

RESOLUTION NO. 018

A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE PALM SPRINGS COMMUNITY REDEVELOPMENT AGENCY, APPROVING A CASH LOAN FROM THE CITY OF PALM SPRINGS TO THE SUCCESSOR AGENCY, TO BE PLACED ON THE NEXT RECOGNIZED OBLIGATIONS PAYMENT SCHEDULE ("ROPS") AS AN ENFORCEABLE OBLIGATION TO BE PAID FROM THE REDEVELOPMENT PROPERTY TAX TRUST FUND ("RPTTF"), FOR THE PURPOSE OF FUNDING AN INSPECTION AND REVIEW OF THE PHYSICAL CONDITION OF THE PLAZA THEATRE, A SUCCESSOR AGENCY-OWNED PROPERTY.

WHEREAS, the Community Redevelopment Agency of the City of Palm Springs ("Redevelopment Agency") was a redevelopment agency in the City of Palm Springs ("City"), duly created pursuant to the California Community Redevelopment Law (Part 1 (commencing with Section 33000) of Division 24 of the California Health and Safety Code) ("Redevelopment Law"); and

WHEREAS, the Community Redevelopment Agency was responsible for the administration of redevelopment activities within the City; and

WHEREAS, AB X1 26 and AB X1 27 were signed by the Governor of California on June 28, 2011, making certain changes to the Redevelopment Law, including adding Part 1.8 (commencing with Section 34161) and Part 1.85 (commencing with Section 34170) ("Part 1.85") to Division 24 of the California Health and Safety Code which effectively dissolves the Redevelopment Agency ("Dissolution Act"); and

WHEREAS, under the Dissolution Act, the term "successor agency" was defined to refer to the Dissolved RDA's Sponsoring Community (the city, county or city and county that formed the Dissolved RDA), unless that Sponsoring Community adopted a resolution electing not to serve in that capacity; and

WHEREAS, AB 1484, signed by the Governor of California on June 27, 2012, redefines "successor agency" to mean the successor entity to the Dissolved RDA pursuant to Health and Safety Code Section 34173 and that "a successor agency is a separate legal entity from the public agency that provides for its governance;" and

WHEREAS, as a separate legal entity, the Successor Agency is not merged with the City, the public agency that provides for the Successor Agency's governance (Health and Safety Code Section 34173(g)); and

WHEREAS, the City is not the financial "backstop" or guarantor of obligations of separate government entities, regardless of its status as a Successor Agency; and

WHEREAS, Health & Safety Code Section 34171(d)(1)(F) recognizes as an "Enforceable Obligation" of the Successor Agency contracts or agreements necessary for the administration or operation of the Successor Agency, including, but not limited to, agreements concerning litigation expenses related to assets or obligations, settlements and judgments, and the costs of maintaining assets prior to disposition; and

WHEREAS, Health and Safety Code Section 34173(h) provides that the City may loan or grant funds to the Successor Agency for administrative costs, enforceable obligations, or project-related expenses and that receipt and use of these funds shall be reflected on the ROPS or in the administrative budget subject to Oversight Board approval; and

WHEREAS, Health and Safety Code Section 34177.3(b) authorizes the Successor Agency to create "Enforceable Obligations" to conduct the work of winding down the Dissolved RDA; and

WHEREAS, Health and Safety Code Section 34178(a) authorizes the Successor Agency to enter into agreements with the City upon obtaining approval of the Oversight Board; and

WHEREAS, on January 23, 2013, the City received a letter from the State Controller's Office advising it that, pursuant to Health and Safety Code section 34167.5, the Controller would conduct a review of the Agency to determine whether any asset transfers occurred after January 1, 2011, between the city or any other public agency, and the redevelopment agency, and whether each asset transfer is allowable and whether the asset should be turned over to the Successor Agency; and

WHEREAS, the Plaza Theatre was included in included the list of properties the Successor Agency requested to designate as Governmental Use because of its importance to the community as a tourism asset and significant historical property; and

WHEREAS, On March 5, 2013, the Oversight Board, in accordance with the direction provided by the State Controller's Office, adopted a Resolution ordering a number of properties back to the Successor Agency and making the findings that a number of properties were constructed and used for a governmental purpose, and approved the transfer of those to the City, including the Plaza Theatre; and

WHEREAS, on June 14, 2013 and on July 26, 2013, the California Department of Finance responded to the Oversight Board action and disallowed a number of the transfers of properties, particularly those that the City held for governmental use "because they are not reserved for the sole use of governmental agencies or persons visiting those agencies," and in September, 2013 the State Controller's Office concurred with DOF and ordered the properties to be returned to the Successor Agency; and

WHEREAS, the City undertook the process of hiring an architect on behalf of the Successor Agency to assess the physical condition of the Palm Canyon Theater and then make recommendations on what needs to be done there, including without limitation the major building systems and accessibility; and

WHEREAS, the DOF will issue a finding of completion to a successor agency that pays the following amounts: (a) The amount determined in the audit of all applicable funds and (b) The amount (if any) owing to taxing entities from the December 2011 property tax payment; and

WHEREAS, a finding of completion from the DOF allows the winding down process to continue expeditiously and loan agreements entered into between the former Redevelopment Agency and the City are deemed to be enforceable obligations if the Oversight Board makes a finding that the loan was for bona fide redevelopment purposes and as enforceable obligations, such payments are listed on ROPS; and

WHEREAS, all other legal prerequisites to the adoption of this Resolution have occurred.

NOW, THEREFORE, BE IT RESOLVED BY THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY OF THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF PALM SPRINGS AS FOLLOWS:

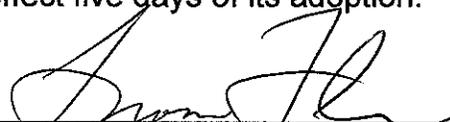
SECTION 1. The Oversight Board hereby finds and determines that the foregoing recitals are true and correct, and incorporates them herein by reference.

SECTION 2. The Contractual Services Agreement by and between the City of Palm Springs and the Interactive Design Corporation, Inc. in the amount of \$24,350 for the purpose of providing advisory services to the Successor Agency property (the Plaza Theatre) is hereby approved as a Cash Flow Loan from the City to the Successor Agency.

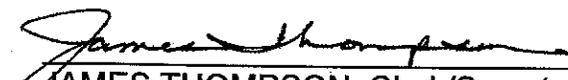
SECTION 3. The Oversight Board hereby directs staff of the Successor Agency to submit the approved Agreement to the County Auditor-Controller, the State Controller and the State Department of Finance; and post this Resolution on the Successor Agency's website.

SECTION 4. The loan in the contract amount of \$24,350 will be placed on a future Recognized Obligation Payment Schedule for the period of July 1, 2014 through December 31, 2014 or the following period. The City would be repaid from available cash flow of the Redevelopment Property Tax Trust Fund.

SECTION 5. This Resolution shall take effect five days of its adoption.


THOMAS FLAVIN, Chairman
CRA Oversight Board

ATTEST:


JAMES THOMPSON, Clerk/Secretary

CERTIFICATION

STATE OF CALIFORNIA)
COUNTY OF RIVERSIDE) ss.
CITY OF PALM SPRINGS)

I, James Thompson, Secretary of the Oversight Board of the Successor Agency of the Palm Springs Community Redevelopment Agency hereby certify that Resolution No. 018 was adopted by the Oversight Board at a Special Meeting held on the 16th day of December, 2013, and that the same was adopted by the following vote:

AYES: Board Members Foat, Ready, Van Horn, Vice Chair Howell, and
Chair Flavin.
NOES: None.
ABSENT: Board Members Arthur and Marshall.
ABSTAIN: None.


JAMES THOMPSON
Oversight Board Clerk/Secretary
City of Palm Springs, California