

## RESOLUTION OB 2014-002

### A RESOLUTION OF THE OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE TOWN OF LOS GATOS APPROVING A REIMBURSEMENT AGREEMENT BETWEEN THE SUCCESSOR AGENCY AND THE TOWN OF LOS GATOS EFFECTUATING THE USE OF BOND PROCEEDS PURSUANT TO HEALTH AND SAFETY CODE SECTION 34191.4

#### RECITALS:

A. Pursuant to Health and Safety Code Section 34191.4, bond proceeds derived from bonds issued on or before December 31, 2013 shall be used for the purposes for which the bonds were sold and that proceeds in excess of the amounts needed to satisfy enforceable obligations shall therefore be expended in a manner consistent with the original bond covenants; and

**WHEREAS**, on July 18, 2002 the Town of Los Gatos Redevelopment Agency issued the 2002 Series A Certificate of Participation in the amount of \$10,725,000 (the "Bond Proceeds"); and

**WHEREAS**, pursuant to page 3 of the Official Statement from the 2002 Series A Certificate of Participation Bond Issue, the Bond Proceeds are to be used to finance certain public improvements in the Town of Los Gatos including Downtown Street Reconstruction (the "Bond Proceeds Intended Purpose"); and

**WHEREAS**, there is \$42,618 plus interest in unexpended Bond Proceeds (the "Excess Bond Proceeds") that shall be budgeted for the Bond Proceeds Intended Purpose but was prohibited from being expended under ABx1 26 and AB 1484 until the Successor Agency was issued a Finding of Completion from the State Department of Finance (the "DOF") in compliance with Health and Safety Code Section 341797.7; and

**WHEREAS**, the Successor Agency to the Town of Los Gatos Redevelopment Agency (the "Successor Agency") was issued a Finding of Completion from the State Department of Finance on May 15, 2013 making it eligible to expend the Excess Bond Proceeds for the Bond Proceeds Intended Purpose described below.

**NOW, THEREFORE, THE OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE TOWN OF LOS GATOS, HEREBY FINDS, DETERMINES, RESOLVES, AND ORDERS AS FOLLOWS:**

That the Oversight Board for the Town of Los Gatos Successor Agency hereby approves the 2002 Series A Certificate of Participation Bond Proceeds Reimbursement Agreement (the "Agreement") with the Successor Agency, substantially in the form of the Attached Exhibit A. The Agreement provides for the Successor Agency to reimburse the Town in the amount of \$42,618 plus interest from the Excess Bond Proceeds, and for the Town to apply such amount against the costs incurred on the Almond Grove

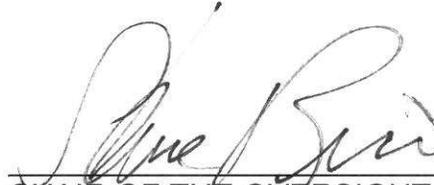
**PASSED, APPROVED AND ADOPTED**

AYES: Traci Hess, Jane Decker, Ed Maduli, Pamela Jacobs, Dawna Mencimer,  
Chair Steve Rice

NOES:

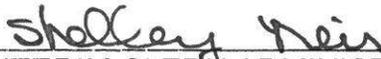
ABSENT: Tom Woodruff

ABSTAIN:



CHAIR OF THE OVERSIGHT BOARD AND  
SUCCESSOR AGENCY OF THE  
REDEVELOPMENT AGENCY OF THE TOWN  
OF LOS GATOS

ATTEST:

  
INTERIM CLERK ADMINISTRATOR OF THE  
OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE  
REDEVELOPMENT AGENCY OF THE TOWN OF LOS GATOS

## EXHIBIT A

### SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE TOWN OF LOS GATOS EXCESS BOND PROCEEDS REIMBURSEMENT AGREEMENT

This Excess Bond Proceeds Reimbursement Agreement (the "Agreement") is entered into this 13 day of Feb 2014 by and between the Town of Los Gatos, a general law California municipal corporation (the "Town") and the Town of Los Gatos Successor Agency to the former Town of Los Gatos Redevelopment Agency, a separate public entity (the "Successor Agency").

**WHEREAS**, on July 18, 2002, the Town of Los Gatos Redevelopment Agency issued the 2002 Series A Certificate of Participation in the amount of \$10,725,000 (the "Bond Proceeds"); and

**WHEREAS**, pursuant to page 3 of the Official Statement from the 2002 Series A Certificate of Participation Bond Issue, the Bond Proceeds are to be used to finance certain public improvements in the Town of Los Gatos including Downtown Street Reconstruction (the "Bond Proceeds Intended Purpose"); and

**WHEREAS**, pursuant to Health and Safety Code Section 34191.4, bond proceeds derived from bonds issued on or before December 31, 2013 shall be used for the purposes for which the bonds were sold and that proceeds in excess of the amounts needed to satisfy enforceable obligations shall therefore be expended in a manner consistent with the original bond covenants; and

**WHEREAS**, there is \$42,618 plus interest in unexpended Bond Proceeds (the "Excess Bond Proceeds") that shall be budgeted for the Bond Proceeds Intended Purpose but was prohibited from being expended under ABx1 26 and AB 1484 until the Successor Agency was issued a Finding of Completion from the State Department of Finance (the "DOF") in compliance with Health and Safety Code Section 341797.7; and

**WHEREAS**, the Town of Los Gatos Successor Agency was issued a Finding of Completion from the State Department of Finance on May 15, 2013 and therefore eligible to expend the Excess Bond Proceeds.

#### **NOW, THEREFORE, IT IS AGREED AS FOLLOWS:**

1. The Successor Agency hereby agrees to reimburse the City in the amount of \$42,618 plus interest from the Excess Bond Proceeds, and the Town agrees to apply such amount against the costs incurred on the Almond Grove Street Rehabilitation Capital Improvement Project (Project 411-811-003), a public works project, located within the Los Gatos Redevelopment Project Area and consistent

with the intended purpose as stated in the Official Statement of the 2002 Series A Certificate of Participation, and consistent with the original bond covenants.

2. In executing this Agreement, the Town is acting in its capacity as a general law municipal corporation, while the Successor Agency is acting in its capacity as the successor to the former Redevelopment Agency and a separate legal entity; and both the City and the Successor Agency are acting pursuant to the specific authority granted by the Oversight Board and by Health & Safety Code Section 34191.4. In consequence, the parties to this Agreement are not merged.
3. This Agreement shall take effect from and after the date of execution of this Agreement by both parties and effectiveness of the Oversight Board's approval of this Agreement in accordance with Health & Safety Code Section 34179(h).

IN WITNESS WHEREOF, the Town and Successor Agency have executed this Agreement.

Town of Los Gatos by:

Successor Agency, by:

  
\_\_\_\_\_  
Greg Larson, Town Manager

  
\_\_\_\_\_  
Greg Larson, Executive Director

Approved as to Form:

  
\_\_\_\_\_  
Robert Schultz, Town Attorney