

RESOLUTION NO. 2012 - 04 OB

**RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE
EUREKA REDEVELOPMENT AGENCY REAUTHORIZING THE AGREEMENT FOR
CONSTRUCTION OF PUBLIC IMPROVEMENTS AND AMENDING THE 1st and 2nd
RECOGNIZED OBLIGATION PAYMENT SCHEDULES FOR THE TIME PERIODS OF
JANUARY 2012 THROUGH JUNE 2012 AND JULY 2012 THROUGH DECEMBER 2012
RESPECTIVELY**

WHEREAS, pursuant to the California Community Redevelopment Law (Health and Safety Code Section 33000 et seq.; the "Redevelopment Law"), the City Council (the "City Council") of the City of Eureka (the "City") adopted the Eureka Tomorrow, the Century III, NDP Phase I and Century III NDP Phase II Redevelopment Plans (the "Redevelopment Plans"), as amended from time to time; and

WHEREAS, the California state legislature enacted Assembly Bill x1 26 (the "Dissolution Act") to dissolve redevelopment agencies formed under the Community Redevelopment Law (Health and Safety Code Section 33000 et seq.); and

WHEREAS, on January 10, 2012 and pursuant to Health and Safety Code Section 34173, the City Council of the City of Eureka (the "City Council") declared that the City of Eureka, a municipal corporation (the "City"), would act as successor agency (the "Successor Agency") for the dissolved Eureka Redevelopment Agency (the "Former RDA") effective February 1, 2012; and

WHEREAS, on February 1, 2012, the Former RDA was dissolved pursuant to Health and Safety Code Section 34172; and

WHEREAS, the Successor Agency is responsible for implementing Assembly Bill x1 26, "the Dissolution Act"; and

WHEREAS, the Dissolution Act provides for the appointment of an oversight board (the "Oversight Board") with specific duties to approve certain Successor Agency actions pursuant to Health and Safety Code Section 34180 and to direct the Successor Agency in certain other actions pursuant to Health and Safety Code Section 34181; and

WHEREAS, the Dissolution Act allows the Oversight Board to re-authorize any agreement between the former Redevelopment Agency and its sponsoring community (the City), if it concludes that doing so is in the best interests of the taxing entities; and

WHEREAS, the City and Agency entered into the Agreement for Construction of Public Improvements on January 28, 1975 as amended pursuant to the various amendment, including the most recent amendment, the Thirty Fifth Amendment, ("Public Improvement Agreement") to provide for the Agency to reimburse the City for certain public improvements undertaken in furtherance of the goals and objectives of the Redevelopment Plans; and

WHEREAS, the City has commenced various public improvement projects in reliance on the Public Improvement Agreement and the reimbursements to be paid by the Former Redevelopment Agency; and

WHEREAS, the Successor Agency staff is requesting the Oversight Board re-authorize the Public Improvement Agreement for the amounts set forth in the Thirty-Fifth Amendment thereto, due to its benefits to the taxing entities; and

WHEREAS, benefits to the taxing entities include increased property and sales tax revenues, attraction of new businesses, and enhanced safety and usability to the community, including infrastructure for public safety services and a safer environment for pedestrians, motorists and cyclists; and

WHEREAS, approval to re-authorize the Public Improvement Agreement will be memorialized in a Re-entry Agreement and attached payment plan; and

WHEREAS, the Oversight Board adopted the 1st and 2nd Recognized Obligation ECOGNIZED OBLIGATION Payment Schedules for the time periods of January 2012 through June 2012 and July 2012 through December 2012 now needs to be amended to include the Re-entry Agreement and payment plan;

WHEREAS, the ROPS must be approved by the Oversight Board pursuant to Health and Safety Code Sections 34177(l)(2)(B) and 34177(j), respectively.

WHEREAS, the Oversight Board of the Successor Agency has reviewed and duly considered the Staff Report, the proposed Re-entry Agreement, and documents and other written evidence presented at the meeting.

NOW, THEREFORE, BE IT RESOLVED that the Oversight Board of the Successor Agency to the Eureka Redevelopment Agency hereby re-authorizes the Public Improvement Agreement between the City and Successor Agency.

BE IT FURTHER RESOLVED that the Oversight Board finds and declares that, for the reasons more fully set forth in the Staff Report, reentry into the Public Improvement Agreement by the Successor Agency and the City is equitable and appropriate and will benefit the local taxing agencies by enabling the City to complete long planned for public improvement projects that are currently proceeding that will enhance the physical and economic environment within the City, thereby stimulating private investment and reinvestment and the resulting generation of property tax and other tax revenues of benefit to the local taxing agencies.

BE IT FURTHER RESOLVED that pursuant to Health & Safety Code Sections 34178(a) and 34180(h), the Oversight Board hereby approves and authorizes the Successor Agency to enter into the Reentry Agreement, in substantially the form attached to this Resolution as Exhibit A, and to execute such other document(s) as are appropriate, in consultation with the City Attorney, acting in the capacity of counsel to the Successor Agency, to effectuate the reentry into the Public Improvement Agreement by the

Successor Agency and the City, as such Public Improvement Agreement was in effect as of the date of the dissolution of the Dissolved RDA.

BE IT FURTHER RESOLVED that the Oversight Board hereby approves and authorizes the Successor Agency to take any other action necessary to effectuate and implement the validity of the Reentry Agreement and the reentered Public Improvement Agreement, including but not limited to listing the Reentry Agreement/reentered Public Improvement Agreement in all Recognized Obligation Payment Schedules prepared by the Successor Agency to meet the requirements of the Dissolution Act.

BE IT FURTHER RESOLVED that, the Oversight Board hereby determines that the Reentry Agreement and the resulting reentered Public Improvement Agreement, constitute "enforceable obligations" and "recognized obligations" for all purposes of the Dissolution Act.

BE IT FURTHER RESOLVED that nothing in this Resolution shall abrogate, waive, impair or in any other manner affect the right or ability of the City, to initiate and prosecute any litigation with respect to any agreement or other arrangement between the City and the Dissolved RDA, including, without limitation, any litigation contesting the purported invalidity of such agreement or arrangement pursuant to the Dissolution Act.

BE IT FURTHER RESOLVED that, this Resolution shall take effect at the time and in the manner prescribed in Health and Safety Code Section 34179(h).

BE IT FURTHER RESOLVED that the Oversight Board of the Successor Agency to the Eureka Redevelopment Agency hereby amends the ROPS for the period July 1 through December 31, 2012 to state "the total outstanding debt or obligation" for the Public Improvement Agreement is \$52,276,008.88, "the amount due during fiscal year 2012-2013" is \$4,838,807.41 and the first installment of the payment plan included in the Reentry Agreement is reflected in the total payment for July 1 through December 31, 2012.

BE IT FURTHER RESOLVED that this Resolution shall take immediate effect upon adoption.

The above and foregoing resolution was duly and regularly passed and adopted at a meeting by the Oversight Board of the Successor Agency to the Eureka Redevelopment Agency on the 11th day of June, 2012 by the following vote:

AYES: MADSEN, SMITH, HANGER, TYSON
NOES: NONE
ABSENT: RUPP, LINDSAY, BASS
ABSTAIN: NONE

ATTEST:



Sharon L. King, Oversight Board Secretary



Lance Madsen, Oversight Board Chair