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August 19, 2013

Mr. Gary Ameling, Director of Finance City of Santa Clara Successor Agency 1500 Warburton Avenue Santa Clara, CA 95050

Dear Mr. Ameling:

Subject: Approval of Oversight Board Action

The City of Santa Clara Successor Agency (Agency) notified the California Department of Finance (Finance) of its August 1, 2013 oversight board (OB) resolution on August 6, 2013. Pursuant to Health and Safety Code (HSC) section 34179 (h), Finance has completed its review of the OB action.

Based on our review and application of the law, OB Resolution 2013-05, related to the Agency making findings, determinations, and proposed renegotiation efforts regarding the Stadium Agreements between the Agency and the Santa Clara Stadium Authority is approved. Specifics of the OB action include:

- All preconditions for payment to Forty Niners Staduim, LLC under the Cooperation Agreement have been met.
- Approximately \$30.2 million has been incurred by Forty Niners Stadium, LLC pursuant to the Predevelopment Funding Agreement.
- The Superior Court's modified court order of May 2013 indicates the Stadium Authority Agreements are enforceable obligations and as a result, the Agency will place the Stadium Authority obligations on ROPS 13-14B.
- Renegotiation of the Stadium Agreements is in the best interest of the taxing entities.
- An IRS ruling will be requested to determine whether the use of 2011 bond proceeds for obligations such as the Stadium Agreements is allowable.

This is our determination with respect to the OB action taken.

Please direct inquiries to Wendy Griffe, Supervisor, or Jenny DeAngelis, Lead Analyst at (916) 445-1546.

Sincerely,

STEVE SZALAY

Local Government Consultant

cc: on the following page

Mr. Gary Ameling August 19, 2013 Page 2

Ms. Tamera Haas, Assistant Director of Finance, City of Santa Clara Ms. Irene Lui, Controller Treasurer, County of Santa Clara California State Controller's Office cc: