

ADMINISTRATIVE SERVICES AGREEMENT

This Administrative Services Agreement (“Agreement”) is made and entered this 16th day of April, 2013 by and between the CITY OF SHAFTER, a municipal corporation (“City”) and the SUCCESSOR AGENCY TO THE DISSOLVED SHAFTER COMMUNITY DEVELOPMENT AGENCY, a public body, acting under the authority of Part 1.85 of the California Health and Safety Code (“Successor Agency”).

RECITALS

- A. The City Council of the City of Shafter acting pursuant to the provisions of Part 1.85 of the Health and Safety Code (Part 1.85), is the Successor Agency within the meaning of Part 1.85. Any capitalized terms that are not specifically defined in this Agreement shall have the same meaning as set forth in Part 1.85.
- B. Pursuant to Health and Safety Code Section 34173(g), the Successor Agency is now a separate legal entity from the City.
- C. In accordance with Section 34171 of Part 1.85, the Successor Agency is entitled to an Administrative Cost Allowance that is payable from property tax revenues allocated to the Redevelopment Obligation Retirement Fund (RORF) by the County Auditor-Controller.
- D. In order to ensure the effective implementation of Part 1.85, and in accordance with Section 34177.3(b) of the Health and Safety Code, City and Successor Agency desire to enter into this Agreement to allow the Successor Agency’s utilization of City staff, facilities, and administrative resources (collectively, “City Services”) to conduct the work of winding down the Successor Agency, in consideration for the Successor Agency’s timely payment to City of the Administrative Cost Allowance.
- E. The Successor Agency’s payment for City Services shall not include the City’s project management or City staff costs associated with specified Enforceable Obligations listed on either the Enforceable Obligation Payment Schedule or Recognized Obligation Payment Schedule (collectively, “Project Costs”), which shall be charged separately to the Successor Agency and reimbursed separately by the Successor Agency from the property taxes deposited in the RORF.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants and promises hereinafter contained, City and Successor Agency agree as follows:

Section 1. Access to City Services. Effective February 1, 2012, the Successor Agency shall be authorized to use any City Services to implement the Successor Agency’s duties under Part 1.85 in accordance with Section 2 below.

Section 2. Payment for City Services. In consideration for the City providing City Services to Successor Agency, Successor Agency shall pay to the City the full amount of the Administrative Cost Allowance allocated to the Successor Agency on each approved Recognized

Obligation Payment Schedule for that time period under Part 1.85. The Administrative Cost Allowance shall be paid to the City no later than ten (10) business days from the deposit of property taxes into the RORF by the County Auditor-Controller. City's receipt of each installment of the Administrative Cost Allowance shall be the sole source and full consideration for City Services.

Section 3. Project Costs. Project Costs shall be charged separately to the Successor Agency and reimbursed separately by the Successor Agency from the property tax deposited into the RORF.

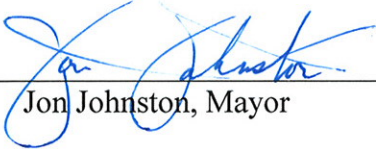
Section 4. City Advances to Successor Agency to Pay Enforceable Obligations. Because of timing issues created by AB 1x 26 and AB 1484, and in order to avoid defaulting on any bond covenants or other agreements, the City may choose to at their sole discretion, but is in no way obligated to, advance funds to the Successor Agency at any time to pay enforceable obligations. Any such advance payment shall be placed as an Enforceable Obligation on the next Recognized Payment Obligation Schedule (ROPS) prepared by the Successor Agency and repaid to the City no later than then (10) business days from the deposit of property taxes into the RORF for that ROPS by the County Auditor-Controller. Amounts advanced under this section shall accrue interest at a rate equal to the average rate earned on the overall City investment portfolio each fiscal year, compounded annually.

Section 5. Notice of Default. If either party defaults with regard to the provisions of this Agreement, the non-defaulting party shall serve written notice of such default upon the defaulting party. If the default is not cured by the defaulting party within ninety (90) days after service of the notice of default, or if the default is not commenced to be cured within thirty (30) days after service of the notice of default and is not cured promptly within a reasonable period of time after commencement, the defaulting party shall be liable to the other party in accordance with applicable law; provided, however, that nothing herein shall obligate the City to make any payments or transfer of any assets from the City's General Fund, except in the form of City Services provided to the Successor Agency, and nothing herein shall obligate the Successor Agency to make any payments or transfer of assets from any source other than the RORF.


IN WITNESS THEREOF, the parties have executed this Agreement as of the date first above written.

CITY OF SHAFTER

SUCCESSOR AGENCY TO THE
DISSOLVED SHAFTER COMMUNITY
DEVELOPMENT AGENCY


By: 

Jon Johnston, Mayor

By: 


Jon Johnston, Chairperson,

ATTEST:



Christine Wilson, City Clerk

ATTEST:



Christine Wilson, Secretary