

A G E N D A

REGULAR MEETING OF THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY TO THE CITY OF SUISUN CITY REDEVELOPMENT AGENCY THURSDAY, MARCH 24, 2016

4:00 P.M.

SUISUN CITY COUNCIL CHAMBERS -- 701 CIVIC CENTER BOULEVARD -- SUISUN CITY, CALIFORNIA

TELECONFERENCE NOTICE

Pursuant to Government Code Section 54953, Subdivision (b), the following Oversight Board meeting may include teleconference participation by Board member Rosemary Thurston from: 437 Southport Way, Vallejo 94591. This Notice and Agenda will be posted at the teleconference location.

Next Board Res. No. OB2016 – __

ROLL CALL

Board Members

PUBLIC COMMENT

(Requests by citizens to discuss any matter under our jurisdiction other than an item posted on this agenda per California Government Code §54954.3 allowing 3 minutes to each speaker).

CONSENT CALENDAR

Consent calendar items requiring little or no discussion may be acted upon with one motion.

- 1) Board Approval of the Minutes of the Regular Meeting of the Oversight Board held on January 22, 2016. – (Skinner)

GENERAL BUSINESS

- 2) Adoption of Oversight Board Resolution No. OB2016-__: Extending the Term of the Main Street West Disposition and Development Agreement (DDA) Pursuant to Settlement Agreement with California Department of Finance– (Garben)

REPORTS: *(Informational items only.)*

- 4) Chair/Boardmembers
- 5) Staff

ADJOURNMENT

A complete packet of information containing Staff Reports and exhibits related to each item is available for public review at least 72 hours prior to a Board Meeting or, in the event that it is delivered to the Boardmembers less than 72 hours prior to a Board Meeting, as soon as it is so delivered. The packet is available for review in the Suisun City Manager's Office during normal business hours, and online at www.suisun.com/Oversight-Board.html.

MINUTES

REGULAR MEETING OF THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY TO THE CITY OF SUISUN CITY REDEVELOPMENT AGENCY

FRIDAY, JANUARY 22, 2016

2:00 P.M.

SUISUN CITY COUNCIL CHAMBERS -- 701 CIVIC CENTER BOULEVARD -- SUISUN CITY, CALIFORNIA

TELECONFERENCE NOTICE

Pursuant to Government Code Section 54953, Subdivision (b), the following Oversight Board meeting may include teleconference participation by Board member Rosemary Thurston from: 437 Southport Way, Vallejo 94591. This Notice and Agenda will be posted at the teleconference location.

Next Board Res. No. OB2016 –01

ROLL CALL

Board Members

Present:

Guynn, Sheldon,
Thurston, Kearns

Absent:

Sanchez
Spering

PUBLIC COMMENT

None

CONSENT CALENDAR

Consent calendar items requiring little or no discussion may be acted upon with one motion.

- 1) Board Approval of the Minutes of the Regular Meeting of the Oversight Board held on November 13, 2015. – (Skinner)

Board Member Guynn moved to approve the minutes. Board Member Sheldon seconded the motion. Motion passed 4-0.

GENERAL BUSINESS

- 2) Adoption of Oversight Board Resolution No. OB2016- : Approving the Recognized Obligation Payment Schedule 16/17 (ROPS 16/17) for the Period of July 1, 2016 to June 30, 2017, and Directing Transmittal Pursuant to State Law.– (Garben)

Motion by Board Member Sheldon and seconded by Board Member Guynn to approve Resolution No. OB2016-01.

AYES: Guynn, Kearns, Sheldon, Thurston

NOES: None

ABSENT: Sanchez, Spering

- 3) Adoption of Oversight Board Resolution No. OB2016- : Approving the Settlement Agreement Of Main Street West Partners Litigation And Directing The Executive Director To Forward The Executed Settlement Agreement To the Department of Finance For Approval.– (Garben)

Mr. Garben presented the staff report. He stated that final documents have not been received from the State. He also explained the Department of Finance has agreed to allow the 4th Amendment to move forward without any changes however the effective date would be either March 31 or April 30.

Board Member Sheldon voiced concern over the language in Section 3 of Resolution OB2016-02 where it read “substantially increase the Agency’s obligations”. Mr. Garben explained that the intent is not to change the business terms of the Agreement.

After a brief discussion the Board agreed to the following change: where it reads “substantially increased the Agency’s obligation thereunder” replace that with “does not alter the business terms or intent of the Agreement”. The Board was also in agreement with the flexibility on the March 31 or April 30 dates.

Motion by Board Member Thurston and seconded by Board Member Sheldon to approve Resolution No. OB2016-02.

AYES: Guynn, Kearns, Sheldon, Thurston
 NOES: None
 ABSENT: Sanchez, Spering

City Manager Bragdon thanked the Board for their work on the Main Street West Partners Settlement Agreement.

REPORTS: *(Informational items only.)*

- 4) Chair/Boardmembers

Mr. Garben stated that the Successor Agency will not be receiving a Finding of Completion. He explained that the City has been working with the Department of Finance of a repayment plan and they came back with an 18 month plan for the Agency and City to repay the 1.8 million dollars. Mr. Garben further explained that the Executive Director has been in contact with Assemblyman Frazier’s office and anticipating a meeting with the Assemblyman’s staff and Department of Finance staff. He stated that we do not have a Long Range Property Management Plan the 7 properties will have to come back before the Oversight Board individually for disposition.

City Manager Bragdon stated that the City’s request for a 10 year repayment plan has been denied by the Department of Finance. Assemblyman Frazier’s office suggested asking for an extension. The City would continue with the lawsuit.

ADJOURNMENT

There being no further business the meeting was adjourned at 2:37pm.

AGENDA TRANSMITTAL

MEETING DATE: March 24, 2016

OVERSIGHT BOARD AGENDA ITEM: Adopt Oversight Board Resolution No. OB2016-__: Extending the Term of the Main Street West Disposition and Development Agreement (DDA) Pursuant to Settlement Agreement with California Department of Finance.

FISCAL IMPACT: Any sale of property, payment of fees, or other revenues from the Main Street West DDA will be distributed to the affected taxing entities.

IMPACT ON PASS THROUGHES TO OTHER TAXING ENTITIES: This item has no impact to the existing pass-through payments to other affected taxing entities.

BACKGROUND: On January 22, 2016, the Oversight Board adopted a resolution approving a settlement agreement with Main Street West Partners, LLC (MSW) and the State of California Department of Finance (DOF) associated with the Disposition and Development Agreement (DDA) for several former redevelopment agency properties located in and around the Waterfront District area. The settlement agreement will allow the Main Street West project to proceed and will bring an end to the litigation filed by Main Street West Partners in February 2014.

STAFF REPORT: Upon receipt of the fully executed settlement agreement, the DOF determined it is necessary to adopt a separate resolution authorizing a further extension of the current expiration date of the DDA to April 29, 2016. Said extension is consistent with the terms of the executed settlement agreement. Should the Oversight Board adopt the attached resolution, it must be submitted to the DOF within three (3) business days, and the DOF would approve said resolution within ten (10) days of receipt. This would finalize the settlement agreement, and allow DOF to approve the original 4th Amendment to the DDA as of April 29, 2016.

RECOMMENDATION: It is recommended that the Oversight Board:

Adopt Oversight Board Resolution No. OB2016-__: Extending the Term of the Main Street West Disposition and Development Agreement (DDA) Pursuant to Settlement Agreement with California Department of Finance.

ATTACHMENTS:

1. January 22, 2016 Staff Report
2. Fully Executed Settlement Agreement.
3. March 2, 2016 DOF Letter
4. Resolution NO. OB 2016- __ Approving the Settlement Agreement Of Main Street West Partners Litigation And Directing The Executive Director To Forward The Executed Settlement Agreement To the Department of Finance For Approval.

PREPARED BY:

Jason Garben, Development Services Director

REVIEWED/APPROVED BY:

Suzanne Bragdon, Executive Director

AGENDA TRANSMITTAL

MEETING DATE: January 22, 2016

OVERSIGHT BOARD AGENDA ITEM: Adopt Oversight Board Resolution No. OB2016-__: Approving the Settlement Agreement Of Main Street West Partners Litigation And Directing The Executive Director To Forward The Executed Settlement Agreement To the Department of Finance For Approval.

FISCAL IMPACT: Any sale of property, payment of fees, or other revenues from the Main Street West DDA will be distributed to the affected taxing entities.

IMPACT ON PASS THROUGHES TO OTHER TAXING ENTITIES: This item has no impact to the existing pass-through payments to other affected taxing entities.

BACKGROUND:

MSW DDA

In mid-2005, Main Street West Partners, LLC was selected as the master developer of the Main Street West Project, which initially consisted of 13 former Redevelopment Agency-owned properties in the Waterfront District amounting to approximately 8.4 acres for development of residential, commercial, and mixed-use projects. A Disposition and Development Agreement (DDA) was executed in April 2006.

In July 2006, the Agency approved the First Amendment to the DDA, which added a 7.44-acre property (the former Crystal Middle School site) to the Project. In September 2007, the Second Amendment to the DDA was approved, which updated the Schedule of Performance. In January 2009, the Third Amendment to the DDA was approved, which allowed the former Agency to acquire property from MSW Partners, provide an advance of developer reinvestment funds in the form of a loan, and to amend the Schedule of Performance. A map is provided as Attachment 1 that provides a graphic representation of the location of these properties.

DDA Extensions

The Main Street West Project, as a whole, fell victim to the “Great Recession,” which resulted in project delays due to economic conditions beyond the control of the City or Main Street West Partners. Financing was non-existent for several years, as the real estate markets in all sectors experienced declining values, low occupancy rates, and high rates of foreclosure activity. The initial term of the DDA expired on February 19, 2014. Thus, several extensions were granted to allow additional time to modify terms and conditions to the DDA, providing for the development to move forward in light of market conditions and redevelopment agency dissolution law. The intent was to update the DDA such that the original intent of the DDA could be carried out within the confines of economic realities and the State laws governing dissolution of former redevelopment agencies. Further, the updates would benefit the City, as well as the affected taxing entities. The extensions ran through January 31, 2015.

MSW Legal Action

PREPARED BY:

Jason Garben, Development Services Director

REVIEWED/APPROVED BY:

Suzanne Bragdon, Executive Director

On February 11, 2014, Main Street West Partners filed a complaint with the Solano County Superior Court for Validation under Code of Civil Procedure Section 863 and for Declaratory Relief to ask the court to validate the continued enforceability of the DDA and modifications to allow completion of the performance of the requirements of the DDA, as the dissolution law has complicated the process to update the DDA. Further, in April 2014, the California Department of Finance appeared in the lawsuit filed by Main Street West Partners and sought to change the venue of the lawsuit from Solano County to Sacramento County Superior Court.

On May 22, 2014, the Court granted a change of venue that moved the case to the Sacramento County Superior Court, and on, or about, October 1, 2014, Main Street filed a First Amended Complaint for Declaratory Relief, Impairment of Contract, and Petition for Writ of Mandate in *Main Street West Partners, LLC v. Successor Agency of the Redevelopment Agency of the City of Suisun City, et al.*, Sacramento Superior Court, Case No. 34-2014-00164737

Proposed Amendment

Even after the lawsuit was filed, the Successor Agency through the Oversight Board continued to work with Main Street West Partners on updates to the DDA that would allow the project to proceed, as well as meet the interests of all parties involved, including the affected taxing entities. In October 2014, the Successor Agency and Oversight Board approved various amendments to the DDA through the "Fourth Amendment" to the DDA which was forwarded to the DOF for review. On October 22, 2014, DOF initiated review. On December 1, 2014, Finance sent a letter denying approval of the Fourth Amendment. Successor Agency staff followed-up with DOF staff to discuss the letter and determine what information should be presented as part of a successful reconsideration by the DOF. DOF provided some clarity regarding the reasoning for the initial denial, and asked that certain findings be made by the Oversight Board and incorporated into a new resolution approving the Fourth Amendment for the second time (January 8, 2015). On February 18, 2015, DOF sent another letter denying the approval of the Fourth Amendment. Staff asked the DOF to reconsider the denial, and provided more information. This has led to a proposed settlement of the lawsuit that would approve the Fourth Amendment as it was initially approved by the Successor Agency and Oversight Board, first in October 2014, and again in January 2015.

STAFF REPORT: The settlement agreement proposed by the Attorney General's Office provides for the reconsideration of the DOF's prior February 18, 2015 denial of the Fourth Amendment to the DDA with MSW. The Successor Agency approved the settlement agreement at its January 12, 2016 meeting. In order to proceed, the settlement agreement must be submitted to the Oversight Board for approval. Upon approval by the Oversight Board, the Successor Agency is to notify Finance within three business days. Finance will, within ten (10) business days of receipt of the Oversight Board action, approve a Settlement Extension and approve, upon reconsideration, the Fourth Amendment. The approval of the Fourth Amendment will become effective on the Settlement Extension date of April 30, 2016. Once the DOF approves the Oversight Board's action to approve the settlement agreement, if so approved by the Oversight Board, MSW is required to dismiss its lawsuit in its entirety, with prejudice, meaning it cannot be re-filed later.

The reason for the extension through April 30, 2016 is to allow MSW to re-engage equity partners that have been on hold through this entire process that began approximately two years ago. No new terms or provisions of the Fourth Amendment (as initially approved by the Successor Agency or Oversight Board) are being proposed as part of the Settlement Agreement. Further, the project

must undergo all necessary environmental review and nothing in the settlement agreement is intended to override the required CEQA review.

The legal consequences of approving this settlement agreement include a mutual release of all claims by all parties and each party bears its own attorneys' fees and costs. MSW and the Successor Agency will not be able to make any claims arising from the prior dispute involving the DDA against each other, or against the DOF. Additionally, the Successor Agency will bear its own legal fees and cannot recover those legal fees and costs from the DOF or MSW for the dispute under the settlement.

Thus, staff recommends adopting the attached resolution approving the Settlement Agreement and directing staff to forward the Settlement Agreement to Finance.

RECOMMENDATION: It is recommended that the Oversight Board:

Adopt Oversight Board Resolution No. OB2016-__: Approving the Settlement Agreement Of Main Street West Partners Litigation And Directing The Executive Director To Forward The Executed Settlement Agreement To the Department of Finance For Approval.

ATTACHMENTS:

1. Property ID Map.
2. Draft Settlement Agreement.
3. January 8, 2015 Staff Report – Oversight Board Approval of Fourth Amendment
4. Resolution NO. OB 2016- __ Approving the Settlement Agreement Of Main Street West Partners Litigation And Directing The Executive Director To Forward The Executed Settlement Agreement To the Department of Finance For Approval.

SETTLEMENT AGREEMENT

*Main Street West Partners, LLC v. Successor Agency of the Redevelopment Agency
of the City of Suisun City, et al.,*
Sacramento County Superior Court, Case No. 34-2014-00164737

PARTIES

This Settlement Agreement (“Agreement”) is entered into by the following parties: (1) Main Street West Partners, LLC (“Main Street”); (2) Successor Agency of the Redevelopment Agency of the City of Suisun City (“Successor Agency”); (3) the California Department of Finance and Michael Cohen, in his official capacity as California State Director of Finance (together, “Finance”) (all parties collectively, the “Parties”).

RECITALS

- A. The litigation resolved by this Agreement relates to the wind down of the Redevelopment Agency for the City of Suisun City (“RDA”) pursuant to Assembly Bill 26 of the 2011-12 First Extraordinary Session of the California Legislature (“AB x1 26”) and Assembly Bill 1484 of the 2011-12 Regular Session of the California Legislature (“AB 1484”) (AB x1 26 and AB 1484, collectively the “Dissolution Law”).
- B. Main Street and the RDA entered into a Disposition and Development Agreement dated April 7, 2006 (“Original DDA”), regarding the development of a commercial and residential project in Suisun City (“Project”). The Original DDA was amended by a First Amendment to the Disposition and Development Agreement dated July 25, 2006; a Second Amendment to the Disposition and Development Agreement dated September 18, 2007; and a Third Amendment to the Disposition and Development Agreement dated February 19, 2009 (as amended, the “DDA”).
- C. Following dissolution of the RDA, the Successor Agency became the successor-in-interest to all assets and obligations of the RDA, including the DDA.
- D. The expiration date of the DDA was February 19, 2014. On January 17, 2014, the Oversight Board to the Successor Agency (“Oversight Board”) approved a 120-day extension to the expiration date of the DDA in Resolution No. OB 2014-01 (“First Extension”).
- E. On January 21, 2014, Finance initiated review of the First Extension pursuant to Health & Safety Code section 34179, subdivision (h).
- F. On February 10, 2014, Main Street filed a Complaint for Validation under Code of Civil Procedure Section 863 and for Declaratory Relief in Solano County Superior Court, entitled *Main Street West Partners, LLC v. Successor Agency of the Redevelopment Agency of the City of Suisun City, et al.*, Solano County Superior Court Case No. FCS043017 (“Action”).
- G. On February 28, 2014, Finance approved the First Extension. The Oversight Board subsequently approved further extensions to the expiration date of the DDA in Resolution

Nos. OB 2014-04 ("OB 2014-04") and OB 2014-07 ("OB 2014-07"). Finance approved OB 2014-04 and OB 2014-07.

H. On or about April 11, 2014, Finance appeared in the Action pursuant to Code of Civil Procedure section 863 and moved to transfer venue to Sacramento County Superior Court.

I. On or about May 22, 2014, the Solano County Superior Court entered an order transferring the Action to Sacramento County Superior Court, which assigned it Case No. 34-2014-00164737. On or about October 1, 2014, Main Street filed a First Amended Complaint for Declaratory Relief, Impairment of Contract, and Petition for Writ of Mandate in the Action.

J. On or about October 15, 2014 the Oversight Board approved another extension to the expiration date of the DDA in Resolution No. OB 2014-11 ("OB 2014-11") and approved a Fourth Amendment to the Disposition and Development Agreement ("Fourth Amendment") in Resolution No. OB 2014-12 ("OB 2014-12"). On October 22, 2014, Finance initiated review. On December 1, 2014, Finance approved OB 2014-11 but did not approve OB 2014-12.

K. On or about January 8, 2015, the Oversight Board notified Finance of its Resolution Nos. OB 2015-01, which approved a further extension of the DDA, and OB 2015-02, which approved the Fourth Amendment. Finance initiated review of OB 2015-01 and OB 2015-02 pursuant to Health & Safety Code section 34179, subdivision (h), and, on February 18, 2015, sent the Oversight Board a letter stating that it did not approve OB 2015-01 and OB 2015-02.

L. On April 10, 2015, the Successor Agency requested that Finance reconsider its February 18, 2015, determination regarding OB 2015-01 and OB 2015-02, and provided further documentation and information in support of the request.

M. Finance has reviewed the request for reconsideration and the additional documentation and information provided in connection therewith.

N. Without admission of fault or wrongdoing, by entering into this Agreement the Parties have agreed to completely resolve any and all disputes between the Parties pertaining to the Action and the matters described in Recitals A through M of this Agreement.

AGREEMENT

Accordingly, in consideration of the mutual promises contained herein, the Parties agree as follows:

1. Principal Terms: The Parties agree to the following resolution of the litigation:

(a) To facilitate this Agreement, Main Street and the Successor Agency agree to use their best efforts to obtain Oversight Board approval for, and to execute, a further extension of the expiration date of the DDA from the expiration date provided for in Oversight Board Resolution OB 2014-11 to April 29, 2016 ("Settlement Extension").

(b) If Main Street and the Successor Agency obtain Oversight Board approval of the Settlement Extension, the Successor Agency will submit the Oversight Board action approving the Settlement Extension ("Oversight Board Action") to Finance within three (3) business days. Finance will approve the Oversight Board Action no later than ten (10) business days after receipt of the Oversight Board Action.

(c) If Main Street and the Successor Agency obtain approval of the Settlement Extension, as provided in paragraphs (1)(a) and (b), Finance will approve, upon reconsideration, Oversight Board Resolution OB 2015-02 on April 29, 2016.

(d) If Finance approves the Oversight Board Action and OB 2015-02, as provided in paragraphs (1)(b) and (c), and so notifies Main Street in writing, Main Street shall, within five (5) business days of receipt of such notice, file with the Court a request for dismissal of the Action requesting that the Court dismiss the Action and all claims and causes of action pled therein with prejudice, and shall serve the same on all Parties ("Dismissal").

(e) Upon the entry of the Dismissal as provided in paragraph (1)(d), the Parties specifically and mutually release and discharge each other, including their respective officers, directors, commission members, trustees, agents, employees, representatives, attorneys, insurers, departments, divisions, sections, successors and assigns from all claims, obligations, damages, costs, expenses, liens, and attorney fees of any nature whatsoever, whether known or unknown, suspected or not suspected to exist, claimed or not claimed, disputed or undisputed, pertaining to the Action and to the matters described in Recitals A through N of this Agreement. The Parties do not specifically or mutually release and discharge each other, including their respective officers, directors, commission members, trustees, agents, employees, representatives, attorneys, insurers, departments, divisions, sections, successors and assigns, from future claims, obligations, damages, costs, expenses, liens, or attorney fees of any nature whatsoever, that may arise from acts or events in regard to the Project occurring after the date of this Agreement, including but not limited to future extensions of and/or amendments to the DDA.

2. Claims Disputed: The Agreement does not constitute, nor shall it be construed as, an admission or concession by any of the Parties for any purpose. This Agreement is a compromise settlement of the Action, and by executing this Agreement, none of the Parties admits wrongdoing, liability, or fault in connection with, nor to the merit of, the Action, or the allegations asserted therein or in connection with Recitals A through N above.

3. Successors and Assigns: This Agreement shall be binding upon the Parties' respective officers, directors, commission members, trustees, agents, employees, representatives, attorneys, departments, divisions, sections, successors and assigns.

4. Assumption of Risk: The Parties each represent that they fully understand that if the facts pertaining in any way to the Action are later found to be different from the facts now believed to be true by any Party, each of them expressly accepts and assumes the risk of such possible differences in facts and agrees that this Agreement shall remain effective notwithstanding such differences in facts. The Parties also each represent that this Agreement

was entered into under the laws current as of the effective date, and agree that this Agreement shall remain effective notwithstanding any future changes in the law.

5. Independent Advice of Counsel: The Parties each represent that they know and understand the contents of the Agreement and that this Agreement has been executed voluntarily. The Parties each further represent that they have had an opportunity to consult with an attorney of their choosing and that they have been fully advised by the attorney with respect to their rights and obligations and with respect to the execution of this Agreement.

6. Entire Agreement: No promise, inducement, understanding, or agreement not expressed has been made by or on behalf of the Parties, and this Agreement contain the entire agreement between the Parties related to the Action.

7. No Assignment: Each Party represents that it has not assigned, transferred, or purported to assign or transfer to any person or entity any matter released herein.

8. Amendments in Writing: This Agreement may not be altered, amended, modified, or otherwise changed in any respect except by a writing duly executed by the Parties. The Parties agree that they will make no claim at any time or place that this Agreement has been orally altered or modified or otherwise changed by oral communication of any kind or character.

9. Construction: The Parties agree that this Agreement is to be construed and interpreted without regard to the identity of the party drafting this Agreement.

10. Additional Acts: The Parties agree to take such actions and to execute such documents as are necessary to carry out the terms and purposes of this Agreement.

11. Attorneys Fees: The Parties shall each bear their respective attorney fees and costs incurred in the Action.

12. Enforcement: If any Party to this Agreement files a lawsuit to enforce or interpret this Agreement, the prevailing Party in any such suit shall be entitled to reimbursement for reasonable attorney fees and costs.

13. Choice of Law and Jurisdiction: This Agreement shall be governed by the laws of the State of California. If any Party to this Agreement brings a lawsuit to enforce or interpret this Agreement, the lawsuit shall be filed in the Superior Court for the County of Sacramento, California.

14. Counterparts: This Agreement may be executed by facsimile and in one or more counterparts, each of which is deemed an original and all of which together shall constitute this Agreement.

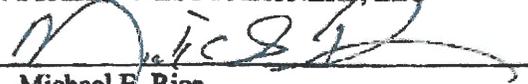
15. Effective Date: The date on which the last counterpart of this Agreement is executed shall be the effective date of this Agreement.

16. Authority to Execute: Each Party represents that they have the authority to enter into and perform the obligations necessary to provide the consideration described in this Agreement. Each person signing this Agreement represents and warrants that they have the authority to sign on behalf of the Party for which they sign.

This Agreement consists of Recital Paragraphs A - N and Paragraphs 1 - 16 above.

DATED: 2/2/16

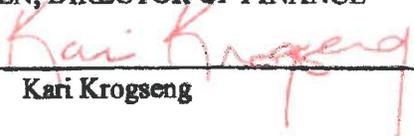
MAIN STREET WEST PARTNERS, LLC

By 
Michael E. Rice

Its Managing Member

DATED: 2/1/16

DEPARTMENT OF FINANCE AND MICHAEL COHEN, DIRECTOR OF FINANCE

By 
Kari Krogseng

Its Chief Counsel

DATED: _____

SUCCESSOR AGENCY OF THE REDEVELOPMENT AGENCY OF THE CITY OF SUISUN CITY

By _____
Suzanne Bragdon

Its Executive Director

Approved as to Form and Content:
MORRIS POLICH & PURDY LLP

By: 
Jeffrey H. Belote
Attorneys for Petitioner/Plaintiff
Main Street West Partners, LLC

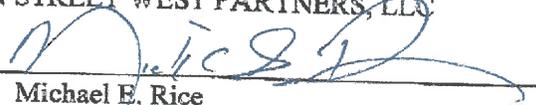
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DATED: 2/2/16

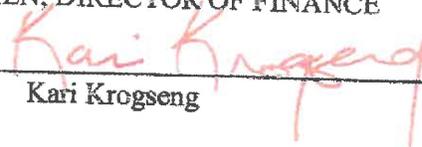
MAIN STREET WEST PARTNERS, LLC

By 
Michael E. Rice

Its Managing Member

DATED: 2/1/16

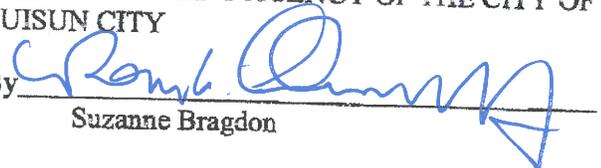
DEPARTMENT OF FINANCE AND MICHAEL
COHEN, DIRECTOR OF FINANCE

By 
Kari Krogseng

Its Chief Counsel

DATED: 3 FEB 16

SUCCESSOR AGENCY OF THE
REDEVELOPMENT AGENCY OF THE CITY OF
SUISUN CITY

FOR By 
Suzanne Bragdon

Its Executive Director

Approved as to Form and Content:
MORRIS POLICH & PURDY LLP

By: _____
Jeffrey H. Belote
Attorneys for Petitioner/Plaintiff
Main Street West Partners, LLC

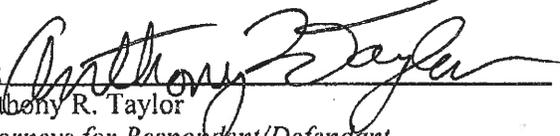
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Approved as to Form and Content:
KAMALA D. HARRIS
Attorney General of California

By: 

Aaron D. Jones, Deputy Attorney General
Attorneys for Respondents/Defendants
California Department of Finance and
Michael Cohen

Approved as to Form and Content:
ALESHIRE & WYNDER, LLP

By: 

Anthony R. Taylor
Attorneys for Respondent/Defendant
Successor Agency of the Redevelopment Agency of
the City of Suisun City



March 2, 2016

Mr. Jason Garben, Economic Development Director
City of Suisun City
701 Civic Center Boulevard
Suisun City, CA 94585

Dear Mr. Garben:

Subject: Approval of Oversight Board Action

The City of Suisun City Successor Agency (Agency) notified the California Department of Finance (Finance) of its Oversight Board (OB) Resolution No. OB 2016-02 on January 27, 2016. Pursuant to Health and Safety Code (HSC) section 34179 (h), Finance has completed its review the OB resolution submitted.

Based on our review and application of the law, OB Resolution No. OB 2016-02, approving a settlement agreement resolving pending litigation involving Main Street West Partners, LLC (Developer), Finance, and the Agency, is approved.

This approval allows the Agency to enter into a settlement agreement with the Developer and Finance. The language of the settlement agreement (Agreement) that was ultimately agreed to and executed by the parties is different from, but substantially similar to, the draft settlement agreement presented to the OB. Finance notes that the terms and language of the Agreement control the obligations of the parties to the Agreement. Approval of this action should not be construed as approval of the terms in the draft settlement agreement presented to the OB or as an amendment to the Agreement. Additionally, approval of this action does not relieve the Agency of its obligation to take the subsequent steps necessary to implement the Agreement, including those set forth in the Agreement's paragraphs 1(a) and (b). All actions required by the approved and signed Agreement must be timely taken according to the Agreement.

This is our determination with respect to the OB action taken.

Please direct inquiries to Wendy Griffe, Supervisor, or Jared Smith, Lead Analyst, at (916) 445-1546.

Sincerely,

JUSTYN HOWARD
Program Budget Manager

cc: Ms. Suzanne Bragdon, City Manager, City of Suisun City
Ms. Simona Padilla-Scholtens, Auditor Controller, Solano County

RESOLUTION NO. OB 2016 –__

A RESOLUTION OF THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY OF THE REDEVELOPMENT AGENCY OF THE CITY OF SUISUN CITY EXTENDING THE TERM OF THE MAIN STREET WEST DISPOSITION AND DEVELOPMENT AGREEMENT (DDA) PURSUANT TO SETTLEMENT AGREEMENT WITH CALIFORNIA DEPARTMENT OF FINANCE

WHEREAS, the California State Legislature enacted Assembly Bill 1X26 (the “Dissolution Act”) to dissolve redevelopment agencies formed under the Community Redevelopment Law (Health and Safety Code Section 33000 et seq.); and

WHEREAS, pursuant to Health and Safety Code Section 34173, the City Council of the City of Suisun City (the “City Council”) declared that the City of Suisun City (the “City”) would act as successor agency (the "Successor Agency") for the dissolved Redevelopment Agency of the City of Suisun City (the “Dissolved RDA”) effective February 1, 2012; and

WHEREAS, pursuant to AB 1484 ("AB 1484"), enacted June 27, 2012, to amend various provisions of the Dissolution Act, the Successor Agency is now declared to be a separate legal entity from the City; and

WHEREAS, the Dissolution Act provides for the appointment of an oversight board (the “Oversight Board”) with specific duties to approve certain Successor Agency actions pursuant to Health and Safety Code Section 34180 and to direct the Successor Agency in certain other actions pursuant to Health and Safety Code Section 34181; and

WHEREAS, Health and Safety Code Section 34181(e) provides that the Oversight Board may approve amendments to agreements with private parties if it finds that amendments would be in the best interest of the taxing entities; and

WHEREAS, the Redevelopment Agency of the City of Suisun City entered into a Disposition and Development Agreement (DDA) with Main Street West Partners (the Developer) dated April 17, 2006; and

WHEREAS, said DDA has been revised from time to time by Amendments Nos. 1 – 3; and

WHEREAS, on January 17, 2014, the Oversight Board adopted a resolution extending the term of the DDA 120 days through June 19, 2014, which was subsequently approved by the California Department of Finance; and

WHEREAS, on February 11, 2014, Main Street West Partners filed a complaint with the Solano County Superior Court for Validation under Code of Civil Procedure Section 863 and for Declaratory Relief to ask the court to validate the continued enforceability of the DDA and modifications to allow for the completion of the performance of the requirements of the DDA; and

WHEREAS, in April 2014, the California Department of Finance appeared in the lawsuit filed by Main Street West Partners and sought to change the venue of the lawsuit from Solano County to Sacramento Superior Court; and

WHEREAS, further extensions to the DDA were approved, including most recently on October 15, 2014 an additional extension to the DDA was granted through January 31, 2015 to allow for DOF review of an Oversight Board action authorizing a proposed amendment, and said extension was also approved by the DOF; and

WHEREAS, on October 15, 2014, the Oversight Board considered and approved a resolution authorizing the 4th Amendment to the DDA, but said resolution was returned to the Oversight Board after DOF review for reconsideration as the DOF indicated in a letter dated December 1, 2014 that "...it is not clear there will be an increase in revenues and the Agency's liabilities are the same"; and

WHEREAS, on or about January 8, 2015, the Oversight Board notified DOF of its Resolution Nos. OB 2015-01, which approved a further extension of the DDA, and OB 2015-02, which again approved the Fourth Amendment. DOF initiated review of OB 2015-01 and OB 2015-02 pursuant to Health & Safety Code section 34179, subdivision (h), and, on February 18, 2015, sent the Oversight Board a letter stating that it did not approve OB 2015-01 and OB 2015-02; and

WHEREAS, on April 10, 2015, the Successor Agency requested that DOF reconsider its February 18, 2015, determination regarding OB 2015-01 and OB 2015-02, and provided further information in support of the request; and

WHEREAS, DOF has reviewed the request for reconsideration and the additional documentation and information provided in connection therewith; and

WHEREAS, the parties have agreed to enter into a Settlement Agreement to completely resolve any and all existing disputes between the Parties pertaining to the DDA allowing the Main Street West Project to move forward; and

WHEREAS, as part of the Settlement Agreement, the Oversight Board must consider a further extension of the expiration date of the DDA from the expiration date provided for in Oversight Board Resolution OB 2014-11 to April 29, 2016; and

WHEREAS, pursuant to Part Two, Article 3.04 of the DDA, the Developer and Agency wish to extend the term of the DDA through April 29, 2016, beyond the current expiration including all obligations and conditions contained therein; and

WHEREAS, other than extending the time for performance under the current DDA, said extension would not alter or amend any business terms of the DDA or any of its amendments; and

NOW, THEREFORE, BE IT RESOLVED that the Oversight Board to the Successor Agency to the Redevelopment Agency of the City of Suisun City hereby approves an extension through April 29, 2016 to all terms, conditions, and obligations set forth in the DDA.

PASSED AND ADOPTED at a regular meeting of the Oversight Board to the Successor Agency to the Redevelopment Agency of the City of Suisun City duly held on Friday, March 24, 2015, by the following vote:

AYES: Boardmembers:
NOES: Boardmembers:
ABSENT: Boardmembers:
ABSTAIN: Boardmembers:

WITNESS my hand and the seal of said City this 24th day of March 2016.

Anita Skinner, Deputy City Clerk
Secretary