

County of Santa Clara

Finance Agency
Controller-Treasurer

County Government Center
70 West Hedding Street, East Wing 2nd floor
San Jose, California 95110-1705
(408) 299-5206 FAX 287-7629



NOTICE OF NO OBJECTION TO ROPS

August 28, 2015

City of Milpitas Successor Agency
455 E Calaveras Blvd
Milpitas, CA 95035

City of Milpitas Oversight Board
455 E Calaveras Blvd
Milpitas, CA 95035

Department of Finance
915 L Street
Sacramento, CA 95814

ROPS Period: ROPS 15-16B (January 1, 2016 – June 30, 2016)
Successor Agency: City of Milpitas

To the Successor Agency, Oversight Board, and Department of Finance:

Pursuant to Health and Safety Code section 34182.5, our office has reviewed the Recognized Obligation Payment Schedule (ROPS) submitted by the above-noted successor agency for the above-noted period. After reviewing all items and funding sources, the Santa Clara County Auditor-Controller does not object to any items or funding sources on the submitted ROPS.

Please note that items and/or funding sources not questioned during this review are subject to subsequent review if they are included on a future ROPS. We also reserve the right to object to an item and/or funding source (including, but not limited to, the use of fund balance) on a future ROPS, even if no objection was made on a preceding ROPS.

Board of Supervisors: Mike Wasserman, Cindy Chavez, Dave Cortese, Ken Yeager, S. Joseph Simitian
County Executive: Jeffrey V. Smith

Successor Agency: City of Milpitas
Notice of No Objection to ROPS
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Additionally, pursuant to Health and Safety Code section 34186(a), the County Auditor-Controller may review the prior period payments and the prior period estimated versus actual payments reported on the ROPS. This review is ongoing, and this letter does not apply to the true-up of prior period payments. In addition, my office is continuing its review of the cash balances reported by the successor agency on the ROPS. The results of this review will be transmitted to the Department of Finance as soon as possible.

Sincerely yours,



Alan Minato
Controller-Treasurer
County of Santa Clara

Attachment: ROPS 15-16B as submitted to the County Auditor-Controller by Successor Agency

Recognized Obligation Payment Schedule (ROPS 15-16B) - Summary

Filed for the January 1, 2016 through June 30, 2016 Period

Name of Successor Agency: Milpitas
Name of County: Santa Clara

Current Period Requested Funding for Outstanding Debt or Obligation	Six-Month Total
Enforceable Obligations Funded with Non-Redevelopment Property Tax Trust Fund (RPTTF) Funding	
A Sources (B+C+D):	\$ -
B Bond Proceeds Funding (ROPS Detail)	-
C Reserve Balance Funding (ROPS Detail)	-
D Other Funding (ROPS Detail)	-
E Enforceable Obligations Funded with RPTTF Funding (F+G):	\$ 11,036,843
F Non-Administrative Costs (ROPS Detail)	10,908,925
G Administrative Costs (ROPS Detail)	127,918
H Total Current Period Enforceable Obligations (A+E):	\$ 11,036,843

Successor Agency Self-Reported Prior Period Adjustment to Current Period RPTTF Requested Funding

I Enforceable Obligations funded with RPTTF (E):	11,036,843
J Less Prior Period Adjustment (Report of Prior Period Adjustments Column S)	(11,095)
K Adjusted Current Period RPTTF Requested Funding (I-J)	\$ 11,025,748

County Auditor Controller Reported Prior Period Adjustment to Current Period RPTTF Requested Funding

L Enforceable Obligations funded with RPTTF (E):	11,036,843
M Less Prior Period Adjustment (Report of Prior Period Adjustments Column AA)	-
N Adjusted Current Period RPTTF Requested Funding (L-M)	11,036,843

Certification of Oversight Board Chairman:
Pursuant to Section 34177 (m) of the Health and Safety code, I hereby certify that the above is a true and accurate Recognized Obligation Payment Schedule for the above named agency.

<u>Emma C. Karlen</u>	st City Manager/Finance Director
Name	Title
/s/ <u>Emma C. Karlen</u>	8/27/2015
Signature	Date

Milpitas Recognized Obligation Payment Schedule (ROPS 15-16B) - ROPS Detail
 January 1, 2016 through June 30, 2016
 (Report Amounts in Whole Dollars)

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P
Item #	Project Name / Debt Obligation	Obligation Type	Contract/Agreement Execution Date	Contract/Agreement Termination Date	Payee	Description/Project Scope	Project Area	Total Outstanding Debt or Obligation	Retired	Funding Source					Six-Month Total
										Non-Redevelopment Property Tax Trust Fund (Non-RPTTF)			RPTTF		
										Bond Proceeds	Reserve Balance	Other Funds	Non-Admin	Admin	
1	2003 Tax Allocation Bonds	Bonds Issued On or Before 12/31/10	11/20/2003	9/1/2032	US Bank	Bonds issued to fund redevelopment projects	Project Area #1	\$ 248,132,268	Y	\$ -	\$ -	\$ -	\$ 10,908,925	\$ 127,918	\$ 11,036,843
2	Agreement of Purchase and Sale	City/County Loans On or Before 6/27/11	8/3/2003	6/17/2034	County of Santa Clara	Land Purchase	Project Area #1	75,000,000	N				5,000,000		\$ 5,000,000
9	Administrative Costs of Successor Agency	Admin Costs	1/1/2016	6/30/2016	City of Milpitas	Administrative costs to wind down RDA	Project Area #1	127,918	N					127,918	\$ 127,918
11	Property appraisal services	Property Dispositions	7/1/2014	6/30/2015	To be determined	Appraisal of Successor Agency properties	Project Area #1	40,000	N						\$ -
14	Main Street Pavement Reconstruction/Bond Expenditure Agreement	Improvement/Infrastructure	10/7/2014	10/7/2024	City of Milpitas	Use unspent bond proceeds in accordance with bond covenants (HSC Section 34191.4 (c))	Project Area #1		Y						\$ -
15	2015 Tax Allocation Refunding Bds	Refunding Bonds Issued After 6/27/12	2/18/2015	9/1/2032	US Bank	Bonds issued to refund 2003 Tax Allocation Bonds	Project Area #1	172,964,350	N				5,908,925		\$ 5,908,925

**Milpitas Recognized Obligation Payment Schedule (ROPS 15-16B) - Report of Cash Balances
(Report Amounts in Whole Dollars)**

Pursuant to Health and Safety Code section 34177 (l), Redevelopment Property Tax Trust Fund (RPTTF) may be listed as a source of payment on the ROPS, but only to the extent no other funding source is available or when payment from property tax revenues is required by an enforceable obligation. For tips on how to complete the Report of Cash Balances Form, see Cash Balance Tips Sheet									
A	B	C	D	E	F	G	H	I	
Cash Balance Information by ROPS Period		Fund Sources					Comments		
		Bond Proceeds		Reserve Balance		Other			RPTTF
		Bonds Issued on or before 12/31/10	Bonds Issued on or after 01/01/11	Prior ROPS period balances and DDR RPTTF balances retained	Prior ROPS RPTTF distributed as reserve for future period(s)	Rent, Grants, Interest, Etc.			Non-Admin and Admin
ROPS 14-15B Actuals (01/01/15 - 06/30/15)									
1	Beginning Available Cash Balance (Actual 01/01/15)	3,989,878				3,027	186,190		
2	Revenue/Income (Actual 06/30/15) RPTTF amounts should tie to the ROPS 14-15B distribution from the County Auditor-Controller during January 2015		149,227,315			2,764	8,675,466		
3	Expenditures for ROPS 14-15B Enforceable Obligations (Actual 06/30/15) RPTTF amounts, H3 plus H4 should equal total reported actual expenditures in the Report of PPA, Columns L and Q	3,989,878	149,212,088			5,791	8,742,207		
4	Retention of Available Cash Balance (Actual 06/30/15) RPTTF amount retained should only include the amounts distributed as reserve for future period(s)								
5	ROPS 14-15B RPTTF Prior Period Adjustment RPTTF amount should tie to the self-reported ROPS 14-15B PPA in the Report of PPA, Column S	No entry required						11,095	
6	Ending Actual Available Cash Balance C to G = (1 + 2 - 3 - 4), H = (1 + 2 - 3 - 4 - 5)	\$ -	\$ 15,227	\$ -	\$ -	\$ -	\$ 108,354	\$15,227 represents remaining bal. in Cost of Issuance Account	
ROPS 15-16A Estimate (07/01/15 - 12/31/15)									
7	Beginning Available Cash Balance (Actual 07/01/15) (C, D, E, G = 4 + 6, F = H4 + F4 + F6, and H = 5 + 6)	\$ -	\$ 15,227	\$ -	\$ -	\$ -	\$ 119,449		
8	Revenue/Income (Estimate 12/31/15) RPTTF amounts should tie to the ROPS 15-16A distribution from the County Auditor-Controller during June 2015						10,118,132		
9	Expenditures for ROPS 15-16A Enforceable Obligations (Estimate 12/31/15)						10,223,722		
10	Retention of Available Cash Balance (Estimate 12/31/15) RPTTF amount retained should only include the amounts distributed as reserve for future period(s)								
11	Ending Estimated Available Cash Balance (7 + 8 - 9 - 10)	\$ -	\$ 15,227	\$ -	\$ -	\$ -	\$ 13,859		

Milpitas Recognized Obligation Payment Schedule (ROPS 15-16B) - Report of Prior Period Adjustments
 Reported for the ROPS 14-15B (January 1, 2015 through June 30, 2015) Period Pursuant to Health and Safety Code (HSC) section 34186 (a)
 (Report Amounts in Whole Dollars)

ROPS 14-15B Successor Agency (SA) Self-reported Prior Period Adjustments (PPA): Pursuant to HSC Section 34186 (a), SAs are required to report the differences between their actual available funding and their actual expenditures for the ROPS 14-15B (January through June 2015) period. The amount of Redevelopment Property Tax Trust Fund (RPTTF) approved for the ROPS 15-16B (January through June 2016) period will be offset by the SA's self-reported ROPS 14-15B prior period adjustment. HSC Section 34186 (a) also specifies that the prior period adjustments self-reported by SAs are subject to audit by the county auditor-controller (CAC) and the State Controller.

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T		
Item #	Project Name / Debt Obligation	Non-RPTTF Expenditures						RPTTF Expenditures												Net SA Non-Admin and Admin PPA (Amount Used to Offset ROPS 15-16B Requested RPTTF)	SA Comments
		Bond Proceeds		Reserve Balance		Other Funds		Non-Admin						Admin							
		Authorized	Actual	Authorized	Actual	Authorized	Actual	Authorized	Available RPTTF (ROPS 14-15B distributed + all other available as of 01/1/15)	Net Lesser of Authorized / Available	Actual	Difference (If K is less than L, the difference is zero)	Authorized	Available RPTTF (ROPS 14-15B distributed + all other available as of 01/1/15)	Net Lesser of Authorized / Available	Actual	Difference (If total actual exceeds total authorized, the total difference is zero)	Net Difference (M+R)			
		\$ 3,989,878	\$ 3,989,878	\$ -	\$ -	\$ -	\$ -	\$ 8,630,804	\$ 8,630,804	\$ 8,630,804	\$ 8,630,804	\$ -	\$ 128,289	\$ 128,289	\$ 128,289	\$ 117,194	\$ 11,095	\$ 11,095			
1	2003 Tax Allocation	-	-	-	-	-	-	3,630,804	3,630,804	\$ 3,630,804	3,630,804	\$ -							\$ -		
2	Agreement of	-	-	-	-	-	-	5,000,000	5,000,000	\$ 5,000,000	5,000,000	\$ -							\$ -		
5	Financing Agreement	-	-	-	-	-	-	-	-	\$ -	-	\$ -							\$ -		
9	Administrative Costs of Successor Agency	-	-	-	-	-	-	-	-	\$ -	-	\$ -							\$ -		
11	Property appraisal services	-	-	-	-	-	-	-	-	\$ -	-	\$ -							\$ -		
12	Housing Successor Agency Administrative Costs	-	-	-	-	-	-	-	-	\$ -	-	\$ -							\$ -		
14	Main Street Pavement Reconstruction	3,989,878	3,989,878	-	-	-	-	-	-	\$ -	-	\$ -							\$ -		

Milpitas Recognized Obligation Payment Schedule (ROPS 15-16B) - Notes
January 1, 2016 through June 30, 2016

Item #	Notes/Comments
15	During ROPS 14-15B, the Successor Agency issued 2015 Tax Allocation Bonds to refund 2003 Tax Allocation Refunding Bonds. The bonds were issued solely to reduce the amount of debt service due to low interest rate. No additional bond proceeds were generated for other purposes. There was balance left from the Cost of Issuance which will be transferred to the Redemption account after 6 months to offset the next debt service payment. There is no cash requirement for the Debt Reserve Fund as the 2015 Bonds were secured by a surety bond. Pursuant to Section 5.08 of the Indenture of Trust, the Successor Agency is required to deposit 50% of the annual debt service (principal and interest) with the Trustee every 6 months.