

RESOLUTION OBSA-016

RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY FOR THE SOLANA BEACH REDEVELOPMENT AGENCY APPROVING AND AUTHORIZING THE SUCCESSOR AGENCY'S EXECUTION AND IMPLEMENTATION OF THE PUBLIC IMPROVEMENT AGREEMENT FOR THE HIGHWAY 101 CORRIDOR IMPROVEMENT PROJECT AND THE LA COLONIA PARK AND RECREATION CENTER IMPROVEMENT PROJECT

WHEREAS, pursuant to AB 1x26 enacted in June 2011 (as amended by AB 1484 enacted in June 2012, the "Dissolution Law"), the Solana Beach Redevelopment Agency (the "Dissolved RDA") was dissolved as of February 1, 2012, and the City of Solana Beach, acting in a separate limited capacity and known as the Successor Agency for the Solana Beach Redevelopment Agency, has elected to serve as the successor agency (the "Successor Agency") for the Dissolved RDA; and

WHEREAS, pursuant to Health and Safety Code Section 34173(g), as added by the Dissolution Law, the Successor Agency is a separate legal entity from the City of Solana Beach (the "City"); and

WHEREAS, the City Council (the "City Council") of the City serves in a separate capacity as the governing board of the Successor Agency; and

WHEREAS, the Successor Agency is charged with paying the enforceable obligations, disposing of the properties and other assets (including the Remaining 2006 Bond Proceeds as defined and described below), and unwinding the affairs of the Dissolved RDA; and

WHEREAS, an oversight board for the Successor Agency (the "Oversight Board") has been formed and is functioning in accordance with Health and Safety Code Section 34179; and

WHEREAS, by letter of July 18, 2013, the California Department of Finance (the "DOF") issued to the Successor Agency a finding of completion in accordance with Health and Safety Code Section 34179.7 (the "Finding of Completion"), signifying the Successor Agency's full compliance with specified payment obligations under the Dissolution Law and entitling the Successor Agency to specified benefits, including the authority to expend the Remaining 2006 Bond Proceeds (as defined and described below); and

WHEREAS, prior to the dissolution of the Dissolved RDA:

1. Pursuant to California Community Redevelopment Law (Health and Safety Code Section 33000 *et seq*; the "Redevelopment Law"), the Dissolved RDA was responsible for implementing the Redevelopment Plan for the Solana Beach Redevelopment Project (the "Redevelopment Plan"), which sets forth a redevelopment program for the redevelopment project area (the "Project Area"), including the provision

and enhancement of public facilities and infrastructure in the Project Area, such as the Project (as defined below); and

2. On April 10, 2013, the City Council approved the Highway 101 Corridor Plan, outlining streetscape improvements that would aid in the revitalization of Highway 101 within the Project Area; and

3. On March 11, 2009, the City Council approved the La Colonia Park and Recreation Center Conceptual Master Plan, outlining improvements to the park and recreation center that would revitalize La Colonia Park within the Project Area; and

4. Pursuant to an Indenture of Trust between the Dissolved RDA and Wells Fargo Bank, National Association, dated as of May 1, 2006 (the "2006 Bond Indenture"), and related bond documents (the "2006 Bond Documents"), the Dissolved RDA issued its Solana Beach Redevelopment Agency, Solana Beach Redevelopment Project Tax Allocation Bonds, Series 2006 in the principal amount of \$3,555,000 (the "2006 Bonds") for the purpose of funding public improvements for the benefit of the Project Area and in furtherance of the Redevelopment Plan, such as the Project (as defined below); and

5. In December 2009, the Dissolved RDA adopted a five-year implementation plan (the "Implementation Plan") pursuant to Health and Safety Code Section 33490, which expressly included funding for modifications to La Colonia Park and Recreation Center and Highway 101 Street Scape/Traffic Calming (the "Project") as improvements projected to be completed by 2013-14; and

WHEREAS, the Project offers an opportunity to serve as a valuable catalyst for economic revitalization of the Project Area; and

WHEREAS, the Redevelopment Plan and the Implementation Plan expressly contemplated funding assistance from the Dissolved RDA for public infrastructure improvements, including the Project; and

WHEREAS, as of the dissolution of the Dissolved RDA, there remained \$638,308 of unencumbered net proceeds of the 2006 Bonds (the "Remaining 2006 Bond Proceeds"), which have been transferred to and remain in the possession of the Successor Agency; and

WHEREAS, Health and Safety Code Section 34191.4(c), which applies to successor agencies that have received a finding of completion from the DOF, provides, in relevant part:

"Bond proceeds derived from bonds issued on or before December 31, 2010, shall be used for the purposes for which the bonds were sold. Notwithstanding...any... conflicting provision of law, bond proceeds in excess of the amounts needed to satisfy approved enforceable obligation shall thereafter be expended in a manner consistent with the original bond covenants...An

expenditure pursuant to this paragraph shall constitute the creation of an excess bond proceeds obligation to be paid from the excess proceeds. Excess bond proceeds shall be listed separately on the Recognized Obligation Payment Schedule submitted by the successor agency"; and

WHEREAS, for the reasons summarized below, the proposed Public Improvement Agreement (the "Agreement") constitutes the creation of an excess proceeds obligation authorized by Health and Safety Code Section 34191.4(c) that shall be paid from the Remaining 2006 Bond Proceeds:

1. Health and Safety Code Section 34191.4(c) applies to the Successor Agency because the Successor Agency has received its Finding of Completion from the DOF. Indeed, the DOF Letter expressly states in relevant part:

"The [Successor] Agency may now do the following:...Utilize proceeds derived from bonds issued prior to January 1, 2011 in a manner consistent with the original bond covenants per HSC section 34191.4(c)" ; and

2. The Remaining 2006 Bond Proceeds to be expended by the Successor Agency pursuant to the Agreement constitute "bond proceeds derived from bonds issued on or before December 31, 2010" in that the 2006 Bonds were issued on May 25, 2006; and

3. The Remaining 2006 Bond Proceeds to be expended by the Successor Agency pursuant to the Agreement also constitute "bond proceeds in excess of the amounts needed to satisfy approved enforceable obligations" in that the Remaining 2006 Bond Proceeds constitute unencumbered proceeds of the 2006 Bonds received by the Successor Agency from the Dissolved RDA that are not needed to satisfy any "enforceable obligation", as that term is defined in Health and Safety Code Section 34171(d) (as added by the Dissolution Law); and

4. Expenditure of Remaining 2006 Bond Proceeds by the Successor Agency pursuant to the Agreement is "for the purposes for which the bonds were issued" and "in a manner consistent with the original bond covenants", which purpose and covenants are found primarily in the 2006 Bond Indenture and the 2006 Bond Documents. Specifically, the 2006 Bond Documents provide that the Remaining 2006 Bond Proceeds will "fund the costs of public improvements within the Project Area consistent with the [Dissolved RDA's] approved five-year implementation plan"; and

5. As further detailed in prior recitals, expenditure of the Remaining 2006 Bond Proceeds by the Successor Agency pursuant to the Agreement is consistent with the purpose set forth in the 2006 Bond Documents, in that the Project constitutes the provision of public improvements consistent with the Implementation Plan; and

WHEREAS, Pursuant to Health and Safety Code Section 34189(a) (as added by the Dissolution Law), the provisions of Health and Safety Code Section 33445 are now

inoperative, so that no findings of the Successor Agency or the City Council are required under that statutory provision in connection with the approval and execution of the Agreement; it being understood that this Agreement is entered into under the authority of Health and Safety Code Section 34191.4(c), as fully described above; and

WHEREAS, the Project to be constructed under the Agreement is subject to the California Environmental Quality Act and accompanying state and local guidelines ("CEQA"); and

WHEREAS, the City, as the "lead agency" under CEQA, has determined that all of the work associated with the Highway 101 Corridor Improvements is exempt pursuant to Section 15301(c) of the State CEQA Guidelines (maintenance and minor alteration of existing highways and streets, bicycle and pedestrian trails, and similar facilities), and that the La Colonia Park and Recreation Center Improvements are also exempt pursuant to Section 15301(a) and (d) (interior and exterior alterations, rehabilitation and small alterations to existing structures) and Section 15303 (new construction of small structures); and

WHEREAS, in accordance with Health and Safety Code Section 34180(h), upon request by the Successor Agency, the Oversight Board may approve an agreement between the Successor Agency and the City, such as the Agreement; and

WHEREAS, by resolution of September 25, 2013, the Successor Agency's governing board approved the Agreement, conditioned on subsequent approval by the Oversight Board, and formally requested that the Oversight Board approve the Agreement in accordance with Health and Safety Code Section 34180(h); and

WHEREAS, consequently, the Agreement will become effective only upon approval of the Oversight Board and certain other actions pursuant to the Dissolution Law, as fully provided in Section 4 of this Resolution and Section 2.12 of the Agreement; and

WHEREAS, the Staff Report accompanying this Resolution, the CEQA Determination, the Agreement, and referenced documents (collectively, the "Supporting Documents") have been presented to and considered by the Oversight Board in support of the findings and approvals set forth in this Resolution; are hereby incorporated by reference in this Resolution; and, together with the above recitals (the "Recitals") and any public testimony received, form the evidentiary basis and establish the analytical route for reaching the ultimate findings and conclusions contained in this Resolution.

NOW, THEREFORE, BE IT RESOLVED, the Oversight Board of the Successor Agency for the Solana Beach Redevelopment Agency hereby finds, resolves, and determines as follows:

Section 1. Recitals Correct. The Oversight Board finds that the above Recitals are true and correct and have served, together with the Supporting Documents, as the basis for the findings and approvals set forth below.

Section 2. CEQA Actions. The Oversight Board, as a "responsible agency" under CEQA, determines that all of the work associated with the Highway 101 Corridor Improvements are exempt pursuant to Section 15301(c) of the State CEQA Guidelines (maintenance and minor alteration of existing highways and streets, bicycle and pedestrian trails, and similar facilities), and that the La Colonia Park and Recreation Center Improvements are also exempt pursuant to Section 15301(a) and (d) (interior and exterior alterations, rehabilitation and small alterations to existing structures) and Section 15303 (new construction of small structures).

Section 3. Approval of Agreement. Pursuant to Health and Safety Code Section 34180(h), the Oversight Board hereby approves the entry by the Successor Agency into the Agreement with the City, and the execution of the Agreement by the Successor Agency's Executive Director or designee, on behalf of the Successor Agency, substantially in the form on file with the Successor Agency's Secretary.

//

//

//

//

//

//

//

//

//

//

//

//


//

//

Section 4. Notice to DOF. The Oversight Board hereby directs the Successor Agency's Secretary to provide written notice and information about this Resolution to the DOF in accordance with Health and Safety Code Section 34179(h). The actions set forth in this Resolution shall be subject to effectiveness in accordance with Health and Safety Code 34179(h).


PASSED AND ADOPTED this 26th day of September, 2013, at a special meeting of the Oversight Board of the Successor Agency for the Solana Beach Redevelopment Agency by the following vote:

AYES: Deaver, Austin, Coughlin, Ott
NOES: None
ABSENT: Golich, Sheres, Armstrong
ABSTAIN: None



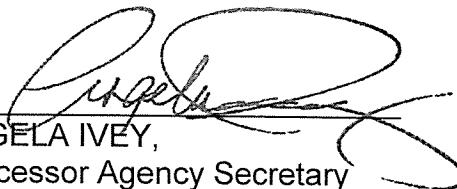
Jeanne Deaver,
Acting Chair

APPROVED AS TO FORM:



KENDALL BERKEY,
General Counsel

ATTEST:



ANGELA IVEY,
Successor Agency Secretary



CERTIFICATION

STATE OF CALIFORNIA)
COUNTY OF SAN DIEGO) SS.
CITY OF SOLANA BEACH)

I, ANGELA IVEY, City Clerk of the City of Solana Beach, California, and Secretary of the Oversight Board of the Successor Agency for the Solana Beach Redevelopment Agency, DO HEREBY CERTIFY that the foregoing is a full, true and correct copy of **Resolution OBSA-016** taking specified actions pursuant to the public improvement for the Highway 101 corridor improvement project and the La Colonia Park and recreation center improvement project as duly passed and adopted at a Regular Meeting of the Oversight Board of the Successor Agency for the Solana Beach Redevelopment Agency held on the 26th day of September 2013 and the original is on file in the City Clerk's Office.



ANGELA IVEY, CITY CLERK & BOARD SECRETARY

Date of this Certification: 9/26/13