Santa Clara
All-America City
2001

Gary Ameling
Director of Finance

June 17, 2013

Members of the Oversight Board for the Successor Agency to the Redevelopment Agency of the City of Santa Clara
Sent via individual e-mail addresses

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Re: Santa Clara Successor Agency Other Funds Due Diligence Review

To whom it may concern:

Attached is the Other Funds Due Diligence Review (DDR) for the Successor Agency to the City of Santa Clara Redevelopment Agency as well as the resolution adopted by the

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Oversight Board for the Successor Agency approving the Other Funds Due Diligence Review. We want to call your attention to the provision of the Oversight Board Resolution that adjusts the amounts available for distribution to the taxing entities from the $32,330,410 amount listed in the Other Funds Due Diligence Review prior to the reconciliation with the City numbers to $26,730,410. The Oversight Board after deliberating the matter at length and considering the public testimony, removed from the funds available for distribution to the taxing entities the amount of $5,600,000 related to payments made by the former RDA prior to adoption of AB x1 26 to the Santa Clara Stadium Authority pursuant to the Cooperation Agreement to Assist a Publicly Owned Stadium and the Predevelopment Funding Agreement between the former RDA, the Santa Clara Stadium Authority and the Forty Niners Stadium Company, LLC ("Stadium Agreements"). The Stadium Agreements are the subject of litigation, Forty Niners Stadium Company, LLC vs. Oversight Board for the Successor Agency to the City of Santa Clara Redevelopment Agency, Case No. 34-2012-80001192 (Sacramento Superior Court), in which the Court determined that the Stadium Agreements are not void under Health and Safety Code Section 34171(d)(2). Based on the Court's decision, the Oversight Board determined that the transferred funds were incorrectly included in the amount determined available.

The Successor Agency also draws your attention to Attachment B of the Other Funds Due Diligence Review which includes a reconciliation of the amounts determined available with the Successor Agency's determination, as well as the Successor Agency's Agenda Report that provides more detailed explanation of the differences between the County's determination and the Successor Agency's. In addition to the items noted in Attachment B, the Other Funds Due Diligence Review also failed to give the Successor Agency credit for expenditures that were made pursuant to valid enforceable obligations that were in place prior to the adoption of ABx1 26. For example, the Other Funds Due Diligence Review at Attachment E, line items 1-2, 6-7 and 9 list encumbered funds related to specific enforceable obligations but then only give credit to the Successor Agency for the expenditures made through to June 27, 2011 even though the obligations were encumbrances in place prior to that date and would be deemed enforceable obligations under the Dissolution Act.

As always, the Successor Agency is available to answer any questions you may have regarding the Other Funds Due Diligence Review.

Sincerely,

Gary Ameling

Gary Ameling
Director of Finance
Successor Agency to the Redevelopment Agency of the City of Santa Clara