



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

CITY HALL
LARGE CONFERENCE ROOM, TOP FLOOR
400 GRAND AVENUE

TUESDAY, MAY 21, 2013
2:00 P.M.

CALL TO ORDER

Time: 2:00 p.m.

ROLL CALL

Present: Boardmembers Beaudin, Christensen and Scannell, Alternate Boardmember Nagel and Chairperson Cullen.

Absent: Boardmember Farrales and Vice Chairperson Porterfield.

PLEDGE OF ALLEGIANCE

Led by Boardmember Christensen.

AGENDA REVIEW

None.

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 Special Meeting of April 16, 2013.

Motion— Boardmember Scannell/Second— Boardmember Christensen: to approve the Minutes of the Special Meeting of April 16, 2013 with revisions. Approved by the following voice vote: AYES: Boardmembers Beaudin, Christensen and Scannell, Alternate Boardmember Nagel and Chairperson Cullen. NOES: None. ABSTAIN: None. ABSENT: Boardmember Farrales and Vice Chairperson Porterfield.

2. Resolution No. 13-2013 ratifying an executed Escrow Deposit and Trust Agreement with the Bank of New York Mellon Trust Company, to provide a trust vehicle for funding the Successor Agency's enforceable obligations pursuant to a Disposition and Development Agreement with Oyster Point Ventures, LLC, and making related findings pursuant to Health and Safety Code Section 34181(E).

Finance Director Steele presented the staff report recommending approval of a Resolution ratifying an executed Escrow Deposit and Trust Agreement with the Bank of New York Mellon Trust Company, to provide a trust vehicle for funding the Successor Agency's enforceable obligations pursuant to a Disposition and Development Agreement ("DDA") with Oyster Point Ventures, LLC, and making related findings pursuant to the California Health and Safety Code. On May 8, 2012 the Board approved the January through June 2012 Recognized Obligations Payment Schedule ("ROPS I"), which included a line item authorizing \$6 million in initial set aside funding for a reserve to support the \$29,463,230 obligation of the former Redevelopment Agency to provide payment for certain infrastructure improvements as outlined in the DDA, dated March 23, 2011. If the project ultimately goes forward it would result in upwards of \$12 million/year in additional property tax revenue to the taxing entities. The project would transform underutilized vacant properties to a Biotech Campus in a prime real estate location on Oyster Point. Pursuant to ROPS I, the funding was set aside internally via a segregated escrow and trust account with Bank of New York Mellon Trust Company. The California State Department of Finance ("DOF") has requested a resolution from the Board ratifying this Escrow Deposit and Trust Agreement and making certain findings. Accordingly, staff recommended approval of the proposed resolution.

Boardmember Scannell queried progress on the development.

Assistant City Manager and Director of Economic and Community Development Van Duyn advised there was no indication that the project was underway at this point.

City Attorney Mattas added that the entities behind the project, SKS Development and the Shorenstein Company were highly capitalized and would likely pursue the project when market confidence intensifies.

Boardmembers questioned the relevance of the King Leases to the project and their impact on the payment structure.

City Attorney Mattas advised that the City owned the property at the harbor. As part of the deal it

was proposed the City would sell the property to the Redevelopment Agency, which would in turn sell it to Oyster Point Ventures for an amount close to \$4.5 million, which would then be paid back to the City for the initial sale of the property to the Agency. He further explained the long term King's Leases sit on top of the property and were entered years ago between the City and a Developer who had intended to build hotels on the property. The hotels had not come to fruition, but the leases remain. To clear title on the property, Oyster Point Ventures purchased the King's Leases with the agreement that the Redevelopment Agency would purchase them back if the project did not move forward. Now that the Agency is dissolved, the Successor Agency would have the right to purchase the Leases subject to Board approval.

Boardmember Christensen queried how much Oyster Point Ventures had already invested in the Development and whether entitlement work had begun.

City Attorney Mattas advised Oyster Point Ventures had purchased and is operating adjacent property and also had the previously discussed leasehold interest on the subject property. He further advised the project was fully entitled and was being marketed entirely for sale and/or entirely for lease.

Motion— Boardmember Christensen/Second— Boardmember Scannell: to approve Resolution No. 13-2013. Approved by the following voice vote: AYES: Boardmembers Beaudin, Christensen and Scannell, Alternate Boardmember Nagel and Chairperson Cullen. NOES: None. ABSTAIN: None. ABSENT: Boardmember Farrales and Vice Chairperson Porterfield

3. Future Agenda Items.
 - a) Reorganization of the Board (June Regular Meeting).
 - b) Long Range Property Management Plan.
 - c) Employee Staffing Report.

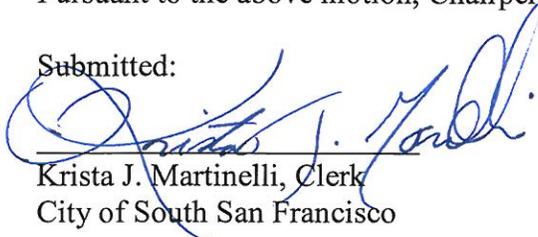
Chairperson Cullen directed that the following Future Agenda Item be added to the list: Consideration of revenue sharing agreement related to assignment of the Master Commercial Lease at 636 El Camino Real.

ADJOURNMENT

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

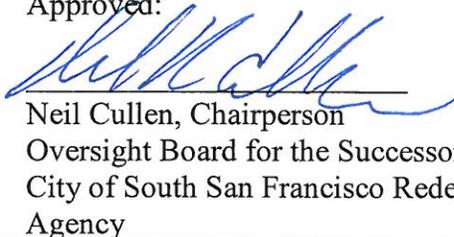
Pursuant to the above motion, Chairperson Cullen adjourned the meeting at 2:30 p.m.

Submitted:



Krista J. Martinelli, Clerk
City of South San Francisco

Approved:



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