

LONG-RANGE PROPERTY MANAGEMENT PLAN
(Pursuant to Health and Safety Code Section 34191.5)

**Successor Agency of the Redevelopment Agency
of the Town of Los Gatos**

September 2013

Introduction and Executive Summary

Procedural Background

This document constitutes the Long-Range Property Management Plan (the "LRPMP") of the Successor Agency (the "Successor Agency") of the former Redevelopment Agency of the Town of Los Gatos (the "Former RDA"), prepared in accordance with Health and Safety Code Section 34191.5.

The Former RDA was dissolved on February 1, 2012, pursuant to ABx1 26 (as amended by AB 1484, the "Redevelopment Dissolution Statutes"). The Redevelopment Dissolution Statutes govern the dissolution of the Former RDA, which includes the disposition of its former real property.

At the time of its dissolution, the Former RDA owned two properties, one of which has since transferred to the ownership of the Town of Los Gatos (the "Town"), in its capacity as housing successor of the Former RDA, as a housing asset authorized and approved for such transfer by the Successor Agency's Oversight Board (the "Oversight Board") and the California Department of Finance (the "DOF") in accordance with Health and Safety Code Section 34176.¹

As a result, the only remaining property that transferred to the ownership of the Successor Agency in connection with the Former RDA's dissolution,² and that is thereby subject to this LRPMP, consists of the public parking building structure (the "Building") located between Elm Street and Grays Lane (commonly known as Parking Lot #4) in the Town's downtown area and within the Central Los Gatos Redevelopment Project Area.

As fully described in this LRPMP, the Former RDA leased from the Town the land (the "Site") upon which the Building is constructed in connection with a municipal bond financing issuance from which the Town raised the bond proceeds to build the Building. Since its construction by the Town, the Building has been operated and maintained at the expense of the Town, without any financial contribution for such operation and maintenance from either the Former RDA or the Successor Agency.

The Successor Agency is now responsible for disposition of the Building in accordance with the procedures and requirements of Redevelopment Dissolution Statutes, with particular reference to Health and Safety Code Section 34191.1, 34191.3, 34191.4(a), and 34191.5.

The Successor Agency obtained a "finding of completion" from DOF on May 15, 2013, pursuant to Health and Safety Code Section 34179.7, indicating that the Successor Agency has satisfactorily made a series of required payments of Former RDA funds in accordance with the

¹ The Former RDA property at 224 West Main Street is a housing asset that has transferred by operation of Health and Safety Code Section 34176 and the approval of the Oversight Board and the DOF to the Town. Another housing asset of the Former RDA, the property at 20 Dittos Lane, was already recorded in the name of the Town at the time of the dissolution of the Former RDA.

² Health and Safety Code Section 34175(b) provides that the assets and properties of the Former RDA transferred to the Successor Agency upon dissolution of the Former RDA on February 1, 2013.

Redevelopment Dissolution Statues. Issuance of the finding of completion, now entitles the Successor Agency to submit this LRPMP for approval by the Oversight Board and DOF. In addition, on September 3, 2013, this LRPMP was presented to and approved by Successor Agency governing board (the Los Gatos Town Council, serving in its separate capacity as the governing board of the Successor Agency).

This LRPMP is scheduled for consideration by the Successor Agency's Oversight Board on September 12, 2013 and, if approved by the Oversight Board, will be transmitted to the DOF for its approval in accordance with Health and Safety Code Section 34191.5(b).

Proposed Building Disposition

Health and Safety Code Section 34191.5 authorizes four categories for disposition of a successor agency's property, as summarized in Table 1:

Table 1: Permitted Uses/Disposition of Successor Agency Real Property Under a Long-Range Property Management Plan (Health and Safety Code Section 34191.5)

Plan Category	Use/Disposition Purpose of Property	Property Transferee
Enforceable Obligation	Use Consistent with Enforceable Obligation Terms	Designated Enforceable Obligation Recipient
Governmental	Governmental Use in Accordance with Section 34181(a)	Appropriate Public Jurisdiction
Approved Redevelopment Plan Project	Direct Use, or Liquidation and Use of Proceeds, for Project Identified in Approved Redevelopment Plan	Host Community (City of County)
Other Liquidation	Distribution of Sale Proceeds as Property Taxes to Affected Taxing Entities	Approved Purchase

For the reasons detailed in this plan, the Building qualifies for disposition to the Town as a property that is the subject of an enforceable obligation that contractually requires the Successor Agency to convey the Building to the Town without payment or compensation by the Town.

Consequently, as further detailed in Part II below, this LRPMP directs the conveyance of the Building by the Successor Agency to the Town upon approval of the LRPMP, without compensation or payment, and without the requirement for further action or approval of the Oversight Board and the DOF (beyond the initial approval of this LRPMP itself).

Organization of LRPMP

In accordance with Health and Safety Code Section 34191.5(c), Part I of this LRPMP contains an inventory of specified information related to the Building, and Part II addresses and sets forth the proposed plan for disposition of the Building. Accompanying this LRPMP is the information checklist required by the DOF (Appendix A). Because this LRPMP involves only one property for which the required information can be readily portrayed and accessed through the following

text, it has not been deemed necessary to also prepare the optional DOF tracking worksheet that can be particularly useful for more complex LRPMPs.

Part I: Building Background and Description; LRPMP Information Inventory

This Part provides the required inventory information for the Building that was transferred from the Former RDA to the Successor Agency. Following an overview statement regarding the Building's background and description, this inventory is organized to address the specific LRPMP inventory subsections listed in Health and Safety Code Section 34191.5(c)(1), with each item corresponding to the specific letter of this section of the Health and Safety Code (e.g., item "(A)" provides the required information from HSC Section 34191.5(c)(1)(A) and so forth).

Overview

The Building is a public parking garage containing 108 parking spaces available to employees, customers, and visitors to the Los Gatos downtown area. The Building was designed and constructed by the Town for this unique purpose and has no other potential use.

The Building is built on the Site, which is Assessor's Parcel No. 529-03-67, an approximately 65,990 square foot parcel of land located between Elm Street and Grays Lane that is owned in fee by the Town. It should be emphasized that the Site was never owned by the Former RDA, is not now owned by the Successor Agency, and is therefore not a subject of this LRPMP or available for disposition in accordance with the Redevelopment Dissolution Statutes. Rather, the Town intends to continue to own the Site on a long-term basis in order to continue to operate the Building on the Site as a public parking facility.

The Site was leased by the Town to the Former RDA pursuant to a 1992 site lease (the "Site Lease"). Pursuant to a simultaneous lease agreement (the "Lease Agreement"), a copy of which is attached to this LRPMP as Appendix B, the Former RDA subleased the Site and the Building as constructed by the Town back to the Town for operation as public parking facility. The Site Lease and Lease Agreement were entered into as security for issuance by the Town of its 1992 Certificates of Participation (Parking Lot #4 Project) (the "1992 COPS"), the proceeds of which were used by the Town in part to pay the costs of acquisition and construction of the Building.

The 1992 COPS constitute "indebtedness obligations" under Health and Safety Code Section 34171(e). Because the Site Lease and Lease Agreement were entered into in connection with the issuance of the 1992 COPS that constitute indebtedness obligations, the Site Lease and the Lease Agreement continue to constitute "enforceable obligations" under Health and Safety Code Section 34171(d)(2).³ In turn, pursuant to Health and Safety Code Section 34177(c), the Successor Agency is directed and required to "perform obligations required pursuant to any enforceable obligation", which in connection with the Building requires the Successor Agency to

³ For this reason, unlike most typical agreements between a redevelopment agency and its sponsoring community, the Site Lease and the Lease Agreement were not rendered invalid pursuant to Health and Safety Code Section 34171 (d)(2) or Section 34178(a) at the time the Former RDA was dissolved

perform the obligations of the Former RDA under the Site Lease and the Lease Agreement that continue to constitute enforceable obligations under the Redevelopment Dissolution Statutes.

Section 4.5 of the Lease Agreement contains an express obligation of the Former RDA (and now the Successor Agency as its successor entity) to transfer ownership of the Building to the Town once the Town has made all required lease payments under the Lease Agreement. Section 4.5 of the Lease Agreement states in relevant part:

"If the Town...pays all Lease Payments during the Term of this Lease Agreement as the same become due and payable, all right, title and interest of the [Former RDA] under the Site Lease in and to the [Building]... shall be transferred to and vested in the Town. The [Former RDA] agrees to take any and all steps and execute and record any and all documents reasonably required by the Town to consummate any such transfer."

Neither Section 4.5 or any other provision of the Lease Agreement or the other 1992 COPS-related documents calls for or requires any payment or other form of compensation from the Town in connection with transfer of the Building to the Town once the Town has made all the lease payments required under the 1992 COPS documents.

The Town timely made all the lease payments in order to timely pay all debt service and other amounts due with respect to the 1992 COPS, including the final lease payment/debt service payment that was paid by the Town on or about August 1, 2012 as illustrated in Appendix C with both the November 30, 2012 US bank statement illustrating final distribution of \$254,136.29. Appendix C, page 2 shows the balance of the COP account as of December 31, 2012 to be zero. The \$254,136.29 was received by the Successor Agency and the balance plus interest will be transferred to the County prior to the Oversight Board meeting on September 12, 2013 for distribution to the taxing entities. As a result of this final lease payment, title in and to the Building technically transferred to the Town under the express terms of this enforceable obligation provision on or about August 1, 2012.

However, because the Redevelopment Dissolution Statutes (as amended by the June 27, 2012 enactment of AB 1484) suspended the Successor Agency's authority to dispose of most types of property until it had obtained an approved LRPMP,⁴ out of an abundance of caution the Successor Agency refrained from providing the executed and recorded documents to memorialize this transfer of the Building to the Town, as required by the last sentence of Lease Agreement Section 4.5 (quoted above), until it had prepared and obtained approval of this LRPMP.

Required Inventory Information

- (A) *Acquisition Information.* The Site Lease by which the Successor Agency obtained its temporary leasehold interest in the Site from the Town was dated as of August 1, 1992. Thereafter, the Building was constructed on the Site by the Town using the proceeds of the 1992 COPS issuance and thereupon became the leasehold property of the Former RDA.

⁴ See Health and Safety Code Section 34191.3.

The Former RDA made no payments under the Site Lease or the Lease Agreement in connection with this acquisition of the temporary leasehold interest in the Site and the Building as constructed on the Site by the Town.⁵

At the time of its construction, the Building was valued at \$4,067,708.02. The estimated current net book value of the Building is \$2,237,239.42.

- (B) *Purpose of Acquisition.* As noted, the Former RDA's acquisition of the leasehold interest in the Site and the constructed Building was undertaken as a financing mechanism to provide security for issuance and repayment of the 1992 COPS, the proceeds of which were in turn used to pay the costs of development of the Building. This mechanism allowed the issuance to the 1992 COPS buyers of "certificates of participation" in the lease payments owed by the Town under the Lease Agreement in connection with the Town's leaseback from the Former RDA of the Site and the constructed Building.
- (C) *Parcel Data.* The Building consists of a 108 space public parking garage built by the Town on the Site owned by the Town and leased to the Former RDA. In turn, the Site consists of Assessor's Parcel No. 529-03-67, an approximately 65,990 square foot parcel of land located between Elm Street and Grays Lane. The legal description of the Site can be found in Exhibit B of the Lease Agreement (which is attached to this LRPMP as Appendix B). The Los Gatos General Plan designation for the Site owned by the Town is "Central Business District", which includes the provision of public parking. The zoning designation of the Site owned by the Town is "C-2 (Central Business District)", which also allows the provision of public parking.
- (D) *Current Value.* As noted above, the estimated current net book value of the Building is \$2,237,239.42. This estimate is based on the amortized depreciation costs. There is no current appraisal information with respect to the Building.
- (E) *Revenues Generated By the Buildings.* The operation of the Building does not generate any parking fees or any lease, rent, or other revenue to the Town or any other entity. The Town has determined that, in order to meet the public need for parking facilities to accommodate reasonable traffic circulation in the downtown area and to promote patronage at local business establishments, it is not feasible or appropriate to charge any fees for the public parking in the Building. The Building also does not generate any lease, rental, or other revenue.

The Town estimates that it is required to spend approximately \$7,500 annually on routine operation and maintenance costs for the Building. These costs are paid from general Town financial sources and not from either Former RDA or Successor Agency funds. As such,

⁵ Under a Reimbursement Agreement between the Town and the Former RDA executed concurrently with issuance of the 1992 COPS and the execution of the Site Lease and the Lease Agreement, the Former RDA agreed to make specified payments to the Town to be used by the Town toward the Town's obligation to make debt service payments on the 1992 COPS. The payment obligations of the Former RDA under the Reimbursement Agreement have been determined by the Oversight Board and the DOF to constitute enforceable obligations payable on successive Recognized Obligation Payment Schedules prepared by the Successor Agency.

the Building operates as a public parking resource at an annual net loss to the Town in order to meet the Town's traffic circulation and downtown commercial revitalization objectives.

- (F) *Environmental Contamination and Remediation.* The Successor Agency is not aware of any environmental contamination or remediation needs in connection with the Building.
- (G) *Potential for Transit-Oriented Development and Advancement of Planning Objectives.* In its current use as an off-street public parking facility, the Building and the Site serve important Town planning objectives and promote compact, pedestrian friendly revitalization and use of the downtown core area, thereby taking advantage of existing public infrastructure and private development patterns, and avoiding spread-out, lower density development patterns that require new public infrastructure investment.

For instance, the most recent available parking analysis for the downtown area indicates the availability of approximately 888 public parking lot spaces (of which the Building provides 108 spaces, or over 12% of the total), and 877 on-street parking spaces, for a total of 1,775 available parking spaces. The report also indicated a need for approximately 800 more total spaces than are reported as being available. Thus, the Building is an essential component of the public parking program to meet the needs of the downtown area, and materially helps to reduce the deficit in such parking that exists in the downtown.

The parking provided in the Building contributes directly to the viability of small businesses and independent stores that could not feasibly provide their own separate parking facilities. Further, because the Building aggregates needed parking in an efficient off-site facility, it also contributes to a pedestrian friendly street environment that is an important Town objective.

In these ways, the Building supports important Town planning goals and policies as set forth in the Town of Los Gatos 2020 General Plan (January 7, 2011) (the "General Plan"). Among the General Plan goals and policies directly served by the Building and the use of the Site for off-street public parking are the following:

"Goal LU-10: To preserve Downtown Los Gatos as the historic center of Town, with goods and services for local resident, while maintaining the existing Town identity, environment and commercial viability."

"Policy LU-10.1: Encourage the development and retention of small businesses and independent stores and shops Downtown that are consistent with the small-town character and scale."

"Policy LU-10.2a: Recognize and encourage different functions, land use patterns, and use mixes of the various commercial areas of the Downtown. These include: the pedestrian scale and orientation of the Central Business District..."

"Goal TRA-14: To ensure that there is adequate parking in Downtown to meet the needs of Los Gatos residents and visitors."

"Policy TRA-14.4: Maximize the utilization of existing parking lots and spaces to meet Downtown business and residential demands."

(H) *History of Development Proposals and Activity.* Because the Building and the Site have long been used as an off-site public parking facility and because the Town intends to maintain this use to meet the goals, objectives and policies outlined above, there is no history over the past two decades of development proposals and activity for any different use, rental or lease of the Building and the Site.

Part II: Building Disposition and Use

Plan of Building Disposition and Use

This LRPMP calls for the disposition and use of the Building as follows.

Upon the approval of the LRPMP by the Oversight Board and the DOF, the Building shall be conveyed by the Successor Agency to the Town without compensation or payment from the Town, and without further action or approval by the Oversight Board or the DOF (beyond the approval of the LRPMP itself). At such time, the Successor Agency Executive Director, or the Executive Director's designee, is authorized and directed to take such actions, including the execution and recordation of such conveyance documents on behalf of the Successor Agency, as are appropriate to consummate this conveyance of the Building to the Town.

As noted in Part I of this LRPMP, the 1992 COPS-related documents do not require any payment or other form of compensation from the Town for the transfer of the Building once the Town is eligible for such transfer following the making by the Town of all required lease payments. In addition, for three reasons, Health and Safety Code Section 34180(f)(1) does not apply to the circumstances of this transfer of the Building to the Town. Section 34180(f)(1) states in relevant part: "If a city...wishes to retain any properties...for future redevelopment activities, funded from its own funds and under its own auspices, it must reach a compensation agreement with the other taxing entities to provide payments to them..." First, the Town does not seek to "retain" the Building, but instead to receive a transfer of the title to the Building from the Successor Agency to which the Town is entitled under an existing enforceable obligation. Further, the Building is not intended for future redevelopment activities, but rather for the continuation of its nearly two decades use as a previously redeveloped parking facility. Finally, to impose a compensation requirement would be inconsistent with the requirement of Health and Safety Code Section 34177(e) that requires the Successor Agency to perform the remaining enforceable obligation set forth in Lease Agreement Section 4.5 to execute such documents as are necessary to transfer the Building to the Town without compensation.

Reasons For Plan of Disposition

This disposition of the Building to the Town is authorized as a transfer as an enforceable obligation, as follows.

As detailed in Part I, under Health and Safety Code Section 34171(d)(2), Section 4.5 of the Lease Agreement constitutes a remaining valid enforceable obligation of the Successor Agency to the Town.

In turn, Lease Agreement Section 4.5 states that the right, title and interest in the Building shall be transferred to and vested in the Town as a result of the Town's completion of lease payments/debt service payments under the 1992 COPS, and obligates the Successor Agency to take any and all steps and execute and record all documents necessary to memorialize the transfer of the Building to the Town.

Finally, pursuant to the Legislature's mandate in Health and Safety Code Section 34177(c), the Successor Agency is directed to perform this remaining enforceable obligation to document the transfer of the Building to the Town.

APPENDIX A

LRPMP FORM

APPENDIX B
LEASE AGREEMENT

APPENDIX C
US BANK STATEMENTS



ACCOUNT NUMBER: [REDACTED]
TOWN OF LOS GATOS CALIFORNIA
CERTIFICATES OF PARTICIPATION
(PARKING LOT #4 PROJECT) 1992
LEASE PAYMENT FUND

This statement is for the period from
November 1, 2012 to November 30, 2012

MARKET VALUE SUMMARY

	Current Period 11/01/12 to 11/30/12
Beginning Market Value	\$21,000.00
Contributions	233,136.29
Distributions	- 254,136.29
Adjusted Market Value	\$0.00
Ending Market Value	\$0.00



00-A-M -L-PC -001-01 00429301 4293
0098342-00-01717-01 Page 5 of 5

ACCOUNT NUMBER: 04000000
TOWN OF LOS GATOS, CALIFORNIA
CERTIFICATES OF PARTICIPATION
(PARKING LOT #4 PROJECT) 1992
RESERVE FUND

This statement is for the period from
December 1, 2012 to December 31, 2012

CASH SUMMARY

	Income Cash	Principal Cash	Total Cash
Beginning Cash Balance as of 12/01/2012	\$0.00	\$0.00	\$0.00
Ending Cash Balance as of 12/31/2012	\$0.00	\$0.00	\$0.00

CASH SUMMARY MESSAGES

No activity qualifies for this statement period.



LONG-RANGE PROPERTY MANAGEMENT PLAN CHECKLIST

Instructions: Please use this checklist as a guide to ensure you have completed all the required components of your Long-Range Property Management Plan. Upon completion of your Long-Range Property Management Plan, email a PDF version of this document and your plan to:

Redevelopment_Administration@dof.ca.gov

The subject line should state "[Agency Name] Long-Range Property Management Plan". The Department of Finance (Finance) will contact the requesting agency for any additional information that may be necessary during our review of your Long-Range Property Management Plan. Questions related to the Long-Range Property Management Plan process should be directed to (916) 445-1546 or by email to Redevelopment_Administration@dof.ca.gov.

Pursuant to Health and Safety Code 34191.5, within six months after receiving a Finding of Completion from Finance, the Successor Agency is required to submit for approval to the Oversight Board and Finance a Long-Range Property Management Plan that addresses the disposition and use of the real properties of the former redevelopment agency.

GENERAL INFORMATION:

Agency Name: **Successor Agency of the Redevelopment Agency of the Town of Los Gatos**

Date Finding of Completion Received: May 15, 2013

Date Oversight Board Approved LRPMP: September 12, 2013

Long-Range Property Management Plan Requirements

For each property the plan includes the date of acquisition, value of property at time of acquisition, and an estimate of the current value.

Yes No

For each property the plan includes the purpose for which the property was acquired.

Yes No

For each property the plan includes the parcel data, including address, lot size, and current zoning in the former agency redevelopment plan or specific, community, or general plan.

Yes No

For each property the plan includes an estimate of the current value of the parcel including, if available, any appraisal information.

Yes No

For each property the plan includes an estimate of any lease, rental, or any other revenues generated by the property, and a description of the contractual requirements for the disposition of those funds.

Yes No

For each property the plan includes the history of environmental contamination, including designation as a brownfield site, any related environmental studies, and history of any remediation efforts.

Yes No

For each property the plan includes a description of the property's potential for transit-oriented development and the advancement of the planning objectives of the successor agency.

Yes No

For each property the plan includes a brief history of previous development proposals and activity, including the rental or lease of the property.

Yes No

For each property the plan identifies the use or disposition of the property, which could include 1) the retention of the property for governmental use, 2) the retention of the property for future development, 3) the sale of the property, or 4) the use of the property to fulfill an enforceable obligation.

Yes No

The plan separately identifies and list properties dedicated to governmental use purposes and properties retained for purposes of fulfilling an enforceable obligation.

Yes No

ADDITIONAL INFORMATION

- If applicable, please provide any additional pertinent information that we should be aware of during our review of your Long-Range Property Management Plan.

As fully set forth in the accompanying Long-Range Property Management Plan (the "LRPMP"):

1. The only property of the former Los Gatos Redevelopment Agency (the "Former RDA") that was transferred to the Successor Agency upon the dissolution of the Former RDA pursuant to Health and Safety Code Section 34175(b) and that is now subject of the accompanying LRPMP is the public parking building structure (the "Building") located between Elm Street and Grays Lane (commonly known as Parking Lot #4) in the Town of Los Gatos downtown area and within the Central Los Gatos Redevelopment Project Area.

2. The Building was constructed by the Town of Los Gatos (the "Town") and occupies a parcel of land (the "Site") that is owned in fee by the Town.

3. The Site has at all relevant times been owned in fee by the Town, was never owned by the Former RDA, is not now owned by the Successor Agency, and is therefore not a subject of the LRPMP or available for disposition in accordance with the Redevelopment Dissolution Statutes.
4. The Town intends to continue to own the Site on a long-term basis in order to continue to operate the Building on the Site as a public parking facility.
5. The Site was leased by the Town to the Former RDA pursuant to a 1992 site lease (the "Site Lease").
6. Pursuant to a simultaneous lease agreement (the "Lease Agreement"), the Former RDA subleased the Site and the Building as constructed by the Town back to the Town for operation as public parking facility.
7. The Site Lease and Lease Agreement were entered into as security for issuance by the Town of its 1992 Certificates of Participation (Parking Lot #4 Project) (the "1992 COPS"), the proceeds of which were used by the Town in part to pay the costs of acquisition and construction of the Building.
8. The 1992 COPS constitute "indebtedness obligations" under Health and Safety Code Section 34171(e).
9. Because the Site Lease and Lease Agreement were entered into in connection with the issuance of the 1992 COPS that constitute indebtedness obligations, the Site Lease and the Lease Agreement continue to constitute "enforceable obligations" under Health and Safety Code Section 34171(d)(2).
10. Section 4.5 of the Lease Agreement states in relevant part:

"If the Town...pays all Lease Payments during the Term of this Lease Agreement as the same become due and payable, all right, title and interest of the [Former RDA] under the Site Lease in and to the [Building]... shall be transferred to and vested in the Town. The [Former RDA] agrees to take any and all steps and execute and record any and all documents reasonably required by the Town to consummate any such transfer."
11. As of August 2012, the Town had made all required lease payments required under the Lease Agreement, and thereby became entitled to a transfer of the Building from the Successor Agency without further payment or compensation.
12. For the reasons summarized above and detailed in the LRPMP, the LRPMP provides that, upon the approval of the LRPMP by the Oversight Board and the Department of Finance (the "DOF"), the Building shall be conveyed by the Successor Agency to the Town without compensation or payment from the Town, and without further action or approval by the Oversight Board or the DOF (beyond the approval of the LRPMP itself).

Agency Contact Information

Name: Jennifer Callaway

Name:

Title: Finance and Budget Manager

Title:

Phone: (408) 354-6885

Phone:

Email: JCallaway@losgatosca.gov

Email:

Date: September 12, 2013

Date:

Department of Finance Local Government Unit Use Only

DETERMINATION ON LRPMP: APPROVED DENIED

APPROVED/DENIED BY: _____ DATE: _____

APPROVAL OR DENIAL LETTER PROVIDED: YES DATE AGENCY NOTIFIED: _____

Form DF-LRPMP (11/15/12)

RESOLUTION OB 2013-004

RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY OF THE REDEVELOPMENT AGENCY OF THE TOWN OF LOS GATOS APPROVING THE SUCCESSOR AGENCY'S LONG-RANGE PROPERTY MANAGEMENT PLAN PURSUANT TO HEALTH AND SAFETY CODE SECTION 34191.5 AND AUTHORIZING TRANSFER OF PROPERTY

RECITALS:

WHEREAS, pursuant to ABx1 26 enacted in June 2011 (as amended by AB 1484 enacted in June 2012, the "Redevelopment Dissolution Statutes"), the Redevelopment Agency of the Town of Los Gatos (the "Former RDA") was dissolved as of February 1, 2012, and the Town of Los Gatos, acting in a separate limited capacity and known as the Successor Agency of the Redevelopment Agency of the Town of Los Gatos, has elected to serve as the successor agency (the "Successor Agency") of the Former RDA; and

WHEREAS, pursuant to Health and Safety Code Section 34173(g), as added by the Redevelopment Dissolution Statutes, the Successor Agency is a separate legal entity from the Town of Los Gatos (the "Town"); and

WHEREAS, the Successor Agency is charged with paying the enforceable obligations, disposing of the properties and other assets, and unwinding the affairs of the Former RDA; and

WHEREAS, an oversight board for the Successor Agency (the "Oversight Board") has been formed and is functioning in accordance with Health and Safety Code Section 34179; and

WHEREAS, on May 15, 2013, the Successor Agency received a "Finding of Completion" from the California Department of Finance (the "DOF") pursuant to Health and Safety Code Section 34179.7, confirming that the Successor Agency had made specified required payments under the Dissolution Law; and

WHEREAS, pursuant to Health and Safety Code Section 34191.5(b), the Successor Agency is now entitled to and must prepare and submit a Long-Range Property Management Plan (the "LRPMP") in connection with the property assets of the Successor Agency to the Oversight Board and the DOF no later than six months following the issuance by the DOF of the Finding of Completion; and

WHEREAS, the only property of the Former RDA that was transferred to the Successor Agency upon the dissolution of the Former RDA pursuant to Health and Safety Code Section 34175(b) and that is now subject of a LRPMP is the public parking building structure (the "Building") located between Elm Street and Grays Lane (commonly known as Parking Lot #4) in the Town's downtown area and within the Central Los Gatos Redevelopment Project Area; and

WHEREAS, in accordance with Health and Safety Code Section 34191.5, the Successor Agency has prepared and, by resolution of September 12, 2013, has approved and submitted its LRPMP for the Building to the Oversight Board; and

WHEREAS, a copy of the Successor Agency's LRPMP is on file with the Secretary of the Oversight Board; and

WHEREAS, as fully set forth in the LRPMP:

1. The Building was constructed by the Town and occupies a parcel of land (the "Site") that is owned in fee by the Town.

2. The Site has at all relevant times been owned in fee by the Town, was never owned by the Former RDA, is not now owned by the Successor Agency, and is therefore not a subject of the LRPMP or available for disposition in accordance with the Redevelopment Dissolution Statutes.

3. The Town intends to continue to own the Site on a long-term basis in order to continue to operate the Building on the Site as a public parking facility.

4. The Site was leased by the Town to the Former RDA pursuant to a 1992 site lease (the "Site Lease").

5. Pursuant to a simultaneous lease agreement (the "Lease Agreement"), the Former RDA subleased the Site and the Building as constructed by the Town back to the Town for operation as public parking facility.

6. The Site Lease and Lease Agreement were entered into as security for issuance by the Town of its 1992 Certificates of Participation (Parking Lot #4 Project) (the "1992 COPS"), the proceeds of which were used by the Town in part to pay the costs of acquisition and construction of the Building.

7. The 1992 COPS constitute "indebtedness obligations" under Health and Safety Code Section 34171(e).

8. Because the Site Lease and Lease Agreement were entered into in connection with the issuance of the 1992 COPS that constitute indebtedness obligations, the Site Lease and the Lease Agreement continue to constitute "enforceable obligations" under Health and Safety Code Section 34171(d)(2).

9. Section 4.5 of the Lease Agreement states in relevant part:

"If the Town...pays all Lease Payments during the Term of this Lease Agreement as the same become due and payable, all right, title and interest of the [Former RDA] under the Site Lease in and to the [Building]... shall be transferred to and vested in the Town. The [Former RDA] agrees to take any and all steps and execute and

record any and all documents reasonably required by the Town to consummate any such transfer."

10. As of August 2012, the Town had made all required lease payments required under the Lease Agreement, and thereby became entitled to a transfer of the Building from the Successor Agency without further payment or compensation.

WHEREAS, for the reasons summarized above and detailed in the LRPMP, the LRPMP provides that, upon the approval of the LRPMP by the Oversight Board and the DOF, the Building shall be conveyed by the Successor Agency to the Town without compensation or payment from the Town, and without further action or approval by the Oversight Board or the DOF (beyond the approval of the LRPMP itself); and

WHEREAS, the staff report (the "Staff Report") accompanying this Resolution contains additional information and analysis upon which the findings and actions set forth in this Resolution are based.

NOW, THEREFORE, BE IT RESOLVED THAT THE THAT THE OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE TOWN OF LOS GATOS, HEREBY FINDS, RESOLVES, AND ORDERS AS FOLLOWS:

Section 1. The foregoing Recitals are true and correct, and together with the Staff Report and other information provided by the Successor Agency staff and the public, form the basis for the findings, resolutions, approval, determination, and directions set forth in this Resolution.

Section 2. With respect to compliance with the California Environmental Quality Act and its state and local implementing guidelines ("CEQA"):

a. The transfer of the Building to the Town as directed in the LRPMP is exempt from the requirements of CEQA pursuant to State CEQA Guidelines Section 15301 (as an action resulting in continuation of an existing facility).

b. The Secretary of the Oversight Board, or the Secretary's designee, is hereby authorized and directed to file appropriate notice with respect to this Resolution and the actions set forth in this Resolution in accordance with the applicable provisions of CEQA.

Section 3. Pursuant to Health and Safety Code Section 34191.5(b), the Oversight Board hereby approves the LRPMP in the form on file with the Secretary of the Oversight Board.

Section 4. Upon the Successor Agency's receipt of all approvals of the LRPMP required under the Redevelopment Dissolution Statutes, the Oversight Board directs the Successor Agency to dispose of the Building to the Town and transfer in accordance with the LRPMP and to take any action and execute any documents as may be necessary to implement such disposition.

Section 5. The Oversight Board hereby directs its Secretary, or the Secretary's designee, to provide written notice and information about this Resolution to the California Department of Finance in accordance with Health and Safety Code Section 34179(h). The actions set forth in this Resolution shall be subject to effectiveness in accordance with Health and Safety Code 34179(h).

ADOPTED September 12, 2013, by the Members of the Oversight Board of the Successor Agency by the following vote, to wit:

AYES:

NOES:

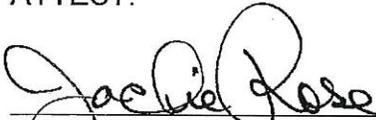
ABSTAIN:

ABSENT:



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

ATTEST:



CLERK ADMINISTRATOR/SECRETARY OF THE
OVERSIGHT BOARD AND SUCCESSOR AGENCY
OF THE REDEVELOPMENT AGENCY OF THE
TOWN OF LOS GATOS