

**STAFF REPORT
OVERSIGHT BOARD
TO THE
IMPERIAL BEACH REDEVELOPMENT AGENCY SUCCESSOR AGENCY**

TO: CHAIR AND MEMBERS OF THE OVERSIGHT BOARD TO THE
IMPERIAL BEACH REDEVELOPMENT AGENCY SUCCESSOR
AGENCY

FROM: ANDY HALL, EXECUTIVE DIRECTOR
GREGORY WADE, DEPUTY DIRECTOR 

MEETING DATE: SEPTEMBER 25, 2013

ORIGINATING DEPT.: SUCCESSOR AGENCY STAFF

SUBJECT: ADOPTION OF RESOLUTION NO. OB-13-26 OF THE
OVERSIGHT BOARD TO THE IMPERIAL BEACH
REDEVELOPMENT AGENCY SUCCESSOR AGENCY
APPROVING AND ADOPTING THE RECOGNIZED
OBLIGATION PAYMENT SCHEDULE FOR THE PERIOD OF
JANUARY 1, 2014 THROUGH JUNE 30, 2014 (ROPS 13-14B)
AND APPROVING CERTAIN RELATED ACTIONS

EXECUTIVE SUMMARY:

The Successor Agency is seeking the Oversight Board's adoption of Resolution No. OB-13-26 that would approve and adopt the Recognized Obligation Payment Schedule (ROPS) for the period of January 1, 2014 through June 30, 2014 (ROPS 13-14B) and approving certain related actions. Among the items included on the ROPS 13-14B for which funds from the Redevelopment Property Tax Trust Fund (RPTTF) is being requested are non-contingent consultant costs totaling \$44,500 for the issuance of the 2003 Refunding Bonds, if in the unlikely event the bonds are not issued, and repayment of the City Loan made by the City of Imperial Beach to the Redevelopment Agency with an outstanding principal balance of \$3,738,100. Pursuant to Sections 34171(d)(2) and 34178(b)(2) of the Dissolution Act, the City Loan may be deemed an enforceable obligation because the Cooperation Agreement between the City and the Redevelopment Agency allowing for the City Loan was made within the first two years of the date of creation of the Redevelopment Agency. The Redevelopment Agency was created on May 3, 1995, and the Cooperation Agreement was approved and executed on June 7, 1995. The Successor Agency is seeking the Oversight Board's determination, among others, that the City Loan is an enforceable obligation.

FISCAL IMPACT:

If approved by the Oversight Board and the State Department of Finance ("DOF") as an enforceable obligation, the repayment of the City Loan would occur either over the next two ROPS periods or over many successive ROPS periods depending upon the determination of the DOF and would reduce outstanding obligations of the Successor Agency.

BACKGROUND:

On June 28, 2011, Assembly Bill No. X1 26 ("AB 26") was signed into law by the Governor of California which called for the dissolution of redevelopment agencies throughout the State and established the procedures by which this was to be accomplished. On December 29, 2011, AB 26 was largely upheld by the California State Supreme Court with some of the dates by which certain dissolution actions were to occur pushed back by four months. As a result of the Supreme Court's decision, and on February 1, 2012, all California redevelopment agencies were dissolved, successor agencies were established as successor agencies to the former redevelopment agencies, and successor agencies are tasked with paying, performing and enforcing the enforceable obligations of the former redevelopment agencies and expeditiously winding down the affairs of the former redevelopment agencies.

As part of the FY 2012-2013 State budget package, on June 27, 2012, the Legislature passed and the Governor signed Assembly Bill No. 1484 ("AB 1484"), which amended certain provisions of AB 26. On September 29, 2012, the Legislature passed and the Governor signed Assembly Bill No. 1585 ("AB 1585"), which further amended certain provisions of AB 26 as amended by AB 1484 (AB 26, AB 1484, and AB 1585 are collectively referred to herein as the "Dissolution Act").

According to the Dissolution Act, the Successor Agency shall prepare a ROPS before each six-month fiscal period. For each recognized obligation, the ROPS shall identify one or more of the following sources of payment: (i) Low and Moderate Income Housing Funds, (ii) bond proceeds, (iii) reserve balances, (iv) administrative cost allowance, (v) the Redevelopment Property Tax Trust Fund ("RPTTF") but only to the extent no other funding source is available or when payment from property tax revenues is required by an enforceable obligation or by the provisions of the Dissolution Act, and (vi) other revenue sources, including rents, concessions, asset sale proceeds, interest earnings, and any other revenues derived from the former Redevelopment Agency ("Former RDA") as approved by the Oversight Board.

It is the intent of the Dissolution Act that the ROPS serve as the designated reporting mechanism for disclosing the Successor Agency's minimum bi-annual payment obligations by amount and source and that the San Diego County Auditor-Controller ("County Auditor-Controller") will be responsible for ensuring that the Successor Agency receives revenues sufficient to meet the requirements of the ROPS during each bi-annual period.

The Successor Agency is required to submit the ROPS 13-14B, after its approval and adoption by the Oversight Board, to the DOF and the County Auditor-Controller no fewer than 90 days before the date of property tax distribution on January 2, 2014, which is no later than October 1, 2013. Upon approval by the DOF, the County Auditor-Controller is required to make a payment of property tax revenues (i.e. former tax increment funds) from the RPTTF to the Successor Agency on January 2, 2014 for payments to be made toward recognized obligations listed on the ROPS 13-14B and approved by the DOF.

On September 18, 2013, the Successor Agency adopted Resolution No. SA-13-29 approving and adopting the ROPS 13-14B and authorizing it to be provided to the Oversight Board for consideration.

ANALYSIS:

As noted above, the ROPS 13-14B must be approved by the Oversight Board and submitted to the DOF by October 1, 2013. The ROPS 13-14B, a copy of which is attached to this staff report, includes requested RPTTF for enforceable obligations for the up-coming six-month period of January 1, 2014 through June 30, 2014. In the DOF's approval of the ROPS 13-14A (July 1, 2013 through December 31, 2013 period), the DOF approved the funding of bond debt reserves for the 2003 and 2010 Tax Allocation Bonds with RPTTF distributed to the Successor Agency on June 1, 2013. Therefore, for this ROPS 13-14B period, Successor Agency staff is not requesting RPTTF for bond debt service payments due in June 2014 as such payments will be paid entirely from bond debt reserves funded by RPTTF distributed to and received by the Successor Agency during the ROPS 13-14A period. The total amount of RPTTF requested to fund enforceable obligations during this ROPS 13-14B period, including repayment of the City Loan (described in detail below), totals \$4,006,750.

City Loan Repayment

Pursuant to Sections 34171(d)(2) and 34178(b)(2) of the Dissolution Act, loan agreements entered into between a redevelopment agency and the city, county, or city and county that created it, within two years of the date of creation of the redevelopment agency, may be deemed to be enforceable obligations. The Former RDA was formed by the City of Imperial Beach ("City") upon the City Council's adoption of Ordinance No. 95-891 on May 3, 1995. On June 7, 1995, the City adopted Resolution No. 95-4500 and the Former RDA adopted Resolution No. R95-02, thereby approving a Cooperation Agreement by and between the Former RDA and the City. Pursuant to the Cooperation Agreement, the City agreed to advance necessary funds to the Former RDA or to expend funds on behalf of the Former RDA for the adoption and implementation of the Redevelopment Plan. Also, pursuant to the Cooperation Agreement, the Former RDA agreed to reimburse the City for all advances made to or on behalf of the Former RDA, with both parties expressly agreeing that the intent was to repay the City in order to "make the City whole." The Cooperation Agreement further provides that the obligations of the Former RDA assumed under the Cooperation Agreement constituted an indebtedness of the Former RDA within the meaning of Section 33670 of the Community Redevelopment Law which was to be repaid to the City from tax increment funds.

After execution of the Cooperation Agreement on June 7, 1995, the City began advancing funds to the Former RDA in order to implement the Redevelopment Plan. Beginning with year-end financial statements of the Former RDA dated June 30, 1996, the principal balance of the City advances (i.e. "City Loan") was specifically tracked. The principal balance of the City Loan as of June 30, 2003, was \$3,738,100, and has remained this amount since that time. The City Loan was further memorialized by an Agreement between the City and the Former RDA and dated May 17, 2006 ("Updated Loan Agreement"). On September 18, 2013, pursuant to Section 1.1 of the Updated Loan Agreement, the City Council adopted Resolution No. 2013-7392, in which the City called the full outstanding balance of the City Loan totaling \$3,738,100 immediately due and payable by the Successor Agency to the City. Thus, the City is seeking the immediate repayment of the City Loan, and the Successor Agency is now seeking payment for this indebtedness obligation as an enforceable obligation on the ROPS 13-14B and payable from the RPTTF pursuant to the Dissolution Act. City Council Resolution No. 2013-7392 calling immediately due and payable the full amount of the City Loan (\$3,738,100) is included as Attachment 7 to this staff report.

The Successor Agency essentially has two avenues under the Dissolution Act to seek repayment of the City Loan to the City. The first avenue, as discussed above and proposed by the Successor Agency, is to list the City Loan repayment as a separate enforceable obligation on the ROPS 13-14B pursuant to Sections 34171(d)(2) and 34178(b)(2) of the Dissolution Act which allows such loans made within the two years of creation of the Former RDA to be deemed enforceable obligations. This avenue would be more favorable to the Successor Agency and the taxing entities as it would potentially allow for repayment of the entire principal loan balance over the next two ROPS periods as opposed to several ROPS periods, thereby reducing Successor Agency obligations now and increasing residual distributions to the taxing entities in the long term. The second avenue, available to the Successor Agency by virtue of having received a Finding of Completion from the DOF on April 12, 2013, authorizes the Successor Agency to place the City Loan on a ROPS pursuant to HSC Section 34191.4(b) of the Dissolution Act, provided the Oversight Board makes a finding that the loan was for legitimate redevelopment purposes. This second avenue is primarily reserved for city loans that were invalidated by the Dissolution Act (such as where the loan agreement was not made within the first two years of redevelopment agency creation) and is made available to a successor agency once it receives its Finding of Completion. Loan repayments under this second avenue, however, are unable to be included on a ROPS until Fiscal Year 2014-2015, will have significant repayment restrictions as described in Section 34191.4(b), and will take longer to be repaid and require them to be included on several ROPS over the course of several years. Although it is the Successor Agency's position that this loan is an enforceable obligation under Sections 34171(d)(2) and 34178(b)(2) of the Dissolution Act (i.e. the first option), it nevertheless recommends that the Oversight Board make the required finding that the loan was made for a legitimate redevelopment purpose pursuant to Section 34191.4(b) of the Dissolution Act in the event the DOF denies the loan repayment as an enforceable obligation under Sections 34171(d)(2) and 34178(b)(2) and, therefore, imposes the repayment restrictions set forth in Section 34191.4(b) on the City Loan.

ENVIRONMENTAL DETERMINATION:

Not a project as defined by CEQA.

FISCAL IMPACT:

Approval of the enforceable obligations listed on the ROPS 13-14B and their funding from RPTTF will allow the Successor Agency to make required and timely payments for those obligations during the period from January 1, 2014 through June 30, 2014. The amount of RPTTF requested to fund enforceable obligations listed on the ROPS 13-14B, including repayment of the City Loan, totals \$4,006,750. The amount of RPTTF requested to fund enforceable obligations, excluding the requested repayment of the City Loan, totals \$268,650. If approved by the DOF as an enforceable obligation, the repayment of the City Loan would be entirely paid over the next two ROPS periods and would reduce outstanding obligations of the Successor Agency now and increase residual distributions to the taxing entities in the long term. If the DOF denies the repayment of the City Loan from RPTTF as an enforceable obligation pursuant to Sections 34171(d)(2) and 34178(b)(2) of the Dissolution Act, the Successor Agency will seek repayment of the City Loan pursuant to Section 34191.4(b) of the Dissolution Act as described above. This approach, however, would require the placement of the City Loan on many successive ROPS and the on-going payment of RPTTF well into the future.

RECOMMENDATION:

The Successor Agency recommends that the Oversight Board to the Imperial Beach Redevelopment Agency Successor Agency adopt Resolution Number OB-13-26 approving and adopting the Recognized Obligation Payment Schedule for the period of January 1, 2014 through June 30, 2014 (referred to as ROPS 13-14B) and approving certain related actions.

Attachments:

1. Resolution No. OB-13-26
2. ROPS 13-14B
3. Resolution Nos. 95-4500 and R95-02
4. Cooperation Agreement – June 7, 1995
5. Resolution No. R-03-40
6. Updated Loan Agreement – May 17, 2006
7. City Council Resolution No. 2013-7392

RESOLUTION NO. OB-13-26

A RESOLUTION OF THE OVERSIGHT BOARD OF THE IMPERIAL BEACH REDEVELOPMENT AGENCY SUCCESSOR AGENCY APPROVING AND ADOPTING THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE FOR THE PERIOD OF JANUARY 1, 2014 THROUGH JUNE 30, 2014 AND APPROVING CERTAIN RELATED ACTIONS

WHEREAS, the Imperial Beach Redevelopment Agency (“Redevelopment Agency”) was a redevelopment agency in the City of Imperial Beach (“City”), duly created pursuant to the California Community Redevelopment Law (Part 1 (commencing with Section 33000) of Division 24 of the California Health and Safety Code) (“Redevelopment Law”); and

WHEREAS, Assembly Bill No. X1 26 (2011-2012 1st Ex. Sess.) (“AB 26”) was signed by the Governor of California on June 28, 2011, making certain changes to the Redevelopment Law and to the California Health and Safety Code (“Health and Safety Code”), including adding Part 1.8 (commencing with Section 34161) (“Part 1.8”) and Part 1.85 (commencing with Section 34170) (“Part 1.85”) to Division 24 of the Health and Safety Code; and

WHEREAS, pursuant to AB 26, as modified by the California Supreme Court on December 29, 2011 by its decision in *California Redevelopment Association v. Matosantos*, all California redevelopment agencies, including the Redevelopment Agency, were dissolved on February 1, 2012, and successor agencies were designated and vested with the responsibility of paying, performing and enforcing the enforceable obligations of the former redevelopment agencies and expeditiously winding down the business and fiscal affairs of the former redevelopment agencies; and

WHEREAS, the City Council of the City adopted Resolution No. 2012-7136 on January 5, 2012, pursuant to Part 1.85 of AB 26, electing for the City to serve as the successor agency to the Redevelopment Agency upon the dissolution of the Redevelopment Agency under AB 26 (“Successor Agency”); and

WHEREAS, on February 15, 2012, the Board of Directors of the Successor Agency, adopted Resolution No. SA-12-01 naming itself the “Imperial Beach Redevelopment Agency Successor Agency,” the sole name by which it will exercise its powers and fulfill its duties pursuant to Part 1.85 of AB 26, and establishing itself as a separate legal entity with rules and regulations that will apply to the governance and operations of the Successor Agency; and

WHEREAS, Health and Safety Code Section 34179 of AB 26 establishes a seven (7) member local entity with respect to each successor agency with fiduciary responsibilities to holders of enforceable obligations and taxing entities that benefit from distributions of property taxes, and such entity is titled the “oversight board.” The oversight board has been established for the Successor Agency (hereinafter referred to as the “Oversight Board”) and all seven (7) members have been appointed to the Oversight Board pursuant to Health and Safety Code Section 34179. The duties and responsibilities of the Oversight Board are primarily set forth in Health and Safety Code Sections 34179 through 34181 of AB 26; and

WHEREAS, as part of the FY 2012-2013 State budget package, on June 27, 2012, the Legislature passed and the Governor signed Assembly Bill No. 1484 (“AB 1484”, Chapter 26, Statutes 2012), which amended certain provisions of AB 26. On September 29, 2012, the Legislature passed and the Governor signed Assembly Bill No. 1585 (“AB 1585”), which further amended certain provisions of AB 26 as amended by AB 1484 (AB 26, AB 1484, and AB 1585 are collectively referred to herein as the “Dissolution Act”); and

WHEREAS, on April 12, 2013, the Department of Finance issued a Finding of Completion to the Successor Agency pursuant to Health and Safety Code Section 34179.7 of the Dissolution Act; and

WHEREAS, pursuant to Health and Safety Code Section 34171(m) of the Dissolution Act, a "Recognized Obligation Payment Schedule" ("ROPS") means the document setting forth the minimum payment amounts and due dates of payments required by enforceable obligations of the Successor Agency for each six-month fiscal period as provided in Health and Safety Code Section 34177(m) of the Dissolution Act; and

WHEREAS, pursuant to Health and Safety Code Section 34177(l)(3) of the Dissolution Act, the ROPS shall be forward looking to the next six (6) months; and

WHEREAS, according to Health and Safety Code Section 34177(l)(1) of the Dissolution Act, the Successor Agency shall prepare a ROPS before each six-month fiscal period. For each recognized obligation, the ROPS shall identify one or more of the following sources of payment: (i) Low and Moderate Income Housing Funds, (ii) bond proceeds, (iii) reserve balances, (iv) administrative cost allowance, (v) the Redevelopment Property Tax Trust Fund ("RPTTF") but only to the extent no other funding source is available or when payment from property tax revenues is required by an enforceable obligation or by the provisions of Part 1.85 of the Dissolution Act, and (vi) other revenue sources, including rents, concessions, asset sale proceeds, interest earnings, and any other revenues derived from the former Redevelopment Agency as approved by the Oversight Board in accordance with Part 1.85 of the Dissolution Act; and

WHEREAS, it is the intent of the Dissolution Act that the ROPS serve as the designated reporting mechanism for disclosing the Successor Agency's minimum bi-annual payment obligations by amount and source and that the San Diego County Auditor-Controller ("County Auditor-Controller") will be responsible for ensuring that the Successor Agency receives revenues sufficient to meet the requirements of the ROPS during each bi-annual period; and

WHEREAS, pursuant to Health and Safety Code Section 34177(m) of the Dissolution Act, the Successor Agency is required to submit the ROPS for the period of January 1, 2014 through June 30, 2014, after its approval and adoption by the Oversight Board, to the State Department of Finance ("Department of Finance") and the County Auditor-Controller no fewer than 90 days before the date of property tax distribution on January 2, 2014, which is no later than October 1, 2013; and

WHEREAS, the ROPS covering the period from January 1, 2014 through June 30, 2014 (the "ROPS 13-14B") was approved and adopted by the Successor Agency pursuant to Resolution SA-13-29 at its meeting conducted on September 18, 2013; and

WHEREAS, the ROPS 13-14B is attached to this Resolution as Exhibit "A" and is presented to the Oversight Board at this meeting for review, approval, and adoption; and

WHEREAS, among other obligations listed on the ROPS 13-14B, the Successor Agency includes the repayment of a loan totaling \$3,738,100 (the "City Loan") made by the City to the Redevelopment Agency pursuant to that certain Cooperation Agreement dated June 7, 1995 (the "Agreement"), which date is immediately subsequent to the activation of the former Redevelopment Agency on May 3, 1995, and pursuant to City Council/Redevelopment Agency Resolution No. R-03-40 dated June 4, 2003, the Redevelopment Agency's year-end financial statements beginning June 30, 1996 through June 30, 2004, and the Agreement among the Redevelopment Agency and City dated May 17, 2006 (the "Updated Agreement"). The City

Loan was made by the City to the Redevelopment Agency for the Redevelopment Agency's use in connection with the preparation and implementation of the Redevelopment Plan for the Palm Avenue/Commercial Redevelopment Project adopted on or about September 7, 1995 and the Redevelopment Plan for the Palm Avenue/Commercial Redevelopment Project Amendment No. 1 adopted on July 19, 2001 (collectively, the "Redevelopment Plans"), and the implementation, among other projects, capital improvements program projects; and

WHEREAS, Section 6 of the Agreement provides that the obligations of the Redevelopment Agency under the Agreement shall constitute an indebtedness of the Redevelopment Agency within the meaning of Section 33670 et seq. of the Redevelopment Law to be repaid to the City by the Redevelopment Agency (from tax increment funds); and

WHEREAS, the Updated Agreement memorialized the outstanding principal loan balance of \$3,738,100 and, under Section 1.1, specifically provides that, if the Redevelopment Agency was going to be terminated or placed in a position in which it could fail to service any debt payments, the total amount of the City Loan shall become immediately due and payable to the City. Section 1.1 of the Updated Agreement further provides that the City may, at any time, and without prior notice to the Redevelopment Agency, call on the total amount of the City Loan and all accrued interest immediately due and payable to the City; and

WHEREAS, pursuant to Section 1.1 of the Updated Agreement and by City Council Resolution No. 2013-7392 adopted on September 18, 2013, the City formally called the City Loan in the outstanding principal balance of \$3,738,100 immediately due and payable to the City by the Successor Agency; and

WHEREAS, pursuant to Health and Safety Code Section 34173(b) of the Dissolution Act, all authority, rights, powers, duties, and obligations previously vested with the Redevelopment Agency, under the Redevelopment Law, were vested by operation of law in the Successor Agency. Such obligations would include repayment of the City Loan to the City; and

WHEREAS, pursuant to Health and Safety Code Section 34178(b)(2) of the Dissolution Act, the City Loan was not invalidated by the Dissolution Act because the Agreement, as further memorialized by the Updated Agreement, constitutes a written agreement between the Redevelopment Agency and the City providing loans/start up funds for the Redevelopment Agency that was originally entered into within two years of formation of the Redevelopment Agency. Such Agreements were also entered into within two years of the adoption of the Redevelopment Plans. Pursuant to Health and Safety Code Sections 34171(d)(1)(B) and (E), 34171(d)(2), and 34178(b)(2) of the Dissolution Act, the City Loan shall constitute an enforceable obligation of the Successor Agency under the Dissolution Act repayable from the Successor Agency's RPTTF and not subject to the loan repayment restrictions of Health and Safety Code Section 34191.4(b) of the Dissolution Act; and

WHEREAS, in accordance with Health and Safety Code Section 34177(l)(2)(B) of the Dissolution Act, the Successor Agency submitted a copy of the ROPS 13-14B to the San Diego County Administrative Officer, the County Auditor-Controller, and the Department of Finance at the same time that the Successor Agency submitted the ROPS 13-14B to the Oversight Board for approval; and

WHEREAS, pursuant to Health and Safety Code Section 34177(l)(2)(C) of the Dissolution Act, a copy of the Oversight Board-approved ROPS 13-14B shall be submitted to the County Auditor-Controller and both the State Controller's Office and the Department of Finance and shall be posted on the Successor Agency's internet website; and

WHEREAS, pursuant to Health and Safety Code Section 34177(m)(1) of the Dissolution Act, the Successor Agency shall submit a copy of the Oversight Board-approved ROPS 13-14B to the Department of Finance electronically and the Successor Agency shall have completed the ROPS 13-14B in the manner provided by the Department of Finance; and

WHEREAS, pursuant to Health and Safety Code Section 34183(a)(2) of the Dissolution Act, the County Auditor-Controller is required to make a payment of property tax revenues (i.e. former tax increment funds) from the RPTTF to the Successor Agency on January 2, 2014 for payments to be made toward recognized obligations listed on the ROPS 13-14B and approved by the Department of Finance; and

WHEREAS, the proposed ROPS 13-14B attached to this Resolution as Exhibit "A" is consistent with the requirements of the Health and Safety Code and other applicable law; and

WHEREAS, the proposed ROPS 13-14B contains the schedules for payments on enforceable obligations required for the applicable six-month period and sources of funds for repayment as required pursuant to Health and Safety Code Section 34177(l) of the Dissolution Act; and

WHEREAS, pursuant to Health and Safety Code Section 34177(m) of the Dissolution Act, the ROPS 13-14B as approved and adopted by the Oversight Board shall be submitted to the Department of Finance and the County Auditor-Controller by October 1, 2013. Section 34177(m) further provides that the Department of Finance shall make its determination of the enforceable obligations and the amounts and funding sources of enforceable obligations no later than forty-five (45) days after the ROPS is submitted and that the Successor Agency may, within five (5) business days of the Department of Finance's determination, request an additional review by the Department of Finance and an opportunity to meet and confer on disputed items. In the event of a meet and confer and request for additional review, the meet and confer period may vary but the Department of Finance shall notify the Successor Agency and the County Auditor-Controller as to the outcome of its review at least fifteen (15) days before the date of property tax distribution on January 2, 2014; and

WHEREAS, the activity proposed for approval by this Resolution has been reviewed with respect to applicability of the California Environmental Quality Act ("CEQA"), the State CEQA Guidelines (California Code of Regulations, Title 14, Section 15000 *et seq.*, hereafter the "Guidelines"), and the City's environmental guidelines; and

WHEREAS, the activity proposed for approval by this Resolution is not a "project" for purposes of CEQA, as that term is defined by Guidelines Section 15378, because the activity proposed by this Resolution is an organizational or administrative activity that will not result in a direct or indirect physical change in the environment, per Section 15378(b)(5) of the Guidelines; and

WHEREAS, all of the prerequisites with respect to the approval of this Resolution have been met.

NOW, THEREFORE, BE IT RESOLVED by the Oversight Board of the Imperial Beach Redevelopment Agency Successor Agency, as follows:

Section 1. The Oversight Board hereby determines that the foregoing recitals are true and correct and are a substantive part of this Resolution.

Section 2. (a) The Oversight Board hereby finds that the City Loan described in the Recitals above and included on the ROPS 13-14B was made to the

Redevelopment Agency for legitimate redevelopment purposes.

(b) The Oversight Board hereby determines that, pursuant to Health and Safety Code Sections 34171(d)(2) and 34178(b)(2) of the Dissolution Act, the City Loan described in the Recitals above and included on the ROPS 13-14B was not invalidated by the Dissolution Act because it constitutes a written agreement between the Redevelopment Agency and the City providing loans/start up funds for the Redevelopment Agency that were entered into within two years of formation of the Redevelopment Agency and also within two years of the adoption of the Redevelopment Plans.

(c) The Oversight Board hereby determines that, pursuant to Health and Safety Code Sections 34171(d)(1)(B) and (E), 34171(d)(2), and 34178(b)(2) of the Dissolution Act, the City Loan described in the Recitals above and included on the ROPS 13-14B constitutes an enforceable obligation of the Successor Agency under the Dissolution Act repayable from the RPTTF and not subject to the loan repayment restrictions of Health and Safety Code Section 34191.4(b) of the Dissolution Act.

(d) The Oversight Board hereby acknowledges and agrees that, pursuant to Section 1.1 of the Updated Agreement and by City Council Resolution No. 2013-7392 adopted on September 18, 2013, the City formally called the City Loan in the outstanding principal balance of \$3,738,100 immediately due and payable to the City by the Successor Agency and, therefore, that the City Loan is now due and payable in full in the principal amount of \$3,738,100 by the Successor Agency to the City and payable from the Successor Agency's RPTTF.

(e) The Oversight Board hereby approves the Successor Agency's immediate repayment of the City Loan to the City from the Successor Agency's RPTTF in the principal amount of \$3,738,100.

Section 3. The Oversight Board hereby approves and adopts the ROPS 13-14B for the period from January 1, 2014 through June 30, 2014, in substantially the form attached to this Resolution as Exhibit "A".

Section 4. The Oversight Board hereby authorizes and directs the Executive Director, or designee, of the Successor Agency to: (i) submit the ROPS 13-14B, as approved and adopted by the Oversight Board, to the Department of Finance electronically and the County Auditor-Controller no later than October 1, 2013; (ii) submit a copy of the ROPS 13-14B, as approved and adopted by the Oversight Board, to the State Controller's Office and post the ROPS 13-14B on the Successor Agency's internet website; (iii) revise the ROPS 13-14B, and make such changes and amendments as necessary, before official submittal of the ROPS 13-14B to the Department of Finance, in order to complete the ROPS 13-14B in the manner provided by the Department of Finance and to conform the ROPS 13-14B to the form or format as may be prescribed by the Department of Finance; (iv) make other non-substantive changes and amendments to the ROPS13-14B as may be approved by the Executive Director of the Successor Agency and its legal counsel; and (v) take such other actions and execute such other documents as are necessary or

desirable to effectuate the intent of this Resolution on behalf of the Oversight Board.

Section 5. If any provision of this Resolution or the application of any such provision to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of this Resolution that can be given effect without the invalid provision or application, and to this end the provisions of this Resolution are severable. The Oversight Board declares that its board would have adopted this Resolution irrespective of the invalidity of any particular portion of this Resolution.

Section 6. The Oversight Board determines that the activity approved by this Resolution is not a "project" for purposes of CEQA, as that term is defined by Guidelines Section 15378, because the activity approved by this Resolution is an organizational or administrative activity that will not result in a direct or indirect physical change in the environment, per Section 15378(b)(5) of the Guidelines.

Section 7. This Resolution shall take effect upon the date of its adoption and is subject to review by the Department of Finance in accordance with Health and Safety Code Section 34177(m) of the Dissolution Act.

PASSED, APPROVED, AND ADOPTED by the Oversight Board of the Imperial Beach Redevelopment Agency Successor Agency at its meeting held on the 25th day of September 2013, by the following vote:

AYES: BOARD MEMBERS:
NOES: BOARD MEMBERS:
ABSENT: BOARD MEMBERS:

MAYDA C. WINTER
CHAIRPERSON

ATTEST:

JACQUELINE M. HALD, MMC
SECRETARY

EXHIBIT "A"

**IMPERIAL BEACH REDEVELOPMENT AGENCY SUCCESSOR AGENCY
RECOGNIZED OBLIGATION PAYMENT SCHEDULE
January 1, 2014 through June 30, 2014
("ROPS 13-14B")**

Approved and Adopted by the Oversight Board on September 25, 2013

Recognized Obligation Payment Schedule (ROPS 13-14B) - Summary

Filed for the January 1, 2014 through June 30, 2014 Period

Name of Successor Agency: Imperial Beach
 Name of County: San Diego

Current Period Requested Funding for Outstanding Debt or Obligation		Six-Month Total
Enforceable Obligations Funded with Non-Redevelopment Property Tax Trust Fund (RPTTF) Funding		
A Sources (B+C+D):		\$ 1,907,790
B Bond Proceeds Funding (ROPS Detail)		-
C Reserve Balance Funding (ROPS Detail)		1,907,790
D Other Funding (ROPS Detail)		-
E Enforceable Obligations Funded with RPTTF Funding (F+G):		\$ 4,006,750
F Non-Administrative Costs (ROPS Detail)		4,006,750
G Administrative Costs (ROPS Detail)		-
H Current Period Enforceable Obligations (A+E):		\$ 5,914,540

Successor Agency Self-Reported Prior Period Adjustment to Current Period RPTTF Requested Funding

I Enforceable Obligations funded with RPTTF (E):	4,006,750
J Less Prior Period Adjustment (Report of Prior Period Adjustments Column U)	-
K Adjusted Current Period RPTTF Requested Funding (I-J)	\$ 4,006,750

County Auditor Controller Reported Prior Period Adjustment to Current Period RPTTF Requested Funding

L Enforceable Obligations funded with RPTTF (E):	4,006,750
M Less Prior Period Adjustment (Report of Prior Period Adjustments Column AB)	-
N Adjusted Current Period RPTTF Requested Funding (L-M)	4,006,750

Certification of Oversight Board Chairman:

Pursuant to Section 34177(m) of the Health and Safety code, I hereby certify, based on my information and belief, that the above is a true and accurate Recognized Obligation Payment Schedule for the above named agency.

Name	Title
/s/	
Signature	Date

Recognized Obligation Payment Schedule (ROPS) 13-14B - Report of Fund Balances

(Report Amounts in Whole Dollars)

Pursuant to Health and Safety Code section 34177(I), Redevelopment Property Tax Trust Fund (RPTTF) may be listed as a source of payment on the ROPS, but only to the extent no other funding source is available or when payment from property tax revenues is required by an enforceable obligation.											
A	B	C	D	E	F	G	H	I	J	K	
Fund Balance Information by ROPS Period		Fund Sources								Comments	
		Bond Proceeds		Reserve Balance		Other	RPTTF		Total		
		Bonds Issued on or before 12/31/10	Bonds Issued on or after 01/01/11	Review balances retained for approved enforceable obligations	RPTTF balances retained for bond reserves	Rent, Grants, Interest, Etc.	Non-Admin	Admin			
ROPS III Actuals (01/01/13 - 6/30/13)											
1	Beginning Available Fund Balance (Actual 01/01/13) Note that for the RPTTF, 1 + 2 should tie to columns L and Q in the Report of Prior Period Adjustments (PPAs)	379,908					(100,176)		\$ 279,732		
2	Revenue/Income (Actual 06/30/13) Note that the RPTTF amounts should tie to the ROPS III distributions from the County Auditor-Controller	533,092					2,577,217		\$ 3,110,309		
3	Expenditures for ROPS III Enforceable Obligations (Actual 06/30/13) Note that for the RPTTF, 3 + 4 should tie to columns N and S in the Report of PPAs	913,000					2,577,217		\$ 3,490,217		
4	Retention of Available Fund Balance (Actual 06/30/13) Note that the Non-Admin RPTTF amount should only include the retention of reserves for debt service approved in ROPS III	-					267,146		\$ 267,146		
5	ROPS III RPTTF Prior Period Adjustment Note that the net Non-Admin and Admin RPTTF amounts should tie to columns O and T in the Report of PPAs.	No entry required							\$ -	\$ -	
6	Ending Actual Available Fund Balance (1 + 2 - 3 - 4 - 5)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (367,322)	\$ -	\$ (367,322)		
ROPS 13-14A Estimate (07/01/13 - 12/31/13)											
7	Beginning Available Fund Balance (Actual 07/01/13) (C, D, E, G, and I = 4 + 6, F = H4 + F6, and H = 5 + 6)	\$ -	\$ -	\$ -	\$ 267,146	\$ -	\$ (367,322)	\$ -	\$ (100,176)		
8	Revenue/Income (Estimate 12/31/13) Note that the RPTTF amounts should tie to the ROPS 13-14A distributions from the County Auditor-Controller						3,015,673	250,000	\$ 3,265,673		
9	Expenditures for 13-14A Enforceable Obligations (Estimate 12/31/13)				267,146		2,748,527	125,000	\$ 3,140,673		
10	Retention of Available Fund Balance (Estimate 12/31/13) Note that the RPTTF amounts may include the retention of reserves for debt service approved in ROPS 13-14A				1,782,790			125,000	\$ 1,907,790		
11	Ending Estimated Available Fund Balance (7 + 8 - 9 - 10)	\$ -	\$ -	\$ -	\$ (1,782,790)	\$ -	\$ (100,176)	\$ -	\$ (1,882,966)		

Recognized Obligation Payment Schedule (ROPS) 13-14B - ROPS Detail
January 1, 2014 through June 30, 2014
 (Report Amounts in Whole Dollars)

A	B	C	D	E	F	G	H	I	J	K					P	
										L						Six-Month Total
										M						
										N						
O																
Item #	Project Name / Debt Obligation	Obligation Type	Contract/Agreement Execution Date	Contract/Agreement Termination Date	Payee	Description/Project Scope	Project Area	Total Outstanding Debt or Obligation	Retired	Funding Source						
										Non-Redevelopment Property Tax Trust Fund (Non-RPTTF)			RPTTF			
										Bond Proceeds	Reserve Balance	Other Funds	Non-Admin	Admin		
1.00	2003 Tax Allocation Bonds Series A (or payments on the proposed Tax Allocation Refunding Bonds, Series 2013 if issued by the Successor Agency in compliance with the criteria per Health and Safety Code Section 34177.5)	Bonds Issued On or Before 12/31/10	12/1/2003	12/1/2036	Wells Fargo Bank	Bond Debt Service pursuant to Section 34171 (d) (1) (A) and 34171(d)(1)(E). See Notes Page.	Palm Ave Commercial Corridor PA1, PA2	\$ 79,245,607 31,000,051	N	\$ -	\$ 1,907,790 1,028,787	\$ -	\$ 4,006,750	\$ -	\$ 5,914,540 1,028,787	
2.00	2010 Tax Allocation Bonds Series	Bonds Issued On or Before 12/31/10	11/1/2010	11/1/2041	Wells Fargo Bank	Bond Debt Service pursuant to Section 34171 (d) (1) (A) and 34171(d)(1)(E). See Notes Page.	Palm Ave Commercial Corridor PA1, PA2	42,709,241	N		754,003				\$ 754,003	
3.00	2003 Tax Allocation Bonds Series A Reserve	Bonds Issued On or Before 12/31/10	12/1/2003	12/1/2036	Wells Fargo Bank	Bond Debt Service pursuant to Section 34171 (d) (1) (A) and 34171(d)(1)(E).	Palm Ave Commercial Corridor PA1, PA2	-	N						\$ -	
4.00	2010 Tax Allocation Bonds Series Reserve	Bonds Issued On or Before 12/31/10	11/1/2010	11/1/2041	Wells Fargo Bank	Bond Debt Service pursuant to Section 34171 (d) (1) (A) and 34171(d)(1)(E).	Palm Ave Commercial Corridor PA1, PA2	-	N						\$ -	
9.00	Clean & Green Program	Improvement/Infrastructure	4/17/2013	6/30/2014	Various Contractors/Project Management	Tax Exempt Housing Bond Indenture Project pursuant to and consistent with 2003 Tax Allocation Bonds Series A issued December 2003.	Palm Ave Commercial Corridor PA1, PA2	338,990	N						\$ -	
10.00	Habitat Project	Improvement/Infrastructure	6/28/2013	6/30/2014	Habitat P.M. /Project Management	Tax Exempt Housing Bond Indenture Project pursuant to and consistent with 2003 Tax Allocation Bonds Series A issued December 2003.	Palm Ave Commercial Corridor PA1, PA2	533,000	N						\$ -	
11.00	Admin Budget	Admin Costs	1/1/2014	6/30/2014	Successor Agency & City of Imperial Beach	Per Sections 34177(j) and 34177(k) of the Dissolution Act, the Administrative Budget and estimated payment with RPTTF was approved by Successor Agency on September 4, 2013 by Resolution and presented to the Oversight Board for approval by Resolution on September 11, 2013. See Notes Page.	Palm Ave Commercial Corridor PA1, PA2	125,000	N		125,000				\$ 125,000	
13.00	Legal	Legal	2/1/2011	2/1/2015	McDougal Love/Kane Ballmer	Legal Services provided to Successor Agency per enforceable obligations.	Palm Ave Commercial Corridor PA1, PA2	200,000	N						\$ -	
14.00	Pier One South Hotel Project Requirements	OPA/DDA/Construction	12/1/2010	3/15/2066	Successor Agency & City of Imperial Beach	Fulfillment of Project requirements per DDA and Ground Lease. See Notes Page.	Palm Ave Commercial Corridor PA1, PA2	200,000	N				20,000		\$ 20,000	
15.00	Capital Trailer Rental	Project Management Costs	8/1/2006	1/1/2015	Bert's Mobile Home Acceptance	Temp Trailer for Project Management.	Palm Ave Commercial Corridor PA1, PA2	3,600	Y						\$ -	
16.00	Due Diligence Review ("DDR") Preparation Cost	Professional Services	7/27/2012	6/30/2013	Lance Soll/Vavrinek Trine/Other	To perform DDR as required by Section 34179.5.	Palm Ave Commercial Corridor PA1, PA2	-	Y						\$ -	
17.00	2003 Tax Allocation Bonds Series A	Bonds Issued On or Before 12/31/10	12/1/2003	12/1/2036	Wells Fargo Bank	Bond Debt Service.	Palm Ave Commercial Corridor PA1, PA2	-	Y						\$ -	

Recognized Obligation Payment Schedule (ROPS) 13-14B - ROPS Detail
January 1, 2014 through June 30, 2014
 (Report Amounts in Whole Dollars)

A	B	C	D	E	F	G	H	I	J	K					P	
										L						Six-Month Total
										M						
										N						
O																
Item #	Project Name / Debt Obligation	Obligation Type	Contract/Agreement Execution Date	Contract/Agreement Termination Date	Payee	Description/Project Scope	Project Area	Total Outstanding Debt or Obligation	Retired	Funding Source						
										Non-Redevelopment Property Tax Trust Fund (Non-RPTTF)			RPTTF			
										Bond Proceeds	Reserve Balance	Other Funds	Non-Admin	Admin		
18.00	Litigation	Litigation	4/25/2012	2/1/2015	Successor Agency, City of Imperial Beach, McDougal Love, and Kane Ballmer	Lawsuit filed by Affordable Housing Coalition of San Diego County re obligations of Former RDA. See Notes Page.	Palm Ave Commercial Corridor PA1, PA2	100,000	N				60,000		\$ 60,000	
19.00	Oversight Board Costs Required by State Law	Admin Costs	1/1/2014	6/30/2014	Successor Agency & City of Imperial Beach	Costs incurred by Successor Agency as requested and required by the Oversight Board per State law. See Notes Page.	Palm Ave Commercial Corridor PA1, PA2	20,000	N				20,000		\$ 20,000	
20.00	ROPS I Cash-flow Deficit	Prior Period RPTTF Shortfall	1/1/2014	6/1/2014	IB Successor Agency, City of Imperial Beach, Southbay Drugs, Opper Varco, Keyser Marston, Urban Systems, NBS, Kane Ballmer	ROPS I Approved Yet Unfunded Enforceable Obligation	Palm Ave Commercial Corridor PA1, PA2	-	Y						\$ -	
21.00	ROPS 3 Administrative Cost Allowance Approved Yet Unfunded	Prior Period RPTTF Shortfall	1/1/2013	1/1/2014	City of Imperial Beach, IB Successor Agency	Unfunded DOF Approved Administration Costs Allowance from ROPS 3	Palm Ave Commercial Corridor PA1, PA2	-	Y						\$ -	
22.00	9th & Palm Avenue Real Estate Management	Property Maintenance	1/1/2014	6/30/2014	Successor Agency & City of Imperial Beach	Costs of maintaining Successor Agency owned asset prior to disposition per LRPMP. See Notes Page.	Palm Ave Commercial Corridor PA1, PA2	100,000	N				50,000		\$ 50,000	
23.00	Tax Allocation Bonds Required Annual Continuing Disclosure	Professional Services	11/17/2010	1/1/2015	NBS	Costs relating to required annual continuing disclosure obligations of the Successor Agency on the 2003 Series A TABs (or the 2013 TABS if 2003 Series A TABs are refunded) and 2010 TABs. See Notes Page.	Palm Ave Commercial Corridor PA1, PA2	7,900	N				3,950		\$ 3,950	
24.00	Tax Allocation Bonds Property Tax Data Collection/Monitoring	Professional Services	1/14/2004	1/1/2015	HdL	Data used by NBS for preparation of the required annual continuing disclosure obligations of the Successor Agency on the 2003 Series A TABs (or the 2013 TABs if 2003 Series A TABs are refunded) and 2010 TABs. See Notes Page.	Palm Ave Commercial Corridor PA1, PA2	4,050	N				2,025		\$ 2,025	
25.00	Successor Agency Annual Financial Audit and Financial Statements Required by State Law	Professional Services	6/15/2010	6/30/2014	Lance, Soll Lundgard, CPA Firm	Costs relating to the Successor Agency's preparation of Annual Audit and Financial Statements required by State law. See Notes Page.	Palm Ave Commercial Corridor PA1, PA2	5,832	N				5,832		\$ 5,832	
26.00	2003 Series A Tax Allocation Bonds Refunding Financial Advisor/Non-Contingent Portion	Professional Services	12/1/2013	2/1/2014	First Southwest	2003 Series A TABs Refunding Financial Advisor - non-contingent portion of costs. See Notes Page.	Palm Ave Commercial Corridor PA1, PA2	19,000	N				19,000		\$ 19,000	
27.00	2003 Series A Tax Allocation Bonds Refunding Fiscal Consultant/Non-Contingent Portion	Professional Services	7/17/2013	2/1/2014	Fraser & Associates	2003 Series A TABs Refunding Fiscal Consultant - non-contingent portion of costs. See Notes Page.	Palm Ave Commercial Corridor PA1, PA2	25,500	N				25,500		\$ 25,500	
28.00	2003 Series A Tax Allocation Bonds Refunding Successor Agency Non-Contingent Fees & Costs	Professional Services	12/1/2013	2/1/2014	Successor Agency, City of Imperial Beach, McDougal, Love and Kane, Ballmer	2003 Series A TABs Refunding - Successor Agency non-contingent fees and costs (including legal fees and reimbursement costs). See Notes Page.	Palm Ave Commercial Corridor PA1, PA2	50,000	N				50,000		\$ 50,000	

Recognized Obligation Payment Schedule (ROPS) 13-14B - Report of Prior Period Adjustments
 Reported for the ROPS III (January 1, 2013 through June 30, 2013) Period Pursuant to Health and Safety Code (HSC) section 34186 (a)
 (Report Amounts in Whole Dollars)

ROPS III Successor Agency (SA) Self-reported Prior Period Adjustments (PPA): Pursuant to HSC Section 34186 (a), SAs are required to report the differences between their actual available funding and their actual expenditures for the ROPS III (July through December 2013) period. The amount of Redevelopment Property Tax Trust Fund (RPTTF) approved for the ROPS 13-14B (January through June 2014) period will be offset by the SA's self-reported ROPS III prior period adjustment. HSC Section 34186 (a) also specifies that the prior period adjustments self-reported by SAs are subject to audit by the county auditor-controller (CAC) and the State Controller.

ROPS III CAC PPA: To be completed by the CAC upon submittal of the ROPS 13-14B by the SA to Finance and the CAC

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W	X	Y	Z	AA	AB			
Item #	Project Name / Debt Obligation	Non-RPTTF Expenditures								RPTTF Expenditures																Net SA Non-Admin and Admin PPA		Net CAC Non-Admin and Admin PPA		
		LMIHF (Includes LMIHF Due Diligence Review (DDR) retained balances)		Bond Proceeds		Reserve Balance (Includes Other Funds and Assets DDR retained balances)		Other Funds		Non-Admin				Admin				Net SA Non-Admin and Admin PPA	Non-Admin CAC			Admin CAC			Net CAC Non-Admin and Admin PPA					
		Authorized	Actual	Authorized	Actual	Authorized	Actual	Authorized	Actual	Authorized	Available RPTTF (ROPS III distributed + all other available as of 1/1/13)	Net Lesser of Authorized/ Available	Actual	Difference (If M is less than N, the difference is zero)	Authorized	Available RPTTF (ROPS III distributed + all other available as of 1/1/13)	Net Lesser of Authorized / Available		Actual	Difference (If R is less than S, the difference is zero)	Net Lesser of Authorized / Available	Actual	Difference (If V is less than W, the difference is zero)	Net Lesser of Authorized / Available		Actual	Difference (If Y is less than Z, the difference is zero)	Net Difference (Amount Used to Offset ROPS 13-14B Requested RPTTF (X + AA))		
		\$ -	\$ -	\$ 913,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,392,861	\$ 2,577,217	\$ 2,577,217	\$ 2,577,217	\$ -	\$ 149,092	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
Item # 23	Obligations funded with the \$93,434 as approved on ROPS II are Continuing Disclosure to Wells Fargo (\$3,200), Bonds Continuing Disclosure to NBS (\$4,000), Bonds Continuing Disclosure to HdL (\$2,025), IBCC Monitoring (\$2,611), RDA Statute of Compliance (\$2,611), Capital Trailer Rental (\$1,800), and City Service Agreement (\$77,187)																													

Recognized Obligation Payment Schedule 13-14B - Notes

January 1, 2014 through June 30, 2014

Item #	Notes/Comments
1.00	<p>Per DOF's instructions, \$1,028,787 is indicated under the Reserve column as those were RPTTF funds received by the Successor Agency on June 1, 2013 as bond reserves approved as #3 on ROPS 13-14A to be used toward the bond debt service payment in June 2014 during the ROPS 13-14B period. Also, in connection with the 2003 Tax Allocation Bonds, Series A, pursuant to Resolutions OB-13-18 and OB-13-23, and in accordance with its authority set forth in Health and Safety Code Section 34177.5, the Successor Agency has commenced the bond refunding process to refund the 2003 Tax Allocation Bonds, Series A and to issue the proposed Tax Allocation Refunding Bonds, Series 2013. Therefore, the bond debt service payments identified in this Item 1 will be replaced with the required bond debt service payments on the Tax Allocation Refunding Bonds, Series 2013 if they are issued by the Successor Agency in compliance with the criteria per Health and Safety Code Section 34177.5.</p>
2.00	<p>Per DOF's instructions, \$754,003 is indicated under the Reserve column as those were RPTTF funds received by the Successor Agency on June 1, 2013 as bond reserves approved as #4 on ROPS 13-14A to be used toward the bond debt service payment in June 2014 during the ROPS 13-14B period.</p>
11.00	<p>The Successor Agency received a total amount of \$250,000 on June 1, 2013 as payment for the Administrative Cost Allowance for the entire Fiscal Year 2013-2014. Therefore, \$125,000 was used during the ROPS 13-14A period and the remaining balance of \$125,000 will be used during the ROPS 13-14B period. As such, the SA is including this \$125,000 remaining balance under the Reserve column. Further, the amount of the Administrative Cost Allowance is not intended to limit the use and amount of other funds available to the Successor Agency, if any is available, to be used to pay for additional administrative costs included in the Administrative Budget for the period January 1, 2014 through June 30, 2014.</p>
14.00	<p>These costs are associated with a DDA entered into by the Former RDA on December 16, 2010 and the Ground Lease, as required by the DDA, on March 15, 2011. Pursuant to Health and Safety Code Section 34171(d)(1)(E), this item constitutes an enforceable obligation. This item is specifically excluded from the definition of and payment by the administrative cost allowance and does not constitute an administrative cost as a project-related cost pursuant to Health and Safety Code Section 34171(b). Payment of this obligation is required by the underlying Former RDA DDA and therefore constitutes an enforceable obligation of the Successor Agency pursuant to Health and Safety Code Section 34171(d)(1)(E) and shall be payable from RPTTF monies.</p>
18.00	<p>Litigation costs due to the filing of a lawsuit by the Affordable Housing Coalition of San Diego County alleging that unmet obligations of the Former RDA pursuant to the California Community Redevelopment Law constitute an enforceable obligation of the Successor Agency payable from RPTTF. Costs relating to potential and pending litigation in connection with assets or obligations constitute an enforceable obligation of the Successor Agency and shall be payable from RPTTF monies, not as an administrative cost, pursuant to Health & Safety Code Section 34171(b).</p>
19.00	<p>Costs incurred by the Successor Agency in connection with performing statutorily required services for the Oversight Board are not administrative costs and are not paid using the Administrative Cost Allowance because they are costs incurred by the Successor Agency due to the Successor Agency being required to perform services for the Oversight Board pursuant to State law set forth at Health and Safety Code Section 34179(c). As such, payment of this obligation is required by State law at Health and Safety Code Section 34179(c) and therefore constitutes an enforceable obligation of the Successor Agency pursuant to Health and Safety Code Section 34171(d)(1)(C) and shall be payable from RPTTF monies, not as an administrative cost.</p>
22.00	<p>These costs are associated with maintaining and managing this real estate asset owned by the Successor Agency. Further, these costs are specifically excluded from the definition of and payment by the administrative cost allowance and does not constitute an administrative cost as a cost for maintaining assets pursuant to Health and Safety Code Section 34171(b). Payment of these obligations constitute an enforceable obligation of the Successor Agency and shall be payable from RPTTF monies.</p>
23.00	<p>Costs relating to annual continuing disclosure obligations of the Successor Agency on the 2003 Series A TABs (or the 2013 TABS if 2003 Series A TABs are refunded) and 2010 TABs are required by the Indentures governing the issuance of the TABs and constitute enforceable obligations of the Successor Agency pursuant to Health and Safety Code Sections 34171(d)(1)(A) and 34171(d)(1)(E), and shall be payable from RPTTF monies, not as an administrative cost.</p>

Recognized Obligation Payment Schedule 13-14B - Notes

January 1, 2014 through June 30, 2014

Item #	Notes/Comments
24.00	<p>Costs relating to data collection and monitoring for the annual continuing disclosure obligations of the Successor Agency on the 2003 Series A TABs (or the 2013 TABS if 2003 Series A TABs are refunded) and 2010 TABs are required by the Indentures governing the issuance of the TABs and constitute enforceable obligations of the Successor Agency pursuant to Health and Safety Code Sections 34171(d)(1)(A) and 34171(d)(1)(E), and shall be payable from RPTTF monies, not as an administrative cost.</p>
25.00	<p>Pursuant to State law at Health and Safety Code Section 34177(n), the Successor Agency is required to cause a post audit of the financial transactions and records of the successor agency to be made at least annually by a certified public accountant. As such, payment of this obligation is required by State law at Health and Safety Code Section 34177(n) and therefore constitutes an enforceable obligation of the Successor Agency pursuant to Health and Safety Code Section 34171(d)(1)(C) and shall be payable from RPTTF monies, not as an administrative cost.</p>
26.00	<p>Pursuant to State law at Health and Safety Code Section 34177.5(h), the Successor Agency shall make use of an independent financial advisor in developing financing proposals for bond refunding or refinancing. The Successor Agency has begun the refunding of the 2003 Series A TABs and, therefore, the Successor Agency is required to retain the services of a Financial Advisor for the bond refunding process. As such, payment of this obligation is required by State law at Health and Safety Code Section 34177.5(h) and therefore constitutes an enforceable obligation pursuant to Health and Safety Code Section 34171(d)(1)(C) and shall be payable from RPTTF monies, not as an administrative cost. In addition, pursuant to Resolution OB-13-18, and in accordance with its authority set forth in Health and Safety Code Section 34177.5(f), the Oversight Board directed the Successor Agency to commence the bond refunding process and authorized the Successor Agency to recover all costs associated with such bond refunding process. The DOF approved Resolution OB-13-18. Therefore, payment of this obligation constitutes an enforceable obligation pursuant to Health and Safety Code Sections 34177.5 and 34171(d)(1) and shall be payable from RPTTF monies, not as an administrative cost. Further, pursuant to Resolution OB-13-19, and in accordance with its authority set forth in Health and Safety Code Section 34177.5, the Oversight Board approved the Professional Services Agreement with First Southwest for financial advisory services. The DOF approved Resolution OB-13-19. Therefore, payment of this obligation constitutes an enforceable obligation of the Successor Agency pursuant to Health and Safety Code Sections 34177.5 and 34171(d)(1) and shall be payable from RPTTF monies, not as an administrative cost.</p>
27.00	<p>Pursuant to Resolution OB-13-18, and in accordance with its authority set forth in Health and Safety Code Section 34177.5(f), the Oversight Board directed the Successor Agency to commence the bond refunding process and authorized the Successor Agency to recover all costs associated with such bond refunding process. The DOF approved Resolution OB-13-18. Therefore, payment of this obligation constitutes an enforceable obligation pursuant to Health and Safety Code Sections 34177.5 and 34171(d)(1) and shall be payable from RPTTF monies, not as an administrative cost. Further, pursuant to Resolution OB-13-22, and in accordance with its authority set forth in Health and Safety Code Section 34177.5, the Oversight Board approved the Professional Services Agreement with Fraser & Associates for fiscal consultant services. The DOF approved Resolution OB-13-22. Therefore, payment of this obligation constitutes an enforceable obligation of the Successor Agency pursuant to Health and Safety Code Sections 34177.5 and 34171(d)(1) and shall be payable from RPTTF monies, not as an administrative cost.</p>
28.00	<p>Pursuant to Resolution OB-13-18, and in accordance with its authority set forth in Health and Safety Code Section 34177.5(f), the Oversight Board directed the Successor Agency to commence the bond refunding process and authorized the Successor Agency to recover all costs associated with such bond refunding process. The DOF approved Resolution OB-13-18. Therefore, payment of this obligation constitutes an enforceable obligation of the Successor Agency pursuant to Health and Safety Code Sections 34177.5 and 34171(d)(1) and shall be payable from RPTTF monies, not as an administrative cost.</p>

Recognized Obligation Payment Schedule 13-14B - Notes

January 1, 2014 through June 30, 2014

Item #	Notes/Comments
	<p>On May 3, 1995, the Former RDA was created. On June 7, 1995, and within 45 days of creation of the Former RDA, the City of Imperial Beach and the Former RDA entered into a Cooperation Agreement for the City's loan/advance of funds to the Former RDA for startup monies to jump start redevelopment, which loan/advances would be repaid by the Former RDA from tax increment funds. City loan/advances were provided to the Former RDA upon the adoption of the Redevelopment Plan for the original Project Area and upon the adoption of the Redevelopment Plan for Amendment No. 1 Area. Repayment of the City loan is due and payable now as the City has called repayment of the principal of the loan. Pursuant to Health and Safety Code Sections 34171(d)(1)(B) and (E), 34171(d)(2), and 34178(b)(2), this City loan to the Former RDA constitutes an enforceable obligation of the Successor Agency and shall be payable from RPTTF monies. Further, because of the timing of the City loan to the Former RDA, this City loan constitutes an enforceable obligation of the Former RDA and Successor Agency under the Dissolution Act and was not invalidated by Sections 34178(b)(2) and 34171(d)(2). Further, the repayment of the City loan is not subject to the repayment restrictions of Chapter 9 (beginning with</p>
29.00	Health and Safety Code Section 34191.4(b)) of the Dissolution Act.
	<p>These costs are legal expenses related to litigation that was filed in connection with the June 1, 2012 RPTTF distribution. Litigation was filed to protect enforceable obligations and prevent default as a result of County notice not to distribute June 1, 2012 RPTTF without DOF approval letter. Costs relating to potential and pending litigation in connection with assets or obligations constitute an enforceable obligation of the Successor Agency and shall be payable from RPTTF monies, not as an</p>
30.00	administrative cost, pursuant to Health and Safety Code Section 34171(b).
1, 14, 18, 19	<p>The actual amounts provided herein are solely estimates and the actual amount paid due to final costs owed by the Successor Agency may end up being greater than shown above. Therefore, the approval of this ROPS by the Successor Agency, the Oversight Board and the DOF includes the approval of such increased amount actually paid.</p>
1, 14, 18, 19	<p>To the extent RPTTF is not available to pay an enforceable obligation listed on this ROPS, the approval of this ROPS by the Successor Agency, the Oversight Board, and the DOF includes authorizing the Successor Agency to make payments on an enforceable obligation from any other funds the Successor Agency may have available, if any, at the time a payment is to be made.</p>

RESOLUTION NO. 95-4500

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY
OF IMPERIAL BEACH APPROVING A COOPERATION
AGREEMENT BY AND BETWEEN THE CITY AND THE
IMPERIAL BEACH REDEVELOPMENT AGENCY**

WHEREAS, on May 3, 1995 the City Council of the City of Imperial Beach (the "City Council") did duly pass and adopt Ordinance No. 95-891 and did thereby activate the Imperial Beach Redevelopment Agency (the "Agency"); and

WHEREAS, pursuant to the Community Redevelopment Law, California Health and Safety Code Sections 33000, *et seq.* (the "Community Redevelopment Law"), the Agency is performing a public function of the City; and

WHEREAS, Section 33128 of the Community Redevelopment Law provides that the Agency shall have access to the services and facilities of the Planning Commission, the City Engineer and other departments and offices of the City; and

WHEREAS, pursuant to Sections 33132, 33133, and 33600 of the Community Redevelopment Law, the Agency may accept financial or other assistance from any public or private source, for the Agency's activities, powers, and duties, and expend any funds so received for any of the purposes of the Community Redevelopment Law; and

WHEREAS, the City is authorized to aid and co-operate with the Agency in the planning, undertaking, construction, or operation of redevelopment projects pursuant to Section 33220 of the Community Redevelopment Law; and

WHEREAS, the City and the Agency desire to enter into a Cooperation Agreement pursuant to which the City will render certain activities, services and facilities to the Agency all in order to assist the Agency in carrying out its functions under the Community Redevelopment Law and the Agency agrees to reimburse the City for all advances made to or on behalf of the Agency pursuant to the terms of the Cooperation Agreement; and

WHEREAS, the Agency's obligations pursuant to the Cooperation Agreement shall constitute an indebtedness of the Agency within the meaning of Section 33670 of the Community Redevelopment Law.

NOW THEREFORE BE IT RESOLVED by the City Council of the City of Imperial Beach:

Section 1. The Cooperation Agreement by and between the Agency and the City attached hereto as Exhibit A and incorporated herein by this reference as though fully set forth herein is hereby approved, and the Mayor is authorized and directed to execute said Agreement on behalf of the City.

Section 2. Agency staff is hereby authorized and directed to take any appropriate action consistent with the purposes of this Resolution and the Cooperation Agreement approved hereby to carry out the Agreement on behalf of the City.

PASSED, APPROVED AND ADOPTED by the City Council of the City of Imperial Beach this 7th day of June, 1995 by the following vote:

AYES: COUNCILMEMBERS: ROSE, HALL, BENDA, HASKINS, BIXLER
NOES: COUNCILMEMBERS: NONE
ABSENT: COUNCILMEMBERS: NONE

Michael B. Bixler

MICHAEL B. BIXLER, MAYOR

ATTEST:

Lori Anne Peoples
LORI ANNE PEOPLES, CITY CLERK

STATE OF CALIFORNIA)
COUNTY OF SAN DIEGO)
CITY OF IMPERIAL BEACH)

I, Lori Anne Peoples, City Clerk of the City of Imperial Beach, do hereby certify that the foregoing Resolution No.95-4500 was passed and adopted at a regular meeting of City Council of the City of Imperial Beach held on the 7th day of June, 1995, by the following vote of the members thereof:

AYES: COUNCILMEMBERS: ROSE, HALL, BENDA, HASKINS, BIXLER

NOES: COUNCILMEMBERS: NONE

ABSENT: COUNCILMEMBERS: NONE

ABSTAIN: COUNCILMEMBERS: NONE



Lori Anne Peoples, City Clerk

RESOLUTION NO. R95-02

**A RESOLUTION OF THE IMPERIAL BEACH
REDEVELOPMENT AGENCY APPROVING A
COOPERATION AGREEMENT BY AND BETWEEN
THE AGENCY AND THE CITY OF IMPERIAL BEACH**

WHEREAS, on May 3, 1995 the City Council of the City of Imperial Beach (the "City Council") did duly pass and adopt Ordinance No. 95-891 and did thereby activate the Imperial Beach Redevelopment Agency (the "Agency"); and

WHEREAS, pursuant to the Community Redevelopment Law, California Health and Safety Code Sections 33000, *et seq.* (the "Community Redevelopment Law"), the Agency is performing a public function of the City; and

WHEREAS, Section 33128 of the Community Redevelopment Law provides that the Agency shall have access to the services and facilities of the Planning Commission, the City Engineer and other departments and offices of the City; and

WHEREAS, pursuant to Sections 33132, 33133, and 33600 of the Community Redevelopment Law, the Agency may accept financial or other assistance from any public or private source, for the Agency's activities, powers, and duties, and expend any funds so received for any of the purposes of the Community Redevelopment Law; and

WHEREAS, the City is authorized to aid and co-operate with the Agency in the planning, undertaking, construction, or operation of redevelopment projects pursuant to Section 33220 of the Community Redevelopment Law; and

WHEREAS, the City and the Agency desire to enter into a Cooperation Agreement pursuant to which the City will render certain activities, services and facilities to the Agency all in order to assist the Agency in carrying out its functions under the Community Redevelopment Law and the Agency agrees to reimburse the City for all advances made to or on behalf of the Agency pursuant to the terms of the Cooperation Agreement; and

WHEREAS, the Agency's obligations pursuant to the Cooperation Agreement shall constitute an indebtedness of the Agency within the meaning of Section 33670 of the Community Redevelopment Law.

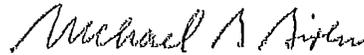
NOW THEREFORE BE IT RESOLVED by the Imperial Beach Redevelopment Agency:

Section 1. The Cooperation Agreement by and between the Agency and the City attached hereto as Exhibit A and incorporated herein by this reference as though fully set forth herein is hereby approved, and the Chairman is authorized and directed to execute said Agreement on behalf of the Agency.

Section 2. Agency staff is hereby authorized and directed to take any appropriate action consistent with the purposes of this Resolution and the Cooperation Agreement approved hereby to carry out the Agreement on behalf of the Agency.

PASSED, APPROVED AND ADOPTED at a regular meeting of the Imperial Beach Redevelopment Agency this 7th day of June, 1995 by the following vote:

AYES: AGENCY MEMBERS: ROSE, HALL, BENDA, HASKINS, BIXLER
NOES: AGENCY MEMBERS: NONE
ABSENT: AGENCY MEMBERS: NONE



Michael B. Bixler, Chairman
Imperial Beach Redevelopment Agency

ATTEST:



Lori Anne Peoples, Secretary
Imperial Beach Redevelopment Agency

COOPERATION AGREEMENT

THIS AGREEMENT is entered into as of the 7th day of June, 1995, by and between the CITY OF IMPERIAL BEACH, a municipal corporation (the "City") and the IMPERIAL BEACH REDEVELOPMENT AGENCY, a public body corporate and politic (the "Agency").

RECITALS

A. The City Council of the City, acting pursuant to the provision of the Community Redevelopment Law, California Health and Safety Code Sections 33000, *et seq.* (the "Community Redevelopment Law") has activated the Agency and has declared itself to constitute the Agency by Ordinance No. 95-891 adopted on May 3, 1995.

B. Pursuant to the Community Redevelopment Law, the Agency is performing a public function of the City and may have access to services and facilities of the City.

C. The City and Agency desire to enter into this Agreement:

(1) To set forth activities, services and facilities which the City will render for and make available to the Agency in furtherance of the activities and functions of the Agency under the Community Redevelopment Law; and

(2) To provide that the Agency will reimburse the City for actions undertaken and costs and expenses incurred by it for and on behalf of the Agency.

AGREEMENTS

NOW, THEREFORE, the parties hereto do mutually agree as follows:

1. The City agrees to provide for the Agency such staff assistance, supplies, offices, technical services and other services and facilities of the City as the Agency may require in carrying out its functions under the Community Redevelopment Law. Such assistance and services may include the services of city officers and employees and special consultants.

2. The City may, but is not required to, advance necessary funds to the Agency or expend funds on behalf of the Agency for the preparation and implementation of the redevelopment plan.

3. The City will keep records of advances made to or on behalf of the Agency, facilities provided, and activities and services undertaken pursuant to this Agreement and the costs thereof in order that an accurate record of the Agency's liability to the City can be ascertained. The City shall periodically, but not less than annually, submit to the Agency a statement of the costs incurred by the City in rendering activities and services of the City to the Agency pursuant to this Agreement. This Agreement may include a proration of the City's administrative and salary expense and rental value or pro rata cost of offices and related amenities attributable to services of City officials, employees and departments rendered for the Agency.

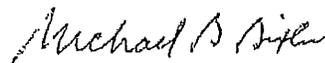
4. The Agency agrees to reimburse the City for all advances made to or on behalf of the Agency, and costs incurred for services and with respect to facilities by the City pursuant to this Agreement from and to the extent that funds are available to the Agency for such purpose pursuant Section 33670 of the Community Redevelopment Law or from other sources; provided, however, that the Agency shall have the sole and exclusive right to pledge any such sources of funds to the repayment of other indebtedness incurred by the Agency in carrying out the project. The costs of the City under this Agreement will be shown on statements submitted to the Agency pursuant to Paragraph 3 above. Although the parties recognize that payment may not occur for a number of years and that repayment may also occur over a period of time, it is the express intent of the parties that the expenses incurred by the City under this Agreement shall be entitled to payment, consistent with the Agency's financial ability, in order to make the City whole as soon as practically possible.

5. The City agrees to include the Agency within the terms of the City's insurance policy. The Agency shall pay to the City its pro rata share of the costs of insurance applicable to its activities resulting from the Agency's inclusion in the City's policy.

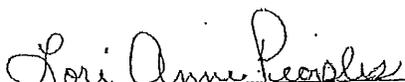
6. The obligations of the Agency under this Agreement shall constitute an indebtedness of the Agency within the meaning of Section 33670 *et seq.* of the Community Redevelopment Law, to be repaid to the City by the Agency with interest at a rate of ten percent (10%) per annum.

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

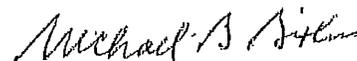
CITY OF IMPERIAL BEACH


MICHAEL B. BIXLER, MAYOR

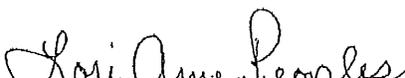
ATTEST:


LORI ANNE PEOPLES, CITY CLERK

IMPERIAL BEACH REDEVELOPMENT AGENCY


MICHAEL B. BIXLER, CHAIRMAN

ATTEST:


LORI ANNE PEOPLES, SECRETARY

STATE OF CALIFORNIA)
COUNTY OF SAN DIEGO)
CITY OF IMPERIAL BEACH)

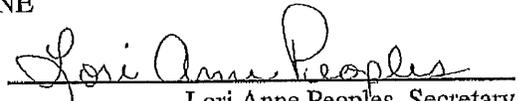
I, Lori Anne Peoples, Secretary of the Imperial Beach Redevelopment Agency, do hereby certify that the foregoing Resolution No. R95-02 was passed and adopted at a regular meeting of the Imperial Beach Redevelopment Agency held on the 7th day of June, 1995, by the following vote of the members thereof:

AYES: AGENCY MEMBERS: ROSE, HALL, BENDA, HASKINS, BIXLER

NOES: AGENCY MEMBERS: NONE

ABSENT: AGENCY MEMBERS: NONE

ABSTAIN: AGENCY MEMBERS: NONE


Lori Anne Peoples, Secretary
Imperial Beach Redevelopment Agency

RESOLUTION NO. R-03-40

A RESOLUTION OF THE CITY COUNCIL/REDEVELOPMENT BOARD OF THE CITY OF IMPERIAL BEACH, CALIFORNIA, AUTHORIZING THE ADVANCE OF MONIES FROM THE CITY'S GENERAL FUND TO THE RDA TO FUND THE APPROPRIATION OF RDA FUNDS FOR USE IN THE FISCAL YEARS BEGINNING JULY 1, 2003 AND ENDING JUNE 30, 2004; AND BEGINNING JULY 1, 2004 AND ENDING JUNE 30, 2005.

WHEREAS, the City Council has approved the startup of a Redevelopment Agency within the City of Imperial Beach, California; and

WHEREAS, the Redevelopment Agency is required to borrow funds to be repaid with tax increment revenues; and

WHEREAS, certain costs are incumbent on the Agency; and

WHEREAS, the City Council desires to have the Redevelopment Agency pay all associated costs of operating the Agency and Agency-eligible capital improvement program projects.

NOW, THEREFORE, BE IT RESOLVED, by the City Council/Redevelopment Board of the City of Imperial Beach, that the City General Fund shall advance/loan \$3,348,300 to the Redevelopment Agency to fund the FY 2003/2005 Two-Year RDA Operating and CIP Budgets.

BE IT FURTHER RESOLVED that the Agency shall pay interest on all funds advanced as of June 5, 2003, at the annual rate of 6% per year, to be repaid with accrued interest as mutually agreed upon by both the Agency and the City.

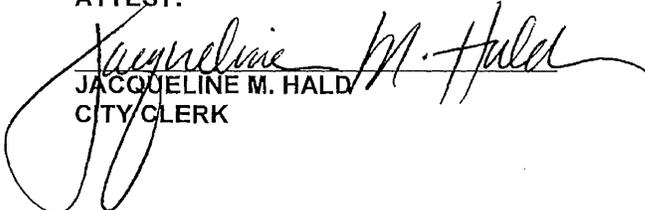
BE IT FURTHER RESOLVED that \$3,348,300 be appropriated for use by the Redevelopment Agency Operations and CIP Funds of the City of Imperial Beach for the fiscal year beginning July 1, 2003 and ending June 30, 2005 in accordance with the proposed FY 2003/2005 Two-Year RDA Budget.

BE IT FURTHER RESOLVED that itemized details of such budget be filed with the City Clerk of the City of Imperial Beach, referenced to which is hereby made for further particulars.

PASSED, APPROVED AND ADOPTED by the City Council/Redevelopment Board of the City of Imperial Beach at its meeting held on the 4th day of June, 2003, by the following roll call vote:

AYES: COUNCILMEMBERS: WINTER, JANNEY, MCCOY, ROGERS, ROSE
NOES: COUNCILMEMBERS: NONE
ABSENT: COUNCILMEMBERS: NONE


DIANE ROSE, MAYOR

ATTEST:

JACQUELINE M. HALD
CITY CLERK

AGREEMENT

THIS AGREEMENT ("Agreement"), effective May 17, 2006, is made by and between the IMPERIAL BEACH REDEVELOPMENT AGENCY, a public body corporate and politic ("Agency") and the CITY OF IMPERIAL BEACH, a municipal corporation ("City") to memorialize a pre-existing loan obligation. The Agency and the City are collectively referred to as the "Parties."

RECITALS:

- A. On or about June of 2003, the City Council and Agency Board authorized the consolidation of an initial loan properly made by the City to the Agency in the amount of \$150,000 from October 1995 and several other loans since 1995 for a total of \$3,378,100 with interest at the rate of 6% annually ("Consolidated Loan") to be used for activities and expenses as allowed under the California Community Redevelopment Law, Health and Safety Code sections 33000 et seq. ("Redevelopment Law"). On May 17, 2006, the City Council and Agency Board, by joint resolution No. R-06-101/2006-6321, authorized an increase in the interest rate of the Consolidated Loan to 12% annually, as shown in Exhibit "A" attached hereto.
- B. The Agency has been paying the City annually in interest under this existing Consolidated Loan, but has not yet repaid in full the Consolidated Loan to the City.
- C. The Agency and the City desire to further memorialize the Consolidated Loan and the terms of repayment as set forth in this Agreement.
- D. Pursuant to Redevelopment Law, the City and Agency are authorized to enter into loan agreements for the City's provisions of such funds to the Agency.

AGREEMENT:

NOW, THEREFORE, in consideration of the recitals stated above, the mutual covenants set forth below, the Parties agree, promise and declare as follows:

ARTICLE I. LOAN TERMS:

Section 1.1 – Loan. The City loaned the Agency \$3,738,100 as of June of 2003. Interest on the Consolidated Loan is currently calculated at twelve percent (12%) annually, effective May of 2006. The Agency has paid the City annually for the interest due on the loan. The Agency agrees that the Agency will continue to pay the City the 12% interest annually on July 1 of each year and that the entire amount of the loan, including any unpaid accrued interest will be due in one lump sum on July 1, 2020 ("Loan Repayment"). The Loan Repayment shall be made solely from (a) first, the available tax increment collected by the Agency, and (b) second, any other funds available for such repayment.

If the Agency is going to be terminated or is going to be in a position to fail to service any debt payments, the total amount of this Loan Repayment shall become immediately due and payable to the City.

The City may at any time, and without prior notice to the Agency, call on the total amount of the Loan and all accrued interest immediately due and payable to the City.

Section 1.2 – Authority. In accordance with applicable law, the Agency Executive Officer and Fiscal Officer, and their respective designees, are each authorized to execute and attest such documents on behalf of the Agency, and to make such accounting arrangements with the City and provisions as may be required reasonably to effectuate the purposes of this Agreement.

In accordance with applicable law, the City Manager and Finance Officer, and their respective designees, are each authorized to execute and attest such documents on behalf of the City, and to make such accounting arrangements with the Agency and provisions as may be required reasonably to effectuate the purposes of this Agreement.

Section 1.3 – Agency Obligation Constitutes Indebtedness. The Loan and this Agreement shall constitute a legal obligation and debt of the Agency to the fullest extent provided

under the laws, including the Redevelopment Law. Such indebtedness shall be subordinate to any and all other Agency indebtedness incurred by the Agency, including indebtedness incurred through the issuance of tax allocation notes or bonds or any other bonds of the Agency.

Section 1.4 – Indemnification. Agency agrees and promises to protect, defend, indemnify, and hold harmless the City and its respective elected and appointed officers, agents, employees and representatives from any and all liabilities, losses, damages, related to the approval and fulfillment of this Agreement.

Notwithstanding anything to the contrary in this Agreement, no City or Agency officer or employee shall be personally liable with respect to the obligations of either Party under this Agreement, or any breach or default by such Party with respect to such Party's obligations under this Agreement, including, with respect to the Agency, any amounts payable by the Agency to the City, including the Loan Repayment.

Section 1.5 – Termination. The City reserves the right to terminate this Agreement in the event Agency is deemed to be in default of any of the obligations herein or in said other documents and instruments.

Section 1.6 - Default by Agency. In the event of a default by Agency in the performance of Section 1.1, any of the terms, covenants and conditions contained in this Agreement, or any Note or Deed of Trust given in conjunction herewith, or in the event of the commencement of bankruptcy proceedings by or against Agency, all sums disbursed or advanced by the City shall immediately become due and payable. The City shall thereafter be released from any and all obligations to Agency under the terms of this Agreement.

Section 1.7 – Agency Reporting. Commencing in fiscal year 2010-2011, the Agency shall annually submit to the City, on or before January 31, of each calendar year during the term of this Agreement, a copy of the Agency's annual independent audit report for the fiscal year ending on June 30 of the prior calendar year.

Section 1.8 – Time of the Essence. Time is of the essence in this Agreement and of each and every provision hereof. The waiver by the City of any breach or breaches hereof shall not be deemed, nor shall the same constitute, a waiver of any subsequent breach or breaches.

ARTICLE II. MISCELLANEOUS PROVISIONS

Section 2.1 – Notice. Any Notice under this Agreement shall be deemed given upon actual personal delivery to the notified Party or upon the expiration of two (2) days from the insertion of the notice, properly addressed and certified mail, return receipt requested, postage prepaid, in a U. S. Mail depository within California, or upon the expiration of seven (7) days from the insertion of the notice in a U. S. Mail depository outside of California. Notices shall be sent to the addresses for the Parties as set forth below or as changed by either Party from time to time by written notice to the other Party.

City: City Manager
City of Imperial Beach
825 Imperial Beach Blvd.
Imperial Beach, CA 91932

Agency: Executive Director
Imperial Beach Redevelopment Agency
825 Imperial Beach Blvd.
Imperial Beach, CA 91932

Section 2.3 – Severability. If any provision of this Agreement is deemed to be invalid or unenforceable by a court of competent jurisdiction, that provision shall be severed from the rest of the Agreement, and the remaining provisions shall continue in full force and effect.

Section 2.4 – Non-Waiver of Rights. No right, remedy, or power of the City or Agency under this Agreement shall be deemed to have been waived by any act or conduct on the part of the City/Agency or by any failure to exercise or delay in exercising such right, remedy or power. Every such right, remedy or power of the City/Agency shall continue in full force and effect until specifically waived or released by an instrument in writing executed by the City/Agency. No delay or omission of the City/Agency to exercise any right or power arising upon the occurrence of any default under this Agreement, shall impair any such right or power or shall be construed to be a waiver of any such default or an acquiescence therein; and every power and remedy given by this Agreement may be exercised from time to time and as often as may be deemed expedient.

Section 2.5 – Exhibits Incorporated. All exhibits to which reference is made in this Agreement are deemed incorporated into this Agreement whether or not the exhibits are actually attached to this Agreement.

Section 2.6 – Construction of Agreement. The provisions contained in this Agreement shall not be construed in favor of or against either Party, but shall be construed as if both Parties contributed equally to its preparation. This Agreement shall be construed in accordance with the laws of the State of California.

Section 2.7 – Assignment. Agency shall not assign its rights or obligations nor delegate its duties under this Agreement without the prior written consent of the City. Any attempt at assignment or delegation in violation of this Section 2.7 shall be void. The City shall have the full right and authority to assign all or part of its rights and delegate all or part of its duties under this Agreement.

Section 2.8 – Integration. This Agreement represents the entire agreement between the Parties on the subject matter of this Agreement, and supersedes any other agreements, promises or representations, oral or written, pertaining to such subject matter.

Section 2.9 – Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. It shall not be necessary in making proof of this Agreement to produce or account for more than one counterpart.

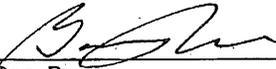
Section 2.10 -- Agreement to Pay Attorney's Fees and Expenses. In the event of an Event of Default hereunder, and if City should employ attorneys or incur other expenses for the collection of amounts due or the enforcement of performance or observance of an obligation or agreement on the part of the Agency in this Agreement, the Note and/or any applicable security agreements, the Agency agrees that it will, on demand therefore, pay to the City the reasonable fees of such attorneys and such other reasonable expenses so incurred by the City; and any such amounts paid by the City shall bear interest from the date such expenses are incurred at the maximum rate permitted by Section 1(2) of Article XV of the California Constitution.

SIGNATURES ON FOLLOWING PAGE

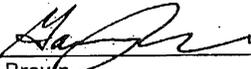
IN WITNESS WHEREOF, the Parties hereby execute this Agreement.

AGENCY:

CITY:

By: 

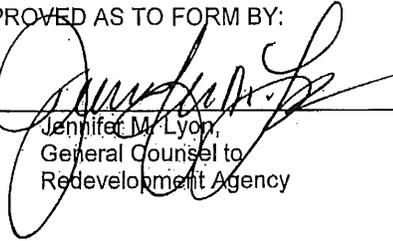
Gary Brown
Executive Director

By: 

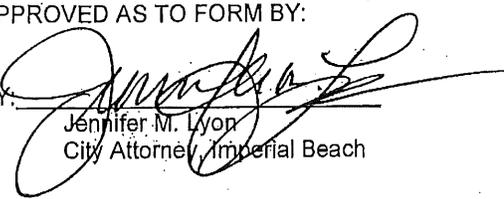
Gary Brown
City Manager

APPROVED AS TO FORM BY:

APPROVED AS TO FORM BY:

By: 

Jennifer M. Lyon,
General Counsel to
Redevelopment Agency

By: 

Jennifer M. Lyon
City Attorney, Imperial Beach

RESOLUTION NO. 2013-7392

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF IMPERIAL BEACH, CALIFORNIA, CALLING THE OUTSTANDING PRINCIPAL BALANCE DUE ON A CITY LOAN MADE TO THE FORMER IMPERIAL BEACH REDEVELOPMENT AGENCY PURSUANT TO A COOPERATION AGREEMENT DATED JUNE 7, 1995 AND FURTHER MEMORIALIZED BY AN AGREEMENT DATED MAY 17, 2006

WHEREAS, on May 3, 1995, the City Council of the City of Imperial Beach (the "City Council") adopted Ordinance No. 95-891 activating and forming the Imperial Beach Redevelopment Agency (the "Former RDA") pursuant to the Community Redevelopment Law, California Health and Safety Code Sections 33000, et seq (the "CRL"); and

WHEREAS, on June 7, 1995, the City Council adopted Resolution No. 95-4500 and the Former RDA adopted Resolution No. R95-02 approving a Cooperation Agreement (the "Agreement") by and between the City of Imperial Beach (the "City") and the Former RDA, wherein the City agreed to provide staff assistance, supplies, offices, technical services and other services and facilities of the City on behalf of the Former RDA in order to carry out the functions of the Former RDA under the CRL. Additionally, the Agreement authorized the City to advance or expend necessary funds to and on behalf of the Former RDA to prepare and implement the Former RDA's Redevelopment Plan. Also pursuant to the Agreement, the Former RDA was required to reimburse the City "for all advances made to or on behalf of the Agency and for costs incurred for services and with respect to facilities by the City." Finally, the Agreement specifically states that the obligations of the Former RDA "shall constitute an indebtedness of the Agency within the meaning of Section 33670, et seq. of the Community Redevelopment Law." The Agreement was executed by the City and the Former RDA on June 7, 1995; and

WHEREAS, on February 7, 1996, the City Council adopted Ordinance No. 96-901 approving and adopting the Redevelopment Plan for the Palm Avenue/Commercial Redevelopment Project. Among other actions provided by Ordinance No. 96-901 was the City's intention to undertake and complete any proceeding, "including the expenditure of monies" in order to carry out the provisions of the Redevelopment Plan; and

WHEREAS, on July 18, 2001, the City Council adopted Resolution No. 2001-5477 and the Former RDA adopted Resolution No. R-01-36 approving Amendment 1 to the Redevelopment Plan for the Palm Avenue/Commercial Redevelopment Project. These actions expanded the original Redevelopment Project Area boundaries adopted and established on February 7, 1996 to effectively include the entire developable area of the City of Imperial Beach; and

WHEREAS, pursuant to the Agreement, the City began advancing funds to and providing services on behalf of the Former RDA. Beginning in 1996, the year-end financial statements prepared for the Former RDA reflect the loan amounts made by the City to the Former RDA. Additionally, various Resolutions adopted between 1996 and 2003 specifically authorize the advance of monies from the City to the Former RDA in accordance with the Agreement; and

WHEREAS, on June 4, 2003, the City Council and Former RDA adopted Resolution No. R-03-40 which authorized the City to loan the Former RDA a total amount of \$3,348,000. This loan amount increased the principal balance of the outstanding City loan to \$3,738,100 (the "City Loan") as reflected in the year-end financial statement of the Former RDA for Fiscal Year 2002-2003; and

WHEREAS, the Agreement, under which the City Loan was advanced to the Former RDA by the City, and the City Loan was further memorialized in an updated loan agreement dated May 17, 2006 and executed by and between the City and the Former RDA (the "Updated Agreement"). The Updated Agreement memorialized the outstanding principal loan balance of \$3,738,100 and, under Section 1.1, specifically provides that, if the Former RDA was going to be terminated or placed in a position in which it could fail to service any debt payments, the total amount of the City Loan shall become immediately due and payable to the City. Section 1.1 of the Updated Agreement further provides that the City may, at any time, and without prior notice to the Former RDA, call on the total amount of the City Loan and all accrued interest immediately due and payable to the City; and

WHEREAS, Assembly Bill No. X1 26 (2011-2012 1st Ex. Sess.) ("AB 26") was signed by the Governor of California on June 28, 2011, making certain changes to the CRL and to the California Health and Safety Code ("Health and Safety Code"), including adding Part 1.8 (commencing with Section 34161) ("Part 1.8") and Part 1.85 (commencing with Section 34170) ("Part 1.85") to Division 24 of the Health and Safety Code; and

WHEREAS, pursuant to AB 26, as modified by the California Supreme Court on December 29, 2011 by its decision in California Redevelopment Association v. Matosantos, all California redevelopment agencies, including the Former RDA, were dissolved on February 1, 2012, and successor agencies were designated and vested with the responsibility of paying, performing and enforcing the enforceable obligations of the former redevelopment agencies and expeditiously winding down the business and fiscal affairs of the former redevelopment agencies; and

WHEREAS, the City Council of the City adopted Resolution No. 2012-7136 on January 5, 2012, pursuant to Part 1.85 of AB 26, electing for the City to serve as the successor agency to the Former RDA upon the dissolution of the Former RDA under AB 26 ("Successor Agency"); and

WHEREAS, pursuant to Health and Safety Code Section 34173(b) of the Dissolution Act, all authority, rights, powers, duties, and obligations previously vested with the Former RDA, under the CRL, were vested by operation of law in the Successor Agency. Such obligations would include repayment of the City Loan to the City; and

WHEREAS, as part of the FY 2012-2013 State budget package, on June 27, 2012, the Legislature passed and the Governor signed Assembly Bill No. 1484 ("AB 1484", Chapter 26, Statutes 2012), which amended certain provisions of AB 26. On September 29, 2012, the Legislature passed and the Governor signed Assembly Bill No. 1585 ("AB 1585"), which further amended certain provisions of AB 26 as amended by AB 1484 (AB 26, AB 1484, and AB 1585 are collectively referred to herein as the "Dissolution Act"); and

WHEREAS, pursuant to Health and Safety Code Section 34178(b)(2) of the Dissolution Act, the City Loan was not invalidated by the Dissolution Act because the Agreement, as further memorialized by the Updated Agreement, constitutes a written agreement between the Former RDA and the City providing loans/start up funds for the Former RDA that was originally entered into within two years of formation of the Former RDA. Such Agreements were also entered into within two years of the adoption of the Redevelopment Plans. Pursuant to Health and Safety Code Sections 34171(d)(1)(B) and (E), 34171(d)(2), and 34178(b)(2) of the Dissolution Act, the City Loan shall constitute an enforceable obligation of the Successor Agency under the Dissolution Act repayable from the Successor Agency's Redevelopment Property Tax Trust

Fund and not subject to the loan repayment restrictions of Health and Safety Code Section 34191.4(b) of the Dissolution Act; and

WHEREAS, pursuant to Section 1.1 of the Updated Agreement, the City desires to call the City Loan in the outstanding principal balance of \$3,738,100 immediately due and payable to the City by the Successor Agency.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Imperial Beach as follows:

- Section 1:** The foregoing recitals are true and correct and are a substantive part of this Resolution.
- Section 2:** Pursuant to the Agreement and Section 1.1 of the Updated Agreement, the City Council of the City hereby calls the City Loan in the outstanding principal balance of \$3,738,100 immediately due and payable to the City by the Successor Agency. In accordance with Section 1.1 of the Updated Agreement, prior notice to the Successor Agency of this action is not required.
- Section 3:** The City Council hereby authorizes the City Manager or designee to take such other actions and execute such other documents as are necessary or desirable to effectuate the intent and terms of this Resolution.

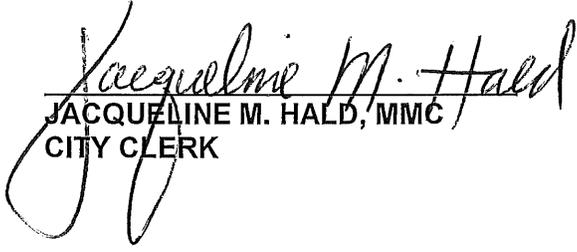
PASSED, APPROVED, AND ADOPTED by the City Council of the City of Imperial Beach at its meeting held on the 18th day of September 2013, by the following vote:

AYES: COUNCILMEMBERS: PATTON, BRAGG, JANNEY
NOES: COUNCILMEMBERS: NONE
ABSENT: COUNCILMEMBERS: SPRIGGS, BILBRAY



JAMES C. JANNEY, MAYOR

ATTEST:



JACQUELINE M. HALD, MMC
CITY CLERK