

**COOPERATION AGREEMENT BETWEEN THE CITY OF
SAN JOSE AND THE SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY OF THE CITY OF SAN
JOSE FOR OPERATING EXPENSES FEBRUARY – JUNE
2012**

THIS AGREEMENT is effective as of February 1, 2012, by and between the City of San Jose, a municipal corporation of the State of California, hereinafter called “City,” and the City of San Jose acting solely in its capacity as the Successor Agency to the Redevelopment Agency of the City of San Jose pursuant to California Health and Safety Code Sections 34170 et. seq., hereinafter called “Successor Agency”.

RECITALS

- A. The former Redevelopment Agency of the City of San Jose (“Agency”) was engaged in a program of urban redevelopment and economic development in its various redevelopment project areas. City is engaged in projects of economic and urban development throughout its territory.
- B. City and Agency had previously entered into annual cooperation agreements for the implementation of projects to benefit redevelopment project areas. City and Agency had previously determined that the most efficient and expedient manner of providing for completion of the projects by Agency under those cooperation agreements was for the parties to also enter into an annual contract requiring City to provide necessary personnel and support services in connection with the projects and for Agency to pay to City the costs of providing said services.
- C. On July 1, 2012, the City and Agency entered into a FY 2011-2012 Cooperation Agreement for Operating Expenses (“FY 11-12 Operating Cooperation Agreement”).
- D. On February 1, 2012, the Agency, by operation of law, was dissolved pursuant to AB X1 26, and the Successor Agency was created by AB X1 26 to wind down the operations of the Agency, oversee the dissolution process in an orderly manner, and meet regular reporting requirements.
- E. On April 12, 2012, the Oversight Board of the Successor Agency to the Redevelopment Agency of the City of San Jose (“Oversight Board”) approved both the certified Recognized Obligation Payment Schedule (“ROPS”) for January 1-June 30, 2012 and the Successor Agency Administrative Budget (“Administrative Budget”) for February 1-June 30, 2012. The City Council and Successor Agency subsequently approved the Administrative Budget on May 1,

2012. The Oversight Board subsequently approved the re-certified ROPS for January 1 – June 30, 2012 on May 24, 2012.

- F. The ROPS and Administrative Budget list obligations of the Successor Agency to the City for services provided by City staff for direct redevelopment activities and for the rent at City Hall, which obligations are evidenced by the FY 11-12 Operating Cooperation Agreement.
- G. AB X1 26 invalidated the FY 11-12 Operating Cooperation Agreement as of February 1, 2012.
- H. On April 12, 2012, the Oversight Board of the Successor Agency authorized the Successor Agency to enter into a Cooperation Agreement with the City for Operating Expenses for February 1 – June 30, 2012 of FY 2011-2012 in the same form and with the same terms as the FY 11-12 Operating Cooperation Agreement.

NOW, THEREFORE, the parties do hereby agree as follows:

1. The terms of this Agreement shall be effective as of February 1, 2012 through June 30, 2012, inclusive.
2. During the term of this Agreement, City agrees to provide to Successor Agency the services of certain employees (“Support Services”). City employees' time:
 - a. Shall be charged to Successor Agency, and Successor Agency shall reimburse City for such employees' time, at the actual rate of salary and fringe benefit costs as costs are incurred by the City.
 - b. In no event shall the amount payable to City be in excess of the amount required to fund such expenditures and amounts designated in the Administrative Budget approved by the Oversight Board on April 12, 2012, or as subsequently amended.
3. From time to time the City Council may determine that City shall transfer funds to Successor Agency for certain operating expenses. Such transfer shall occur upon terms that are mutually acceptable to City and Successor Agency.
4. As of August 1, 2005, the Agency has occupied certain space from the City in the City Hall located at 200 East Santa Clara Street, San Jose (“City Hall”). For the period of February 1, 2012 through June 30, 2012, the Successor Agency shall pay the City for the use of such space pursuant to the following terms:
 - a. The Successor Agency shall make monthly payments of \$8,333.33 (“Monthly Payment”) to the City for the use of the Premises. The Monthly Payments shall be due on the first day of each month during the Term,

with the first Monthly Payment due on February 1, 2012 and the final Monthly Payment due on June 1, 2012.

- b. The Monthly Payment shall be the sole consideration for use of the Premises which is comprised of a portion of the 15th floor and a portion of the 14th floor of the City Hall and the right to use the common areas and improvements, including the Rotunda; and the right to one (1) reserved and three (3) unreserved parking spaces in the City Hall onsite parking garage.
 - c. The Premises were delivered to Successor Agency in a fully furnished condition. The Monthly Payment also includes all maintenance and operational costs associated with the Premises. The Successor Agency shall be responsible for the financing and construction of all subsequent tenant improvements to a portion of the 14th Floor space it occupies, subject to all applicable City permitting requirements.
5. Successor Agency shall protect, indemnify, defend and hold harmless City, its officers, agents and employees from and against any and all third party claims, lawsuits, demands, losses, causes of action, or liabilities, arising out of or resulting in any way from the work performed by City, pursuant to this Agreement, due in whole or in part to the willful or negligent acts or omissions, active or passive, of City, its officers, agents and employees.
6. This Agreement may be terminated by either party, effective on the first day of any calendar month during the term hereof upon at least thirty (30) days written notice of such termination.

//
//
//
//
//

7. This Agreement may, at any time, be amended in writing by the mutual consent of the parties.

WITNESS the execution hereof the day and year first hereinabove set forth.

APPROVED AS TO FORM:

SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY
OF THE CITY OF SAN JOSE

Senior Deputy City Attorney

By: _____

APPROVED AS TO FORM:

CITY OF SAN JOSE

Chief Deputy City Attorney

By: _____
City Manager

ATTACHMENT A
Operating Budget Funded City Services

Partial funding prorated for the term of this agreement from February 1, 2012 thru June 30, 2012 of \$292,000 for the following support services:

- City Clerk's Office total cost \$55,708 - Human Resources, Agenda Services, Records (1.0 Analyst II)
- City Attorney's Office total cost \$312,500 - legal services (2.0 Senior Deputy City Attorney, 1.0 Legal Analyst, and 1.0 Legal Administrative Assistant)

Support Services not currently funded by the Successor Agency:

- Mayor/Board
- Finance - Risk Management
- Financial Management System