



REGULAR MEETING MINUTES

OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE CITY OF SOUTH SAN FRANCISCO REDEVELOPMENT AGENCY

P.O. Box 711 (City Hall, 400 Grand Avenue)
South San Francisco, California 94083

Meeting held at:
MUNICIPAL SERVICES BUILDING
COMMUNITY ROOM
33 ARROYO DRIVE
SOUTH SAN FRANCISCO, CA

TUESDAY, JUNE 12, 2012

CALL TO ORDER

Time: 2:01 p.m.

ROLL CALL

Present: Boardmembers Addiego,
Beaudin, Christensen, Farrales and
Scannell*, Vice Chairperson
Porterfield and Chairperson Cullen.

Absent: *Boardmember Scannell left
the meeting at 3:00 p.m. and was
not present for the bus tour set forth
at Agenda Item No. 4(b).

PLEDGE OF ALLEGIANCE

Led by Boardmember Farrales.

AGENDA REVIEW

Chairman Cullen suggested that Item 5 pertaining to the PG&E Lease of 1 Chestnut Avenue be heard prior to the meeting's movement to the bus tour. He proposed that if necessary a determination on the lease could be made during the bus tour portion of the meeting after the board had viewed the property.

Boardmembers agreed to follow this course as necessary.

PUBLIC COMMENTS

Comments from members of the public on items not on this meeting agenda. The Chair may set time limit for speakers. Since these topics are non-agenda items, the Board may briefly respond to statements made or questions posed as allowed by the Brown Act (Government Code Section

54954.2). However, the Board may refer items to staff for attention, or have a matter placed on a future agenda for a more comprehensive action report.

None.

MATTERS FOR CONSIDERATION

1. Motion to approve the Minutes of meetings of May 8, 2012 and May 17, 2012.

Motion– Boardmember Addiego/Second– Boardmember Beaudin: to approve the Minutes of meetings of May 8, 2012 and May 17, 2012. Unanimously approved by voice vote.

2. Consideration of a proposal to authorize the City Manager and Assistant City Manager to enter into contracts and agreements for services that are budgeted on the approved recognized obligations payment schedule (ROPS).

Director of Finance Steele presented the staff report recommending the Board authorize the City Manager and Assistant City Manager to enter into contracts and agreements for services that the Board previously approved on ROPS documents. He noted this was consistent with City Policy on similar agreements.

Boardmember Scannell requested that future agendas note agreements entered pursuant to this authority.

Staff agreed.

Motion– Boardmember Christensen/Second– Boardmember Scannell: to authorize the City Manager and Assistant City Manager to enter into contracts and agreements for services that are budgeted on the approved ROPS. Unanimously approved by voice vote.

3. Discussion of timing of County Redevelopment Property Tax Trust Fund (RPTTF) distributions and comparison to staff estimates.

At Chairman Cullen's request, Director of Finance Steele discussed estimates by the County and the City's Finance Department related to RPTTF distributions. He explained the City's estimate did not project distributions to each individual taxing entity, but tried to capture the impact of bond defeasance on the total amount available for distribution. He noted there was not much difference between the County's numbers and the City's numbers reflected on the first spreadsheet. With respect to the second spreadsheet, he explained the County was using six month numbers. Accordingly, for consistency, the City would start reporting to the Board in the same fashion.

Boardmembers confirmed agreement to this reporting methodology.

4. Review of property assets.
 - a. Property review.

Assistant City Manager and Director of Economic and Community Development Van Duyn provided a PowerPoint presentation reviewing commercial property assets. The presentation, including pictures, explained current use of properties and highlighted assemblages, including master plan descriptions where relevant.

5. *(As set forth above under Agenda Review, Agenda Item 5 was heard prior to Agenda Item 4(b) below.)* Approval of a license agreement allowing PG&E temporary use of a portion of 1 Chestnut Avenue and a vacant property on Mission Road for a contractor office and staging area.

Director Van Duyn presented the proposed License Agreement authorized by the Successor Agency and recommended for approval by the Oversight Board. He explained the proposed Agreement with PG&E was for temporary use of a portion of 1 Chestnut Avenue and a vacant property on Mission Road for a contractor office and staging area through December of 2012. PG&E planned to use the properties during mandatory and urgent replacement of gas pipelines in the City. The agreement would include an option to extend past December as needed.

Realtor Vic Catanzaro addressed the Board to advise that his client, Pet Club, had an interest in renting the 1 Chestnut building temporarily due to its displacement from its current location in the City. He noted that Pet Club had a successful business that had been operating for 15 years and hoped to continue with South San Francisco as its home. Pet Club was willing to make improvements to the building to facilitate its use and believed the temporary use would last about three years.

Director Van Duyn advised the subject property is located in an area that would be torn up as part of the PG&E gas line replacement work that would be done in the area. Accordingly, immediate use of the area for a commercial purpose would be challenging irrespective of whether the Board determined to approve the PG&E agreement.

Boardmembers requested clarification as to the termination terms included in the proposed agreement.

Director Van Duyn advised the lease was slated to terminate in December with an option for extension.

Counsel Labadie determined that a 10 day notice was required for termination upon breach. The agreement was not terminable at will.

Jim Cogan of PG&E addressed the Board and introduced members of the Pipeline Replacement Project Team, Nathan Mott and Tom McGoulan. He explained the 1 Chestnut Building would be used as a location where the community, stakeholders and construction management team could come together during the project. Accordingly, the agreement was not intended to be needed beyond the project's duration. He further noted PG&E would not object to revision of termination terms as long as a lengthier notice period was included.

Boardmembers suggested including an at will termination clause with a 30 day notice period.

Chairman Cullen noted that approval of the present agreement with PG&E would not preclude discussions with Pet Club going forward.

Motion– Boardmember Christensen/Second– Boardmember Scannell: Approving a license agreement allowing PG&E temporary use of a portion of 1 Chestnut Avenue and a vacant property on Mission Road for a contractor office and staging area and incorporating a lease term authorizing termination without cause with 30 days notice. Unanimously approved by voice vote.

4b. Tour of properties (van available).

Address Number	SCO Asset Transfer Assessment Row
559 Gateway Blvd	1
296 Airport Blvd	5
201 Grand Avenue	14
207 Grand Avenue	13
217-219 Grand Avenue	12
200 Linden Avenue	9
212 Baden Avenue	10
216 Baden Avenue	11
480 No. Canal	6
432 Baden Avenue	2
616 Linden Avenue	15
700 Linden Avenue	16
905 Linden Avenue	17
938 Linden Avenue	18
323 Miller Avenue	3
356 Grand Avenue	4
472 Grand/306 Spruce Avenue	7
468 Miller Avenue	8
80 Chestnut Avenue	21
1 Chestnut Avenue	20
APN 093-312-050	19
APN 093-312-060	19
APN 093-331-050	19
APN 093-331-060	19
APN 011-326-030	19

At 3:00 p.m. Boardmembers, staff and members of the public proceeded with a van tour of the above referenced properties. Director Van Duyn lead the tour explaining the property assemblages, building uses and plans where applicable.

6. Future Agenda Items.
 - a. Report from Bond Counsel regarding the legal authority of the Oversight Board to approve defeasance of bonds issued by the former Redevelopment Agency.
 - b. FPPC Conflict of Interest Code.
 - c. Administrative Budget: consideration of need for audit/RDA financial consulting assistance.
 - d. Recommendations pertaining to disposition/demolition of properties previously held by the Redevelopment Agency.
 - c. Report on any determination by the State of California Department of Finance on unfunded pension and liabilities being an enforceable obligation of the Successor Agency of a Redevelopment Agency.
 - f. Report on legal analysis pertaining to Harbor District Agreement and consideration of motion approving Harbor District Agreement as enforceable obligation of the Successor Agency.

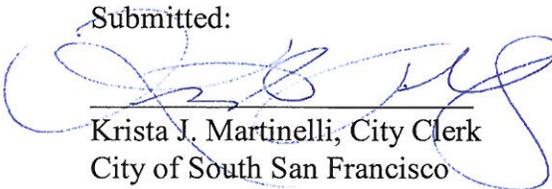
ADJOURNMENT

Motion — Boardmember Christensen/Second— Boardmember Farrales: to adjourn the meeting.
Unanimously approved by voice vote.

Pursuant to the above motion, Chairman Cullen adjourned the meeting at 4:42 p.m.

Submitted:

Approved:



Krista J. Martinelli, City Clerk
City of South San Francisco



Neil Cullen, Chairperson
Oversight Board for the Successor Agency
to the City of South San Francisco
Redevelopment Agency