prentice, Partner
 COTA COLE LLP

DAP:klc
 Enclosures
 {KLC/00020710. }



Cota Cole_{LLP}

A T T O R N E Y S

www.cotalawfirm.com

RESPONSE TO REQUEST FOR QUALIFICATIONS FOR LEGAL SERVICES

FOR THE

OVERSIGHT BOARD
FOR THE SUCCESSOR AGENCY
OF THE

REDEVELOPMENT AGENCY OF
SAND CITY

Madera Office:
730 North I Street, Suite 204
Madera, CA 93637
Phone-559-675-9006
Fax-559-675-9050



Roseville Office:
2261 Lava Ridge Court
Roseville, CA 95661
916-780-9009-Phone
916-780-9050-Fax

New Salinas Office:
6 Quail Run Circle, Suite 102
Salinas, CA 93907
Phone-831-648-7000 x 212
Fax-831-648-7021

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Section 1. Cover Letter

Below is a copy of the cover letter prepared that provides the name and contact information for the lead attorney. The original cover letter is enclosed separately.



ROSEVILLE OFFICE:
DENNIS M. COTA
DEREK P. COLE
SCOTT E. HUBER
JENNIFER HARTMAN KING
CAROLYN J. FRANK
JONATHAN E. MILLER
WILLIAM R. CALSTAN
SEAN D. DE BURGH
MIRANDA CARROLL DALJI
STEPHANIE C. ALFORD

MADERA OFFICE:
DAVID A. PRENTICE
THOMAS E. EBERSOLE
GREGORY W. OLSON

REPLY TO:
 ROSEVILLE
 MADERA

David A. Prentice
dprentice@cotalawfirm.com

July 26, 2012

**HARDCOPY VIA OVERNIGHT DELIVERY AND
ELECTRONIC COPY VIA EMAIL TO LINDA@SANDCITY.ORG**

Linda Scholink
Director of Administrative Services
City of Sand City
City Hall
1 Sylvan Park
Sand City, CA 93955

Re: Response to Request for Qualifications for Legal Services for the Oversight Board, Successor Agency to the Redevelopment Agency of the City of Sand City

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We thank you for your consideration of our proposal and look forward to hearing from you.

Sincerely,

David A. Prentice, Partner
COTA COLE LLP

DAP:klc
Enclosures
(KLC/00020710)

2261 LAVA RIDGE COURT • ROSEVILLE, CA 95661
TELEPHONE 916-780-9009 • FAX 916-780-9050



730 N I STREET, SUITE 204 • MADERA, CA 93637
TELEPHONE 559-675-9006 • FAX 559-675-9050

Section 2. Qualifications of Proposed Attorneys and Firm

A. Introduction to Cota Cole LLP and Approach to Legal Services

Cota Cole LLP is a law firm founded on a commitment to excellence, and our comprehensive public and private law practice provides our clients with attorneys who have a proven record of success. Our experience has honed a distinct philosophy of service which is reflected in every aspect of our work. The hallmarks of that philosophy are responsiveness, communication, accuracy, and cost-effectiveness. The firm's customer service and communication with our clients is unsurpassed.

Cota Cole is a team of skilled public law attorneys with decades of combined experience in public entity representation. Our firm was established in 2007 by Dennis Cota and Derek Cole with the goal of providing first-rate, full-service representation to public clients. Since then, the firm has steadily grown, adding attorneys and staff with outstanding capabilities in their various fields. Cota Cole now has 13 attorneys and four paralegals and serves clients throughout the State of California. Supporting this legal team are three administrative assistants and two clerks. Cota Cole is prepared to make the entire attorney and paralegal team available to respond to the Oversight Board's needs.

In addition to providing excellent advice counsel services, our attorneys have distinguished themselves as public agency litigators. We have handled all types of municipal litigation, obtaining successful results for public agency clients in court (bench and jury trials), before administrative agencies, during arbitration or mediation, and through pre-litigation settlement discussions. On litigation or similar ongoing matters, clients are kept apprised of substantive developments through regular status reports, with expense estimates generated on a case-by-case basis. The combination of our attorneys' qualifications, responsiveness, exceptional customer service, and cost-effectiveness makes Cota Cole the ideal legal resource.

Providing timely, accurate and effective legal counsel is Cota Cole's primary role. To fulfill that role, the attorneys at Cota Cole will maintain close communication with the Oversight Board and its staff, and strive to anticipate issues and challenges. In so doing, Cota Cole work to protect the Oversight Board from adverse legal exposure. At Cota Cole we are mindful that it is the client's role to make policy, and it is our role to provide counsel, guidance, and creative solutions on how to implement that policy.

With our broad-ranged expertise, Cota Cole can not only provide general counsel legal services, but can also serve as a one-stop resource for all of the Oversight Board's legal needs. Our firm provides litigation and special services at attractive rates because of the "economy of scale" achieved with one firm handling an agency's entire set of legal needs.

Cota Cole's timely, accurate, and cost-effective representation achieves superior results while providing personalized service builds long-term relationships with our clients. Communication is the foundation of any service provided to our clients. We develop excellent working relationships with our clients by working closely with designated individuals to efficiently and effectively respond to issues. All attorneys and paralegals on the team are easily accessible to clients, and our standing policy is that all calls and emails are returned promptly.

B. Location of Offices

Cota Cole now has four offices from which to provide legal services. Our offices are located in Northern California (Roseville), the Central Valley (Madera), Monterey County (Salinas), and Ventura County (Newbury Park). However, Cota Cole services clients throughout the entire state. We offer clients well-reasoned and practical advice, solutions and representation, along with personalized attention to individual needs and goals.

Public agency general counsel services would be provided by David Prentice, who works primarily out of the Madera and Monterey County offices; Scott Huber, who is based in the Roseville office; and Thomas Ebersole, who works out of the Madera office.

C. Proposed Attorneys

Attorney	Proposed Capacity
David A. Prentice	General Legal Counsel
Scott E. Huber	Assistant General Legal Counsel
Thomas E. Ebersole	Assistant General Legal Counsel

David A. Prentice (Bar No. 144690; admitted 1989). Mr. Prentice is a partner with Cota Cole. Mr. Prentice served as County Counsel of the County of Madera from 2002 through the end of 2010, having assumed that appointment after four years as City Attorney for the City of Colfax. He is currently District Counsel for the Monterey Peninsula Airport District and the City Attorney for the City of Taft. Mr. Prentice also serves as General Counsel to the Fresno-Kings-Madera Regional Health Authority, as well as Special Counsel for labor and employment issues for the Counties of Madera and Trinity.

Mr. Prentice has considerable experience with regard to the many issues municipalities face, including, among others, civil rights, housing, land use, redevelopment, public contracting, the Brown Act, and the Political Reform Act. Mr. Prentice is seasoned in providing advice and counsel regarding the conduct of public meetings, and has many years of experience as a public agency litigator with regard to the full array of issues such agencies face, including constitutional due process, equal protection, breach of contract, employment termination, and discrimination. Mr. Prentice also has experience in providing advice to planning commissions, civil service commissions, airport land use commissions and local transportation authorities.

Mr. Prentice has also participated in multiple municipal bond issues, both private and public placement. He has extensive experience in working with outside bond counsel as well as disclosure counsel. He has also negotiated, drafted and/or reviewed a multitude of acquisition contracts, leases, joint powers agreements, memorandums of understanding and public works contracts. His contract experience includes government-to-government agreements, tax sharing agreements, and Indian gaming contracts.

Mr. Prentice routinely provides ongoing updates to clients regarding CEQA, the Brown Act, the Public Records Act, Political Reform Act, and Proposition 218 and he published a brochure on contracting for dissemination to department heads, subordinate supervisors, and the Board of Supervisors, and was the principal author of *A Guide to Proposition 218* (2006) and a co-author of *Trial Preparation From Start to Finish* (2012).

Mr. Prentice was the principal attorney in the following published cases:

- Golden Cheese Co. v. Voss* (1991) 230 Cal.App.3d 547
- Larramendy v. Newton* (E.D. Cal. 1998) 994 F.Supp.1211
- Montero v. Agco* (9th Cir. 1999) 192 F.3d 1856
- DiRuzza v. Tehama County* (9th Cir. 2000) 206 F.3d 1304
- Brewster v. County of Shasta* (9th Cir. 2001) 275 F.3d 803

Education: Mr. Prentice received his J.D. from the University of the Pacific, McGeorge School of Law in 1989, with distinction, and is a member of the Order of the Coif. He received his B.A. degree in 1976 from California State University-San Bernardino.

Scott E. Huber (Bar No. 227196, admitted 2003). Mr. Huber specializes in public law and real estate matters. Mr. Huber has represented public agencies on both public law issues and general municipal issues, including the Brown Act, ethics requirements, property taxation, contracts, labor and employment, civil rights, law enforcement, land use, code enforcement,

unlawful detainer, and eminent domain. Mr. Huber has also represented banks and mortgage lenders in various matters, including compliance with the Real Estate Settlement Procedures Act (RESPA) as well as civil prosecution of mortgage fraud. Mr. Huber has successfully litigated numerous complex business cases involving allegations of unfair competition, breach of contract, fraud, and other torts. Mr. Huber also has significant experience in Petitions for Receivership to abate public nuisances, Brown Act and Public Records Act compliance.

While at his former firm, Mr. Huber represented Sacramento Housing and Redevelopment Agency in its condemnation actions related to the Redevelopment of the K Street Mall. Mr. Huber prepared complaints in eminent domain to acquire various parcels in the 700 and 800 blocks of K Street, including motions for pre-condemnation possession for SHRA to acquire and control the properties prior to trial.

Mr. Huber is currently the City Attorney for the City of Oroville, Assistant City Attorney for the City of Sutter Creek, and Assistant County Counsel for Trinity County. In those positions, he advises clients on the full scope of municipal law issues.

Mr. Huber is a board member of the Roseville Joint Union High School District. Mr. Huber previously served as a board member of the Roseville City School District, and formerly taught as adjunct faculty at University of the Pacific, McGeorge School of Law, teaching in the Appellate Advocacy program.

Education: Mr. Huber received his Juris Doctorate from the University of the Pacific, McGeorge School of Law, with a Certificate of Concentration in Governmental Affairs. While in law school, he served as a staff writer for the California Initiative Review and co-authored an article on Same-Day Voter Registration. Mr. Huber attended Brigham Young University and graduated with a Bachelor of Science degree in Psychology.

Thomas E. Ebersole (Bar No. 205142, admitted 1999). Mr. Ebersole joined Cota Cole in September 2008 and became a partner in 2011. Mr. Ebersole is City Attorney for the City of Gustine, City Attorney/Special Counsel for the City of Chowchilla, and Assistant City Attorney for the City of Taft. Mr. Ebersole has represented municipal clients in both advice counsel and litigation capacities. Mr. Ebersole's general litigation practice has included handling claims of employment discrimination, wrongful termination, and defending employers for alleged violations of section 132a of the California Labor Code in Workers' Compensation matters. He has also litigated in both federal and state courts on a variety of issues ranging from the Voting Rights Act to employment issues, including wrongful termination.

Mr. Ebersole is a California State Bar member in good standing, is admitted to practice before the U.S. District Courts for the Eastern and Northern Districts of California.

Education: Mr. Ebersole obtained his law degree, with distinction, from McGeorge Law School in 1999. Prior to attending McGeorge, Mr. Ebersole graduated from Brigham Young University with a Bachelor of Arts Degree in 1996.

D. General Municipal Matters

Cota Cole has a distinguished depth of experience in the full range of legal issues affecting public agencies. We routinely advise on matters involving public contracts, labor and employment, constitutional restrictions on local government, municipal finance, the California Public Records Act, municipal liability and immunities, and police department operations. We regularly advise boards and commissions, and have extensive experience in the myriad of laws governing public agency proceedings, such as the Ralph M. Brown Act, Political Reform Act, and restrictions on conflicts of interest.

E. Redevelopment Agencies and Dissolution Act

Cota Cole attorneys are knowledgeable about the Dissolution Act (AB X1 26, as amended by AB 1484) and its effects on redevelopment agencies, as well as the need for an oversight board to properly effectuate dissolution matters. Such matters include the formation of successor agencies, including the creation and implementation of policies and procedures; managing RDA housing assets; administering RDA payments and enforceable obligations; monitoring clawback attempts; managing, negotiating, or possibly terminating contracts; and overseeing and otherwise providing responsible legal counsel relating to RDA dissolution.

F. Public Sector Clients

Cota Cole has become a recognized provider of legal services to California public agencies. Presently, we serve as County Counsel for Trinity County, special counsel for Siskiyou County, City Attorney for the Cities of Gustine, Chowchilla, Oakley, Oroville, Sutter Creek and Taft, and as District Counsel to the Monterey Peninsula Airport District. We also represent the Counties of Madera, San Joaquin and San Benito and the City of Davis in a number of substantial litigation matters. Additional public sector clients have included the City of Fullerton, the Fresno County Sheriff, the Regional Council of Rural Counties, and the Amador Regional Transit System.

G. Public Records Act, Brown Act, and Conflicts of Interest

Cota Cole has extensive experience with the Public Records Act, Ralph M. Brown Act and Elections Code compliance. The firm has assisted newly formed public agencies establish policies and procedures to comply with the Ralph M. Brown Act from inception. We have developed an interactive training seminar which we offer to educate our clients as to recent developments in the Ralph M. Brown Act and the legislatively or judicially enacted modifications. On behalf of our public agency clients, we regularly and routinely respond to requests made pursuant to the Public Records Act. Cota Cole also is very familiar with the FPPC requirements relating to conflicts of interest and will be able to advise regarding proper compliance.

H. Preparation of Ordinances, Resolutions, Orders and Written Memoranda

Cota Cole regularly prepares ordinances, resolutions and orders for its public agency clients. Whether requested by the public agency or suggested by counsel, we have drafted ordinances to assist our clients in pursuing their legislative policies, including code enforcement, land use, resolutions of necessity for eminent domain, and environmental and water-related issues. Cota Cole also regularly prepares advice memoranda, status letters, and other written information to advise and inform its public agency clients.

I. Personnel, Worker's Compensation, General Liability and Employee Relations

Our firm has exceptional breadth of experience in all aspects of personnel relations, including worker's compensation claims and general liability. We have advised our public agency clients on virtually all aspects of employee relations, including employee separation and discipline, *Skelly* hearings, and employee arbitrations. When necessary, we have also successfully defended public agencies in litigation filed by both current and former employees.

J. Communication With Oversight Board

It has been our experience at Cota Cole that such close working relationships are a product of active communication, responsiveness and efficiency. Understanding goals and objectives, and providing the legal resources to appropriately achieve such goals, make for both a close and successful partnership. Recognizing the value of that relationship, the firm strives not only to meet but exceed expectations.

Close communication with agency clients and staff is a hallmark of representation by Cota Cole. Accurate, up-to-date information is made available through several procedures, including: (1) monthly written status reports on all pending litigation matters; (2) 24-hour access to both the general counsel and litigation counsel through cell phone and internet availability [contact information is distributed and updated regularly]; (3) assignment of a paralegal "point person" by which a paralegal maintains assignments and deadline lists and is aware of the current status of all pending matters; and (4) a standing policy that phone messages and emails are responded to the same day.

At Cota Cole we believe our role is to be a resource to municipalities and agency leaders. In working with the Oversight Board, we will be prepared to address the legal issues and provide counsel on achieving the Board's objectives. While providing answers and alternatives, we will not seek to direct policy or allow our participation to hinder or impede the Board's tasks or objectives. Our proactive approach is always mindful of the direction and boundaries established by the Board, and our close working relationship with staff will serve the Oversight Board well by allowing for the proper cross-flow of information.

K. Use of Outside Counsel

One of the benefits of retaining Cota Cole as agency general counsel is this firm's depth of expertise and municipal law and litigation experience. There should be little need to employ outside counsel which would add unnecessary expense to the Oversight Board's legal services. However, the firm continually reviews services and, where appropriate, will make a recommendation as to whether outside counsel could more economically or efficiently provide representation in unique or highly specialized areas.

As noted above, Cota Cole is aware of the economic challenges facing all municipalities and agencies at this time. As with any case evaluation, fees would be one aspect of the determination of which outside counsel, if any, would be appropriate.

L. Evaluating Litigation Services

Each litigation matter is evaluated at the inception and throughout the pendency of the case. This ongoing evaluation process includes a review of anticipated risk/exposure, projected expenses, and likelihood of a favorable outcome. If at any point in the course of litigation the risk and expense favor pursuit of settlement, the Oversight Board will immediately be advised via a written evaluation and recommendation. It should be noted that at Cota Cole we evaluate "costs" as including factors other than just financial impact on the client, as we take into consideration issues of precedent, policy, politics, employee morale, and other factors which the client should weigh before deciding to pursue ongoing litigation or settlement. Once presented with the liability/cost evaluation, the firm is prepared to follow the Oversight Board's direction.

Tracking and management of litigation costs, budgets and preauthorization for litigation expenses will serve to limit litigation costs wherever possible. As a municipal law firm, Cota Cole is extremely sensitive to the economic challenges facing our public clients, and we are committed to working closely with the Oversight Board to avoid litigation wherever possible. Our approach serve clients well by controlling expenses as much as possible while continuing to monitor situations for any issues which might affect the client on a long-term basis.

M. Reporting and Tracking

Each case handled by Cota Cole is assigned a separate number for purposes of tracking legal services and expenses. At the inception of any litigation matter, a preliminary evaluation is prepared summarizing available facts, liability analysis, recommended handling and anticipated expenses through trial. As desired by the client, budgets may be established that include expense thresholds for pleadings, discovery, motion practice and trial of litigation matters.

N. Cost Containment

As to all matters (non-litigation and litigation), Cota Cole attorneys record daily the description of services provided and the time dedicated to those services. This electronic record is reviewed weekly by both the primary responsible attorney and the Managing Partner. Monthly expenses, as well as cumulative expenditures to date, are reviewed regularly and reported to the client. To the extent unexpected expenses are brought on by discovery or by motions initiated by an opposing party, the client is advised immediately. An extraordinary expense (such as a summary judgment motion) is not undertaken without advance client approval. Regular communication with the client and its staff is utilized to assure that expenses remain within expected thresholds.

Litigation expenses are managed both through standing policies and individual case evaluations. Standing policies include utilizing associates and paralegals where appropriate to limit costs. Avoidable costs such as unnecessary deposition summaries, redundant discovery, or marginally productive motions are not undertaken. Individual cases are evaluated based on the amount at issue and the value to the client.

Each litigation matter is evaluated at the inception and throughout the pendency of the case. This ongoing evaluation process includes a review of anticipated risk/exposure, projected expenses, and likelihood of a favorable outcome. If at any point in the course of litigation the risk and expense favor pursuit of settlement, the Oversight Board will be immediately advised via a written evaluation and recommendation. It should be noted that at Cota Cole we evaluate "costs" as including factors other than just financial impact on the Oversight Board, as we take into consideration issues of precedent, policy, politics, employee morale, and other factors which the Board should weigh before deciding to pursue ongoing litigation or settlement. Once presented with the liability/cost evaluation, the firm is prepared to follow the direction of the Oversight Board.

Tracking and management of litigation costs, budgets and preauthorization for litigation expenses will serve to limit litigation costs wherever possible. As a municipal law firm, Cota Cole is extremely sensitive to the economic challenges facing our public clients, and we are committed to working closely with the Oversight Board to avoid litigation wherever possible. Our approach will serve the Oversight Board well by controlling expenses as much as possible while continuing to monitor situations for any issues which might affect the Oversight Board on a long-term basis.

O. CEQA and Other Environmental Issues

Cota Cole represents clients in all aspects of land use and environmental law. Our attorneys have significant experience litigating environmental disputes, defending clients against government enforcement actions, and handling real property issues and transactions, including purchase, sale and leasing of contaminated property, rights-of-way and easements, property disposal, and public improvements. Our scope of this experience includes advice and representation on site investigations and remedial actions, general plans and zoning, special use permits, the Subdivision Map Act, CEQA and NEPA, CERCLA, California Hazardous Substance Account Act, RCRA, Porter-Cologne, Proposition 65, air and water quality, water supply and rights, and utilities issues.

Cota Cole attorneys have experience advising public and private clients regarding compliance with hazardous materials laws and regulations, including those involving preparation of hazardous materials business plans and regulation by certified unified program agencies. Our attorneys have also litigated a variety of matters involving hazardous waste discharges, including claims under CERCLA and HSAA, RCRA, and other federal and state laws.

P. Legal Developments

As City Attorney for multiple cities and as legal counsel for public entities throughout California, Cota Cole keeps apprised of legal developments and issues relating to California municipalities. We subscribe to the Daily Journal (hardcopy and electronic format) and receive information via Westlaw RSS feeds, counsel list serves and certain legal blogs. When specific rulings or other events occur that may have relevancy to our clients, that information is disseminated firmwide. Our attorneys also share any pertinent information with their clients. And when an event occurs within one municipality that may have significance for another, our attorneys, while maintaining privilege, will provide sufficient detail to alert others within the firm who might be faced with similar situations. Ongoing discussions regarding proper handling of issues are common, as are communications with clients regarding any potential issues and their possible solutions.

Through legal updates provided at no additional charge to our municipal clients, we keep agency clients and staff up to date on the changing legal circumstances impacting municipalities. Through active and ongoing communications with executives and staff, weekly office hours, and knowledge of developments and issues within the community, Cota Cole's attorneys are able to anticipate issues and propose responses, oftentimes avoiding unnecessary litigation. No-cost training workshops and legal updates also serve to keep agency leaders apprised of their obligations and sensitive to issues and responsibilities before problems arise. Cota Cole has successfully used these approaches with other public law clients, and would be pleased to implement such programs for the Oversight Board.

Q. Communication Devices and Software

The firm utilizes all normal avenues of communication, including phone, fax, cell phones, email, voice mail, conference calls, videoconferencing, delivery services, and the U.S. postal system.

The firm maintains a print library of essential titles in addition to a comprehensive Westlaw account that includes full access to California and federal databases. Firm computers are equipped with the full suite of Microsoft Office software. The firm also uses Timeslips for all billing purposes; the Wordox document management program; and Compulaw's Vision software for docketing and calendaring of all litigation matters. The firm has several printers as well as high-speed copiers for large print jobs (equipped with scanning capabilities). As part of our litigation practice, our office staff regularly handles large print/scan jobs, creating searchable CDs or DVDs for large document productions. The firm also subscribes to Westlaw's CaseLogistix and Case Notebook services for productions and trial preparation needs, which is highly effective in organizing the facts and documents in a matter, ensuring access by all team members to documentation and files, and preventing excess duplication of work.

Section 3. References

PROFESSIONAL REFERENCE CONTACT INFORMATION	
CONTACT NAME, ADDRESS, PHONE AND EMAIL	DESCRIPTION OF WORK PERFORMED
<p>Harold Duffey City Administrator City of Oroville 1735 Montgomery Street Oroville, CA 95965 Phone: 530-538-2535 Email: duffeygh@cityoforoville.org</p>	<p>General Advice Counsel: Provide general advice and counsel work to the city; advise regarding procedures, including Brown Act and policy re conflicts of interest and general liability, perform risk assessments.</p> <p>Labor & Employment: Advise regarding Myers-Milias-Brown Act, labor negotiations, and personnel policies and codes; conduct <i>Skelly</i> hearings, civil service and other administrative proceedings related to employment and labor issues.</p> <p>Environmental: CEQA project review and defense of litigation.</p>
<p>Craig Jones City Manager City of Taft 209 East Kern Street Taft, CA 93268 Phone: 661-763-1222 x 23 Email: cjones@cityoftaft.org</p>	<p>General municipal: Provide general advice and counsel work to the city; advise regarding procedures, including Brown Act and policy re conflicts of interest and general liability and issues related to dissolution of the Community Development Agency, the creation of the Successor Agency and Oversight Board.</p> <p>Labor & Employment: Advise regarding Myers-Milias-Brown Act, labor negotiations, and personnel policies and codes; conduct <i>Skelly</i> hearings, civil service and other administrative proceedings related to employment and labor issues, including Public Employment Relations Board and State Personnel Board Hearings.</p> <p>Other: Litigation defense.</p>
<p>Thomas Greer General Manager Monterey Peninsula Airport District 200 Fred Kane Drive, Suite 200 Monterey, CA 93940-5353 Phone: 831-648-7000 Email: tgreer@montereyairport.com</p>	<p>General Advice Counsel: Brown Act, Public Records Act and Board procedures. Provide counsel re bond issuance and taxing authority</p> <p>Labor & Employment: Advise regarding Myers-Milias-Brown Act, labor negotiations, and personnel policies and codes.</p> <p>Environmental: Defend against CEQA litigation brought regarding the expansion and updating of airport runways.</p> <p>Tenancy Issues: Assist with lease rejection for nonpaying tenants, contract negotiations and land use issues.</p>

Section 4. Proposed Fee Schedule

A. Non-Litigation General Counsel Services

When selected as legal counsel for the Oversight Board, Cota Cole will provide all services listed below:

- Attend regular Oversight Board meetings and other meetings as assigned.
- Attend staff meetings as requested by designated staff (such staff meetings may be via webex or similar online interactive format with the approval of the Oversight Board).
- Provide legal advice to the Oversight Board and staff.
- Provide written updates on new legislation or judicial decisions impacting the Oversight Board, and propose suggested actions or changes in operations or procedures to assure compliance.
- Review current documents, policies and forms to ensure compliance with current laws.
- Review and advise on recommendations from Board staff regarding contracting issues.
- Review and advise the Board and staff regarding recommendations on refinancing, completion of redevelopment projects, and other property and asset disposition matters.
- Provide guidance on personnel matters, including policies and procedures affecting employees, as well as employee disciplinary issues and grievances.
- Perform legal work pertaining to land use issues including, but not limited to, property acquisitions, property disposals, public improvements, easements, dedications and right-of-way, and environmental due diligence.
- Advise regarding compliance with the Political Reform Act and other ethics statutes, regulations, and rules.
- Prepare and/or review all ordinances, resolutions, orders, agreements, contracts, certificates, deeds, leases, letters, memoranda, and other communications as required.
- Prepare any other documentation required, including notices, staff reports, orders, forms, declarations, and certificates.
- Advise regarding tort claims and liability exposure, and perform risk analyses.
- Promptly return all calls and emails.
- Ensure timely compliance with requests for public records.
- Perform all other non-litigation legal services as requested by the Board.

The non-litigation services would be provided on the following terms, or such alternate fee arrangements as agreed to between the Oversight Board and Cota Cole following further negotiation.

General Counsel Rates	
Lead Attorney Rate (more than 5 years' experience):	\$210/hour
Associate Attorney Rate (less than 5 years' experience):	\$180/hour
Paralegals:	\$135/hour
Services Included:	All services enumerated above

We would bill to recover certain costs associated with our non-routine services or advanced on the Oversight Board's behalf. These costs include:

Travel to and from Oversight Board headquarters for regularly scheduled meetings	No charge
Vehicle travel (for non-standard trips originating from Oversight Board headquarters)	Applicable IRS rate per mile x number of miles
Extraordinary postage or overnight delivery costs	Actual Cost
2.5% administrative fee in lieu of separate charges for phone, fax and copies	Based on the amount of fees billed during the month

B. Litigation Services

Cota Cole attorneys have extensive litigation experience and would likely be able to provide all litigation services required by the Oversight Board. "Litigation" services include the handling of any case, action, or proceeding in any judicial or administrative tribunal. Should litigation services be required by the Oversight Board, we propose the fee structure noted here.

Litigation and Environmental Counsel Rates	
Lead Attorney Rate (more than 5 years' experience):	\$250/hour
Associate Attorney Rate (less than 5 years' experience):	\$225/hour
Paralegals:	\$150/hour
Services Included:	The handling of any case, action, or proceeding in any judicial or administrative tribunal

Hourly rates would be charged for customary attorney and paralegal services related to litigation and environmental counseling, which include:

- Preparation for and attendance at court hearings.
- Drafting of pleadings, motions, memoranda, court forms, and other litigation documents.
- Research and analysis of claims, defenses, and remedies.
- Drafting and responding to discovery pleadings.
- Coordinating, reviewing, and summarizing discovery and document productions.
- Depositions, including witness preparation and preparation of post-deposition summaries.
- Preparation of administrative records.
- Meetings with client representatives, opposing counsel, and others concerning the litigation.
- Trial and trial preparation.
- Research, analysis and advice concerning compliance with and enforcement of environmental law.
- Any other tasks necessary to the successful completion of the litigation.

In addition to the duplication and other charges enumerated above, any costs incurred in the course of litigation would also be invoiced monthly. The following list of litigation charges is included by way of example:

Court filing fees	Actual Cost
Attorney services (includes service of process fees, arbitrators, and mediators)	Actual Cost
Messenger services	Actual Cost
Westlaw research outside of our prepaid service fee	Prorated so the Oversight Board would pay its proportionate share
Data analysis subscription fees associated with CaseLogistix or related software	Prorated so the Oversight Board would pay its proportionate share
FedEx, OnTrac Overnight, or other one-day delivery services	Actual Cost
Reasonable travel expenses (mileage)	Applicable IRS rate per mile x number of miles
Parking and toll fees	Actual Cost
Duplication/reproduction fees (50 copies or more)	Actual Cost if performed by outside service; \$0.25 if performed in-house
Any other expense not listed above that becomes necessary for the successful resolution of a client matter	Actual Cost
2.5% administrative fee in lieu of separate charges for phone, fax and copies	Based on the amount of fees billed during the month

The proposed fee structure and hourly rates are subject to further negotiation or revision, depending on the Oversight Board's needs.

Section 5. Clients and Potential Conflicts of Interest

A. Conflicts of Interest

The firm has detailed conflict-of-interest check procedures, which include computerized and physical cross-referencing and searches. Cota Cole is not aware of any potential, apparent, or actual conflict of interest with respect to its ability to represent the Oversight Board. Cota Cole is likewise not aware of any client, past or present, who would pose a conflict of interest with the Oversight Board.

A conflict check is run each time a new matter arises, as well as when additional parties become involved in an ongoing matter. Cota Cole has already run the agency names and individual Board members listed within the RFQ through its conflicts check procedure, and no conflicts have been found.

No member of Cota Cole has had any involvement with any of the City of Sand City Redevelopment Agency, the Oversight Board as Successor to the Redevelopment Agency, or any of the Oversight Board members listed, and no known conflicts exist.

B. Current Public Agency Clients

Below is a list of those public agencies for whom Cota Cole attorneys perform general counsel work.

City of Chowchilla. City Attorney (Thomas Ebersole). No conflicts known or expected.

City of Gustine. City Attorney (Thomas Ebersole). No conflicts known or expected.

City of Oakley. City Attorney (Derek Cole). No conflicts known or expected.

City of Oroville. City Attorney (Scott Huber). No conflicts known or expected.

City of Sutter Creek. City Attorney (Derek Cole). No conflicts known or expected.

City of Taft. City Attorney (David Prentice). No conflicts known or expected.

Trinity County. County Counsel (Derek Cole). No conflicts known or expected.

Monterey Peninsula Airport District. General Counsel (David Prentice). No conflicts known or expected.

In addition, Cota Cole provides outside litigation or special counsel services for Madera County, San Joaquin County, San Benito County, Siskiyou County, Humboldt County, and the City of Davis. No conflicts are known or expected.

C. Representation Within Last Five Years of Clients Adverse to Public Entities

Cota Cole previously represented the County of San Joaquin against the City of Stockton in multiple matters relating to emergency dispatch and advanced life support services. These matters were closed in the fall of 2010.

Cota Cole also represented the Madera County Assessor in a successful action against the County's Assessment Appeal Board which resulted in the matter being remanded to the AAB.

Cota Cole represented a private client in a prior action against the County of Ventura regarding a permitting matter. It also represents a real party in interest (project applicant) in a CEQA lawsuit brought by the City of Petaluma.

None of the above-referenced actions creates any potential conflict with the Oversight Board.

Section 6. Insurance and Additional Information

A. Insurance

Cota Cole maintains professional errors and omissions coverage through Lloyd's of London in the amount of \$5,000,000 per occurrence and in the aggregate. Cota Cole maintains Comprehensive General Liability ("CGL") coverage in the amount of \$1,000,000 per occurrence of bodily injury, personal injury, or property damage; automotive liability coverage in the same amount (coverage for which is provided under the firm's CGL policy); and workers' compensation liability coverage in the amount \$1,000,000 per accident. The firm will maintain coverage at or above these amounts for the duration of legal services it provides the Oversight Board. Any required insurance limits and riders will be in place prior to the start of work for the Oversight Board.

B. Equal Opportunity Employer

Cota Cole is an equal opportunity employer that complies with all federal, state and municipal laws and regulations, including the Americans With Disabilities Act.

C. Drug-Free Workplace

Cota Cole complies with all requirements of the Drug-Free Workplace Act of 1990.

D. Discipline, Complaints, and Malpractice Claims

Cota Cole is proud to state that all its attorneys are in good standing with the California State Bar. No Cota Cole attorney has any record of discipline with the California State Bar or with any other federal, state, or local bar association, nor has any attorney in the firm been a party to a malpractice claim.

CITY OF SAND CITY

JUL 27 2012

RECEIVED

**Statement of Qualifications to
Provide Legal Services to the
Sand City Oversight Board**

July 26, 2012

Prepared by:



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San Francisco, California 94105
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Printed on 100% post-consumer waste recycled paper



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Steven T. Mattas
Attorney at Law
smattas@meyersnave.com

July 26, 2012

Linda Scholink, Director of Administrative Services
City of Sand City
City Hall
1 Sylvan Park
Sand City, California 93955

Re: Qualifications to Provide Legal Services to Oversight Board

Dear Ms. Scholink:

On behalf of Meyers Nave, I have enclosed our Statement of Qualifications to serve as legal counsel for the Oversight Board to the Successor Agency to the Redevelopment Agency of Sand City.

Since the firm's founding as a public agency firm in 1986, Meyers Nave has had robust practice in redevelopment law. Today, during this time of transition, we represent oversight boards, successor agencies and auditor-controllers throughout the state, including the oversight boards for the cities of San Diego, Berkeley, Coronado, Goleta and Lompoc as well as the County of Riverside.

Meyers Nave proposes Robin Donoghue as the lead attorney. I will support her in this role. Robin has served as special counsel to the redevelopment agencies of Petaluma, Cotati, Windsor, Healdsburg, Cloverdale, Fort Bragg and Dixon. Her experience in redevelopment law dates back to the 1980s when she served as Senior Attorney with the San Francisco Redevelopment Agency. Today, she is advising oversight boards, successor agencies, housing successors, and auditor-controllers in several counties. I have served as General Counsel to the redevelopment agencies of the cities of Milpitas and South San Francisco for many years. Today, I advise South San Francisco's Successor Agency in the dissolution of its Redevelopment Agency and in its interaction with the Oversight Board. I also serve as Assistant Counsel to the San Diego Oversight Board and as special counsel on issues involving the former redevelopment agencies in Stanislaus County and the City of Inglewood.

Thank you for consideration of Meyers Nave to represent the City. Please do not hesitate to contact me or Robin at any time to further discuss this engagement. My contact details are above. Robin can be reached at 707.545.8009 or rdonoghue@meyersnave.com.

Very truly yours,

Steven T. Mattas

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I. Executive Summary

Meyers Nave was formed in 1986 as a public agency firm. We have maintained this commitment while we have grown from three attorneys to 80-plus attorneys in six offices throughout the state, advising on virtually every area of law that touches public agencies. Key to our delivery is our full-service model—the very basis of our firm’s founding. Now more than ever, this model has proved vital in helping public agencies tackle multiple issues simultaneously in response to the state’s decision to dissolve redevelopment agencies.

Our public agency commitment and the institutional knowledge of our attorneys are a core advantage in representing clients like you. Put simply, having served public agencies as long as we have, our attorneys have seen, researched and dealt with many of the issues our clients face, giving us a broad and comprehensive perspective on many different challenges, including the new challenges brought forth with the disbandment of redevelopment agencies. In the past year, we have assisted many of these agencies transition in response to ABx1 26 and AB 1484.

Today, our attorneys are guiding public agencies in the post redevelopment world. Soon after ABx1 26 went into effect, we held a complimentary four-part webinar series on economic development, attended by hundreds of public agency staff and officials throughout the state. We have also been asked by public agencies to advise in both general and special counsel capacities regarding the responsibilities of their successor agencies and oversight boards.

For example, we are currently assisting the San Bernardino County Counsel’s office as well as Marin County in connection with interpretation of ABx1 26 and the County Auditor-Controller’s responsibilities regarding allocation of property tax revenue to successor agencies. We have also been engaged by the cities of San Diego, Coronado, Berkeley, Buellton, Goleta and Lompoc to serve as general counsel for their oversight boards. We have provided updates to our clients on the recently adopted AB 1484. Our attorneys serve on the Post-Redevelopment Task Force organized by the City Attorneys’ division of the California League of Cities (LOCC) and actively participate in the housing committees of the LOCC Post-Redevelopment Task Force and the California Redevelopment Association (CRA) Technical Committee.

Proposed Team

Meyers Nave proposes Robin Donoghue as lead counsel with assistance from Steven Mattas. Both attorneys are members of our Municipal and Special District Law and Economic Development, Real Estate and Housing practice groups. They bring decades of experience as attorneys advising on general governance laws, including the Brown Act, California Public Records Act and the Political Reform Act, as well as on redevelopment projects. Robin and Steven currently advise successor agencies, oversight boards and related agencies in the aftermath of redevelopment and the implementation of ABx1 26 and AB 1484. Robin serves as Special Counsel to Special Counsel to the Marin County-Auditor and Steve serves as Assistant Counsel to the San Diego Oversight Board. Their resumes, provided in Section II, further details their experience.

Proposed Compensation

To represent the Oversight Board, Meyers Nave proposes the following hourly rates.

	Hourly Rates
Principal/Of Counsel	\$275
Associate	\$235

Conflicts of Interest

We have carefully reviewed our engagements and have identified no adversity between the City of Sand City and any of our clients. Our firm and our attorneys do not currently provide legal services to the City or any entity that appointed a member to the City of Sand City’s Oversight Board, with the exception of the County of Monterey. We represent the County in labor and employment as well as public finance matters. We also provide general counsel services to the Monterey County Housing Authority

Meyers Nave and its attorneys conform to the ethical rules of the State Bar regarding conflicts and potential conflicts. We promptly identify such conflicts or potential conflicts and to obtain the concurrence of the client as to the manner in which the conflict will be resolved. Depending upon the nature of the conflict or potential conflict, this may take the form of an ethical wall; written and knowing consent of the client; recusal from a matter; or withdrawal from representation. In any case, the interests of the client are paramount to the interests of the firm.

Meyers Nave utilizes industry best-practice and high-accuracy methods to check for conflicts of interest. We have staff whose time is devoted to monitoring our engagements for any possible conflict of interest and helping us ensure that our practice remains ethically sound and in compliance with all applicable laws.

Insurance Requirements

We have included our insurance certificates in Section III.

II. Proposed Lead Counsel

meyers | nave

PROPOSED LEAD COUNSEL ROBIN DONOGHUE



Robin Donoghue
Associate

401 Mendocino Avenue, Suite 100
Santa Rosa, California 95401

T: 707.545.8009
F: 707.545.6617
rdonoghue@meyersnave.com

Practice Groups
Municipal and Special District Law

Redevelopment, Real Estate and
Affordable Housing

California Bar Number
65661

Education
University of San Francisco School of Law,
JD, magna cum laude, 1975
University of California Santa Barbara, BA
History and Political Science, magna cum
laude, 1972

Practicing Since: 1975

Robin Donoghue has counseled and represented public agencies in transactions and litigation pertaining to all aspects of redevelopment, real estate and housing law. Her practice focuses on issues such as successor agency and housing successor implementation following dissolution of redevelopment agencies, fair housing, due diligence investigations, Article XXXIV issues, relocation assistance, foreclosure issues, and the negotiation and preparation of agreements (e.g., owner participation agreements, loan agreements, development and disposition agreements, purchase and sale agreements, leases and first-time homebuyer documents). In addition, Robin is a member of the Public Law practice group, with particular expertise with the California Public Records Act and prevailing wage laws.

Robin serves as Assistant City Attorney for the City of Cotati and Assistant Town Attorney for the Town of Windsor, and was recently selected to advise the Marin County Auditor-Controller's Office with respect to its responsibilities under ABx1 26. She also provides counsel to public entities with respect to regional interoperable emergency communications systems and disaster planning.

Prior to joining Meyers Nave, Robin served as Senior Attorney for the San Francisco Redevelopment Agency. In this role, she:

- Negotiated owner participation agreements, development and disposition agreements, and leases;
- Advised the agency with respect to relocation services, hazardous materials, and environmental review; and
- Conducted due diligence and formed a community facilities district pursuant to the Mello-Roos Community Facilities Act of 1982.

Robin's other prior experience includes serving as Director of the Western Regional Office of the United States Special Counsel for the Merit System Protection Board and as Assistant

Circuit Executive for Legal Affairs in the Office of the Circuit Executive—serving all federal courts in the Ninth Circuit.

Professional References

William J. McCammon, Executive Director
East Bay Regional Communications System Authority
Telephone: 925.803.7802
Email: Bill.McCammon@acgov.org
Description of Services Provided: General Counsel
Length of Working Relationship: 5 years

Nina Regor, City Manager
City of Cloverdale
Telephone: 707.894.1710
Email: nregor@ci.cloverdale.ca.us
Description of Services Provided: Special Counsel to the Cloverdale Community Development Agency until its dissolution on Feb. 1; special counsel to the Successor Agency to the Cloverdale Community Development Agency; and assistance to the Cloverdale City Attorney with a wide range of municipal law issues.
Length of Working Relationship: 5 years

III. Proposed Supporting Counsel

meyers | nave

PROPOSED SUPPORTING COUNSEL STEVEN T. MATTAS



Steven T. Mattas
Principal

575 Market Street, Suite 2600
San Francisco, California 94105

T: 415.421.3711
F: 415.421.3767
smattas@meyersnave.com

Practice Groups
Land Use

Municipal and Special District Law

California Bar Number
154247

Education
University of California at Davis, JD, 1991

University of California at Los Angeles, MA
Architecture and Urban Planning, 1988

University of California at Irvine, BA Social
Ecology with an emphasis in Urban
Planning, 1986

Practicing Since: 1991

Steven Mattas chairs the firm's flagship practice group, Municipal and Special District Law, overseeing the work of more than 30 attorneys who collectively serve as city attorneys to more than 25 municipalities. He also serves as City Attorney for the City of South San Francisco and the Town of Los Altos Hills and special counsel to several public agencies and private developers, providing advice and representation on CEQA/NEPA, land use entitlements and litigation.

Steven focuses his practice on land use, environmental law, public agency elections and municipal law. The *Daily Journal* selected Steven as one of the "Top 25 Municipal Lawyers in California" for 2011.

Recognized statewide for his land use work, Steven is the Co-Managing Editor of Continuing Education of the Bar's important reference book, *California Land Use Practice*. In addition to serving as co-editor, he authored and contributed to several chapters of the book, including those covering general and specific plans, sustainability and climate change regulations, housing, and specially regulated land uses. He co-authored the chapter on compliance with federal, state and regional agency requirements, which includes discussion of wetlands regulation, endangered species regulation, wastewater and stormwater discharges, annexation issues, and much more.

In addition to his active legal practice and his work on *California Land Use Practice*, Steven frequently authors articles and gives presentations on land use law, redevelopment law, public agency compliance with the Americans with Disabilities Act, density bonus regulations, the regulation and amortization of adult businesses, and other topics in his realm of experience. He has spoken before the California State Bar, the League of California Cities and many other organizations. He previously served as the City Attorney Department representative to the League of California Cities' Housing, Community and Economic Development

Committee and the Environmental Quality Committee. Steven has also served as an expert witness on land use and Fair Housing Act issues for the City of San Diego

Professional References

Barry Nagel, City of South San Francisco, Assistant City Manager,
P.O. Box 711

South San Francisco, CA 94083

Telephone: 650.877.8504

Email: barry.nagel@ssf.net

Description of Services Provided: City Attorney services

Length of Working Relationship: 18 years

John "Jack" Doering, County Counsel, County of Stanislaus
1010 10th Street, Suite #6400

Modesto, CA 95354

Telephone: 209.525.6376

Email: john.doering@stancounty.com

Description of Services Provided: Special Counsel services

Length of Working Relationship: five years

IV. Insurance Certificates



CERTIFICATE OF LIABILITY INSURANCE

OP ID: RS

DATE (MM/DD/YYYY)
07/18/11

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER: MacCorkle Insurance Service CA License #0606920 577 Airport Blvd. 5th Floor Burlingame, CA 94010 Zack Goldenberg	650-349-2364 650-349-4631	CONTACT NAME: PHONE (A/C, H, E, F): E-MAIL: ADDRESS: PRODUCER CUSTOMER ID #: MEYER-2	FAX (A/C, No): INSURER(S) AFFORDING COVERAGE: INSURER A: Vigilant Insurance Co. INSURER B: Federal Insurance Co. INSURER C: INSURER D: INSURER E: INSURER F:
INSURED: Meyers/Nave Meyers, Nave, Riback Silver & Wilson A Professional Corporation 555-12th Street, Suite 1500 Oakland, CA 94607	NAME #		

COVERAGES CERTIFICATE NUMBER: REVISION NUMBER:
 THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

NO. LINE	TYPE OF INSURANCE	ADDL. SUBR. (INSR. WVD)	POLICY NUMBER	POLICY EFF. (MM/DD/YYYY)	POLICY EXP. (MM/DD/YYYY)	LIMITS
A	GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY CLAIMS MADE <input checked="" type="checkbox"/> OCCUR GENT. AGGREGATE LIMIT APPLIES PER POLICY		3590-43-09	05/01/11	05/01/12	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (EA OCCURRENCE) \$ 100,000 MED EXP (Any one person) \$ 10,000 PERSONAL & ADY INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMPROP AGO \$ 2,000,000 Emp Ben. \$ 1,000,000
B	AUTOMOBILE LIABILITY ANY AUTO ALL OWNED AUTOS SCHEDULED AUTOS <input checked="" type="checkbox"/> Hired Autos <input checked="" type="checkbox"/> Non-Owned Autos <input checked="" type="checkbox"/> No Owned Autos		7355-71-30 7355-71-30	05/01/11 05/01/11	05/01/12 05/01/12	COMBINED SINGLE LIMIT (EA ACCIDENT) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
B	UMBRELLA LIAB EXCESS LIMB DEDUCTIBLE RETENTION: \$	<input checked="" type="checkbox"/> OCCUR <input checked="" type="checkbox"/> CLAIMS MADE	7987-19-39	05/01/11	05/01/12	EACH OCCURRENCE \$ 10,000,000 AGGREGATE \$ 10,000,000
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY FURTHER PROVISIONS RESCINDING OR EXCLUDING EXCLUSIONS (Necessary in MO) (If no. describe in 999) (DESCRIPTION OF OPERATIONS here)	Y/N N/A	7172-64-27	05/01/11	05/01/12	<input checked="" type="checkbox"/> NO STATUTORY LIMITS <input checked="" type="checkbox"/> OTHER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000
A	PROPERTY		3590-43-09	05/01/11	05/01/12	Blanket \$ 5,000,000 BPP \$5,200 Ded.

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)
 Evidence of Insurance.
 10 day notice of intent to cancel due to nonpayment of premium shall apply otherwise 30 days.

CERTIFICATE HOLDER Evidence of Insurance	EVIDE-1	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE
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ACORD 25 (2009/09)

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Client#: 307749

MEYENAVE1

ACORD CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
9/16/2011

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

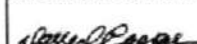
PRODUCER Hub International HUB Int'l Insurance Serv. Inc. P.O. Box 4047 Concord, CA 94524-4047	CONTACT NAME PHONE (A/C No. Ext): 925-609-6500 FAX (A/C No.): 925-609-6550	
	EMAIL ADDRESS _____	
INSURED Meyers Nave Riback Silver Etal 555 12th Street, Suite 1500 Oakland, CA 94607	INSURER(S) AFFORDING COVERAGE	
	INSURER A: Ironshore Specialty Ins Company	
	INSURER B:	
	INSURER C:	
	INSURER D:	
	INSURER E:	

COVERAGES CERTIFICATE NUMBER: EO REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

FORM	TYPE OF INSURANCE	ADDITIONAL	POLICY NUMBER	POLICY EFF.	POLICY EXP.	LIMITS
CLASS		INSUR		(MM/DD/YYYY)	(MM/DD/YYYY)	
	GENERAL LIABILITY <input type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CONTRACTOR'S LIABILITY <input type="checkbox"/> PRODUCTS <input type="checkbox"/> SERVICES <input type="checkbox"/> AUTO <input type="checkbox"/> OTHER					BODILY INJURY \$ _____ PROPERTY DAMAGE \$ _____ AD & E \$ _____ PERSONAL & ADV. \$ _____ GENERAL AGGREGATE \$ _____ CONTRACTORS CLAIMS \$ _____
	AUTOMOBILE LIABILITY <input type="checkbox"/> AUTO <input type="checkbox"/> ALL OWNED <input type="checkbox"/> AUTO <input type="checkbox"/> HIRE/LEASED <input type="checkbox"/> AUTO <input type="checkbox"/> SCHEDULED <input type="checkbox"/> AUTO <input type="checkbox"/> HIRE/LEASED <input type="checkbox"/> AUTO					BODILY INJURY \$ _____ PROPERTY DAMAGE \$ _____ PERSONAL & ADV. \$ _____ CONTRACTORS CLAIMS \$ _____
	UMBRELLA LIAB <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS MADE <input type="checkbox"/> RETROACTIVE					BODILY INJURY \$ _____ PROPERTY DAMAGE \$ _____ PERSONAL & ADV. \$ _____ CONTRACTORS CLAIMS \$ _____
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY <input type="checkbox"/> MANDATORY IN NH <input type="checkbox"/> N/A					BODILY INJURY \$ _____ PROPERTY DAMAGE \$ _____ PERSONAL & ADV. \$ _____ CONTRACTORS CLAIMS \$ _____
A	Professional Liab Errors&Omissions Claims Made		001153700	09/15/2011	09/15/2012	Deductible \$100,000 Per Claim \$5,000,000 Aggregate \$5,000,000

DESCRIPTION OF OPERATIONS (LOCATIONS (VEHICLES (Attach ACORD 101. Additional Remarks Schedule, if more space is required))
For information purposes only.

CERTIFICATE HOLDER For information purposes only. For information purposes only.	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.
	AUTHORIZED REPRESENTATIVE 

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1939304.1

Law Offices of
David J. Larsen

dave@dlarsenlaw.com
website : www.dlarsenlaw.com

July 9, 2012

Linda Scholink
Director of Administrative Services
Sand City - City Hall
1 Sylvan Park
Sand City, CA 93955

Re: Oversight Board Legal Services

Dear Ms. Scholink:

This is my statement of qualifications and proposal. I am familiar with the post-redevelopment law and have kept current with what is occurring with oversight committees throughout the state.

I have a strong background in municipal law, including the Brown Act, Political Reform Act and Public Records Act; public contracts, land use and redevelopment law (see resume). My practice emphasizes municipal, real estate and land use law (see website). I have assisted city and private clients in the acquisition and disposal of real property, am familiar with municipal bonds and certificates of participation and have advised clients concerning redevelopment projects including the following in which we employed bond financing: (i) construction of a new city hall; (ii) creation of a new downtown; and (iii) conversion of a Ford assembly plant into the largest mall in the West.

My municipal rate is \$200.00 per hour. I do not have any conflicts of interest and my malpractice insurance is standard issue (I will be happy to send a copy). References are included on the accompanying resume. If selected, I will do an excellent job. Thank you for the opportunity to apply.

Regards,



Dave Larsen

Centerpoint Building
18 Crow Canyon Court, Ste. 206
San Ramon, CA 94583
Ph : 925/855-1024
Fax : 925 /820-7554

David J. Larsen

18 Crow Canyon Ct., Ste. 206 • San Ramon, CA 94583
Phone: 925.806.0672 • Cell: 925.413.3258 • Email: dave@dlarsenlaw.com

Profile

Accomplished attorney with strong background in municipal and land use law, including extensive experience with negotiations, litigation, arbitration, mediation and administrative hearings and appeals - - - a collaborative & creative problem solver. See www.dlarsenlaw.com.

Education

Stanford University
B.A. in Psychology

Stanford University
Masters in Education

McGeorge Law School
Juris Doctorate

Pre-legal Honors: Dean's List, English Honors, lettered in Pac-10 (high jumper), $\theta\Delta X$
Legal Honors: Traynor Society, Dean's List, Moot Court Honors.

Professional Experience

Law Offices of David J. Larsen

Principal 2005 – present

- Isleton City Manager / City Attorney 2011 – 4/12
- Isleton City Attorney 2008 – 4/12
- Loomis City Attorney 2000 - 2011
- Hearing officer for the cities of Pleasanton and San Ramon
- Assist public and private clients with municipal, land use and real estate issues
- Handle real estate negotiations, document preparation and resolution of land disputes

Berding & Weil, LLP

Of Counsel 1997 – 2005

(Also *City Attorney of the Town of Loomis*)

- Special counsel for the City of Dixon
- Handled disputes with cities, counties and the State (including the Coastal Commission)
- Handled a variety of HOA issues including member disputes and CC&R interpretations.

In-house City Attorney Positions

City Attorney 1980 - 1997

Assigned a host of duties over time involving virtually all facets of municipal law- - advisor to a variety of departments (planning, redevelopment, police, personnel, public works, etc.), rent review boards, planning commissions and city councils; municipal litigator and problem solver.

- Milpitas City Attorney (staff of four) 1994 - 1997
- Pleasant Hill City Attorney (staff of three) 1988 – 1993
- Oxnard Assistant City Attorney 1983 – 1988
- Merced Deputy City Attorney 1980 – 1983.

Special Emphasis

- Successfully negotiated excellent settlement for Milpitas in Orange County Bankruptcy
- Involved in major redevelopment projects including conversion of a Ford Plant to a mall
- Handled nearly fifty lawsuits including jury trials and appeals; law and motion matters
- Successfully lobbied to modify law dealing with Geological Hazard Abatement Districts
- Drafted two amicus curiae land use briefs on behalf of more than 100 cities
- Served on Legal Advocacy Committee and Legislative Committee of City Attorney Dept.
- Drafted *Development Agreement Manual* for Institute of Local Self-Government
- Presented a League Paper on *Substantive Due Process in the Land Use Context*
- Participated in League Panel on *Racial and Sexual Bias in the Workplace*

Representative Clients

Representative clients include Blackhawk HOA, Marriot, Habitat for Humanity, Delco Builders, DiDonato, Corrie and DG&H development companies, and the cities of Alameda, Danville, Dixon, Pleasanton, San Mateo and San Ramon in addition to Milpitas, Pleasant Hill, Oxnard, Merced, Isleton and Loomis (see above).

Pre-law Work

During undergraduate years, I worked as a teacher's aide at Ravenswood High School in East Palo Alto in English, Social Studies, Track, Football, Woodshop, Music and Drama. Ravenswood was predominantly black until white students were bused in my last year. During summers I worked with an interracial backpacking program in the community; during my graduate year I student-taught at Irvington High School in Fremont. After graduation, I worked three years at Alcorn State University in Lorman, Mississippi.

Community Involvement

San Ramon Rotary (past-president), Paul Harris Fellow, Museum of the SRV, Leadership SR, SRV Education Foundation - - initiated school district effort to better address special ed. needs.

References

Elizabeth Samano Isleton City Council	916.777.7772
Chris Gallagher Owner-Principal Gallagher Wealth Management	925.831.3043
Michael Martello Former Mountain View City Attorney Former Concord City Attorney City Attorney Ethics Guru	949.429.2676
Gene Resler Former Mayor of Isleton Former Isleton Councilmember	707.486.7642
Miguel Ucovich Former Mayor of Loomis Current Loomis Councilmember	916-652-0956
Steve Weil Berding & Weil, LLC Alamo, CA.	925-838-2090



RENNE SLOAN HOLTZMAN SAKAI LLP

350 Sansome Street, Suite 300
San Francisco, CA 94104-1304
t: 415.678.3800
f: 415.678.3838

July 16, 2012

DAVID KAHN
dkahn@publiclawgroup.com
(415) 678-3810

VIA EMAIL AND U.S. MAIL
linda@sandcity.org

CITY OF SAND CITY

Linda Scholink
Director of Administrative Services
City of Sand City
City Hall, 1 Sylvan Park
Sand City, CA 93955

JUL 17 2012

RECEIVED

Re: Response to RFQ for Legal Services for the Sand City Oversight Board

Dear Ms. Scholink:

Renne Sloan Holtzman Sakai LLP, Public Law Group™, is pleased to provide a proposal for legal services for the Oversight Board for the Successor Agency to the Redevelopment Agency of Sand City.

The firm is proposing me as lead attorney for the project. Below is my contact information:

Firm Contact Info:	Attorney Info
Renne Sloan Holtzman Sakai LLP 350 Sansome Street, Suite 300 San Francisco, CA 94104 (415) 678-3800 - main (415) 678-3838 - fax	David Kahn, Partner (415) 678-3810 dkahn@publiclawgroup.com

Renne Sloan Holtzman Sakai LLP, Public Law Group™, is exceptionally well-qualified to provide legal services to the City of Sand City Oversight Board. We currently represent four Oversight Boards. Additionally, the experience of representing both a county and city in redevelopment matters, as well as hands-on experience in advising a Successor Agency and Oversight Board in implementation of ABx1 26, provides both a balanced perspective and credibility. We look forward to the opportunity to provide legal services to the City of Sand City Oversight Board. Please feel free to contact me if you have any questions.

Sincerely,

David Kahn

Attachment



**Proposal to Provide Legal Services
for the
Oversight Board for the Successor
Agency to the Redevelopment
Agency of the City of Sand City**

July 16, 2012

Submitted by



Renne Sloan Holtzman Sakai
Public Law Group™

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Resume of David Kahn

I. APPROACH TO LEGAL SERVICES AND FIRM OVERVIEW

Renne Sloan Holtzman Sakai LLP Public Law Group™, is pleased to submit this proposal to provide legal services for the Sand City Oversight Board.

We founded Renne Sloan Holtzman Sakai to provide effective, efficient, and creative legal services to meet the distinctive needs of local governments. Our philosophy is to provide advice and representation that allows policy makers and boards to achieve their goals while minimizing legal risk. We represent public agencies, including the State of California, the University of California, California State University, and numerous cities, counties and special districts, as well as school and community college districts. We have extensive experience advising and representing public agencies on all areas of California Community Redevelopment Law, public contracts, affordable housing and real property law. The firm maintains offices in San Francisco and Sacramento, with satellite offices in Albany and Los Angeles.

Attorneys on our General Government Team have decades of high-level experience representing public entities. **Louise Renne** served as San Francisco's City Attorney for sixteen (16) years, overseeing a 200-lawyer public law office and pioneering novel approaches to public law matters, and subsequently served as the City Attorney and Redevelopment Agency General Counsel for the City of Richmond. **Jonathan Holtzman** worked for the City and County of San Francisco for fifteen (15) years in a variety of roles including Chief Deputy City Attorney and director of Policy and Labor for Mayor Willie L. Brown Jr. **David Kahn** served as the City Attorney and Redevelopment Agency General Counsel for the City of Sunnyvale for seven (7) years, and prior to that served as Senior Deputy County Counsel for Santa Clara County for five (5) years, with redevelopment assignments. **Randy Riddle** served as the City Attorney and Redevelopment Agency General Counsel for the City of Richmond, and previously served as lead attorney for the San Francisco Department of Elections, Chief of the San Francisco City Attorney's Government Litigation Group and Chief Counsel to the California Secretary of State. **Teresa Stricker** possesses extensive public law experience, and previously served as a San Francisco Deputy City Attorney specializing in general government law counseling and litigation, constitutional law, and appellate advocacy. **Scott Dickey** serves as General Counsel to the San Francisco Community College District, and has served as the Chief Deputy City Attorney for the City of Richmond, and previously served as a San Francisco Deputy City Attorney specializing in general government law counseling, litigation, administrative law and appellate advocacy.

Our General Government Team brings together:

- Extensive experience in the practice of municipal law;
- Significant experience in land use and redevelopment law;

- Expertise in litigation, writ practice and appellate advocacy in state and federal courts;
- Extensive experience appearing before and advising administrative bodies;
- First rate reputations within the legal community at local, state and federal levels;
- Extensive experience providing legal advice to all municipal departments, including City Clerk, City Manager/Chief Administrative Officer, Community Development, Community Resources, Finance, Fire Administration, Housing, Personnel, Police Administration, Recreation and Parks, Public Works and Redevelopment;
- Proven ability to develop and maintain critical relationships with political bodies, including city councils, boards of supervisors, other boards and commissions; and
- Proven ability to proactively solve legal issues for city departments prior to reaching the litigation stage, and to communicate changes in the law effectively to city departments and officials.

II. PROPOSED LEGAL COUNSEL FOR OVERSIGHT BOARD

Although we work as a team, providing a network of legal support for our public sector clients across all of our practice areas, we are pleased to propose **David Kahn** as the primary provider of legal counsel services for the Sand City Oversight Board. David brings extensive experience in the California Community Redevelopment Law, ABx1 26, public contracts, affordable housing, and real property law. He joined the Public Law Group™ in 2012 immediately after 7 years as a Redevelopment Agency General Counsel and representing a Successor Agency and Oversight Board as counsel in 2012 to commence implementation of ABx1 26.

David will have the ability to draw on internal Public Law Group™ resources for additional expertise in a variety of areas, including conflicts, and ethics matters. We have included, as Attachment A, David's professional resume.

A. Current Oversight Board Clients

David has recently been retained by the Oversight Boards of the City of Healdsburg, the City of Salinas, City of Petaluma, and the City of Santa Monica to advise on all aspects of ABx1 26 and AB 1484, Oversight Board responsibilities, and legal issues. To the extent that research and advice is equally applicable to all Oversight Boards represented, costs will be reduced by pro-rating the rate among the Boards.

Following is a brief description of David's qualifications and experience.

B. Legal Training and Bar Admission

David earned his J.D. from Boalt Hall Law School, University of California in 1980. He was admitted to the Bars for the States of California and Washington in 1981 and 1988, respectively. In 1998, David was admitted to the Bar of the United States Supreme Court.

C. Public Entity Experience

David has over 26 years of experience in representing public agencies at both the city and county level. Most recently, he served as Sunnyvale (population 140,000) City Attorney and Redevelopment Agency General Counsel from 2005 to 2012. Both the City Council and Redevelopment Agency are Brown Act boards and David advised at over 200 meetings of these boards. David provided Brown Act instruction to the Leadership Sunnyvale class of prospective public officials for seven years. As City Attorney, David advised the City Council, City Manager and all City departments.

From 2000 to 2005, David was Senior Deputy County Counsel in Santa Clara County (population 1,787,694). In addition to substantial redevelopment work, David's clients included the sheriff, Superior Court, airports, finance, tax collector and grand jury. David successfully advised the Census 2000 Redistricting Committee through the politically sensitive redrawing of district boundaries.

From 1995 to 2000, David was City Attorney of Mercer Island, Washington. He advised and represented the City Council and Planning Commission, both subject to the Washington Open Meetings Law (the Brown Act equivalent in Washington). He provided legal advice to the Council and all City departments. From 1988 to 1995, David was Chief of Litigation for Bellevue, Washington, a major economic center for the Puget Sound region. In addition, he served as a Deputy City Attorney for the City and County of San Francisco from 1986 to 1988, representing the school district, Municipal Railway, police department and other city departments.

D. Redevelopment and Related Experience

David has the exceptional background of having substantively represented both a City and County in redevelopment matters and thus having a perspective on the legal and policy concerns of both a redevelopment agency and other taxing entity. David's experience with the California Community Redevelopment Law began in 2000, when he was part of a team representing Santa Clara County in a long-standing dispute over property tax increment from multiple redevelopment areas in the largest city in the County. The issues included redevelopment area creation and expansion, statutory pass-through payments, definition of blight, and allocation of

property tax increment received by the redevelopment agency. Consequently, he worked extensively with the Community Redevelopment Law and appeared on behalf of the County in contested redevelopment hearings.

As City Attorney for the City of Sunnyvale, David immediately became involved as Redevelopment Agency General Counsel with a major redevelopment project comprising the majority of the downtown area. At the time of his hire, the area was blighted with a closed parking structure and a shuttered and empty mall. Although a developer was in place, it defaulted on the project and David successfully negotiated a revised Development and Owner Participation Agreement and transfer of the Project. The project is very complex, with future redevelopment tax increment funding public infrastructure and parking structures for the mixed use retail, commercial and residential project and public and private property ownership within the project area. After approximately \$300 million was invested in the project, the 2008 financial collapse resulted in the lender filing for foreclosure, the appointment of a receiver, and another renegotiation of the Development and Owner Participation Agreement and the ability to market the project. David advised on all applicable aspects of the California Community Redevelopment Law during the seven years he served as General Counsel for the Redevelopment Agency on this project.

With the initial passage of ABx1 26 and 27, David advised on the potential impacts of the legislation and advised on the Redevelopment Agency's adoption of the "opt in" payment which would have allowed the continued existence of redevelopment agencies. He monitored the filing and argument of the *Matosantos* case, in which the California Supreme Court affirmed ABx1 26 and found ABx1 27 unconstitutional, resulting in the dissolution of redevelopment agencies and the creation of Successor Agencies and Oversight Boards. Between January to May 2012, David has advised the Sunnyvale Successor Agency and Oversight Board in the many actions and deadlines with the County and State, and in reviewing enforceable obligations and the Recognized Obligations Payment Schedule (ROPS).

As City Attorney, David advised regularly on public contracts, affordable housing, public works, contracting and real property law. The City of Sunnyvale has an Office of Affordable Housing which partners with non-profit housing providers to fund and construct affordable housing. David initiated and successfully negotiated a partnership between the County of Santa Clara, the City of Sunnyvale and Mid-Pen Housing to resolve a redevelopment dispute and construct a new 120 unit senior affordable housing development.

David is prepared to undertake all legal duties for the Oversight Board, including:

- Serving as counsel at all Oversight Board meetings and responding to all Brown Act, conflict of interest, parliamentary procedure, and other legal issues.

- Providing legal advice and guidance on ABx1 26 and AB 1484 obligations and responsibilities of the Oversight Board, as well as its fiduciary responsibilities.
- Providing legal advice and counsel on ABx1 26 and AB 1484 issues and mandatory/discretionary actions before the Oversight Board.
- Providing legal advice on the Oversight Board's relationship with the Successor Agency.
- Providing thorough legal opinions as requested by the Oversight Board.
- Responding promptly to requests for other duties within the scope of the Oversight Board.

David has experience in working with elected officials with divergent viewpoints and policy goals.

Work Plan

Upon appointment as counsel to the Oversight Board, the work plan (subject to client direction) may include:

- Review of the Sand City Successor Agency redevelopment projects and status.
- Review of financing of the Sand City Successor Agency redevelopment projects.
- Review of Enforceable Obligations Payment Schedule and Recognized Obligations Payment Schedule for Successor Agency and Department of Finance responses.
- Review of Affordable Housing projects and status and Department of Finance responses.
- Establishment of communication protocols with Oversight Board counsel.
- Research and development of legal memos on Oversight Board responsibilities and discretion on transfer of assets, agency wind-down, and amendment or termination of prior RDA agreements.

III. REFERENCES

City/County	Reference
City of Sunnyvale Sunnyvale City Hall 456 W. Olive Avenue Sunnyvale, CA 94086 (408) 730-7500	Gary Luebbers City Manager (408) 730-7242 gluebbers@ci.sunnyvale.ca.us Grace Leung Finance Director and Oversight Board Member (408) 730-7398 gleung@ci.sunnyvale.ca.us
County of Santa Clara 70 W. Hedding Street San Jose, CA 95110 (408) 615-2220	John Guthrie RDA Consultant (Former Finance Director) Finance Department (408) 299-5200 John.Guthrie@fin.sccgov.org

IV. CONFLICTS STATEMENT

We know of no current or potential conflicts of interest that would prevent us from providing legal services to the City of Sand City Oversight Board.

V. ERRORS AND OMISSIONS INSURANCE

The Firm carries Errors and Omissions Insurance (professional liability) through Axis Insurance Company with the following limits: \$2,000,000 per claim; \$4,000,000 aggregate.

VI. FEE PROPOSAL

The Firm will bill the City of Sand City for professional services at our public agency discounted hourly billing rate.¹ David Kahn's discounted hourly rate for this project will be \$285 per hour. David currently is counsel to three other Oversight Boards. To the extent that research or work is equally applicable to all oversight boards, the hourly rate will be pro-rated based on the total number of oversight boards represented. Our associate rates depend on the associate's years of labor and employment experience out of law school and the rates are \$205 to \$285 per hour. Paralegals are billed at \$95 to \$125 per hour. Billing is done in 1/10s of an hour increments.

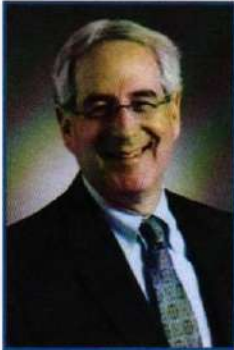
¹ These rates are reviewed and may be modified every year, generally in January.

In addition, the Firm charges separately for certain costs incurred in the representation, as well as for any disbursements to third parties made on a client's behalf. Such costs and disbursements include, for example, the following: travel-related expenses, computer-assisted research, transcription, overnight delivery and messenger services. The Firm also bills for time spent traveling on a client's behalf at our normal hourly rates. However, for the Oversight Board, although total round trip travel time from our office to the City of Sand City is 4.25 hours without traffic, travel time will be billed at a flat rate of \$428 per round trip.

We will bill you on a monthly basis for services performed and costs incurred. Payment is due within 30 days of the date an invoice is rendered. Past due amounts will be shown on the invoice.

You may terminate our services at any time, subject to any applicable requirements for withdrawal of counsel imposed by a tribunal. The Firm reserves the right to withdraw from the representation for failure of the client to make timely payment of fees, costs, and disbursements in accordance with the fee arrangement described in this letter, or for any other reason permitted by the applicable Rules of Professional Conduct.

Resume of David Kahn



David Kahn

Partner

EXPERIENCE

Mr. Kahn advises and represents both public agency and private clients on public agency law, redevelopment, and land use issues. Mr. Kahn brings to his clients over 30 years of public agency experience and creative solutions to complex public issues and public-private partnerships. He has represented both a City and a County on redevelopment issues and can bring that unique perspective to current redevelopment successor agency wind-down issues and oversight boards. As City Attorney for Sunnyvale, California and Mercer Island, Washington, Mr. Kahn represented and advised City Councils and City Managers, in addition to planning, human resources, police and fire, finance, and public works departments. Mr. Kahn's experience as Senior Deputy County Counsel for Santa Clara County included representation of the sheriff's department, Superior Court judges, grand jury, County airports, finance and tax collector. He has advised on Brown Act, California Public Records Act, and Conflict of Interest regulations. He has also been the legal advisor to citizen committees such as the Census 2000 County Redistricting Committee and Charter Review Committees. Mr. Kahn also has substantial appellate advocacy experience. Mr. Kahn received the 2003 County Counsel Litigation Award, and is rated AV-Preeminent by Martindale-Hubbell.

Some of the cases and issues Mr. Kahn has provided advice and representation on include:

- Complex \$750 million redevelopment project of downtown. Representation included removal of defaulting developer, renegotiation of development agreement, environmental remediation and coordination with Regional Water Quality Control Board, and creative solutions to continue Project progress during 2008-09 economic downturn.
- Closure and re-use of military base in City.
- Advising City Councils for 12 years, including on controversial issues such as medical marijuana, group housing and campaign finance reform ordinances.
- Challenges under CEQA to City projects.
- Negotiations on behalf of City with County and Affordable Housing Agency leading to partnership and construction of senior affordable housing at County Clinic site.
- Representation of County in 2003 PGE bankruptcy litigation.

SAN FRANCISCO OFFICE

t: 415.678.3800

f: 415.678.3838

dkahn@publiclawgroup.com

PRACTICE AREAS

Government Law and Litigation

General Counsel to Public Agencies

Redevelopment (Successor
Agencies and Oversight Boards)

Land Use and Development

Sustainability

CEQA

BAR ADMISSION

California

Washington (Inactive)

Navajo Nation (Inactive)

EDUCATION

Boalt Hall Law School, University of
California, Berkeley, J.D.

University of California, Santa Cruz,
B.A.



- Representation of County in binding arbitration for airport operator lease payment dispute.
- Trial and appellate counsel for County in Subdivision Map Act litigation.
- Representation of City in litigation to preserve historical restaurant and tavern from nuisance challenge.
- Representation of police officer at Inquest Hearing for first officer-involved shooting fatality in City.

Related Experience

Immediately prior to joining Renne Sloan Holtzman Sakai, Mr. Kahn was City Attorney/Redevelopment Agency General Counsel for the City of Sunnyvale for seven years and handled the complete range of government law issues. From 2000-2005, Mr. Kahn was Senior Deputy County Counsel for the County of Santa Clara. From 1995 to 2005, Mr. Kahn served as City Attorney for the City of Mercer Island, Washington. Mr. Kahn was Deputy City Attorney/Chief of Litigation for Bellevue, Washington, from 1988-2007, where he litigated a number of high profile cases and provided appellate advocacy in both the Court of Appeals and Washington Supreme Court. Mr. Kahn began his city attorney experience with the City and County of San Francisco, where he was a team leader for a litigation team representing the police department, school district, MUNI and public works department. Mr. Kahn was also a Deputy Public Defender for Santa Clara County, where he tried both felony and misdemeanor matters.

During law school, Mr. Kahn was an extern to the Chief Justice of the Alaska Supreme Court, as well as a law clerk with DNA Legal Services on the Navajo Nation. Prior to law school, Mr. Kahn was a VISTA Volunteer with Community Legal Services in San Jose.

Reported Appellate Cases

- *Pfeiffer v. City of Sunnyvale*, 200 Cal. App. 4th 1552 (2011)
- *Trinity Park LP v. City of Sunnyvale*, 193 Cal. App 4th 1014 (2011)
- *Sunnyvale West Neighborhood Assoc. v. City of Sunnyvale City Council*, 190 Cal. App. 4th 1351 (2010)
- *Van't Rood v. County of Santa Clara*, 113 Cal. App. 4th 549 (2003)
- *Zilog v. Superior Court*, 86 Cal. App. 4th 1309 (2001)
- *Lillian F. v. Superior Court*, 160 Cal. App. 3d 314 (1984)
- *Peterson v. City of Bellevue*, 56 Wash. App. 1 (1989)
- *Crippen v. City of Bellevue*, 61 Wash. App. 251, cert. denied 117 Wash. 2d 1015(1991)



- *Rozner v. City of Bellevue*, 116 Wash. 2d 342 (1991)
- *IAFF v. City of Bellevue*, 119 Wash. 2d 373 (1992)
- *Mull v. City of Bellevue*, 65 Wash. App. 245 (1992)
- *Bellevue 120th Associates v. City of Bellevue*, 65 Wash. App. 594, cert. denied 818 P. 2d 1098

Professional Activities

- *California League of Cities, City Attorney Division, Brown Act Committee (2011-present)*
- *California League of Cities, City Attorney Division, Nominating Committee (2011)*
- *California League of Cities Legal Advocacy Committee (2007-09)*
- *Santa Clara County Bar Association Judiciary Committee (2001-02)*
- *Washington State Bar Association, Trustee*
- *Member, United States District Court Magistrate Judge Selection Committee*
- *Chair, United States District Court Pro Bono Committee (1996-1998)*



July 10, 2012

Linda Scholink, Director of Administrative Services
City of Sand City, City Hall
1 Sylvan Park
Sand City, CA 93955
(Via U.S. Mail & Email: linda@sandcity.org)

CITY OF SAND CITY

JUL 11 2012

RECEIVED

Re: Response to RFQ for Legal Services to the Successor Agency Oversight Board

Dear Ms. Scholink:

Enclosed, please find Parravano Witten PC's response to the above-referenced Request for Qualifications. If our firm were retained, I would serve as lead attorney. My mailing address and telephone number appear below. My email address is: jwitten@parravanowitten.com.

Our team has followed closely and with interest the implementation of last year's landmark legislation dismantling the redevelopment agencies. Of late, land-use and redevelopment issues have played an increasing role in our transactional work, and as a team, we appreciate how dramatically the recent legislation has changed the landscape of redevelopment in California. We recognize how much responsibility has been vested in the Oversight Boards, and just how many competing interests and considerations—both legal and practical—the Board must balance in determining which projects will continue, and how those projects will be funded.

As our diverse array of experience reflects, we possess the analytical skills and business savvy to guide the new Oversight Board through these complexities. Our team specializes in problem-solving: we take pride in thinking outside the box to devise solutions that accomplish our clients' goals while adhering scrupulously to applicable law and regulation. In the current budgetary environment, such a practical approach may be just what the Oversight Board needs.

Our firm has a longstanding commitment to community development: we have long been active on the Boards of charities with public-sector partnerships, such as CASA of Monterey County and the Offset Project, and of other community charities, including Hands to Help Seniors and Colleagues of the Arts. We would welcome the opportunity to extend our community involvement through representation of the Oversight Board.

We look forward to the Board's decision. In the meantime, should you have any questions or need additional information, please do not hesitate to contact me.

Sincerely,

PARRAVANO WITTEN PC

Jeannette K. Witten

Enclosures

069

The following summaries highlight our attorneys' most relevant qualifications and experiences. For full details of their experience, education, and qualifications, please see their *curricula vitae*, which are also enclosed.

Jeannette K. Witten (*Proposed Lead Attorney*)

Ms. Witten is the owner and managing attorney of Parravano Witten PC, which she formed in 2007. She has practiced law since 1998 and is licensed in both California and Pennsylvania.

Ms. Witten's experience in land use and redevelopment law began in 1999 at the Grunsky Law Firm, where she served as an outside legal adviser to the Pajaro Valley Water Management Agency (www.pvwma.dst.ca.us). She provided crucial legal guidance to the Agency's Board during a divisive and challenging period, when the negative effects of water basin overdraft and sea water encroachment on growers reached their peak, and when the Board was enmeshed in the planning and implementation of the now-completed Recycled Water Facility and Coastal Distribution System. Ms. Witten counseled the Board through a series of difficult situations, including hostile community meetings and even internally-conflicted Board meetings. Ms. Witten's mediation skills and poise under pressure earned her the Board members' respect, and at the end of her tenure with PVWMA, Ms. Witten was recognized by the Board President for her ability to provide solid and steady direction while remaining compassionate to those enduring difficult times.

In 2003, Jackson Kelly, one of the nation's oldest and largest firms, recruited Ms. Witten to assist the firm in developing its high technology practice. While at Jackson Kelly, Ms. Witten developed as a client the West Virginia High Technology Foundation (WVHTF), a nonprofit organization founded by Congressman Alan B. Mollohan and dedicated to economic redevelopment within the state of West Virginia. WVHTF identifies economic opportunities in depressed areas and creates initiatives to turn those opportunities into actual growth, with the ultimate goal of providing alternative career opportunities in a region historically dominated by mining and other hard-labor industries. Working in conjunction with state and local government agencies, Ms. Witten actively assisted in the creation of a development and conservancy plan for WVHTF's vast land grants, obtaining approvals for plans to develop a state-of-the art technology park and supporting infrastructure.

Ms. Witten has acquired extensive and sophisticated business and corporate law expertise. At several local firms and now at her own, Ms. Witten represents corporations and businesses large and small as outside corporate counsel, consulting on employment matters and regulatory compliance, and facilitating securities transactions, intellectual property licensing and management, and mergers and acquisitions. She has drafted and negotiated hundreds of contracts on a broad spectrum of subjects and has represented clients in mediation and litigation.

Ms. Witten's business work has repeatedly intersected with development and land-use law: for example, as counsel for the Coastal Luxury Management family of companies, she assisted her clients in navigating the complex legal and regulatory issues surrounding redevelopment of the historic Stokes Adobe building which now houses Restaurant 1833. She is currently assisting another client with the purchase and development of an agricultural-industrial property located in the Coastal Zone of Moss Landing, Monterey County.

Before founding Parravano Witten in 2007, Ms. Witten served as in-house legal counsel for a securities company and for a technology firm, in both capacities focusing her efforts on contracting and regulatory compliance. Ms. Witten is a member of the State Bars of both California and Pennsylvania and of the Monterey Peninsula Chamber of Commerce. She serves on the Boards of Directors of CASA of Monterey County, The Offset Project, Hands to Help Seniors, and Colleagues of the Arts.

Gavin Kogan (*Attorney*)

Mr. Kogan joined Parravano Witten in 2009, bringing a wealth of experience and enabling the firm to provide in-house litigation representation to its business clients.

In almost fifteen years of practice on the Monterey Peninsula and in the Bay Area, Mr. Kogan has developed expertise in both transactional matters—from employment law, to intellectual property, to securities transactions—and litigation—including complex, multi-party commercial suits and real estate and contract disputes. At Parravano Witten, Mr. Kogan manages the firm's litigation practice, advocating for clients in both state and federal court. Working closely with Ms. Witten, he strives to devise creative, practical solutions that balance clients' financial, business, and dispute resolution objectives. Mr. Kogan also manages a portfolio of bankruptcy clients, representing debtors and creditors at consumer and institutional levels.

As managing partner of boutique law firm Kogan & Associates from 2004 to 2009, Mr. Kogan guided his technology company clients in shaping complex financing strategies, and he drafted transaction documents and oversaw regulatory compliance to implement those strategies. His practice emphasizes commercial and real estate litigation, and complex business transactions. Having "grown up" in the law during the dot-com bubble and bust, Mr. Kogan specializes in managing and addressing the problems associated with entity dissolution, restructuring, and reorganization.

Mr. Kogan is a faculty professor at Monterey College of Law and has volunteered as a docent at the Monterey Bay Aquarium.

Elizabeth Stevens (*Associate Attorney*)

Ms. Stevens joined Parravano Witten in November 2010 after beginning her practice in Washington, DC.

At Parravano Witten, Ms. Stevens' practice focuses primarily on business and securities transactions and estate planning and administration. She has formed and advised businesses in a variety of industries, working with clients to craft practical solutions to legal dilemmas. Ms. Stevens has drafted, negotiated, and reviewed dozens of contracts—including employment contracts, commercial leases, real property transaction documents, securities transaction documents, technology licensing and procurement contracts, and litigation settlement agreements. She has also formed and advised non-profit organizations and counseled public-private bodies on Brown Act and general legal compliance.

Before moving to Monterey, Ms. Stevens represented free-speech and religious-discrimination plaintiffs in federal court as a litigation fellow at Americans United for Separation of Church and State, and she served as a law clerk to the Honorable Royce C. Lamberth, Chief Judge of the U.S. District Court for the District of Columbia.

Lindsey Savage (*Associate Attorney*)

Ms. Savage joined Parravano Witten in 2011 after beginning her legal career in New York and Japan.

At Parravano Witten, Ms. Savage represents clients in both transactional and litigation matters. She provides analysis and advice to new, growing, and established small businesses, drafting contracts and corporate governance documents and assisting clients in formalizing and enforcing their intellectual property rights. Ms. Savage counsels clients on how to avoid disputes before they arise and formulates proactive strategies to resolve them once they do. In litigation matters, she drafts court pleadings, negotiates with opposing counsel, and acts as a zealous but still dignified advocate for her clients' rights.

Before joining the firm, Ms. Savage served as a volunteer legal advocate for domestic violence victims through the YWCA of Monterey County. While living in Japan, she assisted the General Electric corporate counsel in analyzing and advising on international business transactions. She is a member of the Monterey County Bar Association, the Junior League of Monterey County, the YWCA of Monterey County, and the Monterey County Women's Lawyer Association.

Ron Parravano (*Attorney – Of Counsel*)

Mr. Parravano has been a fixture of the Monterey Peninsula legal scene since 1976. He formed Parravano Witten PC with Ms. Witten in 2007 and recently returned to active practice with the firm after serving as Executive Director of the Talbott Foundation.

Mr. Parravano has enjoyed a varied professional career. As an attorney, he initially concentrated on civil and business litigation, including appellate practice before the California Courts of Appeal and the California Supreme Court. Later in his career, Mr. Parravano transitioned his practice to transactional matters, including estate planning, commercial leases, business sales and transfers, and formation and representation of partnerships, corporations and limited liability companies.

In conjunction with his legal work, Mr. Parravano taught business law as an adjunct professor at Golden Gate University for twenty-five years. He has also mentored budding lawyers as an instructor at Monterey College of Law. Mr. Parravano successfully ran for elected office in 1979, serving one term as a member of the Carmel Unified School District Board of Education. He has served on the boards of the Carmel Youth Center and Carmel Business Association, forerunner of the current Carmel Chamber of Commerce. A founding board member of the Big Sur International Marathon, Mr. Parravano served as its legal counsel and corporate organizer for twelve years.

Enclosure 2 – Client References

Coastal Luxury Management, LLC

POCs: David Alan Bernahl, II, CEO and Robert Weakley, President

95 Prescott Avenue

Monterey, CA 93940

(831) 324-0771

<http://www.coastalluxurymanagement.com/>

<http://www.pebblebeachfoodandwine.com/>

<http://www.canneryrowbrewingcompany.com/>

<http://www.restaurant1833.com/>

Groundwork Renewables, Inc.

POC: Ann Gaglioti, President

774 Wave Street

Monterey, CA 93940

(831) 920-1687

<http://www.grndwork.com/>

Sweet Earth Natural Foods

POC: Brian Swette, Director

207A 16th Street

Pacific Grove, CA 93950

(954) 816-9200

<http://www.sweetearthfoods.com/>

Enclosure 3 – Current Attorney and Support Staff Hourly Rates

Attorneys:

Jeannette Witten, Managing Partner - \$350.00

Ron Parravano, Of Counsel - \$350.00

Gavin Kogan, Attorney - \$300.00

Elizabeth Stevens, Associate Attorney - \$275.00

Lindsey Savage, Associate Attorney - \$250.00

Support Staff:

Chip Seymour, Law Clerk - \$150.00

Walter Witten, Law Clerk - \$75.00

Joelle Clark, Law Clerk - \$75.00

Enclosure 4 – Conflicts of Interest

Parravano Witten PC and its attorneys have reviewed their databases of current and former clients alongside the names of the members of the Oversight Board and the agencies that appointed them:

Stephen Ma
John McPherson
Jayanti Addleman
Jane Parker
Jerry Lomax
Linda Scholink
Steve Matarazzo

Monterey County Board of Supervisors
City of Sand City
Monterey County Superintendent of Schools
Monterey Peninsula College Chancellor
Monterey County Library District

Neither Parravano Witten PC nor any of its attorneys has identified any actual or potential conflict of interest that would arise from, or affect, the firm's representation of the Oversight Board.

In the interest of full disclosure, however, the firm currently represents minor Sarah Prock through her mother and next friend Brooke Prock in a dispute with Washington Union Elementary School District, which district is under the supervision of the Monterey County Superintendent of Schools.

Enclosure 5 – Statement of Insurance

Parravano Witten PC maintains a professional liability insurance policy covering its attorneys with a per-claim liability limit of \$1,000,000 and an annual aggregate coverage limit of \$1,000,000. The policy was issued by Marsh U.S. Consumer, a service of Seabury & Smith, Inc., through the State Bar's Sponsored Professional Liability Insurance Program.

David C. Laredo
DeLay & Laredo
Pacific Grove
Dated: 7/30/12
Rec: 8/1/12

Represents several local public agencies including Pacific Grove, MST and MPWMD.
No redevelopment experience.

Hourly rate: \$250

Judd L. Jordan
Lozano Smith
Monterey/Fresno
Response dated: 7/30/12; Received: 7/30/12

Primarily a litigator. 80% of firm practice representing school districts. Attorneys in firm represent SA for Greenfield and have done work for former RDAs for Fresno, Kings, Madera and Monterey County. Attorneys in Fresno office representing OBs for SAs for Fresno, Sanger and Firebaugh.

Hourly rate: \$300

David A. Prentice
Cota Cole
Salinas, Madera, Roseville
Response dated: 7/26/12; Received: 7/27/12

Formerly County Counsel for County of Madera and City Attorney for City of Colfax. Presently City Attorney for City of Taft (and its SA) and District Counsel for Monterey Peninsula Airport District. Other members of firm serve as City Attorney for several cities.

Hourly rate: \$210

David J. Larsen
San Ramon
Response dated: 7/9/12

Google David J. Larsen Isleton for further information.

Hourly rate: \$200

Robin Donoghue & Steve Mattas
Myers Nave
San Francisco (Sacramento, LA, etc)
Response dated: 7/26/12; Received: 7/27/12

Donoghue has served as Senior Attorney for San Francisco RDA and special counsel to various RDAs. Mattas has served as general counsel for the RDAs of San Francisco, Milpitas and South San Francisco. He now serves as counsel to the South San Francisco SA and assistant counsel to the San Diego OB. Firm serves as general counsel to Monterey County Housing Authority and special labor counsel to Monterey County.

Hourly rate: \$275

David Kahn
Renne Sloan Holtzman Sakai, LLP
San Francisco

Kahn is new to the firm having most recently served as City Attorney for Sunnyvale and general counsel to its RDA. Prior experience included serving as Deputy County Counsel for Santa Clara County. Prior to 2000 he served as a public attorney in Washington State. Kahn is now serving as general counsel for Healdsburg OB, Salinas OB, Petaluma OB and Santa Monica OB.

Hourly rate: \$285 (\$425 round trip travel fee to Sand City)

Jeannette K. Witten
Parravano Witten PC
Monterey

Witten formerly served as counsel to the Pajaro Valley Water Management Agency. Firm is primarily emphasis is general business law and securities.

Hourly rate: \$350

SUCCESSOR AGENCY OVERSIGHT BOARD

RESOLUTION OB _____, 2012

RESOLUTION OF THE OVERSIGHT BOARD DIRECTING THE SUCCESSOR AGENCY TO THE SAND CITY REDEVELOPEMNT AGENCY TO ENGAGE COUNSEL TO PROVIDE LEGAL ADVICE TO THE OVERSIGHT BOARD

WHEREAS, California Health and Safety Code section 34179(n) provides that the Oversight Board (the "Oversight Board") to the Successor Agency ("Successor Agency") to the Sand City Redevelopment Agency may direct the Successor Agency to provide additional legal or financial advice than what is given by Successor Agency staff;

WHEREAS, on June 2, 2012 the Oversight Board directed the staff of the Successor Agency to request proposals for legal services to the Oversight Board in accordance with Cal. H&SC §34179(n);

WHEREAS, during its meeting of August 13, 2012, the Oversight Board reviewed responses received to a Request For Qualifications regarding the provision of legal services to the Oversight Board which had been distributed by Successor Agency staff; and

WHEREAS, based on that review and deliberation, the Oversight Board has selected _____ to provide legal advice to the Oversight Board;

NOW, THEREFORE, BE IT RESOLVED by the Sand City Oversight Board as follows:

1. The Oversight Board selects the law firm of _____ to provide as needed legal services for the Oversight Board through and including December 31, 2013;
2. The Executive Director of the Successor Agency is hereby authorized and directed to execute an agreement for legal services with _____ which incorporates the terms and conditions set forth in the Legal Services Agreement attached hereto as Exhibit "A" and by this reference incorporated herein and such other terms and conditions as determined by the Executive Director.
3. The Successor Agency staff is authorized and directed to include as an Enforceable Obligation on the Recognized Obligation Payment Schedules for fiscal year 2012-2013 the amount of \$20,000 for the legal services authorized by this Resolution, in addition to the Administrative Budget for the Successor Agency for fiscal year 2012-2013, to be funded by the Redevelopment Property Tax Trust Fund. Said amount may be amended from time to time as shown on future ROPS approved by the Oversight Board.

Successor Agency Oversight Board Resolution OB ____, 2012

PASSED AND ADOPTED by the Sand City Oversight Board on this 13th day of August, 2012
by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

APPROVED:

Connie Horca, Clerk of the Board

Stephen Ma, Chair

EXHIBIT "A"

AGREEMENT FOR LEGAL SERVICES TO THE SAND CITY OVERSIGHT BOARD

This Agreement for Legal Services to the Sand City Oversight Board ("**Agreement**") effective the ____ day of August, 2012 (the "Effective Date"), is made by and between the Successor Agency to the former Sand City Redevelopment Agency ("**Successor Agency**") and _____ ("**Attorney**").

At the authorization and direction of the Oversight Board (the "Oversight Board") of the Successor Agency, the Successor Agency hereby hires Attorney to provide legal services to the Oversight Board in the manner described below.

1. DUTIES OF ATTORNEY:

Attorney shall provide legal services as follows:

- a. Provide legal advice as requested by the Oversight Board in all matters concerning the dissolution of the former Sand City Redevelopment Agency.
- b. Attend meetings of the Oversight Board as requested by the Oversight Board.
- c. Provide telephone and email consultation to members of the Oversight Board as authorized by the Oversight Board.

2. TERM:

The term of this Agreement shall begin on the Effective Date and end on December 31, 2013. Notwithstanding the foregoing, the Successor Agency, acting at the direction of the Oversight Board, may terminate this Agreement and Attorney may terminate this Agreement on twenty-four (24) hour notice to the other party at any time without cause by either party.

3. COMPENSATION:

Successor Agency agrees to pay Attorney for legal services rendered at the following hourly rates:

All of the above-described duties shall be provided the Oversight Board at an hourly rate not to exceed \$_____. Attorney shall provide the Oversight Board with a detailed statement on a monthly basis showing the date, description and time spent performing all tasks subject of such the monthly written statement.

4. COSTS AND EXPENSES:

- a. Successor Agency is responsible for reimbursing Attorney for costs such as delivery service fees, filing fees, long distance phone charges, travel costs, facsimile costs, court costs, photocopying and extraordinary postal expenses.

b. Attorney shall pay for all other expenses, such as library, insurance, office space, office equipment, supplies membership fees and secretarial help.

c. Attorney shall pay to maintain membership in the California Bar Association.

5. PAYMENT FOR SERVICES:

Successor Agency shall pay amounts shown on monthly statements from Attorney within ten (10) days following approval of the monthly statement by the Oversight Board.

6. PROFESSIONAL LIABILITY INSURANCE:

Attorney shall maintain a policy of professional liability insurance with an aggregate coverage limit of at least the amount shown in the response Attorney to the Oversight Board's Request for Qualifications throughout the term of this Agreement.

7. COMMUNICATION:

a. All communication to the Attorney shall be addressed to:

b. All communication to the Successor Agency shall be addressed to:

Steve Matarazzo,
Executive Director
Sand City Successor Agency
City Hall
1 Sylvan Park
Sand City, California 93955
Telephone: (831) 394-3054
Facsimile: (831)394-2472
Email: steve@sandcity.org

SUCCESSOR AGENCY

ATTORNEY

Steve Matarazzo, Executive Director

Approved:

Stephen Ma, Chair Oversight Board

Sand City Oversight Board to the Successor Agency
staff memorandum

DATE: August 9, 2012 (for Oversight Board Meeting of August 13, 2012)

TO: Sand City Oversight Board

FROM: Steve Matarazzo, staff 

SUBJECT: Consideration of Resolution Approving an Administrative Budget for the Successor Agency for Fiscal Year 2012- 2013

BACKGROUND

A draft administrative budget for this fiscal year is attached for the Oversight Board's consideration. (See attachment 1). Assembly Bill 1484 (the Redevelopment Dissolution Act clean up legislation) allows an administrative budget to be paid via property tax for the Successor Agency. Health and Safety Code Section 34171(b) states, in part, that the administrative budget shall be based on " up to 5 percent of the property tax allocated to the successor agency on the Recognized Obligation Payment Schedule covering the period January 1, 2012 through June 30, 2012 and up to 3 percent of the property tax allocated to the Redevelopment Obligation Retirement Fund money that is allocated to the successor agency for each fiscal year thereafter; provided , however, that the amount shall not be less than two hundred fifty thousand dollars (\$250,000), unless the oversight board reduces this amount, for any fiscal year or such lesser amount as agreed to by the successor agency." (Health and Safety Code Section 34171(b)).(See attachment 2 for complete language of the statute citation.)

Given the small size of the property tax base of the former Sand City redevelopment agency , the County Auditor-Controller has already allocated to the Successor Agency the minimum amount of \$250,000 for this fiscal year. The oversight board, however, is still required to approve this amount or a smaller amount if it deems it appropriate.

The Successor Agency staff have prepared the draft administrative budget reflecting what it believes to be reasonable staff time allocations and other costs given the Successor Agency experience over the past 6 months in redevelopment dissolution activities. At this time, however, the Successor Agency will not be able to receive more than the minimum amount given the small tax base involved. Redevelopment dissolution law keeps changing and is continually being challenged which will likely add costs to this budget estimate, particularly in terms of Successor Agency counsel time. Once the legal and administrative dust finally settles, the administrative costs should be reduced over time.

RECOMMENDATION

It is **RECOMMENDED** that the attached resolution be adopted which approves the administrative budget as Exhibit A.

ATTACHMENTS:

1. Draft Administrative budget for the Successor Agency, Fiscal Year 2012 - 2013
2. Section 34171(b) of the California Health and Safety Code.
3. Resolution approving the Successor Agency Administrative Budget

**SUCCESSOR AGENCY
OF THE REDEVELOPMENT AGENCY
OF THE CITY OF SAND CITY
ADMINISTRATIVE BUDGET
July 1, 2012 through December 31, 2012**

EMPLOYEE COSTS:	
Salaries ***	\$60,639.19
Deferred Compensation	\$480.00
PERS Retirement	\$21,057.72
Health	\$8,082.92
Dental	\$928.72
Vision	\$150.00
LTD	\$621.24
Life	\$207.47
Workers Comp	\$58.33
Fitness	\$180.00
Auto	\$720.00
SUBTOTAL	<u>\$93,125.59</u>
 SUPPLIES & SERVICES:	
Legal Services	\$15,000.00
Audit Services	\$3,750.00
Consultant Services	\$1,000.00
Office Supplies	\$500.00
Training	\$500.00
Financial Advisor	\$2,500.00
Appraisals	\$7,500.00
Bond Expenses	\$1,750.00
SUBTOTAL	<u>\$32,500.00</u>
 ALLOCATED COSTS:	
Computer Services	\$500.00
SUBTOTAL	<u>\$500.00</u>
 <u>TOTAL</u>	 <u>\$126,125.59</u>

*** Salaries Percentages

Admin 20%
Finance 20%
Attorney 20%
Planning 10%

**SUCCESSOR AGENCY
 OF THE REDEVELOPMENT AGENCY
 OF THE CITY OF SAND CITY
 ADMINISTRATIVE BUDGET
 January 1, 2013 through June 30, 2013**

EMPLOYEE COSTS:	
Salaries ***	\$60,639.19
Deferred Compensation	\$480.00
PERS Retirement	\$21,057.72
Health	\$8,082.92
Dental	\$928.72
Vision	\$150.00
LTD	\$621.24
Life	\$207.47
Workers Comp	\$58.33
Fitness	\$180.00
Auto	\$720.00
SUBTOTAL	\$93,125.59
 SUPPLIES & SERVICES:	
Legal Services	\$15,000.00
Audit Services	\$3,750.00
Consultant Services	\$1,000.00
Office Supplies	\$500.00
Training	\$500.00
Financial Advisor	\$2,500.00
Appraisals	\$7,500.00
Bond Expenses	\$1,750.00
SUBTOTAL	\$32,500.00
 ALLOCATED COSTS:	
Computer Services	\$500.00
SUBTOTAL	\$500.00
 <u>TOTAL</u>	 <u>\$126,125.59</u>

*** Salaries Percentages
 Admin 20%
 Finance 20%
 Attorney 20%
 Planning 10%

HEALTH AND SAFETY CODE**SECTION 34170-34171**

34170. (a) Unless otherwise specified, all provisions of this part shall become operative on February 1, 2012.

(b) If any provision of this part or the application thereof to any person or circumstance is held invalid, the invalidity shall not affect other provisions or applications of this part which can be given effect without the invalid provision or application, and to this end, the provisions of this part are severable.

34170.5. (a) The successor agency shall create within its treasury a Redevelopment Obligation Retirement Fund to be administered by the successor agency.

(b) The county auditor-controller shall create within the county treasury a Redevelopment Property Tax Trust Fund for the property tax revenues related to each former redevelopment agency, for administration by the county auditor-controller.

34171. The following terms shall have the following meanings:

(a) "Administrative budget" means the budget for administrative costs of the successor agencies as provided in Section 34177.

(b) "Administrative cost allowance" means an amount that, subject to the approval of the oversight board, is payable from property tax revenues of up to 5 percent of the property tax allocated to the successor agency on the Recognized Obligation Payment Schedule covering the period January 1, 2012, through June 30, 2012, and up to 3 percent of the property tax allocated to the Redevelopment Obligation Retirement Fund money that is allocated to the successor agency for each fiscal year thereafter; provided, however, that the amount shall not be less than two hundred fifty thousand dollars (\$250,000), unless the oversight board reduces this amount, for any fiscal year or such lesser amount as agreed to by the successor agency. However, the allowance amount shall exclude, and shall not apply to, any administrative costs that can be paid from bond proceeds or from sources other than property tax. Administrative cost allowances shall exclude any litigation expenses related to assets or obligations, settlements and judgments, and the costs of maintaining assets prior to disposition. Employee costs associated with work on specific project implementation activities, including, but not limited to, construction inspection, project management, or actual construction, shall be considered project-specific costs and shall not constitute administrative costs.

(c) "Designated local authority" shall mean a public entity formed pursuant to subdivision (d) of Section 34173.

(d) (1) "Enforceable obligation" means any of the following:

(A) Bonds, as defined by Section 33602 and bonds issued pursuant to Chapter 10.5 (commencing with Section 5850) of Division 6 of Title 1 of the Government Code, including the required debt service, reserve set-asides, and any other payments required under the indenture or similar documents governing the issuance of the outstanding bonds of the former redevelopment agency. A reserve may be held when required by the bond indenture or when the next property tax allocation will be insufficient to pay all obligations due under the provisions of the bond for the next payment due in the following half of the calendar year.

(B) Loans of moneys borrowed by the redevelopment agency for a lawful purpose, to the extent they are legally required to be repaid pursuant to a required repayment schedule or other mandatory loan terms.

(C) Payments required by the federal government, preexisting obligations to the state or obligations imposed by state law, other than passthrough payments that are made by the county auditor-controller pursuant to Section 34183, or legally enforceable payments required in connection with the agencies' employees, including, but not limited to, pension payments, pension obligation debt service, unemployment payments, or other obligations conferred through a collective bargaining agreement. Costs incurred to fulfill collective bargaining agreements for layoffs or terminations of city employees who performed work directly on behalf of the former

SUCCESSOR AGENCY OVERSIGHT BOARD

RESOLUTION OB ___, 2012

**RESOLUTION OF THE OVERSIGHT BOARD TO THE SAND CITY SUCCESSOR
AGENCY APPROVING AN ADMINISTRATIVE BUDGET FOR
FISCAL YEAR 2012-2013**

WHEREAS, Assembly Bill 1484 (AB 1484) , the Redevelopment Clean Up legislation, allows the Sand City Successor Agency to have an administrative budget necessary to carry out its duties; and

WHEREAS, an administrative budget has been prepared for review and approval of the Sand City Oversight Board which is attached hereto as Exhibit A and incorporated herein by this reference, and said budget includes an itemized list of services and related expenses necessary to carry out successor agency duties for Fiscal Year 2012 - 2013; and

WHEREAS, in accordance with AB 1484, an administrative cost allowance will be provided by the County Auditor from the property tax trust fund to be provided for administrative expenses of the Successor Agency and said amount will be a maximum of \$250,000.

NOW, THEREFORE, BE IT RESOLVED that the Oversight Board to the Sand City Successor Agency Board hereby approves the attached budget (Exhibit A).

PASSED AND ADOPTED by the Oversight Board to the Sand City Successor Agency on this 13th of August, 2012 by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

APPROVED:

Stephen Ma, Chair of the
Oversight Board

ATTEST:

Connie Horca, Board Secretary

**SUCCESSOR AGENCY
OF THE REDEVELOPMENT AGENCY
OF THE CITY OF SAND CITY
ADMINISTRATIVE BUDGET
July 1, 2012 through December 31, 2012**

EMPLOYEE COSTS:	
Salaries ***	\$60,639.19
Deferred Compensation	\$480.00
PERS Retirement	\$21,057.72
Health	\$8,082.92
Dental	\$928.72
Vision	\$150.00
LTD	\$621.24
Life	\$207.47
Workers Comp	\$58.33
Fitness	\$180.00
Auto	\$720.00
SUBTOTAL	\$93,125.59
 SUPPLIES & SERVICES:	
Legal Services	\$15,000.00
Audit Services	\$3,750.00
Consultant Services	\$1,000.00
Office Supplies	\$500.00
Training	\$500.00
Financial Advisor	\$2,500.00
Appraisals	\$7,500.00
Bond Expenses	\$1,750.00
SUBTOTAL	\$32,500.00
 ALLOCATED COSTS:	
Computer Services	\$500.00
SUBTOTAL	\$500.00
 <u>TOTAL</u>	 <u>\$126,125.59</u>

*** Salaries Percentages
Admin 20%
Finance 20%
Attorney 20%
Planning 10%

**SUCCESSOR AGENCY
OF THE REDEVELOPMENT AGENCY
OF THE CITY OF SAND CITY
ADMINISTRATIVE BUDGET
January 1, 2013 through June 30, 2013**


EMPLOYEE COSTS:	
Salaries ***	\$60,639.19
Deferred Compensation	\$480.00
PERS Retirement	\$21,057.72
Health	\$8,082.92
Dental	\$928.72
Vision	\$150.00
LTD	\$621.24
Life	\$207.47
Workers Comp	\$58.33
Fitness	\$180.00
Auto	\$720.00
SUBTOTAL	<u>\$93,125.59</u>
SUPPLIES & SERVICES:	
Legal Services	\$15,000.00
Audit Services	\$3,750.00
Consultant Services	\$1,000.00
Office Supplies	\$500.00
Training	\$500.00
Financial Advisor	\$2,500.00
Appraisals	\$7,500.00
Bond Expenses	\$1,750.00
SUBTOTAL	<u>\$32,500.00</u>
ALLOCATED COSTS:	
Computer Services	\$500.00
SUBTOTAL	<u>\$500.00</u>
 <u>TOTAL</u>	 <u>\$126,125.59</u>

*** Salaries Percentages
Admin 20%
Finance 20%
Attorney 20%
Planning 10%

SAND CITY OVERSIGHT BOARD TO THE SUCCESSOR AGENCY
staff memorandum

DATE: August 7, 2012 (for Oversight Board Meeting of August 13, 2012)

TO: Sand City Oversight Board

FROM: Steve Matarazzo, Successor Agency Staff 

SUBJECT: Consideration of Recognized Obligation Payment Schedule (ROPS) for January 2013 Through June, 2013, as Required by Assembly Bill 1484 (AB 1484)

BACKGROUND

Assembly Bill 1484 (AB 1484), the redevelopment dissolution clean-up legislation, was signed into law on June 27, 2012. One of the requirements of this new legislation is that the Recognized Obligation Payment Schedule (ROPS) for January 2013 through June, 2013 (ROPS 3) must be sent to the Department of Finance (DOF) for review and approval no later than September 1, 2012. To meet this schedule, the Oversight Board needs to approve ROPS 3 during its August meeting. ROPS 3 was approved by the Successor Agency on August 7, 2012.

ROPS 3 (attachment 1, with resolution) is similar to previously approved ROPS. It includes monies necessary to: (1) meet the payment schedules of the former redevelopment agency's two bonds; (2) partially repay the City of Sand City for cash advances, staffing and facilities; (3) meet a potential contingency payment to the City of Seaside; and (4) pay for the administrative expenses of the Successor Agency through the administrative allowance provided by the redevelopment dissolution legislation. ROPS 3 will also continue to illustrate other enforceable obligations as "placeholders", and not obligations payable during the term from January through June, 2013.

ROPS 3 also recognizes the debt of the former Redevelopment Agency to the City, even though the Department of Finance has previously rejected this obligation as not being a "loan" under the terms of the original redevelopment dissolution act, AB x1 26. The Successor Agency has formally objected to this disallowance and has requested reconsideration by DOF (see attachment 2).^{*} In addition, this accumulated debt (City loan to the former agency) has been recalculated and reduced as directed by the Oversight Board. The Oversight Board wanted to insure that the accumulated interest on the debt was consistent with the average Local Agency Investment Fund (LAIF) rate of return during the term of the loan. The City charged an interest rate of 7% on the loan amount, but the average LAIF rate during the loan term was 4.86%.

^{*}Although the DOF letter sent by Successor Agency special counsel mentions potential legal action, it is likely there will be a "meet and confer" procedure granted to the Successor Agency complaint as required by AB 1484.

RECOMMENDATION

It is therefore RECOMMENDED that the attached resolution be adopted, approving the Recognized Obligation Payment Schedule (ROPS) for January 2013 through June, 2013.

ATTACHMENTS:

1. Resolution with ROPS 3 attachment.
2. Letter from Successor Agency Special Counsel, Brent Hawkins, to Mark Hill, Department of Finance dated July 5, 2012

CITY OF SAND CITY

RESOLUTION OB _____, 2012

RESOLUTION OF THE OVERSIGHT BOARD OF THE SAND CITY SUCCESSOR AGENCY APPROVING THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS) FOR JANUARY 2013 THROUGH JUNE 2013

WHEREAS, the Redevelopment Dissolution Act (AB x1 26 and AB 1484) requires Successor Agencies and their oversight boards to prepare and approve Recognized Obligation Payment Schedules (ROPS); and

WHEREAS, the Sand City Successor Agency, on July 17, 2012, approved the ROPS, also known as ROPS 3, attached hereto and incorporated herein by this reference as Exhibit A; and

WHEREAS, on August 13, 2012, the Oversight Board of the Successor Agency reviewed and approved ROPS 3, based in part on a recalculated debt of the former agency to the City based on the average Local Agency Investment Fund (LAIF) rate of return, as directed by the Oversight Board and consistent with the requirements of Assembly Bill 1484 (AB 1484); and

WHEREAS, the Oversight Board recognizes that the partial repayment of the former redevelopment agency debt to the City of Sand City is in dispute and may require a further adjustment of the ROPS, following a meet and confer process with the Department of Finance (DOF).

NOW, THEREFORE, BE IT RESOLVED that the Oversight Board to the Sand City Successor Agency hereby approves ROPS 3 and directs staff to forward ROPS 3 to the Department of Finance for final approval, and to also transmit ROPS 3 to the County Administrative Officer and the County Auditor-Controller as required by AB 1484.

PASSED AND ADOPTED by the Oversight Board to the Sand City Successor Agency on this 13th day of August, 2012 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

APPROVED:

Connie Horca, Clerk to the Board

Stephen Ma, Chair

SUMMARY OF RECOGNIZED OBLIGATION PAYMENT SCHEDULE
 Filed for the January 1, 2013 to June 30, 2013 Period

Name of Successor Agency: Successor Agency to the former Sand City Redevelopment Agency

		Total Outstanding Debt or Obligation
Outstanding Debt or Obligation		23,973,104.00
Current Period Outstanding Debt or Obligation		Six-Month Total
A	Available Revenues Other Than Anticipated RPTTF Funding	860,731.00
B	Enforceable Obligations Funded with RPTTF	125,000.00
C	Administrative Allowance Funded with RPTTF	985,731.00
D	Total RPTTF Funded (B + C = D)	985,731.00
Total Current Period Outstanding Debt or Obligation (A + B + C = E) <i>Should be same amount as ROPS form six-month total</i>		800,000.00
E	Enter Total Six-Month Anticipated RPTTF Funding	-185,731.00
F	Variance (D - E = F) <i>Maximum RPTTF Allowable should not exceed Total Anticipated RPTTF Funding</i>	
Prior Period (January 1, 2012 through June 30, 2012) Estimated vs. Actual Payments (as required in HSC section 34186 (a))		
G	Enter Estimated Obligations Funded by RPTTF <i>(Should be the same amount as RPTTF approved by Finance, including admin allowance)</i>	730,362.00
H	Enter Actual Obligations Paid with RPTTF	664,844.42
I	Enter Actual Administrative Expenses Paid with RPTTF	0.00
J	Adjustment to Redevelopment Obligation Retirement Fund (G - (H + I) = J)	65,517.58
K	Adjustment to RPTTF	920,213.42

Certification of Oversight Board Chairman:
 Pursuant to Section 34177(m) 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 _____

Signature _____

Date _____

Name of Successor Agency: Successor Agency to the former Sand City Redevelopment Agency
 County: Monterey

Overight Board Approval Date _____

RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS III)
 January 1, 2013 through June 30, 2013

Item #	Project Name / Debt Obligation	Contract/Agreement Execution Date	Contract/Agreement Termination Date	Payee	Description/Project Scope	Project Area	Total Outstanding Debt or Obligation	Total Due During Fiscal Year 2012-13	Funding Source					Six-Month Total		
									LMIHF	Bond Proceeds	Reserve Balance	Admin Allowance	RPTTF		Other	
1	2008A Emerg Tax Allocation Bonds	1/15/2008	2027	US Bank	Finance and Refinance RDA Activities	Sand City	\$ 23,973,104	\$ 1,263,463	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 945,731
2	2008B Tax Allocation Bonds	1/15/2008	2023	US Bank	Finance Redevelopment Activities	Sand City	9,226,610.00	480,300.00								387,650
3	Sand City	2/1/2012		City acting as Successor Agency	Administrative Cost Allowance	Sand City	2,633,768.25	225,162.50								175,081
4	Sand City	8/13/2012		City acting as Successor Agency	Overight Board Counsel	Sand City		250,000.00				125,000				125,000
5	City of Sand City	4/1/1995		City of Sand City	COP Reimbursement	Sand City	1,454,769.00	20,000.00								10,000
6	SERAF Payment	9/10/2010	6/30/2015	County Auditor 34177 (6)	Repay loan from LMIHF	Sand City	568,092.00									
7	SERAF Payment	5/4/2011	6/30/2016	County Auditor 34177 (6)	Repay loan from LMIHF	Sand City	116,960.00									
8	RDA LMIHF	6/30/2010		County Auditor 34177 (6)	Trustup payment to Housing Account from FY 09-10	Sand City	133,399.35									
9	RDA LMIHF	6/30/2011		County Auditor 34177 (6)	Trustup payment to Housing Account from FY 10-11	Sand City	108,459.65									
10	McDonald Coastal Project	6/20/2001		John King DDA	Contingency Reimbursement	Sand City	1,455,000.00									
11	Tax Sharing Agreement	5/18/1989	1/31/2012	City of Seaside	1989 tax sharing agreement contingent	Sand City		200,000								200,000
12	Sand City Redevelopment Project	1/20/1987	1/31/2012	City of Sand City	Repay loans for Staff and Facilities	Sand City	3,026,057.61	88,000								88,000
13	Sand City Redevelopment Project	1/20/1987	1/31/2012	City of Sand City	Repay for Monetary Loans (Seaside)	Sand City	4,650,000.00									
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Name of Successor Agency: Successor Agency to the former Sand City Redevelopment Agency
County: Monterey

RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS III) -- Notes (Optional)
January 1, 2013 through June 30, 2013

Item #	Notes/Comments
	This item to be distributed on Monday, August 13, 2012

Successor Agency to the former Sand City Redevelopment Agency
 Monterey

Name of Successor Agency
 County:

Pursuant to Health and Safety Code section 34186 (a)
 PRIOR PERIOD ESTIMATED OBLIGATIONS vs. ACTUAL PAYMENTS
 RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS I)
 January 1, 2012 through June 30, 2012

Page# Line	Project Name / Debt Obligation	Payee	Description/Project Scope	Project Area	LMIHF		Bond Proceeds		Reserve Balance		Admin Allowance		RPTTF		Other	
					Estimate	Actual	Estimate	Actual	Estimate	Actual	Estimate	Actual	Estimate	Actual	Estimate	Actual
1/1	Grand Total				\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
1/2	1 2008A Exempt Tax Allocation Bonds	US Bank	Finance and Refinance RDA Activities													
	2 2008B Tax Allocation Bonds	US Bank	Finance Redevelopment Activities													
2/1	3 Sand City	City acting as Successor Agency	Administrative Cost Allowance													
1/5	4 City of Sand City	City of Sand City	CCP Reimbursement													
1/6	5 BERAF Payment	County Auditor 34177 (G)	Repay loan from LMIHF													
1/7	6 RDA LMIHF	County Auditor 34177 (G)	Due to Housing Account from FY 09-10 & 10-11													
1/8	7 McDonald Coastal Project	John King - DDA	Contingency Reimbursement													
1/11	9 Tax Sharing Agreement	City of Seaside	1980 tax sharing agreement contingent													
2/2	10 Sand City Redevelopment Project	City of Sand City	Repay for Monetary Loans (Seaside)													
2/2	11 Sand City Redevelopment Project	City of Sand City	Repay loans for Staff and Facilities													



BEST BEST & KRIEGER
ATTORNEYS AT LAW

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Walnut Creek
(925) 977-3300

Washington, DC
(202) 785-0600

T. Brent Hawkins
(916) 551-2086
brent.hawkins@bbklaw.com
File No. 82833.00001

July 5, 2012

Via Email and U.S. Mail

Mr. Mark Hill
Program Budget Manager
California Department of Finance
915 L Street
Sacramento, CA. 95814-3706

Re: City of Sand City; Recognized Payment Obligation Schedule
Approval Letter

Dear Mr. Hill:

This office has been retained by the City of Sand City in connection with a dispute with your office ("DOF") concerning the status of certain agreements as "enforceable obligations" under AB1X 26. Specifically, in your letter to Sand City dated May 24, 2012, DOF disallowed certain obligations owed by the Redevelopment Agency of the City of Sand City to the City of Sand City that were listed on the Recognized Obligation Payment Schedule ("ROPS"). Your office stated the denial was based on the following ground:

"HSC 34171(d)(2) states that loans or advances from the City to its former RDA are not enforceable obligations."

A copy of your May 24 letter is attached for your convenience as Exhibit "A".

As set forth in detail below, the conclusion reached in the DOF letter of May 24, 2012 is an inaccurate application of the law. In fact, the law specifically recognizes agreements between a redevelopment agency and its legislative body as valid enforceable obligations if they were entered into within two years after formation of the agency. The obligations in question arose from an agreement made within two years of the creation of the Sand City Redevelopment Agency. As such, they are valid enforceable obligations.

Sand City requests that you reconsider your determination in light of the facts and arguments set forth in this letter. Sand City is willing to meet with representatives of DOF and provide any other factual material you feel may be necessary. If Sand City does not receive assurances that this dispute can be resolved in a manner which is satisfactory to the City within



BEST BEST & KRIEGER
ATTORNEYS AT LAW

the next 30 days, it will have no alternative but to commence proceedings to have the matter adjudicated.

ANALYSIS

The Redevelopment Agency of the City of Sand City (the "Agency") was activated by Ordinance No. 86-12 of the City of Sand City (the "City") passed on October 16, 1986. (See Health & Saf. Code Sec. 33101.)¹ Ordinance No. 86-12 became effective thirty (30) days after passage, on November 15, 1986. A copy of Ordinance No. 86-12 is attached hereto as Exhibit "B".

On January 20, 1987, less than two months following activation of the Agency, the Agency and the City entered into a Cooperative Agreement (the "**1987 Cooperative Agreement**"). Copies of the 1987 Cooperative Agreement and approving resolutions are attached hereto as Exhibit "C". The 1987 Cooperative Agreement establishes legal and business relationships between two separate legal entities – the City and the Agency. It obligates the City to perform services for the Agency related to carrying out its work of redevelopment and gives the Agency access to the facilities, offices and departments of the City. (Sec. 6) It also obligates the Agency to compensate the City for providing these services. (Sec. 7) Section 11 of the agreement authorizes the City to advance funds to the Agency to effectuate the redevelopment program.

These kinds of agreements are routine and were commonly entered into in connection with the activation of a redevelopment agency or adoption of a redevelopment plan. *Redevelopment In California*, the leading publication on redevelopment law and practice, counsels that redevelopment agencies do the following after the agency has been activated:

"Adopt a general agreement between the agency and the community, often called a cooperation agreement. This authorizes the community to give the newly formed agency financial and personnel assistance, use of facilities, and other aid, and may be used to establish agency indebtedness required to obtain tax increment. These agreements often obligate the agency to reimburse the community for all or a portion of the assistance."²

The 1987 Cooperative Agreement is precisely this kind of agreement. It states that the City will provide the Agency with staff services and facilities and the Agency will reimburse the City for the cost of these services and facilities. The 1987 Cooperative Agreement also provides that the City will advance funds to the Agency on terms to be agreed between the parties when the fund advances are made. These agreements are an exercise of the authority granted to the City under Section 33220 to aid and cooperate in the planning, undertaking, construction or operation of a redevelopment project.

¹ All references herein are to the Health and Safety Code unless otherwise noted.
² Coomes et al, *Redevelopment in California*, (Solano Press, 4th ed., 2009), p. 25.
82833.00001\7497542.1



BEST BEST & KRIEGER
ATTORNEYS AT LAW

On July 21, 1987, the City acted by Ordinance No. 87-6 to adopt the Redevelopment Plan for the Sand City Redevelopment Project. The City adopted geographical boundaries for the Sand City Redevelopment Project Area that included the entire City. On July 18, 1989, acting in furtherance of the agreements made in the 1987 Cooperative Agreement the Agency and the City entered into an Agreement Concerning Certain Sales and Use Taxes (the "1989 Sales Tax Agreement"). A copy of the 1989 Sales Tax Agreement and approving resolutions is attached hereto as Exhibit "D". The City and Agency had previously adopted ordinances granting the Agency the authority to levy a sales and use tax in the Sand City Redevelopment Project Area and establishing a dollar for dollar credit against any sales or use taxes levied by the City within the Project Area.³ The 1989 Sales Tax Agreement recognized that the Agency would be collecting sales and use taxes throughout the City. The 1989 Sales Tax Agreement provides that sales and use taxes collected and used by the Agency to fund certain obligations to third parties were an advance of funds from the City to the Agency within the meaning of the 1987 Cooperative Agreement, to be repaid to the City from tax increment generated by the Sand City Redevelopment Project. The balance of the sales and use tax collected by the Agency were to be paid to the City.

Between 1989 and 1996, tax increment generated by the Sand City Redevelopment Project proved insufficient to repay the City for the cost of staff services and facilities it provided to the Agency. Accordingly, the Agency and City would act at the time of adoption of their annual budgets to loan further sales and use tax dollars to the Agency which the Agency would in turn use to repay the sum it owed the City for services and facilities.

On June 26, 1996, the Agency adopted Resolution No. 96-10 (the "1996 Resolution"), a copy of which is attached hereto as Exhibit "E". The purpose of the 1996 Resolution was to memorialize the process which had been used to "appropriate" loans of services, facilities and monies from the City to the Agency. Another purpose of the 1996 Resolution was to fix the interest rate to be charged on loans from the City to the Agency at "...a [then] nominal interest rate of 7% per annum..."

AB1X 26 defines "enforceable obligations" to include:

"Any legally binding and enforceable agreement or contract that is not otherwise void as violating the debt limit or public policy . . ." (Sec. 34170.5(d)(1)(E).)

³ This procedure was authorized under former Rev. & Tax Code Sec. 7202.6 which was repealed in 1993. (Stats. 1993, c. 942, Sec. 37 (AB 1290)). The repeal of this section did not effect the validity of agreements previously entered into, like the 1989 Sales Tax Agreement. (See, Coomes et al, *Redevelopment in California*, pp. 250-251.) 82833.00001\7497542.1



BEST BEST & KRIEGER
ATTORNEYS AT LAW

This section goes on to state that the term "enforceable obligation" does not include "any agreements, contracts, or arrangements between the city, county, or city and county that created the redevelopment agency and the former redevelopment agency" unless the agreement was entered into "within two years of the date of creation of the redevelopment agency." (Sec. 34170.5(d)(2). (See also Sec. 34178.)

The 1987 Cooperative Agreement is a "legally binding and enforceable agreement or contract that is not otherwise void as violating the debt limit or public policy." The 1987 Cooperative Agreement was made within two (2) months after the date the Agency was created. The City has continuously advanced staff, services and funds to the Agency since the time the 1987 Cooperative Agreement was made. The outstanding balance of these loans have been accounted for on an annual basis and that accounting has been audited on an annual basis. The Agency has periodically repaid some of the outstanding balance of the total amount loaned to it by the City. The \$12,949,573 balance of the loan from the City to the Agency is an enforceable obligation which should be listed on the ROPS and is entitled to an allocation from the Redevelopment Property Tax Trust Fund ("RPTTF").

It follows logically that the 1989 Sales Tax Agreement and the 1996 Resolution, which merely implement the 1987 Cooperative Agreement, are part of the contract made between the City and the Agency in January of 1987. Section 11 of the 1987 Cooperative Agreement specifically contemplates that other agreements will be entered into to implement its terms. Enforceable obligations must include contracts necessary or convenient to carry out their terms. If not, agreements that are clearly enforceable obligations, but require subsequent contracts to be implemented, would be unenforceable. This would result in an absurdity that is contrary to the intent of AB1X 26. Section 34167(f) states:

"Nothing in this part shall be construed to interfere with a redevelopment agency's authority, pursuant to enforceable obligations as defined in this chapter, to (1) make payments due, (2) enforce existing covenants and obligations, or (3) perform its obligations."

Similarly, Section 34174 provides:

". . . nothing herein is intended to absolve the successor agency of payment or other obligations due or imposed pursuant to the enforceable obligations . . . "

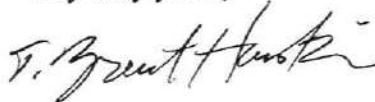
Many contracts have executory features. A rule that executory contracts entered into pursuant an enforceable obligation cannot be listed on a recognized obligation payment schedule would defeat the statutory purpose of honoring enforceable obligations and could lead to constitutional claims based on impairment of contract.

July 5, 2012
Page 5

BBK
BEST BEST & KRIEGER
ATTORNEYS AT LAW

For the foregoing reasons, Sand City requests that DOF revise its approval of the ROPS to include obligations disallowed in your May 24, 2012 letter relating to the 1987 Cooperative Agreement and related actions.

Very truly yours,



T. Brent Hawkins

cc: Michael J. Miller, Auditor-Controller, Monterey County, w/attach.
Steve Matarazzo, City Manager, w/attach.
Jim Heisinger, City Attorney, w/attach.

attachments

EXHIBIT "A"



DEPARTMENT OF
FINANCE

EDMUND G. BROWN JR. • GOVERNOR

915 L STREET • SACRAMENTO CA • 95814-3706 • WWW.DOF.CA.GOV

May 24, 2012

Steve Matarazzo, City Administrator
City of Sand City
1 Sylvan Park
Sand City, CA 93955

Dear Mr. Matarazzo:

Subject: Recognized Obligation Payment Schedule Approval Letter

Pursuant to Health and Safety Code (HSC) section 34177 (l) (2) (C), the Sand City (City) Successor Agency submitted Recognized Obligation Payment Schedules (ROPS) to the California Department of Finance (Finance) on May 18, 2012, for the January through June 2012 and the July 2012 through December 2012 periods. Finance is assuming appropriate oversight board approval. Finance has completed its review of your ROPS, which may have included obtaining clarification for various items.

Except for items disallowed below, Finance is approving the remaining items listed in your ROPS for both periods:

Page 1, item 2 on both ROPS is a City loan for \$12.9 million. HSC section 34171 (d) (2) states loans or advances from the City to its former RDA are not enforceable obligations.

This is our determination with respect to any items funded from the Redevelopment Property Tax Trust Fund (RPTTF) for the June 1, 2012 property tax allocations. If your oversight board disagrees with our determination with respect to any items not funded with property tax, any future resolution of the disputed issue may be accommodated by amending the ROPS for the appropriate time period. Items not questioned during this review are subject to a subsequent review, if they are included on a future ROPS. If an item included on a future ROPS is not an enforceable obligation, Finance reserves the right to remove that item from the future ROPS, even if it was not removed from the preceding ROPS.

Please refer to Exhibit 12 at http://www.dof.ca.gov/assembly_bills_26-27/view.php for the amount of RPTTF that was approved by Finance based on the schedule submitted.

As you are aware the amount of available RPTTF is the same as the property tax increment that was available prior to ABx1 26. This amount is not and never was an unlimited funding source. Therefore as a practical matter, the ability to fund the items on the ROPS with property tax is limited to the amount of funding available in the RPTTF.

Please direct inquiries to Robert Scott, Supervisor or Jenny DeAngelis, Lead Analyst at (916) 322-2985.

Sincerely,

MARK HILL
Program Budget Manager

Mr. Matarazzo
May 23, 2012
Page 2

cc: Ms. Linda Scholink, Director of Administrative Services, Sand City
Ms. Julie Aguero, Auditor Controller Analyst II, Monterey County

Name of Redevelopment Agency: RDA Project Area AI
 Project Area(s) RDA Project Area AI
DRAFT RECOGNIZED OBLIGATION PAYMENT SCHEDULE
 Per AB 28 - Section 34177 (1)

Project Name / Debt Obligation	Pays	Description	Project Area	Total Outstanding Debt or Obligation	Total Due During Fiscal Year 2011-2012**	Funding Source --	Payable from the Administrative Allowance Allocation					Total
							Jan 2012	Feb 2012	Mar 2012	Apr 2012	May 2012	
1) Sand City	City acting as Successor Agency	Administrative Cost Allowance	Sand City		250,000.00							\$
2) Sand City Redevelopment Project	City of Sand City	Repay loans for Sand City Redevelopment Project	Sand City	12,949,873.00	965,000.00	OTHER RESERVES	216,260			546,896		\$ 792,146.00
3)												\$
4)												\$
5)												\$
6)												\$
7)												\$
8)												\$
9)												\$
10)												\$
11)												\$
12)												\$
13)												\$
14)												\$
15)												\$
16)												\$
17)												\$
18)												\$
19)												\$
20)												\$
21)												\$
22)												\$
23)												\$
24)												\$
25)												\$
26)												\$
27)												\$
28)												\$
Totals - This Page								\$ 13,849,873.00	\$ 1,115,000.00	\$ 216,260.00	\$ 546,896.00	\$ 792,146.00

* The Preliminary Draft Recognized Obligation Payment Schedule (ROPS) is to be completed by 3/1/2012 by the successor agency, and subsequently be approved by the oversight board and audited by the County.
 ** All total due during fiscal year and payment amounts are projected.
 *** Funding sources from the successor agency: (For fiscal 2011-12 only, references to RPTTF could also mean tax increment allocated to the Agency prior to February 1, 2012.)
 RPTTF - Redevelopment Property Tax Trust Fund
 Admin - Bond proceeds
 Admin - Successor Agency Administrative Allowance
 LMIHF - Low and Moderate Income Housing Fund
 Other - reserves, rents, interest earnings, etc

Name of Redevelopment Agency: RDA Project Area All
 Project Area(s) OTHER OBLIGATION PAYMENT SCHEDULE
 Per AB 28 - Section 34177 (*)

Project Name / Debt Obligation	Payee	Description	Project Area	Total Outstanding Debt or Obligation	Total Due During Fiscal Year 2011-2012**	Source of Fund***	Pass Through and Other Payments						Total	
							Payments by month							
							Jan 2012	Feb 2012	Mar 2012	Apr 2012	May 2012	Jun 2012	Total	
1) Pass through Payment	County of Monterey	Payments per CRL 33401			304,012.92	RPTTF					152,006.46			\$ 152,006.46
2) Pass through Payment	County Library	Payments per CRL 33401			24,636.61	RPTTF					12,488.41			\$ 12,488.41
3) Pass through Payment	MCWRA	Payments per CRL 33401			1,526.74	RPTTF					763.37			\$ 763.37
4) Pass through Payment	MCWRA Zone 11	Payments per CRL 33401			508.91	RPTTF					254.46			\$ 254.46
5) Pass through Payment	No. Salinas Mosquito Ab	Payments per CRL 33401			13,740.70	RPTTF					6,870.35			\$ 6,870.35
6) Pass through Payment	Seaside Sanitation	Payments per CRL 33401			33,581.24	RPTTF					16,790.62			\$ 16,790.62
7) Pass through Payment	MPUSD	Catch Up Payment			106,450.65	RPTTF					54,225.33			\$ 54,225.33
8) Statutory Payments	MPC	Payments per CRL 33607.5 and 7			53.77	RPTTF					26.89			\$ 26.89
9) Statutory Payments	MCDE	Payments per CRL 33607.5 and 7			30.31	RPTTF					15.16			\$ 15.16
10) Statutory Payments	Mont. Pen. Water Mngl.	Payments per CRL 33607.5 and 7			9.75	RPTTF					4.88			\$ 4.88
11) Statutory Payments	Mont. Pen. Regional Park	Payments per CRL 33607.5 and 7			13.18	RPTTF					6.59			\$ 6.59
12)														\$ -
13)														\$ -
14)														\$ -
15)														\$ -
Totals - Other Obligations														\$ 243,432.52
							\$ -	\$ -	\$ -	\$ -	\$ 243,432.52	\$ -	\$ -	\$ 243,432.52

• The Preliminary Draft Recognized Obligation Payment Admin - Successor Agency Administrative Allowance

Name of Redevelopment Agency: Sand City Redevelopment Agency
 Project Area(s): RDA Project Area A1
 DRAFT RECOGNIZED OBLIGATION PAYMENT SCHEDULE
 Per AB 28 - Section 34177 (*)

Project Name / Debt Obligation	Payee	Description	Project Area	Total Outstanding Debt or Obligation	Total Due During Fiscal Year 2012-1213**	*** Funding Source	Payments by month					Total	
							July 2012	August 2012	Sept. 2012	Oct. 2012	Nov. 2012		Dec. 2012
1) 2008A Emerg Tax Allocation Bonds	US Bank	Finance and release RDA activities		6,263,800.00	449,450.00	RPTTF					132,650.00	\$ 132,650.00	
2) 2008B Tax Allocation Bonds	US Bank	Finance Redevelopment activities		2,086,889.50	223,583.00	RPTTF					50,061.25	\$ 50,061.25	
3)												\$ -	
4)												\$ -	
5) City of Sand City	City of Sand City	COP Reimbursement		1,454,766.00		RPTTF						\$ -	
6) SERAF Payment	County Auditor Controller 34177 (6)	Repay loan from LMA Housing Fund for SERAF		685,062.00								\$ -	
7) RDA L&M Housing	County Auditor Controller 34177 (6)	Due to housing account from FY 08-10 & FY 10-11		241,850.00	241,850.00	OTHER						\$ -	
8) McDonald Coastal Project	John King-DCA	Contingency Reimbursement		1,455,000.00		Bonds/RPTTF						\$ -	
9)												\$ -	
10)												\$ -	
Pass Through Payment MPUSD		Pass Through Payment		476,616.00	476,616.00	OTHER						\$ -	
Pass Through Payment MPCCD		Pass Through Payment		51,277.00	51,277.00	OTHER						\$ -	
Pass Through Payment MCDE		Pass Through Payment		48,185.00	48,185.00	OTHER						\$ -	
11) Tax Sharing Agreement *****	City of Seaside	100% tax sharing agreement contingent		400,000.00	400,000.00	OTHER						\$ -	
Totals - This Page (RPTTF Funding)				\$ 15,687,227.50	\$ 1,859,151.00	N/A						\$ 362,731.25	
Totals - Page 2 (Administrative Cost Allowance)				\$ 12,649,573.00	\$ 1,115,000.00	N/A						\$ 216,250.00	
Totals - Page 3 (Pass Thru Payments)				\$ -	\$ -	N/A						\$ -	
Grand total - All Pages				\$ 28,336,800.50	\$ 3,497,615.00	\$ -						\$ 459,682.52	
												\$ 57,731.25	\$ 1,183,663.77

Dollars in Red under the month of December represent Bond payments due in April 2013
 ***** Sand City claims the agreement is no longer effective. Seaside claims the agreement is still effective. If the agreement is determined to be effective, it would qualify as an enforceable obligation. By listing this contingent liability Sand City does not admit the continued effectiveness of the agreement.

-- All totals due during fiscal year and payment amounts are projected.
 --- Funding sources from the successor agency
 RPTTF - Redevelopment Property Tax Trust Fund
 L&MIF - Low and Moderate Income Housing Fund
 Other - reserves, rents, interest earnings, etc
 Bonds - Bond proceeds
 Admin - Successor Agency Administrative Allowance

These items are subject to verification and agreement with the City's Property Tax Consultants and Monterey County Auditor Controller's for accuracy.

Name of Redevelopment Agency: Sand City Redevelopment Agency
 Project Area(s): RDA Project Area All
 DRAFT RECOGNIZED OBLIGATION PAYMENT SCHEDULE
 Per AB 26 - Section 34177 (*)

Project Name / Debt Obligation	Payee	Description	Project Area	Total Outstanding Debt or Obligation	Total Due During Fiscal Year 2012-2013**	Funding Source	Payable from the Administrative Allowance Allocation						Total	
							July 2012	August 2012	Sept. 2012	October 2012	Nov. 2012	Dec. 2012		
1) Sand City	City acting as Successor Agency	Administrative Cost Allowance	Sand City	12,549,573.00	250,000.00	RPTTF/ADMIN		216,250				125,000.00	\$ 125,000.00	
2) Sand City Redevelopment Project	City of Sand City	Repay loans for Sand City Redevelopment Project	Sand City	12,549,573.00	865,000.00	RPTTF		216,250		216,250			\$ 432,500.00	
3)													\$ -	
4)													\$ -	
5)													\$ -	
6)													\$ -	
7)													\$ -	
8)													\$ -	
9)													\$ -	
10)													\$ -	
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22)													\$ -	
23)													\$ -	
24)													\$ -	
25)													\$ -	
26)													\$ -	
27)													\$ -	
28)													\$ -	
Totals - This Page														
* The Preliminary Draft Recognized Obligation Payment Schedule (ROPS) is to be completed by 3/1/2012 by the successor agency, and subsequently be approved by the oversight board and audited by the County.														
** All total due during fiscal year and payment amounts are projected.														
--- Funding sources from the successor agency: (For fiscal 2011-12 only, references to RPTTF could also mean tax increment allocated to the Agency prior to February 1, 2012.)														
RPTTF - Redevelopment Property Tax Trust Fund														
LMIFF - Low and Moderate Income Housing Fund														
Bonds - Bond proceeds														
Admin - Successor Agency Administrative Allowance														
Other - reserves, rents, interest earnings, etc														
							\$ 12,549,573.00	\$ 1,115,000.00	\$ -	\$ 216,250.00	\$ -	\$ -	\$ 216,250.00	\$ 125,000.00
														\$ 557,500.00

Name of Redevelopment Agency Sand City Redevelopment Agency
 Project Area(s) RDA Project Area A1

OTHER OBLIGATION PAYMENT SCHEDULE
 Per AB 26 - Section 34177 (f)

Project Name / Debt Obligation	Payee	Description	Project Area	Total Outstanding Debt or Obligation	Total Due During Fiscal Year 2012-2013**	Pass Through and Other Payments							Total							
						Source of Funds***	July 2012	August 2012	Sept. 2012	October 2012	Nov. 2012	Dec. 2012								
1) Pass through Payment	County of Monterey	Payments per CRL 33401																		
2) Pass through Payment	County Library	Payments per CRL 33401			304,012.92						152,006.46									\$ 152,006.46
3) Pass through Payment	MCWRA	Payments per CRL 33401			24,836.81						12,468.41									\$ 12,468.41
4) Pass through Payment	MCWRA Zone 11	Payments per CRL 33401			1,926.74						763.37									\$ 763.37
5) Pass through Payment	No. Salinas Mosquito Ab.	Payments per CRL 33401			508.91						254.45									\$ 254.45
6) Pass through Payment	Seaside Sanitation	Payments per CRL 33401			13,740.70						6,870.35									\$ 6,870.35
7) Pass through Payment	MPUSD	Catch Up Payment			33,581.24						16,790.62									\$ 16,790.62
8) Statutory Payments	MFC	Payments per CRL 33607.5 and 7			108,450.65						54,225.33									\$ 54,225.33
9) Statutory Payments	MCOE	Payments per CRL 33607.5 and 7			53.77						26.89									\$ 26.89
10) Statutory Payments	Mont. Pen. Water Mngt.	Payments per CRL 33607.5 and 7			30.31						15.16									\$ 15.16
11) Statutory Payments	Mont. Pen. Regional Park	Payments per CRL 33607.5 and 7			9.75						4.88									\$ 4.88
12)					13.18						6.59									\$ 6.59
13)																				\$ -
14)																				\$ -
15)																				\$ -
Totals - Other Obligations					\$ 488,864.98	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 243,432.52	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 243,432.52

* - The Preliminary Debt Recognized Obligation Payment Admin. - Successor Agency Administrative Allowance
 Bonds - Bond proceeds
 Other - reserves, rents, interest earnings, etc



DEPARTMENT OF
FINANCE

EDMUND G. BROWN JR. • GOVERNOR

915 L STREET ■ SACRAMENTO CA ■ 95814-3706 ■ WWW.DOF.CA.GOV

May 11, 2012

Linda Scholink, Administrative Services Director
Sand City
1 Sylvan Park
Sand City, CA 93955

Dear Ms. Scholink:

Pursuant to Health and Safety Code (HSC) section 34177 (l) (2) (C), the Sand City Successor Agency submitted a Recognized Obligation Payment Schedule (ROPS) to the California Department of Finance (Finance) on April 30, 2012 for the period July through December 2012.

The ROPS submitted to Finance is not approved for making obligation payments. The total Redevelopment Property Tax amount listed on the ROPS for the six month period exceeds the total tax increment received by the agency for fiscal year 2010-11. Thus it appears that this plan of expenditure is not feasible.

Please resubmit a revised board-approved ROPS reflecting a feasible amount of Tax Increment for the July through December 2012 period. Please make every effort to assign other funding sources to obligations as feasible and use current tax increment as the funding source of last resort as required by HSC section 34177(l). Submit the revised ROPS to the following email address:

Redevelopment_Administration@dof.ca.gov

As authorized by HSC section 34179 (h), Finance is returning your ROPS for your reconsideration. This action will cause the ROPS to be ineffective until Finance approval.

Please direct inquiries to Robert Scott, Supervisor or Jenny DeAngelis, Lead Analyst at (916) 322-2985.

Sincerely,

MARK HILL
Program Budget Manager

cc: Mr. Steve Matarazzo, City Administrator, Sand City
Ms. Devon Lazzarino, Accounting Technician II, Sand City
Ms. Julie Aguero, Auditor Controller Analyst II, County of Monterey

Initial ROPS
(January - June, 2012) approved by Oversight Board on April 27, 2012

<u>Recognized Obligation</u>	<u>Payment</u>
Bond payments:	\$730,362
Seaside Payment (contingent obligation)	\$400,000
Pass-throughs	\$243,422
Loan Repayment to City of Sand City:	\$762,946
Subtotal:	\$2,136,730 (Available Property tax within Sand City tax code area = \$2,190,000)

*Oversight Board also allowed \$250,000 Admin Allowance which is Not Allowed until next fiscal year.

Initial ROPS
(January - June, 2012) approved by Oversight Board on April 27, 2012

<u>Recognized Obligation</u>	<u>Payment</u>
Bond payments:	\$730,362
Seaside Payment (contingent obligation)	\$400,000
Pass-throughs	\$243,422
Loan Repayment to City of Sand City:	\$762,946
Subtotal:	\$2,136,730 (Available Property tax within Sand City tax code area = \$2,190,000)

*Oversight Board also allowed \$250,000 Admin Allowance which is Not Allowed until next fiscal year.

EXHIBIT "B"

ORDINANCE NO. 86-12

**AN ORDINANCE OF THE CITY OF SAND CITY DECLARING THE NEED FOR
A REDEVELOPMENT AGENCY TO FUNCTION IN THE CITY OF SAND CITY
AND DECLARING THE CITY COUNCIL TO BE THE REDEVELOPMENT
AGENCY FOR THE CITY OF SAND CITY**

WHEREAS, the California Community Redevelopment Law (health and Safety Code Section 33000 et. seq.) in Section 33100 creates in the City of Sand City a public body, corporate and politic, known as the Redevelopment Agency, for the purpose of exercising the powers granted by the Community Redevelopment Law; and

WHEREAS, Section 33101 of the Community Redevelopment Law provides that said Redevelopment Agency shall not transact any business or exercise any powers unless by ordinance of the City Council of the City of Sand City and declares that there is a need for such a public body to function; and

WHEREAS, Section 33200 of the Community Redevelopment Law provides that as an alternative to the appointment of five (5) members to the Redevelopment Agency, the City Council may declare itself to be said Agency, in which case all the rights, powers, duties, privileges, and immunities of the Redevelopment Agency shall be vested in the City Council.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SAND CITY DOES HEREBY ORDAIN AS FOLLOWS:

Section 1.0 It is hereby found, determined, and declared that there is a need for a Redevelopment Agency to function in the City of Sand City in accordance with the provisions of the Community Redevelopment Law.

Section 2.0 Said Redevelopment Agency is hereby established pursuant to Section 33101 of the Community Redevelopment Law to be known as the Sand City Redevelopment Agency. Said Redevelopment Agency is hereby authorized to transact business and exercise its power under provisions of the Community Redevelopment Law.

Section 3.0 Pursuant to the provisions of Section 33200 of the Community Redevelopment Law, the City Council hereby declares itself to be the Redevelopment Agency of the City of Sand City.

Section 4.0 The City Council hereby finds and determines that the designation of the City Council as the Redevelopment Agency will serve the public interest and promote the public health, safety, and welfare in an effective manner in that this public body is best able to serve the needs of the community to implement the purposes of the Community Redevelopment Law.

Section 5.0 The City Clerk is hereby directed to cause a certified copy of this Ordinance to be filed in the office of the Secretary of State.

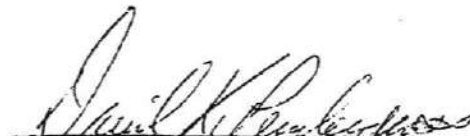
Section 6.0 This Ordinance shall become effective thirty (30) days after its final passage and adoption.

PASSED AND ADOPTED BY THE CITY COUNCIL OF SAND CITY,
this October 16, 1986 by the following vote:

AYES: Councilmember: RITTER, LEWIS, MORRIS, QUISENBERRY, PENDERGRASS

NOES: Councilmember: NONE

ABSENT: Councilmember: NONE


Mayor, City of Sand City

ATTEST: Mary Ann Weems
City Clerk

CERTIFICATE OF ORDINANCE

I, the undersigned, hereby certify that the foregoing Ordinance is a full, true and correct copy of Ordinance No. 86-12 of the City of Sand City, entitled as shown thereon: It was posted in three public places in the City of Sand City on October 17, 1986.

DATED: October 17, 1986

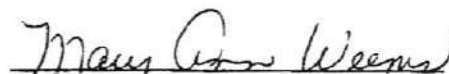

City Clerk

EXHIBIT "C"

CITY OF SAND CITY

RESOLUTION NO. SC-5 (1987)

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAND CITY APPROVING AND AUTHORIZING A COOPERATIVE AGREEMENT TO BE EXECUTED BY AND BETWEEN THE CITY OF SAND CITY AND THE SAND CITY REDEVELOPMENT AGENCY PURSUANT TO SECTION 33220 OF THE CALIFORNIA HEALTH AND SAFETY CODE

WHEREAS, the City of Sand City created the Sand City Redevelopment Agency on October 16, 1986, by Ordinance No. 86-12 for purposes of pursuing redevelopment activities in the community; and

WHEREAS, the City Council of the City of Sand City has designated Redevelopment Survey Area #1 and has directed the Redevelopment Agency to formulate a Redevelopment Project Area and Plan; and

WHEREAS, in the course of fulfilling the requirements to effectuate a redevelopment plan and conducting redevelopment activities certain relationships must be outlined between the City of Sand City and the Sand City Redevelopment Agency; and

WHEREAS, pursuant to Section 33220 of the California Health and Safety Code, the Sand City Redevelopment Agency may enter into Agreements with the Sand City City Council for the purpose of aiding and cooperating in the planning, undertaking, construction, or operation of redevelopment projects and may, pursuant to Sections 33600 and 33601, accept financial or other assistance to carry out the purpose of the Redevelopment Agency.

NOW THEREFORE, BE IT RESOLVED, DETERMINED, AND ORDERED BY THE CITY COUNCIL OF THE CITY OF SAND CITY AS FOLLOWS:

Section 1. An Agreement hereinafter referred to as "Cooperative Agreement" is hereby approved as set forth in Attachment "A" and shall create and establish the working relationship by and between the City Council of the City of Sand City and the Sand City Redevelopment Agency.

Section 2. The Mayor is hereby authorized and directed to enter into this Cooperative Agreement with the Sand City Redevelopment Agency on behalf of the City of Sand City as outlined.

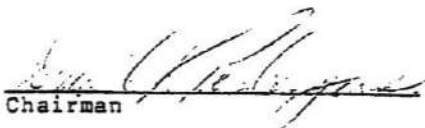
Section 4. The Secretary of the Redevelopment Agency is directed to transmit to the County of Monterey, affected taxing agencies, and to the State Board of Equalization the documentation as is required pursuant to Section 33327 of the California Health and Safety Code.


PASSED AND ADOPTED BY THE REDEVELOPMENT AGENCY OF THE CITY OF SAND CITY THIS 20th day of January, 1987 by the following vote:

AYES : LEWIS, MORRIS, RITTER, HARPER, PENDERGRASS

NOES : NONE

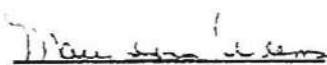
ABSENT: NONE


Chairman

ATTEST: 
Secretary

I am the Secretary of the Redevelopment Agency of the City of Sand City and hereby certify that the within document is a true and correct copy of documents on file with the City.

Dated 1-21-87


Mary Ann Weems
Secretary

ATTACHMENT A

COOPERATIVE AGREEMENT

Between the City Council of the City of Sand City
and the
Sand City Redevelopment Agency

THIS AGREEMENT is entered into this 20 day of January, 1987 by and between the CITY OF SAND CITY, hereinafter referred to as "CITY" and the SAND CITY REDEVELOPMENT AGENCY, hereinafter referred to as "AGENCY."

R E C I T A L S

1. Creation: Pursuant to the California Community Redevelopment Law (California Health and Safety Code, Section 33000 et. seq.) the Sand City City Council, on October 16, 1986, did declare that there was a need for a Redevelopment Agency to function in the City.
2. Separate Agency: The Agency is a public body, corporate and politic exercising governmental functions and is performing a public function of the city, but as such it is, and shall remain, a public body separate from the City.
3. Appointment of Agency Members: The City Council by said Ordinance No. 86-12 declared itself to be the Agency and such Council Members are serving as Agency Members.
4. Executive Director of Agency: The Agency has appointed an Executive Director of the Agency. As a portion of her duties and functions, she shall have ultimate day-to-day administrative responsibility to carry out Agency programs and affairs.
5. Agency Officers, Employees, Agents, Consultants, and Contractors: The Officers of the Agency shall be City officials as established in the Bylaws of the Agency. The Executive Director, with the approval of the Agency Members, may select, appoint, employ, and contract for such permanent and temporary consultants, contractors, agents, and employees as it requires and determine their qualifications, duties, benefits, and compensation subject to the other provisions of the Agreement and the law.

AGREEMENT

THE PARTIES MUTUALLY AGREE AS FOLLOWS:

6. Services to be Provided:

a. The City, its officers, and employees shall perform services for the Agency in carrying out its work of redevelopment. The Agency shall also have access to the facilities of the departments and offices of the City.

b. Those City officers and employees who are also appointed to positions or offices with or related to the Agency shall perform services for the Agency in a dual capacity. The Executive Director shall perform services in her capacity as a City employee and also as Executive Director of the Agency.

c. The City Manager/Executive Director, and other appropriate City officials and the Agency shall determine and establish the procedures to be followed in the request for, and the rendering of, such services.

7. Compensation by the Agency for Services Rendered or Loans:

a. The Agency shall reimburse the City for all costs incurred by City officers and employees in rendering services to the Agency commencing October 16, 1986. The Agency shall reimburse the City for all personnel services performed on an hourly basis at rates, including overhead established by the City Manager, plus interest thereon at the average annual rate which the City earns on its invested reserves, but not to exceed a rate of 12% per annum.

b. A City officer or employee shall be paid extra compensation for any work performed for the Agency if such compensation is expressly authorized and provided for by the Agency.

c. The Agency shall pay the same rate of interest on any loans made by the City to the Agency as calculated in 7(a) above.

8. Accounting of Responsible Payments to the City by the Agency: The City shall, on the last day of June and on the last day of December, provide the Agency with an audit of any and all outstanding City loans and/or advances as well as any and all City incurred expenses and costs to date deemed reimbursable by the Agency.

9. Method of Payment:

a. Costs under this agreement shall commence on the date that the services were or are begun, and shall accrue on the basis established by the City Manager for the services being performed. The Agency, however, shall not be responsible for the payment of accrued costs for services until funds are available to the Agency for this purpose.

b. Agency revenues may come from many sources, many of which may be available to the Agency only for limited and special purposes. It is expected that any funds which may become available to the Agency for the reimbursement of costs for services rendered by the City will be used to pay the accrued costs. The Agency shall reimburse the City for such costs only if funds become available.

Once funds become available from which the Agency may pay costs for services, then all costs theretofore accrued shall be paid in a time and manner consistent with the needs of the Agency.

10. City Aid and Assistance: The City will aid and cooperate in the planning, undertaking, construction, or operation of a redevelopment project within the City and will enter into appropriate agreements as necessary and desirable to effectuate the redevelopment program.

11. Fund Advance Agreements: The City may advance funds to the Agency and the Agency may advance funds to the City to effectuate the redevelopment program. Any and all fund advances and/or loans by the City to the Agency, or by the Agency to the City, shall be formalized by the approval and adoption of a Fund Advance Agreement by both the Agency and the City. The Fund Advance Agreement shall contain terms and conditions agreed upon by the Agency and the City, as appropriate to indicate the purpose of the advance and/or loan, and repayment requirements, if necessary, to effectuate the redevelopment program.

12. Administrative Fund: The City will establish an Agency General Fund with money appropriated by the City Council to the Agency as a loan to be repaid upon such terms and conditions as any agreement between the Agency and City Council may provide.

13. Agency Offices: The principal office of the Agency shall be located in the City Hall of the City of Sand City. The City agrees to provide to the Agency necessary and ample space for business offices and meeting rooms of the Agency. Said space shall also include use of the City Council Chambers or other space for meetings of the Agency. Rental payments for such purposes shall be paid, if required, by the City of Sand City according to rates set by the City Manager from time to time as separate space is needed by the Agency and included in the calculation for "overhead" as set forth in 7(a) hereof. Said space shall be used in accordance with the rules and regulations of the City as applicable to other buildings and offices of the City.

14. Agency Bylaws and Regulations: The Agency shall adopt and thereafter be bounded by Bylaws and other regulations to carry into effect the powers purposes, and functions of the Agency and to establish the policies of the Agency Members for the guidance of the City Manager and Agency Executive Director.

The Agency shall supply such information and reports to the City and Agency as may be required.

15. Severability: If any portion or Section of this Agreement is declared to be unconstitutional or violative of the California Community Redevelopment Law, then only that section or portion shall be stricken as agreed upon by both parties. Such determination of unconstitutionality or infeasibility shall not affect the remainder of the Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this document as of the date first above written.

CITY OF SAND CITY

By: *David K. Robinson*
Mayor

ATTEST:

By: *Mary Ann Wilson*
City Clerk

By: *James C. Hays*
City Attorney

SAND CITY REDEVELOPMENT AGENCY

By: *David K. Robinson*
Chairman

ATTEST:

By: *Mary Ann Wilson*
Secretary

By: *James C. Hays*
Redevelopment General Counsel

SAND CITY REDEVELOPMENT AGENCY

RESOLUTION NO. RA-5 (1987)

A RESOLUTION OF THE SAND CITY REDEVELOPMENT AGENCY APPROVING AND AUTHORIZING A COOPERATIVE AGREEMENT TO BE EXECUTED BY AND BETWEEN THE SAND CITY REDEVELOPMENT AGENCY AND THE CITY OF SAND CITY PURSUANT TO SECTION 33220 OF THE CALIFORNIA HEALTH AND SAFETY CODE

WHEREAS, the City of Sand City created the Sand City Redevelopment Agency on October 16, 1986, by Ordinance No.86-12 for purposes of pursuing redevelopment activities in the community; and

WHEREAS, the City Council of the City of Sand City has designated redevelopment Survey Area #1 and has directed the Redevelopment Agency to formulate one or more Redevelopment Project Areas and Plans; and

WHEREAS, in the course of fulfilling the requirements to effectuate a redevelopment plan and conducting redevelopment activities certain relationships must be outlined between the City of Sand City and the Redevelopment Agency to formulate one or more Redevelopment Project Areas and Plans; and

WHEREAS, pursuant to Section 33220 of the California Health and Safety Code, the Sand City Redevelopment Agency may enter into Agreements with the Sand City Council for the purpose of aiding and cooperating in the planning, undertaking, construction, or operation of redevelopment projects and may, pursuant to Sections 33600 and 33601, accept financial or other assistance to carry out the purpose of the Redevelopment Agency.

NOW THEREFORE, BE IT RESOLVED, DETERMINED, AND ORDERED BY THE SAND CITY REDEVELOPMENT AGENCY, AS FOLLOWS:

Section 1. An Agreement hereinafter referred to as "Cooperative Agreement" is hereby approved as set forth in Attachment "A" and shall create and establish the working relationship by and between the Sand City Redevelopment Agency and the City Council of the City of Sand City.

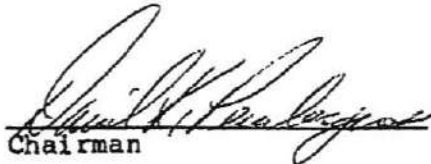
Section 2. The Chairman is hereby authorized and directed to enter into this Cooperative Agreement with the City of Sand City on behalf of the Sand City Redevelopment Agency as outlined.


PASSED AND ADOPTED BY THE REDEVELOPMENT AGENCY OF THE CITY OF SAND CITY THIS 20th day of January, 1987 by the following vote:

AYES : Agency Members: LEWIS, MORRIS, RITTER, HARPER, PENDERGRASS

NOES : Agency Members: NONE


ABSENT: Agency Members: NONE


Chairman

ATTEST: 
Secretary

I am the Secretary of the Redevelopment Agency of the City of Sand City and hereby certify that the within document is a true and correct copy of documents on file with the City.

Dated: 1-21-87


Mary Ann Weems
Secretary

ATTACHMENT A

COOPERATIVE AGREEMENT

Between the City Council of the City of Sand City
and the
Sand City Redevelopment Agency

THIS AGREEMENT is entered into this 20 day of January, 1987 by and between the CITY OF SAND CITY, hereinafter referred to as "CITY" and the SAND CITY REDEVELOPMENT AGENCY, hereinafter referred to as "AGENCY."

R E C I T A L S

1. Creation: Pursuant to the California Community Redevelopment Law (California Health and Safety Code, Section 33000 et. seq.) the Sand City City Council, on October 16, 1986, did declare that there was a need for a Redevelopment Agency to function in the City.

2. Separate Agency: The Agency is a public body, corporate and politic exercising governmental functions and is performing a public function of the city, but as such it is, and shall remain, a public body separate from the City.

3. Appointment of Agency Members: The City Council by said Ordinance No. 86-12 declared itself to be the Agency and such Council Members are serving as Agency Members.

4. Executive Director of Agency: The Agency has appointed an Executive Director of the Agency. As a portion of her duties and functions, she shall have ultimate day-to-day administrative responsibility to carry out Agency programs and affairs.

5. Agency Officers, Employees, Agents, Consultants, and Contractors: The Officers of the Agency shall be City officials as established in the Bylaws of the Agency. The Executive Director, with the approval of the Agency Members, may select, appoint, employ, and contract for such permanent and temporary consultants, contractors, agents, and employees as it requires and determine their qualifications, duties, benefits, and compensation subject to the other provisions of the Agreement and the law.

AGREEMENT

THE PARTIES MUTUALLY AGREE AS FOLLOWS:

6. Services to be Provided:

a. The City, its officers, and employees shall perform services for the Agency in carrying out its work of redevelopment. The Agency shall also have access to the facilities of the departments and offices of the City.

b. Those City officers and employees who are also appointed to positions or offices with or related to the Agency shall perform services for the Agency in a dual capacity. The Executive Director shall perform services in her capacity as a City employee and also as Executive Director of the Agency.

c. The City Manager/Executive Director, and other appropriate City officials and the Agency shall determine and establish the procedures to be followed in the request for, and the rendering of, such services.

7. Compensation by the Agency for Services Rendered or Loans:

a. The Agency shall reimburse the City for all costs incurred by City officers and employees in rendering services to the Agency commencing October 16, 1986. The Agency shall reimburse the City for all personnel services performed on an hourly basis at rates, including overhead established by the City Manager, plus interest thereon at the average annual rate which the City earns on its invested reserves, but not to exceed a rate of 12% per annum.

b. A City officer or employee shall be paid extra compensation for any work performed for the Agency if such compensation is expressly authorized and provided for by the Agency.

c. The Agency shall pay the same rate of interest on any loans made by the City to the Agency as calculated in 7(a) above.

8. Accounting of Responsible Payments to the City by the Agency: The City shall, on the last day of June and on the last day of December, provide the Agency with an audit of any and all outstanding City loans and/or advances as well as any and all City incurred expenses and costs to date deemed reimbursable by the Agency.

9. Method of Payment:

a. Costs under this agreement shall commence on the date that the services were or are begun, and shall accrue on the basis established by the City Manager for the services being performed. The Agency, however, shall not be responsible for the payment of accrued costs for services until funds are available to the Agency for this purpose.

b. Agency revenues may come from many sources, many of which may be available to the Agency only for limited and special purposes. It is expected that any funds which may become available to the Agency for the reimbursement of costs for services rendered by the City will be used to pay the accrued costs. The Agency shall reimburse the City for such costs only if funds become available.

Once funds become available from which the Agency may pay costs for services, then all costs theretofore accrued shall be paid in a time and manner consistent with the needs of the Agency.

10. City Aid and Assistance: The City will aid and cooperate in the planning, undertaking, construction, or operation of a redevelopment project within the City and will enter into appropriate agreements as necessary and desirable to effectuate the redevelopment program.

11. Fund Advance Agreements: The City may advance funds to the Agency and the Agency may advance funds to the City to effectuate the redevelopment program. Any and all fund advances and/or loans by the City to the Agency, or by the Agency to the City, shall be formalized by the approval and adoption of a Fund Advance Agreement by both the Agency and the City. The Fund Advance Agreement shall contain terms and conditions agreed upon by the Agency and the City, as appropriate to indicate the purpose of the advance and/or loan, and repayment requirements, if necessary, to effectuate the redevelopment program.

12. Administrative Fund: The City will establish an Agency General Fund with money appropriated by the City Council to the Agency as a loan to be repaid upon such terms and conditions as any agreement between the Agency and City Council may provide.

13. Agency Offices: The principal office of the Agency shall be located in the City Hall of the City of Sand City. The City agrees to provide to the Agency necessary and ample space for business offices and meeting rooms of the Agency. Said space shall also include use of the City Council Chambers or other space for meetings of the Agency. Rental payments for such purposes shall be paid, if required, by the City of Sand City according to rates set by the City Manager from time to time as separate space is needed by the Agency and included in the calculation for "overhead" as set forth in 7(a) hereof. Said space shall be used in accordance with the rules and regulations of the City as applicable to other buildings and offices of the City.

14. Agency Bylaws and Regulations: The Agency shall adopt and thereafter be bounded by Bylaws and other regulations to carry into effect the powers purposes, and functions of the Agency and to establish the policies of the Agency Members for the guidance of the City Manager and Agency Executive Director.

The Agency shall supply such information and reports to the City and Agency as may be required.

15. Severability: If any portion or Section of this Agreement is declared to be unconstitutional or violative of the California Community Redevelopment Law, then only that section or portion shall be stricken as agreed upon by both parties. Such determination of unconstitutionality or infeasibility shall not affect the remainder of the Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this document as of the date first above written.

CITY OF SAND CITY

By: David K. Robinson
Mayor

ATTEST:

By: Mary Ann Weems
City Clerk

By: James G. Hargrett
City Attorney

SAND CITY REDEVELOPMENT AGENCY

By: David K. Robinson
Chairman

ATTEST:

By: Mary Ann Weems
Secretary

By: James G. Hargrett
Redevelopment General Counsel

EXHIBIT "D"

AGREEMENT BETWEEN THE CITY OF SAND CITY AND THE SAND
CITY REDEVELOPMENT AGENCY CONCERNING CERTAIN
SALES AND USE TAXES

WHEREAS, the Sand City Redevelopment Agency in cooperation with the City of Sand City has entered into certain agreements with the City of Seaside and Costco Wholesale Inc, which require certain financial contributions be made to said parties, and

WHEREAS, said contributions are based on formula's keyed to the amount of sales and use tax generated from private development occurring in the Sand City Redevelopment Area, and

WHEREAS, The City Council and the Redevelopment Agency have passed Ordinances to allow passage of the Sales and Use Taxes to the Redevelopment Agency for the purpose of paying said Agency contributions, and

WHEREAS, the City and the Agency have agreed that it is the responsibility of the Agency to administer the procedures and accounting of repaying said debts, and

WHEREAS, the City is supportive of financially assisting the Agency by making available City sales and use taxes on a as needed basis, and

WHEREAS, the City intends that the Agency shall repay any and all portion of the City owned Sales and Use Taxes from future tax increment generated from the Redevelopment Project Area.

NOW THEREFORE BY IT RESOLVED BY THE REDEVELOPMENT AGENCY OF THE CITY OF SAND CITY THAT.

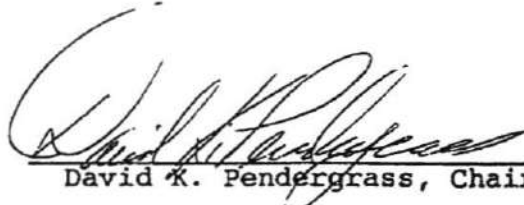
1. The Agency approves the Agreement attached as Exhibit "A" and authorizes the Chairman to sign said agreement.
2. The Agency shall prepare and maintain all necessary books of accounts to keep clear, concise and accurate records of the use of City sales and use taxes.
3. The Agency shall prepare an annual audited statement for review and approval of the City Council.
4. The Agency shall return any unused portions of said sales and use taxes back to the City on a periodic basis as determined by the Council as necessary to continue normal city operations.

PASSED AND ADOPTED BY THE REDEVELOPMENT AGENCY OF THE CITY OF SAND CITY THIS 18th DAY OF July 1989 BY THE FOLLOWING VOTE:

AYES: Ritter, Francini and Mayor Pendergrass

NOES: None

ABSENT: None



David K. Pendergrass, Chairman

ATTEST: 

Secretary

I certify, under oath, that the above is a true and correct copy of documents on file in the office of the Redevelopment Agency in City Hall.

Secretary

Date

AGREEMENT BETWEEN THE CITY OF SAND CITY
AND THE REDEVELOPMENT AGENCY OF THE CITY OF SAND CITY
CONCERNING CERTAIN SALES AND USE TAXES

EXHIBIT "A" TO RESOLUTION NO. RA-101989

This Agreement is made as of this 18th day of July 1989, by and between the City of Sand City, a municipal corporation (the "City") and the Redevelopment Agency of the City of Sand City, a public body, corporate and politic, (the "Agency").

RECITALS

A. Pursuant to Revenue and Taxation Code Section 7202.6, the Agency has enacted ^{Resolution} Ordinance No. (RA) 1, 1989 and the City has enacted ~~Ordinance No. (SC) 89-3~~ 1989 imposing a sales and use tax upon retail sales within the Sand City Redevelopment Project Area ("the Project Area"). ^{Resolution SC 89-42}

B. The purposes of the above two Ordinances are to transfer from the City to the Agency a portion of the sales and use tax collected within a portion of the Project Area as further described in the Ordinances (the "Transferred Sales and Use Taxes").

C. On May 18, 1989 the Agency and City entered into an agreement with the City of Seaside (the "Seaside Agreement") whereby the Agency agreed to pay to the City of Seaside a portion of the sales and use tax collected from the portion of the Project Area. The Payments to the City of Seaside are to compensate the City of Seaside for impacts it will suffer due to development within portions of the project area in accordance with the Sand City Redevelopment Plan. Pursuant to the terms of the agreement with the City of Seaside, the Agency will pay to the City of Seaside a portion of the transferred Sales and Use Tax.

D. The Redevelopment Agency, on May 31, 1989 adopted Resolution No. (RA) 6, authorizing the entering of an Owner Participation Agreement with Costco Wholesale Inc. Said Agreement requires certain financial reimbursements to Costco Wholesale Inc. for the purpose of writing down land costs. The reimbursements are calculated on a sales and use tax formula, until the time when the Agency's tax increment is adequate to make the reimbursement payments.

E. The parties to this Agreement now desire to enter into this Agreement whereby the Agency shall transfer to the City all of the Transferred Sales and Use Tax not required to be paid to the City of Seaside by the Agency.

NOW THEREFORE, the parties agree as follows:

SECTION 1. Pledge of Transferred Sales and Use Taxes

Pursuant to Revenue and Taxation Code Section 7202.8 and Health and Safety Code Section 33641, the transferred Sales and Use Taxes are pledged to the payment due under the Seaside Agreement and as pledged in the Costco Wholesale Inc. Owner Participation Agreement. Such pledges shall constitute the obligation of contract between the Agency and the City of Seaside and the Agency and Costco Wholesale Inc. and shall be protected from impairment by the United States and California Constitutions. Pursuant to the provisions of Revenue and Taxation Code Section 7202.8, Ordinance No. (RA) 1, 1989 of the Agency and Section 13.16.140 of the Sand City Municipal Code may not be repealed during the time that any of the payments due under the Seaside Agreement or the Owner Participation Agreement remains outstanding.

SECTION 2. Use of transferred Sales and Use Taxes

The Transferred Sales and Use Taxes shall only be used to the extent necessary to pay any amounts due pursuant to the Seaside Agreement and the Costco Wholesale Inc. Owner Participation Agreement, and to pay any amounts due to the State Board of Equalization for administration of the sales and use tax pursuant to Revenue and Taxation Code Section 7204.3.

SECTION 3. Payment to City.

A. In consideration for the City's agreement to allow sales and use tax revenues to be transferred to the Agency in order to pay the amounts due under the above agreements, the Agency agrees to pay to the City the amount of Transferred Sales and Use Taxes not required to be paid by the Agency to Seaside or Costco Wholesale Inc. pursuant to the Seaside Agreement and/or the Costco Wholesale Inc. Owner Participation Agreement.

B. Any use by the Agency of the City's sales and use tax revenue are, to the extent allowed by law, to be considered a loan from the City to the Agency and eligible for repayment from future tax increment generated from the Rede-

velopment Project Area. Said loan is subordinate to the REDIP Loan Agreement between the Agency and the State of California Department of Commerce. The City may charge the Agency interest up to the amount legally authorized by law.

E. The Agency shall file with the City an annual report on the status of the use of the sales and use taxes, included in such report will be an independent audit of the use of the funds.

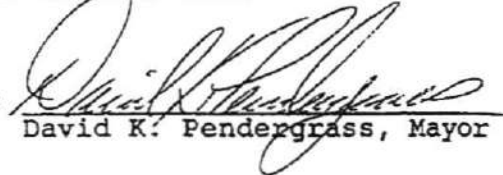
F. This Agreement to be effective upon adoption of the City's Ordinance and the Agency's Ordinance.

IN WITNESS WHEREOF, the City and Agency have caused this Agreement to be executed on this 18th day of July, 1989.

ATTEST:


City Clerk

CITY OF SAND CITY

BY: 
David K. Pendergrass, Mayor

REDEVELOPMENT AGENCY OF THE CITY
OF SAND CITY


BY: 
Chairman, Redevelopment
Agency of the City of
Sand City

EXHIBIT "E"

SAND CITY

RESOLUTION RA 96-10, 1996

RESOLUTION OF THE REDEVELOPMENT AGENCY OF SAND CITY
AUTHORIZING ACCEPTANCE OF LOANS FROM THE CITY OF SAND CITY
TO COVER THE SAND CITY REDEVELOPMENT AGENCY'S SHARE OF ANNUAL
ADMINISTRATIVE/OPERATING COSTS AND PLEDGING TO REPAY THESE
LOANS TO THE CITY OUT OF FUTURE INCREMENT TAXES

WHEREAS, the City of Sand City ("City") and the Sand City Redevelopment Agency ("Redevelopment Agency") are sister agencies serving the interests of the citizens, businesses and property owners of Sand City; and

WHEREAS, the Redevelopment Agency was created to help achieve the planning and development goals of the City and to assist in the redevelopment of blighted or underdeveloped areas of the City; and

WHEREAS, State regulations and prudent business practices require the preparation of annual budgets for both the City and the Redevelopment Agency; and

WHEREAS, the City and Redevelopment Agency share many common resources (staffing, facilities, equipment, etc.) which can be jointly funded by both agencies; and

WHEREAS, the Redevelopment Agency's reasonable share of the combined annual budgets for several of the City departments and certain operating costs should range from 20% to 50% of the combined budgets; and

WHEREAS, the Redevelopment Agency has only one primary funding source (property increment taxes from redevelopment projects) and most of this funding is allocated to repaying debts incurred in creating the redevelopment projects; and

WHEREAS, with Resolution No. RA 10 - 1989, the Redevelopment Agency approved a sales and use tax agreement between the City and the Redevelopment Agency in which the City allowed passage of the City's sales and use taxes to the Redevelopment Agency for the purpose of paying certain Agency contributions to the City of Seaside and Costco Wholesale, Inc.; and

WHEREAS, under the above agreement, the Agency was to repay any and all portion of the City's sales and use taxes from future tax increment generated from the redevelopment project area and the Agency was to return any unused portion of said sales and use taxes back to the City on a periodic basis as determined by the Council as necessary to continue normal City operations; and

Resolution No. RA 96-10 (1996)

WHEREAS, with the above financial limitations, the Redevelopment Agency does not have adequate funding sources at this time to pay its reasonable prorated share of the combined annual costs of the joint City/ Redevelopment Agency operations; and

WHEREAS, the Redevelopment Agency is willing to accept advance loans from the City to cover the Agency's prorated share of the combined annual operating costs as specified below; and

WHEREAS, Article 2 of the Community Redevelopment Law (Cal. Health and Safety Code Sec. 33610 et seq.) contains certain rules governing "loans" or "grants" from the City to the Agency for the Agency's administrative/operating expenses, such as --

- Sec. 33610 authorizes the City Council to "appropriate" funds to the Redevelopment Agency in amounts deemed necessary by the Council for administrative expenses and overhead of the Agency which may include, but is not limited to, expenses of redevelopment planning and dissemination of redevelopment information, in addition to the usual interpretation of the term, "administrative expense."
- The appropriation may be in the form of a grant or a loan to the Redevelopment Agency.
- Sec. 33611, the "appropriation" process begins with the Redevelopment Agency's submission of a budget for its annual administrative expenses to the Council.
- Sec. 33612, the City Council in turn adopts the Redevelopment Agency's administrative expense budget and sets the conditions under which the City will "appropriate" funds to the Redevelopment Agency for the Agency's administrative expenses.

NOW, THEREFORE, BE IT RESOLVED by the Sand City Redevelopment Agency as follows:

1. The Redevelopment Agency agrees to accept the "appropriated" funds from the City as deemed necessary for the Agency's annual operating/administrative expenses and overhead as allowed by the above Sections of Article 2 of the Community Redevelopment Law under the following conditions:
 - A. The Agency shall prepare and submit for approval by the City an annual budget for its annual administrative/operating revenues and expenditures which will be combined with the City's Annual Budget.

Resolution No. RA 96-10 (1996)

- B. The necessary administrative funds as approved in the annual Combined Budget will be "appropriated" to the Redevelopment Agency by resolution of the City Council.
 - C. It is agreed that these "appropriated" funds for the Redevelopment Agency's annual administrative expenses shall be in the form of a loan from the City, and the Redevelopment Agency shall repay these annual loans from future tax increments generated from the redevelopment project area.
 - D. These annual loans for administrative expenses shall earn a nominal interest rate of 7% per annum compounded yearly from the date that the funds are appropriated.
2. As specified in Sec. 33613 of the Community Redevelopment Law, the Redevelopment Agency agrees that the administrative funds appropriated to the Agency will be kept in the City's treasury in a special fund to be known as the "Community Redevelopment Agency Administrative Fund" from which funds can be drawn for the Agency's share of operating costs in substantially the same manner as with other City departments subject to budgetary control.
3. As stated in Sec. 33615, the Redevelopment Agency agrees to make a detailed report of all its transactions, including a statement of all revenues and expenditures to the City Council at least annually, or in shorter intervals if the Council prescribes.

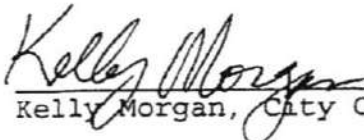
PASSED AND ADOPTED by the Sand City Redevelopment Agency this 26th day of June, 1996 by the following vote:

AYES: Agency members Kline, Morris, Hansen, Lewis, Pendergrass

NOES: None

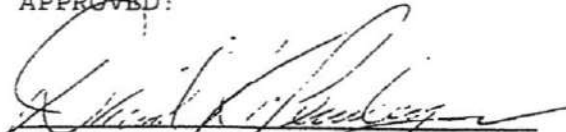
ABSENT: None

ATTEST:



Kelly Morgan, City Clerk

APPROVED:



David K. Pendergrass, Chairman

AGREEMENT BETWEEN THE CITY OF SAND CITY AND THE SAND
CITY REDEVELOPMENT AGENCY CONCERNING CERTAIN
SALES AND USE TAXES

WHEREAS, the Sand City Redevelopment Agency in cooperation with the City of Sand City has entered into certain agreements with the City of Seaside and Costco Wholesale Inc, which require certain financial contributions be made to said parties, and

WHEREAS, said contributions are based on formula's keyed to the amount of sales and use tax generated from private development occurring in the Sand City Redevelopment Area, and

WHEREAS, The City Council and the Redevelopment Agency have passed Ordinances to allow passage of the Sales and Use Taxes to the Redevelopment Agency for the purpose of paying said Agency contributions, and

WHEREAS, the City and the Agency have agreed that it is the responsibility of the Agency to administer the procedures and accounting of repaying said debts, and

WHEREAS, the City is supportive of financially assisting the Agency by making available City sales and use taxes on a as needed basis, and

WHEREAS, the City intends that the Agency shall repay any and all portion of the City owned Sales and Use Taxes from future tax increment generated from the Redevelopment Project Area.

NOW THEREFORE BY IT RESOLVED BY THE REDEVELOPMENT AGENCY OF THE CITY OF SAND CITY THAT.

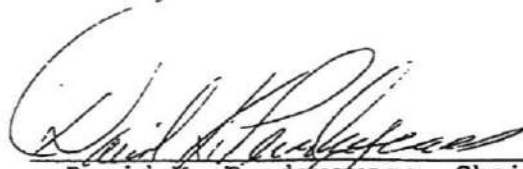
1. The Agency approves the Agreement attached as Exhibit "A" and authorizes the Chairman to sign said agreement.
2. The Agency shall prepare and maintain all necessary books of accounts to keep clear, concise and accurate records of the use of City sales and use taxes.
3. The Agency shall prepare an annual audited statement for review and approval of the City Council.
4. The Agency shall return any unused portions of said sales and use taxes back to the City on a periodic basis as determined by the Council as necessary to continue normal city operations.

PASSED AND ADOPTED BY THE REDEVELOPMENT AGENCY OF THE CITY OF SAND CITY THIS 18th DAY OF July 1989 BY THE FOLLOWING VOTE:


AYES: Ritter, Francini and Mayor Pendergrass

NOES: None

ABSENT: None



David K. Pendergrass, Chairman

ATTEST: 

Secretary

I certify, under oath, that the above is a true and correct copy of documents on file in the office of the Redevelopment Agency in City Hall.

Secretary

Date

AGREEMENT BETWEEN THE CITY OF SAND CITY
AND THE REDEVELOPMENT AGENCY OF THE CITY OF SAND CITY
CONCERNING CERTAIN SALES AND USE TAXES

EXHIBIT "A" TO RESOLUTION NO. RA-101989

This Agreement is made as of this 18th day of July 1989, by and between the City of Sand City, a municipal corporation (the "City") and the Redevelopment Agency of the City of Sand City, a public body, corporate and politic, (the "Agency").

RECITALS

A. Pursuant to Revenue and Taxation Code Section 7202.6, the Agency has enacted Ordinance No. (RA) 1, 1989 and the City has enacted Ordinance No. (SC) 89-3, 1989 imposing a sales and use tax upon retail sales within the Sand City Redevelopment Project Area ("the Project Area").

B. The purposes of the above two Ordinances are to transfer from the City to the Agency a portion of the sales and use tax collected within a portion of the Project Area as further described in the Ordinances (the "Transferred Sales and Use Taxes").

C. On May 18, 1989 the Agency and City entered into an agreement with the City of Seaside (the "Seaside Agreement") whereby the Agency agreed to pay to the City of Seaside a portion of the sales and use tax collected from the portion of the Project Area. The Payments to the City of Seaside are to compensate the City of Seaside for impacts it will suffer due to development within portions of the project area in accordance with the Sand City Redevelopment Plan. Pursuant to the terms of the agreement with the City of Seaside, the Agency will pay to the City of Seaside a portion of the transferred Sales and Use Tax.

D. The Redevelopment Agency, on May 31, 1989 adopted Resolution No. (RA) 6, authorizing the entering of an Owner Participation Agreement with Costco Wholesale Inc. Said Agreement requires certain financial reimbursements to Costco Wholesale Inc. for the purpose of writing down land costs. The reimbursements are calculated on a sales and use tax formula, until the time when the Agency's tax increment is adequate to make the reimbursement payments.

E. The parties to this Agreement now desire to enter into this Agreement whereby the Agency shall transfer to the City all of the Transferred Sales and Use Tax not required to be paid to the City of Seaside by the Agency.

NOW THEREFORE, the parties agree as follows:

SECTION 1. Pledge of Transferred Sales and Use Taxes

Pursuant to Revenue and Taxation Code Section 7202.8 and Health and Safety Code Section 33641, the transferred Sales and Use Taxes are pledged to the payment due under the Seaside Agreement and as pledged in the Costco Wholesale Inc. Owner Participation Agreement. Such pledges shall constitute the obligation of contract between the Agency and the City of Seaside and the Agency and Costco Wholesale Inc. and shall be protected from impairment by the United States and California Constitutions. Pursuant to the provisions of Revenue and Taxation Code Section 7202.8, Ordinance No. (RA) 1, 1989 of the Agency and Section 13.16.140 of the Sand City Municipal Code may not be repealed during the time that any of the payments due under the Seaside Agreement or the Owner Participation Agreement remains outstanding.

SECTION 2. Use of transferred Sales and Use Taxes

The Transferred Sales and Use Taxes shall only be used to the extent necessary to pay any amounts due pursuant to the Seaside Agreement and the Costco Wholesale Inc. Owner Participation Agreement, and to pay any amounts due to the State Board of Equalization for administration of the sales and use tax pursuant to Revenue and Taxation Code Section 7204.3.

SECTION 3. Payment to City.

A. In consideration for the City's agreement to allow sales and use tax revenues to be transferred to the Agency in order to pay the amounts due under the above agreements, the Agency agrees to pay to the City the amount of Transferred Sales and Use Taxes not required to be paid by the Agency to Seaside or Costco Wholesale Inc. pursuant to the Seaside Agreement and/or the Costco Wholesale Inc. Owner Participation Agreement.

B. Any use by the Agency of the City's sales and use tax revenue are, to the extent allowed by law, to be considered a loan from the City to the Agency and eligible for repayment from future tax increment generated from the Rede-

velopment Project Area. Said loan is subordinate to the REDIP Loan Agreement between the Agency and the State of California Department of Commerce. The City may charge the Agency interest up to the amount legally authorized by law.

E. The Agency shall file with the City an annual report on the status of the use of the sales and use taxes, included in such report will be an independent audit of the use of the funds.

F. This Agreement to be effective upon adoption of the City's Ordinance and the Agency's Ordinance.

IN WITNESS WHEREOF, the City and Agency have caused this Agreement to be executed on this 18th day of July, 1989.

ATTEST:

City Clerk

CITY OF SAND CITY

BY:
David K. Pendergrass, Mayor

REDEVELOPMENT AGENCY OF THE CITY
OF SAND CITY

BY:
Chairman, Redevelopment
Agency of the City of
Sand City

SUMMARY OF RECOGNIZED OBLIGATION PAYMENT SCHEDULE
 Filed for the January 1, 2013 to June 30, 2013 Period

Name of Successor Agency: Successor Agency to the former Sand City Redevelopment Agency

		Total Outstanding Debt or Obligation
Outstanding Debt or Obligation		\$ 23,973,104
Current Period Outstanding Debt or Obligation		
A	Available Revenues Other Than Anticipated RPTTF Funding	-
B	Anticipated Enforceable Obligations Funded with RPTTF	860,731
C	Anticipated Administrative Allowance Funded with RPTTF	125,000
D	Total RPTTF Requested (B + C = D)	985,731
Total Current Period Outstanding Debt or Obligation (A + B + C = E) Should be the same amount as ROPS form six-month total		\$ 985,731
E	Enter Total Six-Month Anticipated RPTTF Funding (Obtain from county auditor-controller)	600,000
F	Variance (E - D = F) Maximum RPTTF Allowable should not exceed Total Anticipated RPTTF Funding	\$ (385,731)
Prior Period (January 1, 2012 through June 30, 2012) Estimated vs. Actual Payments (as required in HSC section 34186 (a))		
G	Enter Estimated Obligations Funded by RPTTF (Should be the lesser of Finance's approved RPTTF amount including admin allowance or the actual amount distributed)	664,844
H	Enter Actual Obligations Paid with RPTTF	664,844
I	Enter Actual Administrative Expenses Paid with RPTTF	-
J	Adjustment to Redevelopment Obligation Retirement Fund (G - (H + I) = J)	664,844
K	Adjusted RPTTF (The total RPTTF requested shall be adjusted if actual obligations paid with RPTTF are less than the estimated obligation amount.)	\$ 320,887

Certification of Oversight Board Chairman:
 Pursuant to Section 34177(m) 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

Signature

Date

Name of Successor Agency:
County:

Successor Agency to the former Sand City Redevelopment Agency
Monterey

RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS III) -- Notes (Optional)
January 1, 2013 through June 30, 2013

Item #	Notes/Comments
11	Sand City claims the agreement is no longer effective. Seaside claims the agreement is still effective. If the agreement is determined to be effective, it would qualify as an enforceable obligation.
	By listing this contingent liability, Sand City does not admit the continued effectiveness of the agreement.
12	The Sand City Redevelopment Agency was created by Ordinance No. 86-12 of the City of Sand City ("City"), passed on October 16, 1986 which became effective on November 15, 1986. On January 20, 1987, the City entered into a written agreement (the "1987 Cooperative Agreement") with the Sand City Redevelopment Agency ("Agency") which provided in part: "The City, its officers, and employees shall perform services for the Agency in carrying out its work of redevelopment. The Agency shall also have access to the facilities of the departments and offices of the City." The 1987 Cooperative Agreement also provides: "The Agency shall reimburse the City for all costs incurred by City officers and employees in rendering services to the Agency commencing October 16, 1986. The Agency shall reimburse the City for all personnel services performed on an hourly basis at rates, including overhead established by the City Manager, plus interest thereon at the average annual rate which the City earns on its invested reserves, but not to exceed a rate of 12% per annum." \$3,626,057.91 represents the total outstanding principal value of the City's loan of staff and facilities to the Agency, plus interest calculated at the average annual LAIF rate.
	The 1987 Cooperative Agreement to make such loans of staff and services was made within 3 months following the creation of the Agency and therefore qualifies as an 'enforceable obligation' under the last sentence of section 37171 (d)(2) of the California Health and Safety Code.
13	The 1987 Cooperative Agreement between the City and the Agency referred to in the Item No. 12, supra also provides: "The City may advance funds to the Agency and the Agency may advance funds to the City to effectuate the redevelopment program.
	Any and all fund advances and/or loans by the City to the Agency, or by the Agency to the City, shall be formalized by the approval and adoption of a Fund Advance Agreement by both the Agency and the City. The Fund Advance Agreement shall contain terms and conditions agreed upon by the Agency and the City, as appropriate to indicate the purpose of the advance and/or loan, and repayment requirements, if necessary, to effectuate the redevelopment program."
	On January 20, 1987, the City and the Agency entered a Fund Advance Agreement in furtherance of the 1987 Cooperative Agreement, under which the City loaned the sum of \$60,000 to the Agency. The January 1987 Fund Advance Agreement provides that any outstanding principal balance of the loan will bear interest at the rate of 12% per annum.
	On September 10, 1987, the City and the Agency entered into a second Fund Advance Agreement in furtherance of the 1987 Cooperative Agreement, under which the City loaned an additional \$30,000 to the Agency for the same purposes and on the same terms as the first Fund Advance Agreement.
	On July 18, 1989, the City and Agency entered into a third Agreement in furtherance of the 1987 Cooperative Agreement, under which the City agreed to make continuing loans to the Agency in amounts equal to a proportion of sales tax generated within the Sand City Project Area. The purpose of these loans were to fund obligations undertaken by the Agency necessary to implement the Sand City Redevelopment Plan. The amount shown as Item 13 on ROPS III represents the outstanding principal balance of all these monetary loans, plus interest calculated at the average LAIF rate.
	The 1987 Cooperative Agreement was made within three months following the creation of the Agency. Monetary loans made by the City in January of 1987, September of 1987 and under the 1989 Agreement were all made in fulfillment of the obligations undertaken by the City in the 1987 Cooperative Agreement. The Agency's obligation to repay these monetary loans qualifies as an 'enforceable obligation' under the last sentence of section 37171 (d)(2) of the California Health and Safety Code.

