

STOCKTON SUCCESSOR AGENCY OVERSIGHT BOARD

RESOLUTION OF THE STOCKTON SUCCESSOR AGENCY OVERSIGHT BOARD APPROVING THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE AND APPROVING CERTAIN RELATED ACTIONS

The Stockton Redevelopment Agency ("Redevelopment Agency") was a redevelopment agency in the City of Stockton ("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

The City of Stockton City Council ("City Council") has adopted redevelopment plans for City's redevelopment project areas, and from time to time, the City Council has amended such redevelopment plans; and

The Redevelopment Agency was responsible for the administration of redevelopment activities within the City; and

AB 1X 26 ("AB 26") and AB 1X 27 ("AB 27") were signed by the Governor of California on June 28, 2011, making certain changes to the Redevelopment Law, including adding Part 1.8 (commencing with Section 34161) and Part 1.85 (commencing –[with Section 34170) ("Part 1.85") to Division 24 of the California Health and Safety Code ("Health and Safety Code"); and

The California Redevelopment Association and League of California Cities filed a lawsuit in the Supreme Court of California (*California Redevelopment Association, et al. v. Matosantos, et al.*, Case No. S194861) alleging that AB 26 and AB 27 were unconstitutional; and

On December 29, 2011, the Supreme Court issued its opinion in the *Matosantos* case largely upholding as constitutional AB 26, invalidating as unconstitutional AB 27, and holding that AB 26 may be severed from AB 27 and enforced independently; and

The Supreme Court generally reformed and revised the effective dates and deadlines for performance of obligations under Health and Safety Code Part 1.85 of AB 26 arising before May 1, 2012, to take effect four months later, while leaving the effective dates or deadlines for performance of obligations under Health and Safety Code Part 1.8 of AB 26 unchanged; and

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 pursuant to Health and Safety Code section 34173, and successor agencies are tasked with paying,

performing, and enforcing the enforceable obligations of the former redevelopment agencies and winding down the affairs of the former redevelopment agencies; and

The City Council adopted Resolution No. 11-0251 on August 23, 2011, pursuant to Part 1.85, 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

Pursuant to Health and Safety Code section 34177(l)(2)(A) of AB 26, the Successor Agency adopted its first Recognized Obligation Payment Schedule ("ROPS") on February 28, 2012, by Resolution No. SRD-2012-02-28-1501; and

Pursuant to AB 26, the ROPS shall be forward looking to the next six (6) months. However, as a result of the Supreme Court's extension of certain deadlines of Part 1.85 of AB 26, the period to be covered by the first ROPS is May 1, 2012 through June 30, 2012; and

According to Health and Safety Code Section 34177(l)(1) of AB 26, 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, and (v) the Redevelopment Property Tax Trust Fund 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 provision of Part 1.85 of AB 26; and

According to Health and Safety Code section 34177(l)(2)(A) of AB 26, from February 1, 2012 to July 1, 2012, the initial draft of the ROPS shall project the dates and amounts of scheduled payments for each enforceable obligation for the remainder of the time period during which the redevelopment agency would have been authorized to obligate property tax increment had such a redevelopment agency not been dissolved; and

The ROPS must now be reviewed and certified by the County Auditor-Controller, through the use of an external auditor, and approved by the Oversight Board. A copy of the approved ROPS shall be submitted to the County Auditor-Controller and both the Controller's Office and the Department of Finance and shall be posted on the Successor Agency's internet website. The adopted ROPS was submitted to the Controller's Office and the Department of Finance by April 15, 2012; and

Health and Safety Code section 34177(a)(1) of AB 26 requires the Successor Agency to continue to make payments due for enforceable obligations and, from February 1, 2012, until a ROPS becomes operative, only payments required pursuant to the Enforceable Obligations Payment Schedule shall be made; and

Pursuant to Health and Safety Code section 34177(a)(3), commencing on May 1, 2012, only payments listed in the ROPS may be made by the Successor Agency from the funds specified in the ROPS and, commencing May 1, 2012, the ROPS shall supersede the Statement of Indebtedness of the Redevelopment Agency; and

It is the intent of AB 26 that the ROPS serve as the designated reporting mechanism for disclosing the Successor Agency's bi-annual payment obligations by amount and source and, subsequent to the audit and approval of the ROPS as specified in AB 26, the 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

The Successor Agency's resolution and adopted ROPS, which is consistent with the requirements of the Health and Safety Code and other applicable law, is attached to this Resolution as Exhibit "1"; and

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, Sections 15000 *et seq.*, hereafter the "Guidelines"), and the City's environmental guidelines; and

This Resolution is not a "project" for purposes of CEQA, as that term is defined by Guidelines section 15378, because 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

All of the prerequisites with respect to the approval of this Resolution have been met; now, therefore,

BE IT RESOLVED BY THE STOCKTON OVERSIGHT BOARD, AS FOLLOWS:

1. The foregoing recitals are true and correct and are a substantive part of this Resolution and all prerequisites to its adoption have occurred.
2. The adoption of this Resolution is not intended to and shall not constitute a waiver by the Successor Agency of any rights the Successor Agency may have to challenge the effectiveness and/or legality of all or any portion of AB 26 through administrative or judicial proceedings.
3. The Oversight Board hereby approves the ROPS, attached hereto as Exhibit 1 and incorporated herein by this reference, to preserve its rights to make payments as authorized under Section 34177(l)(1).
4. The Executive Director, or designee, of the Successor Agency, is hereby authorized and directed to submit the approved ROPS to State of California Department of Finance, State Controller, and San Joaquin County Auditor-Controller.
5. The Successor Agency determines that this Resolution is not a "project" for purposes of CEQA, as that term is defined by Guidelines section 15378, because 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.

6. This Resolution shall take effect three business days following the date of its adoption.

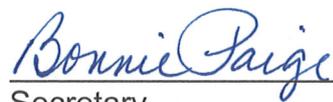
7. The Executive Director, or designee of the Successor Agency, is hereby authorized to take such actions as are necessary and appropriate to comply with Section 34177 and the purposes and intent of this Resolution.

PASSED, APPROVED, and ADOPTED _____ April 24, 2012 _____.



Chairperson
of the Stockton Successor Agency
Oversight Board

ATTEST:



Secretary
of the Stockton Successor Agency
Oversight Board

::ODMA\GRPWISE\COS.HRD.HRD_Library:109000.1

EXHIBIT 1

RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS)
PER AB 1X 26 - SECTION 34177 (1)(2)(A)

City of Stockton, Successor Agency to the Stockton Redevelopment Agency
Name of former Redevelopment Agency: Stockton Redevelopment Agency
Project Area(s): ALL

Item No.	Project Name / Debt Obligation	Payee	Description	Source of Payment	Maturity	Total Outstanding	MONTHLY PAYMENTS						Total Jan 2012 - Jun 2012
							Jan	Feb	Mar	Apr	May	Jun	
Bonds													
1	Low/Mod Housing Bonds	Wells Fargo Corporate Trust	2003 Housing COP	Property Taxes	2033	21,931,975	-	326,372	-	-	-	893,564	869,938
2	Low/Mod Housing Bonds	Wells Fargo Corporate Trust	2006 Series C Revenue Bond	Property Taxes	2037	51,324,388	-	826,982	-	-	-	1,285,668	2,112,648
3	Redevelopment Revenue Bonds	Wells Fargo Corporate Trust	2006 Series A - Revenue Bond	Property Taxes	2037	95,671,988	-	1,349,256	-	-	-	1,659,256	3,008,512
4	Redevelopment Revenue Bonds	Wells Fargo Corporate Trust	2006 Series B - Revenue Bond	Property Taxes	2013	2,636,944	-	71,082	-	-	-	1,786,615	1,857,897
5	Redevelopment Revenue Bonds	Wells Fargo Corporate Trust	2004 Revenue Bond - Arena	Property Taxes	2036	83,378,320	-	1,061,114	-	-	-	1,516,114	2,577,228
Total						254,843,615	-	3,634,806	-	-	-	6,911,215	10,546,021
Loans													
6	State Debt	State Department of Boating and Waterways	DBAW Marina Construction Loan	Property Taxes	2040	19,856,296	-	-	-	-	-	684,701	684,701
7	State Debt	State Department of Boating and Waterways	DBAW Planning Loan	Property Taxes	2012	34,976	-	-	-	-	-	34,976	34,976
8	Fee Deferral	Public Facility Fees	Development impact fees for 612 Carlton Ave	Property Taxes	2058	143,954	-	-	-	-	-	35,989	35,989
9	Fee Deferral - WorkNet Office Bldg	Public Facility Fees	Development Impact fees for Worknet Office Building	Property Taxes	2050	196,950	-	-	-	-	-	49,238	49,238
10	Fee Deferral - Cineplex	Public Facility Fees	Development Impact fees for Cineplex project	Property Taxes	2012	12,937	-	-	12,937	-	-	-	12,937
Total						20,245,113	-	-	12,937	-	-	804,904	817,841
Settlements and/or Judgements													
11	Agency Vs. Union Oil	Brown & Winters and/or Union Oil	Union Oil Dispute Re: Ground Water Contamination	Property Taxes		2,000,000	-	-	-	-	-	2,000,000	2,000,000
12	Price Vs. City of Stockton	California Rural Legal Assistance	Tenant relocation assistance \$1,456,000; \$460,652 expended, remaining obligation \$994,348. Replacement of 165 housing units: 146 completed, remaining obligation 39 units @ 30% of AMI (est cost \$4M). *Subject to final determination by the parties.	Property Taxes		4,994,348	-	-	-	-	-	4,994,348	4,994,348
Total						6,994,348	-	-	-	-	-	6,994,348	6,994,348
Active Litigation													
13	Civic Partners	Freeman, D'Aluto, Pierce, Gurev, Keeling & Wolf	Developer Claims RDA Breached Contract (Legal defense costs)	Property Taxes		3,000,000	25,424	60,000	60,000	60,000	60,000	60,000	325,424
14	Agency vs. BNSF	Brown & Winters	Contamination at Worknet Site & Southpointe (Litigation expenses)	Property Taxes		826,063	-	76,063	16,521	16,521	16,521	16,521	142,147
15	Agency vs. State (Caltrans)	Brown & Winters	Coincides with BNSF case, Caltrans is a former owner (Litigation expenses)	Property Taxes		250,000	-	5,000	5,000	5,000	5,000	5,000	25,000
16	Agency vs. Colberg	Brown & Winters	Polanco Act corrective action trial (Litigation expenses)	Property Taxes		2,000,000	-	40,000	40,000	40,000	40,000	40,000	200,000
Total						6,076,063	25,424	181,063	121,521	121,521	121,521	121,521	692,671
<i>*Total outstanding is an estimate, and may not include future settlement/judgement amount. Monthly costs are projected at 2% of the total outstanding obligation.</i>													
Committed Project Expenses													
17	AT&T Datacomm	AT&T Datacomm	Contract for installation of Security Cameras	Bond Proceeds		377,644	-	-	-	-	-	377,644	377,644
18	Vintage	Visionary Home Builders	Housing Loan	Property Taxes		210,484	-	-	52,621	52,621	52,621	52,621	210,484
19	Community of All Nations	Visionary Home Builders	Housing Loan	Property Taxes		102,987	-	-	-	-	-	102,987	102,987
20	Quincy Engineering Inc	Quincy Engineering Inc	El Dorado Street Widening Phase II	Bond Proceeds		741	-	-	-	-	-	741	741
21	Wallace Kuhl & Associates	Wallace Kuhl & Associates	South Shore	Property Taxes		30,259	-	-	-	-	-	30,259	30,259
22	Condor Earth Technologies	Condor Earth Technologies	Marina Water Quality Testing	Property Taxes		874	-	-	-	-	-	874	874
23	Dieede Construction	Dieede Construction	Design and Construction of Morelli Park	Property Taxes		458,930	-	-	114,733	114,733	114,733	114,731	458,930
24	Treadwell and Rollo Inc	Treadwell and Rollo Inc	Parcel 2A & 24 Remediation	Property Taxes		12,055	-	-	-	-	-	12,055	12,055
25	Wallace Kuhl & Associates	Wallace Kuhl & Associates	Removal Action Plan for Promenade & South Pointe	Property Taxes		104,956	-	-	-	-	-	104,956	104,956
26	Costar Realty	Costar Realty	Economic Development Contract	Property Taxes		1,277	-	-	-	-	-	1,277	1,277
27	D R Jolley Co	D R Jolley Co	McKinley Park caretaker Building Asbestos Removal	Bond Proceeds		5,630	-	-	-	-	-	5,630	5,630
28	Kjeldsen Sinnock & Neudeck Inc	Kjeldsen Sinnock & Neudeck Inc	Van Buskirk Park Improvement Project	Property Taxes		9,787	-	-	9,787	-	-	-	9,787
29	Rodgers Construction	Rodgers Construction	Airport Way Streetscape Phase 3	Bond Proceeds		124,859	-	-	31,215	31,215	31,215	31,214	124,859
30	Kjeldsen Sinnock & Neudeck Inc	Kjeldsen Sinnock & Neudeck Inc	Airport Way Streetscape Phase 3	Bond Proceeds		26,939	-	-	6,485	6,485	6,485	6,484	26,939
31	Airport Way Streetscape Phase 3	City of Stockton	Airport Way Streetscape Phase 3. Proj mgmt/construction contingency	Bond Proceeds		57,358	-	-	14,340	14,340	14,340	14,338	57,358
32	Hotel Stockton	Hotel Stockton Investors	Renovation of Hotel Stockton - for affordable housing	Property Taxes		69,426	-	-	-	-	34,713	34,713	69,426
33	Remediation of Areas 24 and 4	City of Stockton	Remediation of lots north and south of Worknet site	Property Taxes		500,000	-	-	-	-	-	-	-
Total						2,093,086	-	-	228,181	219,394	254,107	890,404	1,693,086
Assessments													
34	Downtown Stockton Alliance	Downtown Stockton Alliance	DSA Assessment of RDA owned properties	Property Taxes	2016	247,530	-	-	47,530	-	-	-	47,530
Total						247,530	-	-	47,530	-	-	-	47,530
<i>*Assumes properties will be sold no later than 2016</i>													
Administrative Costs													
35	Agency Staff & Overhead	Agency Employees through City of Stockton	Existing salary, benefits, and overhead for Agency administration - Property maintenance & management	Administrative Cost Allowance		1,034,570	172,428	172,428	172,428	172,428	172,428	172,428	1,034,568
Total						1,034,570	172,428	172,428	172,428	172,428	172,428	172,428	1,034,568
Total Enforceable Obligations						291,534,325	197,852	3,988,297	693,597	613,343	648,056	15,994,820	21,725,965

ROPS DEBT SERVICE SCHEDULE (ESTIMATE OF ANNUAL PAYMENTS)
 PER AB 1X 26 - SECTION 34177 (1)(2)(A)

City of Stockton, Successor Agency to the Stockton Redevelopment Agency
 Name of former Redevelopment Agency: Stockton Redevelopment Agency
 Project Area(s): ALL

		ESTIMATED ANNUAL PAYMENTS (Fiscal Year July 1 - June 30)																							
Item No.	Project Name / Debt Obligation	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034		
Bonds																									
1	Low/Mod Housing Bonds	990,170	998,691	998,471	998,539	998,622	990,186	994,382	998,225	998,763	991,135	994,210	990,859	995,195	997,497	997,952	996,610	998,345	993,013	995,833	1,001,323	994,217			
2	Low/Mod Housing Bonds	2,114,358	2,109,377	2,107,705	2,109,033	2,108,210	2,102,947	2,102,777	2,070,546	2,066,254	2,083,698	2,082,536	2,018,969	1,822,292	1,852,503	1,850,311	1,849,168	1,849,731	1,843,829	1,800,863	1,798,891	1,796,794	1,789,202		
3	Redevelopment Revenue Bonds	3,000,763	3,550,763	3,769,513	3,453,138	3,886,138	4,694,398	4,058,513	4,716,896	4,713,013	2,007,013	2,835,763	3,310,013	4,408,138	4,374,888	3,643,808	3,627,900	3,631,350	3,623,631	3,507,631	3,498,219	3,564,488	3,590,761		
4	Redevelopment Revenue Bonds	1,455,972	1,009,890																						
5	Redevelopment Revenue Bonds	2,570,687	2,621,346	2,673,221	2,726,674	2,781,484	2,837,575	2,895,616	2,954,310	3,012,726	3,071,025	3,134,091	3,196,547	3,257,963	3,322,944	3,388,875	3,457,500	3,526,825	3,601,825	3,672,000	3,742,375	3,817,125	3,895,500		
	Total	10,131,949	10,281,057	9,638,909	9,275,384	9,764,652	10,626,095	10,041,287	10,727,968	10,778,764	8,122,870	9,016,699	9,506,367	10,561,687	10,547,832	9,881,944	9,931,178	10,005,051	10,062,098	9,976,127	10,040,808	10,202,624	9,275,483		
Loans																									
6	State Debt	684,701	684,701	684,701	684,701	684,701	684,701	684,701	684,701	684,701	684,701	684,701	684,701	684,701	684,701	684,701	684,701	684,701	684,701	684,701	684,701	684,701	684,701	684,701	
7	State Debt	34,976																							
8	Fee Deferral	35,989	35,989	35,989																					
9	Fee Deferral - WorkNet Office Bldg	49,238	49,238	49,238																					
10	Fee Deferral - Cineplex																								
	Total	804,904	769,928	769,928	684,701	684,701	684,701	684,701	684,701	684,701	684,701	684,701	684,701	684,701	684,701	684,701	684,701	684,701	684,701	684,701	684,701	684,701	684,701	684,701	
Settlements and/or Judgements																									
11	Agency Vs. Union Oil																								
12	Price Vs. City of Stockton																								
	Total																								
Active Litigation																									
13	Civic Partners	2,674,576																							
14	Agency vs. BNSF	663,916																							
15	Agency vs. State (Caltrans)	225,000																							
16	Agency vs. Colberg	1,800,000																							
	Total	6,363,492																							
Committed Project Expenses																									
17	AT&T Datacomm																								
18	Vintage																								
19	Community of All Nations																								
20	Quincy Engineering Inc																								
21	Wallace Kuhl & Associates																								
22	Condor Earth Technologies																								
23	Diede Construction																								
24	Treadwell and Rollo Inc																								
25	Wallace Kuhl & Associates																								
26	Costar Realty																								
27	D R Jolley Co																								
28	Kjeldsen Sinnock & Neudeck Inc																								
29	Rodgers Construction																								
30	Kjeldsen Sinnock & Neudeck Inc																								
31	Airport Way Streetscape Phase 3																								
32	Hotel Stockton																								
33	Remediation of Areas 24 and 4	500,000																							
	Total	500,000																							
Assessments																									
34	Downtown Stockton Alliance	50,000	50,000	50,000	50,000																				
	Total	50,000	50,000	50,000	50,000																				
Administrative Costs																									
35	Agency Staff & Overhead	506,110	333,030	310,765	300,303																				
	Total	506,110	333,030	310,765	300,303																				
		17,376,455	11,434,015	10,669,602	10,310,388	10,449,353	11,308,796	10,725,988	11,412,869	11,463,465	8,807,571	9,701,300	10,191,088	11,236,288	11,232,533	10,666,646	10,616,879	10,689,752	10,748,799	10,660,828	10,725,509	10,887,325	9,960,184		

2035	2036	2037	2038	2039	2040	2041	Total Annual Payments	Item No.	Project Name / Debt Obligation
							20,807,426	1	LowMod Housing Bonds
1,790,598	1,785,468	1,783,468	1,779,082				50,497,406	2	LowMod Housing Bonds
3,689,200	3,082,869	3,077,181	3,078,750				94,322,731	3	Redevelopment Revenue Bonds
							2,465,882	4	Redevelopment Revenue Bonds
3,971,875	4,050,625	4,135,875					82,317,206	5	Redevelopment Revenue Bonds
9,351,673	8,918,962	8,996,624	4,857,832	-	-	-	250,410,631		Total
684,701	684,701	684,701	684,701	684,701	684,701	684,668	19,856,296	6	State Debt
							34,976	7	State Debt
							107,987	8	Fee Deferral
							147,714	9	Fee Deferral - WorkNet Office Bldg
							-	10	Fee Deferral - Cineplex
684,701	684,701	684,701	684,701	684,701	684,701	684,668	20,146,953		Total
							-	11	Agency Vs. Union Oil
							-	12	Price Vs. City of Stockton
							-		Total
							2,674,578	13	Civic Partners
							683,916	14	Agency vs. BNSF
							225,000	15	Agency vs. State (Caltrans)
							1,800,000	16	Agency vs. Colberg
							5,383,492		Total
							-	17	AT&T Datacomm
							-	18	Vinape
							-	19	Community of All Nations
							-	20	Quincy Engineering Inc
							-	21	Wallace Kuhl & Associates
							-	22	Condor Earth Technologies
							-	23	Diede Construction
							-	24	Treadwell and Rollo Inc
							-	25	Wallace Kuhl & Associates
							-	26	Costar Realty
							-	27	D R Jolley Co
							-	28	Kjeldsen Sinnock & Neudeck Inc
							-	29	Rodgers Construction
							-	30	Kjeldsen Sinnock & Neudeck Inc
							-	31	Alport Way Streetscape Phase 3
							-	32	Hotel Stockton
							-	33	Remediation of Areas 24 and 4
							-		Total
							200,000	34	Downtown Stockton Alliance
							200,000		Total
							1,450,208	35	Agency Staff & Overhead
							1,450,208		Total
10,036,374	9,603,663	9,681,225	5,542,533	684,701	684,701	684,668	277,591,284		