

# MILPITAS OVERSIGHT BOARD

## TO THE CITY OF MILPITAS ACTING AS THE RDA SUCCESSOR AGENCY

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455 EAST CALAVERAS BOULEVARD, MILPITAS, CA 95035-5479  
GENERAL INFORMATION: 408-586-3000 [www.ci.milpitas.ca.gov](http://www.ci.milpitas.ca.gov)

### MILPITAS OVERSIGHT BOARD MEETING

Milpitas City Hall, Committee Room  
455 E. Calaveras Blvd., Milpitas, CA

#### MEMBERS:

*Maribel Medina, Chair*  
*Michael Mendizabal*  
*Armando Gomez*  
*Emma Karlen*  
*Bruce Knopf*  
*Mike McInerney*  
*Glen Williams*

#### ALTERNATES:

*Nimrat Johal*  
*Felix Reliford*  
*Jane Corpus Takahashi*  
*Michael Murdter*  
*Alan Minato*

### Minutes of the September 18, 2014, Meeting

#### **I. CALL TO ORDER, ROLL CALL AND PLEDGE OF ALLEGIANCE**

Chair Medina called the meeting to order at 4:00 pm.

#### **ROLL CALL**

**MEMBERS PRESENT:** Maribel Medina, Emma Karlen, Bruce Knopf,  
Mike McInerney, Felix Reliford and Glen Williams

**MEMBERS ABSENT:** Mike Mendizabal

#### **II. PUBLIC FORUM** None.

#### **III. APPROVAL OF AGENDA**

Moved by Mr. McInerney and seconded by Mr. Knopf, to approve the agenda. The motion passed unanimously.

#### **IV. APPROVAL OF MINUTES FOR February 20, 2014, AND JUNE 19, 2014, MEETINGS**

Moved by Mr. McInerney and seconded by Mr. Knopf, to approve the minutes for February 20, 2014, and June 19, 2014, meetings. The motion passed unanimously.

#### **V. NEW BUSINESS**

##### **A. Approve Agreement for Allowance to Use Bond Proceeds**

Ms. Gore presented the staff report recommending approval of the Successor Agency's request to enter into an agreement with the City of Milpitas to allow the City to spend the remaining \$3.98 million in bond proceeds held by the Successor Agency to implement the Mail Street Pavement Reconstruction Project, consistent with the bond covenants, Redevelopment Law, and other applicable laws. The proposed agreement included two new provisions requested by legal counsel - an indemnity provision and a default provision.

Moved by Mr. Knopf and seconded by Mr. Williams for approval of the Bond Expenditure Agreement. The resolution was unanimously approved.

#### **B. Approve Next Steps for Development of Long Range Property Management Plan**

Ms. Gore presented the staff report recommending that the Oversight Board direct Successor Agency staff to work with the Oversight Board's appointed subcommittee to secure appraisal reports for the properties identified in the City's memorandum, and direct Successor Agency staff to work with the County to bring back a Long Range Property Management Plan for presentation to the Oversight Board no later than November 5, 2014. It is recommended to delegate to the subcommittee the ability to secure appraisals for the four (4) properties.

Mr. Knopf asked of the subcommittee how long would it take to complete the appraisals. Mr. Williams said it would be unlikely that appraisals could be obtained prior to the Oversight Board's next meeting on November 3, 2014, adding that the appraisals are not needed in order to proceed with a Long Range Property Management Plan (LRPMP). Mr. Ogaz agreed but, thought the appraisals would be helpful to know the potential uses for each property. For example, because the Cracolice building is currently used for government use, and because of there might be a reversionary provision stating that it needed to be used for recreation purposes, an appraisal might impact affect its recommended use for that property in the LRPMP.

Moved by Mr. Knopf and seconded by Mr. Williams to approve a modified resolution reflecting the following changes: (1) revise the second to last paragraph starting "BE IT FURTHER RESOLVED," given the length of time it will take to bring in the appraisals, to direct the Successor Agency to bring the proposed LRPMP to the Oversight Board at the next meeting, and to present appraisal information as soon as practicably possible with the status report at the next meeting; and (2) strike the final paragraph starting "BE IT FURTHER RESOLVED." The revised resolution was unanimously approved.

#### **C. Approve Successor Agency's Administrative Budget for January to June 2015 (FY14-15B)**

Ms. Gore presented the staff report recommending approval of the proposed Administrative Budget of \$128,289.00 for January 1, 2015, to June 30, 2015, which does not exceed the Administrative Cost Allowance allowed under the Dissolution Law.

Moved by Mr. Knopf and seconded by Mr. McInerney to approve the Successor Agency's Administrative Budget for January to June 2015. The resolution was approved unanimously.

#### **D. Consider Requested Revision to the Agreement between Sun Power, Inc. and the Former Redevelopment Agency**

Ms. Gore presented the staff report recommending that the Oversight Board deny the requested revision because the Oversight Board has no authority to grant the equitable remedy of reformation, and because the amendment would not reduce the liabilities or increase net revenues to the taxing entities, and is not in the best interest of the taxing entities, as required by Health and Safety Code subsection 34181, subsection (e).

Mr. Ogaz requested that the Oversight Board reform the SunPower Agreement for the reasons set forth in his memo.

Mr. Knopf asked Mr. Ogaz to explain the risk of litigation and the process. Mr. Ogaz said that under the authorities provided, Sun Power could file litigation against not only the Successor Agency but also the Oversight Board, and asked that the Oversight Board consider the potential for attorney's fees.

Ms. Medina pointed out that in the absence of authority to grant reformation, and without any benefit to the taxing entities, the Oversight Board could be sued by one of the taxing entities for approving the requested revision to the agreement.

After additional discussion, it was moved by Mr. Williams and seconded by Mr. Knopf to deny the requested amendment to the agreement between Sun Power, Inc. and the Former Redevelopment Agency. The resolution was approved by the following vote: **AYES:** Knopf, McInerney, Medina, Williams; **NOES:** Karlen and Reliford.

**E. Approve Recognized Obligation Payment Schedule for January to June 2015 (FY 14-15B)**

Ms. Gore presented the staff report and recommended that the Oversight Board approve the ROPS for the period of January 1, 2015, to June 30, 2015, as required under the dissolution Law (ABx1 26, as revised by Court order and AB 1484), and direct Successor Agency staff to take all actions required under law, including but not limited to, forwarding the approved ROPS to the County Auditor-Controller, California Department of Finance, and the California State Controller's Office.

After much discussion, it was moved by Ms. Medina and seconded by Mr. Knopf to approve the ROPS as revised by the Oversight Board to amend line items 5, 12, 13, 15, and 16, consistent with the County Controller-Treasurer's objection letter, and to amend line item 14, column C to replace "Bond Expenditure Agreement" with "Improvement/Infrastructure." The resolution was approved by the following vote: **AYES:** Knopf, McInerney, Medina, Williams; **NOES:** Karlen and Reliford.

**F. Consider Request to Authorize Issuance of Refunding Bonds for 2003 Tax Allocation Bonds**

Ms. Gore presented the staff report recommending that the Oversight Board consider the Successor Agency Staff's request that the Oversight Board delegate authority to staff to issue refunding bonds to take advantage of lower interest rates.

After much discussion, it was moved by Ms. Medina and seconded by Mr. Williams to approve a modified resolution reflecting the following changes: (1) Strike the first and second paragraphs starting "NOW, BE IT FURTHER RESOLVED"; and (2) amend the last paragraph starting BE IT FURTHER RESOLVED to direct Successor Agency staff to contact other Successor Agency staff in the County that have recently completed their own bond refinancing, if necessary, and bring back information to enable the Oversight Board to make the necessary statutory findings, including the recommended Financial Advisor, Bond Counsel and contracts for approval. The revised resolution was approved unanimously.

**G. Consider Request to Terminate Standstill Agreement Between Oversight Board and Milpitas Entities.**

Ms. Gore expressed her opinion that the Standstill Agreement was terminated automatically by its terms when the litigation concerning the return of assets was settled, and therefore no action by the Oversight Board to terminate the agreement was needed.

**V. SET NEXT MEETING DATE**

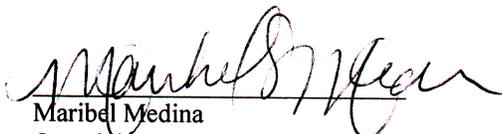
The next meeting will be Monday, November 3, 2014, at 4:00 p.m.

**ADJOURNMENT**

Moved by Mr. Knopf and seconded by Mr. McInerney to adjourn the meeting, which passed unanimously. Chair Medina adjourned the meeting at 5:44 p.m.

*Meeting minutes drafted and submitted by  
Barbara Crump, Board Secretary*

*Approved on September 18, 2014:*

  
Maribel Medina  
Oversight Board Chair

  
Barbara Crump  
Oversight Board Secretary