



# 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, JULY 10, 2012

### CALL TO ORDER

Time: 2:01 p.m.

### ROLL CALL

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

Absent: Boardmember Farrales.

Attorney Michael Roush served as Counsel at the Meeting as Alternate to Craig Labadie.

### PLEDGE OF ALLEGIANCE

Led by Boardmember Scannell.

### AGENDA REVIEW

### 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 the Regular Meeting of June 12, 2012.

Motion— Boardmember Scannell/Second— Boardmember Addiego: to approve the Minutes of the Regular Meeting of June 12, 2012. Approved by the following voice vote: AYES: Boardmembers Addiego, Beaudin, Christensen and Scannell, Vice Chairperson Porterfield and Chairperson Cullen; NOES: None; ABSTAIN: None; ABSENT: Boardmember Farrales.

2. Update on recent State Redevelopment-related Clean-up Legislation AB 1484.

City Attorney Mattas provided the Board with an overview of AB 1484 highlighting changes modifying AB 26. Much of the new legislation is intended to assist the state with recovery of funds. Significant portions of the new legislation were discussed, including that AB 1484: 1) clarifies that the Successor Agency is a separate entity from the City; 2) obligates the Successor Agency to pay the amount that the County Auditor-Controller determines is owed to the taxing entities for the period January through June 2012, based upon the December 2011 distribution of tax increment and the January - June 2012 ROPS by July 12th; 3) requires submission of a comprehensive Housing Asset inventory in a newly approved DOF format and according to an expanded definition of “housing assets”; 4) moves up ROPS deadlines and adds ROPS submittal requirements; 5) adds due diligence review and payment obligations; 6) authorizes the transfer of public purpose properties to the Successor Agency or other public entity for which a public facility was constructed; 7) modifies the Administrative Budget Allowance; and 8) requires that Oversight Board actions be taken by Resolution and forwarded to DOF and establishing that Oversight Board actions are not effective for five business days pending a DOF request for review and DOF has a 40 day period to conduct review if requested.

3. Information on downgrade of all Redevelopment Agencies’ Bond Ratings by Moody’s Investor Services.

Director of Finance Steele presented the informational report noting that Moody’s downgraded all RDA Bonds in the State due to uncertainty about the timing of payments and the fact that some agencies would not be able to make their payments. There was no impact on the City’s Successor Agency related to these reports, since the Agency had already received funds from the County to pay the next semi-annual RDA bond debt service in September 2012 and the debt service payments are approved in the ROPS by the Oversight Board and the DOF.

4. Resolution No. 2-2012 approving lease criteria and procedures for One Chestnut Avenue.

Director of Economic and Community Development and Assistant City Manager VanDuyn presented the staff report recommending that the Oversight Board provide direction and adopt a Resolution approving leasing criteria, procedures for seeking bids from interested parties, and selecting a tenant for a short term lease for the property at 1 Chestnut Avenue. Due to interest in leasing the One Chestnut Avenue property expressed by a realtor for Pet Club at the June 12, 2012 Oversight Board Meeting, staff recommended the Board approve the following lease criteria for bids on leasing the building: 1) the tenant shall receive all City permits and pay all fees prior to occupancy; 2) the use shall be consistent with all City codes, general plan and zoning criteria; 3) the tenant shall pay market rate rent subject to a nominal discount for entering into a short-term lease; 4) as the lease is for a short-term use, the rent would not include tenant improvement rent credits;

5) the tenant would be responsible for payment of all utilities, taxes and site maintenance; 6) the lease term shall be limited to three (3) years; 7) the lease would not grant the tenant (an) option(s) to extend tenancy beyond the initial three (3) years; continued occupancy would be on a month-to-month basis; 8) the lease termination would include the ability for a developer to occupy the property and prepare for a development; (9) the tenant would be required to stop operating at the site following the City's notice of lease terminations; 10) under no circumstance would the tenant receive a right of first refusal or any other option to purchase the property.

Boardmembers questioned the proposed length of the bid application process.

Director VanDuyne responded the normal bid process includes a 30 day deadline.

City Attorney Mattas explained the Board has some flexibility since AB 1484 deemed the Successor Agency to be a separate entity. Staff's recommendation was that a public process would be the most appropriate.

Motion– Boardmember Scannell/Second– Boardmember Addiego: to approve Resolution No. 2-2012. Approved by the following voice vote: AYES: Boardmembers Addiego, Beaudin, Christensen and Scannell, Vice Chairperson Porterfield and Chairperson Cullen; NOES: None; ABSTAIN: None; ABSENT: Boardmember Farrales.

5. Discussion and Follow-up Questions Regarding Real Property Assets Listed Below.

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

Due to the newly legislated AB 1484 requirement pertaining to the development of a Property Management Plan, this item was not heard by the Board.

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.
  - e. 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.

Items “c” and “d” were removed as Future Agenda Items, since their respective subjects would be addressed by newly established AB 1484 requirements. The Board determined Item “f” was no longer necessary due to information received from Counsel and noted ROPS payments on waive attenuators would go forward. Item “b” would appear on the August 14, 2012 Regular Meeting Agenda.

#### ADJOURNMENT

Motion — Boardmember Christensen/Second— Boardmember Scannell: to adjourn the meeting. Approved by the following voice vote: AYES: Boardmembers Addiego, Beaudin, Christensen and Scannell, Vice Chairperson Porterfield and Chairperson Cullen; NOES: None; ABSTAIN: None; ABSENT: Boardmember Farrales.

Pursuant to the above motion, Chairman Cullen adjourned the meeting at 2:52 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