SPECIAL MEETING

OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE CITY OF SOUTH SAN FRANCISCO REDEVELOPMENT AGENCY

P.O. Box 711 (City Hall, 400 Grand Avenue)
South San Francisco, California 94083

CITY HALL
LARGE CONFERENCE ROOM, TOP FLOOR
400 GRAND AVENUE

TUESDAY, APRIL 10, 2012
9:00 A.M.

NOTICE IS HEREBY GIVEN, pursuant to Section 54956 of the Government Code of the State of California, the Oversight Board for the Successor Agency to the City of South San Francisco Redevelopment Agency will hold a Special Meeting on Tuesday, the 10th day of April, 2012, at 9:00 a.m., in the Large Conference Room, Top Floor at City Hall, 400 Grand Avenue, South San Francisco, California.

In accordance with California Government Code Section 54957.5, any writing or document that is a public record, relates to an open session agenda item, and is distributed less than 72 hours prior to a regular meeting will be made available for public inspection in the City Clerk's Office located at City Hall. If, however, the document or writing is not distributed until the regular meeting to which it relates, then the document or writing will be made available to the public at the location of the meeting, as listed on this agenda. The address of City Hall is 400 Grand Avenue, South San Francisco, California 94080.

In compliance with Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the South San Francisco City Clerk's Office at (650) 877-8518. Notification 48 hours in advance of the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting.

Chairman:	**Selected by:**
Neil Cullen	Largest Special District of the type in H&R Code Section 34188
Vice Chair	
Denise Porterfield Deputy Superintendent, Fiscal and Operational Services San Mateo County Office of Education	San Mateo County Superintendent of Schools

Board Members:	**Selected by:**
Mark Addiego Councilmember, City of South San Francisco	Mayor of the City of South San Francisco
Barry Nagel City Manager, City of South San Francisco	Mayor of the City of South San Francisco
Barbara Christensen Director of Community/Government Relations, San Mateo County Community College District	Chancellor of California Community College
Reyna Farrales Deputy County Manager, San Mateo County	San Mateo County Board of Supervisors
Paul Scannell	San Mateo County Board of Supervisors (Public Member)

Counsel

Craig Labadie

Advisory:
Marty Van Duyn – Assistant City Manager, City of South San Francisco
Jim Steele – Finance Director, City of South San Francisco
Steve Mattas – City Attorney, City of South San Francisco
Krista Martinelli – City Clerk, City of South San Francisco
Armando Sanchez – Redevelopment Consultant, City of South San Francisco

CALL TO ORDER

ROLL CALL

PLEDGE OF ALLEGIANCE

PUBLIC COMMENTS

Comments from members of the public on items not on this meeting agenda. The Chair may set time limit for speakers. Since these topics are non-agenda items, the Board may briefly respond to statements made or questions posed as allowed by the Brown Act (Government Code Section 54954.2). However, the Board may refer items to staff for attention, or have a matter placed on a future agenda for a more comprehensive action report.

MATTERS FOR CONSIDERATION

1. Motion to approve the Minutes of the April 3, 2012 Special Meeting.

2. Consideration of need for audit/RDA financial consulting assistance.

3. Identification of staffing and salaries in connection with the Successor Agency's proposed staffing of the Oversight Board.

4. Consideration of insurance and risk management matters.

5. Discussion of the composition of the Oversight Board.

6. Consideration of regular meeting dates for the Oversight Board.

7. Presentation and consideration of the draft Amended Recognized Obligations Payments Schedule (ROPS) for the period January through June 2012.
   a. Presentation on responses to questions from Oversight Board.
   b. Consideration of motion to approve draft ROPS.

8. Future Agenda items.

ADJOURNMENT

City Clerk

SPECIAL MEETING

MINUTES

DRAFT

OVERSIGHT BOARD FOR THE
SUCCESSOR AGENCY TO THE CITY OF
SOUTH SAN FRANCISCO
REDEVELOPMENT AGENCY
P.O. Box 711 (City Hall, 400 Grand Avenue)
South San Francisco, California 94083

Meeting held at:
MUNICIPAL SERVICES BUILDING
COMMUNITY ROOM
33 ARROYO DRIVE
SOUTH SAN FRANCISCO, CA

TUESDAY, APRIL 3, 2012

CALL TO ORDER — Time: 3:00 p.m.

ROLL CALL — Present: Boardmembers Addiego, Christensen, Farrales, Nagel and Scannell, Vice Chairperson Porterfield and Chairperson Cullen.

Absent: None.

PLEDGE OF ALLEGIANCE — Led by Jim Steele, Finance Director, City of South San Francisco.

1. Introduction of Boardmembers.

Boardmembers introduced themselves and took the Oath of Office administered by Hon. Krista Martinelli, City Clerk, City of South San Francisco.

2. Organization of Board

a. Call for Nominations for Chairperson (Steele)

Boardmember Addiego nominated Boardmember Scannell as Chairperson of the South San Francisco Oversight Board, which nomination was seconded by Boardmember Christensen.

Boardmember Scannell declined nomination.

Boardmember Scannell nominated Boardmember Cullen as Chairperson of the South San Francisco Oversight Board.

Boardmember Cullen nominated Boardmember Farrales as Chairperson of the South San Francisco Oversight Board.

Boardmember Farrales declined nomination and seconded the nomination of Neil Cullen.

Motion— Boardmember Scannell/Second— Boardmember Farrales: to appoint Neil Cullen as the Chairperson of the South San Francisco Oversight Board. Unanimously approved by voice vote.

b. Call for Nominations for Vice Chairperson (Chair)

Boardmember Christensen nominated Boardmember Porterfield as Vice Chairperson of the South San Francisco Oversight Board.

Chairperson Cullen seconded the nomination of Boardmember Porterfield.

Motion— Boardmember Christensen/Second— Chairperson Cullen: to appoint Denise Porterfield as the Vice Chairperson of the South San Francisco Oversight Board. Unanimously approved by voice vote.

PUBLIC COMMENTS

Comments from members of the public on items not on this meeting agenda. The Chair may set time limit for speakers. Since these topics are non-agenda items, the Board may briefly respond to statements made or questions posed as allowed by the Brown Act (Government Code Section 54954.2). However, the Board may refer items to staff for attention, or have a matter placed on a future agenda for a more comprehensive action report.

Chair Cullen limited public comment to 3 minutes per speaker.

None.

MATTERS FOR CONSIDERATION

3. Consideration of Legal Services Agreement with Craig Labadie. (Mattas)

City Attorney Mattas presented the agreement for retention of Craig Labadie as legal counsel to the Oversight Board. He noted Mr. Labadie was being recommended to the Board as a very experienced public law attorney.

Chair Cullen suggested certain modifications to the agreement.

City Attorney Mattas explained the respective modifications. He further stated that the agreement would be signed by Chair Cullen, on behalf of the Oversight Board, himself as Counsel to the Successor Agency and by Mr. Labadie as legal services provider.

Motion— Boardmember Addiego/Second— Boardmember Nagel to approve the Legal Services Agreement with Craig Labadie with modified language suggested by Chair Cullen.

On the question, Boardmember Farrales suggested that a "not to exceed" monetary term be considered for inclusion in the agreement.

City Attorney Mattas advised that after the completion of Board action that would help to define the scope of Mr. Labadie's work within the next few weeks, consideration of such a term would be more appropriate.

Mr. Labadie agreed.

Motion— Boardmember Addiego/Second— Boardmember Nagel: to approve the Legal Services Agreement with Craig Labadie with modified language suggested by Chair Cullen. Unanimously approved by roll call vote.

4. Consideration of Rules of Procedure and Future Meeting Dates. (Farrales/Mattas)

City Attorney Mattas presented the staff report recommending the Oversight Board adopt by motion a regular meeting date and the recommended Rules of Procedure that had been presented in the materials provided to Boardmembers in advance of the meeting.

Counsel Labadie advised the Board could establish whatever rules of procedure it preferred as long as such rules did not conflict with the Brown Act.

Boardmembers discussed the various rules and determined that due to the amount of work that needed to be done in the immediate time period, it was best to continue with special meetings and establish a regular meeting time at a later date.

Boardmembers further discussed modifying the proposed Rules of Procedure to remove language at: (1) Section 5(b): requiring a majority vote of the Board to place an item on the agenda; (2) Section 9(a) requiring a roll call vote; and (3) Section 5(c) establishing U.S. Mail as the means of packet delivery to Boardmembers.

Boardmember Farrales moved to approve the Proposed Rule of Procedure without modification. The motion was not seconded.

The Board determined to address Section 5(c) under Agenda Item 6 below.

Regarding Section 5(b) and in response to inquiry from Boardmember Christensen, City Attorney Mattas explained the various South San Francisco agencies addressed agenda preparation in different ways based upon respective written procedures. Specifically, any member of the City Council could place an item on the agenda in consultation with the City Manager. Other items were staff generated in consultation with the Mayor.

Boardmembers agreed that Section 5(b) should be modified to include language that the

Chairperson of the Board in consultation with staff and one member of the Board could set the agenda. This would strike the language requiring a majority vote of the Board to place an item on the agenda and accommodate minority concerns.

For efficiency purposes, Boardmembers agreed to replace language requiring a roll call vote with language requiring a voice vote in Section 9(a).

Motion— Boardmember Nagel/Second— Boardmember Scannell: to adopt the proposed Rules of Procedure for the Oversight Board for the Successor Agency to the South San Francisco Redevelopment Agency with modifications to Sections 5(b) and 9(a) respectively: (1) striking language requiring a majority vote of the Board to place an item on the agenda and replacing it with language establishing the Chairperson would set the Agenda in consultation with staff; and (2) replacing roll call vote language with voice vote language. Unanimously approved by voice vote.

5. Agenda Format/Procedure. (Martinelli)

City Clerk Martinelli explained standard procedure for posting and circulating City Council and Successor Agency Agendas and proposed the same procedures for Oversight Board Agendas.

Boardmembers unanimously agreed to the Clerk's proposal via voice vote called by Chair Cullen.

6. Packet Delivery/Electronic Capability. (Martinelli)

City Clerk Martinelli advised Boardmembers that Agenda packet delivery was available by U.S. Mail, e-mail and IPad.

Boardmembers requested that FedEx delivery also be an option depending on the length of time between packet availability and the corresponding meeting.

Via voice vote called by Chair Cullen, Boardmembers unanimously agreed to modify Section 5(c) of the Rules of Procedure to authorize U.S. Mail, FedEx, e-mail and IPad delivery of agenda packets at the discretion of each member.

7. Availability of Contact Information/Website. (Martinelli)

City Clerk Martinelli proposed an Oversight Board webpage format to be maintained on the City's website at www.ssf.net. The Board's webpage would include a brief description of the Board, identify members and provide links to agendas, agenda packets, minutes and actions taken documents. Clerk Martinelli sought a determination from the Board as to whether members preferred the provision of personal contact information or a general e-mail directed to staff for forwarding to the Board as the means of contacting Boardmembers via the webpage.

Via a voice vote called by Chair Cullen, Boardmembers preferred a general Oversight Board e-mail address, mail to which would be reviewed by staff and referred to the Board for follow-up.

8. Presentation and consideration of the Draft Amended Recognized Obligations Payments Schedule (ROPS) for the period January through June 2012. (Sanchez/Steele/Mattas)

Director of Finance Steele, City Attorney Mattas and Redevelopment Consultant Sanchez presented the staff report recommending that the Oversight Board review the amended draft Recognized Obligations Payment Schedule ("ROPS") for the period January through June 2012 as required by Assembly Bill x1 26.

Staff advised that the Successor Agency adopted a draft ROPS at its February 22nd meeting. The ROPS was amended at the March 23rd meeting of the Successor Agency. Amendments made at the meeting on the 23rd were highlighted in yellow in the ROPS provided in the meeting packet. Before the ROPS can become effective, it must be certified by an external auditor, approved by the Oversight Board and transmitted to the State Department of Finance and State Controller by April 15th. If the two approval conditions were not met, the ROPS would still be forwarded to the state by April 15th with a notation of approval process status. Staff's presentation at this meeting was to familiarize Boardmembers with the obligations and answer questions such that a decision with respect to the contents of the ROPS would ultimately be possible. Staff did not seek an approval of the ROPS at this meeting for reasons including that the auditor would not issue its opinion on the ROPS until at least Monday, April 9th.

Staff reviewed line items 1-72 and pass-through payments 1-14 on a line item basis. Questions posed by Boardmembers for staff follow-up are summarized below.

- ROPS Items 2-17 outstanding bonds and debt obligations:

Boardmembers requested follow-up information regarding the extent to which bond obligations could be paid down with reserves such that there would be less money available now in exchange for interest savings and an even payment schedule moving forward.

Regarding HUD loans such as those listed at Item 6, Boardmembers requested clarification of potential funding source options for pay-off.

- ROPS Items 18-23 pertaining to the Oyster Point Ventures Project and Disposition & Development and other related agreements.

Boardmembers requested information pertaining to the investment plan for funds reserved for this project and specifically pertaining to potential interest on funds.

Boardmembers requested a more specific timeline for the project including contingencies.

Boardmember Christensen questioned the propriety of including the obligation in the ROPS given that no obligation was identified in the present fiscal year.

Staff acknowledged that the entirety of the "Total Remaining Debt or Obligations" column was optional and not required by the State Department of Finance. Staff members explained the purpose for including the column was to provide Boardmembers with complete knowledge of

outstanding debt and obligations. Staff would consult the State Department of Finance FAQ to determine whether inclusion of contingent liabilities was permissible.

Regarding the Oyster Point Flyover and Sewer Impact Fee, loan agreements and/or terms were requested. It was further requested that loan payback be reflected on the Successor Agency's Budget.

Boardmembers requested additional information on the Harbor District Agreements specified at lines 20 and 21, including specific terms, work completed and terms met by the Harbor District.

Build out scenarios for the entirety of the project were requested.

Boardmembers requested the estimated magnitude of tax generation on the project.

Finally, staff was requested to provide a projected breakdown of soft costs reflected in line 23 and referenced in relation to the Harbor District Projects.

- ROPS Items 24-27 pertaining to items producing respective on-going revenue streams.

Regarding the Miller Avenue Parking Structure referenced at line 24, Boardmembers requested clarification as to whether the State Department of Finance would make a determination on the validity of the loan forgiveness between the Redevelopment Agency and the Parking District; and, if so, the possible timeline for receipt.

- ROPS Items 28-31 pertaining to Train Station Improvements.

Boardmembers pointed out that staff research requested above with respect to the Department of Finance's position as to the propriety of inclusion of contingent liabilities would determine whether Item No. 30 should be carried on this ROPS.

- ROPS Items 32 and 33 pertaining to Two (2) Housing Replacement Units.

Boardmember Christensen requested that Counsel Labadie determine whether the statutory housing obligation creating these obligations exists after dissolution of the RDA. She opined that AB 26 may have eliminated it and requested clarification on the point.

- ROPS Items 38- 48 pertaining to grants and grant management.

The Board queried staff costs for grant administration past the end of this year. It requested that staff confirm the obligation to monitor/manage grants in the wake of RDA dissolution.

- ROPS Items 54-55 pertaining to consulting services related to audit, financial analyses and local tax compliance.

Boardmembers requested that staff research whether items set forth here were properly accounted for as separate ROPS obligations as opposed to being categorized as a statutory administrative expense.

- ROPS Items 59 and 60 pertaining to maintenance of commercial properties.

Boardmember Christensen suggested outside contractors could maintain properties for less than the expense incurred by utilization of City employee maintenance workers and requested that staff consider this option.

- ROPS Items 63, 64, 69 and 70 pertaining to administrative and property disposition costs.

Boardmembers requested clarification of administrative costs and the administrative budget generally. It was further requested that staff confirm that property disposition costs were best treated as a separate ROPs line item as opposed to being folded into administrative costs.

- ROPS Items 71 and 72 estimated legitimate retirement costs eligible as Successor Agency expense.

Boardmembers requested clarification on the accounting for this expense. They further requested an opinion from Counsel Labadie as to the identification of former South San Francisco Redevelopment Agency Employees.

9. Consideration of need for Audit/RDA Financial Consulting Assistance. (Christensen/Farrales)

This item was not heard.

10. Identification of staffing and salaries in connection with the Successor Agency's proposed staffing of the Oversight Board. (Farrales)

This item was not heard.

11. Consideration of insurance and risk management matters. (Farrales)

Boardmembers requested that Counsel Labadie verify that the Successor Agency will cover the Oversight Board's risk exposure.

12. Discussion of the Composition of the Committee. (Christensen)

Boardmember Christensen questioned the appointment of City Manager Nagel based on an interpretation of the statute requiring that the Mayor appoint a representative of the largest employee organization that served the former Redevelopment Agency.

Counsel Labadie stated he would research and formulate a legal opinion for the Board's direction on this point.

13. Future Agenda Items. (Chair)

Chair Cullen determined that Agenda Items 8-12 should be placed on the upcoming Special Meeting Agenda for hearing.

ADJOURNMENT

Motion — Boardmember Christensen/Second— Boardmember Farrales: to adjourn the meeting. Unanimously approved by voice vote.

Pursuant to the above Motion, the meeting was adjourned at 5:45 p.m.

Submitted:

Krista J. Martinelli, City Clerk
City of South San Francisco

Approved:

Neil Cullen, Chairperson
Oversight Board for the Successor Agency
to the City of South San Francisco
Redevelopment Agency

Redevelopment Successor Agency Oversight Board

Staff Report

DATE: April 10, 2012

TO: Members of the Oversight Board

FROM: **Marty Van Duyn, Assistant City Manager**

SUBJECT: Presentation and consideration of the draft Amended Recognized Obligations Payments Schedule (ROPS) for the period January through June 2012.

RECOMMENDATION

Staff recommends that the Oversight Board review staff's responses and provides direction as to further information desired or consider a motion to adopt the draft ROPS with any amendments directed by the Oversight Board.

BACKGROUND/DISCUSSION

The Oversight Board reviewed the Recognized Obligation Payment Schedule (ROPS) on April 2, 2012. The Board had a series of questions to which staff has prepared responses in the attached questions and answers document. Backup material is provided for each of the line items where appropriate. For your information we have also included a copy of the 3/28 draft ROPS.

CONCLUSION

Staff requests that the Oversight Board provide direction to staff.

Approved: _____
Marty Van Duyn
Assistant City Manager and
Director of Economic and Community Development

Attachments: ROPS questions and answers
Draft ROPS

BLA/MVD

OVERSIGHT BOARD 4-3-12 Q &A

<table>
<tr><th>Row</th><th>Description</th><th>Question</th><th>Answer</th></tr>
<tr><td>n/a</td><td>Loans OP Flyover/Sewer Enterprise Fund</td><td>Why do the internal fund advances between the RDA and the Oyster Point Impact Fee and the Sewer Enterprise Funds show different interest rates on those advances in the financial statements and/or in prior staff reports?</td><td>The interest rates charged and why those amounts were selected were as follows;
- Oyster Point Impact Fee Advance: the funds for the initial/earlier portions of the advance (prior to 2006) were charged at the interest rate on the 1999 RDA Bond proceeds on hand, which were the cost of money on hand for the RDA until 2006. The older advances were therefore charged at the older bond rate amount of 5.22%. After the 2006 RDA Bonds were sold, the advance was charged on a go forward basis at the new interest rate of 4.585%. The rationale in both cases was that the cost that the RDA had to pay for the cost of obtaining those funds was the interest rates on the bond proceeds used to fund the advance, and that the advance should, to be fair, pay the RDA back at the same rate as the cost of its own funding. The auditors consider this a fair transaction; neither side of the transaction makes or loses money on the advance.

- Advance to the Sewer Fund: accounting staff incorrectly booked the advance at 4.8%, but that advance should be (and will now be corrected on the books) booked at 4.585%, representing the cost of the bonds to the RDA for the 2006 RDA Bonds, as shown above.</td></tr>
<tr><td>2 -17</td><td>Bonds</td><td>a) Which RDA bond/debt obligations could be paid off/called early with cash already on hand?</td><td>The following bonds/debt obligations could all be called early with surplus cash on hand, and staff concurs this would be a prudent action to take:
<table>
<tr><th>Bond/Debt Obligation</th><th>Amt. needed to pay off:</th></tr>
<tr><td>1999 Housing Bonds</td><td>$1,510,000</td></tr>
<tr><td>Non-Housing Bonds/Debt Obligations:</td><td></td></tr>
<tr><td>o HUD Section 108 Loan</td><td>$942,000</td></tr>
<tr><td>o 1999 Certificates of Participation</td><td>$4,445,000</td></tr>
<tr><td>Subtotal, Non-Housing Bonds/Debt</td><td>$5,387,000</td></tr>
<tr><td></td><td></td></tr>
<tr><td>TOTAL, ALL BONDS/DEBT THAT CAN BE CALLED EARLY:</td><td>$6,897,000</td></tr>
</table>
Staff therefore recommends putting the $1,510,000 and the $5,387,000 on the ROPS for the July through December timeframe, instead of the former line items for debt</td></tr>
</table>

OVERSIGHT BOARD 4-3-12 Q &A

Row	Description	Question	Answer
			service, plus an estimate of banking/filing/legal fees needed to execute the early payoffs.
		b) Can all Agency property rental income be used for debt service?	Commercial rent revenues could be used for debt service, however may not be sufficient to cover required payments.
6	HUD 108 Loans	Can the loan be paid from housing bonds?	Answered above.
18	OPV DDA	Please supply the Board with more information on the Oyster Point Ventures DDA. How does setting aside the $29 million as contemplated in the DRAFT ROPS impact the taxing entities?	An economic analysis was done by CBRE Economics In October 2008 on the Oyster Point Business Park buildout plan that SKS Developers (SKS) proposed. That analysis projected an increase in property assessed value (AV) from the Business Park of $1.358 billion once the project was completed (Attachment 18). Since that time, the market has softened, and the project has been modified. An updated estimate of the increase in AV is expected by the time the Board meets on April 10. In the meantime, for a ballpark, order of magnitude estimate, if staff takes only half the AV annual increase, or $.679 billion projected in the 2008 study, the 1% property taxes increased by the project that would flow to all taxing entities would be $6.8 million annually. It would therefore take roughly 4 to 5 years of new property taxes flowing to pay off the initial $29 million investment as required by the DDA.
18		What will the Successor Agency do with interest accrued on the $29,463,230?	The interest from those funds can remain in the trust and used for any costs increases that may occur on the infrastructure to be funded with the $29,463,230. Section 3.4.3 of the DDA included as Attachment 18a requires that the Agency pay cost overruns on the portion of the project where costs are allocated to the Agency.
19	OPV DDA	Should contingencies such as the one for potential additional remediation costs that are obligated to be paid on the ROPS?	Section 5.2 of the DDA, attached hereto as attachment 19, provides in relevant part that "...., [Redevelopment] Agency shall retain responsibility for all such Pre-Existing Environmental Conditions, whether discovered prior to or after the Effective Date. Agency shall indemnify, defend, release and hold harmless Developer from any and all costs, damages, claims, liabilities, or expenses (including, without limitation reasonable attorney's fees and disbursements) arising from or otherwise related to the Pre-Existing Environmental Conditions..." The property on which the development proposed in the DDA is located is a former solid waste landfill. The $20 million cost is an estimate of potential costs. The DDA exhibits do provide context to substantiate the potential additional costs. For

OVERSIGHT BOARD 4-3-12 Q &A

Row	Description	Question	Answer
			example, the costs to remediate Sump 1 which involves 10,000 cubic yards of material is estimated to be $3,596,775. By comparison, the pre-existing refuse that would be relocated equals 90,000 cubic yards of solid waste. While the Successor Agency does not know now how much of the material that is thought to be able to relocated onsite will have to be disposed off site (similar to the treatment of Sump 1) if up to 50 percent of material had to be treated in a manner similar to the material in Sump 1, the costs would be approximately $19 million in current dollars. Thus, staff recommends that this remain an item listed in the Total Remaining Debt or Obligation column. However, based upon review of the Department of Finance ("DOF") Frequently Asked Questions ("FAQs") titled *Additional Frequently Asked Questions 2-29-2012*, the FAQ does recognize that successor agencies have a duty to create reserves for bond payments. However the FAQ indicates that the DOF interpretation of ABx1 26 does not recognize contingent or unknown obligations for purposes of reserving funds. As this obligation is not fully known at present and is contingent, Successor Agency staff continues to recommend that no funds be allocated for payment during this ROPS period.
18 and 21		Please supply specific language from the Oyster Point Ventures Disposition and Development Agreement (OPV DDA) and the Harbor District Agreement that obligated the Agency to pay up to $29 million to OPV and $2.6 million to the Harbor District.	OPV DDA Obligation: Article III of the DDA (Excerpts included herewith as Attachment 18) set forth the financial obligations of the Agency to pay for construction of certain infrastructure. Exhibit 3.2.A describes the various phases of the infrastructure improvements. Exhibit 3.2 describes the estimated project schedule. Exhibit 3.4.1 lists the sources of funding for the various phases of improvements. Section 3.2.1 provides that "The Phase IC Improvements ... will be funded in part by the [Redevelopment] Agency and in part by Developer...." (Pg. 9). Section 3.3.2(a) provides that the "...Developer and City and/or Agency will each be responsible for funding and/or construction of the Phase II Improvements. Subpoints (ii), (iii) and (iv) allocate to the Agency the obligation to pay for items 3.3.2.B, 3.3.2.C, 3.3.2.D and 3.3.2.E as shown on Exhibit 3.4.1. Sections 3.4.1, 3.4.2 and 3.4.3 all further confirm the Agency's obligation to pay for the Phase IC and ID Improvement Costs and also allocate the any cost overruns between the Agency and the Developer. These sections provide that the Agency is obligated to pay $18,399,480 plus applicable cost overruns for the Phase IC Improvements and $11,083,711 for the

OVERSIGHT BOARD 4-3-12 Q &A

Row	Description	Question	Answer
			Phase IIC Improvements plus applicable cost overruns. Section 3.4.4 requires the Agency to set aside funds immediately to fund the Agency's funding requirement. Section 3.4.4 provides in part "Such Agency Funding Deposit shall be held in such account, and without the express written agreement of Developer, shall not be withdrawn or used for any purpose whatsoever, except to pay as the times and in the amounts required to fulfill Agency's obligation to pay the Agency Funding Requirement. Harbor District Obligation: With regards to the Harbor District/Redevelopment Agency Agreement (Excerpts included as Attachment 21), payments will occur in the future as the Agreement is implemented. Of the $2,635,000 total remaining obligation, $635,000 should be listed as payable in June and the remaining $2,000,000 will appear on the ROPS for the time period July through December 2012. Pursuant to Section 9, $35,000 is required to be paid in June upon submission of an invoices for costs the Harbor District already incurred. In addition, the Harbor District has also requested payment of $600,000 for improvements which are obligated pursuant to Section 6.1.
21	Harbor District Agreement	a) Has the Harbor District fulfilled the items required to receive the money?	The Harbor District has submitted a capital plan and has completed construction of the wave attenuators. The Harbor District has not yet submitted evidence of permits for the docks and a commitment to commence construction of the docks within 18 months of receipt of the Agency funds. The Harbor District still needs to submit an invoice for $35,000 costs incurred by the Harbor District to negotiate the agreement.
24	Miller Parking Garage	a) Please provide a history of the advances made by the RDA to the Downtown Parking District for the Miller Ave. Parking Garage.	The advances were booked/updated every 6 months during the design and construction of the parking garage, as follows: ○ 6/30/2009 $ 490,444 ○ 1/31/2010 $1,026445 ○ 6/30/2010 $3,291,147 ○ 12/31/2010 $3,961,805 Total: $8,769,840. With interest accrued through the date of the forgiveness (the forgiveness was approved by the Council and the Agency Board on 3/10/2011), the total was $8,792,327. This advance forgiveness was reported to the State, and staff confirmed the State received that information. The State has been contacted 4-5 times in the

OVERSIGHT BOARD 4-3-12 Q &A

Row	Description	Question	Answer
			last week to attempt to get more information to answer the Board's question about whether the State intends to scrutinize or audit these transactions. So far, no information was available. Finally, Boardmember Christensen asked why the amount reported in staff reports listed the advance at $10.7 million. The $10.7 million was the **total budget estimate** for the advance, but the actual amount advanced as of the time the advance was forgiven was $8.769 million as shown above.
		b. Boardmembers requested clarification as to whether the State Department of Finance would make a determination on the validity of the loan forgiveness between the Redevelopment Agency and the Parking District; and, if so, the possible timeline for receipt.	As required by AB 936, the Agency reported this action to the City Council and to the State Controller. Once ABx1 26 was enacted, the Agency became subject to the legislation's "freeze" provisions, and no longer had authority to forgive the balance owed to the Agency on existing loans (See Health and Safety Code Section 34163 (c)(3).) However, the Agency's action to forgive this loan was taken several months prior to the effective date of ABx1 26. ABx1 26 does not provide the oversight board with authority to review, modify or order the rescission of the loan forgiveness. Section 34177 specifies the obligations of successor agencies, and provides that successor agencies are required to continue to collect loans, rents and other revenues that were due to the redevelopment agency (34177(f)). Staff has confirmed that this item was submitted to the State in its report on loan forgiveness, and that the State received it. Staff has made numerous attempts this week to determine the status of the State's review, but has not been able to obtain any information from the State.
28	Train Station Imp PH I	a) How much were the contracts for, when were they signed, and how much is still outstanding? (Note, all numbers below are rounded):	Technology Engineering (Tech Accutite) was signed 3/11/2009 for $297,000. The balance on that contract is still $103,000. Wilsey Ham (an engineering firm) had two contracts dated 4/15/2008 ($5,000) and 9/9/2009 ($34,000). The balance on these contracts is still $16,200.
		b) When was the agreement with CalTrans entered into?	The City entered into a purchase and sale agreement with CalTrans on February 26, 2010.
30	Train Station Imp PH II	Should contingencies such as these be on the ROPS?	Successor Agency staff recommends that this remain an item listed in the Total Remaining Debt or Obligation column. However, based upon review of the

OVERSIGHT BOARD 4-3-12 Q &A

Row	Description	Question	Answer
			Department of Finance ("DOF") Frequently Asked Questions ("FAQs") titled *Additional Frequently Asked Questions 2-29-2012*, the FAQ does recognize that successor agencies have a duty to create reserves for bond payments. However the FAQ indicates that the DOF interpretation of ABx1 26 does not recognize contingent or unknown obligations for purposes of reserving funds. As this obligation is not fully known at present and is contingent, Successor Agency staff continues to recommend that no funds be allocated for payment during this ROPS period.
32	Two Housing Replacement Units	Does the California Redevelopment Law requirement for replacement of housing units stand after the agency ceased to exist?	This obligation is created by law rather than by an agreement. Section 33413(a) of the California Health and Safety Code provides that whenever dwelling units housing low or moderate income households are destroyed as a part of a redevelopment project that is subject to a written agreement with the agency or where financial assistance has been provided by the agency, the agency must, within 4 years of the destruction, rehabilitate, develop or construct, or cause to be rehabilitated, developed or constructed, an equal number of replacement dwelling units that are affordable to households of the same income level as the households that were displaced. In 2009, the project known as Miller Avenue Parking Garage, located at 323 Miller Avenue, which was assisted with Agency financing resulted in the destruction of 2 units of housing affordable to low-income households. As set forth in the replacement housing plan adopted by the redevelopment agency governing board on May 13, 2009 as required by Health and Safety Code Section 33413.5, the agency committed to provide or finance 2 replacement units by not later than 2013. This obligation continues as a legal obligation of the successor agency, and therefore, the estimated cost to fulfill this obligation is included on the ROPS.
48	Grant Soft project costs	Are we legally obligated to monitor grants the same way now that RDA does not exist?	Response will be distributed on Monday
54	Audit Services/Maze	How does the City justify separating out lines 54-56 rather than folding them into the Administration allocation?	Staff can accept removing lines 54 and 55 from the ROPs, since they are routine, ongoing professional services. Line 56 (Local Tax Compliance Consulting Services) is the cost for a professional services contract with Muni Financial Services. Their service is to review the County's tax allocation rolls to look for potential errors in the roll. If they find errors that resulted in more property taxes being properly restored to the Agency, then the Agency's contract was to pay them a percentage share of those findings going forward 3 years. The costs listed on line 56 are for the last year of their last findings that positively impacted the Redevelopment Agency. The reserves that will be distributed to the taxing entities through the RDA Dissolution process are
55	Financial Analyses/Siefel		
56	Local Tax Compliance		

OVERSIGHT BOARD 4-3-12 Q &A

Row	Description	Question	Answer
			therefore higher due to the results of these findings/this service. Staff believes it is fair that the costs incurred in obtaining those higher revenues should therefore be allowed as expenses that are not absorbed into general administration.
59	Maint. Of Property	Please provide additional detail on what these expenses are expected to be.	See attachment 59 Cost breakdown. Note that these are conservative estimates based on past usage and 6-month cost will be based on actual use.
60	Maint of Property Soft Project costs	Please provide additional detail on what these expenses are expected to be.	See attachment 60 Cost breakdown. Note that these are conservative estimates and 6-month costs will be based on actual staff time needed.
67	Disp of Property	Can this go under the Successor Agency's admin allowance?	See attachment 67 Cost breakdown. Note that these are conservative estimates and 6-month cost will be based on actual use.
68	Disp of Property soft project costs	Can this go under the Successor Agency's admin allowance?	See attachment 68 Cost breakdown. Note that these are conservative estimates and 6-month costs will be based on actual staff time needed.
71	PERS Pension Obligations	a) Are these costs enforceable obligations?	Response will be distributed on Monday
		b. How was the accrued obligation for Pension (CalPERS) obligations for RDA funded positions calculated?	As the Board may recall, staff estimated this cost, and has asked an outside actuary to do a more refined calculation. That calculation is not yet available. Staff fully expects that the actuary will change the estimate, but staff wanted to have an estimate in the ROPS as a placeholder. Staff did this calculation in two steps. CalPERS reports the total unfunded pension obligation to employers on an annual basis. First, staff took that total unfunded pension obligation and derived an average per employee. However, because CalPERS spreads the unfunded liability cost over a 30 year timeframe, staff prorated the result of the first calculation based on the number of years since the City granted enhanced retirement benefits (11) until the current year to get a ratio to estimate the costs incurred to date. The result (11/30) was as proration of 36.7% of the total unfunded pension liability per employee. These calculations were made separately for Safety employees and for non-Safety employees and the results were $876,000. Again, this is an estimate at this time.
72	Retiree Health Obligations	How was the accrued obligation for retiree health obligations for RDA funded positions calculated?	As the Board may recall, staff estimated this cost, and has asked an outside actuary to do a more refined calculation. That calculation is not yet available. Staff fully expects that the actuary will change the estimate, but staff wanted to have an estimate in the

OVERSIGHT BOARD 4-3-12 Q &A

Row	Description	Question	Answer
			ROPS as a placeholder. Staff first took the results that an outside actuary prepared for the total Actuarial Accrued Liability (AAL) for the prior June 30, as required by Government Accounting Standards Board (GASB) requirements. The AAL is the obligation earned/accrued *to date*, not future earnings costs. From that total, staff then derived an average liability per member affected by dividing the total AAL, $82 million, by the number of active and retired employees covered in that report (644 total employees). That resulted in an average of $127,615 per member. Staff then multiplied that number by the number of RDA funded employees, 18.8. The result was $2.393 million. Again, this is an estimate at this time.

Attachment 18a'

Exhibit A-5
Property Tax Estimate
City of South San Francisco General Fund and Redevelopment Agency
Proposed Project Analysis
Oyster Point Business Park
October 2008

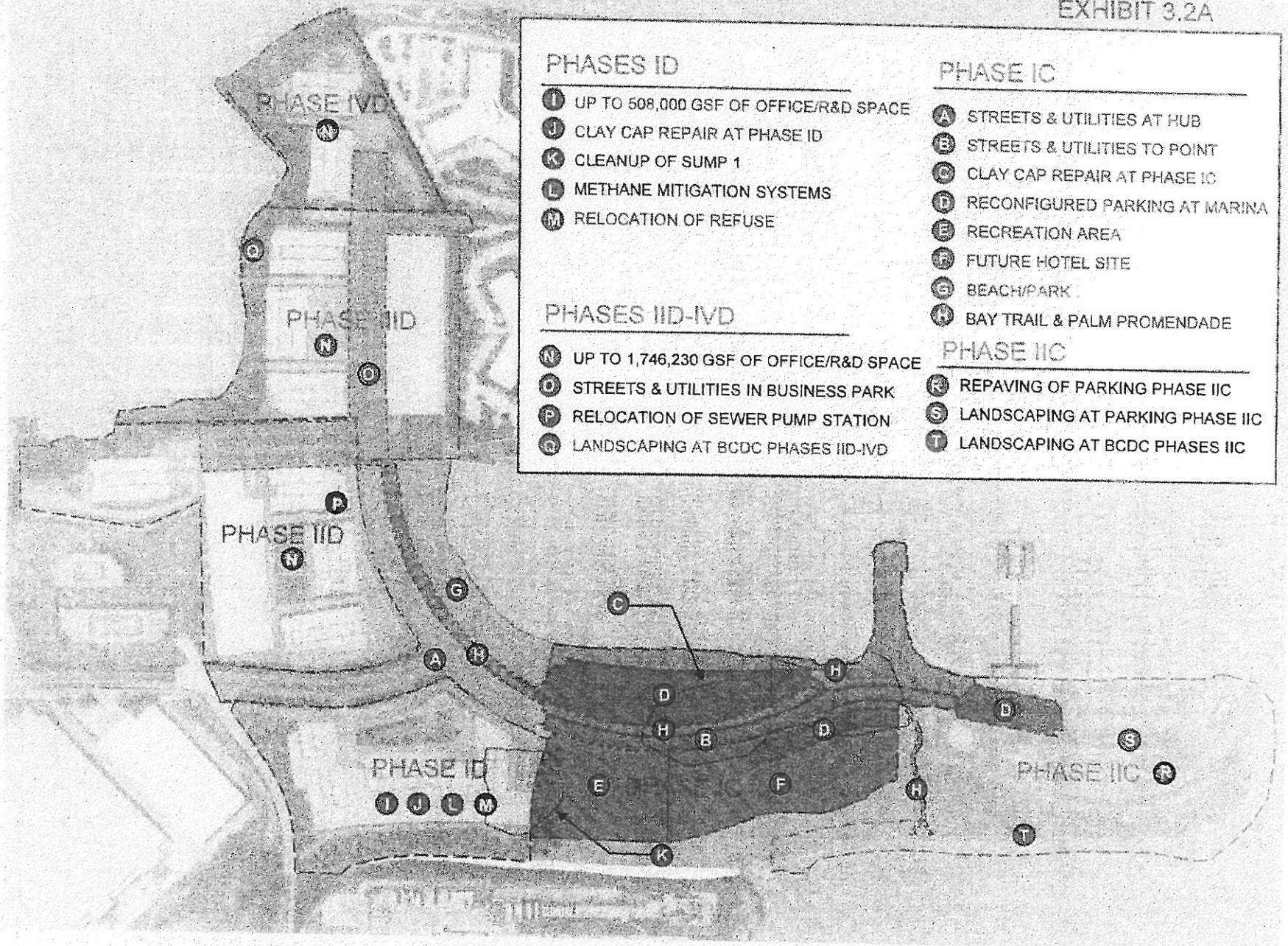
Item	Amount	
Property Tax Rates		
Property Tax Rate (1)	1.00%	of assessed value
City of South San Francisco Allocation (2)	15.096%	of the 1.00%
Redevelopment Area - Tax Allocation (3)		
Housing Set-Aside	20.00%	
County Pass-Through (as a percentage of total tax-increment)	20.56%	
Redevelopment Agency	59.44%	
Total	100%	
Property Tax Revenues from non-Redevelopment Project Area		
Total Project Value (4)	$773,670,580	
FY 2007-08 Assessed Value of Parcels Currently owned by S/SKS (5)	$38,316,654	
Increase in Assessed Value	$735,353,926	
Property Tax Rate	1.00%	
Total Property Tax	$7,353,539	
City General Fund Share of Revenues	15.10%	of property tax
City General Fund Total Revenues	$1,110,090	
Property Tax Revenues from City Property (Redevelopment Area)		
Total Redevelopment Project Area Project (6)	$622,583,539	
FY 2007-08 Assessed Value of All Parcels (5)	$0	
Increase in Assessed Value	$622,583,539	
Property Tax Rate	1.00%	
Total Property Tax	$6,225,835	
Share of Property Tax Accruing to Redevelopment Agency	59.44%	of tax increment
Redevelopment Agency Revenues	$3,700,637	
Total Property Tax Revenues		
Property Tax Accruing to City General Fund	$1,110,090	
Property Tax Accruing to the Redevelopment Agency	$3,700,637	
Total Property Tax Revenue	$4,810,727	

Total increase in AIV = $1.358 billion annually

Sources: San Mateo County Assessor's Office; San Mateo County Controller's Office; City of South San Francisco Finance Department; Realquest; and CBRE Consulting.

(1) Actual property tax rate is 1.0327%. The additional .0327% is for various special assessments thus is not included herein.
(2) Provided by the San Mateo County Controller's Office. The tax allocation rate is after the ERAF shift for FY 2008-09.
(3) Provided by the City of South San Francisco Finance Department.
(4) As stated in Exhibit A-4 a portion of the life sciences campus will be in a redevelopment project area and the entirety of the oyster point marina is in a redevelopment project area.
(5) The assessed value of the parcels owned by S/SKS was provided by Realquest.
(6) The assessed value to the parcels in the redevelopment area include all development on the Oyster Point Marina and a portion of the life sciences development.
(7) The current assessed value of the City-owned parcels is $0. Because the parcels are owned by the City and will likely be ground-leased the developer/owner will pay a possesory interest tax instead of property tax. However, the tax rate and allocation will be the same as if it were a property tax.

EXHIBIT 3.2A



PHASES ID

- I UP TO 508,000 GSF OF OFFICE/R&D SPACE
- J CLAY CAP REPAIR AT PHASE ID
- K CLEANUP OF SUMP 1
- L METHANE MITIGATION SYSTEMS
- M RELOCATION OF REFUSE

PHASES IID-IVD

- N UP TO 1,746,230 GSF OF OFFICE/R&D SPACE
- O STREETS & UTILITIES IN BUSINESS PARK
- P RELOCATION OF SEWER PUMP STATION
- Q LANDSCAPING AT BCDC PHASES IID-IVD

PHASE IC

- A STREETS & UTILITIES AT HUB
- B STREETS & UTILITIES TO POINT
- C CLAY CAP REPAIR AT PHASE IC
- D RECONFIGURED PARKING AT MARINA
- E RECREATION AREA
- F FUTURE HOTEL SITE
- G BEACH/PARK
- H BAY TRAIL & PALM PROMENADE

PHASE IIC

- R REPAVING OF PARKING PHASE IIC
- S LANDSCAPING AT PARKING PHASE IIC
- T LANDSCAPING AT BCDC PHASES IIC

Attachment 18a

Exhibit 3.2B

Estimated Project Schedule

This Exhibit sets forth the Parties' reasonable estimates of project milestones, based on each Party's good-faith, diligent pursuit of their respective responsibilities, in compliance with applicable law. These milestones include the items listed below, for illustrative purposes only.

1. Initiate preparation of EIR and project entitlements: Third quarter 2009
2. Complete environmental review and Agency and City approval of project entitlements: First quarter 2011
3. Approval and execution of Disposition and Development Agreement to govern transfer of the King Leases and Conveyed Property: First quarter 2011
4. Projected date for exchange of interests in King Leases and Conveyed Property pursuant to Disposition and Development Agreement: Second quarter 2013
5. Projected establishment of a communities facilities district and issuance of Mello-Roos Bonds: Second quarter 2013
6. Projected date to commence construction of Phase I Improvements: Third quarter 2013

The Parties recognize that despite their respective diligent good faith efforts, the achievement of these milestones is subject to circumstances and actions of others beyond their respective reasonable control, such as actions by other governmental agencies, market conditions, financing, and other business and economic factors, and that such circumstances are taken into account in the DDA and DA. This estimated schedule does not affect the Parties' rights or remedies under any termination provisions that are included in the DDA and DA.

Exhibit 3.4.1

Redevelopment Project Cost Allocation

Oyster Point Site and Infrastructure Improvements: Sources and Uses

USES			SOURCES		
Exhibit	Description	Total Costs	S/SKS Direct	S/SKS CFD	City/RDA
	Other Transaction Costs				
	King Leasehold Interest	$ 7,500,000	$ 7,500,000	$ -	$ -
	Other Transaction Costs (Required Cap Ex, Planning, Entitlements)	$ 4,172,000	$ 4,172,000	$ -	$ -
	Initial Cash Consideration	$ 2,250,000	$ 2,250,000	$ -	$ -
	Additional Cash Consideration	$ 1,100,000	$ 1,100,000	$ -	$ -
	Remaining Cash Consideration	$ 2,250,000	$ 2,250,000	$ -	$ -
	Subtotal - Pre-Land Swap Costs	$ 17,272,000	$ 17,272,000	$ -	$ -
	Phase ID Land Improvements				
3.2.2A	Clay Cap Repair at Conveyed Property and Refuse Relocation Area	$ 2,906,388	$ -	$ 2,906,388	$ -
3.2.2B	Cleanup of Sump 1	$ 3,596,775	$ 3,596,775	$ -	$ -
3.2.2C	Methane Systems at Conveyed Property	$ 4,983,116	$ 4,983,116	$ -	$ -
3.2.2D	Relocation of Refuse under Buildings on Conveyed Property	$ 4,719,573	$ 4,719,573	$ -	$ -
	Other Premiums to Build on Landfill at Conveyed Property	$ 4,538,812	$ 4,538,812	$ -	$ -
	Subtotal Phase ID	$ 20,744,665	$ 17,838,276	$ 2,906,388	$ -
	Phase IC Infrastructure and Improvements				
3.2.1A	Streets and Utilities at Hub	$ 9,595,992	$ -	$ 7,676,794	$ 1,919,198
3.2.1B	Streets and Utilities to Point	$ 5,434,533	$ -	$ -	$ 5,434,533
3.2.1C	Clay Cap Repair at City Parcels IC	$ 539,516	$ -	$ -	$ 539,516
3.2.1D	Reconfiguration of Parking at Marina	$ 4,247,756	$ -	$ -	$ 4,247,756
3.2.1E	Grading/Construction of Recreation Area	$ 1,969,117	$ -	$ -	$ 1,969,117
3.2.1F	Demo/Grading of Hotel Site	$ 792,931	$ -	$ -	$ 792,931
3.2.1G	Landscaping of Beach/Park	$ 3,496,408	$ -	$ -	$ 3,496,408
3.2.1H	Landscaping at Bay Trail and Palm Promenade Phase IC	$ 9,533,859	$ -	$ 9,533,859	$ -
	Subtotal Phase IC	$ 35,610,113	$ -	$ 17,210,653	$ 18,399,460
	Phase IIC				
3.3.2A	New Sewer Pump Station at Marina	$ 2,661,614	$ 839,490	$ -	$ 1,822,124
3.3.2B	Clay Cap Repair at City Parcels IIC	$ 572,366	$ -	$ -	$ 572,366
3.3.2C	Repaving of the Existing Parking at Phase IIC	$ 934,892	$ -	$ -	$ 934,892
3.3.2D	Landscape Tune-up at Existing Parking at Phase IIC	$ 1,743,889	$ -	$ -	$ 1,743,889
3.3.2E	Landscaping at BCDC Area at Phase IIC	$ 5,990,501	$ -	$ -	$ 5,990,501
	Subtotal Phase IIC	$ 11,903,261	$ 839,490	$ -	$ 11,063,771
	Phases IID-IVD				
3.3.1A	Streets and Utilities at Phases IID-IVD	$ 11,961,946	$ -	$ 11,961,946	$ -
3.3.1B	Relocation of Sewer Pump Station No. 1	$ 4,891,614	$ -	$ 4,891,614	$ -
3.3.1C	Landscaping at BCDC Area at Phases IID-IVD	$ 3,794,267	$ -	$ 3,794,267	$ -
	Subtotal Phases IID-IVD	$ 20,647,826	$ -	$ 20,647,826	$ -
	Total - All Phases	$ 106,177,864	$ 35,949,766	$ 40,764,868	$ 29,463,230

lease (as applicable) the ROFR Property, then Developer and City or Agency (as applicable) shall enter into a purchase or lease (as applicable) contract for the ROFR Property the terms of which shall be substantially similar to the form of the ROFR Contract with the Third Party Price and Terms (with reasonable allowances for modifications to non-material terms, such as an extension of contingency periods, the closing date or the commencement date). If Developer elects not to purchase or lease (as applicable) the ROFR Property, then City or Agency (as applicable) shall be free to sell or lease (as applicable) the ROFR Property to the Third Party on the material terms of the ROFR Contract, the Third Party Price and Terms; provided that if such sale or lease (as applicable) is not consummated within twelve (12) months after the date of the ROFR Contract, then such sale or lease (as applicable) and any other proposed sale or lease (as applicable) of the ROFR Property shall again be subject to Developer's Right of First Refusal. City or Agency (as applicable) hereby agrees that if Developer exercises the Right of First Refusal, Developer shall have the right to designate an affiliate of Developer as the grantee or lessee (as applicable) of the ROFR Property.

2.5.2 Intentionally Deleted.

2.5.3 At Closing, a memorandum of this Right of First Refusal, in the form attached hereto as Exhibit 2.5.3, shall be executed by City or Agency (as applicable) and recorded against the ROFR Property. Upon such time that Developer no longer has the right to exercise its Right of First Refusal pursuant to the terms of this Section 2.5, Developer shall promptly execute and acknowledge any document reasonably requested by City or Agency (as applicable) to terminate the aforementioned memorandum, including, without limitation, a quitclaim deed.

2.5.4 The provisions of this Section 2.5 and Developer's Right of First Refusal to purchase the Property pursuant to the terms hereunder shall survive the Closing.

ARTICLE III PROJECT SCOPE AND FINANCING

3.1 Roles of the Parties and Control of Development. The Parties intend that (i) subject to compliance with the terms and processes set forth in the Oyster Point Specific Plan, applicable precise plans, City's normal design review and building permit procedures and City's right to mandate specifications for improvements that will be publicly owned, Developer shall be in sole control of planning and development of the Redevelopment Project and Developer Project; and (ii) City and Agency shall be in sole control of planning and development of the City/Agency Project. With the exception of the public improvements to be funded by Developer as set forth below in Section 3.3.2, Developer shall have no responsibility for planning, funding, or construction of any portion of the City/Agency Project. Aside from the Agency's funding obligations as set forth in this Agreement, neither City nor Agency shall have any rights to, nor responsibility for, planning or development of any improvements on property owned by Developer.

3.2 Scope of Development. The Parties intend that the Redevelopment Project will be undertaken in phases as described in this Section and Exhibit 3.2A. The project schedule attached as Exhibit 3.2B (the **"Project Schedule"**) represents the Parties' reasonable estimates of Redevelopment Project milestones. In no event shall any failure to meet the timeframe set forth in the Project Schedule be considered a default under this Agreement.

3.2.1 Phase IC Improvements. Developer shall cause to be constructed the Phase IC Improvements described in this Section 3.2.1. The Phase IC Improvements are described in greater detail in Exhibit 3.2.1 attached hereto and will be funded in part by the Agency and in part by Developer or, at the option of Developer, with proceeds from a Mello Roos/Community Facilities District (**"CFD Proceeds"**) pursuant to Section 3.4 below. The Phase IC Improvements consist of construction of the following public infrastructure improvements and amenities on portions of the City Property and the Conveyed Property, as more particularly described and identified in Exhibit 3.2.1:

(i) Streets and utilities (including grading, subgrade, base, paving, curb and sidewalk, street lights, storm water, sanitary sewer, combined trench for gas, electric and telecom, impermeable utility trench at sanitary landfill areas, and temporary streets and utilities) in the following locations:

(1) At the future Hub area;

(2) Extending east from the Hub across the Marina Property;

(ii) Repair of and/or upgrade to the clay cap covering the Oyster Point Landfill on specified City-owned parcels and raising the level of certain portions of the Oyster Point Landfill and its perimeter to counteract the projected effects of sea level rise;

(iii) Reconfiguration and reconstruction of existing parking areas on specified City-owned parcels;

(iv) Grading and construction of open space recreation areas on specified City-owned parcels;

(v) Demolition and grading at the future "hotel site" on specified City-owned parcels;

(vi) Landscaping of the beach/park area on specified parcels of the Conveyed Property; and

(vii) Landscaping and other improvements including construction of portions of Bay Trail, public restrooms and palm promenade, on specified City-owned parcels all as shown on that certain Conceptual Site Plan for the Public Realm with Phase One SSKS Development dated February 22, 2011 shown on Exhibit 3.2.1I.

3.2.2 Phase ID Improvements. Developer will construct the Phase ID Improvements described in this Section 3.2.2 on the Conveyed Property. The public improvement/remediation components of the Phase ID Improvements will be financed in part by Developer and, at the option of Developer, in part with CFD Proceeds pursuant to Section 3.4 below. The Phase ID Improvements consist of the following improvements, as more particularly described and identified in Exhibit 3.2.2:

(i) Repair of the clay cap covering the Oyster Point Landfill on the Conveyed Property;

(ii) Remediation of the area identified on Exhibit 3.2.2 as "Sump 1";

(iii) Installation of methane control and monitoring systems on the Conveyed Property;

(iv) Other improvements and construction activities necessitated by building on landfill on the Conveyed Property;

(v) Relocation of refuse on the Conveyed Property to accommodate new buildings; and

(vi) Development of research and development and/or office buildings on the Conveyed Property consisting of an aggregate of not less than Five Hundred Eight Thousand (508,000) square feet and not more than Six Hundred Thousand (600,000) square feet.

3.3 Additional Development. As of the Effective Date, the parties intend that the development of the City Property and Developer Property will include the additional improvements described in this Section 3.3. Notwithstanding the foregoing or anything to the contrary set forth in this Agreement, neither Party shall have any obligation to construct the improvements described in this Section 3.3, or, if such improvements are constructed, to construct them in any particular order or in accordance with any particular schedule. Except for (a) Agency's obligation to fund the clay cap repair as set forth in Section 3.3.2(a)(iv) below (which the Parties agree is an express obligation of the Agency), and (b) Developer's obligation to provide funding for certain Phase IIC Improvements, as set forth below, which obligation shall be contingent upon Agency's determination to proceed with the Phase IIC Improvements pursuant to this Agreement, this Section 3.3 is set forth herein for explanatory purposes only and shall not create any obligations or liabilities on the part of either Party.

3.3.1 Developer Project. In accordance with the Development Agreement approved by City, on approximately forty-two (42) acres of the Business Park Property and the Conveyed Property, Developer intends to develop a life sciences campus that will consist of research and development and office buildings with an aggregate gross square footage of approximately 2.25 – 2.254230 million square feet, together with associated structured parking. The estimated square footage is predicated on a floor area ratio (FAR) of 1.25, taking into account areas that will be (a) reserved for public amenities (including private streets, beach, park, a portion of the Bay Trail, other public rights of way, public open space, public parking areas, and recreational areas), and (b) available for potential future development. In connection with such additional improvements, Developer intends to construct the following public and private improvements in phases (the **"Phase IID, IIID and IVD Improvements"**) which are described in greater detail in Exhibit 3.3.1 attached hereto and which will be partially financed by Developer and partially funded with CFD Proceeds.

(a) Development of streets and utilities at the Business Park Property;

(b) Relocation and expansion of capacity of Sewer Pump Station No. 1;

(c) Landscaping within 100-foot shoreline band at the Business Park Property; and

(d) Development of buildings for research and development and/or office use so that the FAR across the entire Business Park Property and Conveyed Property (including that portion of the Conveyed Property developed in Phase ID) will be 1.25, comprising a total of up to approximately 2.25 – 2.254230 million gross square feet of such development.

3.3.2 City/Agency Project. City and Agency intend to seek development of the City/Agency Project, including retail, commercial, restaurant and hotel uses, public open space and recreational uses on the City Property. City/Agency may also consider development of research and development and/or office development on the 3.2 acre portion of the City Property currently designated for recreational uses, however, any such development (1) would require additional environmental analysis, (2) may not occur until the earlier of (i) the issuance of a building permit for the second (2nd) building in Phase IVD of the Developer Project or (ii) the termination of this Agreement, and (3) would be subject to Developer's Right of First Refusal as set forth in Section 2.5.

(a) Phase IIC Improvements. If and at such time as City/Agency commence construction of any of the public infrastructure improvements and amenities described in this Section 3.3.2(a) (the **"Phase IIC Improvements"**), Developer and City and/or Agency will each be responsible for funding and/or construction of the Phase IIC Improvements. The Phase IIC Improvements, which are depicted and described in greater detail in Exhibit 3.3.2 attached hereto, will be planned and constructed by City/Agency, and will be funded in part by Developer and in part by City or Agency as described below. Developer's funding obligations set forth in this Section 3.3.2 shall be conditioned on the City/Agency's construction of all of the Phase IIC Improvements (rather than a portion thereof) and are inclusive of, and not separate from, the Developer Funding Requirement described in Section 3.4.6 below.

(i) Developer to fund sewer pump station at the Marina;

(ii) Agency to fund clay cap repair at specified City Property (Parcel IIC) at the Marina, in accordance with the requirements of the Regional Water Quality Control Board;

(iii) Agency to fund repaving of existing parking areas at specified City Property (Parcel IIC) at the Marina; and

(iv) Agency to fund landscaping of certain City Property within the jurisdiction of San Francisco Bay Conservation and Development Commission (**"BCDC"**) on City Parcel IIC.

3.4 Financing of Redevelopment Project.

3.4.1 Improvement Costs. The Parties have estimated the cost of the Phase IC Improvements (the "**Phase IC Improvement Costs**") and the Phase ID Improvements (the

"**Phase ID Improvement Costs**" and, together with the Phase IC Improvement Costs, the "**Improvement Costs**"). The Improvement Costs and the respective Agency and Developer responsibility for payment for each component of the Improvement Costs are detailed in Exhibit 3.4.1 attached hereto. As more particularly described in Exhibit 3.4.1, Agency and Developer each have responsibility to pay for certain components of the public improvements included in Phases IC and ID, including, without limitation, Developer's obligation to deliver to City an amount equal to One Million One Hundred Thousand Dollars ($1,100,000) on the date that Developer commences construction of the Phase ID Improvements (commencement of construction as used in the foregoing shall be defined as commencement of excavation for the placement of a foundation for a structure within the portion of the Developer Property to be redeveloped in Phase ID). In addition, as indicated in Exhibit 3.4.1, the Parties intend that certain Improvement Costs may, at the option of Developer, be funded with CFD Proceeds. Nothing in this Agreement is intended to or shall be interpreted as a guaranty by the Agency to make up any shortfall with respect to the availability of CFD Proceeds.

3.4.2 Payment of Phase IC and ID Improvement Costs. Agency will pay an amount equal to Agency's specified share of the Phase IC Improvement Costs in the aggregate amount, subject to adjustment pursuant to Section 3.4.3 below, of Eighteen Million, Three Hundred Ninety Nine Thousand, Four Hundred Sixty Dollars ($18,399,460) (the "**Agency Phase IC Funding Requirement**"). Agency shall, at Closing and approximately every three (3) months thereafter, deliver funds into an escrow account that is equal to the estimated amount of Phase IC Improvement Costs that will be incurred by the Developer in the following three (3) month period pursuant to the terms of an Escrow Holdback Agreement in the form attached hereto as Exhibit 3.4.2, to be entered into by and among Agency, Developer and the Title Company at Closing ("**Escrow Holdback Agreement**"). Agency shall periodically deliver such funds within five (5) business days after receipt of written request from Developer, which request shall be accompanied by a description of the work to be completed during such three (3) month period. Any interest accruing on such escrowed funds shall become a part of the escrowed funds and shall be used only in connection with the construction of the Phase IC Improvements.

3.4.3 Allocation of Responsibility; Cost Overruns and Savings. The Parties hereby agree that the allocation of costs and contributions in connection with the Phase IC Improvement Costs and the Phase ID Improvement Costs shall be as set forth on Exhibit 3.4.1, which Exhibit also sets forth which Party shall be responsible for any cost overruns above, and which Party shall be entitled to retain any cost savings below, the estimated costs of such Improvements. Notwithstanding the foregoing, with respect to the Phase IC Improvement Costs associated with streets and utilities at the Hub, as described in Exhibit 3.2.1, any cost overruns shall be shared by the Parties on the proportional basis set forth on Exhibit 3.4.1 based on each Party's responsibility for funding such streets and utilities, and any cost savings shall be paid by the Parties towards the construction of the Phase IIC Improvements for which the Agency is required to pay. Agency shall apply such cost savings in the following order of priority: first, to complete the clay cap repair in Phase IIC, second, to construct the new sewer pump station, and if any funds remain after completion of the clay cap repair and construction of the pump station, to any other Phase IIC Improvements in the Agency's discretion. Notwithstanding the foregoing, the City shall pay any additional costs beyond those shown on Exhibit 3.4.1, including without limitation those additional costs that may arise (a) related to the Bay Trail,

palm promenade, and Marina parking lot, including but not limited to increased costs required by BCDC; (b) related to agreements reached with the Harbor District; and (c) related to changes in scope or quality requested or required by City.

3.4.4 Obligation to Set Aside Funds for Agency Funding Requirement; Agency Budget. The Agency Funding Requirement is an indebtedness of the Agency to Developer under this Agreement, and in order to induce Developer to enter into this Agreement, upon execution of this Agreement the Agency agrees that it will set aside immediately in a separate account funds in the amount of the Agency Funding Requirement (**"Agency Funding Deposit"**). Such Agency Funding Deposit shall be held in such account, and without the express written agreement of Developer, shall not be withdrawn or used for any purpose whatsoever, except to pay at the times and in the amounts required to fulfill Agency's obligation to pay the Agency Funding Requirement. The Agency Funding Deposit initially placed in such separate account may be replaced at a later date with funds lawfully available for that purpose, including, by way or example, proceeds from the issuance of bonds secured by tax-increment from the Redevelopment Project, on and subject to the same terms and limitations applicable to the Agency Funding Deposit. In order to satisfy Agency's obligations to pay the Agency Funding Requirement without violating any applicable time limits on Agency action pursuant to the Redevelopment Plan, Agency also will take all reasonably necessary actions from time to time, including without limitation, recognition of the Agency Funding Requirement as an indebtedness of the Agency in all financial reports and documents, and inclusion of the Agency Funding Requirement in the Agency's annual budget, and making prepayments or additional payments if necessary.

3.4.5 [Intentionally Deleted]

3.4.6 Payment of Phase IIC Improvement Costs. The Parties have estimated the cost of the Phase IIC Improvements (the "**Phase IIC Improvement Costs**"). Developer will pay to Agency Developer's contribution to the Phase IIC Improvement Costs in an amount not to exceed Eight Hundred Thirty-Nine Thousand Four Hundred Ninety Dollars ($839,490) (the "**Developer Funding Requirement**") upon Developer's commencement of construction of the sewer pump station at the Marina. Commencement of construction as used in this Section 3.4.6 shall be defined as commencement of excavation for the placement of a foundation for the sewer pump station. Notwithstanding the foregoing, Agency acknowledges and agrees that Developer will only be obligated to pay the Developer Funding Requirement if (i) Agency has issued Certificates of Completion (defined below) for the Phase IC Improvements and Phase ID Improvements as set forth in Section 3.2.1 and Section 3.2.2; and (ii) City or Agency have commenced construction of all of the Phase IIC Improvements for which Developer has a funding obligation.

3.4.7 Allocation of Responsibility. Agency shall be responsible for payment of all Phase IIC Improvement Costs not required to be paid by the Developer Funding Requirement, and shall pay for any cost overruns above, and shall be entitled to retain any cost savings below, the estimated costs of such Improvements.

Attachment 19

Property taken as a result of such proceeding, in which case this Agreement shall otherwise remain in full force and effect, and Agency shall be entitled to any condemnation awards.

4.14 Maintenance of the Conveyed Property. Except to the extent such matters are the responsibility of the Developer in its capacity as the lessee under the King Leases, between Agency's execution of this Agreement and the Closing, Agency shall maintain the Conveyed Property in good order, condition and repair, reasonable wear and tear excepted, and shall make all repairs, maintenance and replacements of the Improvements and any Personal Property and otherwise operate the Conveyed Property in the same manner as before the making of this Agreement, as if Agency were retaining the Conveyed Property.

4.15 Developer's Consent to Contracts and Leases Affecting the Conveyed Property; Termination of Existing Contracts.

4.15.1 Agency shall not, after the Effective Date, enter into any new leases or contracts relating to the Conveyed Property, or any amendments thereof, or terminate any lease, or waive any rights of Agency under any contract, without in each case obtaining Developer's prior written consent thereto (which consent shall not be unreasonably withheld).

4.15.2 Agency shall terminate prior to the Closing, at no cost or expense to Developer, any and all Service Contracts affecting the Conveyed Property that are not Assumed Contracts (excluding any Service Contracts entered into by Developer in its capacity as the lessee under the King Leases).

4.15.3 From and after the Effective Date, Agency shall not further encumber the Conveyed Property with any monetary or non-monetary liens or encumbrances.

4.16 Insurance. Through the Closing Date, Agency shall maintain or cause to be maintained, at Agency's sole cost and expense, Agency's existing policy or policies set forth in the ABAG Memorandum of Coverage providing shared risk coverage for the Conveyed Property.

ARTICLE V ENVIRONMENTAL MATTERS

5.1 Environmental Remediation. The Parties anticipate that development of the Redevelopment Project will require environmental remediation and related geotechnical work, including cleanup of sumps on the Marina Property, a methane monitoring system as set forth in Section 5.3, relocation of refuse, and repair and/or replacement of the clay cap covering the landfill. The Parties agree to allocate costs for these remediation activities as set forth in Exhibit 3.4.1.

5.2 Environmental Indemnification. With respect to preexisting environmental conditions pertaining to the presence of Hazardous Materials and the pre-existing landfill present on the Marina Property ("**Pre-Existing Environmental Conditions**"), including those conditions identified in the documents listed in Exhibit 4.8.8, the Parties intend that, subject to the limitations set forth in this Section, both before and following Developer's acquisition of the Conveyed Property, Agency shall retain responsibility for all such Pre-Existing Environmental Conditions, whether discovered prior to or after the Effective Date. Agency shall indemnify, defend, release, and hold harmless Developer from any and all costs, damages, claims, liabilities or expenses (including, without limitation, reasonable attorneys' fees and disbursements) arising from or

otherwise related to the Pre-Existing Environmental Conditions; provided, however: (i) Developer shall be responsible for payment of the costs incurred in furtherance of the remediation activities described in Section 5.1; and (ii) neither City nor Agency shall have any obligation to defend, indemnify or hold Developer harmless for, and Developer shall be solely responsible for, remediation, damages, penalties, or other costs to the extent arising from or to the extent otherwise related to (a) any release of Hazardous Materials that are brought onto the Conveyed Property by Developer or its employees, contractors, consultants, invitees, agents; or (b) exacerbation of the Pre-Existing Environmental Conditions arising from the negligence, gross negligence, or willful misconduct of Developer's or Developer's employees, contractors, consultants, invitees, or agents or its/their failure to conduct the remediation in compliance with all Applicable Laws.

5.3 Methane and Leachate Monitoring. The Parties intend that City/Agency and/or Harbor District shall retain responsibility for landfill-related methane release monitoring and ground water leachate control monitoring on the City Property and the Developer Property, as well as maintenance, repair, or replacement of the equipment and systems necessary to conduct necessary monitoring, and shall submit any reports required by the local enforcement agency for both the City Property and the Developer Property. Developer will not acquire responsibility to carry out methane monitoring, ground water leachate control monitoring or related maintenance, repair, or replacement on the City Property or Developer Property, or any other environmental assessment, stabilization, remediation, or associated costs related to Pre-Existing Environmental Conditions. Notwithstanding the foregoing, the Parties intend that (i) Developer will fund initial installation of methane monitoring and ground water leachate control monitoring systems on the Conveyed Property; and (ii) Developer will cooperate to the extent reasonably necessary with any methane monitoring and ground water leachate control monitoring activities conducted by City or a third party.

5.4 Environmental Disclosure. Agency hereby discloses certain Pre-Existing Environmental Conditions as more particularly described in the reports listed in Exhibit 4.8.8, copies of which have been provided to Developer. To the extent the Agency has copies of investigation reports, it will provide copies of such reports to Developer upon request; but the Parties acknowledge that Agency will not be conducting a public records search of any regulatory agency files—although the Agency urges Developer to do so to satisfy itself regarding the environmental condition of the Conveyed Property. By execution of this Agreement, except with respect to Agency's express representations and warranties set forth in this Agreement and in the documents delivered by Agency to Developer at Closing, and without limiting Agency's obligations as set forth in this Article V, Developer: (i) acknowledges its receipt of the foregoing notice respecting the environmental condition of the Conveyed Property; (ii) acknowledges that it will have an opportunity to conduct its own independent review and investigation of the Conveyed Property prior to the Close of Escrow; and (iii) agrees to rely solely on its own experts in assessing the environmental condition of the Conveyed Property and its sufficiency for its intended use.

5.5 Property Sold "AS IS." Except with respect to Agency's express representations and warranties set forth in this Agreement and in the documents delivered by Agency to Developer at Closing, Developer specifically acknowledges that the Agency is selling and Developer is purchasing the Conveyed Property on an "AS IS", "WHERE IS" and "WITH ALL FAULTS" basis and that Developer is not relying on any representations or warranties of any kind whatsoever, express or implied, from Agency, its employees, board members, agents, or brokers as to any

Attachment 21

AGREEMENT BETWEEN AND AMONG THE CITY OF SOUTH SAN FRANCISCO, THE REDEVELOPMENT AGENCY OF THE CITY OF SOUTH SAN FRANCISCO, AND THE SAN MATEO COUNTY HARBOR DISTRICT

This Agreement Between and Among the City of South San Francisco, The Redevelopment Agency of South San Francisco, and the San Mateo County Harbor District (this "**AGREEMENT**"), dated and made effective as of March 25, 2011 (the "**Effective Date**"), is entered into by and among the City of South San Francisco, a municipal corporation ("**City**"), the Redevelopment Agency of the City of South San Francisco, a public body, corporate and politic ("**Agency**"), and the San Mateo County Harbor District, a political subdivision of the State of California ("**District**"). City, Agency and District are hereinafter collectively referred to as the "**Parties**."

RECITALS

A. City is the owner of certain real property located in the City and commonly known as the Oyster Point Marina ("**Marina Property**"), as shown on the parcel map attached hereto as **Exhibit A**. City and District have entered into a joint powers agreement related to the development, operations, and maintenance of the Marina Property pursuant to Government Code section 6500 *et seq.* ("**JPA**"). City desires redevelopment of the Marina Property including potential commercial and office/research and development uses and public amenities.

B. District entered into certain long-term leases with King Ventures for certain portions of the Marina Property ("**King Leases**"), as shown generally on **Exhibit A**. District uses rent revenue from the King Leases to pay debt service on loans from the California Department of Boating and Waterways ("**DBW**"), which has a security interest in the King Leases.

C. Oyster Point Ventures, LLC ("**Developer**") is the owner of certain property located in the City, commonly known as the Oyster Point Business Park ("**Business Park**"), and adjacent to the Marina Property as shown on **Exhibit A**. Developer acquired the Business Park for the specific purpose of redeveloping the Business Park as a modern research and development life sciences campus with substantial public amenities.

D. Developer has proposed the development of an office/research and development life sciences campus, commercial development (including retail, restaurants, and hotel uses), and substantial public amenities located on the Business Park and a portion of the Marina Property as shown on **Exhibit B** ("**Project**"). In furtherance of Project, Developer also acquired King Ventures' interests in the King Leases. In addition, the City and Agency have proposed additional public and private improvements on a separate portion of the **Marina Property** as shown on **Exhibit B.**

E. The Parties anticipate that in addition to the Developer's acquisition of the King Leases, the Project will require one or more agreements with Developer to exchange interests in portions of the Marina Property ("**Conveyance Agreement**"), a Disposition and Development Agreement or similar agreement ("**DDA**") to establish conveyance and financing terms for development of portions of the Marina Property, and a development agreements and various land use entitlements to govern development of Project components at the Business Park and portions of the Marina Property ("**City Approvals**") (collectively, the "**Developer Binding Agreements**"). The Parties have agreed that the City and the Agency shall be the entities that negotiate and contract directly with Developer.

F. On May 27, 2009, the Parties entered into a Memorandum of Understanding ("**MOU**") as an expression of preliminary points of agreement among the Parties concerning development of the Project. This Agreement will supersede any points of agreement contained within the MOU.

G. City, in conjunction with Agency, pursuant to the California Environmental Quality Act (Section 21000 *et seq.* of the Public Resources Code, and the Guidelines set forth at 14 California Code of Regulations section 15000 *et seq.*, "**CEQA**"), has prepared and circulated for public comment a Draft EIR to evaluate the potential environmental impacts of the proposed Project. No construction will be authorized until (i) City, in conjunction with Agency, has certified as adequate and approved a Final EIR; (ii) City has approved the land use entitlements required for the Project; and (iii) any agreements or regulatory permits required by any other applicable regulatory agencies have been obtained. The City, by Resolution No. 46-2011 certified the Oyster Point Specific Plan Environmental Impact Report (**"EIR"**) for the Project and all related improvements.

NOW THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

Section 1 **Purpose and Effectiveness of this Agreement.** This Agreement supersedes all of those preliminary points of agreement contained within the MOU. The Parties expressly acknowledge and agree that: (i) the terms and conditions set forth in this Agreement are subject to the approval of, or modification by, the governing bodies of City, Agency and District; and (ii) following approval of this Agreement by City, Agency and District, the Parties intend for the provisions contained within this Agreement to be self-executing upon occurrence of the required conditions precedent and will not require any further approval by the governing bodies of the City, Agency and District.

Section 2 **Agency Rights and Obligations.** Any Agency rights and obligations under this Agreement will automatically be assigned to City in the event that Agency is terminated, or no longer has the ability to fulfill its obligations as set forth herein. Any assignment of rights and obligations pursuant to this Section does not require any further approval by the governing bodies of the City, Agency and District.

Section 3 **Term.** The term of this Agreement (the "**Term**") shall commence on the Effective Date, and shall terminate on November 11, 2026 , unless extended or earlier terminated as provided herein.

Section 4 **JPA Amendment.** Upon point of conveyance of any portion of the Marina Property to Developer, Section 2 and Section 3 of the JPA, and those incorporated exhibits (Exhibit 1 and Exhibit 2), are hereby amended to remove from the terms of the JPA those conveyed portions of the Marina Property, as more particularly described in **Exhibit C**, attached hereto and incorporated by reference. Agency and District hereby consent to this amendment of the JPA, and no further approval by the governing bodies of the City, Agency and District is required. The timing of the property conveyance and JPA amendment shall occur pursuant to the provisions of the Disposition and Development Agreement between the Agency, City and the Developer. The remaining terms of the JPA will remain in full force and effect, unless otherwise amended pursuant to the terms of the JPA.

Section 5 **Lease Revenue.** In the event the King Leases are conveyed to the City or Agency and thereafter terminated prior to District's payment of its existing debt obligations to DBW which as of the

Effective Date total $10,083,374.03, Agency will provide the District an annual amount not to exceed the amount of minimum rent (as defined in the King Leases), including inflation adjustments set forth in the King Leases, that District is already entitled to under the King Leases (**"King Lease Rent"**) commencing after termination of the King Leases and continuing until the DBW debt service is retired which the parties agree is not later than December 31, 2019. Agency will prorate any funds provided to DBW if the King Leases are terminated during a portion of a year. For purposes of example only if the King Leases were terminated on February 28, 2011, the annual payment due to the District for minimum rent would equal $211.656, which is the same amount Developer presently pays for lease payments.

Section 6 **Marina Operations.**

6.1 Dock Improvements. City (with funding provided by the Agency) or Agency will commit and pay funds for design, engineering, permitting and construction of: (1) up to two new docks at the Harbor District operated harbor adjacent to the Marina Property in an amount not to exceed Two Million Dollars ($2,000,000.00) with payment to be made within three years of the Effective Date, provided that District (i) satisfies the District's obligation in Section 6.2, (ii) provides City with evidence that any necessary regulatory permits for the new dock or docks have been obtained, and (iii) District provides evidence of and commits to commence and complete construction of the dock or docks within 18 months of the time the City/Agency provides the funds ; and (2) wave attenuaters as required pursuant to the agreement between the Army Corps of Engineers and the District in an amount not to exceed six hundred thousand dollars ($600,000) within one year of the Effective Date, provided that District (i) satisfies the District's obligations in Section 6.2, (ii) provides City with evidence that any necessary regulatory permits for the attenuaters have been obtained, and (iii) District provides evidence of and commits to have the contractor commence and complete construction of the attenuaters within 24 months of the time the City/Agency provides the funds.

6.2 District Capital Improvement and Management Plans for Harbor Operations. Prior to the Agency's obligation to pay funds for dock improvements as set forth in Section 6.1, District will provide the Agency and City with a draft capital improvement plan showing the new dock or docks and a management plan to increase berth occupancy and direct revenue, both of which documents shall be subject to review and approval by the City, which such approval shall not be unreasonably withheld.

6.3 Government Approvals. District is solely responsible for any permits, approvals and government entitlements required for dock improvements. Upon written request from the District, the City will waive fees for permits, approvals, and other entitlements required for dock improvements.

Section 7 **District Office Space.**

7.1 Temporary Office Space. Upon City's receipt of Developer's request for conveyance of the property, the City and District will meet to discuss the District's temporary office space needs The City will endeavor to provide six (6) months notice to the District of actual conveyance. Upon actual conveyance of property and receipt of a written request from the District and assuming the Redevelopment Agency retains it current land holdings,, City/Agency will lease to District up to approximately 3,600 square feet of temporary office space in a property owned by the City/Agency until the earlier of termination of the JPA or at such time as the Permanent Office Space is available for occupancy. The rental rate for the temporary office lease space shall be one dollar per year. District shall take the leased space in its "as-is" condition and shall be responsible for all costs associated with obtaining permits for and constructing tenant

improvements within the space. District shall also pay all utility costs, maintenance costs, custodial services and applicable taxes for the temporary office lease space during the term of the lease.

7.2 Office/Commercial Space. Provided that the Phase IC Improvements have been completed, the City will lease to the District for one dollar per year an adequate amount of space in the area designated in Exhibit D to allow the District to sublease the property and construct up to 40,000 square feet of commercial harbor related uses as specified in the Oyster Point Specific Plan with an FAR based on a two story structure platform. The lease term shall terminate November 11, 2026, provided that the parties agree that the lease term may be extended by mutual consent if the District proposes a use that is consistent with the Oyster Point Specific Plan including the design guidelines therein and provided that the City and District agree on the revenue sharing for the lease revenues received after November 11, 2026. District or its sublessees shall be responsible for all costs associated with obtaining permits for and constructing the buildings and tenant improvements within the leased area. Any proposed use shall obtain any necessary land use entitlements from the City and any other regulatory agency with jurisdiction over the area. City agrees that if the Bay Conservation and Development Condition imposes a requirement for for replacement recreational/open space, City will agree that the new recreation/open space constructed as part of the Oyster Point Specific plan may be identified and used as replacement recreational/open space. District shall also pay all utility costs, maintenance costs, custodial services and applicable taxes for the permanent office lease space during the term of the lease.

Section 8 **City Consultation**. For twenty-four (24) months following the Effective Date of this Agreement, City and Agency will consult with District regarding potentially extending the term of the JPA, and potentially amending the JPA to address the respective roles of the City and the District in operating the Marina Property; addition to or replacement of existing infrastructure; removal of outdated JPA provisions; the City's and District's respective obligations regarding providing services to the Marina Property, including police, fire, and landscaping; potential alternative energy projects at the Oyster Point Marina and/or potential revenue sharing from commercial properties to fund additional capital improvements. This provision does not obligate any Party to agree to any terms that may be discussed.

Section 9 **District Costs**. Upons submission of an invoice with reasonable supporting information the Agency will reimburse the District for its actual and reasonable costs of negotiating this Agreement in an amount not to exceed $35,000.00.

Section 10 **Additional Debt by District**. District will not incur any additional debt secured by any revenue generated by the Marina Property or the property itself without first obtaining express written consent from the City.

Section 11 **Marina Property Access**. During the Term, District shall provide City, Agency and/or Developer access to the Marina Property and will cooperate with City, Agency and/or Developer to enable such parties or their representatives to obtain access to the Marina Property for the purpose of obtaining data and making tests necessary to investigate the condition of the Marina Property, provided that City, Agency and/or Developer comply with all safety rules and does not unreasonably interfere with the operations of any current tenants. City, Agency and/or Developer shall at all times keep the Marina Property free and clear of all liens and encumbrances affecting title to the Marina Property.

Section 12 **Notices**. Except as otherwise specified in this Agreement, all notices to be sent pursuant to this Agreement shall be made in writing, and sent to the Parties at their respective addresses specified

Attachment 60

Line 60 Maintenance of Properties

Position Title		Maintnenace of Properties 2/22/12	Revised Maintnenace of Properties 3/10/12
Sr. Building Inspector		0.25	0.25
	Cost	$46,415	$46,415
Adminstrative Assistant II			
	Cost		
RDA Manager		0.08	0.08
	Cost	$19,662	$19,662
HCD & ECD Mananger		0.18	0.18
	Cost	$44,240	$44,240
HCD Coordinator		0.05	0.05
	Cost	$10,786	$10,786
Park Maintenance Worker		0.25	*
	Cost	$42,358	
Principal Planner			
	Cost		
Sr Civil Engineer			
	Cost		
Sr Civil Engineer			
	Cost		
Sub Total		0.81	0.56
	Cost	$163,461	$121,104
Legal Costs		$10,000	$10,000
Consultant Costs		$25,397	$25,397
Total Costs		$198,858	$156,501

Attachment 67

Line 67 Disposition of Properties

Revised 03-22-2012

Service	Category	Location	FY11-12 (Jan-Jun 2012)	Justification	Contractor (Expected)
Real Estate	Disposition of property	N/A	$ 600.00	Real estate listing site (p/month subscription)	Loopnet
Title and Escrow Services	Disposition of property	Various sites	$ -	Anticipated expense for title research for disposal of properties	Expert Title Research
Appraisal Services	Disposition of property	Various sites	$ -	Appraisal of properties associated with disposal of property	Dana Property analysis
Appraisal Services	Disposition of property	PUC	$ -	Appraisal of properties associated with disposal of property	Dana Property analysis
Architectural Services	Disposition of property	Various sites	$ -	Architectural services for building repairs prior to disposition	Van Meter William Pollack
Environmental Testing and Abatement	Disposition of property	1 Chestnut	$ 5,000.00	Environmental Studies/ Prelim Hazardous waste abatement for disposition of clean properties	CSS Environmental/Tec-Acutite / Charles Salter/Enviro. Consult. Group/ 4 StarCleaning
Environmental Testing and Abatement	Disposition of property	938 Linden	$ 5,000.00	Environmental Studies/ Prelim Hazardous waste abatement for disposition of clean properties	CSS Environmental/Tec-Acutite / Charles Salter/Enviro. Consult. Group/ 4 StarCleaning
Environmental Testing and Abatement	Disposition of property	315/401 Airport	$ 10,000.00	Environmental Studies/ Prelim Hazardous waste abatement for disposition of clean properties	CSS Environmental/Tec-Acutite / Charles Salter/Enviro. Consult. Group/ 4 StarCleaning
Environmental Testing and Abatement	Disposition of property	411 Airport	$ 5,000.00	Environmental Studies/ Prelim Hazardous waste abatement for disposition of clean properties	CSS Environmental/Tec-Acutite / Charles Salter/Enviro. Consult. Group/ 4 StarCleaning
Environmental Testing and Abatement	Disposition of property	PUC	$ 10,000.00	Environmental Studies/ Prelim Hazardous waste abatement for disposition of clean properties	CSS Environmental/Tec-Acutite / Charles Salter/Enviro. Consult. Group/ 4 StarCleaning
Environmental Testing and Abatement	Disposition of property	PUC	$ 10,000.00	Environmental Studies/ Prelim Hazardous waste abatement for disposition of clean properties	CSS Environmental/Tec-Acutite / Charles Salter/Enviro. Consult. Group/ 4 StarCleaning
Environmental Testing and Abatement	Disposition of property	PUC	$ 10,000.00	Environmental Studies/ Prelim Hazardous waste abatement for disposition of clean properties	CSS Environmental/Tec-Acutite / Charles Salter/Enviro. Consult. Group/ 4 StarCleaning
Environmental Testing and Abatement	Disposition of property	PUC	$ 10,000.00	Environmental Studies/ Prelim Hazardous waste abatement for disposition of clean properties	CSS Environmental/Tec-Acutite / Charles Salter/Enviro. Consult. Group/ 4 StarCleaning

Environmental Testing and Abatement	Disposition of property	PUC	$ 10,000.00	Environmental Studies/ Prelim Hazardous waste abatement for disposition of clean properties	CSS Environmental/Tec-Acutite / Charles Salter/Enviro. Consult. Group/ 4 StarCleaning
Environmental Testing and Abatement	Disposition of property	421 Airport	$ 5,000.00	Environmental Studies/ Prelim Hazardous waste abatement for disposition of clean properties	CSS Environmental/Tec-Acutite / Charles Salter/Enviro. Consult. Group/ 4 StarCleaning
Environmental Testing and Abatement	Disposition of property	405 Cypress	$ 5,000.00	Environmental Studies/ Prelim Hazardous waste abatement for disposition of clean properties	CSS Environmental/Tec-Acutite / Charles Salter/Enviro. Consult. Group/ 4 StarCleaning
Environmental Testing and Abatement	Disposition of property	Various sites	$ 5,000.00	Environmental Studies/ Prelim Hazardous waste abatement for disposition of clean properties	CSS Environmental/Tec-Acutite / Charles Salter/Enviro. Consult. Group/ 4 StarCleaning
Legal Recording & Filing Services	Disposition of property	Various sites	$ -	Filing and recording documents in relation to disposition / transfer of properties (approximately $3,000 per property)	San Mateo County
Noticing	Disposition of property	Various sites	$ 2,500.00	Newspaper public hearing notices for disposition of property	Daily Journal Corporation / Bay Are Newspaper Group / San Mateo County Times
Surveying Services	Disposition of property	Various sites		Necessary surveying for disposition of property	Wilsey Ham
Surveying Services	Disposition of property	PUC		Necessary surveying for disposition of property	Wilsey Ham
Total			**$ 93,100.00**		

Attachment 68

Line 68 Disposition of Properties Staff and Legal Costs

Position Title	Disposition of Properties
Sr. Building Inspector	
Cost	
Adminstrative Assistant II	
Cost	
RDA Manager	0.12
Cost	$28,265
HCD & ECD Mananger	0.10
Cost	$24,578
HCD Coordinator	0.10
Cost	$21,572
Park Maintenance Worker	
Cost	
Principal Planner	
Cost	
Sr Civil Engineer	
Cost	
Sr Civil Engineer	
Cost	
Sub Total	0.32
Annual Cost	$74,414
Legal Costs	$100,000
Consultant Costs	$25,397
Total Costs	$199,811

Name of Redevelopment Agency: South San Francisco

Project Area(s) Merged

EXHIBIT B

March 23, 2012 10:00am

DRAFT RECOGNIZED OBLIGATIONS PAYMENT SCHEDULE FOR THE PERIOD JANUARY THROUGH JUNE 2012

Per Health and Safety Code Section 34177

Amending the Draft ROPS Adopted February 22, 2012

	Project Name / Debt Obligation	Six Month Payment Source	Payee	Description	Total Remaining Debt or Obligations	Total Due During Fiscal Year	Payments by month						
							Jan	Feb	Mar	April	May	June	Six Month Total
1)	Item removed												$ -
2)	Debt Serv Principal COPs	Reserves	Bank of New York	1999 COPs Conference Center	4,610,000.00	165,000.00			165,000.00				$ 165,000.00
3)	Debt Serv Interest COPs	Reserves	Bank of New York	1999 COPs Conference Center	2,489,750.00	341,625.00			115,250.00			111,125.00	$ 226,375.00
4)	Debt Serv Principal Tax Alloc Bonds	Reserves	Bank of New York	2006 Tax Alloc Bonds (TABs)	64,530,000.00	2,925,000.00						1,490,000.00	$ 1,490,000.00
5)	Debt Serv Interest Tax Alloc Bonds	Reserves	Bank of New York	2006 Tax Alloc Bonds (TABs)	47,617,278.28	4,615,878.14		1,529,059.38				1,529,059.38	$ 3,058,118.76
6)	Debt Serv Principal HUD 108 Loans	Reserves	Bank of New York	HUD 108 Loans	1,166,000.00	224,000.00						112,000.00	$ 112,000.00
7)	Debt Serv Interest HUD 108 Loans	Reserves	Bank of New York	HUD 108 Loans	383,303.70	100,906.70	32,580.10					32,580.10	$ 65,160.20
8)	Debt Serv Principal Hsg Rev Bonds	LMIHF	Bank of New York	1999 Housing revenue bonds	1,925,000.00	415,000.00						210,000.00	$ 210,000.00
9)	Debt Serv Interest Hsg Rev Bonds	LMIHF	Bank of New York	1999 Housing revenue bonds	407,670.00	132,110.00		42,465.00				42,465.00	$ 84,930.00
10)	Bond Reserves COPs	n/a	Bank of New York	Required by bond convenants	407,461.60	0.00							$ -
11)	Bond Reserves Tax Alloc Bonds	n/a	Bank of New York	Required by bond convenants	4,723,761.52	0.00							$ -
12)	Bond Reserves Hsg Rev Bonds	n/a	Bank of New York	Required by bond convenants	318,524.12	0.00							$ -
13)	Bond Admin/Disclosure Costs COPs	Reserves	Bank of New York/Willdan	Costs to administer the bonds	93,600.00	5,200.00				5,200.00			$ 5,200.00
14)	Bond Admin/Disclosure Costs TABs	Reserves	Bank of New York/Willdan	Costs to administer the bonds	262,800.00	10,950.00			10,950.00				$ 10,950.00
15)	Bond Admin/Disc Costs Hsg Bonds	LMIHF	Bank of New York/Willdan	Costs to administer the housing bonds	36,800.00	4,600.00			4,600.00				$ 4,600.00
16)	Bond Proceeds Tax Alloc Bonds	n/a	Successor Agency	Required by bondholders for projects	6,481,680.20	0.00							$ -
17)	Bond Proceeds Hsg Rev Bonds	n/a	Successor Housing Agcy	Required by bondholders for projects	2,341,166.91	0.00							$ -
18)	Oyster Point Ventures DDA	Reserves	Oyster Pt Ventures, LLC	Section 3.4.1 of DDA-infrastr. required	29,463,230.00	29,463,230.00						29,463,230.00	$ 29,463,230.00
19)	Oyster Point Ventures DDA	n/a	Various contractors/staff	Secs. 4.5 closg/escrow; 5.2 environ indemnification; 5.3 methane monitoring	20,100,000.00	0.00							$ -
20)	Oyster Point Ventures DDA	Reserves	Legal/Staff costs	Soft project management costs	1,417,375.00	113,173.00			11,000.00	37,724.33	37,724.33	26,724.34	$ 113,173.00
21)	Harbor District Agreement	Reserves	Harbor District	Secs. 6.1 imprvmts; 9 cost reimbrsmt.	2,635,000.00	2,635,000.00			35,000.00			2,600,000.00	$ 2,635,000.00
22)	Harbor District Agreement	n/a	Harbor District	Secs. 5.0 lease rev; 7.0 temp. office	1,793,248.00	0.00							$ -
23)	Harbor District Agreement	Reserves	Legal/Staff costs	Soft project management costs	862,935.00	69,196.00	4,516.33	7,516.33	7,516.33	7,516.33	7,516.33	7,516.33	$ 42,097.98
24)	Miller Parking Structure (pf1012)	Bonds	Various contractors/staff	Finish project and pay retentions	570,568.71	570,568.71	4,785.83	2,873.10	6,000.00	338,976.90	10,000.00	5,213.97	$ 367,849.80
25)	Item removed												$ -
26)	418 Linden Housing Dev. (pf1027)	Reserves	Brookwood Group	Contracted project work	159,169.63	159,169.63	12,753.50	17,131.46	22,456.42	22,456.42	22,456.42	22,456.41	$ 119,710.63
27)	418 Linden Housing Dev.	Reserves	Legal/Staff costs	Soft project management costs	83,734.00	46,867.00	3,072.25	8,072.25	3,072.25	3,072.25	3,072.25	8,072.25	$ 28,433.50
28)	Train Station Imprvmnts Ph 1(pf1002)	Bonds	TechAccutite/Wisley Ham	Contracted work-site remediation	233,342.52	233,342.52	83,048.82		31,039.00	39,751.57	39,751.57	39,751.56	$ 233,342.52
29)	Train Station Imprvmnts Phase 1	Bonds	Staff Costs	Soft project management costs	16,759.32	16,759.32				5,586.44	5,586.44	5,586.44	$ 16,759.32
30)	Train Station Imprvmnts Phase 2	n/a	Various contractors	Site remediation per Cal Trans Agrmt.	800,000.00	0.00							$ -
31)	Train Station Imprvmnts Phase 2	Bonds	Legal/Staff costs	Soft project management costs	152,841.93	25,000.00						25,000.00	$ 25,000.00
	Note 1: Staff costs include payroll, benefits, and retirement costs												
	Note 2: Payment sources for six month period include Low Moderate Income Housing Fund (LMIHF), Bond Proceeds (Bonds), Reserves, Administrative Cost Allowance (Adm Allow), and where no payment required, Not Applicable (n/a)												
	Totals - This Page				$ 196,083,000.44	$ 42,272,576.02	$ 140,756.83	$1,607,117.52	$ 411,884.00	$ 460,284.24	$ 126,107.34	$ 35,730,780.78	$ 38,476,930.71
	Totals - Page 2				$ 26,771,167.31	$ 8,114,222.01	$1,269,347.36	$ 87,749.48	$ 96,413.92	$1,277,696.70	$ 149,645.56	$ 1,063,808.96	$ 3,944,661.98
	Totals - Page 3				$ 13,974,006.78	$ 4,738,187.27	$ 85,434.40	$ 85,434.40	$ 85,434.40	$ 183,071.40	$ 183,071.40	$ 3,451,563.39	$ 4,074,009.39
	Totals - Other Obligations - Page 4				$ 3,885,225.00	$ 3,885,225.00	$ -	$ -	$ -	$ -	$ -	$ 3,885,225.00	$ 3,885,225.00
	Grand total - All Pages				$ 240,713,399.53	$ 59,010,210.30	$1,495,538.59	$1,780,301.40	$ 593,732.32	$1,921,052.34	$ 458,824.30	$ 44,131,378.13	$ 50,380,827.08

Name of Redevelopment Agency: South San Francisco

Project Area(s) Merged

EXHIBIT B

March 23, 2012 10:00am

DRAFT RECOGNIZED OBLIGATIONS PAYMENT SCHEDULE FOR THE PERIOD JANUARY THROUGH JUNE 2012

Per Health and Safety Code Section 34177

Amending the Draft ROPS Adopted February 22, 2012

	Project Name / Debt Obligation	Six Month Payment Source	Payee	Description	Total Remaining Debt or Obligations	Total Due During Fiscal Year	Payments by month						
							Jan	Feb	Mar	April	May	June	Six Month Total
32)	Two Housing Replacement Units	LMIHF	Future Developer	Replacement housing obligation	900,000.00	900,000.00						900,000.00	$ 900,000.00
33)	Two Housing Replacement Units	LMIHF	Legal/Staff costs	Soft project management costs	259,767.00	11,988.00	999.00	999.00	999.00	999.00	999.00	999.00	$ 5,994.00
34)	Item removed												$ -
35)	Shearwater/Bay West OPA	Reserves	Staff Costs	Soft project management costs	2,173,473.00	58,743.00				19,581.00	19,581.00	19,581.00	$ 58,743.00
36)	Gateway OPA	Reserves	Staff Costs	Soft project management costs	293,713.00	58,743.00				19,581.00	19,581.00	19,581.00	$ 58,743.00
37)	Item removed												$ -
38)	C.I.D. Housing Access	LMIHF	C.I.D. Housing Access	Grant to non-profit	13,500.00	13,500.00			3,375.00	3,375.00	3,375.00	3,375.00	$ 13,500.00
39)	Neigh. Servs. Ctr.(NPNSC) HH	LMIHF	Neigh. Servs. Ctr.	Grant to non-profit	20,000.00	20,000.00			5,000.00	5,000.00	5,000.00	5,000.00	$ 20,000.00
40)	Reblding Together-Pen.-Natl R.Day	LMIHF	Rebuilding Together-Pen.	Grant to non-profit	8,000.00	8,000.00				4,000.00	4,000.00		$ 8,000.00
41)	Reblding Together-Pen.-Safe Home	LMIHF	Rebuilding Together-Pen.	Grant to non-profit	15,000.00	15,000.00			922.48	4,077.52	5,000.00	5,000.00	$ 15,000.00
42)	HIP Housing-Home Sharing Prog	LMIHF	HIP Housing	Grant to non-profit	10,000.00	10,000.00		2,406.10		1,423.99	1,423.99	1,424.00	$ 6,678.08
43)	Shelter Network-Crossroads	LMIHF	Shelter Network	Grant to non-profit	18,000.00	18,000.00	1,323.17			4,058.94	4,058.94	4,058.95	$ 13,500.00
44)	Shelter Network-Maple Street	LMIHF	Shelter Network	Grant to non-profit	7,500.00	7,500.00	5,625.00						$ 5,625.00
45)	Samaritan House-Safe Harbor	LMIHF	Samaritan House	Grant to non-profit from 10-11	1,952.41	1,952.41			1,952.41				$ 1,952.41
46)	Samaritan House-Safe Harbor	LMIHF	Samaritan House	Grant to non-profit from 11-12	7,500.00	7,500.00			2,588.40	2,587.95			$ 5,176.35
47)	Sitike Counseling Center	LMIHF	Sitike Counseling Center	Grant to non-profit	10,300.00	10,300.00		2,575.00		1,716.67	1,716.67	1,716.66	$ 7,725.00
48)	Mgmt. of grants in rows 38-47 above	LMIHF	Staff costs	Soft project management costs	56,839.00	14,210.00	1,184.17	1,184.17	1,184.17	1,184.17	1,184.17	1,184.17	$ 7,105.02
49)	Station Area/Planning LU Program	Reserves	Staff Costs	Match funding for State grant (101102)	150,000.00	32,220.70	313.22	5,937.36	5,937.36	5,937.36	5,937.36	5,937.34	$ 30,000.00
50)	Mid Peninsula Loan	Reserves	Union Bank (for Mid Pen)	Loan for affordable housing project	3,997,891.71	3,997,891.71	1,222,053.82						$ 1,222,053.82
51)	Buon Gusto Ristorante Loan	n/a	Ristorante Buon Gusto Inc.	Loan for commercial expansion project	750,000.00	0.00							$ -
52)	Genentech Property Tax Settlement	Reserves	San Mateo County	Genentech property tax settlement	5,232,413.00	2,479,065.00				1,126,385.67			$ 1,126,385.67
53)	Reserve for Existing Claims	Reserves	Claimants	Reserves for costs for existing litigation	7,300,000.00	100,000.00	12,000.00	20,000.00	20,000.00	20,000.00	20,000.00	8,000.00	$ 100,000.00
54)	Audit Services	Reserves	Maze & Associates	Annual auditing requirements	32,322.39	32,322.39	1,002.08	192.75				20,000.00	$ 21,194.83
55)	Financial Analyses-RDA Dissolution	Reserves	Seifel Consulting	Update passthrough model/misc analyses	10,000.00	10,000.00				3,333.33	3,333.33	3,333.34	$ 10,000.00
56)	Local Tax Compliance/Rptg. Services	Reserves	Muni Financial Services	Contracted roll correction work	20,326.80	20,326.80	10,163.40					10,163.40	$ 20,326.80
57)	Item removed												$ -
58)	Item removed												$ -
59)	Maintenance of Non-Hsg Properties	Reserves	Various contractors	Rehab, repair, maintenance, & utilities	3,848,056.00	88,101.00	14,683.50	14,683.50	14,683.50	14,683.50	14,683.50	14,683.50	$ 88,101.00
60)	Maintenance of Non-Hsg Properties	Reserves	Legal/Staff costs	Soft project management costs	1,634,613.00	198,858.00		39,771.60	39,771.60	39,771.60	39,771.60	39,771.60	$ 198,858.00
61)	Item removed												$ -
62)	Item removed												$ -
	Note 1: Staff costs include payroll, benefits, and retirement costs												
	Note 2: Payment sources for six month period include Low Moderate Income Housing Fund (LMIHF), Bond Proceeds (Bonds), Reserves, Administrative Cost Allowance (Adm Allow), and where no payment required, Not Applicable (n/a)												
	Totals - This Page				$ 26,771,167.31	$ 8,114,222.01	$ 1,269,347.36	$ 87,749.48	$ 96,413.92	$ 1,277,696.70	$ 149,645.56	$ 1,063,808.96	$ 3,944,661.98

Name of Redevelopment Agency: South San Francisco

Project Area(s) Merged

EXHIBIT B

March 23, 2012 10:00am

DRAFT RECOGNIZED OBLIGATIONS PAYMENT SCHEDULE FOR THE PERIOD JANUARY THROUGH JUNE 2012

Per Health and Safety Code Section 34177

Amending the Draft ROPS Adopted February 22, 2012

	Project Name / Debt Obligation	Six Month Payment Source	Payee	Description	Total Remaining Debt or Obligations	Total Due During Fiscal Year	Payments by month						
							Jan	Feb	Mar	April	May	June	Six Month Total
63)	Administration Costs	Adm Allow	Various contractors/misc	Costs to administer Successor Agency	156,260.00	93,380.00	12,446.67	12,446.67	12,446.67	12,446.67	12,446.67	12,446.65	$ 74,680.00
64)	Administration Costs	Adm Allow	Legal/Staff costs	Costs to administer Successor Agency	6,219,076.78	990,304.27	72,987.73	72,987.73	72,987.73	72,987.73	72,987.73	72,987.74	$ 437,926.39
65)	Item removed												$ -
66)	Item removed												$ -
67)	Property Disposition Costs	Reserves	Various contractors	Initial envir. testing, noticing, listing costs	2,691,100.00	186,200.00				31,033.33	31,033.33	31,033.34	$ 93,100.00
68)	Property Disposition Costs	Reserves	Legal/Staff costs	Soft project management costs	1,639,078.00	199,811.00				66,603.67	66,603.67	66,603.66	$ 199,811.00
69)	Item removed												$ -
70)	Item removed												$ -
71)	Accrued PERS Pension Obligations	Reserves	PERS	Costs accrued to date	875,712.00	875,712.00						875,712.00	$ 875,712.00
72)	Accrued Retiree Health Obligations	Reserves	Kaiser/Blue Shield	Costs accrued to date	2,392,780.00	2,392,780.00						2,392,780.00	$ 2,392,780.00
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Note 1: Staff costs include payroll, benefits, and retirement costs													
Note 2: Payment sources for six month period include Low Moderate Income Housing Fund (LMIHF), Bond Proceeds (Bonds), Reserves, Administrative Cost Allowance (Adm Allow), and where no payment required, Not Applicable (n/a)													
Totals - This Page					$ 13,974,006.78	$ 4,738,187.27	$ 85,434.40	$ 85,434.40	$ 85,434.40	$ 183,071.40	$ 183,071.40	$3,451,563.39	$ 4,074,009.39

Name of Redevelopment Agency: South San Francisco

Project Area(s) Merged

EXHIBIT B

March 23, 2012 10:00am

OTHER OBLIGATIONS PAYMENT SCHEDULE FOR THE PERIOD JANUARY THROUGH JUNE 2012

Per Health and Safety Code Section 34177

Amending the Draft ROPS Adopted February 22, 2012

	Project Name / Debt Obligation	Six Month Payment Source	Payee	Description	Total Remaining Debt or Obligations	Total Due During Fiscal Year	Payments by month						
							Jan	Feb	Mar	April	May	June	Six Month Total
1)	Basic Aid Section 33676 Pymt	Reserves	SMC Comm College Dist	Pass through payment	106,065.00	106,065.00						106,065.00	$ 106,065.00
2)	Contractual Section 33401 Pymt	Reserves	San Mateo County	Pass through payment	2,800,114.00	2,800,114.00						2,800,114.00	$ 2,800,114.00
3)	Contractual Section 33401 Pymt	Reserves	SSF Unified SD	Pass through payment	446,515.00	446,515.00						446,515.00	$ 446,515.00
4)	Contractual Section 33401 Pymt	Reserves	SMC Comm College Dist	Pass through payment	99,820.00	99,820.00						99,820.00	$ 99,820.00
5)	Contractual Section 33401 Pymt	Reserves	SMC Board/Office of Ed	Pass through payment	33,974.00	33,974.00						33,974.00	$ 33,974.00
6)	Statutory Section 33607 Pymt	Reserves	San Mateo County	Pass through payment	92,669.00	92,669.00						92,669.00	$ 92,669.00
7)	Statutory Section 33607 Pymt	Reserves	City of SSF	Pass through payment	94,608.00	94,608.00						94,608.00	$ 94,608.00
8)	Statutory Section 33607 Pymt	Reserves	SSF Unified SD	Pass through payment	157,862.00	157,862.00						157,862.00	$ 157,862.00
9)	Statutory Section 33607 Pymt	Reserves	SMC Comm College Dist	Pass through payment	13,921.00	13,921.00						13,921.00	$ 13,921.00
10)	Statutory Section 33607 Pymt	Reserves	BA Air Quality Mgmt	Pass through payment	1,270.00	1,270.00						1,270.00	$ 1,270.00
11)	Statutory Section 33607 Pymt	Reserves	SMC Harbor District	Pass through payment	2,142.00	2,142.00						2,142.00	$ 2,142.00
12)	Statutory Section 33607 Pymt	Reserves	All Zones CC Flood Contr	Pass through payment	11,901.00	11,901.00						11,901.00	$ 11,901.00
13)	Statutory Section 33607 Pymt	Reserves	Willow Gardens	Pass through payment	2,923.00	2,923.00						2,923.00	$ 2,923.00
14)	Statutory Section 33607 Pymt	Reserves	SMC Board/Office of Ed	Pass through payment	21,441.00	21,441.00						21,441.00	$ 21,441.00
													$ -
													$ -
													$ -
Note: This represents the current estimate for what the Successor Agency owes on pass-through payments for the tax increment received the first half of fiscal year 2011/12. All future passthrough payments will be the responsibility of San Mateo County.													$ -
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	Totals - Other Obligations				$ 3,885,225.00	$ 3,885,225.00	$ -	$ -	$ -	$ -	$ -	$3,885,225.00	$ 3,885,225.00

Answer to Row 71(a)

The definition of "enforceable obligation" in California Health & Safety Code Section 34171(d)(1)(C) includes "legally enforceable payments required in connection with the agencies' employees, including but not limited to, pension payments, pension obligation debt service, unemployment payments, or other obligations conferred through a collective bargaining agreement." Section 34177 of the H&S Code provides that successor agencies are required to "(a) [c]ontinue to make payments due for enforceable obligations,"and to "(b) [p]erform obligations required pursuant to any enforceable obligation."

Further, the statutory scheme governing CalPERS expressly provides for a succeeding agency to become a contracting agency if it is not already one. Under such circumstances, "[a]ccumulated contributions held for or made by the former agency and its employees, and assets derived from those contributions, shall be merged with analogous contributions under the contract of the succeeding agency;" and "[t]he liability to [CalPERS] with respect to service credited under the former agency's contract shall become a contractual liability of the succeeding agency." Cal. Gov. Code Sec. 20508.

This analysis also is consistent with February 29, 2012 FAQ responses that have been sent out by the Department of Finance. a copy of which is attached hereto. That FAQ states in part that "Successor Agencies should also estimate the value of other employee benefit obligations as part of their overall long-term asset and liability plan and establish a reserving plan to fund them." This section refers directly to other non-PERS employee benefits such as retiree health.

The salary and current benefits including PERS for the positions at issue were partially funded (proportionate to each person's share of redevelopment work) by the Redevelopment Agency.

We have not located any definition of employees in AB x1 26 or the former redevelopment act or case law regarding redevelopment agencies. However, case law stands for the idea that if a statute refers to employees without defining the term, that Court's generally apply the common law test of employment to determine if someone is an employee. *Metropolitan Water District v. Superior Court,* 32 Cal.4th 491, 500 (2004); *Bradley v. Court of Appeal,* 158 Cal.App.4th 1612, 1626 (2008); *Board of Retirement of the Kern County Employees' Retirement Assn. v. Court of Appeal,* 126 Cal.App.4th 781, 789 (2005). In fact, one Court noted that "it has long been common in the supplied-labor context for an employee to be deemed to have two employers. *Id.* at 790.

In essence, the common law test is whether the agency has “a right to direct and control the means and details” of the individual’s work. That is a 20-factor test to determine whether common law employment status exists. A brief summary of the twenty factors are as follows:

(1) is the worker required to comply with instructions by the entity for which he provides services about when, where and how he is to work? (if yes, more likely to be common law employee)
(2) is the worker receiving training by an experienced employee working with him, by correspondence or by required attendance at meetings, etc.? (if yes, more likely to be common law employee)
(3) are the worker’s services a cog in the business machinery of the entity for which he provides services? (if yes, more likely to be common law employee)
(4) is the worker required to perform the work personally? (if yes, more likely to be common law employee)

(5) does the employer hire, supervise, and pay other workmen on the same job as the worker? (if yes, more likely to be common law employee)

(6) does the worker provide continuing services for the person for whom he works? (if yes, more likely to be common law employee)

(7) are the worker's hours set by the entity for which he is providing services? (if yes, more likely to be common law employee)

(8) is the worker required to devote his full time to the activity? (if yes, more likely to be common law employee)

(9) does the worker work on the premises of the entity for which he provides services? (if yes, more likely to be common law employee)

(10) is the order or sequence of work performed by worker set by the entity for which he provides services?(if yes, more likely to be common law employee)

(11) does the worker have to submit oral or written reports to the entity for which he is provides services? (if yes, more likely to be common law employee)

(12) is the worker paid by the hour, week or month rather than by the project? (if yes, more likely to be common law employee)

(13) is the worker's travel or business expenses paid by the entity for which he provides services? (if yes, more likely to be common law employee)

(14) are the tools, materials used by the worker supplied by the entity for which he provides services? (if yes, more likely to be common law employee)

(15) does the worker make investments in the facilities he uses to work (such as equipment, office furniture)? (if yes, more likely to be common law employee)

(16) is the worker in a position to realize a profit or suffer a loss as a result of the work he performs? (if yes, more likely to be common law employee)

(17) does the worker work exclusively for one agency or for a number of different entities? (if for one agency only, more likely to be common law employee)

(18) does the worker make his services available to the general public? (if yes, more likely NOT to be common law employee)

(19) does the entity for which the worker provides services have the right to discharge the worker? (if yes, more likely to be common law employee)

(20) can the worker quit the job at any time without liability or is he legally responsible for completing a project? (if he can quit at any time, more likely to be common law employee; if legally responsible to complete project, more likely NOT to be common law employee)

With regards to the work done by the employees for whom the redevelopment agency reimbursed the city, the answer to these questions support a conclusion that the workers would be defined as common law employees of the Redevelopment Agency.

Thus, staff believes these one time charges are enforceable obligations.

CITY OF SOUTH SAN FRANCISCO

INTER-OFFICE MEMORANDUM

DATE: **April 9, 2012**

TO: Oversight Board

FROM: Assistant City Manager Van Duyn

SUBJECT: Agenda item #7

Please find attached information regarding line 59 – Maintenance of Property which was accidentally omitted from the staff report and information for line 23 – Harbor District Agreement.

Additionally, answer 28b should be corrected to reflect that the "Redevelopment Agency" entered into a Purchase and Sale Agreement rather than the City.

Line 59 Maintenance of Non-Housing Properties

Revised 03-22-2012

Service	Category	Location	FY11-12 (Jan-Jun 2012)	Justification	Contractor (Expected)
Association Dues	Maintenance of Property	Gateway RDA	$ 3,020.52	Gateway Association Dues	Gateway Property owners association
Association Dues	Maintenance of Property	Childcare Center	$ 3,000.00	Association Dues	Gateway Property Owner's Association
Elevator Services and Repairs	Maintenance of Property	306 Spruce	$ 50.00	Yearly monitoring and service connection	ThyssenKrupp Elevator
Elevator Services and Repairs	Maintenance of Property	306 Spruce	$ -	Anticipated replacement of elevator	ThyssenKrupp Elevator
Elevator Services and Repairs	Maintenance of Property	306 Spruce	$ 4,437.00	Monthly monitoring and quarterly elevator services	ThyssenKrupp Elevator
Garbage Disposal	Maintenance of Property	Various sites	$ 8,191.13	Garbage disposal services related to maintenance of property	SSF Scavengers
Garbage Disposal	Maintenance of Property	306 Spruce	$ 2,400.00	Garbage disposal services related to maintenance of property	SSF Scavengers
HVAC/Boiler Systems	Maintenance of Property	306 Spruce	$ 13,333.33	Maintenance contract for boiler, HVAC, exhaust fans	City Mechanical, Inc.
HVAC/Boiler Systems	Maintenance of Property	306 Spruce	$ -	Anticipated replacement of HVAC, boiler and exhaust fans	City Mechanical, Inc.
Landscaping & Maintenance	Maintenance of Property	Various sites	$ 40,724.89	Landscaping, Emergency & General Maintenance as needed	City
Locksmith Services	Maintenance of Property	Various sites	$ 500.00	Operating Expense	Art's Peninsula Locksmith
Pest Control	Maintenance of Property	306 Spruce	$ 400.00	Monthly service contract for extermination services (spraying/traps etc)	Western Exterminator
Security System	Maintenance of Property	306 Spruce	$ 260.00	Fire alarm quarterly monitoring	DEA Security Systems
Security System	Maintenance of Property	1 Chestnut	$ 584.00	Security alarm quarterly monitoring	Allied Security Alarms
Utilities	Maintenance of Property	Various sites	$ 11,200.00	Electrical service for commercial properties	Pacific Gas and Electric and Cal Water (others as needed)
			$ 88,100.87		

RDA Funds FTE and Employee Costs

Position Title		Harbor District Agreement
Sr. Building Inspector		
	Annual Cost	
Adminstrative Assistant II		
	Annual Cost	
RDA Manager		0.05
	Annual Cost	$12,289
HCD & ECD Mananger		
	Annual Cost	
HCD Coordinator		
	Annual Cost	
Park Maintenance Worker		
	Annual Cost	
Principal Planner		0.20
	Annual Cost	$41,907
Sr Civil Engineer		
	Annual Cost	
Sr Civil Engineer		
	Annual Cost	
Sub Total		0.25
	Annual Cost	$54,196
Legal Costs		$15,000
Consultant Costs		
Total Costs		$69,196

Q. How should unfunded liabilities of pension systems contracted with the Public Employees Retirement System be handled? How should other public employee benefit liabilities, such as retiree health care, be handled?

A. These are liabilities transferred to the successor agency and constitute enforceable obligations when payments will become due. In the next few years, it is Finance's expectation that the employees of successor agencies that are retaining employees covered by a PERS contract will continue to be active members and the successor agency will continue to pay regular rates. Once the successor agency reaches a stage where there are few employees left or a plan exists to reach that state, PERS will be able to reevaluate the actuarial liability. At that point, since tax proceeds can continue to pay liabilities until the agency would have ceased existence under prior law, there are options for how to deal with remaining employees and liabilities. The transfer of employees to the successor agency does not trigger an automatic termination of the PERS plan. No successor agency should terminate its retirement plan with PERS without consulting with them about the options. It will likely be more financially favorable to continue as an active system, an inactive system, or shift to sunset status for some period of time. Successor agencies should also estimate the value of other employee benefit obligations as part of their overall long-term asset and liability plan and establish a reserving plan to fund them.

Successor agencies whose employees are members of non-PERS plans should consult with the administrator of the plan regarding liabilities and payment options. To the extent that city, county, or JPA employees were doing work on contract with the redevelopment agency, and continue to so function, Finance believes no unfunded liability obligation exists to the city, county or JPA retirement system unless it was explicitly set forth and monetized in the contract.

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County of San Mateo

Office of the Controller

Bob Adler
Controller

Kanchan K. Charan
Deputy Controller

April 9, 2012

To: Oversight Board of the Redevelopment Agency of the City of South San Francisco

Pursuant to California Health and Safety Code Section 34182(a) (H&S §34182(a)), the County Controller's Office is required to conduct an agreed-upon procedures (AUP) engagement by July 1, 2012 for the following purpose:

- To establish each redevelopment agency's (RDA's) assets and liabilities,
- To document and determine each RDA's pass-through payment obligations to other taxing agencies,
- To document and determine both the amount and the terms of any indebtedness incurred by the RDA, and
- To certify the initial Recognized Obligation Payment Schedule (ROPS).

Furthermore, H&S §34177(l)(l)-(3) requires the following sequence of events for the initial ROPS prepared by the Successor Agency:

- The initial ROPS shall be certified by the County Controller pursuant to H&S §34182 (as noted above),
- The certified ROPS shall be approved by the Oversight Committee,
- The certified and approved ROPS shall be submitted to the County Controller, State Controller's Office (SCO) and Department of Finance (DOF) by April 15, 2012 by the Successor Agency.

The SCO issued guidance on the minimum procedures the County Controller shall perform in order to comply with H&S §34182. Our office contracted with Macias, Gini & O'Connell LLP (MGO), certified public accountants, to perform the required AUP in accordance with SCO's guidelines in order to comply with H&S §34182. MGO was contracted to comply with H&S §34182(a) in two phases; Phase 1 to "certify" (as set forth in H&S §34182) the initial ROPS and issue a report by April 2, 2012 and Phase 2 to complete the remaining H&S §34182(a)(2) requirements and issue a report by June 29, 2012.

Please find enclosed the *Independent Accountant's Report on Applying Agreed-Upon Procedures* issued by MGO, which represents the SCO's agreed-upon procedures to be performed on the initial ROPS. This memorandum and attached report fulfills my requirement as Auditor-Controller in regards to the initial ROPS pursuant to H&S §34182(a). Please note that the Agreed-Upon Procedures conducted by the Auditor-Controller pursuant to H&S §34182 do not include a legal determination of whether the "obligations" listed by the Successor Agency are properly on the ROPS. This report does, however, identify potential issues that the Oversight Board may wish to consider and further explore before approving the ROPS. Such issues are identified on Attachment E. If, in the course of reviewing the initial ROPS, you have questions, please contact Deputy Controller Kanchan Charan.

Very truly yours,

Bob Adler

Bob Adler, Controller
County of San Mateo

County Auditor-Controller
County of San Mateo
Redwood City, California

Independent Accountant's Report on
Applying Agreed-Upon Procedures

We have performed the agreed-upon procedures enumerated in Attachment A which were agreed to by the County of San Mateo (County) Auditor-Controller, solely to assist you in ensuring that the City of South San Francisco, California (City), as successor agency to the Redevelopment Agency of the City of South San Francisco, is complying with certain statutory requirements with respect to ABX1 26. Management of the City and County are responsible for the accounting records pertaining to statutory compliance pursuant to Health and Safety Code section 34182. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the party specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The scope of this engagement was limited to performing the select agreed-upon procedures at your direction as set forth in Attachment A.

Attachment B identifies the findings noted as a result of the procedures performed.

We were not engaged to and did not conduct an audit, the objective of which would be the expression of an opinion as to the appropriateness of the results summarized in Attachment B. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the County Auditor-Controller, and is not intended to be, and should not be used by anyone other than this specified party. This restriction is not intended to limit distribution of this report, which is a matter of public record.

Macias Gini & O'Connell LLP

Walnut Creek, California
April 6, 2012

Attachment A

Agreed-Upon Procedures Engagement
Pursuant to ABX1 26, Community Redevelopment Dissolution

Purpose: To assist in the Auditor-Controller's certification of the initial recognized obligation payment schedule pursuant to Health and Safety Code section 34177(l)(2)(A).

Recognized Obligation Payment Schedule (Draft ROPS)

Obtain a copy of the initial draft ROPS from the successor agency.

1. Obtain and attach the initial draft ROPS and inspect evidence that it was prepared by March 1, 2012.
2. Inspect evidence that the draft ROPS includes monthly scheduled payments for each enforceable obligation for the current six-month reporting time period.
3. Trace all enforceable obligations listed on the draft ROPS to the legal document that forms the basis for the obligation.
4. For each obligation stated on the draft ROPS, identify and report the legal section under Health and Safety Code Section 34167(d) that qualifies it for inclusion on the draft ROPS and the date the obligation was incurred. Read the legal document/agreement and determine if the terms of the agreement complies with Health and Safety Code Sections 34161 through 34165.
    a. If the terms of the legal document/agreement appear not to comply with Health and Safety Code Sections 34161 through 34165, include: change of payments on the ROPS to arrive at the validated payment amounts; change made to the initially submitted ROPS due to errors or oversight; and identify payment and/or obligation amounts that require additional information or other approvals.
    b. If the terms of the legal document/agreement appear to comply with Health and Safety Code Sections 34161 through 34165, include the payments on the ROPS and categorize the payments as "ROPS Validated Payments", "Non-ROPS Payments for Administrative Costs", and "Non-ROPS Payments for Pass-Throughs" as defined by the County for the period January 1, 2012 through June 30, 2012 and include the total related obligations payable as of January 1, 2012.
5. Obtain and read the written agreement(s) with the sponsoring community and determine whether the agreement complies with Health and Safety Code Section 34178.

Attachment B

Agreed-Upon Procedures Engagement
Pursuant to ABX1 26, Community Redevelopment Dissolution
Results of Procedures Performed

Recognized Obligation Payment Schedule (Draft ROPS)

We obtained a copy of the initial draft ROPS from the successor agency and performed the following.

1. Obtained and attached the initial draft ROPS and inspected evidence that it was prepared by March 1, 2012.

   Finding: No exceptions were noted as a result of our procedure. See Attachment C.

2. Inspected evidence that the draft ROPS includes monthly scheduled payments for each enforceable obligation for the current six-month reporting time period.

   Finding: No exceptions were noted as a result of our procedure.

3. Traced all enforceable obligations listed on the draft ROPS to the legal document that forms the basis for the obligation.

   Finding: See results summarized at Attachment E.

4. For each obligation stated on the draft ROPS, identified and reported the legal section under Health and Safety Code Section 34167(d) that qualifies it for inclusion on the draft ROPS and included the date the obligation was incurred. Read the legal document/agreement and determined if the terms of the agreement complies with Health and Safety Code Sections 34161 through 34165.

   a. If the terms of the legal document/agreement appear to not comply with Health and Safety Code Sections 34161 through 34165, included: change of payments on the ROPS to arrive at the validated payment amounts; change made to the initially submitted ROPS due to errors or oversight; and identified payment and/or obligation amounts that require additional information or other approvals.

   b. If the terms of the legal document/agreement appear to comply with Health and Safety Code Sections 34161 through 34165, include the payments on the ROPS and categorize the payments as "ROPS Validated Payments", "Non-ROPS Payments for Administrative Costs", and "Non-ROPS Payments for Pass-Throughs" as defined by the County for the period January 1, 2012 through June 30, 2012 and include the total related obligations payable as of January 1, 2012.

   Finding: See results summarized at Attachments D and E.

5. Obtained and read the written agreement(s) with the sponsoring community and determined whether the agreement(s) complies with Health and Safety Code Section 34178.

   Finding: We were unable to perform the procedure because we were not provided with the written agreement(s) with the sponsoring community.

Our procedures performed above do not provide a legal determination.

Name of Redevelopment Agency: South San Francisco

Project Area(s) Merged

March 1, 2012 11:00am

DRAFT RECOGNIZED OBLIGATIONS PAYMENT SCHEDULE FOR THE PERIOD JANUARY THROUGH JUNE 2012

Per Health and Safety Code Section 34177

Note: The Payment Source Column and the Description in Rows 64 and 66 were amended February 29, 2012 - to be certified by the Successor Agency on March 28, 2012

	Project Name / Debt Obligation	Six Month Payment Source	Payee	Description	Total Remaining Debt or Obligations	Total Due During Fiscal Year	Payments by month						
							Jan	Feb	Mar	April	May	June	Six Month Total
1)	20% Housing Set Aside Obligation	Reserves	Successor Housing Agcy	Obligation for housing projects 11-12	3,869,487.33	3,869,487.33	3,869,487.33						$ 3,869,487.33
2)	Debt Serv Principal COPs	Reserves	Bank of New York	1999 COPs Conference Center	4,610,000.00	165,000.00			165,000.00				$ 165,000.00
3)	Debt Serv Interest COPs	Reserves	Bank of New York	1999 COPs Conference Center	2,489,750.00	341,625.00			115,250.00			111,125.00	$ 226,375.00
4)	Debt Serv Principal Tax Alloc Bonds	Reserves	Bank of New York	2006 Tax Alloc Bonds (TABs)	64,530,000.00	2,925,000.00						1,490,000.00	$ 1,490,000.00
5)	Debt Serv Interest Tax Alloc Bonds	Reserves	Bank of New York	2006 Tax Alloc Bonds (TABs)	47,617,278.28	4,615,878.14		1,529,059.38				1,529,059.38	$ 3,058,118.76
6)	Debt Serv Principal HUD 108 Loans	Reserves	Bank of New York	HUD 108 Loans	1,490,000.00	224,000.00						112,000.00	$ 112,000.00
7)	Debt Serv Interest HUD 108 Loans	Reserves	Bank of New York	HUD 108 Loans	3,058,118.76	124,906.70	32,580.10					32,580.10	$ 65,160.20
8)	Debt Serv Principal Hsg Rev Bonds	LMIHF	Bank of New York	1999 Housing revenue bonds	1,925,000.00	415,000.00						210,000.00	$ 210,000.00
9)	Debt Serv Interest Hsg Rev Bonds	LMIHF	Bank of New York	1999 Housing revenue bonds	407,670.00	132,110.00		42,465.00				42,465.00	$ 84,930.00
10)	Bond Reserves COPs	n/a	Bank of New York	Required by bond convenants	407,461.60	0.00							$ -
11)	Bond Reserves Tax Alloc Bonds	n/a	Bank of New York	Required by bond convenants	4,723,761.52	0.00							$ -
12)	Bond Reserves Hsg Rev Bonds	n/a	Bank of New York	Required by bond convenants	318,524.12	0.00							$ -
13)	Bond Admin/Disclosure Costs COPs	Reserves	Bank of New York/Willdan	Costs to administer the bonds	93,600.00	5,200.00			10,950.00	5,200.00			$ 16,150.00
14)	Bond Admin/Disclosure Costs TABs	Reserves	Bank of New York/Willdan	Costs to administer the bonds	262,800.00	10,950.00							$ -
15)	Bond Admin/Disc Costs Hsg Bonds	LMIHF	Bank of New York/Willdan	Costs to administer the housing bonds	36,800.00	4,600.00			4,600.00				$ 4,600.00
16)	Bond Proceeds Tax Alloc Bonds	n/a	Successor Agency	Required by bondholders for projects	6,622,080.12	0.00							$ -
17)	Bond Proceeds Hsg Rev Bonds	n/a	Successor Housing Agcy	Required by bondholders for projects	2,341,166.91	0.00							$ -
18)	Oyster Point Ventures DDA	Reserves	Oyster Pt Ventures, LLC	Section 3.4.1 of DDA-infrastr. required	29,463,230.00	29,463,230.00		5,000.00	5,000.00	5,000.00	5,000.00	29,443,230.00	$ 29,463,230.00
19)	Oyster Point Ventures DDA	n/a	Various contractors/staff	Secs. 4.5 closg/escrow; 5.2 environ indemnification; 5.3 methane monitoring	20,100,000.00	0.00							$ -
20)	Oyster Point Ventures DDA	Reserves	Legal/Staff costs	Soft project management costs	2,407,847.00	129,892.00	9,407.67	12,407.67	12,407.67	12,407.67	12,407.67	14,407.67	$ 73,446.00
21)	Harbor District Agreement	Reserves	Harbor District	Secs. 6.1 imprvmts; 9 cost reimbrsmt.	2,635,000.00	2,635,000.00		35,000.00				2,600,000.00	$ 2,635,000.00
22)	Harbor District Agreement	n/a	Harbor District	Secs. 5.0 lease rev; 7.0 temp. office	1,793,248.00	0.00							$ -
23)	Harbor District Agreement	Reserves	Legal/Staff costs	Soft project management costs	1,133,914.00	69,196.00	4,516.33	7,516.33	7,516.33	7,516.33	7,516.33	7,516.33	$ 42,098.00
24)	Miller Parking Structure (pf1012)	Bonds	Various contractors/staff	Finish project and pay retentions	570,568.71	570,568.71	4,785.83	327,850.00	10,000.00	10,000.00	10,000.00	5,213.97	$ 367,849.80
25)	Orange Park Environmental (pf1009)	Bonds	CSS Environmental Servs.	Contracted project work-environmental	15,488.00	15,488.00	11,315.15	4,172.85					$ 15,488.00
26)	418 Linden Housing Dev. (pf1027)	Reserves	Brookwood Group	Contracted project work	159,169.63	159,169.63	12,753.50	21,391.43	21,391.43	21,391.43	21,391.43	21,391.41	$ 119,710.61
27)	418 Linden Housing Dev.	Reserves	Legal/Staff costs	Soft project management costs	83,734.00	46,867.00	3,072.25	8,072.25	3,072.25	3,072.25	3,072.25	8,072.25	$ 28,433.50
28)	Train Station Imprvmnts Ph 1(pf1002)	Bonds	TechAccutite/Wisley Ham	Contracted work-site remediation	233,342.52	233,342.52	83,048.82	50,097.90	50,097.90	50,097.90			$ 233,342.52
29)	Train Station Imprvmnts Phase 1	Bonds	Staff Costs	Soft project management costs	0.00	16,759.32	0.00	5,586.44	5,586.44	5,586.44			$ 16,759.32
30)	Train Station Imprvmnts Phase 2	n/a	Various contractors	Site remediation per Cal Trans Agrmt.	800,000.00	0.00							$ -
31)	Train Station Imprvmnts Phase 2	Bonds	Legal/Staff costs	Soft project management costs	152,841.93	25,000.00						25,000.00	$ 25,000.00
	Note 1: Staff costs include payroll, benefits, and retirement costs												
	Note 2: Payment sources for six month period include Low Moderate Income Housing Fund (LMIHF), Bond Proceeds (Bonds), Reserves, Administrative Cost Allowance (Adm Allow), and where no payment required, Not Applicable (n/a)												
	Totals - This Page				$ 204,351,882.43	$ 46,198,270.35	$4,030,966.98	$2,048,619.25	$ 410,872.02	$ 120,272.02	$ 59,387.68	$ 35,652,061.11	$ 42,322,179.04
	Totals - Page 2				$ 48,614,959.12	$ 11,265,275.62	$1,525,591.33	$ 301,373.25	$ 301,373.25	$1,427,758.92	$ 301,373.25	$ 1,952,036.66	$ 5,809,506.64
	Totals - Page 3				$ 24,847,763.00	$ 5,609,961.00	$ 191,884.42	$ 191,884.42	$ 216,884.42	$ 216,884.42	$ 266,884.42	$ 3,535,376.32	$ 4,619,798.40
	Totals - Page 4				$ -	$ -							$ -
	Totals - Other Obligations - Page 4				$ 3,885,225.00	$ 3,885,225.00	$ -	$ -	$ -	$ -	$ -	$ 3,885,225.00	$ 3,885,225.00
	Grand total - All Pages				$ 281,699,829.55	$ 66,958,731.97	$5,748,442.73	$2,541,876.91	$ 929,129.68	$1,764,915.35	$ 627,645.34	$ 45,024,699.08	$ 56,636,709.08

Source: Original Recognized Obligation Payment Schedule provided by the City of South San Francisco

Name of Redevelopment Agency: South San Francisco

Project Area(s) Merged

March 1, 2012 11:00am

DRAFT RECOGNIZED OBLIGATIONS PAYMENT SCHEDULE FOR THE PERIOD JANUARY THROUGH JUNE 2012

Per Health and Safety Code Section 34177

Note: The Payment Source Column and the Description in Rows 64 and 66 were amended February 29, 2012 - to be certified by the Successor Agency on March 28, 2012

	Project Name / Debt Obligation	Six Month Payment Source	Payee	Description	Total Remaining Debt or Obligations	Total Due During Fiscal Year	Payments by month						
							Jan	Feb	Mar	April	May	June	Six Month Total
32)	Two Housing Replacement Units	LMIHF	Future Developer	Replacement housing obligation	900,000.00	900,000.00						900,000.00	$ 900,000.00
33)	Two Housing Replacement Units	LMIHF	Legal/Staff costs	Soft project management costs	259,767.00	11,988.00	999.00	999.00	999.00	999.00	999.00	999.00	$ 5,994.00
34)	636 El Camino Project	LMIHF	Staff Costs	Soft project management costs	98,312.00	49,156.00	4,096.33	4,096.33	4,096.33	4,096.33	4,096.33	4,096.33	$ 24,578.00
35)	Shearwater/Bay West OPA	Reserves	Staff Costs	Soft project management costs	5,305,603.00	143,395.00	11,949.58	11,949.58	11,949.58	11,949.58	11,949.58	11,949.58	$ 71,697.50
36)	Gateway OPA	Reserves	Staff Costs	Soft project management costs	788,364.00	157,673.00	13,139.42	13,139.42	13,139.42	13,139.42	13,139.42	13,139.42	$ 78,836.50
37)	Affordable Housing Assets	LMIHF	Staff Costs	Soft project management costs	7,424,435.00	344,450.00	28,704.17	28,704.17	28,704.17	28,704.17	28,704.17	28,704.17	$ 172,225.00
38)	C.I.D. Housing Access	LMIHF	C.I.D. Housing Access	Grant to non-profit	13,500.00	13,500.00	2,250.00	2,250.00	2,250.00	2,250.00	2,250.00	2,250.00	$ 13,500.00
39)	Neigh. Servs. Ctr.(NPNSC) HH	LMIHF	Neigh. Servs. Ctr.	Grant to non-profit	20,000.00	20,000.00	3,333.33	3,333.33	3,333.33	3,333.33	3,333.33	3,333.35	$ 20,000.02
40)	Reblding Together-Pen.-Natl R.Day	LMIHF	Rebuilding Together-Pen.	Grant to non-profit	8,000.00	8,000.00	1,333.33	1,333.33	1,333.33	1,333.33	1,333.33	1,333.35	$ 8,000.02
41)	Reblding Together-Pen.-Safe Home	LMIHF	Rebuilding Together-Pen.	Grant to non-profit	15,000.00	15,000.00	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00	$ 15,000.00
42)	HIP Housing-Home Sharing Prog	LMIHF	HIP Housing	Grant to non-profit	10,000.00	10,000.00	1,113.01	1,113.01	1,113.01	1,113.01	1,113.01	1,113.03	$ 6,678.10
43)	Shelter Network-Crossroads	LMIHF	Shelter Network	Grant to non-profit	18,000.00	18,000.00	2,250.00	2,250.00	2,250.00	2,250.00	2,250.00	2,250.00	$ 13,500.00
44)	Shelter Network-Maple Street	LMIHF	Shelter Network	Grant to non-profit	7,500.00	7,500.00	5,625.00						$ 5,625.00
45)	Samaritan House-Safe Harbor	LMIHF	Samaritan House	Grant to non-profit from 10-11	1,952.41	1,952.41	325.40	325.40	325.40	325.40	325.40	325.41	$ 1,952.42
46)	Samaritan House-Safe Harbor	LMIHF	Samaritan House	Grant to non-profit from 11-12	7,500.00	7,500.00	862.73	862.73	862.73	862.73	862.73	862.70	$ 5,176.32
47)	Sitike Counseling Center	LMIHF	Sitike Counseling Center	Grant to non-profit	10,300.00	10,300.00	1,287.50	1,287.50	1,287.50	1,287.50	1,287.50	1,287.50	$ 7,725.00
48)	Mgmt. of grants in rows 37-45 above	LMIHF	Staff costs	Soft project management costs	56,839.00	14,210.00	1,184.17	1,184.17	1,184.17	1,184.17	1,184.17	1,184.17	$ 7,105.00
49)	Station Area/Planning LU Program	Reserves	Staff Costs	Match funding for State grant (101102)	150,000.00	32,220.70	313.22	5,937.36	5,937.36	5,937.36	5,937.36	5,937.34	$ 29,999.98
50)	Mid Peninsula Loan	Reserves	Union Bank (for Mid Pen)	Loan for affordable housing project	3,997,891.71	3,997,891.71	1,222,053.82						$ 1,222,053.82
51)	Buon Gusto Ristorante Loan	Reserves	Ristorante Buon Gusto Inc.	Loan for commercial expansion project	750,000.00	750,000.00						750,000.00	$ 750,000.00
52)	Genentech Property Tax Settlement	Reserves	San Mateo County	Genentech property tax settlement	5,232,413.00	2,479,065.00				1,126,385.67			$ 1,126,385.67
53)	Reserve for Existing Claims	Reserves	Claimants	Reserves for costs for existing litigation	7,300,000.00	100,000.00	12,000.00	20,000.00	20,000.00	20,000.00	20,000.00	8,000.00	$ 100,000.00
54)	Audit Services	Reserves	Maze & Associates	Annual auditing requirements	555,000.00	28,000.00	2,333.33	2,333.33	2,333.33	2,333.33	2,333.33	2,333.35	$ 14,000.02
55)	Financial Analyses-RDA Dissolution	Reserves	Seifel Consulting	Update passthrough model/misc analyses	10,000.00	10,000.00	1,666.67	1,666.67	1,666.67	1,666.67	1,666.67	1,666.65	$ 9,999.98
56)	Local Tax Compliance/Rptg. Services	Reserves	Muni Financial Services	Roll correction; Assmt Appeal/Other Rpt.	27,827.00	22,826.80	10,163.40					12,663.40	$ 22,826.80
57)	Loan Warehousing Services	n/a	AmeriNational	Loan admin-commercial loans	6,000.00	0.00							$ -
58)	Loan Warehousing Services	LMIHF	AmeriNational	Loan admin-housing loans	111,000.00	1,500.00	250.00	250.00	250.00	250.00	250.00	250.00	$ 1,500.00
59)	Maintenance of Non-Hsg Properties	Reserves	Various contractors	Rehab, repair, maintenance, & utilities	4,744,092.00	160,468.00	26,744.67	26,744.67	26,744.67	26,744.67	26,744.67	26,744.65	$ 160,467.98
60)	Maintenance of Non-Hsg Properties	Reserves	Legal/Staff costs	Soft project management costs	3,665,270.00	1,719,324.00	143,277.00	143,277.00	143,277.00	143,277.00	143,277.00	143,277.00	$ 859,662.00
61)	Maintenance of Housing Properties	LMIHF	Various contractors	Rehab, repair, maintenance, & utilities	1,554,971.00	78,680.00	13,113.33	13,113.33	13,113.33	13,113.33	13,113.33	13,113.35	$ 78,680.02
62)	Maintenance of Housing Properties	LMIHF	Legal/Staff costs	Soft project management costs	5,565,422.00	152,675.00	12,722.92	12,722.92	12,722.92	12,722.92	12,722.92	12,722.91	$ 76,337.49
	Note 1: Staff costs include payroll, benefits, and retirement costs												$ -
	Note 2: Payment sources for six month period include Low Moderate Income Housing Fund (LMIHF), Bond Proceeds (Bonds), Reserves, Administrative Cost Allowance (Adm Allow), and where no payment required, Not Applicable (n/a)												$ -
	Totals - This Page				$ 48,614,959.12	$ 11,265,275.62	$1,525,591.33	$ 301,373.25	$ 301,373.25	$1,427,758.92	$ 301,373.25	$1,952,036.66	$ 5,809,506.64

Source: Original Recognized Obligation Payment Schedule provided by the City of South San Francisco

Name of Redevelopment Agency: South San Francisco

Project Area(s) Merged

March 1, 2012 11:00am

DRAFT RECOGNIZED OBLIGATIONS PAYMENT SCHEDULE FOR THE PERIOD JANUARY THROUGH JUNE 2012

Per Health and Safety Code Section 34177

Note: The Payment Source Column and the Description in Rows 64 and 66 were amended February 29, 2012 - to be certified by the Successor Agency on March 28, 2012

	Project Name / Debt Obligation	Six Month Payment Source	Payee	Description	Total Remaining Debt or Obligations	Total Due During Fiscal Year	Payments by month						
							Jan	Feb	Mar	April	May	June	Six Month Total
63)	Administration Costs	Adm Allow	Various contractors/misc	Costs to administer Successor Agency	54,125.00	112,010.00	9,334.17	9,334.17	9,334.17	9,334.17	9,334.17	9,334.15	$ 56,004.98
64)	Administration Costs	Adm Allow	Legal/Staff costs	Costs to administer Successor Agency	9,180,030.00	1,031,040.00	85,920.00	85,920.00	85,920.00	85,920.00	85,920.00	85,920.00	$ 515,520.00
65)	Administration Costs-Housing	Adm Allow	Various contractors/misc	Costs to administer Successor Agency	243,750.00	6,500.00	541.67	541.67	541.67	541.67	541.67	541.65	$ 3,249.98
66)	Administration Costs-Housing	Adm Allow	Staff costs	Costs to administer Successor Agency	2,874,424.00	75,854.00	6,321.17	6,321.17	6,321.17	6,321.17	6,321.17	6,321.15	$ 37,926.98
67)	Property Disposition Costs	Reserves	Various contractors	Initial envir. testing, noticing, listing costs	2,691,100.00	186,200.00	15,516.67	15,516.67	15,516.67	15,516.67	65,516.67	65,516.65	$ 193,099.98
68)	Property Disposition Costs	Reserves	Legal/Staff costs	Soft project management costs	2,011,149.00	868,721.00	64,060.08	64,060.08	89,060.08	89,060.08	89,060.08	89,060.08	$ 484,360.50
69)	Interdepartmental Charges	Reserves	City of SSF	Insurance, equip maint, vehicle chrgs	3,368,850.00	45,525.00	7,587.50	7,587.50	7,587.50	7,587.50	7,587.50	7,587.50	$ 45,525.00
70)	Interdepartmental Charges	LMIHF	City of SSF	Insurance, equip maint, vehicle chrgs	1,155,843.00	15,619.00	2,603.17	2,603.17	2,603.17	2,603.17	2,603.17	2,603.15	$ 15,618.98
71)	Accrued PERS Pension Obligations	Reserves	PERS	Costs accrued to date	875,712.00	875,712.00						875,712.00	$ 875,712.00
72)	Accrued Retiree Health Obligations	Reserves	Kaiser/Blue Shield	Costs accrued to date	2,392,780.00	2,392,780.00						2,392,780.00	$ 2,392,780.00
													$ -
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	Note 1: Staff costs include payroll, benefits, and retirement costs												$ -
	Note 2: Payment sources for six month period include Low Moderate Income Housing Fund (LMIHF), Bond Proceeds (Bonds), Reserves, Administrative Cost Allowance (Adm Allow), and where no payment required, Not Applicable (n/a)												$ -
	Totals - This Page				$ 24,847,763.00	$ 5,609,961.00	$ 191,884.42	$ 191,884.42	$ 216,884.42	$ 216,884.42	$ 266,884.42	$3,535,376.32	$ 4,619,798.40

Source: Original Recognized Obligation Payment Schedule provided by the City of South San Francisco

Name of Redevelopment Agency: South San Francisco

Project Area(s) Merged

March 1, 2012 11:00am

OTHER OBLIGATIONS PAYMENT SCHEDULE FOR THE PERIOD JANUARY THROUGH JUNE 2012

Per Health and Safety Code Section 34177

Note: The Payment Source Column and the Description in Rows 64 and 66 were amended February 29, 2012 - to be certified by the Successor Agency on March 28, 2012

	Project Name / Debt Obligation	Six Month Payment Source	Payee	Description	Total Remaining Debt or Obligations	Total Due During Fiscal Year	Payments by month						
							Jan	Feb	Mar	April	May	June	Six Month Total
1)	Basic Aid Section 33676 Pymt	Reserves	SMC Comm College Dist	Pass through payment	106,065.00	106,065.00						106,065.00	$ 106,065.00
2)	Contractual Section 33401 Pymt	Reserves	San Mateo County	Pass through payment	2,800,114.00	2,800,114.00						2,800,114.00	$ 2,800,114.00
3)	Contractual Section 33401 Pymt	Reserves	SSF Unified SD	Pass through payment	446,515.00	446,515.00						446,515.00	$ 446,515.00
4)	Contractual Section 33401 Pymt	Reserves	SMC Comm College Dist	Pass through payment	99,820.00	99,820.00						99,820.00	$ 99,820.00
5)	Contractual Section 33401 Pymt	Reserves	SMC Board/Office of Ed	Pass through payment	33,974.00	33,974.00						33,974.00	$ 33,974.00
6)	Statutory Section 33607 Pymt	Reserves	San Mateo County	Pass through payment	92,669.00	92,669.00						92,669.00	$ 92,669.00
7)	Statutory Section 33607 Pymt	Reserves	City of SSF	Pass through payment	94,608.00	94,608.00						94,608.00	$ 94,608.00
8)	Statutory Section 33607 Pymt	Reserves	SSF Unified SD	Pass through payment	157,862.00	157,862.00						157,862.00	$ 157,862.00
9)	Statutory Section 33607 Pymt	Reserves	SMC Comm College Dist	Pass through payment	13,921.00	13,921.00						13,921.00	$ 13,921.00
10)	Statutory Section 33607 Pymt	Reserves	BA Air Quality Mgmt	Pass through payment	1,270.00	1,270.00						1,270.00	$ 1,270.00
11)	Statutory Section 33607 Pymt	Reserves	SMC Harbor District	Pass through payment	2,142.00	2,142.00						2,142.00	$ 2,142.00
12)	Statutory Section 33607 Pymt	Reserves	All Zones CC Flood Contr	Pass through payment	11,901.00	11,901.00						11,901.00	$ 11,901.00
13)	Statutory Section 33607 Pymt	Reserves	Willow Gardens	Pass through payment	2,923.00	2,923.00						2,923.00	$ 2,923.00
14)	Statutory Section 33607 Pymt	Reserves	SMC Board/Office of Ed	Pass through payment	21,441.00	21,441.00						21,441.00	$ 21,441.00
													$ -
													$ -
Note: This represents the current estimate for what the Successor Agency owes on pass-through payments for the tax increment received the first half of fiscal year 2011/12. All future passthrough payments will be the responsibility of San Mateo Cou													$ -
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	Totals - Other Obligations				**$ 3,885,225.00**	**$ 3,885,225.00**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$3,885,225.00**	**$ 3,885,225.00**

Source: Original Recognized Obligation Payment Schedule provided by the City of South San Francisco

Attachment D

South San Francisco Redevelopment Agency

SUMMARY OF RECOGNIZED OBLIGATION PAYMENT SCHEDULES

County of San Mateo Auditor-Controller
(Per AB 26 - Section 34177)

	Total Count	Total Amount
Total Payment per Recognized Obligation Payment Schedule provided by the City of South San Francisco, see Attachment C.		
Page 1	31	$ 42,322,181
Page 2	31	5,809,507
Page 3	10	4,619,798
Page 4	14	3,885,225
Grand Total	86	$ 56,636,711

Total Reduction (Addition) of Payments on ROPS listed in AUP Procedures 4a, see Attachment E.	
Grand Total	$ 47,409,813

Total Validated Payments listed in AUP Procedures 4b, see Attachment E.	
ROPS Validated Payments	$ 5,091,673
Non-ROPS Payments for Administrative Costs	250,000
Non-ROPS Payments for Pass-Throughs	3,885,225
Grand Total	$ 9,226,898

Attachment E

South San Francisco Redevelopment Agency
Detailed Schedule of Procedures and Findings
County of San Mateo Auditor-Controller
(Per AB 26 - Section 34177)

		Draft Recognized Obligation Payment Schedule provided by the City of South San Francisco				AUP Procedure 3	AUP Procedure 4		AUP Procedures 4a			AUP Procedures 4b			
Page #	Obligation # on ROPS	Obligation *1	Payee	Description	Total Outstanding Obligation as of 1/1/12	Finding (Yes/ No)	Date of Obligation	H&S Code 34167(d) per City	Reduction (Addition) of Payments on ROPS (1/1/12 - 6/30/12) *2	Corrections *3	Amounts that require additional information and/or other approvals	ROPS Validated Payments *4 for the period 1/1/12 6/30/12	Non-ROPS Payments on Administrative Costs *5 for the period 1/1/12 - 6/30/12	Non-ROPS Payments on Pass-Throughs for the period 1/1/12 - 6/30/12	Total Obligations Payable as of 1/1/12
1	1	20% Housing Set Aside Obligation	Successor Housing Agcy	Obligation for housing projects 11-12	$ 3,869,487	Yes	N/A	Not Provided	$ 3,869,487	$ -	$ 3,869,487	$ -	$ -	$ -	$ -
1	2	Debt Serv Principal COPs	Bank of New York	1999 COPs Conference Center	4,610,000	Yes	3/3/1999	(1)	165,000	-	4,610,000	-	-	-	-
1	3	Debt Serv Interest COPs	Bank of New York	1999 COPs Conference Center	2,489,750	Yes	3/3/1999	(1)	226,375	-	2,489,750	-	-	-	-
1	4	Debt Serv Principal Tax Alloc Bonds	Bank of New York	2006 Tax Alloc Bonds (TABs)	64,530,000	Yes	5/3/2006	(1)	-	2,435,000	-	1,490,000	-	-	62,095,000
1	5	Debt Serv Interest Tax Alloc Bonds	Bank of New York	2006 Tax Alloc Bonds (TABs)	47,617,278	Yes	5/3/2006	(1)	1,529,059	1,557,759	-	1,529,059	-	-	46,059,519
1	6	Debt Serv Principal HUD 108 Loans	Bank of New York	HUD 108 Loans	1,490,000	Yes	8/9/2001	(1)	112,000	436,000	-	-	-	-	1,054,000
1	7	Debt Serv Interest HUD 108 Loans	Bank of New York	HUD 108 Loans	3,058,119	Yes	8/9/2001	(1)	32,580	2,710,559	-	32,580	-	-	347,560
1	8	Debt Serv Principal Hsg Rev Bonds	Bank of New York	1999 Housing revenue bonds	1,925,000	Yes	3/4/1999	(1)	210,000	205,000	-	-	-	-	1,720,000
1	9	Debt Serv Interest Hsg Rev Bonds	Bank of New York	1999 Housing revenue bonds	407,670	Yes	3/4/1999	(1)	42,465	47,180	-	42,465	-	-	360,490
1	10	Bond Reserves COPs	Bank of New York	Required by bond convenants	407,462	Yes	3/3/1999	(1)	-	-	407,461	-	-	-	-
1	11	Bond Reserves Tax Alloc Bonds	Bank of New York	Required by bond convenants	4,723,762	Yes	5/3/2006	(1)	-	4,723,762	-	-	-	-	-
1	12	Bond Reserves Hsg Rev Bonds	Bank of New York	Required by bond convenants	318,524	Yes	3/4/1999	(1)	-	318,524	-	-	-	-	-
1	13	Bond Admin/Disclosure Costs COPs	Bank of New York/Willdan	Costs to administer the bonds	93,600	Yes	3/3/1999	(1)	10,950	-	-	5,200	-	-	93,600
1	14	Bond Admin/Disclosure Costs TABs	Bank of New York/Willdan	Costs to administer the bonds	262,800	Yes	5/3/2006	(1)	(10,950)	-	-	10,950	-	-	262,800
1	15	Bond Admin/Disc Costs Hsg Bonds	Bank of New York/Willdan	Costs to administer the housing bonds	36,800	Yes	3/4/1999	(1)	-	4,600	-	4,600	-	-	32,200
1	16	Bond Proceeds Tax Alloc Bonds	Successor Agency	Required by bondholders for projects	6,622,080	Yes	5/3/2006	(1)	-	6,622,080	-	-	-	-	-
1	17	Bond Proceeds Hsg Rev Bonds	Successor Housing Agcy	Required by bondholders for projects	2,341,167	Yes	3/4/1999	(1)	-	2,341,167	-	-	-	-	-
1	18	Oyster Point Ventures DDA	Oyster Pt Ventures, LLC	Section 3.4.1 of DDA-infrastr. required	29,463,230	Yes	3/23/2011	(5)	29,463,230	-	-	-	-	-	29,463,230
1	19	Oyster Point Ventures DDA	Various contractors/staff	Secs. 4.5 closg/escrow; 5.2 environ indemnification; 5.3 methane monitoring	20,100,000	Yes	3/23/2011	(5)	-	-	20,000,000	-	-	-	100,000
1	20	Oyster Point Ventures DDA	Legal/Staff costs	Soft project management costs	2,407,847	Yes	3/23/2011	(5)	-	-	2,334,401	73,446	-	-	73,446
1	21	Harbor District Agreement	Harbor District	Secs. 6.1 imprvmts; 9 cost reimbrsmt.	2,635,000	Yes	3/25/2011	(5)	2,635,000	-	2,635,000	-	-	-	-
1	22	Harbor District Agreement	Harbor District	Secs. 5.0 lease rev; 7.0 temp. office	1,793,248	Yes	3/25/2011	(5)	-	-	1,793,248	-	-	-	-
1	23	Harbor District Agreement	Legal/Staff costs	Soft project management costs	1,133,914	Yes	*6	(5)	42,098	-	1,133,914	-	-	-	-
1	24	Miller Parking Structure (pf1012)	Various contractors/staff	Finish project and pay retentions	570,569	Yes	5/15/09, 5/13/09	(5)	360,519	-	446,480	7,331	-	-	124,089
1	25	Orange Park Environmental (pf1009)	CSS Environmental Servs.	Contracted project work-environmental	15,488	Yes	4/18/2011	Not Provided	15,488	-	15,488	-	-	-	-
1	26	418 Linden Housing Dev. (pf1027)	Brookwood Group	Contracted project work	159,170	Yes	1/13/2010	(5)	106,957	39,459	-	12,754	-	-	119,711
1	27	418 Linden Housing Dev.	Legal/Staff costs	Soft project management costs	83,734	Yes	*6	(5)	25,362	-	80,662	3,072	-	-	3,072
1	28	Train Station Imprvmnts Ph 1(pf1002)	TechAccutite/Wisley Ham	Contracted work-site remediation	233,343	No	3/11/09, 9/9/09	(5)	-	-	-	233,343	-	-	233,343
1	29	Train Station Imprvmnts Phase 1	Staff Costs	Soft project management costs	-	Yes	*6	(5)	16,759	(16,759)	16,759	-	-	-	-
1	30	Train Station Imprvmnts Phase 2	Various contractors	Site remediation per Cal Trans Agrmt.	800,000	Yes	N/A	(5)	-	-	800,000	-	-	-	-
1	31	Train Station Imprvmnts Phase 2	Legal/Staff costs	Soft project management costs	152,842	Yes	*6	(5)	25,000	-	152,842	-	-	-	-
2	32	Two Housing Replacement Units	Future Developer	Replacement housing obligation	900,000	Yes	N/A	(3)	900,000	-	900,000	-	-	-	-
2	33	Two Housing Replacement Units	Legal/Staff costs	Soft project management costs	259,767	Yes	*6	(3)	5,994	-	259,767	-	-	-	-
2	34	636 El Camino Project	Staff Costs	Soft project management costs	98,312	Yes	*6	Not Provided	24,578	-	98,312	-	-	-	-
2	35	Shearwater/Bay West OPA	Staff Costs	Soft project management costs	5,305,603	Yes	*6	(5)	-	-	5,233,904	71,699	-	-	71,699
2	36	Gateway OPA	Staff Costs	Soft project management costs	788,364	Yes	*6	(5)	-	-	709,527	78,837	-	-	78,837
2	37	Affordable Housing Assets	Staff Costs	Soft project management costs	7,424,435	Yes	*6	Not Provided	172,225	-	7,424,435	-	-	-	-
2	38	C.I.D. Housing Access	C.I.D. Housing Access	Grant to non-profit	13,500	No	4/13/2011	(5)	-	-	-	13,500	-	-	13,500
2	39	Neigh. Servs. Ctr.(NPNSC) HH	Neigh. Servs. Ctr.	Grant to non-profit	20,000	No	4/13/2011	(5)	-	-	-	20,000	-	-	20,000

Attachment E

South San Francisco Redevelopment Agency
Detailed Schedule of Procedures and Findings
County of San Mateo Auditor-Controller
(Per AB 26 - Section 34177)

		Draft Recognized Obligation Payment Schedule provided by the City of South San Francisco				AUP Procedure 3	AUP Procedure 4		AUP Procedures 4a			AUP Procedures 4b			
Page #	Obligation # on ROPS	Obligation *1	Payee	Description	Total Outstanding Obligation as of 1/1/12	Finding (Yes/ No)	Date of Obligation	H&S Code 34167(d) per City	Reduction (Addition) of Payments on ROPS (1/1/12 - 6/30/12) *2	Corrections *3	Amounts that require additional information and/or other approvals	ROPS Validated Payments *4 for the period 1/1/12 6/30/12	Non-ROPS Payments on Administrative Costs *5 for the period 1/1/12 - 6/30/12	Non-ROPS Payments on Pass-Throughs for the period 1/1/12 - 6/30/12	Total Obligations Payable as of 1/1/12
2	40	Reblding Together-Pen.-Natl R.Day	Rebuilding Together-Pen.	Grant to non-profit	8,000	No	4/13/2011	(5)	-	-	-	8,000	-	-	8,000
2	41	Reblding Together-Pen.-Safe Home	Rebuilding Together-Pen.	Grant to non-profit	15,000	No	4/13/2011	(5)	-	-	-	15,000	-	-	15,000
2	42	HIP Housing-Home Sharing Prog	HIP Housing	Grant to non-profit	10,000	Yes	4/13/2011	(5)	-	3,322	-	6,678	-	-	6,678
2	43	Shelter Network-Crossroads	Shelter Network	Grant to non-profit	18,000	Yes	4/13/2011	(5)	-	4,500	-	13,500	-	-	13,500
2	44	Shelter Network-Maple Street	Shelter Network	Grant to non-profit	7,500	Yes	4/13/2011	(5)	-	1,875	-	5,625	-	-	5,625
2	45	Samaritan House-Safe Harbor	Samaritan House	Grant to non-profit from 10-11	1,952	Yes	6/1/2010	(5)	-	1,952	-	1,952	-	-	-
2	46	Samaritan House-Safe Harbor	Samaritan House	Grant to non-profit from 11-12	7,500	Yes	4/13/2011	(5)	-	4,911	-	5,176	-	-	2,589
2	47	Sitike Counseling Center	Sitike Counseling Center	Grant to non-profit	10,300	Yes	4/13/2011	(5)	-	2,575	-	7,725	-	-	7,725
2	48	Mgmt. of grants in rows 37-45 above	Staff costs	Soft project management costs	56,839	Yes	*6	(5)	-	49,734	-	7,105	-	-	7,105
2	49	Station Area/Planning LU Program	Staff Costs	Match funding for State grant (101102)	150,000	Yes	2/7/2012	(5)	30,000	-	150,000	-	-	-	-
2	50	Mid Peninsula Loan	Union Bank (for Mid Pen)	Loan for affordable housing project	3,997,892	Yes	3/1/2011	(5)	-	-	2,775,838	1,222,054	-	-	1,222,054
2	51	Buon Gusto Ristorante Loan	Ristorante Buon Gusto Inc.	Loan for commercial expansion project	750,000	Yes	12/21/2010	(5)	750,000	100,000	-	-	-	-	650,000
2	52	Genentech Property Tax Settlement	San Mateo County	Genentech property tax settlement	5,232,413	Yes	N/A	(4)	1,126,386	-	5,232,413	-	-	-	-
2	53	Reserve for Existing Claims	Claimants	Reserves for costs for existing litigation	7,300,000	Yes	N/A	(4)	100,000	-	7,300,000	-	-	-	-
2	54	Audit Services	Maze & Associates	Annual auditing requirements	555,000	Yes	2/17/2011	(5)	-	-	541,000	-	14,000	-	14,000
2	55	Financial Analyses-RDA Dissolution	Seifel Consulting	Update passthrough model/misc analyses	10,000	No	*6	(5)	-	-	-	-	10,000	-	10,000
2	56	Local Tax Compliance/Rptg. Services	Muni Financial Services	Roll correction; Assmt Appeal/Other Rpt.	27,827	Yes	6/24/2011	(5)	22,827	-	27,827	-	-	-	-
2	57	Loan Warehousing Services	AmeriNational	Loan admin-commercial loans	6,000	Yes	9/17/2002	Not Provided	-	-	6,000	-	-	-	-
2	58	Loan Warehousing Services	AmeriNational	Loan admin-housing loans	111,000	Yes	9/17/2002	Not Provided	1,500	-	111,000	-	-	-	-
2	59	Maintenance of Non-Hsg Properties	Various contractors	Rehab, repair, maintenance, & utilities	4,744,092	Yes	*6	(5)	133,723	-	4,717,347	26,745	-	-	26,745
2	60	Maintenance of Non-Hsg Properties	Legal/Staff costs	Soft project management costs	3,665,270	Yes	*6	(5)	716,385	-	3,521,993	143,277	-	-	143,277
2	61	Maintenance of Housing Properties	Various contractors	Rehab, repair, maintenance, & utilities	1,554,971	Yes	N/A	Not Provided	78,680	-	1,554,971	-	-	-	-
2	62	Maintenance of Housing Properties	Legal/Staff costs	Soft project management costs	5,565,422	Yes	N/A	Not Provided	76,338	-	5,565,422	-	-	-	-
3	63	Administration Costs	Various contractors/misc	Costs to administer Successor Agency	54,125	Yes	*6	(6)	-	(1,880)	-	-	56,005	-	56,005
3	64	Administration Costs	Legal/Staff costs	Costs to administer Successor Agency	9,180,030	Yes	*6	(6)	345,525	-	9,010,035	-	169,995	-	169,995
3	65	Administration Costs-Housing	Various contractors/misc	Costs to administer Successor Agency	243,750	Yes	*6	Not Provided	3,250	-	243,750	-	-	-	-
3	66	Administration Costs-Housing	Staff costs	Costs to administer Successor Agency	2,874,424	Yes	*6	Not Provided	37,927	-	2,874,424	-	-	-	-
3	67	Property Disposition Costs	Various contractors	Initial envir. testing, noticing, listing costs	2,691,100	Yes	N/A	(5)	193,100	-	2,691,100	-	-	-	-
3	68	Property Disposition Costs	Legal/Staff costs	Soft project management costs	2,011,149	Yes	*6	(5)	484,360	-	2,011,149	-	-	-	-
3	69	Interdepartmental Charges	City of SSF	Insurance, equip maint, vehicle chrgs	3,368,850	Yes	*6	Not Provided	45,525	-	3,368,850	-	-	-	-
3	70	Interdepartmental Charges	City of SSF	Insurance, equip maint, vehicle chrgs	1,155,843	Yes	*6	Not Provided	15,619	-	1,155,843	-	-	-	-
3	71	Accrued PERS Pension Obligations	PERS	Costs accrued to date	875,712	Yes	N/A	(3)	875,712	-	875,712	-	-	-	-
3	72	Accrued Retiree Health Obligations	Kaiser/Blue Shield	Costs accrued to date	2,392,780	Yes	N/A	(3)	2,392,780	-	2,392,780	-	-	-	-
4	1	Basic Aid Section 33676 Pymt	SMC Comm College Dist	Pass through payment	106,065	No	N/A	Not Provided	-	-	-	-	-	106,065	106,065
4	2	Contractual Section 33401 Pymt	San Mateo County	Pass through payment	2,800,114	No	N/A	Not Provided	-	-	-	-	-	2,800,114	2,800,114
4	3	Contractual Section 33401 Pymt	SSF Unified SD	Pass through payment	446,515	No	N/A	Not Provided	-	-	-	-	-	446,515	446,515
4	4	Contractual Section 33401 Pymt	SMC Comm College Dist	Pass through payment	99,820	No	N/A	Not Provided	-	-	-	-	-	99,820	99,820
4	5	Contractual Section 33401 Pymt	SMC Board/Office of Ed	Pass through payment	33,974	No	N/A	Not Provided	-	-	-	-	-	33,974	33,974

Attachment E

South San Francisco Redevelopment Agency
Detailed Schedule of Procedures and Findings
County of San Mateo Auditor-Controller
(Per AB 26 - Section 34177)

		Draft Recognized Obligation Payment Schedule provided by the City of South San Francisco				AUP Procedure 3	AUP Procedure 4		AUP Procedures 4a			AUP Procedures 4b			
Page #	Obligation # on ROPS	Obligation *1	Payee	Description	Total Outstanding Obligation as of 1/1/12	Finding (Yes/ No)	Date of Obligation	H&S Code 34167(d) per City	Reduction (Addition) of Payments on ROPS (1/1/12 - 6/30/12) *2	Corrections *3	Amounts that require additional information and/or other approvals	ROPS Validated Payments *4 for the period 1/1/12 6/30/12	Non-ROPS Payments on Administrative Costs *5 for the period 1/1/12 - 6/30/12	Non-ROPS Payments on Pass-Throughs for the period 1/1/12 - 6/30/12	Total Obligations Payable as of 1/1/12
4	6	Statutory Section 33607 Pymt	San Mateo County	Pass through payment	92,669	No	N/A	Not Provided	-	-	-	-	-	92,669	92,669
4	7	Statutory Section 33607 Pymt	City of SSF	Pass through payment	94,608	No	N/A	Not Provided	-	-	-	-	-	94,608	94,608
4	8	Statutory Section 33607 Pymt	SSF Unified SD	Pass through payment	157,862	No	N/A	Not Provided	-	-	-	-	-	157,862	157,862
4	9	Statutory Section 33607 Pymt	SMC Comm College Dist	Pass through payment	13,921	No	N/A	Not Provided	-	-	-	-	-	13,921	13,921
4	10	Statutory Section 33607 Pymt	BA Air Quality Mgmt	Pass through payment	1,270	No	N/A	Not Provided	-	-	-	-	-	1,270	1,270
4	11	Statutory Section 33607 Pymt	SMC Harbor District	Pass through payment	2,142	No	N/A	Not Provided	-	-	-	-	-	2,142	2,142
4	12	Statutory Section 33607 Pymt	All Zones CC Flood Contr	Pass through payment	11,901	No	N/A	Not Provided	-	-	-	-	-	11,901	11,901
4	13	Statutory Section 33607 Pymt	Willow Gardens	Pass through payment	2,923	No	N/A	Not Provided	-	-	-	-	-	2,923	2,923
4	14	Statutory Section 33607 Pymt	SMC Board/Office of Ed	Pass through payment	21,441	No	N/A	Not Provided	-	-	-	-	-	21,441	21,441
					$ 281,699,830				$ 47,409,813	$ 21,591,320	$ 111,538,891	$ 5,091,673	$ 250,000	$ 3,885,225	$ 148,569,619

Notes:

*1 These are obligations submitted by the City. These amounts may be subsequently adjusted by the Auditor-Controller upon receipt of financial statement audits of the former RDA as of and for the period ended January 31, 2012.

*2 Reductions (additions) of payments on ROPS are changes made to the initially submitted ROPS in order to arrive at the validated payment amounts.

*3 Corrections are changes made to the initially submitted ROPS due to errors or oversight.

*4 Validated Payments are defined by the County as payments that have been traced to supporting documentation for compliance with applicable Health and Safety Code Sections. Obligations should be approved by the Oversight Board. Appearance in this column does not represent a legal determination.

*5 Non-ROPS Payments for Administrative Costs are defined by the County to be payments subject to the approval of the Oversight Board and subject to statutory cap.

*6 No specific date as the obligation is recognized as services are performed. Administrative costs associated with this item after January 31, 2012 are not considered part of the ROPS.