

RESOLUTION NO. 2012-09-OB

RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR
AGENCY OF THE REDEVELOPMENT AGENCY OF THE CITY OF
EUREKA TAKING SPECIFIED ACTIONS WITH RESPECT TO THE DUE
DILIGENCE REVIEW OF THE OTHER FUNDS PURSUANT TO HEALTH
AND SAFETY CODE SECTIONS 34179.5 AND 34179.6

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, 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 California municipal corporation (the "City"), would act as successor agency (the "Successor Agency") for the dissolved Redevelopment Agency of the City of Eureka (the "Dissolved RDA") effective February 1, 2012; and

WHEREAS, pursuant to AB 1484 ("AB 1484"), enacted June 27, 2012 to amend various provisions of the Dissolution Act, the Successor Agency is now declared to be a separate legal entity from the City; 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, pursuant to Health and Safety Code Section 34179.5 (as added by AB 1484) the Successor Agency is required to employ a licensed accountant, approved by the County Auditor-Controller for the County of Humboldt (the "Auditor-Controller"), to conduct a due diligence review to determine the unobligated balances of the Other Funds (the "Other Funds") held by the Successor Agency available for transfer to taxing entities as required under AB 1484 and the Dissolution Act; and

WHEREAS, the Successor Agency hired an accountant, approved by the Auditor-Controller, to prepare the due diligence review for the Other Funds (the Due Diligence Review of the Other Funds) in conformance with Health and Safety Code Section 34179.5; and

WHEREAS, under the Dissolution Act, the Other Funds Due Diligence Review has been submitted by the Successor Agency to the Oversight Board for the Oversight Board's approval and, in accordance with Health and Safety Code Section 34179.6, the Successor Agency also submitted the Due Diligence Review of the Other Funds to the Humboldt County Administrative Officer (the "County Administrator"), the Auditor-

Controller, the State Controller (the "Controller") and the State Department of Finance (the "DOF").

WHEREAS, the Oversight Board must review, approve and transmit the Due Diligence Review of the Other Funds by January 15, 2013.

WHEREAS, the accompanying Due Diligence Review of the Other Funds and the staff report provides supporting information upon which the actions set forth in this Resolution are based.

NOW, THEREFORE, BE IT RESOLVED that the Oversight Board hereby finds and determines that the foregoing recitals are true and correct, and together with the following documents and information form the basis for the approvals, authorizations, findings, and determinations set forth in this Resolution: (1) Due Diligence Review of the Other Funds; (2) information provided by the Successor Agency staff; (3) information provided by the public at the public comment session held by the Oversight Board on December 17, 2012 as required under Health and Safety Code Section 34179.6(b).

BE IT FURTHER RESOLVED, that in accordance with the Dissolution Act and AB 1484, the Oversight Board hereby approves the Due Diligence Review of the Other Funds in the form on file with the Oversight Board's designated communication official.

BE IT FURTHER RESOLVED, that the Oversight Board hereby authorizes the Successor Agency to retain assets or funds, that are not cash or cash equivalent, under Health and Safety Code Section 34179.5(c)(5)(C) in the amount of \$6,582,924—from the funding source and for the purposes identified in Attachment No. 1, incorporated herein by this reference.

BE IT FURTHER RESOLVED, that the Oversight Board hereby authorizes the Successor Agency to retain assets or funds, including any current balances needed to satisfy obligations placed on the FY 2012-13 ROPS's, under Health and Safety Code Section 34179.5(c)(5)(E) in the amount of \$2,655,661 from the funding source and for the purposes identified in Attachment No. 2, incorporated herein by this reference.

BE IT FURTHER RESOLVED, that the Oversight Board hereby authorizes the Successor Agency to retain assets or funds that are legally restricted as to purpose and cannot be provided to taxing entities under Health and Safety Code Section 34179.5(c)(5)(B) in the amount of \$1,229,856 from the funding source and for the purposes identified in Attachment No. 3, incorporated herein by reference.

BE IT FURTHER RESOLVED, that the amount of cash and cash equivalents that are available for disbursement to taxing entities as determined according to the method provided in Section 34179.5 and as set forth in the Due Diligence Review of the Other Funds is \$1,646,062 (the "Other Funds Due Diligence Review Payment"), which amount, subject to the DOF's approval of the Due Diligence Review of the Other Funds, shall be transmitted to the Auditor-Controller for allocation to affected taxing entities pursuant to the terms of AB 1484 and the Dissolution Act.

BE IT FURTHER RESOLVED, that the Oversight Board hereby authorizes and directs the Successor Agency staff to take all actions necessary under the Dissolution Act and AB 1484 to file, post, mail or otherwise deliver via electronic mail, internet posting, and/or hardcopy, all notices and transmittals necessary or convenient in connection with the approval of the Due Diligence Review of the Other Funds and to take any other actions necessary to ensure the validity of the Due Diligence Review of the Other Funds and the validity of the retention of the funds specified to be retained by this Resolution. The Oversight Board acknowledges and agrees that the Successor Agency may invoke the meet and confer process identified in Health and Safety Code Section 34179.6(e) to resolve any disputes regarding the amounts or sources of funds identified by the DOF as eligible to be retained. In addition, the Oversight Board authorizes and directs the Successor Agency staff to make the Other Funds Due Diligence Review Payment as required under Health and Safety Code Section 34179.6 and pursuant to the terms of this Resolution.

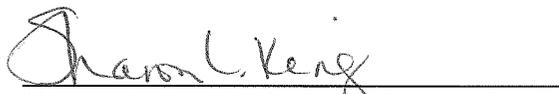
BE IT FURTHER RESOLVED, that this Resolution shall take effect at the time and in the manner prescribed in Health and Safety Code Section 34179(h).

The above and foregoing Resolution was duly and regularly passed and adopted at a meeting by the Oversight Board for the Successor Agency of the Redevelopment Agency of the City of Eureka at a regular meeting thereof held on the 14th day of January, 2013, by the following vote:

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


Lance Madsen, Chairperson

ATTEST:


Sharon L. King, Clerk of the Eureka Oversight Board

Attachment No. 1
Value of Non-Cash Assets Authorized To Be Retained By The
Successor Agency Pursuant To Health And Safety Code Section
34179.5(c)(5)(C)

(Assets or Funds That Are Not Cash Or Cash Equivalent)

<u>No.</u>	<u>Asset Identification</u>	<u>Purpose for Retention</u>	<u>Amount of Non-Cash Asset Retained</u>
1.	Accounts Receivable in Capital Projects Fund	Non-cash asset	16,600
2.	Accounts Receivable in Administration Fund	Non-cash asset	2,050
	Total Accounts Receivable		18,650
3.	Façade Loans Receivable	Non-cash asset	37,022
	Total Loans Receivable		37,022
4.	Land - Halvorson	Non-cash asset	4,167,030
5.	Land - Old Library site-Myrtle Ave.	Non-cash asset	191,171
6.	Land - Old Town Carriage Co. ERTN	Non-cash asset	130,477
	Total Investments: Land/Property Held for Resale		4,488,678
7.	Project 438 Fisherman's Terminal Building	Non-cash asset	1,972,278
8.	Project 501 Tydd St Land Improvements	Non-cash asset	17,534
9.	Project 505 C St Water Sculpture	Non-cash asset	48,762
	Total Construction in Progress		2,038,574
	Total to be retained under Section 34179.5(c)(5)(B)		\$ 6,582,924

**Attachment No. 2
Funds Authorized To Be Retained By The Successor Agency
Pursuant To Health And Safety Code Section 34179.5(c)(5)(E)**

**(Assets or Funds, Including Any Current Balances Needed to Satisfy Obligations
Placed
On The FY 2012-13 ROPS's)**

<u>No.</u>	<u>Funding Source</u>	<u>Purpose for Retention</u>	<u>Amount Retained</u>
1.	RPTTF	2003 EPFA Bonds	1,341,371
2.	RPTTF	CA Infrastructure Bank Loan	138,319
3.	RPTTF	2010 Series A Bonds	298,756
4.	RPTTF	2010 Series B Bonds	163,640
5.	RPTTF	Harbor EDA Bond	105,125
6.	RPTTF	CA Boating & Waterways Loan	127,970
7.	RPTTF	Audit Services	6,550
8.	RPTTF	Legal Services	15,500
9.	RPTTF	Overhead	71,186
10.	RPTTF	Other Professional Services	25,200
11.	RPTTF	Promotional Expenses	3,250

12.	RPTTF	Property Services	5,000
13.	RPTTF	Salaries	113,144
14.	RPTTF	Supplies	1,350
15.	RPTTF	Training/Travel	4,000
16.	RPTTF	Former RDA Director Severance Pay	190,000
17.	RPTTF	Main St. agreement	45,300
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Total to be retained under Section 34179.5(c)(5)(E)			2,655,661
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**Attachment No. 3
Funds Authorized To Be Retained By The Successor Agency
Pursuant To Health And Safety Code Section 34179.5(c)(5)(B)**

(Bond Proceeds, Grant Funds or Other Governmentally Restricted Funds)

<u>No.</u>	<u>Asset</u>	<u>Period of Restriction</u>	<u>Purpose</u>	<u>Amount</u>
1.	Cash with Fiscal Agent	January 1, 2010 to May 1, 2033	Debt service reserve	<u>1,229,856</u>
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Total to be retained under Section 34179.5(c)(5)(B)				<u>1,229,856</u>