AGREEMENT FOR PAYMENT OF
CALPERS PENSION AND RETIREE HEALTH BENEFIT
UNFUNDED LIABILITIES

This AGREEMENT (“Agreement”) is made and entered into as of this __ day of ______, 2012 (“Effective Date”) by and between the CITY OF REDWOOD CITY, a charter city and California municipal corporation (“City”) and the SUCCESSOR AGENCY TO THE REDWOOD CITY REDEVELOPMENT AGENCY, (“Successor Agency”). The City and Successor Agency are hereinafter collectively referred to as “Parties.”

RECATALS

A. Under AB X1 26, a new Part 1.85 was added to Division 24 of the California Health and Safety Code (Health and Safety Code Section 34170 et seq., as amended by the December 29, 2011 decision of the California Supreme Court and AB 1484, enacted as part of the 2012-2013 state budget, the “Dissolution Act”) and, in accordance therewith, all redevelopment agencies in the State of California, including the Redwood City Redevelopment Agency (“Redevelopment Agency”), were dissolved as of February 1, 2012.

B. In compliance with the Dissolution Act, the City determined it would serve as the Successor Agency effective February 1, 2012.

C. Pursuant to the Dissolution Act, members making up the oversight board of the Successor Agency (“Oversight Board”) have been duly appointed.

D. The Dissolution Act tasks the Successor Agency and the Oversight Board with winding down the affairs of the former Redevelopment Agency, including payment of the former Redevelopment Agency’s enforceable obligations.

E. Pursuant to Section 34171(d)(1)(C) of the Dissolution Act, payments required in connection with the former Redevelopment Agency’s employees, including but not limited to, pension payments, pension obligation debt service, unemployment payments, or other obligation conferred through a collective bargaining agreement are enforceable obligations.

F. The Redevelopment Agency did not have any direct employees, but several employees performed work for the Redevelopment Agency and the Redevelopment Agency contributed toward their salaries. The accrued CalPERS pension and retiree health benefit obligations have historically been funded by the Redevelopment Agency in an amount directly proportionate to each employee’s pro rata share of redevelopment work performed. The unfunded liabilities for pension benefits and retiree health benefits attributable to employees who provided services to the former Redevelopment Agency and payable to CalPERS as set forth in Exhibit A (“Unfunded Liabilities”), attached hereto and incorporated herein by this reference, are legacy costs of the former Redevelopment Agency that the Successor Agency is responsible for paying.
G. The Successor Agency has included, and the Oversight Board has approved, the payment of the Unfunded Liabilities as enforceable obligations on all Recognized Obligation Payment Schedules (“ROPS”) to date.

H. The Oversight Board and Successor Agency recognize that the costs reflected on the ROPS for the Unfunded Liabilities were real costs incurred for employees for their past services to the former Redevelopment Agency. However, the Oversight Board has requested that the Successor Agency enter into a long-term payment plan for the Unfunded Liabilities.

I. The Parties desire to enter into this Agreement to set up a payment schedule for the Successor Agency to pay to the City the Unfunded Liabilities, in accordance with the Oversight Board’s direction.

J. On December 5, 2012, the Oversight Board approved this Agreement by Resolution No. OB____ at a duly noticed public meeting.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing Recitals and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Parties hereby agree as follows:

1. Recitals. The Recitals set forth above are incorporated by reference as though fully set forth herein.

2. Payment of Unfunded Liabilities. The Successor Agency shall pay to the City the total amount of Unfunded Liabilities identified in Exhibit A pursuant to the Payment Schedule attached hereto as Exhibit B, attached hereto and incorporated herein by this reference. Notwithstanding anything in this Agreement to the contrary, the Successor Agency shall be entitled to pre-pay all or part of the Unfunded Liabilities at any time with no penalties.

3. Enforceable Obligation. The Unfunded Liabilities are already enforceable obligations; the purpose of this Agreement is to agree to a schedule for payment of the enforceable obligation consistent with the Oversight Board’s direction. However, the obligations of the Successor Agency under this Agreement shall also constitute an indebtedness and enforceable obligation under the Dissolution Act, and the payments agreed to in Section 2 shall be included in the relevant ROPS for payment by the Successor Agency.

4. Remedies. If either party defaults with regard to any of 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 thirty (30) days after service of the notice of default, the defaulting party shall be liable to the other party for damages caused by such default.

5. Miscellaneous Provisions. This Agreement is made and entered into in the State of California and shall be interpreted, construed and enforced in accordance with the laws of the State of California without reference to its “choice of laws” rules. If any provision of this
Agreement is declared invalid or is unenforceable for any reason, that provision shall be deleted from the document and shall not invalidate any other provision contained in the Agreement. The word “including” shall be construed as if followed by the words “without limitation.” This Agreement shall be interpreted as though prepared jointly by both Parties. Nothing contained herein nor any acts of the Parties hereto shall be deemed or construed by the Parties hereto, nor by any third party, as creating the relationship of principal and agent or of partnership or of joint venture by the Parties hereto. Nothing herein is intended to create any third party benefit. Each individual executing this Agreement on behalf of each of the Parties represents and warrants that he or she is duly authorized to execute and deliver this Agreement on behalf of that Party and that such execution is binding upon that Party.

IN WITNESS WHEREOF, the undersigned have entered into this Agreement.

CITY: 

Alicia Aguirre, Mayor

SUCCESSOR AGENCY: 

Robert B. Bell, Executive Director

ATTEST: 

Silvia Vonderlinden, City Clerk

ATTEST: 

Silvia Vonderlinden, Secretary
# Exhibit A

## UNFUNDED LIABILITIES

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<th>Liability</th>
<th>Amount</th>
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<tr>
<td>Unfunded Pension Liability</td>
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<td>Unfunded Retiree Health Benefits Liability</td>
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## Exhibit B

### PAYMENT SCHEDULE

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