



AGENDA
OVERSIGHT BOARD
FOR THE SUCCESSOR AGENCY TO THE
FORMER REDEVELOPMENT AGENCY OF THE CITY OF OROVILLE
City of Oroville Council Chambers
1735 Montgomery Street
Adjourned Meeting

WEDNESDAY, APRIL 29, 2015 – 10:00A.M.

ROLL CALL

Chairperson:	Larry Grundmann	Appointed member of the General Public
Vice Chairperson:	Victoria Coots	Feather River Recreation and Parks District Board Member
Board Members:	David Pittman	Oroville City Council Member
	Tad Alexander	Assistant Superintendent, Butte County Office of Education
	Bill Connelly	Butte County Supervisor, District 1
	Amy Bergstrand	Management Analyst III of the City of Oroville
	Trevor Stewart	Butte-Glenn Community College

PLEDGE OF ALLEGIANCE

RECOGNITION OF INDIVIDUALS WHO WISH TO SPEAK ON AGENDA ITEMS

*Anyone in the audience wishing to address the Board on a matter that is on the agenda should complete a Speaker Form available at the entrance of the Council Chambers. Please deliver the Speaker Form to the City Clerk, who is acting as the Oversight Board Secretary prior to the agenda item being heard by the Oversight Board. When at the podium, you are encouraged to state your name for the record. Following your remarks, Board and/or staff may respond to your comments or questions. The Government Code does allow for **presentations to be limited to three minutes per person.***

CONSENT AGENDA

1. **APPROVAL OF THE MINUTES OF FEBRUARY 25, 2015 MEETING OF THE OVERSIGHT BOARD -** minutes attached.

REGULAR BUSINESS

2. **TRANSFER OF LAND AT 2044 MONTGOMERY STREET –** staff report

The Oversight Board may consider authorizing the Successor Agency to transfer a triangular piece of land at 2044 Montgomery Street to the adjacent property owner through the lot line adjustment process. **(Rick Farley, RDA Coordinator)**

Commission Action Requested: **Adopt Resolution No. 03-15 - A RESOLUTION OF THE OVERSIGHT BOARD OF THE OROVILLE SUCCESSOR AGENCY OF THE FORMER REDEVELOPMENT AGENCY OF THE CITY OF OROVILLE AUTHORIZING THE SUCCESSOR AGENCY TO TRANSFER A PORTION OF LAND AT 2044 MONTGOMERY STREET TO THE ADJACENT PROPERTY OWNER OF 2040 MONTGOMERY STREET THROUGH A LOT LINE ADJUSTMENT WITH FAIR COMPENSATION.**

3. **AGREEMENT WITH ROSENOW SPEVACEK GROUP, INC. –** staff report

The Oversight Board may consider approving an Agreement with Rosenow Spevacek Group, Inc. ("RSG") to provide Continuing Disclosure and Dissemination Agent Services as required by the Continuing Disclosure Certificate for the Successor Agency's Tax Allocation Refunding Bonds Series 2015A and Series 2015B. **(Rick Farley, RDA Coordinator)**

Commission Action Requested: **Adopt Resolution No. 04-15 - A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE OROVILLE REDEVELOPMENT AGENCY APPROVING AN AGREEMENT WITH ROSENOW SPEVACEK GROUP, INC. FOR CONTINUING DISCLOSURE AND DISSEMINATION AGENT SERVICES.**

4. **APPROVAL OF BOND EXPENDITURE AGREEMENT BETWEEN THE CITY OF OROVILLE AND THE OROVILLE SUCCESSOR AGENCY –** staff report

The Oversight Board is being asked to re-consider and approve a Bond Expenditure Agreement between the City of Oroville and the Successor Agency for the transfer of approximately \$3,390,018 of excess bond proceed to the City of Oroville for projects previously funded, which were eligible for and consistent with the original bond covenants. **(Rick Farley, RDA Coordinator)**

Commission Action Requested: **Adopt Resolution No. 05-15 - A RESOLUTION OF THE OVERSIGHT BOARD OF THE OROVILLE SUCCESSOR AGENCY OF THE FORMER REDEVELOPMENT AGENCY OF THE CITY OF OROVILLE ADOPTING THE BOND EXPENDITURE AGREEMENT BETWEEN THE CITY OF OROVILLE AND THE OROVILLE SUCCESSOR AGENCY.**

CORRESPONDENCE

- Department of Finance, dated April 14, 2015

HEARING OF INDIVIDUALS ON NON-AGENDA ITEMS

*This is the time the Chairperson will invite anyone in the audience wishing to address the Board on a matter not listed on the agenda to step to the podium, state your name for the record and make your presentation. **Presentations are limited to 3 minutes.** Under Government Code Section 54954.2, The Board is prohibited from taking action except for a brief response by the Board or staff to a statement or question relating to a non-agenda item.*

ADJOURNMENT

The meeting will be adjourned. A regular meeting of the Oversight Board will be held on Wednesday, March 25, 2015 at 10:00 a.m., at the City of Oroville City Hall, Council Chambers, located at 1735 Montgomery Street, Oroville, California.

Accommodating Those Individuals with Special Needs – In compliance with the Americans with Disabilities Act, the Oversight Board of the Oroville Successor Agency encourages those with disabilities to participate fully in the public meeting process. If you have a special need in order to allow you to attend or participate in our public meetings, please contact the City Clerk at (530) 538-2535, well in advance of the regular meeting you wish to attend, so that we may make every reasonable effort to accommodate you. Documents distributed for public session items, less than 72 hours prior to meeting, are available for public inspection at Oroville City Hall, 1735 Montgomery Street, Oroville, California.

**OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE FORMER OROVILLE
REDEVELOPMENT AGENCY OF THE CITY OF OROVILLE
MEETING MINUTES – FEBRUARY 25, 2015**

*This meeting was broadcast remotely via audio and/or video conference at the following addresses:
Cota Cole, LLP, 3401 Centrelake Drive, Suite 670, Ontario, CA 91761*

The agenda for the February 25, 2015, adjourned meeting of the Oversight Board for the Successor Agency to the former Oroville Redevelopment Agency (Oversight Board) was posted on the bulletin board at the front of City Hall and on the City of Oroville's website located at www.cityoforoville.org on Friday, February 20, 2014, at 2:15 p.m.

The February 25, 2015 adjourned meeting of the Oversight Board was called to order by Vice Chairperson Grundmann at 10:01 a.m.

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Board Member Grundmann.

RECOGNITION OF INDIVIDUALS WHO WISH TO SPEAK ON AGENDA ITEMS

Ya Yin Isle – Item No. 2

OATH OF OFFICE FOR THE NEWLY ELECTED BOARD MEMBERS

The Oath of Office was administered to newly appointed Board Members, Victoria Coots and Alternate Board Member, Scott Kent Fowler – Feather River Recreation and Parks District, David Pittman and Alternate Board Member Thil Wilcox – City of Oroville and Tad Alexander – Butte County Office of Education.

ROLL CALL

Present: Board Members Alexander, Bergstrand, Connelly, Coots, Grundmann, Pittman,
Stewart
Absent: None

NOMINATION AND SELECTION OF A CHAIRPERSON AND VICE CHAIRPERSON

A motion was made by Board Member Pittman, seconded by Board Member Connelly, to:

Appoint Board Member Grundmann to serve as the Chairperson to the Oversight Board for 2015.

The motion was passed by the following vote:

Ayes: Board Members Alexander, Bergstrand, Connelly, Coots, Grundmann, Pittman, Stewart
Noes: None
Abstain: None
Absent: None

A motion was made by Board Member Connelly, seconded by Board Member Pittman, to:

Appoint Board Member Coots to serve as the Vice Chairperson to the Oversight Board for 2015.

The motion was passed by the following vote:

Ayes: Board Members Alexander, Bergstrand, Connelly, Coots, Grundmann, Pittman, Stewart
Noes: None
Abstain: None
Absent: None

CONSENT AGENDA

A motion was made by Board Member Stewart, seconded by Vice Chairperson Coots, to approve the following Consent Calendar:

- 1. APPROVAL OF THE MINUTES OF DECEMBER 17, 2014 MEETING OF THE OVERSIGHT BOARD - minutes attached.**

The motion was passed by the following vote:

Ayes: Board Members Alexander, Bergstrand, Connelly, Pittman, Stewart, Vice Chairperson Coots, Chairperson Grundmann
Noes: None
Abstain: None
Absent: None

REGULAR BUSINESS

- 2. ADOPTION OF THE JULY THROUGH DECEMBER 2015 RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS 15-16A) AND THE SUCCESSOR AGENCY ADMINISTRATIVE BUDGET – staff report**

The Oversight Board considered approving the Recognized Obligation Payment Schedule (ROPS 15-16A) for the July 1, 2015 – December 31, 2015 time period, as well as the Successor Agency Administrative Budget. **(Rick Farley, RDA Coordinator)**

Ya-Ying Isle, RSG Representative, spoke to the Council regarding the Recognized Obligation Payment Schedule.

Following discussion, a motion was made by Board Member Pittman, seconded by Board Member Bergstrand, to:

1. **Adopt Resolution No. 01-15 - A RESOLUTION OF THE OVERSIGHT BOARD OF THE FORMER REDEVELOPMENT AGENCY OF THE CITY OF OROVILLE ADOPTING THE JULY THROUGH DECEMBER 2015 RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS 15-16A) PURSUANT TO HEALTH AND SAFETY CODE SECTION 34177 (m), WITH THE ELIMINATION OF THE CITY OF OROVILLE ON ITEMS NO. 24 AND 25.**
2. **Adopt Resolution No. 02-15 - A RESOLUTION OF THE OVERSIGHT BOARD OF THE FORMER REDEVELOPMENT AGENCY OF THE CITY OF OROVILLE ADOPTING THE JULY 1,2015 THROUGH JUNE 30, 2016 ADMINISTRATIVE BUDGET PURSUANT TO HEALTH AND SAFETY CODE SECTION 34177 (j).**

The motion was passed by the following vote:

Ayes: Board Members Alexander, Bergstrand, Connelly, Pittman, Vice Chairperson
Coots, Chairperson Grundmann
Noes: Board Member Stewart
Abstain: None
Absent: None

CORRESPONDENCE

- Department of Finance, dated February 12, 2015

HEARING OF INDIVIDUALS ON NON-AGENDA ITEMS - None

ADJOURNMENT

The meeting was adjourned at 10:28 a.m. A regular meeting of the Oversight Board will be held on Wednesday, March 25, 2015 at 10:00 a.m., at the City of Oroville City Hall, Council Chambers, located at 1735 Montgomery Street, Oroville, California.

**OVERSIGHT BOARD
STAFF REPORT**

TO: VICE CHAIRPERSON AND BOARD MEMBERS

FROM: RICK FARLEY, RDA COORDINATOR

RE: TRANSFER OF LAND AT 2044 MONTGOMERY STREET

DATE: APRIL 29, 2015

SUMMARY

The Oversight Board may consider authorizing the Successor Agency to transfer a triangular piece of land at 2044 Montgomery Street to the adjacent property owner through the lot line adjustment process. An existing building on the adjacent property currently encroaches upon the Successor Agency owned property at 2044 Montgomery Street. The lot line adjustment would remedy this encroachment such that the entire building would be situated on one property.

DISCUSSION

The Oversight Board reviewed and approved a revised Long-Range Property Management Plan ("LRPMP") on December 17, 2014 and the plan was submitted to DOF. On March 5, 2015, DOF issued a letter approving the LRPMP. The LRPMP calls for the sale of eight properties, including 2044 Montgomery Street. During that time, an adjacent private property owner at 2040 Montgomery Street has been in the process of trying to sell their property to another private party. In the course of their due diligence for the sales transaction, it was discovered that a portion of the building that sits on 2040 Montgomery Street encroaches upon the Successor Agency owned property at 2044 Montgomery Street.

As shown on the attached map (Attachment 2), the current building at 2040 Montgomery Street encroaches upon the SA property in a triangular shape for a total of 127 square feet. In order for the owner at 2040 Montgomery Street to close on the sale of their property, a Lot Line Adjustment application must be submitted and approved by the City to move the lot line such that the entirety of the building is situated on the property at 2040 Montgomery Street. In addition, in order for the Successor Agency to subsequently move forward with the sale of 2044 Montgomery Street per the approved LRPMP, this lot line issue would need to be remedied as well.

An appraisal of 2044 Montgomery Street was completed in December 2014 as part of the LRPMP process, and showed the fair market value of the 6,534 sq. ft. property to be \$22,000 as of December 4, 2014. Based on a price per foot value of \$3.37, the 127 sq.

ft. area that would be adjusted to the adjacent property owner is valued at \$427.99. The property owner will agree to compensate the Successor Agency for this amount and pay for all costs associated with the Lot Line Adjustment. The \$427.99 would be distributed to the affected taxing entities through the ROPS process.

FISCAL IMPACT

The Successor Agency will be compensated for the 127 sq. ft. in question based on a recent appraisal of the property. All costs associated with the Lot Line Adjustment application are being paid for by the applicant.

RECOMMENDATION

Adopt Resolution No. 03-15 - A RESOLUTION OF THE OVERSIGHT BOARD OF THE OROVILLE SUCCESSOR AGENCY OF THE FORMER REDEVELOPMENT AGENCY OF THE CITY OF OROVILLE AUTHORIZING THE SUCCESSOR AGENCY TO TRANSFER A PORTION OF LAND AT 2044 MONTGOMERY STREET TO THE ADJACENT PROPERTY OWNER OF 2040 MONTGOMERY STREET THROUGH A LOT LINE ADJUSTMENT WITH FAIR COMPENSATION.

ATTACHMENTS

Resolution No. 03-15
Parcel Map

**OVERSIGHT BOARD
RESOLUTION NO. 03-15**

A RESOLUTION OF THE OVERSIGHT BOARD OF THE OROVILLE SUCCESSOR AGENCY OF THE FORMER REDEVELOPMENT AGENCY OF THE CITY OF OROVILLE AUTHORIZING THE SUCCESSOR AGENCY TO TRANSFER A PORTION OF LAND AT 2044 MONTGOMERY STREET TO THE ADJACENT PROPERTY OWNER OF 2040 MONTGOMERY STREET THROUGH A LOT LINE ADJUSTMENT WITH FAIR COMPENSATION

WHEREAS, the Oversight Board of the Oroville Successor Agency of the former Redevelopment Agency of the City of Oroville ("Oversight Board") has been established to direct the Successor Agency to the Redevelopment Agency of the City of Oroville ("Successor Agency") to take certain actions to wind down the affairs of the Redevelopment Agency in accordance with the Dissolution Act (enacted by Assembly Bills 26 and 1484, as codified in the California Health and Safety Code); and

WHEREAS, the Oroville Successor Agency received an approval of their Long-Range Property Management Plan from DOF on March 5, 2015; and

WHEREAS, it has been discovered that a building on an adjacent private property encroaches upon the Successor Agency owned property at 2044 Montgomery Street by 127 sq. ft.; and

WHEREAS, a Lot Line Adjustment must be completed to adjust the lot line such that the building does not cross onto the Successor Agency property; and

WHEREAS, this Lot Line Adjustment is necessary before the private party or the Successor Agency would be able to sell their respective properties; and

WHEREAS, Oversight Board desires to authorize the Successor Agency to transfer the land in question at 2044 Montgomery Street to the adjacent property owner of 2040 Montgomery Street through a lot line adjustment.

BE IT HEREBY RESOLVED by the Oversight Board as follows:

1. The Oversight Board of the Oroville Successor Agency of the former Redevelopment Agency of the City of Oroville hereby authorizes the Successor Agency to transfer a portion of land at 2044 Montgomery Street to the adjacent property owner of 2040 Montgomery Street through a Lot Line Adjustment with fair compensation.
2. The Secretary shall attest to the adoption of this resolution.

PASSED AND ADOPTED by the Oversight Board at a meeting on April 29, 2015,
by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

ATTEST:

Victoria Coots, Vice Chairperson

Jamie Hayes, Assistant Secretary

BASIS OF BEARINGS

The Basis of Bearings of this survey is between found monuments along the centerline of Meyers Street as shown on (R4) taken as N 23°44'30" W.

MAP REFERENCES

- (R) Record data as per Book 2 of Maps at Page 147
- (R2) Record data as per Wall Map No. 7
- (R3) Record data as per Wall Map No. 8
- (R4) Record data as per Book 102 of Maps at Page 83

SHEET LEGEND

- Calculated Point, Nothing Found or Set This Survey
- ⊗ Set 5/8" Rebar 18" Long Marked L.S. 3709
- ✱ Found monument as described in monument notes
- (M) Measured data per a field survey of property in August 2014.
- (C) Calculated Record Information
- Boundary of Parcel Surveyed
- - - Right of Way of Meyer Street and Montgomery Street
- - - Centerline of Meyer Street and Montgomery Street
- 1 Outside Lot Number per (R)
- ▨ Envelope of existing brick building encroachment

LINE TABLE

L1	N 66°22'15" E	24.08' (m)	N 66°22'100 E	24.08' (R) (R2) (R3)
L2	N 66°22'15" E	29.75' (m)	N 66°22'100 E	29.75' (R) (R2) (R3)
L3	N 66°22'15" E	12.08' (m)	N 66°22'100 E	12.08' (R) (R2) (R3)
L4	N 66°22'15" E	22.83' (m)	N 66°22'100 E	22.83' (R) (R2) (R3)
L5	N 66°22'15" E	12.00' (m)	N 66°22'100 E	12.00' (R) (R2) (R3)
L6	N 66°22'15" E	12.00' (m)	N 66°22'100 E	12.00' (R) (R2) (R3)
L7	N 66°22'15" E	22.83' (m)	N 66°22'100 E	22.83' (R) (R2) (R3)
L8	N 66°22'15" E	12.08' (m)	N 66°22'100 E	12.08' (R) (R2) (R3)
L9	N 66°22'15" E	29.75' (m)	N 66°22'100 E	29.75' (R) (R2) (R3)
L10	N 66°22'15" E	24.08' (m)	N 66°22'100 E	24.08' (R) (R2) (R3)
L11	N 66°22'15" E	31.79' (m)	N 66°22'100 E	31.79' calc (R) (R2)
L12	N 23°44'30" W	145.00' (m)	N 23°38'00" W	calc (R) (R2) (R3)
L13	N 23°44'30" W	145.00' (m)	N 23°38'00" W	calc (R) (R2) (R3)
L14	N 23°44'30" W	145.00' (m)	N 23°38'00" W	calc (R) (R2) (R3)
L15	N 23°44'30" W	145.00' (m)	N 23°38'00" W	calc (R) (R2) (R3)
L16	N 23°44'30" W	145.00' (m)	N 23°38'00" W	calc (R) (R2) (R3)
L17	N 23°44'30" W	145.00' (m)	N 23°38'00" W	calc (R) (R2) (R3)
L18	N 23°44'30" W	33.76' (m)	N 23°38'00" W	calc (R) (R2)
L19	N 23°44'30" W	33.32' (m)		
L20	N 23°44'30" W	105.00' (m)	N 23°38'00" W	(R)
L21	N 66°22'15" E	3.00' (m)		
L22	N 23°44'30" W	40.00' (m)	N 23°38'00" W	(R)

MONUMENT NOTES

- (A) Found Brass Disk in Monument Well Marked L.S. 5590, dredge bucket pin per (R4) not found
- (B) Found Brass Disk in Monument Well Marked L.S. 5590, dredge bucket pin per (R4) not found
- (C) Found Railroad Spike marked L.S. 4208 (not of record)

SURVEYOR'S STATEMENT

This map correctly represents a survey made by me or under my direction in conformance with the requirements of the Professional Land Surveyor's Act at the request of Rodger G. Daley in August 2014.

Charles L. Evans., L.S. 3709

Date



COUNTY SURVEYOR'S STATEMENT

This map has been examined in accordance with section 8766 of the Professional Land Surveyor's Act this _____ Day of _____ 2014.

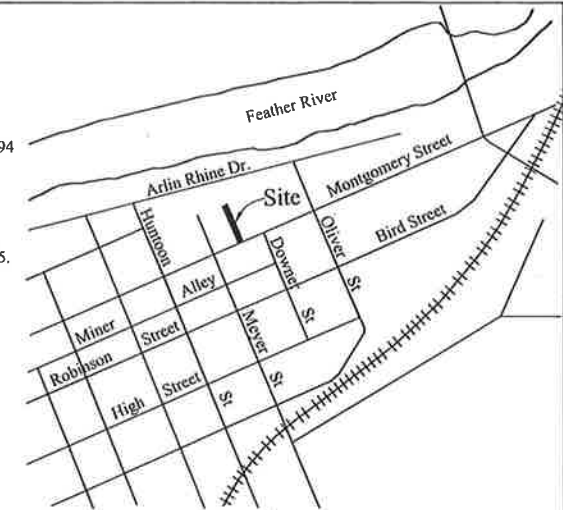
William H. Bridgnell, L.S. 8096
Deputy Butte County Surveyor

DEED REFERENCES

- (D) Record data as per Document No. 2013-0029895
- (D2) Record data as per Document No. 2004-0042479
- (D3) Record data as per Document No. 2013-0002924
- (D4) Record data as per Book 487 Official Record at Page 494

PURPOSE OF SURVEY

The Purpose of this field survey is to monument the boundaries as referred to in Document 2013-0029895.



LOCATION MAP

RECORDER'S STATEMENT

Filed this _____ Day of _____ at _____
In Book _____ of Maps, at Page _____
at the request of Rodger G. Daley

Candance J. Grubbs
Butte County Recorder

BY: _____
DEPUTY
RSN #: _____

RECORD OF SURVEY

Being a survey of the South One Half of Lot 5 as shown on that certain map "Official Map of unsold lots of the Oroville town site", filed in the Office of the Butte County Recorder in Book 2 of Maps at Page 147

Also being a portion of the
Northeast One Quarter of the Southwest One Quarter
of Section 8 Township 19 North., Range 4 East M.D.M.
located within the City of Oroville

State of California
For

Mariruth D. Gurley

And

Rodger G. Daley

2040 Montgomery Street
Oroville, California

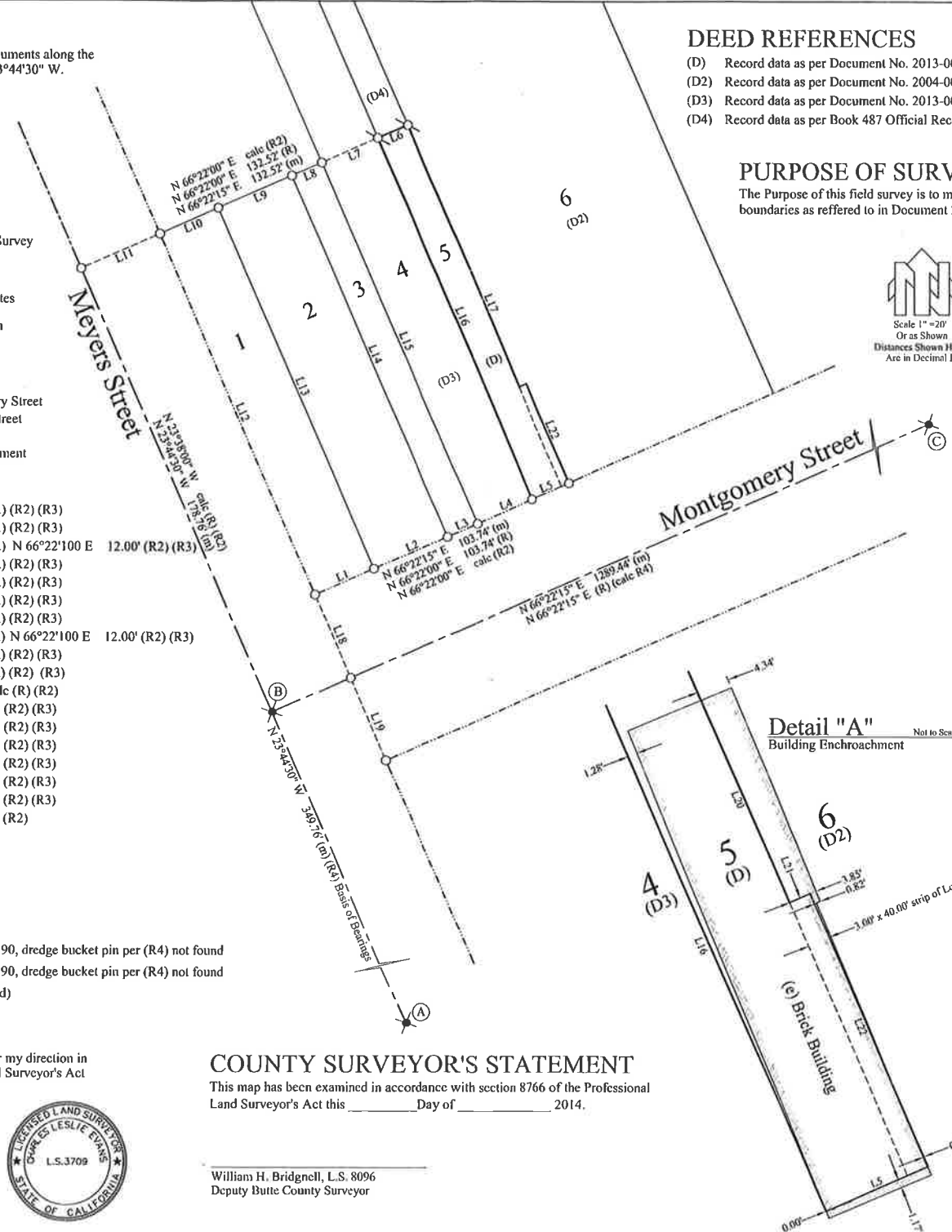
Document No. 2013-0029895

Prepared By

Compass Consulting Incorporated
1039 Elliott Road
Paradise, California 95969

August 2014

Sheet 1 of 1



**OVERSIGHT BOARD
STAFF REPORT**

TO: VICE CHAIRPERSON AND BOARD MEMBERS

FROM: RICK FARLEY, RDA COORDINATOR

RE: AGREEMENT WITH ROSENOW SPEVACEK GROUP, INC.

DATE: APRIL 29, 2015

SUMMARY

The Oversight Board of the Successor Agency to the Oroville Redevelopment Agency may consider approving an Agreement with Rosenow Spevacek Group, Inc. ("RSG") to provide Continuing Disclosure and Dissemination Agent Services as required by the Continuing Disclosure Certificate for the Successor Agency's Tax Allocation Refunding Bonds Series 2015A and Series 2015B.

DISCUSSION

The Successor Agency to the Oroville Redevelopment Agency ("Successor Agency") recently issued Tax Allocation Refunding Bonds Series 2015A and Series 2015B ("2015 TARB") that refunded bonds issued by the former Oroville Redevelopment Agency in 2002 and 2004.

The Continuing Disclosure Certificate for the 2015 TARB ("Disclosure Certificate") requires the Successor Agency to prepare an Annual Report due March 31 every year for the duration of the 2015 TARB issue. It also requires the Successor Agency to report any Significant Events as defined in the Disclosure Certificate, such as payment delinquencies, unscheduled draws on debt service reserves reflecting financial difficulties, and rating changes. The purpose of these reporting requirements is to inform bond holders about various factors affecting the Successor Agency's fiscal health and ability to make debt service payments on the bonds.

RSG has provided a proposal to prepare the Continuing Disclosure Annual Report, assist the Successor Agency with reporting Significant Events, and act as Dissemination Agent to post required reports and notices. RSG is very familiar with the Successor Agency's administrative and financial background and is experienced in providing the information required by the Disclosure Certificate.

RSG estimates a budget of \$5,500 per Annual Report to be billed on a time and materials basis. As the requirement for continuing disclosure runs for the duration of the 2015 TARB issue, RSG proposes a five-year commitment of the Successor Agency. If approved by the Successor Agency and Oversight Board, RSG's Continuing Disclosure and Dissemination Services contract will be placed

OB3

on the Recognized Obligation Payment Schedule ("ROPS") to be funded by Redevelopment Property Tax Trust Funds. The ROPS is subject to approval by the California Department of Finance; however it is anticipated to be approved as it is an item required by the bonds.

FISCAL IMPACT

It is anticipated that RSG's Agreement will be paid with Redevelopment Property Tax Trust Funds through the ROPS.

RECOMMENDATION

Adopt Resolution No. 04-15 - A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE OROVILLE REDEVELOPMENT AGENCY APPROVING AN AGREEMENT WITH ROSENOW SPEVACEK GROUP, INC. FOR CONTINUING DISCLOSURE AND DISSEMINATION AGENT SERVICES.

ATTACHMENTS

Resolution No. 04-15
Disclosure Certificate
Proposed RSG Contract

**OVERSIGHT BOARD
RESOLUTION NO. 04-15**

A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE OROVILLE REDEVELOPMENT AGENCY APPROVING A CONTRACT WITH ROSENOW SPEVACEK GROUP, INC. FOR CONTINUING DISCLOSURE AND DISSEMINATION AGENT SERVICES

WHEREAS, the Successor Agency to the Oroville Redevelopment Agency ("Successor Agency") has issued Tax Allocation Refunding Bonds Series 2015A and Series 2015B ("2015 TARB"); and

WHEREAS, the Form of Continuing Disclosure Certificate ("Disclosure Certificate", attached as Exhibit A) for the 2015 TARB requires the Successor Agency to meet certain reporting requirements, including the provision of an Annual Report due by March 31 annually and reporting Significant Events as defined in the Disclosure Certificate; and

WHEREAS, the Successor Agency approved a contract with Rosenow Spevacek Group, Inc. ("RSG") to provide continuing disclosure and dissemination agent services to prepare the Annual Report and report on Significant Events as described in the proposal attached as Exhibit B and has forwarded it to the Oversight Board for its approval; and

WHEREAS the Oversight Board to the Successor Agency to the Oroville Redevelopment Agency desires to approve the Successor Agency's contract with RSG as aforementioned.

BE IT HEREBY RESOLVED by the Oversight Board to the Successor Agency to the Oroville Redevelopment Agency as follows:

SECTION 1. The foregoing recitals are true and correct.

SECTION 2. The Oversight Board to the Successor Agency to the Oroville Redevelopment Agency approves the Successor Agency's contract with RSG to provide the services proposed in Exhibit B.

SECTION 3. The Secretary shall attest to the adoption of this Resolution.

PASSED and ADOPTED by the Oversight Board of the Oroville Successor Agency at a regular meeting on April 29, 2015 by the following vote:

/

/

/

/

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

Victoria Coots, Vice Chairperson

Jamie Hayes, Assistant Secretary

EXHIBIT A
CONTINUING DISCLOSURE CERTIFICATE
FOR THE 2015 TAX ALLOCATION REFUNDING BONDS SERIES 2015 A&B

APPENDIX E

FORM OF CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate"), dated _____, 2015, is executed and delivered by the Successor Agency to the Oroville Redevelopment Agency (the "Agency") in connection with the issuance of its \$18,380,000 principal amount Oroville Redevelopment Project No. 1, Tax Allocation Refunding Bonds, Series 2015A (the "2015A Bonds") and its \$525,000 principal amount Oroville Redevelopment Project No. 1 Tax Allocation Refunding Bonds Series 2015B (Taxable) (the "2015B Bonds" and together with the 2015A Bonds, the "Bonds"). The Bonds will be issued under the terms of a Indenture of Trust, dated as of April 1, 2015 (the "Indenture"), by and among the Authority, the Agency and U.S. Bank National Association, as trustee (the "Trustee"). The Agency covenants and agrees as follows:

Section 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Agency for the benefit of the holders and beneficial owners of the Bonds and in order to assist the Participating Underwriter in complying with the Rule (as defined below).

Section 2. Definitions. In addition to the definitions set forth in the Indenture, which apply to any capitalized term used in this Disclosure Certificate, unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Report" shall mean any Annual Report provided by the Agency pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"Dissemination Agent" shall mean, initially Rosenow Spevacek Group Inc., or any successor Dissemination Agent designated in writing by the Agency and which has filed with the Agency and the Trustee a written acceptance of such designation.

"EMMA" shall mean the Electronic Municipal Market Access system located at <http://www.emma.msrb.org>, as the centralized on-line repository for municipal disclosure documents to be filed with the MSRB pursuant to the Rule, or such other successor repository site as prescribed by the MSRB.

"Listed Events" shall mean any of the events listed in Section 5(a) of this Disclosure Certificate.

"MSRB" shall mean the Municipal Securities Rulemaking Board or any successor thereto.

"Official Statement" shall mean the final Official Statement relating to the Bonds.

"Participating Underwriter" shall mean Southwest Securities, Inc., as the original underwriter of the Bonds required to comply with the Rule in connection with offering of the Bonds.

"Rule" shall mean Rule 15c2-12(b)(5) adopted by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"SEC" shall mean the United States Securities and Exchange Commission.

Section 3. Provisions of Annual Reports.

(a) The Agency shall, or shall cause the Dissemination Agent to, no later than nine months after the close of each fiscal year, commencing with the report for the 2014-15 fiscal year, provide to the MSRB, via EMMA, an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may include by reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the Agency may be submitted separately from the balance of the Annual Report, and

later than the date required above for the filing of the Annual Report if not available by that date. If the Agency's fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(b).

(b) Not later than 15 business days prior to the date specified in subsection (a) above for providing the Annual Report to the MSRB, the Agency shall provide the Annual Report to the Dissemination Agent (if other than the Agency). If by such date, the Dissemination Agent has not received a copy of the Annual Report, the Dissemination Agent shall contact the Agency to determine if the Agency is in compliance with the first sentence of this subsection (b). The Agency shall provide a written certification with each Annual Report furnished to the Dissemination Agent to the effect that such Annual Report constitutes the Annual Report required to be furnished by it hereunder. The Dissemination Agent may conclusively rely upon such certification of the Agency and shall have no duty or obligation to review such Annual Report.

(c) If the Dissemination Agent is unable to verify that an Annual Report has been provided to the MSRB by the date required in subsection (a), the Dissemination Agent shall send a notice to the MSRB, in such form as prescribed by or acceptable to MSRB.

(d) The Dissemination Agent (if other than the Agency) shall, if and to the extent the Agency has provided an Annual Report in final form to the Dissemination Agent for dissemination, file a report with the Agency certifying that the Annual Report has been provided to the MSRB pursuant to this Disclosure Certificate, and stating the date it was provided.

Section 4. Content of Annual Reports. The Agency's Annual Report shall contain or incorporate by reference the following:

(a) A post-audit of the financial transactions and records of the Agency for the fiscal year to be made by an Independent Certified Public Accountant appointed by the Agency prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board. If the Agency's post-audit is not available by the time the Annual Report is required to be filed pursuant to Section 3(a), the Annual Report shall contain an unaudited statement of financial transactions and records of the Agency in a format required by Section 34177(n) of the Dissolution Act, and the post-audit shall be filed in the same manner as the Annual Report when they become available.

(b) Financial information and operating data relating to the Project Area contained in the Official Statement for the Bonds under the headings "PROJECT AREA — "Land Use," "— Largest Taxpayers," and "— Appeals" and "PLEDGED TAX REVENUES — Schedule of Historical RPTTF Revenues," in each case for the prior fiscal year.

(c) An update of the debt service coverage table shown in the Official Statement using the most recent fiscal year Pledged Tax Revenues.

(d) A listing of the amount of each distribution from the Butte County Auditor-Controller of property tax revenues from the Redevelopment Property Tax Trust Fund received by the Agency for its enforceable obligations for the most recent fiscal year, as reasonably available 15 days prior to the due date of each Annual Report.

Any or all of the items listed above for inclusion in the Annual Report may be included by specific reference to other documents, including official statements of debt issues of the Agency or related public entities, which have been available to the public on EMMA or filed with the SEC. The Agency shall clearly identify each such other document so included by reference.

Section 5. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 5, the Agency shall give, or cause to be given, notice of the occurrence of any of the following Listed Events with respect to the Bonds, which notice shall be given in a timely manner, not in excess of ten business days after the occurrence of such Listed Event:

- (1) Principal and interest payment delinquencies;
- (2) Non-payment related defaults, if material;
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) Substitution of credit or liquidity providers, or their failure to perform;
- (6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- (7) Modifications to rights of Bond owners, if material;
- (8) Bond calls, if material, and tender offers;
- (9) Defeasances;
- (10) Release, substitution, or sale of property securing repayment of the Bonds, if material
- (11) Rating changes;
- (12) Bankruptcy, insolvency, receivership or similar event of the Obligated Person, which shall occur as described below;
- (13) The consummation of a merger, consolidation, or acquisition involving the Agency or the sale of all or substantially all of the assets of the Agency, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
- (14) Appointment of a successor or additional trustee or the change of name of a trustee, if material.

For these purposes, any event described in item (12) of this Section 5(a) is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the Agency in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Agency, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Agency.

(b) Upon receipt of notice from the Agency and instruction by the Agency to report the occurrence of any Listed Event, the Dissemination Agent shall provide notice thereof to the MSRB in accordance with Section 5(c) hereof. In the event the Dissemination Agent shall obtain actual knowledge of the occurrence of any of the Listed Events, the Dissemination Agent shall, immediately after obtaining such knowledge, inform the Agency of the event and request that the Agency promptly notify the Dissemination Agent in writing whether or not to report the event pursuant to Section 5(c). For purposes of this Disclosure Agreement, "actual knowledge" of the occurrence of such Listed Event shall mean actual knowledge by the Dissemination Agent, if other than the Trustee, and if the Dissemination Agent is the Trustee, then by the officer at the corporate trust office of the Trustee with

regular responsibility for the administration of matters related to the Indenture. The Dissemination Agent shall have no responsibility to determine the materiality, if applicable, of any of the Listed Events.

(c) The Agency, or the Dissemination Agent, if the Dissemination Agent has been instructed by the Agency to report the occurrence of a Listed Event, shall file a notice of such occurrence with the MSRB in a timely manner not more than ten business days after the occurrence of the event.

Section 6. Termination of Reporting Obligation. The Agency's obligations under this Disclosure Certificate with respect to each series of the Bonds shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of such Bonds, the Agency shall give notice of such termination in the same manner as for a Listed Event under Section 5(b).

Section 7. Dissemination Agent. The initial Dissemination Agent shall be Rosenow Spevacek Group Inc. From time to time, the Agency may appoint a different Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate. The Dissemination Agent may resign by providing 30 days written notice to the Agency and the Trustee. The Agency may replace the Dissemination Agent with or without cause.

Section 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the Agency may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

(a) if the amendment or waiver relates to the provisions of Sections 3(a), 4 or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of an Obligated Person with respect to the Bonds, or type of business conducted;

(b) the undertakings herein, as proposed to be amended or waived, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the primary offering of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) the proposed amendment or waiver affecting the Bonds either (i) is approved by holders of the affected Bonds in the manner provided in the Indenture for amendments to the Indenture with the consent of holders, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the holders or beneficial owners of such Bonds.

If the annual financial information or operating data to be provided in the Annual Report is amended pursuant to the provisions hereof, the first annual financial information filed pursuant hereto containing the amended operating data or financial information shall explain, in narrative form, the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided. For purposes of this paragraph, "impact" has the meaning as that word is used in the letter from the staff of the Securities and Exchange Commission to the National Association of Bond Lawyers dated June 23, 1995.

If an amendment is made to the undertaking specifying the accounting principles to be followed in preparing financial statements, the annual financial information for the year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. The comparison shall include a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information, in order to provide information to investors to enable them to evaluate the ability of the Agency to meet its obligations. To the extent reasonably feasible, the comparison shall be quantitative. A notice of the change in the accounting principles shall be sent to the MSRB in the same manner as for a Listed Event under Section 5(b).

No amendment to this Agreement which modifies the duties or rights of the Dissemination Agent shall be made without the prior written consent of the Dissemination Agent.

Section 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Agency from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the Agency chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the Agency shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 10. Default. In the event of a failure of the Agency or the Dissemination Agent to comply with any provision of this Disclosure Certificate, any Participating Underwriter or any holder or beneficial owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Agency or the Dissemination Agent, as the case may be, to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an Event of Default under the Indenture, and the sole remedy under this Disclosure Certificate in the event of any failure of the Agency or the Dissemination Agent to comply with this Disclosure Certificate shall be an action to compel performance.

Section 11. Duties, Immunities and Liabilities of Dissemination Agent. The Agency agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of the disclosure of information pursuant to this Disclosure Certificate or arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorney's fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The Dissemination Agent has only such duties as are specifically set forth in this Disclosure Certificate. The Dissemination Agent (if different than the Agency) shall be paid compensation by the Agency for its services provided hereunder in accordance with its schedule of fees as amended from time to time. The Dissemination Agent shall have no duty or obligation to review any information provided to it hereunder and shall not be deemed to be acting in any fiduciary capacity for the Agency, the Owners, or any other party. The Dissemination Agent may rely and shall be protected in acting or refraining from acting upon any direction from the Agency or an opinion of nationally recognized bond counsel. The obligations of the Agency under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

Section 12. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Agency, the Dissemination Agent, the Participating Underwriter and holders and beneficial owners from time to time of the Bonds, and shall create no rights in any other person or entity.

IN WITNESS WHEREOF, the Agency has caused its duly authorized officer to execute and deliver this Certificate on the date first written above.

**SUCCESSOR AGENCY TO THE OROVILLE
REDEVELOPMENT AGENCY**

By: _____
Acting Executive Director

EXHIBIT B
PROPOSAL FOR CONTINUING DISCLOSURE AND DISEMINATION AGENT
SERVICES



BETTER COMMUNITIES. BOLDER FUTURES.

**ROSENOW SPEVACEK GROUP INC.
309 WEST 4TH STREET
SANTA ANA, CALIFORNIA
92701-4502**

**T 714 541 4585
F 714 541 1175
E INFO@WEBRSG.COM
WEBRSG.COM**

Via Electronic Mail

March 5, 2015

Rick Farley, Enterprise Zone & Business Assistance Coordinator
Ruth Wright, Finance Director
CITY OF OROVILLE
OROVILLE SUCCESSOR AGENCY
1735 Montgomery Street
Oroville, CA 95965

PROPOSAL FOR CONTINUING DISCLOSURE AND DISSEMINATION AGENT SERVICES

Dear Mr. Farley:

Rosenow Spevacek Group, Inc. ("RSG") is pleased to present this proposal to the Successor Agency to the Oroville Redevelopment Agency ("Successor Agency") to help implement the requirements of the Form of Continuing Disclosure Certificate ("Disclosure Certificate") for the proposed 2015 Tax Allocation Refunding Bonds ("2015 TARB"). RSG's primary role would be to prepare the Annual Continuing Disclosure Report and assist the Successor Agency with reporting significant events relating to the bonds. RSG would also act as Dissemination Agent and post the Annual Report and significant event notices, as required by the Disclosure Certificate.

SCOPE OF SERVICES

Annual Continuing Disclosure Report

RSG will prepare an Annual Report that meets the requirements of the Disclosure Certificate. The following contents are based on a draft version of the Disclosure Certificate; the actual contents will adhere to the final version of the Disclosure Certificate approved with the 2015 TARB closing. The Annual Report will include, or incorporate by reference:

- Comprehensive Annual Financial Report of the City and Successor Agency for the Fiscal Year Ending June 30, 2015
- Updated financial and operating data substantially in the format presented in the Official Statement for the 2015 TARB relating to:
 - Project Area Land Use

**FISCAL HEALTH
ECONOMIC DEVELOPMENT
REAL ESTATE, HOUSING
AND HEALTHY COMMUNITIES**

- Top Ten Taxpayers
- Five-Year Historical Assessed Valuation and Property Tax / RPTTF Revenues
- Assessed Value Appeals
- A debt service coverage table updated with the most recent fiscal year
- Redevelopment Property Tax Trust Fund ("RPTTF") distributions received by the Successor Agency for each ROPS period in the most recent fiscal year

As Dissemination Agent, RSG will post the Annual Report to the Electronic Municipal Market Access ("EMMA") database by March 31 of each year. RSG will send the Successor Agency proof of the submission, including the submission date.

The first Annual Report will report on Fiscal Year 2014-15 activities and will be posted on EMMA by March 31, 2016. RSG will prepare subsequent Annual Reports upon mutual agreement by RSG and the Successor Agency to continue having RSG serve in the same capacity.

Reporting of Significant Events

RSG will assist the Successor Agency with reporting the following significant events as identified in the draft Disclosure Certificate (this list may be updated when the final Disclosure Certificate is available):

1. Principal and interest payment delinquencies;
2. Non-payment related defaults, if material;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
7. Modifications to rights of Bond owners, if material;
8. Bond calls, if material, and tender offers;
9. Defeasances;
10. Release, substitution, or sale of property securing repayment of the Bonds, if material
11. Rating changes;
12. Bankruptcy, insolvency, receivership or similar event of the Obligated Person;
13. The consummation of a merger, consolidation, or acquisition involving the Agency or the sale of all or substantially all of the assets of the Agency, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and

14. Appointment of a successor or additional trustee or the change of name of a trustee, if material.

By execution of this letter, RSG hereby requests Successor Agency staff to notify us of Significant Events in a timely manner as identified in the final Disclosure Certificate (within one business day of the event, if possible). We are available to advise on identifying whether a Significant Event has occurred, such as if there is an unscheduled draw on debt service. As Dissemination Agent, RSG will file a notice of significant events on EMMA within ten business days after the occurrence of the event, to the extent possible. RSG shall not be liable for failing to file notices of significant events that it was not informed of by the Successor Agency. The draft Disclosure Certificate describes additional "Duties, Immunities and Liabilities of the Dissemination Agent".

FEE QUOTE & STAFFING

While the requirement for continuing disclosure runs for the duration of the 2015 TARB issue, RSG is proposing a five-year commitment of the Successor Agency so that we may have the ability to revisit our total budget periodically to ensure that it is fair and reasonable. At this point, RSG estimates a budget of \$5,500 per Annual Report, to be billed on a time and materials basis. This includes reimbursable fees for third party data, including the equalized assessment roll. We will bill only those hours actually worked and will not undertake any work outside the scope without a direct request and authorization from City staff. Invoices will be billed at the following hourly rates:

Principal/Director	\$210
Senior Associate	\$165
Associate	\$150
Senior Analyst	\$125
Analyst	\$115
Research Assistant	\$100
Technician	\$ 75
Clerical	\$ 60

Reimbursable Expenses Cost plus 10%

RSG does not charge clients for travel or mileage (except direct costs related to field work/surveys), parking, standard telephone/fax expenses, general postage or incidental copies. However, we do charge for messenger services, overnight shipping/express mail costs and teleconferencing services. Any third party data required may also be charged to the client, such as the equalized assessment roll and other County data fees. We also charge for copies of reports, documents, notices, and support material in excess of five (5) copies. These costs are charged back at the actual expense plus a 10% surcharge.

This engagement will be completed by Jim Simon, Principal, Suzy Kim, Associate, and Ya-yin Isle, Associate. Other staff may be assigned as needed.

RSG's continuing disclosure fees may be placed on the Successor Agency's Recognized Obligation Payment Schedule ("ROPS") to be paid as an enforceable obligation (not as an administrative cost). RSG's fees for preparing the Fiscal Year 2014-15 Annual Report may be placed on the ROPS 15-16B; fees for subsequent years may be paid in the ROPS B periods

Ruth Wright & Rick Farley
CITY OF OROVILLE
March 5, 2015
Page 4

covering January through June. As noted in the Disclosure Certificate, the Successor Agency may replace the Dissemination Agent with or without cause, and RSG may resign as Dissemination Agent by providing 30 days written notice to the Successor Agency and the Trustee.

Should you have any questions or concerns please do not hesitate to contact Suzy Kim at 714-316-2116. A signature line is on the following page to sign and return via fax (714-541-1175) or email (skim@webrsg.com). RSG can also execute a contract in a format provided by the City if desired.

Sincerely,
ROSENOW SPEVACEK GROUP, INC.



Jim Simon
Principal



Suzy Kim
Associate

Authorized to Proceed by:

Signature

Date

Name & Title

**OVERSIGHT BOARD
STAFF REPORT**

TO: CHAIRPERSON AND BOARD MEMBERS

FROM: RICK FARLEY, RDA COORDINATOR

**RE: APPROVAL OF THE BOND EXPENDITURE AGREEMENT
BETWEEN THE CITY OF OROVILLE AND THE OROVILLE
SUCCESSOR AGENCY**

DATE: APRIL 29, 2015

SUMMARY

The Oversight Board is being asked to re-consider and approve a Bond Expenditure Agreement between the City of Oroville and the Successor Agency for the transfer of approximately \$3,390,018 of excess bond proceed to the City of Oroville for projects previously funded, which were eligible for and consistent with the original bond covenants.

DISCUSSION

Pursuant to AB 1484, the amended state legislation dissolving redevelopment agencies, Health and Safety Code Section 34191.4(c), successor agencies are allowed to spend so-called "excess bond proceeds", which are pre-2011 tax allocation bond proceeds that are otherwise not obligated for a project, once a Finding of Completion has been received from the Department of Finance ("DOF"). The expenditure of these excess bond proceeds must still comply with the bond covenants for which the bonds were issued.

The former Redevelopment Agency of the City of Oroville issued bonds as follows:

- 1995 Tax Allocation Revenue Bond - \$5,000,000
- 2002 Tax Allocation Revenue Bond - \$18,255,000
- 2004 Series A Tax Allocation Revenue Bond - \$8,480,000
- 2004 Series B Tax Allocation Revenue Bond - \$2,145,000

The Oroville Successor Agency received their Finding of Completion on May 6, 2014 and at this time requests approval of a Bond Expenditure Agreement between the City of Oroville and the Successor Agency which would authorize the transfer of all unspent bond proceeds from the Successor Agency to the City in order to reimburse projects and activities eligible for and consistent with the bond covenants, but which were funded at the time with other City funds. As of the last accounting, there is approximately \$3,390,018 in excess bond proceeds from the Series 1995, Series 2002 and Series 2004 tax allocation bonds. The amount is approximate due to accruing interest, and the total amount to be

transferred to the City may be adjusted after the execution of the Agreement, to the actual amount on the day of the transfer.

Exhibit A shows a list of the projects that are being proposed for reimbursement with the unspent bond proceeds, the amounts previously expended with other funds, and the date of the original expenditure. All of these projects are eligible for bond funds per the original bond covenants.

The attached Bond Expenditure Agreement will be a master agreement authorizing the City to use excess bond proceeds transferred from the Successor Agency, consistent with bond covenants, on projects and programs indicated in Exhibit A. As shown in the attached official statements for the bond issuances, the bonds were originally issued for projects for the Oroville Redevelopment Project No. 1 including public facility improvements, private development projects, rehabilitation projects, revitalization of the Oroville Riverfront and downtown areas, parking and road improvements, purchase of land and buildings for resale to private developers, loans to private developers and a revolving loan fund, and other projects allowed under the Redevelopment Plan.

FISCAL IMPACT

Approval of the Bond Expenditure Agreement would allow the City of Oroville to receive excess bond funds to fund approximately \$3,390,018 worth of projects shown in Exhibit A consistent with the bond covenants and the original intent of the bonds.

RECOMMENDATION

Adopt Resolution No. 05-15 - A RESOLUTION OF THE OVERSIGHT BOARD OF THE OROVILLE SUCCESSOR AGENCY OF THE FORMER REDEVELOPMENT AGENCY OF THE CITY OF OROVILLE ADOPTING THE BOND EXPENDITURE AGREEMENT BETWEEN THE CITY OF OROVILLE AND THE OROVILLE SUCCESSOR AGENCY.

ATTACHMENTS

Resolution No. 05-15
Bond Expenditure Agreement
Schedule of Project Expenses to be Reimbursed by Bond Proceeds

**OVERSIGHT BOARD
RESOLUTION NO. 05-15**

A RESOLUTION OF THE OVERSIGHT BOARD OF THE OROVILLE SUCCESSOR AGENCY OF THE FORMER REDEVELOPMENT AGENCY OF THE CITY OF OROVILLE ADOPTING THE BOND EXPENDITURE AGREEMENT BETWEEN THE CITY OF OROVILLE AND THE OROVILLE SUCCESSOR AGENCY

WHEREAS, the Oroville Successor Agency ("Successor Agency") received its Finding of Completion under Health and Safety Code Section 34179.7 from the California Department of Finance on May 6, 2014; and

WHEREAS, Health and Safety Code Section 34191.4(c) allows a successor agency that has received a finding of completion to use bond proceeds from bonds issued prior to 2011 for purposes for which the bonds were sold, provides that such proceeds in excess of amounts needed to satisfy approved enforceable obligations shall be expended in a manner consistent with the original bond covenants, and further provides that such expenditures shall constitute "excess bond proceeds obligations" that shall be listed separately on the successor agency's Recognized Obligation Payment Schedule ("ROPS"); and

WHEREAS, as of its last accounting, the Successor Agency has determined it is holding so-called "excess bond proceeds" in the amount of approximately \$3,390,018 (said amount may be adjusted, increased or decreased after the date of this Agreement) that are not otherwise obligated for a project or other enforceable obligations from the 1995, 2002, 2004 Series A and Series B Tax Allocation Revenue Bonds for the Oroville Redevelopment Project No. 1; and

WHEREAS, the Successor Agency desires to provide excess bond proceeds to the City of Oroville to reimburse the City for previously funded projects eligible for and consistent with the original bond covenants, as shown in Exhibit A; and

WHEREAS, the Agreement would advance the City's community development goals while maximizing fiscal and social benefits flowing to the taxing entities from successful development. The City Council has found that the use of excess bond proceeds to fund projects detailed in the Agreement is in accordance with Health and Safety Code Sections 33445, 33445.1, and 33679, the original bond covenants, and other applicable laws; and

BE IT HEREBY RESOLVED by the Oversight Board of the Oroville Successor Agency as follows:

SECTION 1. The foregoing recitals are true and correct.

SECTION 2. The Oversight Board of the Oroville Successor Agency determines that the expenditure of excess bond proceeds in accordance with the attached Agreement will benefit the affected taxing entities, and herein approves the execution of the attached Agreement and the provision of excess bond proceeds to the City for the purposes described.

SECTION 3. The Secretary shall attest to the adoption of this Resolution.

PASSED and ADOPTED by the Oversight Board of the Oroville Successor Agency at a regular meeting on April 29, 2015 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

Victoria Coots, Vice Chairperson

Jamie Hayes, Assistant Secretary

BOND EXPENDITURE AGREEMENT

This Bond Expenditure Agreement (the "Agreement") is entered into effective _____, 2015, by and between the City of Oroville, a municipal corporation (the "City"), and the Oroville Redevelopment Successor Agency, successor agency to the Redevelopment Agency of the City of Oroville under Health and Safety Code Section 34173 ("Oroville SA") pursuant to City Council Resolution No. _____, Oroville SA Resolution No. _____, and the Oroville Oversight Board Resolution No. _____.

Recitals

A. Oroville SA received its Finding of Completion under Health and Safety Code Section 34179.7 from the California Department of Finance on May 6, 2014.

B. Health and Safety Code Section 34191.4(c) allows a successor agency that has received a finding of completion to use bond proceeds from bonds issued prior to 2011 for purposes for which the bonds were sold, provides that such proceeds in excess of amounts needed to satisfy approved enforceable obligations shall be expended in a manner consistent with the original bond covenants, and further provides that such expenditures shall constitute "excess bond proceeds obligations" that shall be listed separately on the successor agency's Recognized Obligation Payment Schedule ("ROPS").

C. Oroville SA has so so-called "excess bond proceeds," i.e., pre-2011 tax allocation bond proceeds that are not otherwise obligated for a project or other enforceable obligation from the 1995, 2002 and 2004 Series A and Series B Tax Allocation Revenue Bonds for the Oroville Redevelopment Project No.1. Oroville SA wishes to use such proceeds for redevelopment purposes consistent with applicable bond covenants.

D. The California Community Redevelopment Law (Health and Safety Code Section 33000, et seq.) provides for a cooperative relationship between cities and their redevelopment agencies, as well as their successor agencies who have assumed the duties and obligations of the former redevelopment agencies. Under Health and Safety Code Section 33220, a city may aid and cooperate in the planning, undertaking, construction, or operation of redevelopment projects. Health and Safety Code Section 33220(e) specifically authorizes a city to enter into an agreement with its redevelopment agency or any other public entity to further redevelopment purposes. Health and Safety Code Section 34178 allows a successor agency and its sponsoring city to enter into agreements with the approval of the Oversight Board.

E. Oroville SA desires to provide excess bond proceeds to the City to enable the City to use such funds, in a manner consistent with the original bond covenants; to reimburse the City for projects and programs that were previously funded and obligated by the Oroville Redevelopment Agency and/or the City as shown in Exhibit A. The transfer of these funds to the City would advance the City's community development goals while maximizing fiscal and social benefits flowing to the taxing entities. The City Council has found that the use of excess

bond proceeds to fund projects is in accordance with Health and Safety Code Sections 33445, 33445.1, and 33679, the bond covenants, and other applicable law. The Oroville Oversight Board has determined that the expenditure of excess bond proceeds in accordance with this Agreement will benefit the affected taxing entities, and has approved the execution of this Agreement and the provision of excess bond proceeds to the City for the purposes described herein.

F. In order to facilitate the use of excess bond proceeds consistent with the bond covenants, Oroville SA and the City have negotiated this Agreement requiring the transfer of current excess bond proceeds by Oroville SA to the City, and the City's use of such proceeds as shown in Exhibit A and consistent with bond covenants. The parties intend that this Agreement shall constitute an excess bond proceeds obligation within the meaning of Health and Safety Code Section 34191.4(c)(2)(A) to be paid from excess bond proceeds. With Oversight Board approval, Oroville SA will list this Agreement, and the requirement to transfer excess bond proceeds herein, on its Recognized Obligation Payment Schedule ("ROPS") for July through December 2015 ("ROPS 15-16A") as an obligation to be funded with excess bond proceeds.

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

1. RECITALS

The recitals above are an integral part of this Agreement and set forth the intentions of the parties and the premises on which the parties have decided to enter into this Agreement.

2. Oroville SA'S OBLIGATIONS

Oroville SA shall have the following obligations under this Agreement:

2.1. **CURRENT EXCESS BOND PROCEEDS.** Oroville SA shall transfer to the City Excess Bond Proceeds currently held by Oroville SA in an amount of \$3,390,018 (said amount may be adjusted, increased or decreased after the date of this Agreement to the actual amount on the date of transfer).

2.2. **FUTURE EXCESS BOND PROCEEDS.** Oroville SA shall transfer to the City all future Excess Bond Proceeds held or received by Oroville SA. Such future Excess Bond Proceeds shall include, without limitation, (1) Bond Proceeds previously obligated to a project or other Enforceable Obligation that become unobligated for any reason, (2) Bond Proceeds that become available in the form of rents, sale proceeds, loan repayments, or other revenues that are generated by properties or other assets acquired and/or improved with Bond Proceeds and that are not otherwise obligated to a project or other Enforceable Obligation, and (3) any other funds held by Oroville SA that qualify as Excess Bond Proceeds under this Agreement.

The parties intend that payments of future Excess Bond Proceeds be made to the City as soon as possible after such Excess Bond Proceeds become available. The transfer of future Excess Bond Proceeds shall be made pursuant to an approved ROPS within 30 days of the commencement of the relevant ROPS period. Oroville SA shall be responsible for ensuring that payments of future Excess Bond Proceeds, as such funds become available, are included on the next possible ROPS.

2.3. PROJECTS FUNDED BY EXCESS BOND PROCEEDS. Oroville SA assigns to the City all responsibilities in relation to the administration of any projects or programs funded by Excess Bond Proceeds. Oroville SA assigns to the City all contracts entered into by Oroville SA or the former Redevelopment Agency of the City of Oroville related to activities to be funded by Excess Bond Proceeds, with the exception of those contracts retained by Oroville SA relating to Enforceable Obligations.

3. CITY'S OBLIGATIONS

The City shall have the following obligations under this Agreement:

3.1. RETENTION OF EXCESS BOND PROCEEDS. The City shall accept, hold, and disburse Excess Bond Proceeds transferred to the City by Oroville SA under this Agreement, including current Excess Bond Proceeds and future Excess Bond Proceeds. The City shall retain any Excess Bond Proceeds that it receives, such as revenue generated from properties acquired or improved with Excess Bond Proceeds or payments on loans funded from Excess Bond Proceeds, without any obligation to return such funds to Oroville SA, and shall use such funds to reimburse for projects as identified in Exhibit A, consistent with applicable bond covenants.

3.2. USE OF EXCESS BOND PROCEEDS. The City may spend Excess Bond Proceeds received or retained under this Agreement on any project, program, or activity consistent with the original bond covenants applicable to the particular Excess Bond Proceeds, and must comply with all requirements of federal tax law and all applicable requirements of the California Community Redevelopment Law as to the use of such funds. The City shall be solely responsible for ensuring that Excess Bond Proceeds are maintained and spent in accordance with bond covenants and other applicable laws. The City may transfer funds between approved projects, programs and activities, as long as the transfer is within a single project area if applicable bond covenants restrict such funds to a particular project area.

The City shall indemnify and defend Oroville SA, and its officers and agents, against, and shall hold Oroville SA, and its officers and agents, harmless from, any claims, causes of action, or liabilities arising from the misuse of Excess Bond Proceeds by the City or the failure of the City to ensure that Excess Bond Proceeds are used in accordance with bond covenants, federal tax law, and the California Community Redevelopment Law.

The City assumes all contracts entered into by Oroville SA or the former Redevelopment Agency of the City of Oroville related to activities to be funded by Excess Bond Proceeds, with the exception of those contracts retained by Oroville SA relating to Enforceable Obligations. The City shall perform its obligations hereunder, and under such assumed contracts, in accordance with the applicable provisions of federal, state and local laws, including the obligation to comply with environmental laws such as CEQA, and shall timely complete the work required for each project.

4. ENTIRE AGREEMENT; WAIVERS; AND AMENDMENTS

4.1. This Agreement constitutes the entire understanding and agreement of the parties with respect to the transfer and use of Excess Bond Proceeds. This Agreement integrates all of the terms and conditions mentioned herein or incidental hereto, and supersedes all negotiations or previous agreements between the parties with respect to the subject matter of this Agreement.

4.2. This Agreement is intended solely for the benefit of the City and Oroville SA. Notwithstanding any reference in this Agreement to persons or entities other than the City and Oroville SA, there shall be no third party beneficiaries under this Agreement.

4.3. All waivers of the provisions of this Agreement and all amendments to this Agreement must be in writing and signed by the authorized representatives of the parties.

5. SEVERABILITY

If any term, provisions, covenant or condition of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the provisions shall continue in full force and effect unless the rights and obligations of the parties have been materially altered or abridged by such invalidation, voiding or unenforceability. In addition, the parties shall cooperate in good faith in an effort to amend or modify this Agreement in a manner such that the purpose of any invalidated or voided provision, covenant, or condition can be accomplished to the maximum extent legally permissible.

6. DEFAULT

If either party fails to perform or adequately perform an obligation required by this Agreement within thirty (30) calendar days of receiving written notice from the non-defaulting party, the party failing to perform shall be in default hereunder. In the event of default, the non-defaulting party will have all the rights and remedies available to it at law or in equity to enforce the provisions of this contract, including without limitation the right to sue for damages for breach of contract or to seek specific performance. The rights and remedies of the non-defaulting party enumerated in this paragraph are cumulative and shall not limit the non-defaulting party's rights under any other provision of this Agreement, or otherwise waive or deny any right or remedy, at law or in equity, existing as of the date of the Agreement or hereinafter enacted or established, that may be available to the non-defaulting party against the defaulting party.

7. BINDING ON SUCCESSORS

This Agreement shall be binding on and shall inure to the benefit of all successors and assigns of the parties, whether by agreement or operation of law.

8. FURTHER ASSURANCES

Each party agrees to execute, acknowledge and deliver all additional documents and instruments, and to take such other actions as may be reasonably necessary to carry out the intent of this Agreement.

[SIGNATURES ON NEXT PAGE]

In witness whereof, the undersigned parties have executed this Bond Expenditure Agreement effective as of the date first above written.

“CITY”

THE CITY OF OROVILLE,
a municipal corporation

By: _____
Donald Rust, Acting City Administrator

Approved as to form and legality:

By: _____
Scott Huber, City Attorney

“OROVILLE SA”

THE OROVILLE REDEVELOPMENT SUCCESSOR AGENCY, successor agency to the
Redevelopment Agency of the City of Oroville under Health and Safety Code Section 34173

By: _____
Donald Rust, Acting Oroville SA
Administrator

Approved as to form and legality:

By: _____
Scott Huber, Oroville SA Counsel

Exhibit A – Schedule of Project Expenses to be Reimbursed by Bond Proceeds

DRAFT



April 14, 2015

Mr. Jim Simon, Consultant
City of Oroville
309 W. Fourth St
Santa Ana, CA 92701

Dear Mr. Simon:

Subject: Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34177 (m), the City of Oroville Successor Agency (Agency) submitted a Recognized Obligation Payment Schedule (ROPS 15-16A) to the California Department of Finance (Finance) on March 3, 2015 for the period of July 1 through December 31, 2015. Finance has completed its review of your ROPS 15-16A, which may have included obtaining clarification for various items.

Based on a sample of line items reviewed and application of the law, Finance made the following determinations:

- Item No. 4 – Fiscal Agency Fees and Arbitrage Rebate Services in the amount of \$192,000 is not an obligation of the Agency. It is our understanding the agreement entered into on December 17, 2013 is between the City of Oroville and Wildan Financial Services. The former redevelopment agency (RDA) or the Agency is not a party to the contract. Furthermore, the Fiscal Agent Fees, and Arbitrage Rebate Services were for Series 2002, 2004, and 2004B bonds which were refunded with Agency's 2015 Bonds. This line item is not an enforceable obligation and is not eligible for Redevelopment Property Tax Trust Fund (RPTTF) funding.
- Item No. 21 – City loan repayment in the amount of \$960,812 is not allowed. The Agency received a Finding of Completion on May 6, 2014. As such, the Agency may place loan agreements between the former redevelopment agency and sponsoring entity on the ROPS, as an enforceable obligation, provided the oversight board makes a finding the loan was for legitimate redevelopment purposes per HSC section 34191.4 (b) (1). Additionally, HSC section 34191.4 (b) (2) (A) specifies this repayment to be equal to one-half of the increase between the ROPS residual pass-through distributed to the taxing entities in that fiscal year and the ROPS residual pass-through distributed to the taxing entities in the fiscal year 2012-13 base year.

According to the County Auditor-Controller's report, the ROPS residual pass-through amount distributed to the taxing entities for fiscal year 2012-13 and applicable comparison year (2014-15) are \$5,599,724 and \$3,827,435, respectively. Pursuant to the repayment formula, the maximum repayment amount authorized for applicable fiscal

year (2015-16) is \$0. Therefore, of the \$960,812 requested is not eligible for funding on this ROPS. The Agency may be eligible for additional funding on a future ROPS.

- Item No. 22 – Housing Successor Entity Administrative Cost Allowance in the amount of \$500,000. Pursuant to HSC section 34171 (p), the housing entity administrative cost allowance is applicable only in cases where the city, county, or city and county that authorized the creation of the RDA elected to not assume the housing functions and that the housing functions were transferred to a local housing authority in the territorial jurisdiction of the RDA. Here, however, the City of Oroville (City) elected to be the housing entity to the RDA and retained the housing assets by submitting the housing asset transfer form to Finance on August 1, 2012. Therefore, the City is not eligible for the housing entity administrative costs allowance of \$150,000.

During our review, which may have included obtaining financial records, Finance determined the Agency possesses funds that should be used prior to requesting RPTTF. Pursuant to HSC section 34177 (l) (1) (E), RPTTF may be used as a funding source, but only to the extent no other funding source is available or when payment from property tax revenues is required by an enforceable obligation. The Agency provided financial records that displayed available Other Funds totaling \$7,387.

Therefore, the funding source for the following item has been reclassified to Other Funds in the amount specified below:

- Item No. 25 – Interim Property Management in the amount of 15,000. The Agency requests \$15,000 of RPTTF; however, Finance is reclassifying \$7,387 to Reserve Balances. This item is an enforceable obligation for the ROPS 15-16A period. However, the obligation does not require payment from property tax revenues and the Agency has \$7,387 in available Reserve Balances. Therefore, Finance is approving RPTTF in the amount of \$7,613 and the use of Other Funds in the amount of \$7,387, totaling \$15,000.

Pursuant to HSC section 34186 (a), successor agencies were required to report on the ROPS 15-16A form the estimated obligations and actual payments (prior period adjustments) associated with the July through December 2014 period. HSC section 34186 (a) also specifies prior period adjustments self-reported by successor agencies are subject to audit by the county auditor-controller (CAC) and the State Controller. Proposed CAC adjustments were not received in time for inclusion in this letter; therefore, the amount of RPTTF in the table below only reflects the prior period adjustment self-reported by the Agency.

Except for the items denied in whole or in part and the item that has been reclassified, Finance is not objecting to the remaining items listed on your ROPS 15-16A. If you disagree with the determination with respect to any Items on your ROPS 15-16A, you may request a Meet and Confer within five business days of the date of this letter. The Meet and Confer process and guidelines are available at Finance's website below:

http://www.dof.ca.gov/redevelopment/meet_and_confer/

The Agency's maximum approved RPTTF distribution for the reporting period is \$1,327,019 as summarized in the Approved RPTTF Distribution table below:

Approved RPTTF Distribution	
For the period of July through December 2015	
Total RPTTF requested for non-administrative obligations	2,176,312
Total RPTTF requested for administrative obligations	275,000
Total RPTTF requested for obligations on ROPS	\$ 2,451,312
Total RPTTF requested for non-administrative obligations	2,176,312
<u>Denied Items</u>	
Item No. 4	(6,000)
Item No. 21	(960,812)
	(966,812)
<u>Cash Balances - Item reclassified to Other Funds</u>	
Item No. 25	(7,387)
	(7,387)
Total RPTTF authorized for non-administrative obligations	\$ 1,202,113
Total RPTTF requested for administrative obligations	275,000
<u>Denied Item</u>	
Item No. 22	(150,000)
Total RPTTF authorized for administrative obligations	\$ 125,000
Total RPTTF authorized for obligations	\$ 1,327,113
ROPS 14-15A prior period adjustment	(94)
Total RPTTF approved for distribution	\$ 1,327,019

Please refer to the ROPS 15-16A schedule that was used to calculate the approved RPTTF amount:

<http://www.dof.ca.gov/redevelopment/ROPS>

Absent a Meet and Confer, this is Finance's final determination related to the enforceable obligations reported on your ROPS for July 1 through December 31, 2015. This determination only applies to items where funding was requested for the six-month period. Finance's determination is effective for this time period only and should not be conclusively relied upon for future periods. All items listed on a future ROPS are subject to a subsequent review and may be denied even if it was or was not denied on this ROPS or a preceding ROPS. The only exception is for those items that have received a Final and Conclusive determination from Finance pursuant to HSC section 34177.5 (i). Finance's review of items that have received a Final and Conclusive determination is limited to confirming the scheduled payments as required by the obligation.

The amount available from the RPTTF is the same as the amount of property tax increment that was available prior to the enactment of ABx1 26 and AB 1484. This amount is not and never was an unlimited funding source. Therefore, as a practical matter, the ability to fund the items on the ROPS with property tax is limited to the amount of funding available to the agency in the RPTTF.

Pursuant to HSC section 34177 (a) (3), only those payments listed on an approved ROPS may be made by the successor agency from the funds specified in the ROPS. However, if the Agency needs to make payments for approved obligations from another funding source, HSC section 34177 (a) (4) requires the Agency to first obtain oversight board approval.

Mr. Jim Simon
April 14, 2015
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Please direct inquiries to Beliz Chappuie, Supervisor or Satveer Ark, Lead Analyst at (916) 445-1546.

To the extent proceeds from bonds issued after December 31, 2010 exist and are not encumbered by an enforceable obligation pursuant to HSC section 34171 (d), HSC section 34191.4 (c) (2) (B) requires these proceeds be used to defease the bonds or to purchase those same outstanding bonds on the open market for cancellation.

Please direct inquiries to Beliz Chappuie, Supervisor or Satveer Ark, Lead Analyst at (916) 445-1546.

Sincerely,



JUSTYN HOWARD
Program Budget Manager

cc: Mr. Rick Farley, Business Assistance Coordinator, City of Oroville
Ms. Maria Solis, Auditor - Accountant, Butte County
California State Controller's Office