

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 23, 2015

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 15-16A (July 1, 2015 – December 31, 2015)

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 15-16A
February 23, 2015

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 15-16A as submitted to the County Auditor-Controller by Successor Agency

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

Filed for the July 1, 2015 through December 31, 2015 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):	\$ 17,604,763
B Bond Proceeds Funding (ROPS Detail)	17,486,177
C Reserve Balance Funding (ROPS Detail)	-
D Other Funding (ROPS Detail)	118,586
E Enforceable Obligations Funded with RPTTF Funding (F+G):	\$ 682,640
F Non-Administrative Costs (ROPS Detail)	557,640
G Administrative Costs (ROPS Detail)	125,000
H Current Period Enforceable Obligations (A+E):	\$ 18,287,403

Successor Agency Self-Reported Prior Period Adjustment to Current Period RPTTF Requested Funding	
I Enforceable Obligations funded with RPTTF (E):	682,640
J Less Prior Period Adjustment (Report of Prior Period Adjustments Column S)	(235,300)
K Adjusted Current Period RPTTF Requested Funding (I-J)	\$ 447,340

County Auditor Controller Reported Prior Period Adjustment to Current Period RPTTF Requested Funding	
L Enforceable Obligations funded with RPTTF (E):	682,640
M Less Prior Period Adjustment (Report of Prior Period Adjustments Column AA)	-
N Adjusted Current Period RPTTF Requested Funding (L-M)	682,640

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 15-16A) - ROPS Detail
July 1, 2015 through December 31, 2015
 (Report Amounts in Whole Dollars)

A	B	C	D	E	F	G	H	I	J	K					O	P			
										M							N		
										Funding Source								Non-Admin	Admin
										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				
								\$ 149,772,840		\$ 17,486,177	\$ -	\$ 118,586	\$ 557,640	\$ 125,000	\$ 18,287,403				
17	Parking lot lease	Miscellaneous	2/11/2000	2/11/2100	Gayle Richter	Public Parking lot in downtown	Ojo de Agua	266,993	N				17,443		\$ 17,443				
19	SERAF	SERAF/ERAF	2/2/2011	6/30/2016	Morgan Hill Housing Agency	Loan to meet state requirement	Ojo de Agua	1,825,399	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						\$ -				
39	Administrative Allowance	Admin Costs	7/1/2015	12/31/2015	Successor Agency	Administrative allowance	Ojo de Agua	125,000	N					125,000	\$ 125,000				
94	Property Taxes	Miscellaneous	1/1/2015	6/30/2015	City of Morgan Hill	Property taxes for property outside of City limits - Butterfield	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	3,073,133	N	3,073,133					\$ 3,073,133				
101	Parking Structure	Improvement/Infrastructure	1/1/2014	12/31/2015	Successor Agency	Construct multi-level parking structure	Ojo de Agua	6,400,048	N	6,400,048					\$ 6,400,048				
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	20,301	N	20,301					\$ 20,301				
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	2,153,791	N	2,153,791					\$ 2,153,791				
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 Downtown side streets	Ojo de Agua	2,200,000	N	2,200,000					\$ 2,200,000				
109	Economic Analysis LRPMP	Property Dispositions	1/1/2014	12/31/2014	Keyser Marston and Associates	Economic Analysis	Ojo De Agua	48,000	N			37,058	10,942		\$ 48,000				
110	Appraisals for LRPMP	Property Dispositions	1/1/2014	3/31/2015	Carnegie Blum Appraisers/Hulberg and Associates	Appraisals for LRPMP	Ojo De Agua	20,000	N			20,000			\$ 20,000				
111	Environmental Reports	Property Dispositions	1/1/2014	12/31/2015	TBD	Phase I/II Environmental Analysis for LRPMP	Ojo de Agua	20,000	N				20,000		\$ 20,000				
113	Survey Services for LRPMP	Property Dispositions	1/1/2014	12/31/2015	TBD	Survey Services for LRPMP	Ojo De Agua	30,000	N				30,000		\$ 30,000				
114	Title Services for LRPMP	Property Dispositions	1/1/2014	12/31/2015	TBD	Title Services for LRPMP	Ojo De Agua	40,000	N				40,000		\$ 40,000				
116	Refunding Revenue Bonds, Series 2013A & B	Bonds Issued After 12/31/10	12/31/2013	9/1/2033	Bank of New York Mellon	Principal payments	Ojo de Agua	81,560,000	N						\$ -				
117	Refunding Revenue Bonds, Series 2013A & B	Bonds Issued After 12/31/10	12/31/2013	9/1/2033	Bank of New York Mellon	Interest payments	Ojo de Agua	43,243,422	N						\$ -				
129	Tenant Lease Restructuring/Eviction Counsel	Property Dispositions	1/1/2015	12/31/2015	TBD	Outside counsel for tenant lease restructuring	Ojo de Agua	50,000	N				50,000		\$ 50,000				
130	Successor agency owned property management expenses	Property Maintenance	1/1/2015	12/31/2015	Smith Commercial Property Management	Successor agency owned property management expenses	Ojo de Agua	61,528	N			61,528			\$ 61,528				
132	Legal services for LRPMP	Legal	10/24/2014	12/31/2015	Burke, Williams Sorensen, LLP	Legal services for LRPMP	Ojo de Agua	85,000	N	60,000			25,000		\$ 85,000				
134	Refunding Revenue Bonds, Series 2013A & B	Fees	10/28/2014	6/30/2017	Fraser & Associates	Independent financial consultant, per trust indenture	Ojo de Agua	46,712	N				4,000		\$ 4,000				
135	Refunding Revenue Bonds, Series 2013A & B	Fees	12/4/2013	9/1/2033	Bank of New York Mellon	Trustee bank fee	Ojo de Agua	31,200	N						\$ -				
138	Refunding Revenue Bonds, Series 2013A & B	Fees	12/4/2014	12/4/2015	Standard & Poor's	Bond rating surveillance fee	Ojo de Agua	95,000	N				5,000		\$ 5,000				
139	Refunding Revenue Bonds, Series 2013A & B	Fees	12/4/2014	12/4/2015	Fitch Ratings	Bond rating surveillance fee	Ojo de Agua	95,000	N				5,000		\$ 5,000				
140	Refunding Revenue Bonds, Series 2013A & B	Fees	12/6/2012	9/1/2033	Fulbright and Jaworski	Bond counsel	Ojo de Agua	62,153	N				20,000		\$ 20,000				
143	Relocation for Opportunity Sites	Property Dispositions	1/1/2015	6/30/2015	Overland, Pacific, and Cutler, Inc. and Opportunity Site Tenants	Relocation for Opportunity Sites	Ojo de Agua		N						\$ -				

Recognized Obligation Payment Schedule (ROPS 15-16A) - ROPS Detail
July 1, 2015 through December 31, 2015
 (Report Amounts in Whole Dollars)

A	B	C	D	E	F	G	H	I	J	K					P
										M			N	O	
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	
144	Business Journal Marketing	Property Dispositions	1/1/2015	6/30/2015	Silicon Valley Business Journal	Marketing services for LRPMP opportunity sites	Ojo de Agua	-	N						\$ -
145	3rd Street Legal Services	Professional Services	4/1/2013	6/30/2015	Jarvis, Fay, Doporto & Gibson	Legal services for 3rd street	Ojo de Agua		Y						\$ -
146	Real Estate Signage	Property Dispositions	1/1/2015	6/30/2015	Chaparral Signs & Auto Graphics	Real estate signage for opportunity site - North of El Capri	Ojo de Agua	2,000	N				2,000		\$ 2,000
147	Urban Design Services	Property Dispositions	1/1/2015	6/30/2015	Field Paoli Architects	Design Concept Review	Ojo de Agua	-	N						\$ -
148	Burrowing Owl Distribution	Miscellaneous	1/1/2015	6/30/2015	Santa Clara County Habitat Agency	Burrowing Owl mitigation obligation	Ojo de Agua	-	Y						\$ -
149	2012 Delinquent Property Taxes - Butterfield Boulevard Properties	Miscellaneous	1/1/2015	6/30/2015	County of Santa Clara, Tax Collector's Office	Delinquent property taxes for Butterfield Boulevard properties	Ojo de Agua	-	Y						\$ -
150	Relocation for "Booksmart" Site	Property Dispositions	7/1/2015	12/31/2015	Overland, Pacific, and Cutler, Inc. and "Booksmart" Site Tenants	Relocation for "Booksmart" Site	Ojo de Agua	1,000,000	N	1,000,000					\$ 1,000,000
151	Urban Design Services	Property Dispositions	2/4/2015	12/23/2015	Urban Field Studio	Design Concept Review	Ojo de Agua	24,000	N	24,000					\$ 24,000
152	ROPS II Actual CIP Implementation and Delivery (Exhibit C)	Project Management Costs	7/1/2012	12/31/2012	Successor Agency	This is item #38 for 14-15B Prior Period Adjustments (PPA)	Ojo de Agua	368,765	N	348,332			20,432		\$ 368,764
153	ROPS I Butterfield Blvd-property acquisition	Improvement/Infrastructure	1/1/2012	6/30/2012	Gallo	This is item #62 for 14-15B Prior Period Adjustments (PPA)	Ojo de Agua	64,395	N	64,395					\$ 64,395
154	ROPS I Butterfield Blvd-property acquisition	Improvement/Infrastructure	1/1/2012	6/30/2012	Ray-Will	This is item #63 for 14-15B Prior Period Adjustments (PPA)	Ojo de Agua	1,011,463	N	1,011,463					\$ 1,011,463
155	ROPS I Butterfield Blvd-property acquisition	Improvement/Infrastructure	1/1/2012	6/30/2012	Royal Oaks	This is item #64 for 14-15B Prior Period Adjustments (PPA)	Ojo de Agua	31,000	N	31,000					\$ 31,000
156	ROPS I Butterfield Blvd-property acquisition	Improvement/Infrastructure	1/1/2012	6/30/2012	Lieu Quan	This is item #65 for 14-15B Prior Period Adjustments (PPA)	Ojo de Agua	49,835	N	49,835					\$ 49,835
157	Tennant Ave/Hwy 101 Engineering	Improvement/Infrastructure	12/23/2009	6/30/2011	MARK THOMAS & CO, INC	This is item #68 for 14-15B Prior Period Adjustments (PPA)	Ojo de Agua	83,721	N	83,721					\$ 83,721
158	ROPS 13-14A Actual and Projected CIP Implementation and Delivery (Exhibit C)	Project Management Costs	7/1/2013	12/31/2013	Successor Agency	This is item #82 for 14-15B Prior Period Adjustments (PPA)	Ojo de Agua	230,745	N	230,745					\$ 230,745
159	ROPS I Actual CIP Implementation and Delivery (Exhibit C)	Project Management Costs	5/21/2013	5/21/2013	Successor Agency	This is item #95 for 14-15B Prior Period Adjustments (PPA)	Ojo de Agua	417,915	N	332,528			85,387		\$ 417,915
160	ROPS III Actual CIP Implementation and Delivery (Exhibit C)	Project Management Costs	5/21/2013	5/21/2013	Successor Agency	This is item #96 for 14-15B Prior Period Adjustments (PPA)	Ojo de Agua	402,885	N	402,885					\$ 402,885
161	Cost/Expenses of the MHEDC (Exhibit B)	Property Maintenance	5/21/2013	5/21/2013	City of Morgan Hill/Successor Agency	This is item #97 for 14-15B Prior Period Adjustments (PPA)	Ojo de Agua	206,135	N				206,135		\$ 206,135
162	ROPS I Actual CIP Implementation and Delivery	Project Management Costs	1/1/2012	6/30/2012	Successor Agency	This is item #123 for 14-15B Prior Period Adjustments (PPA)	Ojo de Agua	16,301	N				16,301		\$ 16,301

Recognized Obligation Payment Schedule (ROPS 15-16A) - Report of Cash Balances

(Report Amounts in Whole Dollars)

Pursuant to Health and Safety Code section 34177 (I), 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 https://rad.dof.ca.gov/rad-sa/pdf/Cash_Balance_Agency_Tips_Sheet.pdf.

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 RPTTF balances retained	Prior ROPS RPTTF distributed as reserve for future period(s)	Rent, Grants, Interest, Etc.	Non-Admin and Admin	Comments	
ROPS 14-15A Actuals (07/01/14 - 12/31/14)									
1	Beginning Available Cash Balance (Actual 07/01/14)	29,038,367							
2	Revenue/Income (Actual 12/31/14) RPTTF amounts should tie to the ROPS 14-15A distribution from the County Auditor-Controller during June 2014	26,942				2,262,155			
3	Expenditures for ROPS 14-15A Enforceable Obligations (Actual 12/31/14) RPTTF amounts, H3 plus H4 should equal total reported actual expenditures in the Report of PPA, Columns L and Q	1,969,553				2,970,169	660,772		
4	Retention of Available Cash Balance (Actual 12/31/14) RPTTF amount retained should only include the amounts distributed as reserve for future period(s)	6,937,068							
5	ROPS 14-15A RPTTF Prior Period Adjustment RPTTF amount should tie to the self-reported ROPS 14-15A PPA in the Report of PPA, Column S	No entry required						235,300	
6	Ending Actual Available Cash Balance C to G = (1 + 2 - 3 - 4), H = (1 + 2 - 3 - 4 - 5)	\$ 20,158,688	\$ -	\$ -	\$ -	\$ (708,014)	\$ (896,072)		
ROPS 14-15B Estimate (01/01/15 - 06/30/15)									
7	Beginning Available Cash Balance (Actual 01/01/15) (C, D, E, G = 4 + 6, F = H4 + F4 + F6, and H = 5 + 6)	\$ 27,095,756	\$ -	\$ -	\$ -	\$ (708,014)	\$ (660,772)		
8	Revenue/Income (Estimate 06/30/15) RPTTF amounts should tie to the ROPS 14-15B distribution from the County Auditor-Controller during January 2015	27,000							
9	Expenditures for ROPS 14-15B Enforceable Obligations (Estimate 06/30/15)								
10	Retention of Available Cash Balance (Estimate 06/30/15) RPTTF amount retained should only include the amounts distributed as reserve for future period(s)	6,937,068							
11	Ending Estimated Available Cash Balance (7 + 8 - 9 - 10)	\$ 20,185,688	\$ -	\$ -	\$ -	\$ (708,014)	\$ (660,772)		

Recognized Obligation Payment Schedule (ROPS 15-16A) - Notes

July 1, 2015 through December 30, 2015

Item #	Notes/Comments
39	Administrative budget will follow.
94	Retired. Property taxes for the Butterfield property outside of City limits is to be paid out of other funding source.
109	Contract term for Keyser Marston and Associates being extended through December 31, 2015. Additional \$20,000 is anticipated to be added to the contract.
110	Contract is anticipated in the ROPS 15-16A reporting period for contract period through December 31, 2015.
113	Survey services for Long Range Property Management Plan (LRPMP) for Site 1 and Site 4.
129	This is for tenant lease and eviction services using outside counsel. Contract to extend term and amounts will be presented through the City Council process when services are needed.
132	Council approved contract amount of \$60,000 using Bond Proceed on February 18, 2015. Additional \$25,000 to be added to the balance in the existing Purchase Order in the Non-Admin RPTTF funding will be requested through the City Council process.
144	No anticipated costs in the ROPS 15-16A period, but there may be costs in the future ROPS cycle.
146	Real estate signage for opportunity site for Site 1 and a residential duplex.
147	This is private development assistance for Site 1 and Site 4. Field Paoli Architects is no longer the contractor. Urban Field Studio is the new contractor and this item is reflected as item 151.
150	The Project Name / Debt Obligation is changed from Relocation for "Booksmart" Site to Relocation for "Booksmart" Site/Economic Incentive Program, per the Successor Agency and City Council at the February 18, 2015 Council Meeting.
151	This is item 147. The item is listed as a new item due to change in Contractor/Payee from Field Paoli Architects to Urban Field Studio. It is for Private Development Assistance for Site 1 and Site 4. There is a contract, executed on February 4, 2015, in the amount of \$24,000 with Contract/Agreement Termination Date of December 23, 2015.
152	This is item #38 from ROPS 13-14B and ROPS 14-15B PPA, approved by the City, County, and Oversight Board per the Settlement Agreement. The item was added to the ROPS 14-15B PPA for ROPS 13-14B prior to submittal without the "Actual", which is the same as approved, included. (\$368,765)
153	This is item #62 from ROPS 13-14B and ROPS 14-15B PPA, approved by the City, County, and Oversight Board per the Settlement Agreement. The item was added to the ROPS 14-15B PPA for ROPS 13-14B prior to submittal without the "Actual", which is the same as approved, included. (\$64,395)
154	This is item #63 from ROPS 13-14B and ROPS 14-15B PPA, approved by the City, County, and Oversight Board per the Settlement Agreement. The item was added to the ROPS 14-15B PPA for ROPS 13-14B prior to submittal without the "Actual", which is the same as approved, included. (\$1,011,463)
155	This is item #64 from ROPS 13-14B and ROPS 14-15B PPA, approved by the City, County, and Oversight Board per the Settlement Agreement. The item was added to the ROPS 14-15B PPA for ROPS 13-14B prior to submittal without the "Actual", which is the same as approved, included. (\$31,000)
156	This is item #65 from ROPS 13-14B and ROPS 14-15B PPA, approved by the City, County, and Oversight Board per the Settlement Agreement. The item was added to the ROPS 14-15 PPA for ROPS 13-14B prior to submittal without the "Actual", which is the same as approved, included. (\$49,835)
157	This is item #68 from ROPS 13-14B and ROPS 14-15B PPA, approved by the City, County, and Oversight Board per the Settlement Agreement. The item was added to the ROPS 14-15B PPA for ROPS 13-14B prior to submittal without the "Actual", which is the same as approved, included. (\$83,721)
158	This is item #82 from ROPS 13-14B and ROPS 14-15B PPA, approved by the City, County, and Oversight Board per the Settlement Agreement. The item was added to the ROPS 14-15 PPA for ROPS 13-14B prior to submittal without the "Actual", which is the same as approved, included. (\$230,745)
159	This is item #95 from ROPS 13-14B and ROPS 14-15 PPA, approved by the City, County, and Oversight Board per the Settlement Agreement. The item was added to the ROPS 14-15B PPA for ROPS 13-14B prior to submittal without the "Actual", which is the same as approved, included. (\$417,915)
160	This is item #96 from ROPS 13-14B and ROPS 14-15B PPA, approved by the City, County, and Oversight Board per the Settlement Agreement. The item was added to the ROPS 14-15 PPA for ROPS 13-14B prior to submittal without the "Actual", which is the same as approved, included. (\$402,885)
161	This is item #97 from ROPS 13-14B and ROPS 14-15B PPA, approved by the City, County, and Oversight Board per the Settlement Agreement. The item was added to the ROPS 14-15B PPA for ROPS 13-14B prior to submittal without the "Actual", which is the same as approved, included. (\$206,135)
162	This is item #123 from ROPS 13-14B and ROPS 14-15B PPA, approved by the City, County, and Oversight Board per the Settlement Agreement. The item was added to the ROPS 14-15B PPA for ROPS 13-14B prior to submittal without the "Actual", which is the same as approved, included. (\$16,301)