

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

February 25, 2014

City of Morgan Hill Successor Agency
17575 Peak Avenue
Morgan Hill, CA 95037

City of Morgan Hill Oversight Board
17575 Peak Avenue
Morgan Hill, CA 95037

Department of Finance
915 L Street
Sacramento, CA 95814

ROPS Period: **ROPS 14-15A (July 1, 2014 – December 31, 2014)**

Successor Agency: **City of Morgan Hill**

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 Morgan Hill
Notice of No Objection to ROPS 14-15A
February 25, 2014

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,



Irene Lui, C.P.A.
Controller-Treasurer
County of Santa Clara

Attachment: ROPS 14-15A as submitted to the County Auditor-Controller by Successor Agency

Recognized Obligation Payment Schedule (ROPS 14-15A) - Summary

Filed for the July 1, 2014 through December 31, 2014 Period

Name of Successor Agency: Morgan Hill
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):	\$ 24,541,944
B Bond Proceeds Funding (ROPS Detail)	24,490,094
C Reserve Balance Funding (ROPS Detail)	-
D Other Funding (ROPS Detail)	51,850
E Enforceable Obligations Funded with RPTTF Funding (F+G):	\$ 437,402
F Non-Administrative Costs (ROPS Detail)	312,402
G Administrative Costs (ROPS Detail)	125,000
H Current Period Enforceable Obligations (A+E):	\$ 24,979,346
Successor Agency Self-Reported Prior Period Adjustment to Current Period RPTTF Requested Funding	
I Enforceable Obligations funded with RPTTF (E):	437,402
J Less Prior Period Adjustment (Report of Prior Period Adjustments Column S)	(214,218)
K Adjusted Current Period RPTTF Requested Funding (I-J)	\$ 223,184
County Auditor Controller Reported Prior Period Adjustment to Current Period RPTTF Requested Funding	
L Enforceable Obligations funded with RPTTF (E):	437,402
M Less Prior Period Adjustment (Report of Prior Period Adjustments Column AA)	
N Adjusted Current Period RPTTF Requested Funding (L-M)	437,402

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.

Name	Title
/s/	
Signature	Date

Recognized Obligation Payment Schedule (ROPS) 14-15A - ROPS Detail
July 1, 2014 through December 31, 2014
 (Report Amounts in Whole Dollars)

A	B	C	D	E	F	G	H	I	J	K					P	
										M						Six-Month Total
										Funding Source						
										Non-Redevelopment Property Tax Trust Fund (Non-RPTTF)			RPTTF			
Bond Proceeds	Reserve Balance	Other Funds	Non-Admin	Admin												
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	Bond Proceeds	Reserve Balance	Other Funds	Non-Admin	Admin	Six-Month Total	
								\$ 166,218,470		\$ 24,490,094	\$ -	\$ 51,850	\$ 312,402	\$ 125,000	\$ 24,979,346	
3	2008 Tax Allocation Bonds Series A	Bonds Issued On or Before 12/31/10	2/21/2008	9/1/2033	Stone & Youngberg/Stifel	Remarketing fee	Ojo de Agua	-	Y						\$ -	
5	2008 Tax Allocation Bonds Series A & B	Bonds Issued On or Before 12/31/10	2/21/2008	9/1/2033	ScotiaBank	Draw fee	Ojo de Agua	-	Y						\$ -	
6	2008 Tax Allocation Bonds Series A & B	Bonds Issued On or Before 12/31/10	2/21/2008	9/1/2033	Fraser & Associates	Independent financial consultant, per trust indenture	Ojo de Agua	-	Y						\$ -	
7	2008 Tax Allocation Bonds Series A & B	Bonds Issued On or Before 12/31/10	2/21/2008	9/1/2033	Bank of New York Mellon	Trustee bank fee	Ojo de Agua	-	Y						\$ -	
13	CIP Inspections contract	Improvement/Infrastructure	11/1/2010	11/1/2012	CSG Consultants*	Inspection Services (Per Agreement Exhibit D)	Ojo de Agua	-	Y						\$ -	
15	Cip Property acquisition	Improvement/Infrastructure	10/1/2007	6/30/2013	NOSSAMAN LLP	CIP property acquisition (Per Agreement Exhibit D)	Ojo de Agua	-	Y						\$ -	
17	Parking lot lease	Miscellaneous	2/11/2000	2/11/2100	Gayle Richter	Public Parking lot in downtown	Ojo de Agua	300,930	N				17,002		\$ 17,002	
19	SERAF	SERAF/ERAF	2/2/2011	6/30/2016	Morgan Hill Housing Agency	Loan to meet state requirement	Ojo de Agua	1,825,339	N						\$ -	
20	SERAF	SERAF/ERAF	2/17/2010	6/30/2015	Morgan Hill Housing Agency	Loan to meet state requirement	Ojo de Agua	4,311,000	N						\$ -	
21	Excess liability and property pool insurance premiums	Admin Costs	7/1/2014	12/31/2014	ABAG-PLAN Corporation	Excess liability pool insurance premiums	Ojo de Agua	3,118	N					284	\$ 284	
24	Butterfield Blvd- South Construction	Improvement/Infrastructure	4/20/2011	6/30/2015	RGW Construction, Inc.	Construction of Butterfield Blvd	Ojo de Agua	416,063	N	416,063					\$ 416,063	
28	Butterfield Blvd-South Design Services	Improvement/Infrastructure	7/23/2009	12/30/2012	Mark Thomas & Company, Inc*	Consultant-construction of Butterfield Blvd (Per Agreement Exhibit D)	Ojo de Agua		Y							
29	Butterfield Blvd-South Legal Services	Improvement/Infrastructure	7/1/2014	12/31/2014	Jarvis, Fay, Deporto & Gibson	Legal service-construction contracts (Per Agreement Exhibit D)	Ojo de Agua	-	Y						\$ -	
30	Hale Avenue Extension	Improvement/Infrastructure	4/12/2011	3/23/2012	Mark Thomas & Company, Inc*	Consultant-Hale Ave Extension (Santa Teresa)(Per Agreement Exhibit D)	Ojo de Agua	-	Y						\$ -	
33	West Little Llagas Creek	Improvement/Infrastructure	9/30/2010	9/30/2035	SANTA CLARA VALLEY WATER DIST	Cost sharing agreement for flood control	Ojo de Agua	1,019,986	N	1,019,986					\$ 1,019,986	
38	ROPS II Actual CIP Implementation and Delivery (Exhibit C)	Project Management Costs	7/1/2012	12/31/2012	Successor Agency	Project Implementation and Delivery of CIP Enforceable Obligations(Per Agreement Exhibit C)	Ojo de Agua	-	Y						\$ -	
39	Administrative Allowance	Admin Costs	7/1/2014	12/31/2014	Successor Agency	Administrative allowance	Ojo de Agua	113,968	N					113,968	\$ 113,968	
62	ROPS I Butterfield Blvd-property acquisition	Improvement/Infrastructure	1/1/2012	6/30/2012	Gallo	Property acquisition for Butterfield Boulevard Eminent Domain (Per Agreement Pg. 6 Prior Expenditures of Bond Proceeds)	Ojo de Agua	-	Y						\$ -	
63	ROPS I Butterfield Blvd-property acquisition	Improvement/Infrastructure	1/1/2012	6/30/2012	Ray-Will	Property acquisition for Butterfield Boulevard Eminent Domain (Per Agreement Pg. 6 Prior Expenditures of Bond Proceeds)	Ojo de Agua	-	Y						\$ -	
64	ROPS I Butterfield Blvd-property acquisition	Improvement/Infrastructure	1/1/2012	6/30/2012	Royal Oaks	Property acquisition for Butterfield Boulevard Eminent Domain (Per Agreement Pg. 6 Prior Expenditures of Bond Proceeds)	Ojo de Agua	-	Y						\$ -	
65	ROPS I Butterfield Blvd-property acquisition	Improvement/Infrastructure	1/1/2012	6/30/2012	Lieu Quan	Property acquisition for Butterfield Boulevard Eminent Domain (Per Agreement Pg. 6 Prior Expenditures of Bond Proceeds)	Ojo de Agua	-	Y						\$ -	
68	Tennant Ave/Hwy 101 Engineering	Improvement/Infrastructure	12/23/2009	6/30/2011	MARK THOMAS & CO, INC	Engineering Services (Per Agreement Exhibit D)	Ojo de Agua	-	Y						\$ -	
71	Rent	Miscellaneous	3/1/2011	3/1/2024	City of Morgan Hill	Rent	Ojo de Agua	1,683,252	N					10,748	10,748	
74	Costs of issuance (bond refinancing)	Bonds Issued After 12/31/10	1/1/2014	1/1/2039	To be determined	Various consultants in the bond refinance process	Ojo de Agua	-	Y						\$ -	
76	2008 Tax Allocation Bonds Series A & B	Bonds Issued After 12/31/10	1/1/2014	1/1/2039	Fullbright and Jaworski	Litigation counsel for validation lawsuit related to the refinance of the RDA variable rate bonds	Ojo de Agua		Y							

Recognized Obligation Payment Schedule (ROPS) 14-15A - ROPS Detail
July 1, 2014 through December 31, 2014
 (Report Amounts in Whole Dollars)

A	B	C	D	E	F	G	H	I	J	K					P		
										M						N	O
										Non-Redevelopment Property Tax Trust Fund (Non-RPTTF)			RPTTF				
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	Bond Proceeds	Reserve Balance	Other Funds	Non-Admin	Admin	Six-Month Total		
82	ROPS 13-14A Actual and Projected CIP Implementation and Delivery (Exhibit C)	Project Management Costs	7/1/2013	12/31/2013	Successor Agency	Project Implementation and Delivery of CIP Enforceable Obligations(Per Agreement Exhibit C)	Ojo de Agua	-	Y						\$ -		
91	101/Tennant Ave Interchange for CALTRANS	Improvement/Infrastructure	5/21/2013	6/30/2014	Cal Trans	Engineering/Inspection Services for CALTRANS (Per Agreement Exhibit D)	Ojo de Agua	-	Y						\$ -		
92	Butterfield Blvd South	Improvement/Infrastructure	7/27/2011	6/30/2014	Union Pacific Railroad	Construction of a new grade-separated public crossing for Butterfield Boulevard	Ojo de Agua	-	Y						\$ -		
94	Property Taxes	Miscellaneous	7/1/2014	12/31/2014	City of Morgan Hill	Property taxes for property outside of City limits - Butterfield	Ojo de Agua	13,850	N			13,850			\$ 13,850		
95	ROPS I Actual CIP Implementation and Delivery (Exhibit C)	Project Management Costs	5/21/2013	5/21/2013	Successor Agency	Project Implementation and Delivery of CIP Enforceable Obligations(Per Agreement Exhibit C)	Ojo de Agua	-	Y						\$ -		
96	ROPS III Actual CIP Implementation and Delivery (Exhibit C)	Project Management Costs	5/21/2013	5/21/2013	Successor Agency	Project Implementation and Delivery of CIP Enforceable Obligations(Per Agreement Exhibit C)	Ojo de Agua	-	Y						\$ -		
97	Cost/Expenses of the MHEDC (Exhibit B)	Property Maintenance	5/21/2013	5/21/2013	City of Morgan Hill/Successor Agency	Per County/City Agreement: Costs/Expenses incurred by the MHEDC (Per Agreement Exhibit B)	Ojo de Agua	-	Y						\$ -		
99	Investment with Private Development	Miscellaneous	1/1/2014	12/31/2015	Successor Agency	Provide financial assistance with downtown development projects	Ojo de Agua	4,000,000	N	4,000,000					\$ 4,000,000		
100	Option to Purchase Land	Improvement/Infrastructure	1/1/2014	12/31/2015	Successor Agency	Exercise option to purchase land for development of parking garage at the "Booksmart" site	Ojo de Agua	2,000,000	N	2,000,000					\$ 2,000,000		
101	Parking Structure	Improvement/Infrastructure	1/1/2014	12/31/2015	Successor Agency	Construct multi-level parking structure	Ojo de Agua	9,516,300	N	9,516,300					\$ 9,516,300		
102	Passenger Loading Platform	Improvement/Infrastructure	1/1/2014	12/31/2015	Successor Agency	Abandon existing passenger loading platform on East side of tracks. Construct new platform on West side of tracks.	Ojo de Agua	1,500,000	N	750,000					\$ 750,000		
103	Median Extension from Dunne Avenue South	Improvement/Infrastructure	1/1/2014	12/31/2015	Successor Agency	Extend median and underground utilities from Dunne Avenue South	Ojo de Agua	876,275	N	876,275					\$ 876,275		
104	Downtown Parking Lots	Improvement/Infrastructure	1/1/2014	12/31/2015	Successor Agency	Update and renovate city-owned downtown parking lots	Ojo de Agua	919,900	N	919,900					\$ 919,900		
105	Monterey Road Streetscape Improvements	Improvement/Infrastructure	1/1/2014	12/31/2015	Successor Agency	Smaller scale streetscape improvements primarily in the sidewalk areas, which will provide a facelift to the sidewalk/dining areas and provide pedestrian amenities	Ojo de Agua	2,785,900	N	2,785,900					\$ 2,785,900		
106	Downtown Side Street Renovation	Improvement/Infrastructure	1/1/2014	12/31/2015	Successor Agency	Repair roadway, construct new sidewalks, improve lighting, and miscellaneous utility repair for First, Second, Fourth, and Fifth Streets	Ojo de Agua	2,023,900	N	2,023,900					\$ 2,023,900		
108	Record of Survey Map	Improvement/Infrastructure	1/1/2014	6/30/2014	MH Engineering	Record of Survey Map for Butterfield Boulevard South Extension Project	Ojo De Agua	-	Y						\$ -		
109	Economic Analysis LRPMP	Property Dispositions	1/1/2014	6/30/2015	Keyser Marston and Associates	Economic Analysis	Ojo De Agua	50,000	N				50,000		\$ 50,000		
110	Appraisals for LRPMP	Property Dispositions	1/1/2014	6/30/2015	Carnegie Blum Appraisers/Hulberg and Associates	Appraisals for LRPMP	Ojo De Agua	30,000	N				30,000		\$ 30,000		
111	Environmental Reports	Property Dispositions	1/1/2014	6/30/2015	TBD	Phase I/II Environmental Analysis for LRPMP	Ojo de Agua	48,000	N				48,000		\$ 48,000		
112	Relocation Study for LRPMP	Property Dispositions	1/1/2014	6/30/2015	Overland, Pacific, Cutler - Relocation Consultants	Relocation Consultants for LRPMP properties	Ojo De Agua	136,027	N				50,000		\$ 50,000		
113	Survey Services for LRPMP	Property Dispositions	1/1/2014	6/30/2015	TBD	Survey Services for LRPMP	Ojo De Agua	20,000	N				20,000		\$ 20,000		

Recognized Obligation Payment Schedule (ROPS) 14-15A - 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.

A	B	C	D	E	F	G	H	I	
		Fund Sources							
		Bond Proceeds		Reserve Balance		Other	RPTTF		
	Cash Balance Information by ROPS Period	Bonds Issued on or before 12/31/10	Bonds Issued on or after 01/01/11	Prior ROPS period balances and DDR balances retained	Prior ROPS RPTTF distributed as reserve for next bond payment	Rent, Grants, Interest, Etc.	Non-Admin and Admin	Comments	
ROPS 13-14A Actuals (07/01/13 - 12/31/13)									
1	Beginning Available Cash Balance (Actual 07/01/13) Note that for the RPTTF, 1 + 2 should tie to columns J and O in the Report of Prior Period Adjustments (PPAs)						5,142,861		
2	Revenue/Income (Actual 12/31/13) Note that the RPTTF amounts should tie to the ROPS 13-14A distribution from the County Auditor-Controller during June 2013								
3	Expenditures for ROPS 13-14A Enforceable Obligations (Actual 12/31/13) Note that for the RPTTF, 3 + 4 should tie to columns L and Q in the Report of PPAs						4,961,183		
4	Retention of Available Cash Balance (Actual 12/31/13) Note that the RPTTF amount should only include the retention of reserves for debt service approved in ROPS 13-14A						-		
5	ROPS 13-14A RPTTF Prior Period Adjustment Note that the RPTTF amount should tie to column S in the Report of PPAs.	No entry required						214,218	
6	Ending Actual Available Cash Balance C to G = (1 + 2 - 3 - 4), H = (1 + 2 - 3 - 4 - 5)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (32,540)		
ROPS 13-14B Estimate (01/01/14 - 06/30/14)									
7	Beginning Available Cash Balance (Actual 01/01/14) (C, D, E, G = 4 + 6, F = H4 + F4 + F6, and H = 5 + 6)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 181,678		
8	Revenue/Income (Estimate 06/30/14) Note that the RPTTF amounts should tie to the ROPS 13-14B distribution from the County Auditor-Controller during January 2014								
9	Expenditures for 13-14B Enforceable Obligations (Estimate 06/30/14)								
10	Retention of Available Cash Balance (Estimate 06/30/14) Note that the RPTTF amounts may include the retention of reserves for debt service approved in ROPS 13-14B								
11	Ending Estimated Available Cash Balance (7 + 8 - 9 - 10)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 181,678		

