



AGENDA

Meeting of the Successor Agency of the Scotts Valley Redevelopment Agency In-Person and Remote Access

Date: August 16, 2023

Time: 6:00 PM

CONTACT INFORMATION	MEETING LOCATION	POSTING
Successor Agency of the Scotts Valley Redevelopment Agency 1 Civic Center Drive Scotts Valley, CA 95066 (831) 440-5600	City Council Chambers 1 Civic Center Drive Scotts Valley, CA 95066 OR https://us02web.zoom.us/j/83295730901	The agenda was posted 08-11-2023 at City Hall, SV Senior Center, SV Public Works Building and on the Internet at www.scottsvalley.gov .

ELECTED OFFICIALS

Jack Dilles, Chair
Randy Johnson, Vice Chair
Donna Lind, Board Member
Derek Timm, Board Member
Allan Timms, Board Member

MEETING NOTICE AND AGENDA PACKET MATERIALS

Notice regarding Successor Agency of the Scotts Valley Redevelopment Agency Meetings:

The Successor Agency Board of Directors of the Scotts Valley Redevelopment Agency meets as needed, immediately following the Scotts Valley City Council meeting, which begins at 6:00 PM in the City Hall Council Chambers located at 1 Civic Center Drive, Scotts Valley, CA 95066.

Agenda and Agenda Packet Materials:

The Successor Agency of the Scotts Valley Redevelopment Agency agenda and the complete agenda packet are available for review by 5:00 PM the Friday before the Wednesday meeting on the Internet at the City's website: www.scottsvalley.gov and in the lobby of City Hall at 1 Civic Center Drive, Scotts Valley, CA. Pursuant to Government Code §54957.5, materials related to an agenda item, submitted after distribution of the agenda packet, are available for public inspection in the lobby of City Hall during normal business hours, Monday-Friday, 8am-12 pm and 1-5 pm. In accordance with AB 1344, such documents will be posted on the City's website at www.scottsvalley.gov.

Public Participation:

The meeting will be available on Zoom and livestreamed to the City of Scotts Valley's YouTube channel: <https://www.youtube.com/@cityofscottsvalley>

For those wishing to participate via Zoom you can join the following ways:

Zoom Webinar meeting link: <https://us02web.zoom.us/j/83295730901>

Or dial one of these numbers: (669) 900-9128 or (669) 444-9171

Webinar ID: 832 9573 0901

Whether attendance is in-person or remote, you will be given opportunities to provide public comment at the appropriate times throughout the meeting. The time limit is up to 3 minutes for an individual, or 5 minutes for someone who is representing a group of three or more, at the discretion of the Mayor. Please note that this is not a question-and-answer time, but simply a time to provide comments to the Council. At the appropriate times during the meeting for public comment, on items not on the agenda, and on specific agenda items, the Mayor will announce that public comment will be accepted.

CALL TO ORDER 6:00 PM

ROLL CALL

PUBLIC COMMENT TIME

This is the opportunity for individuals to make and/or submit written or oral comments to the Council on any items within the purview of the Council, which are NOT part of the Agenda. No action on the item may be taken, but the Council may request the matter be placed on a future agenda.

ALTERATIONS TO CONSENT AGENDA

Council can remove or add items to the Consent Agenda.

CONSENT AGENDA

The Consent Agenda is comprised of items which are intended to be non-controversial and are approved without discussion. Persons wishing to speak on any item may request the item be moved to the Regular Agenda by raising their hand to be recognized by the Mayor. An item will only be moved from the Consent Agenda to the Regular Agenda if a City Council Member requests it to be moved and a majority of the Council agrees.

1. Approve Resolution for Enforceable Obligation Loan Agreement with the City of Scotts Valley
2. Approve Resolution for Enforceable Obligation Loan Agreement with the City of Scotts Valley Waste Water Enterprise Fund

ADJOURNMENT

ADA NOTICE

The City of Scotts Valley does not discriminate against persons with disabilities. The City Council Chambers is an accessible facility. If you wish to attend a City Council meeting and require assistance such as sign language, a translator, or other special assistance or devices in order to attend and participate at the meeting, please call the City Clerk's office at (831) 440-5600 five to seven days in advance of the meeting to make arrangements for assistance. If you require the agenda of a City Council meeting be available in an alternative format consistent with a specific disability, please call the City Clerk's Office. The California State Relay Service (TTY/VCO/HCO to Voice: English 1-800-735-2929, Spanish 1-800-855-3000; or, Voice to TTY/VCO/HCO: English 1-800-735-2922, Spanish 1-800-855-3000), provides Telecommunications Devices for the Deaf and Disabled and will provide a link between the TDD caller and users of telephone equipment.

PROCEDURAL INFORMATION FOR THE PUBLIC

THE FOLLOWING IS THE PROCEDURE COUNCIL SHOULD TAKE IN APPROVAL OF A RESOLUTION:

1. Move the Resolution number for approval.
2. Second the motion.
3. Vote by body, a roll call vote is not required.

THE FOLLOWING IS THE PROCEDURE COUNCIL SHOULD TAKE IN INTRODUCTION/ADOPTION OF AN ORDINANCE:

1. Move the Ordinance number for introduction (or adoption).
2. Move the Ordinance be introduced by title only and waive the reading of the text.
3. Read the Ordinance title.
4. Second the motion.
5. Vote by body, a roll call vote is not required.

THE FOLLOWING IS THE PROCEDURE COUNCIL SHOULD TAKE IN PUBLIC COMMENT/PUBLIC HEARINGS:

Unless otherwise determined by the presiding officer of the meeting:

1. Three minutes allowed per individual to speak.
2. Five minutes allowed per individual representing a group of three or more.



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Deaf and Disabled and will provide a link between the TDD caller and users of telephone equipment.
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City of Scotts Valley SUCCESSOR AGENCY OF THE SCOTTS VALLEY REDEVELOPMENT AGENCY STAFF REPORT

DATE: 8/16/2023
TO: Honorable Mayor and City Council
FROM: Stephanie Hill, Administrative Services Director
APPROVED: Mali LaGoe, City Manager
SUBJECT: **Approve Resolution for Enforceable Obligation Loan Agreement with the City of Scotts Valley**

SUMMARY OF ISSUE

The City and the Scotts Valley Redevelopment Agency entered into a Cooperation Agreement on August 7, 1980, whereby the City agreed to provide "such staff assistance, supplies, 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." It also provided for the City to "advance necessary funds to the Agency or to expend funds on behalf of the Agency for the implementation of the redevelopment plan including, but not limited to the costs of acquisition of property within the project area, demolition and clearance of properties acquired, building and site preparation, public improvements, and relocation assistance to displaced residential and nonresidential occupants as required by law."

On September 18, 1991, in accordance with the Cooperation Agreement, the Redevelopment Agency obtained a loan from the City through the General Fund to finance the land, buildings, and improvements to the area generally known as Santa's Village. This loan was documented in an agreement. At that time, it was thought everything was complete to request reimbursement on a future Redevelopment Property Tax Trust Fund distribution request. This has since been denied by the Department of Finance, stating it required Oversight Board approval as an enforceable obligation.

Health and Safety Code Section 34179 provides for the Oversight Board to approve "a request by the successor agency to enter into an agreement with the city, county, or city and county that formed the redevelopment agency that it is succeeding." Pursuant to this code section, it is recommended the Successor Agency of the Scotts Valley Redevelopment Agency approve the resolution allowing submittal to the Santa Cruz County Oversight Board for approval of the agreement as a Health and Safety Code Section 34173 enforceable obligation.

FISCAL IMPACT

Failure to approve could result in denial of loan repayment.

STAFF RECOMMENDATION

It is recommended the Successor Agency Board of Directors approve Resolution SA 54 approving the loan agreement as an enforceable obligation.

TABLE OF CONTENTS

1. RESOLUTION SA 54 Coop 1980_Reimbursement Agreement 1991
2. Exhibit A Reso 800.1 and Cooperation Agreement Aug 1980
3. Exhibit B Reso CRA 33 and Reimbursement Agreement Sept 1991
4. General Fund Loan Repayment Schedule

RESOLUTION NO. SA 54

RESOLUTION OF THE SUCCESSOR AGENCY BOARD OF DIRECTORS FOR THE SUCCESSOR AGENCY OF THE SCOTTS VALLEY REDEVELOPMENT AGENCY APPROVING LOAN AGREEMENT BETWEEN THE SUCCESSOR AGENCY AND THE CITY OF SCOTTS VALLEY UNDER HEALTH AND SAFETY CODE SECTION 34173 (h) FOR AB 1484 AUTHORIZED ENFORCEABLE OBLIGATIONS AND ADMINISTRATIVE EXPENDITURES

WHEREAS, in accord with the provisions of the California Community Redevelopment Law (Health and Safety Code Section 33000, et seq. ("CRL"), the City Council of the City of Scotts Valley ("City") previously established the Redevelopment Agency of the City of Scotts Valley, a public body, corporate and politic ("Agency") to carry out the purposes of and exercise the powers granted to community redevelopment agencies under the CRL; and

WHEREAS, on February 1, 2012, the Agency was dissolved pursuant to Assembly Bill 1X26 (Stats. 2011, 1st Ex. Sess., Ch. 5) ("AB 26"), and its rights, posers, duties and obligations were transferred to a "successor agency" (as defined by CRL Section 34171 0) and Section 34173); and

WHEREAS, the City Council determined that the City would become the Agency's successor agency ("Successor Agency") under CRL Section 34173; and

WHEREAS, pursuant to Section 34179, the County Consolidated Oversight Board ("Oversight Board") was established for the Successor Agency; and

WHEREAS, with the Oversight Board's approval, CRL Section 34173 (h) permits the City to loan the Successor Agency funds to pay the Successor Agency's enforceable obligations, administrative costs, and project-related expenses; and

WHEREAS, pursuant to CRL Section 34171 (d) (2), loan agreements entered into between a redevelopment agency and a city, within two years of the date of creation of the Agency, may be deemed to be enforceable obligations; and

WHEREAS, on August 7, 1980, the City and Agency entered into a Cooperation Agreement, a copy of which is attached hereto as Exhibit A, which provides that the City may advance, and the Agency will reimburse the City for expended funds related to the Agency's redevelopment plan; and

WHEREAS, on September 18, 1991, pursuant to the terms of the Cooperation Agreement, the City and Agency entered into a reimbursement agreement, a copy of which is attached hereto as Exhibit B, formalizing the amount owed to the City in the amount of \$2,061,371 for a land purchase for the site generally known as the Santa's Village (the "Reimbursement Agreement"); and

WHEREAS, the City and Agency desire to approve the Cooperation Agreement and Reimbursement Agreement as enforceable obligations and make the reimbursement from the funding sources described below.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE SUCCESSOR AGENCY OF THE SCOTTS VALLEY REDEVELOPMENT AGENCY AS FOLLOWS:

Section 1. Under the authority of CRL Section 34173 (h), the Successor Agency hereby approves the Cooperation Agreement and Reimbursement Agreement, copies of which are attached hereto as Exhibits A and B.

Section 2. The Board directs the Executive Director to present the Cooperation Agreement and Reimbursement Agreement to the Oversight Board and the State Department of Finance for approval. The Executive Director is further authorized, with the concurrence of the Successor Agency's legal counsel, to approve technical, non-substantive amendments to the Cooperation Agreement and Reimbursement Agreement on the Successor Agency's behalf and to otherwise carry out the actions authorized by this Resolution.

Section 3. As the loan documented in the Reimbursement Agreement was made from the City's General Fund, the reimbursement shall be repaid to the General Fund upon the terms of the Reimbursement Agreement, including interest.

Section 4. The approval and other actions authorized by this Resolution will become effective as provided by CRL Section 34179.

PASSED AND ADOPTED by the Board of Directors of the Successor Agency of the Scotts Valley Redevelopment Agency this 16th day of August, 2023, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Approved: _____
Jack Dilles, Mayor

Attest: _____
Cathie Simonovich, City Clerk

RESOLUTION NO. 800.1

RESOLUTION OF THE SCOTTS VALLEY RE-
DEVELOPMENT AGENCY AUTHORIZING THE
EXECUTION OF A COOPERATION AGREEMENT
WITH THE CITY OF SCOTTS VALLEY

WHEREAS, the City Council of the City of Scotts Valley, acting pursuant to the provisions of the California Community Redevelopment Law (Health & Safety Code Section 33000 et seq.) has activated the Agency and has declared itself to constitute the Agency, by Ordinance No. 88 , adopted on June 19, 1980 ; and

WHEREAS, 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; and

WHEREAS, the City and Agency desire to enter into an 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;

NOW, THEREFORE, be it resolved by the Scotts Valley Redevelopment Agency that the Chairman is authorized to execute the "Cooperation Agreement" between the Scotts Valley Redevelopment Agency and the City of Scotts Valley, in form attached to this resolution, and incorporated herein by reference.

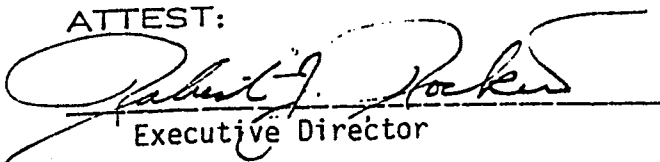
ADOPTED this 7th day of August, 1980, by the following vote:

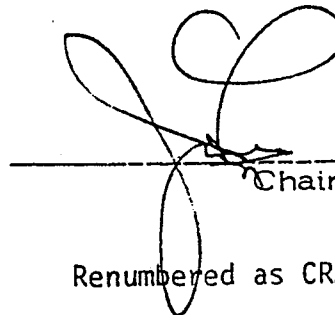
AYES: Lyon, Stone, Carl, Siltanen; Mayor Lee

NOES: None

ABSENT: None

ATTEST:


Executive Director


Chairman

Renumbered as CRA-004

COOPERATION AGREEMENT

THIS AGREEMENT is entered into as of the 7th day of August, 1980, by and between the CITY OF SCOTTS VALLEY, a municipal corporation (herein the "City") and the SCOTTS VALLEY REDEVELOPMENT AGENCY, a public body (herein the "Agency").

RECITALS

A. The City Council of the City, acting pursuant to the provision of the California Community Redevelopment Law (Health & Safety Code Section 33000 et seq.) has activated the Agency and has declared itself to constitute the Agency, by Ordinance No. , adopted on

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

1. The City agrees to provide for the Agency such staff assistance, supplies, 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 to expend funds on behalf of the Agency for the preparation and implementation of the redevelopment plan including, but not limited to, the costs of acquisition of property within the project area, demolition and clearance of properties acquired, building and site preparation, public improvements, and relocation assistance to displaced residential and nonresidential occupants as required by law.

3. The City will keep records of 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 City's administrative and salary expense attributable to services of City officials, employees and departments rendered for the Agency.

4. The Agency agrees to reimburse the City for all costs incurred for services by the City pursuant to this Agreement from and to the extent that funds are available to the Agency for such purpose pursuant to Section 33670 of the Health, and Safety Code 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 few 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 eight percent (8%) per annum.

IN WITNESS WHEREOF, the parties have executed this

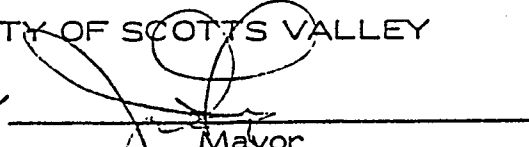
Agreement as of the date first above written.

ATTEST:

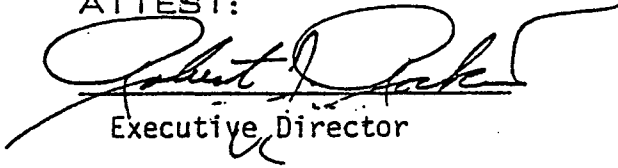

City Clerk

CITY OF SCOTTS VALLEY

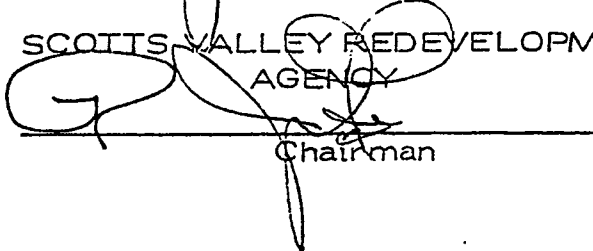
BY


Mayor

ATTEST:


Executive Director

SCOTTS VALLEY REDEVELOPMENT
AGENCY


Chairman

REDEVELOPMENT AGENCY RESOLUTION NO. CRA-33

RESOLUTION OF THE REDEVELOPMENT AGENCY OF THE CITY OF
SCOTTS VALLEY AUTHORIZING THE CHAIRMAN TO EXECUTE A
REIMBURSEMENT AGREEMENT WITH THE CITY OF SCOTTS VALLEY
FOR FINANCIAL ASSISTANCE PURSUANT TO HEALTH AND SAFETY
CODE SECTION 33601

WHEREAS, state law permits a redevelopment agency to borrow money or accept financial assistance from other public agencies; and,

WHEREAS, the Redevelopment Agency of the City of Scotts Valley ("Agency") has incurred and will continue to incur redevelopment costs for its Project Area, more particularly, the Santa's Village Area; and,

WHEREAS, the land, buildings, facilities, structures and improvements are of benefit to the Project Area and the immediate neighborhood of the Project Area; and

WHEREAS, the Agency has no other reasonable means of financing the buildings, facilities, structures or other improvements except by funding from the City of Scotts Valley.

BE IT RESOLVED, that the Scotts Valley Redevelopment Agency desires to reimburse the City of Scotts Valley for monies advanced to Agency for purposes of redevelopment of the Project Area; and,

BE IT FURTHER RESOLVED, that the Chairman is authorized to execute an agreement between the Agency and City for reimbursement of indebtedness incurred by Agency to City for redevelopment costs in accordance with that Agreement entitled, "Reimbursement Agreement for City Services for Development of the Santa's Village Site for Redevelopment Purposes," a copy of which is on file in the office of the Executive Director.

This resolution was passed and adopted by the Scotts Valley Redevelopment Agency at a regularly scheduled meeting held on the 18th day of September, 1991, by the following vote:

AYES: KOSHLAND, SCHMIDT, MILLER, LANG, LOPEZ

NOES:

ABSENT:

Attest:

Nancy C. Terrara
for Judi Coffman, Secretary

Joe Miller
Joe Miller, Chairman

REIMBURSEMENT AGREEMENT FOR CITY SERVICES FOR
DEVELOPMENT OF THE SANTA'S VILLAGE SITE FOR
REDEVELOPMENT PURPOSES

This Agreement is made by and between the City of Scotts Valley, a municipal corporation, hereinafter referred to as "City" and the Scotts Valley Redevelopment Agency, a California redevelopment agency, hereinafter referred to as "Agency".

RECITALS

A. State law permits a redevelopment agency to borrow money or accept financial or other assistance from other public agencies for any redevelopment project within its area of operation, and to comply with any conditions of such loan (Health & Safety Code §33601).

B. There is a redevelopment area within City's boundaries which includes a 32.7 acre site generally known as the Santa's Village. Santa's Village includes those properties designated as Assessor's Parcel Numbers 024-031-09, 024-021-07 (a portion), 024-021-10 though-13 (the "Site").

C. In late 1989 and early 1990, Agency desired to develop an autocenter (the "Autocenter") as a redevelopment project (now abandoned) on the Site and incurred substantial costs for acquisition of the property, engineering and preparation of a Disposition and Development Agreement.

D. Agency expects to incur additional costs to redevelop the Site in the future related to construction of an industrial/office campus complex for Borland International Corporation.

E. To facilitate this redevelopment, City gave financial assistance to the Agency in the amount of \$2,061,371. The financial assistance was in the form of payment for land, plans, engineering costs, preparation of public infrastructure, legal fees, costs for negotiations and preparation of disposition and development agreements with private developers and costs related to acquisition of Site.

F. City and Agency acknowledge that the expenditures represent an indebtedness of the Agency for which Agency is obligated to repay.

G. City may advance additional funds to the Agency to assist in the continued redevelopment of the Site and Agency agrees to repay any future indebtedness.

NOW, THEREFORE, in consideration of the recitals and mutual promises contained herein City and Agency agree as follows:

AGREEMENT

1. To the extent tax increment funds are available in any fiscal year during the life of the project, the Agency may, in its sole discretion, repay amounts advanced by City to Agency (\$2,061,371) for the purpose of redeveloping the Site as an autocenter or for any other redevelopment activities of Agency related to the Site. Monies advanced by City to Agency for purposes of the redevelopment of the Site as an industrial/office campus complex for Borland International headquarters shall also be repaid by Agency in the amounts and at the times determined by Agency. Agency shall repay City the principal plus 8% interest compounded annually for any unpaid indebtedness of the Agency for funds advanced by the City to redevelop the Site. City and Agency agree that the Agency's obligations to reimburse the City for monies advanced to redevelop the Site constitute an indebtedness of the Agency within the meaning of Health and Safety Code section 33675. Repayment shall occur over a term of twenty (20) years.

By executing this Agreement, the City Council has consented to the Agency's right to pay for the land and facilities, structures or other improvements which are paid for by the Agency pursuant to this Agreement and owned by the City. The City Council finds that the land and facilities, structures or other improvements are of benefit to the project area and that no other reasonable means of financing the facilities, structures or other improvements are available to the City.

2. City may, from time to time, in the City's sole discretion, advance funds to Agency, in addition to those already advanced to redevelop the Site, and Agency agrees to repay City for any such advances in the same fashion as set forth in Section 1 of this Agreement.

3. This Agreement shall be construed and enforced pursuant to the laws of the State of California. Should any legal action be brought by a party for breach of this Agreement or to enforce any provisions herein, the prevailing party of such action shall be entitled to reasonable attorneys' fees, court costs, and such other costs as may be affixed by the court. For purposes of this provision, a "prevailing party" shall include a party which dismisses an action for recovery hereunder in exchange for payment of the sum allegedly due, performance of covenants allegedly breached or consideration substantially equal to the relief sought in an action or proceeding.

4. Any notice required to be given to Agency shall be deemed to be duly and properly given if mailed to Agency, postage prepaid, addressed to:

Executive Director
Scotts Valley Redevelopment Agency
City Hall
One Civic Center Drive
Scotts Valley, CA 95066

or personally delivered to the Clerk of the Agency at such address or at such other addresses to such other person or persons as Agency may designate in writing to City.

5. Any notice required to be given to City shall be deemed to be duly and properly given if mailed to City, postage prepaid, addressed to:

City Manager
City of Scotts Valley
City Hall
One Civic Center Drive
Scotts Valley, CA 95066

6. The failure of City to insist upon a strict performance of any terms, conditions, and covenants contained herein shall not be deemed a waiver of any rights or remedies that City may have and shall not be deemed a waiver of any subsequent breach or default in the terms, conditions, covenants contained herein.

7. This Agreement may be amended, modified, or changed by the parties provided that said amendment, modification or change is in writing and approved by the authorized representative of the parties.

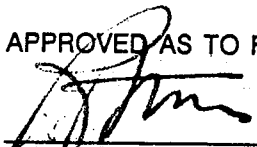
8. If any one or more of the covenants, agreements or portions thereof shall be held by a court of competent jurisdiction in a final judicial action to be void, voidable or unenforceable, such covenant, or covenants, such agreement or agreements, or such portions thereof shall be null and void and shall be deemed severable from the remaining portions of the Agreement.

9. This Agreement is binding on the heirs, successors and assigns of the parties hereto.

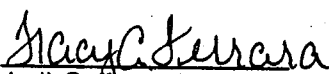
10. This Agreement, including all exhibits attached hereto, contains the entire understanding between the parties with respect to the subject matter herein.

IN WITNESS WHEREOF, this Agreement is executed by City and Agency on this 18th day of September, 1991.

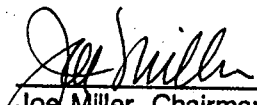
APPROVED AS TO FORM:


Robert J. Logan
City Attorney

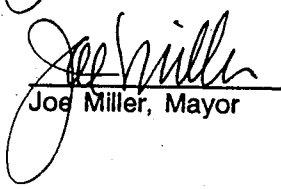
ATTEST:


for Nancy C. Ferrara DEPUTY CITY CLERK
Judi Colman,
Secretary and City Clerk

CITY OF SCOTTS VALLEY
REDEVELOPMENT AGENCY


Joe Miller, Chairman

CITY OF SCOTTS VALLEY


Joe Miller, Mayor

General Fund Fund Loan - Successor Agency of SV RDA Repayment Schedule

	Initial Balance	Loan Payment ⁽²⁾	Interest Incurred	Loan Balance	Interest Rate ⁽¹⁾
6/30/2011	2,061,371.00	-	-	2,061,371.00	
6/30/2012	2,061,371.00	-	7,874.44	2,069,245.44	0.38%
6/30/2013	2,069,245.44	-	6,352.58	2,075,598.02	0.31%
6/30/2014	2,075,598.02	-	5,168.24	2,080,766.26	0.25%
6/30/2015	2,080,766.26	-	5,597.26	2,086,363.52	0.27%
6/30/2016	2,086,363.52	-	9,054.82	2,095,418.34	0.43%
6/30/2017	2,095,418.34	-	15,736.59	2,111,154.93	0.75%
6/30/2018	2,111,154.93	-	29,049.49	2,140,204.42	1.38%
6/30/2019	2,140,204.42	-	47,790.76	2,187,995.19	2.23%
6/30/2020	2,187,995.19	-	42,315.83	2,230,311.01	1.93%
6/30/2021	2,230,311.01	-	11,151.56	2,241,462.57	0.50%
6/30/2022	2,241,462.57	-	8,315.83	2,249,778.40	0.37%
Total Payment Due				2,249,778.40	

(1) Interest is calculated at the LAIF Pooled Money Investment Average Annual Yield rates. Due to technical errors, the loan repayment did not occur as scheduled, interest costs stopped being incurred 6/30/22 as loan payments were expected to be occurring after this point.

(2) Loan payments will begin to occur after Department of Finance approval of the Redevelopment Property Tax Trust Fund distribution requests as funds become available.

City of Scotts Valley SUCCESSOR AGENCY OF THE SCOTTS VALLEY REDEVELOPMENT AGENCY STAFF REPORT

DATE: 8/16/2023
TO: Honorable Mayor and City Council
FROM: Stephanie Hill, Administrative Services Director
APPROVED: Mali LaGoe, City Manager
SUBJECT: **Approve Resolution for Enforceable Obligation Loan Agreement with the City of Scotts Valley Waste Water Enterprise Fund**

SUMMARY OF ISSUE

The City and the Scotts Valley Redevelopment Agency entered into a Cooperation Agreement on August 7, 1980, whereby the City agreed to provide "such staff assistance, supplies, 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." It also provided for the City to "advance necessary funds to the Agency or to expend funds on behalf of the Agency for the implementation of the redevelopment plan including, but not limited to the costs of acquisition of property within the project area, demolition and clearance of properties acquired, building and site preparation, public improvements, and relocation assistance to displaced residential and nonresidential occupants as required by law."

On July 16, 2009, in accordance with the Cooperation Agreement, the Redevelopment Agency obtained a loan from the City through the Wastewater Fund to acquire property for construction of the City's Library. This loan was documented in an agreement. On April 26, 2012, the Oversight Board for the Successor Agency of the Scotts Valley Redevelopment Agency approved a loan agreement with the Scotts Valley Wastewater Fund with the same terms as the original 2009 agreement. At that time, it was thought everything was complete to request reimbursement on a future Redevelopment Property Tax Trust Fund distribution request. This has since been denied by the Department of Finance, stating it required Oversight Board approval as an enforceable obligation.

Health and Safety Code Section 34179 provides for the Oversight Board to approve "a request by the successor agency to enter into an agreement with the city, county, or city and county that formed the redevelopment agency that it is succeeding." Pursuant to this code section, it is recommended the Successor Agency of the Scotts Valley Redevelopment Agency approve the resolution allowing submittal to the Santa Cruz

County Oversight Board for approval of the agreement as a Health and Safety Code Section 34173 enforceable obligation.

FISCAL IMPACT

Failure to approve could result in denial of loan repayment.

STAFF RECOMMENDATION

It is recommended the Successor Agency Board of Directors approve Resolution SA 55 approving the loan agreement as an enforceable obligation.

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1. RESOLUTION SA 55 Wastewater RDA Loan
2. Exhibit A Reso 800.1 and Cooperation Agreement Aug 1980
3. Exhibit B Wastewater Orig 2M 2009 Loan
4. Exhibit C Wastewater Loan Agreement_Successor Agency
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RESOLUTION NO. SA 55

**RESOLUTION OF THE SUCCESSOR AGENCY BOARD OF DIRECTORS
FOR THE SUCCESSOR AGENCY OF THE SCOTTS VALLEY
REDEVELOPMENT AGENCY APPROVING LOAN AGREEMENT BETWEEN
THE SUCCESSOR AGENCY AND THE CITY OF SCOTTS VALLEY WASTE
WATER ENTERPRISE FUND UNDER HEALTH AND SAFETY CODE
SECTION 34173 (h) FOR AB 1484 AUTHORIZED ENFORCEABLE
OBLIGATIONS AND ADMINISTRATIVE EXPENDITURES**

WHEREAS, in accord with the provisions of the California Community Redevelopment Law (Health and Safety Code Section 33000, et seq. ("CRL"), the City Council of the City of Scotts Valley ("City") previously established the Redevelopment Agency of the City of Scotts Valley, a public body, corporate and politic ("Agency") to carry out the purposes of and exercise the powers granted to community redevelopment agencies under the CRL; and

WHEREAS, on February 1, 2012, the Agency was dissolved pursuant to Assembly Bill 1X26 (Stats. 2011, 1st Ex. Sess., Ch. 5) ("AB 26"), and its rights, posers, duties and obligations were transferred to a "successor agency" (as defined by CRL Section 34171 0) and Section 34173); and

WHEREAS, the City Council determined that the City would become the Agency's successor agency ("Successor Agency") under CRL Section 34173; and

WHEREAS, pursuant to Section 34179, the County Consolidated Oversight Board ("Oversight Board") was established for the Successor Agency; and

WHEREAS, with the Oversight Board's approval, CRL Section 34173 (h) permits the City to loan the Successor Agency funds to pay the Successor Agency's enforceable obligations, administrative costs, and project-related expenses; and

WHEREAS, pursuant to CRL Section 34171 (d) (2), loan agreements entered into between a redevelopment agency and a city, within two years of the date of creation of the Agency, may be deemed to be enforceable obligations; and

WHEREAS, on August 7, 1980 the City and Agency entered into a Cooperation Agreement, a copy of which is attached hereto as Exhibit A, which provides that the City may advance and the Agency will reimburse the City for

expended funds related to the Agency's redevelopment plan, including the advance of funds for property acquisition (the "Cooperation Agreement"); and

WHEREAS, on July 16, 2009, pursuant to the terms of the Cooperation Agreement, the City and Agency entered into a loan agreement, a copy of which is attached hereto as Exhibit B, with the Waste Water Enterprise Fund in the amount of \$1,600,000 for the Agency's acquisition of land within the redevelopment area (the "Original Loan Agreement"); and

WHEREAS, on April 26, 2012 the Oversight Board for the Successor Agency of the Scotts Valley Redevelopment Agency approved a loan agreement, a copy of which is attached hereto as Exhibit C, with the Scotts Valley Wastewater Fund with the same terms as the Original Loan Agreement with the former Scotts Valley Redevelopment Agency (the "Loan Agreement"); and

WHEREAS, the City and Agency desire to approve the Cooperation Agreement and the Loan Agreement as an enforceable obligation and repay the loan from the funding sources described below.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE SUCCESSOR AGENCY OF THE SCOTTS VALLEY REDEVELOPMENT AGENCY AS FOLLOWS:

Section 1. Under the authority of CRL Section 34173 (h), the Successor Agency hereby approves the Cooperation Agreement, Original Loan Agreement and Loan Agreement, copies of which are attached as Exhibits A, B, and C.

Section 2. The Board directs the Executive Director to present the Agreements to the Oversight Board and the State Department of Finance for approval. The Executive Director is further authorized, with the concurrence of the Successor Agency's legal counsel, to approve technical, non-substantive amendments to the Cooperation Agreement and Loan Agreement on the Successor Agency's behalf and to otherwise carry out the actions authorized by this Resolution.

Section 3. As the Loan was paid from the City's Wastewater Enterprise Fund, the Loan shall be repaid to the Wastewater Enterprise Fund upon the terms of the Loan Agreement, including interest.

Section 4. The approval and other actions authorized by this Resolution will become effective as provided by CRL Section 34179.

PASSED AND ADOPTED by the Board of Directors of the Successor Agency of the
Scotts Valley Redevelopment Agency this 16th day of August, 2023, by the following
vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Approved: _____
Jack Dilles, Mayor

Attest: _____
Cathie Simonovich, City Clerk

RESOLUTION NO. 800.1

RESOLUTION OF THE SCOTTS VALLEY RE-
DEVELOPMENT AGENCY AUTHORIZING THE
EXECUTION OF A COOPERATION AGREEMENT
WITH THE CITY OF SCOTTS VALLEY

WHEREAS, the City Council of the City of Scotts Valley, acting pursuant to the provisions of the California Community Redevelopment Law (Health & Safety Code Section 33000 et seq.) has activated the Agency and has declared itself to constitute the Agency, by Ordinance No. 88 , adopted on June 19, 1980 ; and

WHEREAS, 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; and

WHEREAS, the City and Agency desire to enter into an 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;

NOW, THEREFORE, be it resolved by the Scotts Valley Redevelopment Agency that the Chairman is authorized to execute the "Cooperation Agreement" between the Scotts Valley Redevelopment Agency and the City of Scotts Valley, in form attached to this resolution, and incorporated herein by reference.

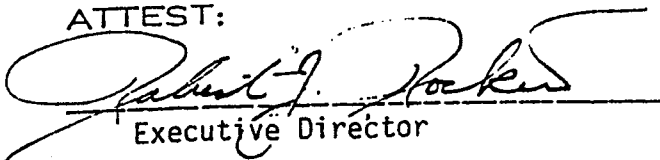
ADOPTED this 7th day of August, 1980, by the following vote:

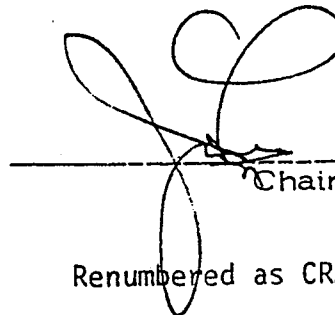
AYES: Lyon, Stone, Carl, Siltanen; Mayor Lee

NOES: None

ABSENT: None

ATTEST:


Executive Director


Chairman

Renumbered as CRA-004

COOPERATION AGREEMENT

THIS AGREEMENT is entered into as of the 7th day of August, 1980, by and between the CITY OF SCOTTS VALLEY, a municipal corporation (herein the "City") and the SCOTTS VALLEY REDEVELOPMENT AGENCY, a public body (herein the "Agency").

RECITALS

A. The City Council of the City, acting pursuant to the provision of the California Community Redevelopment Law (Health & Safety Code Section 33000 et seq.) has activated the Agency and has declared itself to constitute the Agency, by Ordinance No. , adopted on

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

1. The City agrees to provide for the Agency such staff assistance, supplies, 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 to expend funds on behalf of the Agency for the preparation and implementation of the redevelopment plan including, but not limited to, the costs of acquisition of property within the project area, demolition and clearance of properties acquired, building and site preparation, public improvements, and relocation assistance to displaced residential and nonresidential occupants as required by law.

3. The City will keep records of 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 City's administrative and salary expense attributable to services of City officials, employees and departments rendered for the Agency.

4. The Agency agrees to reimburse the City for all costs incurred for services by the City pursuant to this Agreement from and to the extent that funds are available to the Agency for such purpose pursuant to Section 33670 of the Health, and Safety Code 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 few 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 eight percent (8%) per annum.

IN WITNESS WHEREOF, the parties have executed this

Agreement as of the date first above written.

ATTEST:

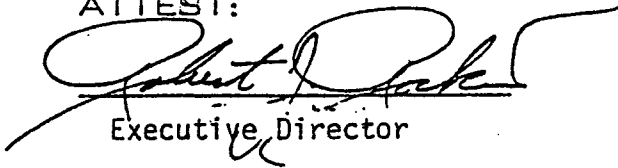

City Clerk

CITY OF SCOTTS VALLEY

BY


Mayor

ATTEST:


Executive Director

SCOTTS VALLEY REDEVELOPMENT
AGENCY


Chairman

**AGREEMENT BETWEEN THE CITY OF SCOTTS VALLEY
AND THE REDEVELOPMENT AGENCY OF THE CITY OF SCOTTS VALLEY**

This agreement is made between the City of Scotts Valley, a Municipal Corporation ("City") and the Redevelopment Agency of the City of Scotts Valley ("Agency").

RECITALS

WHEREAS, the Agency is in need of funds for deposit into escrow pursuant to the purchase agreement dated June 3, 2009, between the Agency and the Slawinski Family Partnership for the purchase of the property at 251 Kings Village Road (APN's 022-211-31 and 022-211-80); and

WHEREAS, the Agency may be in need of additional funds for the purchase and remodeling of this property; and

WHEREAS, the City will not need the funds during the term of the loan.

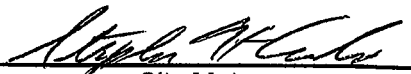
AGREEMENT

NOW, THEREFORE, in consideration of the mutual promises herein, the City and the Agency agree as follows:

1. The City agrees to loan the Agency the sum of up to \$2,000,000 which shall go toward the property noted above and for any remodeling costs associated with the property.
2. Interest shall accrue on the unpaid balance of the loan at a rate equal to the earnings rate of the City investment portfolio for the previous month.
3. The Agency shall, upon receipt of this loan, repay said loan to the City with available tax increment funds in the debt service account, and such other sources as may be available for the purposes set forth herein.
4. The loan will be repaid in full no later than five years from the date of this agreement.
5. If any provision of this agreement is held invalid, the remainder of this agreement shall not be affected, thereby if such remainder would then continue to conform to the terms and requirements of California Health and Safety Code.
6. This agreement shall be effective on July 16, 2009.

IN WITNESS WHEREOF, City and Agency have caused this to be fully executed this 15th day of July, 2009.

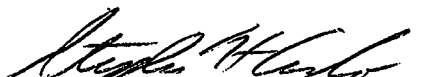
THE CITY OF SCOTTS VALLEY
A Municipal Corporation

By: 
City Manager

APPROVED AS TO FORM


City Attorney

REDEVELOPMENT AGENCY OF THE
CITY OF SCOTTS VALLEY, a body politic

By: 
Executive Director

**FIRST AMENDMENT TO AGREEMENT BETWEEN THE CITY OF SCOTTS VALLEY
AND THE REDEVELOPMENT AGENCY OF THE CITY OF SCOTTS VALLEY**

RECITALS

WHEREAS, the Redevelopment Agency of the City of Scotts Valley (Agency) entered into an agreement on July 16, 2009, with the City of Scotts Valley (Agreement) to borrow funds from the Wastewater Treatment Plant Capital Replacement Fund for deposit into escrow pursuant to the purchase agreement dated June 3, 2009, between the Agency and the Slawinski Family Partnership for the purchase of the property at 251 Kings Village Road (APN's 022-211-31 and 022-211-80), hereinafter referred to as the "Agreement"; and

WHEREAS, the term of the Agreement is five years; and

WHEREAS, the State of California shifted \$1,485,273 from the Agency during fiscal year 2009-10 and an additional \$305,510 during fiscal year 2010-11 to the Supplemental Educational Revenue Augmentation Fund (SERAF) in order to balance the State budget; and

WHEREAS, pursuant to State law, the Agency borrowed funds from the Low and Moderate Income Fund in order to make the two SERAF payments, however, those funds must be repaid within five years; and

WHEREAS, because of the repayment to the Low and Moderate Income Fund, the Agency will have insufficient funds to repay in accordance with the Agreement; and

WHEREAS, the Agency desires to extend the term of the Agreement and the City is willing to extend the term of the Agreement.

AGREEMENT

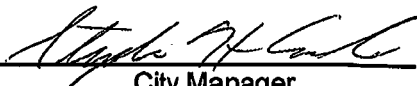
1. Section 4 of the Agreement is hereby amended to read as following:

"4. The loan will be repaid in full no later than November 27, 2040."

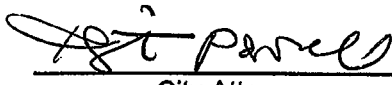
2. Except as expressly amended hereinabove, the terms of the Agreement shall remain unchanged.

IN WITNESS WHEREOF, City and Agency have caused this to be fully executed this 8th day of March, 2011.

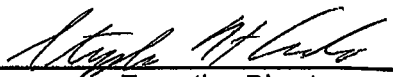
THE CITY OF SCOTTS VALLEY
A Municipal Corporation

By: 
City Manager

APPROVED AS TO FORM


City Attorney

REDEVELOPMENT AGENCY OF THE
CITY OF SCOTTS VALLEY, a body politic

By: 
Executive Director

WASTEWATER ENTERPRISE FUND LOAN REPAYMENT SCHEDULE

	Loan Activity	Loan Balance
Balance 6/30/11	1,600,000.00	1,600,000.00
Interest at .38% to 12/31/11	3,040.00	1,603,040.00
Interest at .5% to 6/30/12	4,000.00	1,607,040.00
Interest at .5% to 06/30/13	8,035.20	1,615,075.20
Interest at .5% to 06/30/14	8,075.38	1,623,150.58
Interest at .5% to 06/30/15	8,115.75	1,631,266.33
Interest at .5% to 6/30/16	8,156.33	1,639,422.66
Payment at 6/30/16	(25,000.00)	1,614,422.66
Interest at .5% to 12/31/16	4,036.06	1,618,458.72
Payment at 12/31/16	(25,000.00)	1,593,458.72
Interest at .5% to 6/30/17	3,027.57	1,596,486.29
Payment at 6/30/17	-	1,596,486.29
Interest at .5% to 12/31/17	3,991.22	1,600,477.50
Payment at 12/31/17	(425,000.00)	1,175,477.50
Interest at .5% to 6/30/18	2,233.41	1,177,710.91
Payment at 6/30/18	(450,000.00)	727,710.91
Interest at .5% to 12/31/18	1,819.28	729,530.19
Payment at 12/31/18	(300,000.00)	429,530.19
Interest at .5% to 12/31/18	1,073.83	430,604.01
Payment at 12/31/18	(300,000.00)	130,604.01
Interest at .5% to 12/31/18	326.51	130,930.52
Payment at 12/31/18	(130,930.52)	0.00
 Total Payments =	 1,655,930.52	

Note: Interest rate estimated to be one-half percent.

**AGREEMENT BETWEEN THE CITY OF SCOTTS VALLEY
AND THE SUCCESSOR AGENCY OF THE
SCOTTS VALLEY REDEVELOPMENT AGENCY**

This agreement is made between the City of Scotts Valley, a Municipal Corporation ("City") and the Successor Agency of the Scotts Valley Redevelopment Agency ("Successor Agency").

RECITALS

WHEREAS, the former Scotts Valley Redevelopment Agency ("Agency") borrowed \$1,600,000 from the Wastewater Enterprise Fund of the City on July 16, 2009; and

WHEREAS, that loan agreement was amended on March 8, 2011, to extend the term of the loan to be repaid in full no later than November 27, 2040; and

WHEREAS, redevelopment agencies were eliminated pursuant to California legislation effective February 1, 2012; and

WHEREAS, Health and Safety Code Section 34180 (h) provides for an oversight board for a successor agency to approve "a request by the successor agency to enter into an agreement with the city, county, or city and county that formed the redevelopment agency that it is succeeding;" and

WHEREAS, at their April 26, 2012, meeting, the Oversight Board for the Successor Agency of the Scotts Valley Redevelopment Agency did approve the request of the Successor Agency to enter into an agreement with the Scotts Valley Wastewater Fund with the same terms as the loan with the former Scotts Valley Redevelopment Agency; and

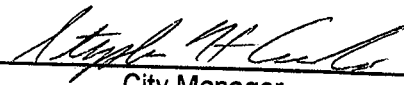
AGREEMENT

NOW, THEREFORE, in consideration of the mutual promises herein, the City and the Successor Agency agree as follows:

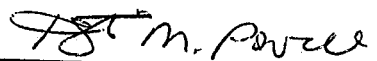
1. The Successor Agency agrees to repay the loan of the former Scotts Valley Redevelopment Agency to the City of Scotts Valley Wastewater Enterprise Fund in the sum of \$1,600,000.
2. Interest shall accrue on the unpaid balance of the loan at a rate equal to the earnings rate of the City investment portfolio for the previous month.
3. The Successor Agency shall repay said loan to the City with available property tax funds requested through future Recognized Obligation Payment Schedules.
4. The loan will be repaid per the attached repayment schedule.
5. If any provision of this agreement is held invalid, the remainder of this agreement shall not be affected, thereby if such remainder would then continue to conform to the terms and requirements of California Health and Safety Code.
6. This agreement shall be effective on May 16, 2012.

IN WITNESS WHEREOF, City and Successor Agency have caused this to be fully executed
this 16th day of May, 2012.

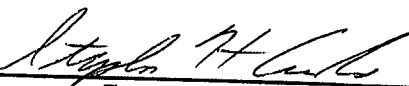
THE CITY OF SCOTTS VALLEY
A Municipal Corporation

By: 
City Manager

APPROVED AS TO FORM


City Attorney

SUCCESSOR AGENCY OF THE
SCOTTS VALLEY REDEVELOPMENT
AGENCY

By: 
Executive Director

Waterwater Enterprise Fund Loan - Successor Agency of SV RDA

Repayment Schedule

	Initial Balance	Loan Payment ⁽²⁾	Interest Incurred	Loan Balance	Interest Rate ⁽¹⁾
6/30/2011	1,600,000.00	-	-	1,600,000.00	
6/30/2012	1,600,000.00	-	6,112.00	1,606,112.00	0.38%
6/30/2013	1,606,112.00	-	4,930.76	1,611,042.76	0.31%
6/30/2014	1,611,042.76	-	4,011.50	1,615,054.26	0.25%
6/30/2015	1,615,054.26	-	4,344.50	1,619,398.76	0.27%
6/30/2016	1,619,398.76	-	7,028.19	1,626,426.95	0.43%
6/30/2017	1,626,426.95	-	12,214.47	1,638,641.41	0.75%
6/30/2018	1,638,641.41	-	22,547.71	1,661,189.12	1.38%
6/30/2019	1,661,189.12	-	37,094.35	1,698,283.47	2.23%
6/30/2020	1,698,283.47	-	32,844.80	1,731,128.27	1.93%
6/30/2021	1,731,128.27	-	8,655.64	1,739,783.92	0.50%
6/30/2022	1,739,783.92	-	6,454.60	1,746,238.51	0.37%
Total Payment Due				1,746,238.51	

(1) Interest is calculated at the LAIF Pooled Money Investment Average Annual Yield rates. Due to technical errors, the loan repayment did not occur as scheduled, interest costs stopped being incurred 6/30/22 as loan payments were expected to be occurring after this point.

(2) Loan payments will begin to occur after Department of Finance approval of the Redevelopment Property Tax Trust Fund distribution requests as funds become available.