

**RESOLUTION NO. 15**

**RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY OF  
THE FORMER MILPITAS REDEVELOPMENT AGENCY  
APPOINTING AN AD HOC COMMITTEE TO NEGOTIATE A STANDSTILL  
AGREEMENT**

**WHEREAS**, the California State Legislature enacted Assembly Bill x1 26 to dissolve redevelopment agencies formed under the Community Redevelopment Law (Health and Safety Code section 33000 et seq.), as amended by Assembly Bill 1484, Statutes of 2012, enacted June 27, 2012 (the "Dissolution Law"); and

**WHEREAS**, pursuant to Health and Safety Code section 34177, the Oversight Board (the "Oversight Board") of the Successor Agency of the former Milpitas Redevelopment Agency (the "Successor Agency") shall direct the expeditious wind down the affairs of the redevelopment agency consistent with its fiduciary responsibilities to holders of enforceable obligations and the taxing entities; and

**WHEREAS**, in 2011 within the "claw back" period of the Dissolution Law, the City of Milpitas (the "City") transferred approximately \$147,108,600 in redevelopment agency assets to the City and the Milpitas Economic Development Corporation (the "MEDC"); and

**WHEREAS**, on August 28, 2012, the State Controller's Office ordered the City and the MEDC to immediately reverse all unallowable transfers of assets received from the former redevelopment agency and return such assets to the Successor Agency for disposition by the Oversight Board; and

**WHEREAS**, to date, the City and the MEDC have not returned assets, as directed by the State Controller; and

**WHEREAS**, the Oversight Board desires to protect the interests of the taxing entities represented by the Oversight Board, including but not limited to schools, special districts, county services, educational programs, city services, and the water district; and

**NOW, THEREFORE, BE IT RESOLVED** that the Oversight Board that the Oversight Board appoints an ad hoc committee consisting of Emma Karlen, Bruce Knopf, and Marsha Grilli to work with Oversight Board's legal counsel and the City Attorney to negotiate a standstill agreement with MEDC, whereby MEDC agrees to preserve the assets transferred from the former Redevelopment Agency and/or the City, consistent with the following principles:

- 1) The MEDC will not enter into any new contracts effective immediately
- 2) The MEDC will incur no new financial obligations of any sort while the standstill agreement is in place, effective immediately.
- 3) Future expenses of the EDC on existing liabilities, up to \$447,230.06, will be paid by the City of Milpitas.

**BE IT FURTHER RESOLVED** that the ad hoc committee shall bring a proposed standstill agreement back to the Oversight Board at its January meeting for approval.

**PASSED AND ADOPTED** this 12<sup>th</sup> day of December, by the following vote:

**AYES:** (7) Chair Mendizabal, Board Members Grilli, Karlen, Knopf, Reliford, Williams and Wong

**NOES:** (0)

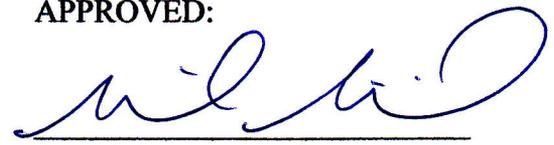
**ABSENT:** (0)

**ABSTAIN:** (0)

**ATTEST:**

  
\_\_\_\_\_  
Barbara Crump, Oversight Board Secretary

**APPROVED:**

  
\_\_\_\_\_  
Oversight Board Chair