

RESOLUTION PFA _____

A RESOLUTION OF THE CITY OF MERCED PUBLIC FINANCING AND ECONOMIC DEVELOPMENT AUTHORITY AUTHORIZING THE TRANSFER OF SPECIFIC ASSETS TO THE MERCED DESIGNATED LOCAL AUTHORITY OR ITS DESIGNEE

WHEREAS, On January 31, 2011, the Redevelopment Agency of the City of Merced (“Agency”) adopted Resolution No. RDA 698, which authorized the transfer of specific assets, liabilities, indemnification obligations and guarantees to the City of Merced Public Financing and Economic Development Authority (“PFEDA”); and

WHEREAS, On January 12, 2012, the City Council of the City of Merced exercised its right under AB 1x 26 and adopted Resolution No. 2012-6 electing that the City of Merced not be the successor agency of the Agency for non-housing purposes; and

WHEREAS, Pursuant to AB 1x 26, as modified by the California Supreme decision in *California Redevelopment Association v. Matosantos*, all redevelopment agencies in the State of California were dissolved effective February 1, 2012 (as amended to date, the “Dissolution Law”); and

WHEREAS, The Merced Designated Local Authority (the “DLA”) subsequently became the successor agency to the Agency for non-housing purposes; and

WHEREAS, The California State Controller’s Office (“SCO”) performed a review of all assets transferred from the Agency to other public agencies after January 1, 2011; and

WHEREAS, On July 30, 2015, the SCO ordered all assets transferred by the Agency to PFEDA be transferred to the DLA, acknowledged that \$7,050,342 of the assets had been transferred to the City of Merced as the successor agency to the former Agency, and stated that \$35,014,913 in unallowable transfers must be turned over to the DLA; and

WHEREAS, While PFEDA disputes substantial provisions of the order from the SCO, PFEDA acknowledges that specific non-housing assets currently listed as assets of PFEDA and referenced in this Resolution are properly the subject of the SCO order and should be offered to the DLA; and,

WHEREAS, After PFEDA has offered such assets to the DLA, the DLA shall make a determination as to whether the DLA will take title and ownership of these assets or whether some of the assets will be offered to the City of Merced in accordance with the Dissolution Law because of the existing governmental purposes of the assets.

NOW, THEREFORE, THE CITY OF MERCED PUBLIC FINANCING AND ECONOMIC DEVELOPMENT AUTHORITY DOES HEREBY FIND, DETERMINE, ORDER AND RESOLVE AS FOLLOWS:

SECTION 1. PFEDA hereby authorizes its Executive Director to execute deeds of trust and quitclaim deeds to convey the following properties that are currently owned by PFEDA to the DLA or, at the election of the DLA, to the City of Merced:

- A. 200 Colony Lane (park strip) – APN 031-255-001 (current value of \$18,776; book value as of January 31, 2011 of \$18,776).
- B. 100 Colony Lane (park strip) – APN 031-255-011 (current book value of \$271,118; book value as of January 31, 2011 of \$271,118).
- C. 1455 Auto Center Drive (park strip) – APN 031-370-001 (current book value of \$65,202; book value as of January 31, 2011 of \$65,202).

SECTION 2. PFEDA hereby authorizes its Executive Director to take all necessary steps to convey the following assets that are currently owned by PFEDA to the Merced Designated Local Authority:

- A. Notes Receivable:
 - i. Kamson, Inc. (current book value of \$235,106; book value as of January 31, 2011 of \$252,826).

ii. Mondo Building (current book value of \$1,200,000; book value as of January 31, 2011 of \$1,200,000).

B. Interest Receivable from Kamson, Inc. (current book value of \$71,137; book value as of January 31, 2011 of \$21,205).

SECTION 3. Although the following assets are on PFEDA's book simply as public improvement projects of the former Merced Redevelopment Agency, PFEDA hereby offers these public improvements to the DLA and, in the event that the DLA wishes to take ownership of these improvements, PFEDA authorizes its Executive Director to take all necessary steps to convey them to the DLA or, at the election of the DLA, to the City of Merced:

A. Highway 59 and Childs Pedestrian Crossing (current book value of \$52,405; book value as of January 31, 2011 of \$55,283).

B. Downtown Streetscape Improvements (current book value of \$689,929; book value as of January 31, 2011 of \$684,725).

SECTION 4. Upon the adoption of this Resolution and the consummation of the transactions contemplated hereby, PFEDA shall have transferred or be deemed to have transferred to the DLA assets having a total current book value of \$2,603,673 and a book value as of January 31, 2011 in the amount of \$2,569,135.

SECTION 5. On or about May 17, 2016, the Parking Authority of the City of Merced (the "Parking Authority") conveyed the property located at 650 W. 19th Street in the City of Merced (APN 031-054-024)(hereafter, the "Property") to the DLA. The Property was a former Agency asset that was transferred to PFEDA on or about January 31, 2011 and subsequently transferred to the Parking Authority. Although the Parking Authority and PFEDA are separate legal entities, it is the position of PFEDA that the Parking Authority's action of conveying the Property to the DLA represents compliance with the SCO's order of July 31, 2015 as it relates to that specific Property. The book value of this Property was \$260,000 as of January 31, 2011 and \$260,000 as of the date that the Property was transferred to the DLA.

SECTION 6. If any section, subsection, subdivision, sentence, clause, phrase, or portion of this Resolution, is for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Resolution. PFEDA hereby declares that it would have adopted this Resolution, and each section, subsection, subdivision, sentence, clause, phrase, or portion thereof, irrespective of the fact that any one or more sections, subsections, subdivisions, sentences, clauses, phrases, or portions thereof be declared invalid or unconstitutional.

SECTION 7. The Secretary shall certify as to the adoption of this Resolution, which shall be in full force and effect immediately upon its adoption.

PASSED AND ADOPTED by the City of Merced Public Financing and Economic Development Authority at a regular meeting held on the ____ day of June 2016, by the following vote:

AYES: Authority Members:

NOES: Authority Members:

ABSENT: Authority Members:

ABSTAIN: Authority Members:

APPROVED:

Chairman

ATTEST:
STEVE CARRIGAN, AUTHORITY SECRETARY

BY: _____
Assistant Authority Secretary

(SEAL)

APPROVED AS TO FORM:

16a Rozeel 6/14/16
Authority General Counsel Date