

**MEETING MINUTES  
OVERSIGHT BOARD – SUCCESSOR AGENCY TO THE  
SAN JOSE REDEVELOPMENT AGENCY**

**SAN JOSE, CALIFORNIA**

**THURSDAY, AUGUST 28, 2014**

The Oversight Board of the Successor Agency to the Redevelopment Agency of the City of San José convened at 9:00 a.m. in the Council Chambers at San Jose City Hall.

**1. Call to Order and Roll Call**

**9:00 a.m.- Call to Order in Council Chambers**

**BOARD MEMBERS PRESENT**

**Chuck Reed, City of San José  
Abraham Andrade, City of San José  
Tony Estremera, Santa Clara Valley Water District  
John Guthrie, County of Santa Clara  
David Snow, County of Santa Clara  
Ed Maduli, California Community Colleges  
Maribel Medina, Santa Clara County Office of Education**

**ABSENT**

**Micaela Ochoa, Santa Clara County Office of Education**

**STAFF PRESENT**

**Norberto Duenas, representing Successor Agency Executive Officer  
Richard Doyle, Successor Agency General Counsel  
Richard Keit, Successor Agency Managing Director  
Director of Finance Julia H. Cooper**

## **2. Closed Session**

None.

## **3. Adoption of Agenda**

Adopted.

## **4. Approval of Minutes**

Documents Filed: Oversight Board Minutes dated June 26, 2014.

Action: Upon motion by Board Member Maduli, seconded by Board Member Guthrie, and carried unanimously, the Minutes of June 26, 2014 were approved. (5-0-0-2. Abstain: Andrade, Estremera.)

## **5. Consent Calendar**

None.

## **6. Items Scheduled for Action/Discussion**

### **6.1 Approval of the Transfer of Governmental Purpose Properties**

Documents Filed: Memorandum from Edward K. Shikada, Successor Agency Executive Officer, dated August 22, 2014, recommending adoption of a resolution approving the transfer of three undevelopable governmental purpose properties.

Successor Agency Managing Director Richard A. Keit provided an overview of the properties and responded to questions from the Board.

Action: Upon motion by Board Member Estremera, seconded by Board Member Guthrie, and carried unanimously, Oversight Board Resolution No. 2014-08-1069 entitled "A Resolution of the Oversight Board of the Successor Agency to the Redevelopment Agency of the City of San Jose Approving the Transfer of Three Undevelopable Governmental Purpose Properties from the Successor Agency to the City of San José in Accordance with Health and Safety Code Section 34181(A)", was adopted. (7-0.)

### **6.2 Amend the Long Range Property Management Plan**

Documents Filed: Memorandum from Edward K. Shikada, Successor Agency Executive Officer, dated August 22, 2014, recommending adoption of a resolution approving amendments to the Long Range Property Management Plan.

*(Item Continued on the next page)*

## 6.2 (Cont'd.)

Successor Agency Managing Director Richard A. Keit provided an overview, highlighting changes made in the red-lined version of the Long Range Property Management Plan.

Action: Upon motion by Board Member Estremera, seconded by Board Member Guthrie, and carried unanimously, Oversight Board Resolution No. 2014-08-1070 entitled “A Resolution of the Oversight Board of the Successor Agency to the Redevelopment Agency of the City of San Jose Approving Amendments to the Long Range Property Management Plan in Response to Comments from the Department of Finance”, was adopted. (7-0.)

## 6.3 Cooperation Agreement between the City of San José and Successor Agency for Operating Expenses

Documents Filed: (1) Memorandum from Edward K. Shikada, Successor Agency Executive Officer, dated August 22, 2014, recommending adoption of a resolution authorizing the Successor Agency enter into a Cooperation Agreement with the City of San José. (2) Draft Cooperation Agreement between the City of San José and the Successor Agency.

Successor Agency Chief Financial Officer Julia Cooper provided an overview, and she and Chief Deputy General Counsel Patricia Deignan responded to questions from the Board. Board Members Snow and Medina provided recommendations.

Motion: Board Member Medina moved approval of the Staff recommendations, including revisions that the Cooperation Agreement include an expiration date that is consistent with the Amended and Restated Long-Term Reimbursement Agreement. Board Member Snow seconded the motion.

Action: On a call for the question and unanimously approved, Oversight Board Resolution No. 2014-08-1071 entitled “A Resolution of the Oversight Board of the Successor Agency to the Redevelopment Agency of the City Of San Jose Authorizing the Successor Agency to Enter into a Cooperation Agreement with the City of San José for Operating Expenses”, was approved, with revisions to the Cooperation Agreement to include an expiration date that is consistent with the Amended and Restated Long-Term Reimbursement Agreement, which is the earlier of: (1) full repayment of all outstanding obligations, or (2) June 30, 2042; and direction to staff to bring the Cooperation Agreement back to the Oversight Board for review on a periodic basis. (7-0.)

#### **6.4 SERAF Inter-fund Loan Agreements**

Documents Filed: Memorandum from Edward K. Shikada, Successor Agency Executive Officer, dated August 22, 2014, recommending approval of partial reinstatement of Supplemental Education Revenue Augmentation Fund (SERAF) Loan Agreement between the Successor Agency and the City of San José.

Successor Agency Chief Financial Officer Julia Cooper provided an overview, and recommended that the Board approve the loan for \$10 million which is currently due and payable in June of 2015, and allowing revision of the term so it aligns with current dissolution requirements. She added that a presentation with respect to the water fall provision will be provided at the next Oversight Board meeting.

Discussion followed, and Staff responded to questions from the Board.

Board Member Guthrie recommended tabling the item, citing that we are not anywhere near to committing to a defined payment schedule and should hold off until we are closer to reasonably projecting surpluses and have had a chance to review the presentation regarding waterfall provisions.

Action: Upon motion by Board Member Guthrie, seconded by Board Member Snow and carried unanimously, the item was deferred to the September 11, 2014 Oversight Board Meeting. (7-0.)

#### **6.5 Reimbursement Agreement**

Documents Filed: Memorandum from Edward K. Shikada, Successor Agency Executive Officer, dated August 22, 2014, recommending extension of a Long Term Reimbursement Agreement between the City of San José and the Successor Agency to the Redevelopment Agency.

Successor Agency Chief Financial Officer Julia Cooper provided an overview, advising that during the next Oversight Board meeting staff will be providing the first draft of the Recognized Obligation Payment Schedule 14-15B (ROPS) that allows for repayment to the City for the intra-year borrowing, and putting this in place today will allow for the mechanism to put those items on the ROPS 14-15B in order to meet the October 1, 2014 deadline.

Veronica Niebla, County Controller-Treasurer's Department recommended that the Board hold off on approving the agreement until a clearer methodology is provided to the County. Successor Agency Chief Financial Officer Julia Cooper stressed the importance to the City to get reimbursement for advances.

Board Member Guthrie recommended deferral of this item until we have reached a more clearly defined methodology and an agreement with the County Controller.

## 6.5 Reimbursement Agreement (Cont'd.)

Successor Agency Chief Financial Officer Julia Cooper concluded that Staff will be providing a draft of the Administrative Budget and review of the draft ROPS at the Oversight Board meeting scheduled for September 11, 2014; final approval of the ROPS is scheduled for the meeting of September 25, 2014.

Action: Upon motion by Board Member Snow, seconded by Board Member Maduli and carried unanimously, the motion was deferred to the September 11, 2014 Oversight Board Meeting. (7-0.)

## 6.6 Review and Approval of Montoy Law Corporation Billing Statements

Documents Filed: Memorandum from Edward K. Shikada, Successor Agency Executive Officer, dated August 22, 2014, recommending adoption of a resolution authorizing the Successor Agency to enter into a Cooperation Agreement with the City of San José.

Successor Agency General Counsel Richard Doyle provided an overview of the legal services agreement and requirement for a designee to review and approve billing statements.

Motion: Board Member Guthrie moved to designate Vice Chair Tony Estremera to review the billing statements. The motion was seconded by Board Member Medina.

Board Member Snow requested to add that Vice Chair Estremera be the point of contact with representatives from Montoy Law Corporation. Board Members Guthrie and Medina agreed to the suggestion.

Action: On a call for the question, and carried unanimously, Oversight Board Resolution No. 2014-08-1072 entitled "A Resolution of the Oversight Board of the Successor Agency to the Redevelopment Agency of the City Of San Jose Designating Vice Chair Tony Estremera to Review and Approve the Detailed Billing Statements from Montoy Law Corporation for Legal Services Provided to the Oversight Board", was adopted, with Vice Chair Estremera to act as the single point of contact in coordinating communications with Montoy Law Corporation. (7-0.)

# 7. REPORTS and CORRESPONDENCE

## 7.1 Letters from DOF regarding Final and Conclusive Determinations

Documents Filed: Two (2) letters from Assistant Program Budget Manager, Department of Finance, Justyn Howard, dated July 9 and July 15, 2014, regarding the Request for Final and Conclusive Determination.

Action: No action required.

## REPORTS AND CORRESPONDENCE (CONT'D.)

### 7.2 Montoy Agreement – Conflicts Council

Documents Filed: Agreement for Legal Services between the Successor Agency to the Redevelopment Agency of the City of San José and Montoy Law Corporation, effective June 26, 2014.

Action: None required.

### 7.3 Automated Public Toilets – Lease Agreement

Documents Filed: First Amendment to Rental Agreement for Automatic Public Toilets by and Between the Successor Agency to the Redevelopment Agency of the City of San José and JCDecaux San Francisco, first amendment entered into March 20, 1998.

Action: None required.

### 7.4 Fitch Upgrade

Documents Filed: “Fitch Upgrades San José RDA, CA’S Tabs to “BBB-“ Revises Outlook Positive, dated July 16, 2014.

Action: None required.

### 7.5 Letter from County regarding the County’s RPTTF Administrative Costs

Documents Filed: Letter from County of Santa Clara Director of Finance, Emily Harrison, dated August 21, 2014, regarding RPTTF Administrative Costs.

County of Santa Clara Director of Finance, Emily Harrison, offered brief comments regarding the County’s report.

Board Member Guthrie requested that on the actual basis for the “true-up”, Staff develop a system to charge hourly to the Successor Agency for personnel hourly rates.

Successor Agency Chief Financial Officer Julia Cooper offered that Staff will look into setting up a charge code for charging hourly to the Successor Agency and return to the Board with this information.

Action: None required.

## 8. Future Agenda Items

None.

## 9. Open Forum

None.

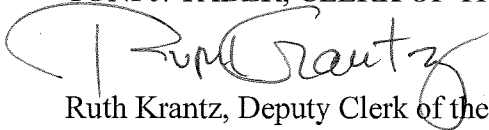
## 10. Adjournment

The Oversight Board of the Successor Agency to the Redevelopment Agency adjourned at 9:42 a.m. to September 11, 2014.

Minutes Recorded, Prepared and Respectfully Submitted by,

ATTEST:

OVERSIGHT BOARD – SUCCESSOR AGENCY TO THE  
SAN JOSE REDEVELOPMENT AGENCY  
TONI J. TABER, CLERK OF THE BOARD



Ruth Krantz, Deputy Clerk of the Board

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