

AGENDA



CITY OF VALLEJO OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE VALLEJO REDEVELOPMENT AGENCY REGULAR MEETING

BOARDMEMBERS:
Erin Hannigan, Chair
Annette Taylor, Vice-Chair
Marti Brown
Melvin Jordan
LaGuan Lea
Shane McAfee
Gary Truelsen

THURSDAY, JANUARY 16, 2014
8:30 A.M.

CITY COUNCIL CHAMBERS, 2ND FLOOR
555 SANTA CLARA STREET, VALLEJO

This AGENDA contains a brief general description of each item to be considered. The posting of the recommended actions does not indicate what action may be taken. If comments come to the Board without prior notice and are not listed on the AGENDA, no specific answers or response should be expected at this meeting per State law.

Those wishing to address the Board on any matter for which another opportunity to speak is not provided on the AGENDA but which is within the jurisdiction of the Board to resolve may come forward to the podium during the "COMMUNITY FORUM" portion of the AGENDA.

Notice of Availability of Public Records: All public records relating to an open session item, which are not exempt from disclosure pursuant to the Public Records Act, that are distributed to a majority of the Board will be available for public inspection at the City Clerk's Office, 555 Santa Clara Street, Vallejo, CA at the same time that the public records are distributed or made available to the Board. Such documents may also be available on the City of Vallejo website at <http://www.ci.vallejo.ca.us> subject to staff's ability to post the documents prior to the meeting. Information may be obtained by calling (707) 648-4527, TDD (707) 649-3562.

Requests for disability related modifications or accommodations, aids or services may be made by a person with a disability to the City Clerk's office no less than 72 hours prior to the meeting as required by Section 202 of the Americans with Disabilities Act of 1990) and the federal rules and regulations adopted in implementation thereof

1. CALL TO ORDER
2. ROLL CALL
3. COMMUNITY FORUM
4. APPROVAL OF THE MINUTES
 - A. Approval of the Minutes from the December 19, 2013 Regular Meeting
5. OLD BUSINESS – None.
7. NEW BUSINESS
 - A. **Authorize the Executive Director of the Successor Agency to Execute A Settlement Agreement, Which Requires The Successor Agency To Pay \$299,000 In Redevelopment Property Tax Trust Fund Revenues, To Resolve *Triad Downtown Vallejo, LLC. v. The Redevelopment Agency of the City of Vallejo, Et. Al.*; Solano**

County Superior Court Case No. FCS 037433

Recommendation: Adopt a Resolution approving, authorizing and directing the Executive Director of the Successor Agency (“Successor Agency”) to the former Redevelopment Agency of the City of Vallejo (“RDA”) to execute a Settlement Agreement to resolve *Triad Downtown Vallejo, LLC. v. the Redevelopment Agency of the City of Vallejo, et al.*; Solano County Superior Court Case No. FCS 037433 (“Action”). Under the Settlement Agreement, Triad Downtown Vallejo, LLC (“Triad”) will dismiss the Action with prejudice and execute Quit Claim Deeds releasing all of Triad’s rights, title and interest to the parcels referenced in the Disposition and Development Agreement between Triad and the Redevelopment Agency (“DDA”) in exchange for the Successor Agency’s payment of \$299,000 in Redevelopment Property Tax Trust Fund (“RPTTF”) revenues, the City’s release of a \$500,000 Letter of Credit for the I-80/Downtown project and a \$120,000 Letter of Credit for the Hiddenbrooke Fire Station project, and the City’s waiver of an outstanding plan check fee in the amount of \$91,000

Contact: Claudia Quintana, City Attorney for the City of Vallejo & the Successor Agency, 648-4545

B. Consideration of Errors and Omissions Insurance as requested by Boardmember Truelsen

Recommendation: Discussion regarding obtaining Errors and Omissions Insurance for the Oversight Board. Upon conclusion, take the appropriate action to direct staff or counsel regarding next steps.

C. Discussion regarding Oversight Board Statement of Purpose as Requested by Boardmember Truelsen

Recommendation: Discussion regarding a Statement of Purpose for the Oversight Board and upon conclusion, take the appropriate action to direct staff regarding next steps.

8. AGENDA ITEMS FOR FUTURE MEETINGS

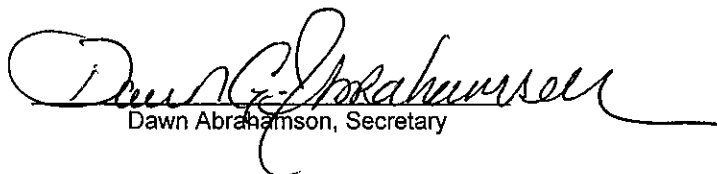
A. Discussion of Agenda Items for Future Meetings and Future Meeting Dates

9. ADJOURNMENT

CERTIFICATION:

I, Dawn Abrahamson, Secretary, do hereby certify that I have caused a true copy of the above notice and agenda to be delivered to each of the members of the Oversight Board for the Successor Agency of the Vallejo Redevelopment Agency, at the time and in the manner prescribed by law and that this agenda was posted at City Hall, 555 Santa Clara Street, CA at 4:30 p.m., January 10, 2014.

Dated: January 10, 2014


Dawn Abrahamson, Secretary

**CITY OF VALLEJO OVERSIGHT BOARD
FOR THE SUCCESSOR AGENCY TO THE VALLEJO REDEVELOPMENT AGENCY
REGULAR MEETING MINUTES
DECEMBER 19, 2013**

1. CALL TO ORDER

The meeting was called to order by Chair Hannigan at 8:35 a.m.

2. ROLLCALL

Board members Present: Chair Hannigan (Solano County Board of Supervisors' Appointee), Vice Chair Taylor (member representing Employees of Former Redevelopment Agency Appointee) arrived at 8:35 a.m.; Boardmembers Brown (Mayor of Vallejo Appointee), Jordan (County Superintendent of Education Appointee), Lea (Chancellor of California Community College Appointee) and Truelsen (Solano County Board of Supervisors' Public Member Appointee)

Boardmembers Absent: Boardmember McAfee (GVRD, largest Special District)

Staff Present: Mark Sawicki, Community & Economic Development Director; Michael Roush, Legal Counsel; Dawn Abrahamson, Secretary; and Deborah Lauchner, Finance Director

3. COMMUNITY FORUM – None.

4. INTRODUCTION OF LEGAL COUNSEL

Boardmember Truelsen introduced Legal Counsel Michael Roush.

5. APPROVAL OF MINUTES

A. Approval of Minutes from the November 21, 2013 Special Meeting

Action: Moved by Vice-Chair Taylor and carried to approve the minutes (Absent-McAfee; Abstain-Brown)

6. OLD BUSINESS - None.

7. NEW BUSINESS

A. Status Report by Community & Economic Development Director Regarding Any Pending Issues Related to Findings of Completion, Long Range Property Management Plan or Any Other Outstanding Matters

Recommendation: No action required; this item is for informational purposes only.

Community & Economic Development Director Sawicki provided a status report and highlighted items that will need to be brought forward to the Oversight Board at a later date. Staff responded to questions from Boardmembers.

No action was taken; informational purposes only.

B. Resolution Approving, Authorizing and Directing the Successor Agency to Execute and Implement a Fourth Amended and Restated Disposition and Development Agreement among the Successor Agency, the City of Vallejo and Callahan Property Company, Inc., including the Transfer of Assessor Parcels 55-

160-600 and 610 from the Successor Agency to the City

Recommendation: Adopt a Resolution approving, authorizing and directing the Successor Agency to the former Redevelopment Agency of the City of Vallejo to execute and implement a Fourth Amended and Restated Disposition and Development Agreement among the Successor Agency, the City of Vallejo, and Callahan Property Company, Inc. pursuant to Health and Safety Code Section 34181(e), including the transfer of Assessor Parcels 55-160-600 and 610 (Parcel J) pursuant to Health and Safety Code Section 34181(a) from the Successor Agency to the City, and making related statutory findings

Community & Economic Development Director Sawicki provided an overview of the staff report and highlighted the proposed recommendation.

Staff and legal counsel responded to questions from Boardmembers. Boardmembers provided comment.

Action: Moved by Boardmember Brown, and carried unanimously by Boardmembers present to adopt Resolution No. 13-9. (Absent-McAffee)

C. Discussion Regarding Preparation of Governing Bylaws for the Oversight Board

Recommendation: Discussion regarding preparation of governing bylaws for the Oversight Board. Upon conclusion, take the appropriate action to direct staff or counsel regarding next steps.

Legal counsel, staff and Boardmembers discussed the desire to have Operating Rules and Procedures.

Action: By consensus of Boardmembers present, Legal Counsel Roush was directed to work with a subcommittee of the Oversight Board comprised of Boardmembers Jordan, Lea and Truelsen to develop Operating Rules and Procedures and return to the full Oversight Board for consideration and approval.

D. Discussion regarding Oversight Board and Staff Relationship and Expectations

Recommendation: Discussion regarding Board and staff relationship and expectations. Upon conclusion, provide staff with direction regarding next steps

Boardmember Truelsen provided an explanation for requesting this item be added to the agenda for discussion. A discussion ensued amongst Boardmembers, legal counsel and staff regarding the matter.

No action was taken; informational purposes only.

8. AGENDA ITEMS FOR FUTURE MEETINGS

A. Discussion of Agenda Items for Future Meetings and Future Meeting Dates

Boardmember Truelsen noted that the November 21, 2013 minutes reflected items for the January 16, 2014 regular Oversight Board meeting and requested that these items be added to the agenda.

Chair Hannigan requested that the agenda identify the Boardmember who is requesting an item(s) be added for purposes of discussion.

9. ADJOURNMENT

The meeting adjourned at 9:56 a.m.

ERIN HANNIGAN, Chair

DAWN G. ABRAHAMSON, Secretary



CITY OF VALLEJO
OVERSIGHT BOARD
FOR THE SUCCESSOR AGENCY
TO THE VALLEJO REDEVELOPMENT AGENCY

DATE: January 16, 2014
TO: Chairperson and Members of the Oversight Board
FROM: Claudia Quintana, City Attorney for the City of Vallejo and for the Successor Agency
J. Leah Castella, Special Counsel
SUBJECT: AUTHORIZE THE EXECUTIVE DIRECTOR OF THE SUCCESSOR AGENCY TO EXECUTE A SETTLEMENT AGREEMENT, WHICH REQUIRES THE SUCCESSOR AGENCY TO PAY \$299,000 IN REDEVELOPMENT PROPERTY TAX TRUST FUND REVENUES, TO RESOLVE *TRIAD DOWNTOWN VALLEJO, LLC V. THE REDEVELOPMENT AGENCY OF THE CITY OF VALLEJO, ET AL.*; SOLANO COUNTY SUPERIOR COURT CASE NO. FCS 037433

RECOMMENDATION

Adopt a Resolution approving, authorizing, and directing the Executive Director of the Successor Agency ("Successor Agency") to the former Redevelopment Agency of the City of Vallejo ("RDA") to execute a Settlement Agreement to resolve *Triad Downtown Vallejo, LLC v. The Redevelopment Agency of the City of Vallejo, et al.*; Solano County Superior Court Case No. FCS 037433 ("Action"). Under the Settlement Agreement, Triad Downtown Vallejo, LLC ("Triad") will dismiss the Action with prejudice and execute Quit Claim Deeds releasing all of Triad's rights, title and interest to the parcels referenced in the Disposition and Development Agreement between Triad and the Redevelopment Agency ("DDA") in exchange for the Successor Agency's payment of \$299,000 in Redevelopment Property Tax Trust Fund ("RPTTF") revenues, the City's release of a \$500,000 Letter of Credit for the I-80/Downtown project and a \$120,000 Letter of Credit for the Hiddenbrooke Fire Station project, and the City's waiver of an outstanding plan check fee in the amount of \$91,000.

REASONS FOR RECOMMENDATION

Background:

On February 23, 2011, Triad filed a Complaint for Breach of Contract and Declaratory Relief ("Complaint") against the Redevelopment Agency of the City of Vallejo ("RDA") and the City of Vallejo. The Complaint contains three causes of action, which seek damages for breach of the DDA, and a judicial declaration that the DDA and the Development Agreement that Triad and the City entered into around October 25, 2005 ("DA"), are still in full force and effect.

The DDA provided for the acquisition, disposition and development of certain real property included within the boundaries of certain Redevelopment Project areas. The purpose of the DDA was to implement Vallejo's Redevelopment Project Plans, which called for the revitalization of the project areas by providing housing, stimulating office and retail uses, providing jobs, and promoting development of under-utilized properties. The

DDA provided for the development of seven separate real property parcels ("Properties"). Two of the Properties were owned by the RDA and the remaining five parcels are owned by the City and the Vallejo Housing Authority. Triad recorded a memorandum of the DDA against the Properties. As such, the DDA and the Action have affected the title and marketability of the Properties.

The RDA terminated the DDA in July of 2009 after Triad repeatedly failed to meet performance deadlines under the agreement. Triad claimed that the RDA's termination of the DDA was invalid because the economic recession beginning in 2008 was a force majeure event that excused Triad's failure to perform.

The DA provided a process for project approvals and assessment of development fees. The term of the DA was set to automatically expire in the event that the DDA was terminated. Consequently, the City took the position that the DA automatically terminated when the RDA terminated the DDA.

Triad claims its damages relating to the RDA's termination of the DDA are \$10 million, however, we believe that this claim is inflated. Under the DDA, the prevailing party should also be liable for the other party's attorney's fees. We estimate that, in the event this case goes to trial, Triad's attorney's fees will be in excess of \$800,000. To date, the cost of defending this litigation has been \$260,000. We estimate that it will cost an additional \$75,000 to take this case to trial, and those costs would increase if the judgment at trial is appealed. However, Triad's counsel claims that Triad is insolvent, and that if the Successor Agency were successful and awarded attorney's fees, it would be difficult to collect those fees from Triad.

Settlement Agreement Terms:

Any damages that Triad could be awarded at trial would be the result of the RDA's termination of the DDA. As such, the Settlement Agreement requires the Successor Agency to pay Triad \$299,000 out of RPTTF revenues. The agreement also requires the City to release the \$500,000 I-80/Downtown and the \$120,000 Hiddenbrooke Fire Station Letters of Credit and waive an outstanding \$91,000 plan check fee attributable to plan check work performed by the City in connection with the Hiddenbrooke project. Neither of these actions will have any fiscal impact on the Successor Agency.

In exchange for the Successor Agency's payment and the City's forgiveness of the Letters of Credit and waiver of the plan check fee, Triad will dismiss the Action with prejudice, execute Quit Claim Deeds releasing all of Triad's rights, title and interest in the Properties, and agree that the DDA and DA are terminated.

As part of the Settlement Agreement, the City, the Successor Agency, and Triad have agreed to enter a Stipulated Judgment in the Action. Subject to the terms of the Settlement Agreement, the Stipulated Judgment obligates the Successor Agency to pay Triad \$299,000. To facilitate that payment, the Settlement Agreement and the Stipulated Judgment require the Successor Agency to list the Stipulated Judgment as an enforceable obligation on the Successor Agency's Recognized Obligation Payment Schedule ("ROPS") for the July 1, 2014 through December 31, 2014 period ("ROPS 14-15A") and all subsequent ROPS periods until the payment is made or the Successor Agency's right to receive RPTTF revenues for payment of enforceable obligations has expired. Triad is aware that all enforceable obligations listed on ROPS 14-15A and all subsequent ROPS are subject to approval by the Oversight Board and the Department of Finance ("DOF"), and Triad has agreed to bear the risk that the DOF will deny the Stipulated Judgment as an enforceable obligation and/or refuse to pay any amounts owed under the Settlement Agreement. As such, the Successor Agency's payment under the Settlement Agreement and the Stipulated Judgment is conditioned upon and subject to the DOF's approval of the Settlement Agreement and the Stipulated Judgment and a sufficient disbursement of RPTTF revenues to make the payment.

Additionally, the Stipulated Judgment states that the parties' agree that the DDA and the DA are terminated as of the entry of the Stipulated Judgment in the Action, and it obligates Triad to execute Quit Claim Deeds releasing any rights to the Properties within fifteen days of entry of the Stipulated Judgment. Triad's execution of the Quit Claim Deeds is not dependent upon the DOF's approval of the Stipulated Judgment as an enforceable obligation, and in fact, will occur prior to the Stipulated Judgment being placed on ROPS 14-15A.

The finalization of the Settlement Agreement, the filing of the Stipulated Judgment, and all of the Successor Agency and City's obligations under the agreement, are conditioned upon Oversight Board approval of the settlement.

BENEFITS TO TAXING ENTITIES OF SETTLEMENT AGREEMENT; FISCAL IMPACTS

The net benefits of the Settlement Agreement to the Successor Agency and taxing entities outweigh the costs of settlement. On the cost side, the Successor Agency will be required to pay Triad \$299,000 in RPTTF revenues, and it will forgo the opportunity to recover its attorneys' fees incurred in the litigation. However, as noted above, if the Successor Agency were successful and awarded those fees, it may have difficulty collecting those fees from Triad.

On the benefits side, the Successor Agency will avoid incurring the additional legal expense of defending this case at trial and, most likely, on appeal. It will also avoid any potential liability for Triad's attorneys' fees or damages, which it claims will be in excess of \$800,000 and \$10 million respectively. Although we have strong arguments and believe we would be successful at trial, there is a risk of liability inherent in all litigation, and the damages claimed by Triad are substantial. Finally, Triad will execute Quit Claim Deeds on behalf of the Successor Agency releasing all of its rights, title and interest to the two real property parcels previously owned by the RDA that were subject to the DDA. As such, the Successor Agency will have clear and marketable title to two properties that are currently impacted by the DDA.

For these reasons, the Settlement Agreement will reduce liabilities to the taxing entities, thereby serving their best interests.

ATTACHMENTS

- A. Resolution
- B. Settlement Agreement

CONTACT

Claudia Quintana, City Attorney, 707 648 4545

OVERSIGHT BOARD RESOLUTION NO. N.C.-_____

**RESOLUTION OF THE OVERSIGHT BOARD FOR THE SUCCESSOR
AGENCY OF THE CITY OF VALLEJO APPROVING, AUTHORIZING AND
DIRECTING THE EXECUTION OF A SETTLEMENT AGREEMENT
WHICH REQUIRES THE SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY OF THE CITY OF VALLEJO TO PAY
\$299,000 IN REDEVELOPMENT PROPERTY TAX TRUST FUND
REVENUES, TO RESOLVE *TRIAD DOWNTOWN VALLEJO, LLC V. THE
REDEVELOPMENT AGENCY OF THE CITY OF VALLEJO, ET AL.*; SOLANO
COUNTY SUPERIOR COURT CASE NO. FCS 037433**

WHEREAS, the former REDEVELOPMENT AGENCY OF THE CITY OF VALLEJO (the "Redevelopment Agency") and TRIAD DOWNTOWN VALLEJO, LLC ("Triad") entered into that certain Disposition and Development Agreement, dated October 28, 2005 (the "DDA"), a Memorandum of which was recorded as Instrument No. 200600093991 on July 26, 2006 and a second Memorandum of which was recorded as Instrument No. 200700013335 on February 1, 2007 in the Official Records of Solano County; and

WHEREAS, the DDA provided, among other things, for the Redevelopment Agency's acquisition and assemblage of certain real property consisting of seven separate assessors parcels (collectively, the "Properties") owned by the Redevelopment Agency, the City of Vallejo ("City"), and the Vallejo Housing Authority, and the disposition of such Properties by the Redevelopment Agency to Triad for development of a proposed mixed use project ("Project"), all as more particularly set forth in the DDA; and

WHEREAS, the Redevelopment Agency owned two of those Properties, APN 055-160-170, referenced as Parcel B in the DDA and APN 055-170-280 and 055-170-290, referenced as Parcel D in the DDA ("Redevelopment Agency Properties"); and

WHEREAS, the Redevelopment Agency provided Triad with notice that it was terminating the DDA on July 17, 2009; and

WHEREAS, on February 23, 2011, Triad filed the action entitled *Triad Downtown Vallejo, LLC v. The Redevelopment Agency of the City of Vallejo, et al.*; Solano County Superior Court Case No. FCS 037433 ("Action") seeking damages for breach of the DDA and a judicial declaration that the DDA is still in full force and effect; and

WHEREAS, pursuant to AB 1X 26, enacted June 28, 2011 (as found constitutional and as partially reformed by the California Supreme Court in its decision in *California Redevelopment Association v. Matosantos* on December 29, 2011), and as amended by AB 1484, enacted June 27, 2012 (the "Dissolution Act"), the Redevelopment Agency, along with all other redevelopment agencies in the State, was dissolved as of February 1, 2012; and

WHEREAS, pursuant to the authority provided in Health and Safety Code Section 34173, as enacted by AB 1X 26, the City Council of the City of Vallejo (the "City") elected and determined that the City shall become the "successor agency" to the former Redevelopment

Agency, and upon dissolution of the Redevelopment Agency under AB 1X 26, all authorities, rights, powers, duties and obligations previously vested with the former Redevelopment Agency, under the Community Redevelopment Law (Health and Safety Code Section 33000 et seq.), were vested in the Successor Agency to the Redevelopment Agency of the City of Vallejo (the "Successor Agency"), including the former Redevelopment Agency's rights, duties and obligations under the DDA and the Action; and

WHEREAS, pursuant to Health and Safety Code Section 34173(g), added by AB 1484, the Successor Agency has been designated as a separate public entity from the City; and

WHEREAS, also pursuant to the Dissolution Act, an Oversight Board (the "Oversight Board") has been selected to oversee, direct and approve specified actions of the Successor Agency; and

WHEREAS, the legal expenses associated with the Action are an "enforceable obligation" within the meaning and for the purposes of the Dissolution Act, and the Successor Agency is responsible for defending the Action brought against the former Redevelopment Agency; and

WHEREAS, if Triad were able to obtain a judicial declaration in the Action that the DDA is still in full force and effect, the DDA could become an "enforceable obligation" within the meaning and for the purposes of the Dissolution Act, and the Successor Agency could be responsible for carrying out the obligations of the former Redevelopment Agency under the DDA; and

WHEREAS, Triad and the Successor Agency (the "Parties") agreed to settle the Action on the following terms and conditions ("Settlement Agreement"):

1. The Parties will execute and file a stipulated judgment in the Action substantially in the form as the one attached as Exhibit A to the Settlement Agreement ("Stipulated Judgment").
2. The Stipulated Judgment will require the Successor Agency to pay Triad \$299,000 ("Settlement Payment") from Real Property Tax Trust Fund revenues ("RPTTF"). To effectuate the Settlement Payment, the Successor Agency will list the Stipulated Judgment, in particular the Successor Agency's obligation to disburse the Settlement Payment from available RPTTF revenues, as an enforceable obligation on the Successor Agency's Recognized Obligation Payment Schedule for the July 1, 2014 through December 31, 2014 Period ("ROPS 14-15A") and all subsequent ROPS periods until the earlier of: (a) the date on which the Settlement Payment has been paid in full or (b) the Successor Agency's right to receive RPTTF revenues for payment of enforceable obligations has expired. Triad has acknowledged and agrees that enforceable obligations listed on ROPS 14-15A and all subsequent ROPS are subject to approval by the Oversight Board and Department of Finance ("DOF"). If the DOF denies the Stipulated Judgment as an enforceable obligation on ROPS 14-15A or any subsequent ROPS, the Successor Agency will cooperate in good faith in any

challenge brought by Triad with respect to the denial, but Triad shall bear the risk that the DOF will deny the Stipulated Judgment as an enforceable obligation and/or refuse to authorize any payments of amounts owed under the Settlement Agreement and the Stipulated Judgment, and the Successor Agency's performance of its obligations under the Settlement Agreement and the Stipulated Judgment are conditioned upon and subject to the DOF's approval of the Settlement Agreement and the Stipulated Judgment and each disbursement of the Settlement Payment to be made thereunder as an enforceable obligation.

3. The Parties agree that the DDA shall be deemed terminated effective as of the date the Stipulated Judgment is entered in the Action. From and after such date, the Successor Agency and Triad shall have no further rights or obligations thereunder other than those obligations, which by their terms, survive termination thereof.
4. Within fifteen (15) days following the entry of the Stipulated Judgment in the Action, Triad shall execute, acknowledge and deliver to the City, the Successor Agency, and the Housing Authority the Quit Claim Deeds in the form attached to the Settlement Agreement as Exhibits B-1, B-2 and B-3 in recordable form and otherwise reasonably acceptable to the City Attorney of the City and the Successor Agency, releasing, remising and quitclaiming to the City, Successor Agency, and Housing Authority, as applicable, all of Triad's rights, title, and interests in and to the Properties.

WHEREAS, the Successor Agency's execution of the Settlement Agreement, the filing of the Stipulated Judgment and all of the Successor Agency's obligations under the Settlement Agreement are conditioned upon Oversight Board approval of the Settlement Agreement; and

WHEREAS, the Successor Agency held a public hearing on January 14, 2014, in the City Council Chambers to consider and act on the Settlement Agreement, at which time the Successor Agency approved execution of the Settlement Agreement and directed that the Settlement Agreement be presented to the Oversight Board for its consideration and approval; and

WHEREAS, a judicial declaration that the DDA is terminated will reduce liabilities and will increase net revenues to the taxing entities and will be in the best interests of the taxing entities within the meaning of Health and Safety Code Section 34181(e); and

WHEREAS, Triad's execution of the Quit Claim Deeds releasing all of its rights, title and interest to the Redevelopment Agency Properties will provide clear and marketable title for the Redevelopment Agency Properties and make those properties available for conveyance in accordance with a Long-Range Property Management Plan, required to be prepared by the Successor Agency pursuant to Health and Safety Code Section 34191.5, with resulting financial benefits for the taxing entities; and

WHEREAS, given the associated risks of litigation and the potential costs of a trial, Successor Agency staff determined that the Settlement Payment, which is only due and payable

when RPTTF revenue is provided to the Successor Agency for the purpose of making the Settlement Payment, was a reasonable amount to settle the Action; and

WHEREAS, pursuant to Health and Safety Code Section 34177(h), the Successor Agency is required to “expeditiously wind down the affairs of the redevelopment agency pursuant to the provisions of this part and in accordance with the direction of the oversight board,” and successor agencies may create enforceable obligations to conduct the work of winding down the redevelopment agency pursuant to Health and Safety Code Section 34177.3(b); and

WHEREAS, resolving lawsuits is a necessary part of the process of winding down a redevelopment agency, and the Settlement Agreement and the resulting dismissal of the Action quantifies and eliminates, for a reasonable amount, a Successor Agency liability.

NOW, THEREFORE, THE OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY OF THE CITY OF VALLEJO DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. The Recitals set forth above are true and correct and are incorporated into this Resolution by this reference.

Section 2. The Oversight Board hereby finds that approval of the Settlement Agreement: (1) would significantly reduce the liabilities of the Successor Agency in the Action; and (2) would be in the best interests of the taxing entities. These findings are based upon the facts and information contained in the Staff Report on this item, dated January 16, 2014, to the Oversight Board from Claudia Quintana, City Attorney for the City of Vallejo and for the Successor Agency, regarding Approval of the Successor Agency’s Decision to Execute a Settlement Agreement, Which Requires the Successor Agency to Pay \$299,000 in Redevelopment Property Tax Trust Fund Revenues, to Resolve *Triad Downtown Vallejo, LLC v. The Redevelopment Agency of the City of Vallejo, et al.*; Solano County Superior Court Case No. FCS 037433, including all documents attached thereto or referenced therein, and other evidence and testimony presented prior to and at the Oversight Board's January 16, 2014 public meeting on the Settlement Agreement.

Section 3. Subject to review and approval of the Settlement Agreement by the Department of Finance in accordance with Health and Safety Code Section 34179(h), the Successor Agency Executive Director is hereby authorized to execute the Settlement Agreement on behalf of the Successor Agency, subject to any minor clarifying, conforming and technical changes as may be approved by Successor Agency’s General Counsel. The Executive Director and/or Successor Agency legal counsel are further authorized to take such actions and execute such documents as may be necessary to carry out the obligations of the Successor Agency under the Settlement Agreement, including without limitation execution of the Stipulated Judgment and acceptance of the Quit Claim Deeds.

Section 4. The Oversight Board hereby directs the Successor Agency staff to include the Stipulated Judgment, and the Settlement Payment required therein, as an enforceable obligation on ROPS 14-15A and all subsequent ROPS periods until the Settlement Payment is

paid in full or the Successor Agency's right to receive RPTTF revenues for payment of enforceable obligations has expired.

This resolution was adopted by those present and voting at a regular meeting of the Oversight Board to the Successor Agency of the City of Vallejo held on January 16, 2014, by the following vote:

AYES:

NOES:

ABSENT:

ABSTENTIONS:

Erin Hannigan, Chairperson

ATTEST:

Dawn Abrahamson, Secretary