

**BRISBANE OVERSIGHT BOARD**

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April 16, 2012

Ana Matosantos, Director  
Chris Hill  
Department of Finance  
915 L Street  
Sacramento, CA 95814

Via Email:  
email [reddevelopment\\_administration@dof.ca.gov](mailto:reddevelopment_administration@dof.ca.gov)

John Chiang, Controller  
Jones Kasonso  
California State Controller's Office  
P.O. Box 942850  
Sacramento, CA 94250

Tom Huening, Controller  
Controller's Office  
County of San Mateo  
333 County Center, 4<sup>th</sup> Floor  
Redwood City, CA 94063

Subject: Notice of Oversight Board Approval of the Recognized Obligation Payment Schedule (ROPS) for the period covering January through June, 2012

To Whom it may Concern:

This letter serves as the formal notification that the Brisbane Oversight Board of the Successor Agency for the Redevelopment Agency of the City of Brisbane, at a public meeting held on April 16, 2012 approved the attached Recognized Obligation Payment Schedule covering the period of January through June, 2012.

Also attached is a letter from Quint & Thimmig describing the nature of line item two on the ROPS dealing with the 2001 Tax Allocation Bonds.

Please direct any questions to Administrative Services Director Stuart Schillinger at 415-508-2151 or at [schillinger@ci.brisbane.ca.us](mailto:schillinger@ci.brisbane.ca.us).

Sincerely,

  
Sheri Marie Spediacci  
Clerk to the Brisbane Oversight Board

Recognized Obligation Payment Schedule

4/15/2012

Project Name / Debt Obligation	Payer	Description	Total Outstanding Debt or Obligation	Total Due During Fiscal Year	Funding Source	January	February	March	April	May	June	Total
<b>Project Area #1</b>												
1 2001 Tax Allocation Bond	Brisbane Financing Authority	Non-housing projects	28,090,600.00	2,703,400.00	B							\$ 1,144,900.00
2 Completion of 2001 Marina Refinancing	City of Brisbane	Development of Marina	2,629,062.37		B							-
3 2001 Tax Allocation Bond	Bank of New York	Trustee Costs for processing bond issue	3,821.00	3,821.00	B				3,821.00			3,821.00
4 2001 Tax Allocation Bond	NBS Government Finance	Continuing Disclosure Costs		2,447.72	B							39,940.51
5 General County Tax	San Mateo County	pass-through payments under H&S Code section 33607.7	39,940.51	39,940.51	B							48,526.35
6 City of Brisbane	City of Brisbane	pass-through payments under H&S Code section 33607.8	48,526.35	48,526.35	B							5,822.21
7 Free Library	San Mateo County	pass-through payments under H&S Code section 33607.7	5,822.21	5,822.21	B							1,696.47
8 Bayshore Elementary General Purpose	Bayshore Elementary School District	pass-through payments under H&S Code section 33607.7	1,696.47	1,696.47	B							30,493.59
9 Brisbane Elementary General Purpose	Brisbane Elementary School District	pass-through payments under H&S Code section 33607.7	30,493.59	30,493.59	B							41,324.53
10 Jefferson High General Purpose	Jefferson Union High School District	pass-through payments under H&S Code section 33607.7	41,324.53	41,324.53	B							11,428.52
11 SM Jr. College General Purpose	San Mateo Junior College District	pass-through payments under H&S Code section 33607.7	11,428.52	11,428.52	B							259.43
12 Bayshore Sanitary District	Bayshore Sanitary District	pass-through payments under H&S Code section 33607.7	259.43	259.43	B							352.16
13 Bay Area Air Quality Management	Bay Area Air Quality Management	pass-through payments under H&S Code section 33607.7	352.16	352.16	B							594.07
14 County Harbour District	San Mateo County Harbour District	pass-through payments under H&S Code section 33607.7	594.07	594.07	B							5,947.54
15 County Education Tax	San Mateo County	pass-through payments under H&S Code section 33607.7	5,947.54	5,947.54	B							-
16 Due to Housing Fund	City of Brisbane (housing successor agency)	Deferred Housing Set-Aside	4,693,935.66		B							5,104.82
17 Community College Lawsuit	Goldfarb and Lugman	Attorney Fees	21,097.02	21,097.02	B							-
<b>Project Area #2</b>												
18 2005 Lease Revenue Bond	Brisbane Financing Authority	Non-housing projects	1,513,471.00	237,904.73	B							156,249.88
19 2005 Lease Revenue Bond	Bank of New York	Trustee Costs for processing bond issue	2,500.00	2,500.00	B							2,500.00
20 1998 Tax Allocation Bond	Bank of New York	Housing projects	1,919,634.00	200,018.75	D							34,590.00
21 1998 Tax Allocation Bond	Bank of New York	Trustee Costs for processing bond issue	766.00	2,120.00	D							-
22 Maintenance of Housing Fund Property	Davey Tree	Removal of a hazardous tree at 105 Visitation	1,394,401.11	766.00	D				766.00			766.00
23 RDA 2 Revenue Shortfall	City of Brisbane	Housing Fund Payments		0.00	B							0.00
24 General County Tax	San Mateo County	pass-through payments under H&S Code section 33607.7	0.00	0.00	B							8,724.02
25 City of Brisbane	City of Brisbane	pass-through payments under H&S Code section 33607.8	8,724.02	8,724.02	B							0.00
26 Free Library	San Mateo County	pass-through payments under H&S Code section 33607.7	0.00	0.00	B							0.00
27 Grandalope Muni Imp District	City of Brisbane	pass-through payments under H&S Code section 33607.8	0.00	0.00	B							11,613.97
28 Bayshore Elementary General Purpose	Bayshore Elementary School District	pass-through payments under H&S Code section 33607.7	11,613.97	11,613.97	B							432.65
29 Brisbane Elementary General Purpose	Brisbane Elementary School District	pass-through payments under H&S Code section 33607.7	432.65	432.65	B							10,134.27
30 Jefferson High General Purpose	Jefferson Union High School District	pass-through payments under H&S Code section 33607.7	10,134.27	10,134.27	B							2,827.50
31 SM Jr. College General Purpose	San Mateo Junior College District	pass-through payments under H&S Code section 33607.7	2,827.50	2,827.50	B							87.77
32 Bayshore Sanitary District	Bayshore Sanitary District	pass-through payments under H&S Code section 33607.7	1,854.54	1,854.54	B							148.09
33 Bay Area Air Quality Management	Bay Area Air Quality Management	pass-through payments under H&S Code section 33607.7	87.77	87.77	B							1,482.45
34 County Harbour District	San Mateo County Harbour District	pass-through payments under H&S Code section 33607.7	148.09	148.09	B							105,894.92
35 County Education Tax	San Mateo County	pass-through payments under H&S Code section 33607.7	1,482.45	1,482.45	B							-
36 Waives 100% County Portion	San Mateo County	pass-through payments under H&S Code section 33607.7	105,894.92	105,894.92	B							-
<b>Agency Wide</b>												
37 City of Brisbane	Payroll and Benefits for employees		41,717.00	318,301.48	B							250,000.00
38 Annual Administrative Costs	City of Brisbane	Administration of Successor Agency	250,000.00	250,000.00	C							47,586.82
<b>Totals - This Page</b>			\$ 41,690,579.74	\$ 4,071,351.26		\$ 47,586.82	\$ 50,000.00	\$ 84,590.00	\$ 251,570.68	\$ 1,524,475.56	\$ 50,000.00	\$ 2,008,223.06

This is the FY 11/12 total amount due and includes amounts paid in July-December 2011

Source of Payment	
A) Redevelopment Property Tax Trust fund	
B) Reserve Balance	
C) Administrative cost allowance	
D) Low and Moderate Income Housing Reserves	

# Quint & Thimmig LLP

Attorneys at Law

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April 11, 2012

Mr. Stuart Schillinger  
Administrative Services Director  
City of Brisbane  
50 Park Place  
Brisbane, CA 94005

Re: \$26,300,000 Brisbane Public Financing Authority 2001 Revenue Bonds, Series A (Brisbane Community Redevelopment Project Area Number One)

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Dear Stuart:

In 2001, the Brisbane Public Financing Authority (the "Authority") issued its \$26,300,000 Brisbane Public Financing Authority 2001 Revenue Bonds, Series A (Brisbane Community Redevelopment Project Area Number One) (the "2001 Authority Bonds") to provide funds to acquire the Redevelopment Agency of the City of Brisbane Agency's (the "Agency") Brisbane Community Redevelopment Project Area Number One 2001 Tax Allocation Bonds (the "2001 Agency Bonds"). The proceeds of the 2001 Agency Bonds were used to refinance certain redevelopment activities with respect to the Brisbane Community Redevelopment Project Area Number One of the Agency by satisfying certain outstanding obligations of the Agency and refunding certain outstanding bonds of the Agency issued in 1984 (the "1984 Bonds").

Concurrent with the authorization for the issuance of the 1984 Bonds, a lease and leaseback agreement by and among the Agency, the City of Brisbane, as trustee of the public trust in the tide and submerged lands of the Brisbane Marina, Sierra Point Associates Two ("SPA Two") (the developer and land owner of the private properties on the Sierra Point Peninsula at the time) and New England Mutual Life Insurance Company ("NEL") was executed (the "1984 Lease/Leaseback"). The Agency leased portions of the marina site to SPA Two for purposes of constructing certain parking improvements and SPA Two then leased back the completed improvements for use as parking for the Brisbane Marina (the "Marina").

The 1984 Bonds were issued to refinance existing debt that had been incurred in connection with the construction of the Brisbane Marina and certain other public improvements and by the Agency's sale of bond anticipation notes and leasehold mortgage bonds that had been issued by the Brisbane Bayfront Public Facilities Corporation. Those issues placed certain encumbrances on parcels of land that all parties desired be removed so that certain land exchanges could take place. The issuance of the 1984 Bonds, by defeasing those outstanding obligations, made the land exchanges possible.

One of the other major purposes for the 1984 Lease/Leaseback was to provide certain guarantees for the 1984 Bonds. The Agency would have been unable to market the 1984 Bonds without certain assurances that were made a part of the 1984 Lease/Leaseback. The City guaranteed to make net Marina revenues available to pay the annual debt service. SPA Two and NEL agreed that the annual debt service on the 1984 Bonds would be paid by SPA Two or NEL to the extent that the revenues pledged under the resolution authorizing the sale of the 1984 Bonds was ever insufficient to pay the annual debt service. In exchange for such guarantees, the Agency agreed to treat any such payments as "deferred rent" which was to be paid back,

together with interest at 2-1/4% above the prime interest rate, when sufficient tax increment revenues became available to the Agency. Additionally, the City entered into a separate development agreement guaranteeing that the private development could be completed as planned and approved.

The 1984 Lease/Leaseback specifically prioritized the use of net Marina revenues, tax revenues and penalties. The first priority for application of such revenues was Agency annual operating expenses, the amount of which began at \$100,000 in Fiscal Year 1983-84 and which was annually adjusted by the lesser of the change in the "Consumer Price Index, All Urban Consumers, All Items for the San Francisco-Oakland Metropolitan Area" or 5%. The second application called for payment of certain advances that had been made by the City to the Agency of \$363,850. Such payments were to be made in three equal payments of \$123,283.33 in Fiscal Years 1984-85, 1985-86, and 1986-87. This obligation was extinguished. The third application was for the payment of the annual debt service on the 1984 Bonds and then for the redemption of the 1984 Bonds, provided the Agency has no other obligations under the 1984 Lease/Leaseback. No such redemptions ever took place. The fourth and fifth applications related to the payment of certain assessment obligations of SPA Two. The City had issued assessment bonds to finance certain infrastructure providing access and utilities to and on Sierra Point. The fourth application of net Marina revenues, tax revenues and penalties was to be applied toward payment of certain annual assessments. The fifth application was to be used to prepay such assessments. The sixth application was to pay any deferred rent.

The interests of SPA Two in the 1984 Lease/Leaseback were assumed by Opus West when it purchased SPA Two's undeveloped lands. NEL's interests were assumed by Metropolitan Life Insurance Company ("Met Life") when it purchased NEL. However, Met Life's interests were limited to the financial guarantees in support of the 1984 Bonds and entitlement to receipt of any and all deferred rents.

The total amount required to satisfy and extinguish all of the Agency's obligations under the 1984 Lease/Leaseback was \$17,200,000. The proceeds of the sale of the 2001 Authority Bonds and the 2001 Agency Bonds, after satisfaction of the 1984 Agency Bonds and costs of the financing, reserved only \$14,826,350 for the satisfaction of the 1984 Lease/Leaseback. The remaining amounts were derived from a cash contribution by the Agency of \$373,650, and by a loan by the City to the Agency of \$2,000,000. It was contemplated at the time that such advance by the City would be repaid by the Agency.

While our files do not contain a definitive loan agreement between the City and the Agency, the documents relating to the 2001 Authority Bonds and the 2001 Agency Bonds appear to substantiate the fact that the advance by the City was intended as a loan. Memoranda prepared by the Authority's and Agency's financial advisor during the financing process also speak to the City's advance as a "loan."

Please contact me if you have any questions.

Very truly yours,



Brian D. Quint