

**The Oversight Board of the Successor Agency
to the Paradise Redevelopment Agency
Meeting Minutes**

4:00 PM – June 14, 2012 – Special Meeting

1. OPENING

The Special Meeting of the Oversight Board of the Successor Agency of the Paradise Redevelopment Agency was called to order by Board Chair Culleton at 4:00 p.m. in the Town Council Chambers located at 5555 Skyway, Paradise, California. Chair Culleton led the Pledge of Allegiance to the Flag of the United States of America

Board Members Present:

Steve “Woody” Culleton, Town of Paradise Mayor
Lauren Gill, Town of Paradise, Assistant Town Manager
Al McGreehan, Paradise Recreation & Parks District Board Member
Trevor Stewart, California Community College Chancellor’s Office Director of
Business Services, Butte-Glenn Community College District,
Kim Yamaguchi, Butte County Board of Supervisors District 5 Member

Board Members Absent:

Kevin Bultema, Assistant Superintendent, Butte County Office of Education
George Siler, Butte County Member of the Public

2. PUBLIC COMMUNICATION – None.

3. ITEMS FOR CONSENT CALENDAR – None.

4. ITEMS FOR CONSIDERATION - ACTION CALENDAR

Town of Paradise Attorney Dwight Moore explained that on June 7, 2012 the Town of Paradise and the Successor Agency to the Redevelopment Agency approved, by resolution, re-entering into three (3) loan agreements. The terms of the agreements would remain the same with the two entities reentering into the agreements based on statute authority of the Health and Safety Code of the State of California 34178, upon approval of the Oversight Board.

Board Members asked if the interest rates on the loans could be negotiated to a lower interest rate more in compliance with today’s low interest rates; if there is any documentation from the Department of Finance authorizing the re-entering into loans with Oversight Board approval, if there was any decision about the Oversight Board having outside Legal Counsel so that they could receive an unbiased legal opinion, if the March 27, 2007 loan was almost paid off and where the property tax money was being distributed.

Finance Director Will stated that there are no similar loans in existence for comparison, and that current lease agreements are paying approximately 5% interest.

Attorney Moore stated that in order to renegotiate the loans, the Town of Paradise and the Successor Agency would have to first re-approve the loans and that the current request is to receive Oversight Board approval to re-enter into previously approved loans for re-submission to the Department of Finance.

Attorney Moore further stated that relating to this request the law was created by the legislature and the Department of Finance has to follow the State statute; and, that the Legal Counsel issue will be on the agenda for the next regular Oversight Board on June 21, 2012.

Finance Director Will stated that the March 27, 2007 was not paid off because the Successor Agency has not had the ability to make the final payment and that tax increments became part of the Redevelopment Agency trust that the county is holding and they only release the amount needed for approved debt service payments and property taxes will continue to flow into the trust to pay future obligations.

MOTION by McGreehan, seconded by Gill, adopted Resolution No. 12-01 approving the Town of Paradise and the Successor Agency of the Paradise Redevelopment Agency re-entering into the following three (3) loan agreements:

1. A five (5) year interest bearing loan at 4.5% interest from the Town of Paradise in the amount of \$479,613 to cover Agency non-housing administrative and program costs through June 2011. Original Agreement dated March 1, 2011.

2. A five (5) year interest bearing loan at 4.5% interest from the Town of Paradise in the amount of \$657,595 to cover Agency non-housing administrative and program costs through June 2009. Original Agreement dated March 9, 2010.

3. A five (5) year repayable loan at 4.5% interest from the Town of Paradise in the amount of \$198,712 to cover Agency non-housing administrative and program costs through September 2006. Original Agreement dated March 27, 2007.

Ayes of Gill, McGreehan, Yamaguchi and Chair Culleton; **noes** of Stewart; Bultema and Siler were absent and not voting.

5. CLOSED SESSION – None

6. ADJOURNMENT

Chairman Culleton adjourned the Oversight Board meeting at 4:25 pm.

APPROVED: June 21, 2012

Steve "Woody" Culleton, Chair

Dina A. Volenski, Assistant Town Clerk